

Budget Speech

Vote 10 – Transport and Public Works.

Minister Robin Carlisle

30th March, 2011

Mr. Speaker, I rise today in support of the Department of Transport and Public Works budget 2011/2012 in the amount of R4,116,260M

The **administration vision** which informs the structuring of this budget is that of creating an open opportunity society for all so that people can live lives they value.

The **departmental mission** is to develop and maintain appropriate infrastructure and related services for sustainable economic development which generates growth in jobs and facilitates empowerment and opportunity.

It is this provision and maintenance of infrastructure that binds the two departments of Public Works and Transport together. The building and sustaining of schools and hospitals; the development and enhancement of mobility corridors for people and freight; the accommodation of our 76,000 staff, all have in common that they must be well conceived, soundly implemented, and, most important of all, properly maintained.

When a state fails to maintain its assets, it fails as a state – functionally, economically, politically and socially – and eventually descends into chaos.

In South Africa, maintenance backlogs are already deep into the hundreds of billions, and each year they grow more menacing.

We are determined that this will not happen in this Province, or anywhere else where the DA governs.

We are building better, maintaining smarter and, above all, we are finding the funds from our own resources to eliminate the backlogs by 2020 and institute planned annual maintenance.

There is no choice here. Either we maintain, or we die, both the province and the nation.

Our departmental imperative is to deliver our mandated services to our 5 million provincial citizens, and particularly to those two millions who live below the poverty datum line.

To do this we need to engage with all our strength and persuasion with those elements of government without whom we cannot deliver our mandated services. In particular, I refer to the National departments of Transport; Public Works and Treasury, as well as PRASA/Metrorail and Transnet.

To this partnership we must add the local authorities and particularly the Metro.

In terms of the National Land Transport Act, the local authorities will increasingly take full responsibility for the provision of public transport and its regulation in their areas of jurisdiction.

My task is to oversee the steady and orderly migration of these powers and responsibilities, and to ensure, inter alia, through the Integrated Transport Planning process, that public transport is affordable; accessible; interconnected; safe; sustainable; scheduled; frequent during the peak period and operating at least 18 hours a day. I will return to this key area later.

Thus **Partnership**, planned, resolute and robust, is the key that unlocks the poorest of the poor from their apartheid prisons.

Core functions.

Our vision and mission dictate the seven core functions of this department:

1. To conduct the overall management and administrative support of the department,
2. To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social and economic growth through socially just, developmental and empowering processes.
3. To plan, regulate and facilitate the provision of public and freight transport services through own resources and partnerships in order to enhance the mobility of people and commodities and provide access to safe and efficient transport through an integrated public transport network.
4. To utilise provincial property (immovable assets) to act as a catalyst in achieving provincial objectives related to economic growth, social development and a sustainable environment.
5. To provide an appropriately authorised transport environment through the registration and licensing of vehicles, associations, operators and drivers; the issuing of driving licences; the certification of motor vehicles as roadworthy for use on public roads; the issuing of permits for abnormal load vehicles and events on public roads and to record accident data, exercise overload control and promote safety on public roads.

6. To plan, regulate and facilitate the provision of accommodation for client departments and related entities; manage the provincial property portfolio for the optimum benefit of all concerned; render professional, technical and implementing agent services in respect of buildings and other related infrastructure and facilitate infrastructure planning in the Province of the Western Cape.

7. To co-ordinate, monitor and evaluate the implementation of the EPWP and to develop and empower communities and contractors.

Ministerial Priority Programme 1: The creation of a highly effective department and the freeing up of resources through instituting efficiency measures and programmes.

This Department poses greater management challenges than any other in the administration. In addition to its budget of R4.1B, it manages and implements a further R1.6 B on behalf of its client departments, for a total of R5.7B.

It is responsible for managing assets in excess of R130B – R80B in fixed assets and R50B in roads. More importantly, it has a higher discretionary spend than all of the other departments put together.

Compensation of employees makes up only 7.5% of the total spend. To my knowledge, our output to compensation ratio of 13 to 1 is unique in South Africa and probably globally.

This ratio is the finest tribute I can pay to the management and staff of my department. For every Rand of salary they receive, they deliver R13 of output and services.

The high order of discretionary spend has made this department a glittering treasure chest for political pirates and ideological cranks in the past.

I give notice that those days are over.

Top Management.

Mr Johan Fourie has been appointed as Head of Department on a term of 3 years. He is a master builder of sound, sustainable and clean departments, with a wealth of experience, a perfect match for his Minister.

He will be supported by tried and trusted veterans, notably Cedric Ismay; Hannes Mouton and Jacqui Gooch.

The HOD and his team are building an administrative and management base that will make this department not only impregnable to marauders, but also a shining and sustainable example of what a truly excellent bureaucracy should be. Whilst there is still a long road to walk, most of the pain is already behind us.

We have now fully staffed our top management team, which is fit for purpose. After a long and meticulous process, we have appointed Mr Gary Fisher as our Head of Public Works. This vital position has been vacant for many years. Mr Fisher achieved significant success in the property field and retired at a young age. He possesses wide ranging expertise in most areas of this challenging portfolio, which will be essential in the successful implementation of our massive Regeneration programme. Members need to be aware that the remuneration that Mr Fisher will receive is a fraction of that earned by CEO`s in the asset management field. He seeks to serve his society, and it is a comfort to me that he is among several who assist the department with this motivation, some of whom do it without charge. Other recent management appointments include Mr Darryl Jacobs who brings energy and order to our Public Transport Branch and Mr Len Fourie, Head of Roads – one of the most experienced `padmakers` in South Africa.

Programme 1: Administration – R142.767M

Within this programme are housed my ministry, the overall management, the financial, accounting and allied functions and strategic core.

The programme decreases by 10.9% mainly as a result of staff transfers to shared services in the Premier`s department.

The Ministerial budget declines by 7.4%, and my office is outstandingly managed by Hector Elliott, Bles Smit, Solly Malatsi, Kulsum Parker, Zulfah Mahomed; Aunty Yvonne Swartz and my protectors.

Despite inflation, the budget is 28% lower than when former MEC Marius Fransman was in office.

I have not made any international visits since taking office. There is still too much to be learned in the Province before any benefit can be obtained from visiting abroad.

Strategic and Integrated Planning.

I list here only some of the main strategic projects being undertaken by the Branch:

1. The Provincial Land Transport Framework, a 5 year plan which will guide the integrated development of land transport, will be published in the next month.

This key document will establish the basis for the roll out of public transport in the City and the Province.

This requires that the public transport system of the province is transformed in order to offer an improved, customer-focused, demand-driven public transport system that is safe to the commuter and efficient both in terms of the service that it offers, as well as to how public funds are utilized in order to maximize access, safety and efficiency.

2. Strategic objective 3 of the Provincial Government provides the directive of “moving the Western Cape forward – increasing access to safe and efficient transport”.

The Branch is responsible for the transversal management of this objective, primarily via the Integrated Transport Steering Group.

In addition, the development of Mobility Strategy Concepts in each of the district municipalities supports the abovementioned Strategic Objective in that it will promote the development of a provincial-wide, demand-responsive public transport system, as well as the roll out of non-motorised transport infrastructure in areas where motorized public transport is not viable.

The focus of the Mobility Strategy Concepts is therefore to ascertain the feasibility of establishing a province-wide strategic public transport network, by developing a district-wide public transport network in each district, which forms part of the broader Mobility Strategies.

This blueprint provides an essential tool to ensure accessibility to public transport. The blueprint also demonstrates the opportunity for the realization of income and employment generating developments around interchanges. The Western Cape is the leading South African province for this initiative, which could potentially have national implications and applicability (i.e. the framework could be applied nationally). The framework has seven clear interchange design principles, which are embodied within the strategy.

The pilot phase of the subsidised community bus service will focus mainly on transport of commuters (and possible small scale freight) between the towns of Merweville, Leeu-Gamka, Prince Albert Road and Prince Albert. The key focus will be to provide greater and more affordable links within the area for residents with a specific focus on secondary school pupils. In addition, better external links with the ShosolosaMeyl service linking at Laingsburg and Hutchinson for both tourists and local residents is planned. Monthly/ bi-monthly links to Beaufort West and Oudtshoorn to access higher order social

services, potential employment opportunities and higher order retail facilities are also planned. These will be more regular in school holidays

*The Department has developed a **Western Cape Provincial Freight and Logistics Implementation Plan**.

The recommendations put forward in this document relates to the following:

- The development of intermodal facilities – Belcon
- The involvement of the private sector in decision making and investment particularly in rail links in the supply chain
- Increase the competitiveness of ports in the Western Cape by analyzing the industrial activities around ports and handbrakes on productivity.
- Electronic information sharing between role players
- A detailed freight transport analysis in all Municipalities
- Use road pricing as an incentive to move freight to rail
- Encourage self-regulation of the road freight industry to reduce overloading and improve traffic safety and to use technology to assist in overload control.
- Establish an Urban Consolidation Centre at the dry port for smaller companies who don't have their own distribution centres.
- Investigate the feasibility of a pipeline to serve the West Coast.

3. **The Shova Kalula Bicycle Programme** is aimed at developing a sustainable and amicable rural and peri-urban transport system by providing support to the local infrastructure and services.

4. A further project will assist Provincial Strategic Objective 7 – “Mainstreaming Sustainability and Optimising Resource-use Efficiency”, and in particular, the **Climate Change Work Group**, to have the following outcomes:

- Reduce Gross Provincial Product (GPP) to carbon emission ratio by 10% by 2014;
- 5-10% electricity reduction in selected provincial buildings including schools and hospitals;
- Implement Air Quality Management Plan;
- 15% electricity usage in the province through renewable energy sources by 2014;
- 13% modal shift from private to public transport by 2014;
- Tonnage freight transport by rail, rather than road increased by 10% by 2014;
- 10% of existing public buildings retrofitted with respect to energy and water consumption by 2014.

Building the future

The development of well educated, experienced and confident previously disadvantaged young South Africans is to my mind the core of affirmative action. When people are truly and sustainably affirmed a world of

opportunity opens to them, and they become the building blocks of the nation.

The two lead projects in this regard are the Masakh'isizwe Bursary programme and the diesel mechanic apprenticeship scheme.

Masakh'isizwe is a partnership between the Province, the contracting industry and the universities. Beneficiaries are nurtured throughout their education; provided with meaningful internships during vacations and placed and monitored after qualification until those with appropriate degrees have attained their professional membership.

There have been some 300 graduates from this programme. At present we have 264 students at UCT, USB, and CPUT.

Over 100 graduates are now working for the department, and, in time, some of them will be managing our technical branches.

As we are increasingly able to meet our present scarce skills needs in the department, I have decided not to renew the contracts of Cuban engineers and technicians but rather open opportunities for local skilled professionals with the same skills.

We are currently reviewing the governance arrangements of the Masakh'isizwe Bursary programme to ensure a transformation to a sustainable programme with qualified and strengthened government and private sector involvement.

We have revived the apprenticeships programme to equip young people with the technical skills to shape their future and live lives that they value.

There are now 8 diesel mechanics - in the second year – being trained at our Bellville workshop. The second group of 8 diesel mechanics will join the programme in the next few weeks. On completion of their four year indentures they will swell the ranks of one of the scarcest and most critical skills in our country.

Financial Management

After a number of qualifications, the department received an unqualified report last year.

Whilst working toward further unqualified audit reports – and indeed clean audit reports - our immediate goal is to achieve a financial capability rating of 3 as a step towards a world class rating of 6.

To this end we are:

- Compiling and implementing financial standard operating procedures;
- Updating the rolling Financial Management Improvement Programme with the 2010/11 external audit and internal audit outcomes and other findings, and implementing the required remedies to reduce the number of audit findings and promote sound financial management;

- Rolling out the fraud prevention implementation plan;
- Awaiting authorization to roll out the organisational structure for financial management;
- Continuing with the re-engineering of the supply chain, including of the Accounting Officers System, micro organisational structure and the moveable asset management system;
- The asset registers are at a high level of accuracy, and will link well with the roll out of GIAMMA;
- The Roads Capital Account – long the bane of the Auditor General – has been reconciled and incorporated in the department's accounts.
- All appropriate staff will be supplied with updated detailed delegations and trained in their use.

The total effect of these and other initiatives will form a solid platform for the orderly development of the entire department, once again creating opportunities and a better life for all.

Programme 2: PUBLIC WORKS – R1031.144M

The budget for Public works shows an increase of 10.4% over the previous year. In addition, the Branch will undertake capital projects worth R1,63B on behalf of Health and Education.

The Department is the implementing agent for the provision, construction, upgrading and maintenance of accommodation and infrastructure for the provincial government.

In addition, it is the asset manager of the Province's R80B of fixed assets.

Works Programme.

New developments.

New school contracts are now clustered, thus affording greater opportunities to Historically Disadvantaged Individuals (HDI) contractors.

The average cost of building a school has fallen from R20M to R15M. As compared to the past, we thus effectively get every fourth school free.

This means more schools sooner, and thousands of opportunities, leading to a better life for all.

All current projects are on or below budget and schedule, despite efforts by alleged "community representatives" to hold up construction, notably in Delft and Khayelitsha.

In February, Cabinet gave approval to a Community Liaison Officer policy which now makes it impossible for any political party or interest group to manipulate the employment of workers on our construction projects.

In addition, we are looking at longer contracts with higher training content which will offer real opportunities for permanent jobs.

The 2011/12 financial year will see the biggest construction programme ever undertaken by a Public Works department.

The contracting investment of R2.6B will keep our contractors, big and small, in business and create opportunities for thousands of workers.

It is well managed by “second to none” Thando Mguli, who contends with the HOD and others to serve the longest hours in this department.

Administration Infrastructure.

This year we will:

Continue with the construction and upgrading of the 4 Dorp Street façade, the ground floor, greenification of the provincial government precinct and street activation.

Complete the modernisation of the interior of the 4 Dorp Street Building in respect of the prioritised floors which will result in increased office space and reduction of the utilisation of lease-in buildings.

Complete the modernisation of the third floor Long Street Wing of 4 Dorp Street for the Provincial Treasury, as well as the 22nd floor for the Department of Health.

Complete the ArtsCape Wardrobe construction and its relocation to the ArtsCape Complex in Cape Town.

Complete the upgrading of 6 lifts in the 9 Dorp Street Building, 13 lifts in 4 Dorp Street Building, 2 lifts in ArtsCape Building and 3 lifts in Alfred Street Building. Air conditioning upgrades to separate the air conditioning supply between 7 and 15 Wale Street, 4 Dorp Street and the Long Street Wing to be completed, as well as upgrades at 27 Wale Street.

Education Infrastructure.

This year we will:

Continue with the management of 191 capital projects as the implementing agent for the Department of Education.

Complete the construction of 14 new schools namely:

Blue Downs PS, Delft N2-Gateway SS, Delft N2-Gateway SS No 2, Delft N2-Gateway PS No1, Delft N2-Gateway PS No2, Northpine SS, Oaklands SS, Melkbosstrand SS, Fisantekraal SS, Citrusdal SS (Group 1), Naphakade SS (Group 1), Parklands SS, Vista SS, Dawn School of Skills, Storm damaged schools, Grade R classrooms, Relocation of mobile classrooms, Entshona PS, Plantation PS, Fairview PS.

Complete planning and design of 50 schools and proceed to construction including:

Nalikamva PS, Bottelary PS, Itsitsa and ACJ Pakade, New Eisleben Secondary, Formosa PS G2a and Pacalsdorp G2a, Concordia SS G 2b and Thembaletu SS Group 2b, Cathleen Murray and Grabouw Secondary Group3, Group Seven Rusthof PS, Wellington and Westeind Ps, Group 9 Elsen Schools Cherry Botha and Rusthof, Group 10 Garden Village, Vuyiseka, Silver Sands, Group 8 St Thomas, Jagtershof PS.

Commence with the construction of 26 new schools and 50 Grade R classrooms. With regard to schools maintenance, 158 projects will be completed and planning and designs for 2012/13 will commence.

Health Infrastructure.

This year we will:

Continue with the management of 141 capital projects as the implementing agent for the Department of Health.

Complete 20 Health facility construction projects namely:

- Lentegeur Hospital: Relocation of Lifecare
- Worcester Hospital: Upgrade phase 4
- Stikland Hospital: Wards 1, 6, 7 & 11 Upgrade
- Paarl Sonstraal TB Hospital: UV Lights and Extraction
- **New Khayelitsha Hospital and Ambulance Station**
- New Grassy Park Clinic
- George: Harry Comay TB Hospital Upgrade
- Mitchell's Plain Sub District Office
- Riversdale Hospital: Phase 3 Upgrade
- Vredendal Hospital: New Ambulance Station
- Groote Schuur Hospital: Upgrade of the Pharmacy
- Malmesbury – Wesbank: new CDC
- Somerset Hospital: Lift Upgrade
- Khayelitsha: New Shared Service Centre
- Melkhoutfontein Clinic Replacement

- George Hospital: Upgrade Phase 3
- Beaufort West Hospital: New Forensic Pathology Laboratory
- Eerste River Hospital: Safe Ward
- Riversdale FPS Forensic Pathology Laboratory
- New LeeuGamka Ambulance Station

Commence or continue with the following projects:

- Grabouw CDC: Upgrade and extension (co-sponsor French Government) scheduled to be completed by April 2012
- Groote Schuur Hospital: New Main Building fire detection phase 2
- Malmesbury Hospital: New Ambulance station and extension to Emergency Centre
- **Mitchell's Plain Hospital: New hospital scheduled to be completed by October 2012 while the Regional laundry replacement (including equipment) will commence and is scheduled to be completed in March 2013,**
- New Community Day Centre (CDC) in Hermanus
- Robertson Hospital: Extension to Maternity Ward
- Caledon Hospital: Upgrade - Disa Ward Phase 2
- Brooklyn Chest TB Hospital: New Multi Drug Resistant (MDR) and Extreme Drug Resistant (XDR) Wards
- New Piketberg Ambulance Station
- New Tulbagh Ambulance Station
- Strand Nomzamo: Asanda Clinic
- Hermanus Hospital Emergency Centre (EC):, New Wards, Out Patient Department (OPD) and Administration
- New Rawsonville Clinic
- New Knysna - Witlokasie CDC
- Malmesbury Hospital EC extension
- Tygerberg Hospital EC upgrade
- Vredenburg Hospital upgrading phase 2B

We will complete planning and design of 63 projects which include but are not limited to the following:

- New Du Noon CHC
- Karl Bremer Hospital New Emergency Centre and Main Store
- Knysna Hospital New Emergency Centre and OPD
- District Six New CDC
- New Delft Symphony Way CDC
- Salt River Forensic mortuary

- Valkenberg Hospital upgrading

With regard to Health Maintenance, approximately 220 projects will be managed and completed by 2012 and planning and designs for 2012/13 will commence.

Property and Asset Management.

In 2010 the department commenced with the review of its assets. This work is being done in two distinct parts i.e. the updating of the Asset Register and the Condition and Compliance Assessment (Audit). This audit is currently in a pilot phase, which includes the development of a methodology and the processes that will ensure that the information generated complies with the requirements of GIAMA. The Pilot is undertaken by a multi-disciplinary team of building professionals focusing on office accommodation in the Central Cape Town CBD and will on completion be transferred to departmental personnel and rolled out/undertaken on all assets allocated to user departments throughout the Province. Completion of the audit on some 12,000 buildings and over 4,000 properties comprising buildings totalling in excess of 7 million square metres, is envisaged for mid-2012.

This year we will:

Commence with the call for development proposals for the precincts that will be developed in cooperation with the private sector and that will contribute as a catalyst for an aggressive economic growth and spatial integration of the Inner City of Cape Town resulting in its regeneration and by so doing contributing through deeds in maximising economic and employment growth and sustainability.

Continue rendering of facilities management services at 29 provincial government buildings, providing outsourced cleaning services to 26 facilities occupied by user departments, providing pest control services to 18 buildings of approximately 150,000 m², clean 250 vacant erven of approximately 4,135 m², provide horticultural services to two buildings, manage telecommunications to 33 buildings, render private security services at 33 vacant buildings and conduct waste removal at 8 provincial government buildings.

In addition the following action in relation to property management will be undertaken:

- Continued implementation of GIAMA by provincial government departments;
- Securing land and buildings required by client departments and or the timely purchasing thereof to meet their service delivery needs;

- Ensuring that municipal utilities and rates accounts (and costs) – R292M - are managed effectively;
- Ensuring that the immovable asset register is credible (complete);
- Ensuring that lease-in and lease-out agreements are efficiently and effectively managed taking cognisance of the risks attached to such agreements;
- Enhanced revenue collection; (we collected R28M of long outstanding Debt owed by Netcare for the Groote Schuur private hospital and R101M plus R6.3M in interest in respect of the 3 year long outstanding purchase of Lakeside Trading on the foreshore.)
- Illegal occupation of government property is continuously being addressed and followed up through the state attorney on the relevant legal actions.

We have cancelled the sales of Erf 2067 Mitchells Plain and Erf 159166 Heideveld to Fusion Property Services and Enhance Property Development respectively. Members will recall that these contracts were signed in MEC Fransman`s office with the inclusion of the notorious Clause 18, which permitted the purchaser not to pay the balance of purchase until planning approval had been given.

We will retain half of the deposit.

We will create in the order of 10,000 direct decent jobs through construction, maintenance and facilities management of provincial government buildings and facilities and by so doing directly contribute to employment growth.

We will provide opportunities for youth, women and black owned enterprises to be awarded contracts and in so doing broaden economic participation and realise the objectives of the open opportunity society.

Regeneration

Ministerial Priority Programme 2: Leveraging the province`s CBD properties as part of a greater Cape Town project to yield fit for purpose provincial accommodation as well as additional revenue streams by 2014.

The provincial property portfolio has never been optimized in the past. This has now changed.

It is now our policy to use public sector assets to generate private sector investment, and by leasing rather than selling our property assets, to secure new and perpetual cash streams. This will be done first in the inner city, and increasingly throughout the Province.

In this way the massive maintenance backlogs can, over time, be reduced and eliminated.

The department, supported by its strategic partners, Cape Higher Education Consortium, City of Cape Town and Cape Town Partnership, identified six precincts in Cape Town for the purpose of accelerated development. The project is known as “the Inner City Regeneration Programme”. It aims to utilise provincial property to act as a catalyst for economic growth, thereby achieving provincial objectives related to economic growth, social development and a sustainable environment. In addition to the six precincts identified, a number of under and unutilised properties were identified. This will form part of an intensive programme of development over the next few years.

Important achievements are the signing of a memorandum of understanding between the National Treasury, the Provincial Treasury and the department agreeing on processes for property development. In addition an overarching policy framework dealing with acquisitions, disposals and property development will be completed by the end of the financial year.

Supporting actions include: ensuring the completeness of the Provincial Immoveable Asset Register; the conclusion of the pilot phase of a comprehensive Condition on Compliance Assessment, and agreement with strategic partners regarding the implementation of projects; an infrastructure assessment; a communication plan and a property market study.

The existing properties of the Provincial Government in the Cape Town Central City constitute a significant opportunity for massively enriching the Central City infrastructure and transforming the City away from its apartheid past and toward creating one of the great cities of the world.

The mission of this provincial government is to make the province one of the most ambitious, connected and green regions in the world in which people will be happy.

We will reinvigorate the urban areas and build livable communities. The Province and City are working to develop a common approach. Our aim, simply put, is to use public sector assets to unleash investment by the private sector. This state-led initiative will, by 2014, regenerate the Cape Town CBD as the catalyst to propel Cape Town forward not only as a great global city, but one in which the last vestiges of apartheid are banished forever. This year we commence with the call for development proposals for the precincts that will be developed in cooperation with the private sector and

that will contribute as a catalyst for aggressive economic growth and spatial integration of the Inner City of Cape Town.

Progress on Regeneration.

In this regard, I am pleased to advise that the first precinct – Artscape – is now concluded - some two years ahead of schedule - and will be transferred from the Regeneration team to the implementing agencies. Some R4B of construction will be generated here, all fully tenanted – and CT International Convention Centre will be doubled. There is no cost to the department, and significant revenue streams will be earned.

The Artscape Precinct project will generate thousands of work opportunities during construction, and it is estimated that the CTICC, when completed, will generate 30,000 permanent jobs directly and indirectly.

I am not at liberty to give further details, but the legislature will be fully briefed.

In the Provincial precinct, calls have gone out for construction of a high rise tower to be built on our Leeuwen Street land. Early indications are that we will be able to accommodate all of our staff currently working in leased premises in the City at less than market rates, and that the building will be handed back to us after 15 years, where after there will be no rental cost whatsoever. Together with the work well under way in Dorp Street, this precinct also moves out of the Regeneration Project.

A part of the Oude Molen Precinct is currently being considered for a tri-governmental massification of the pharmaceutical and prosthetics industry in the Province, which will lead to an increase in our Gross Provincial Product of some R3B, and a significant decline in imports in this area.

In respect of the Garage Precinct (Hope/Roeland/Buitenkant/Mill Streets), a new home has been found for the Government Garage at the old Maitland Abattoir, and further developments will follow shortly.

Programme 3: Transport Infrastructure – R1,856,605,000

Ministerial Priority Programme 5: Reducing the maintenance backlog in both public works and transport infrastructure by 16 per cent by 2014.

The business of this Branch is the planning, designing, construction, rehabilitation and maintenance of proclaimed roads.

It remains my policy not to build new roads.

Toll Roads on the N1 and N2.

We continue to engage with SANRAL, and have obtained significant concessions from them.

The next round of negotiation will commence when tender adjudication is complete, and proposed toll fees and discounts will be known. We continue to reserve our position on further action we may take in this regard.

Chapman's Peak Toll Road.

The rehabilitation of the pass is now complete, and the catch fence grid is technologically the best in the world.

Working with National and Provincial Treasuries, we have now concluded an amended contract which eliminates the absurdities and extreme risks that existed in the original contract.

There will be no further scheduled events, and the pass will only be closed on joint decision of the parties. Only one toll plaza will be built. Day visitors will still be able to picnic and hike without paying the toll fee. All monies paid out by the Province since inception (approximately R60M) will be recovered in time, and, about midway through the contract, the Province will earn 50% of the total profits from the tolling.

I wish to recognise the patient and skilled work of Mr Joey Pillay in transforming this contract from one that was very prejudicial to the Department, to one that is highly advantageous.

Infrastructure Planning

Improved inter-government and cross-sector transport planning liaison frameworks will be a focus for improvement through the implementation of the Provincial Land Transport Framework (PLTF) process.

With this in mind, planning will be under-pinned by the formal roll-out of the Highway Development Management Version 4 (HDM4) web-site. This will assist in further development and calibration of the software to enable the strategic analysis of the proclaimed road network, as well as to enable project prioritisation.

The graduate professional development programme will continue and will also serve to benchmark good practices and eventual roll-out to the rest of the Department.

The re-assignment of roads, Road Access Guidelines, and the formulation of Access Management Plans on strategic routes will continue to assist in optimising network efficiencies in the future.

Furthermore, the Provincial Land Transport Framework (PLTF), the Roads Infrastructure Strategic Framework, and the finalisation of the Western Cape Transport Infrastructure Bill will continue.

The collection and management of road accident data now forms part of this sub-programme.

The second phase of the Roads Assignment (Devolution) project (roads outside the Metro Area) will be done parallel to the Department of Transport's requirement to re-classify all the roads in the provinces.

Design

Infrastructure designs will be commissioned to meet the planned implementation dates of the User Asset Management Plan.

The skills shortage, particularly with respect to professional engineers is a national problem which will not radically improve in the short term. However, the Graduate Training Programme, as well as the implementation of the OSD (Occupational Specific Dispensation) will assist in the filling of vacant professional posts.

Construction

The following large projects will commence in 2011/12:

- Upgrade to surfaced standard of MR 269: Hemel-en-Aarde

- Upgrade of TR 28/1 from Mount Pleasant to Hermanus

- Rehabilitation of MR 302 between Worcester and Bainskloof

The following large projects will be completed in 2011/12:

- Street lighting on the N1 between Koeberg and Bellville

- Upgrade of Koeberg Interchange 2010 project – Ramp B

- Rehabilitation of Main Road 310: Prince Alfred Hamlet – Op Die Berg

- Upgrade of Main Road 559: Saldanha to Langebaan

It is envisaged that the current economic downturn will continue to provide a levelling out of construction prices resulting in more competitive bidding for construction projects.

Furthermore, Public Transport infrastructure projects will be aligned to the priorities as laid out in the Integrated Transport Plan's and in alignment to the Provincial Land Transport Framework.

Maintenance

As in the previous financial year, the up-scaling of the EPWP will be directed to routine maintenance contracts in the regions to achieve maximum sustainable work opportunities in local communities.

The focus on capital maintenance projects (reseal and re-gravel) will remain. This will result in slowing down the rate of deterioration of the road network condition. The backlog in periodic maintenance can however only reduce if a significant investment is made in infrastructure.

Programme 4: Transport Operations – R770,625.000

Ministerial Priority Programme 3: Influencing parties in order to achieve a 13 per cent modal shift from private to public transport by 2014 (meaning a 60:40 private: public transport split into the City of Cape Town Central Business District) through the promotion of improved rail transport; support to integrated transport networks including the provision of rapid trunk routes for existing public transport services; and formalising the minibus taxi industry

This programme was the old Public Transport. It was the most dysfunctional branch in the Department.

Under the leadership of Darryl Jacobs, it has been streamlined, and now oversees only 5 projects.

The following key projects will be pursued:

Preparatory work will be done around the phased shifting of functions to the City of Cape Town in terms of the NLTA.

Improved management and monitoring of the scheduled public transport grant through manual and electronic monitoring systems.

The implementation of the George Mobility Project in partnership with the George Municipality.

Facilitating the provision of rail safety interventions as part of the broader public transport safety strategy.

The Level Crossing Task Team established in the wake of the Buttskop disaster has visited the Province's most dangerous crossings and made recommendations which are being implemented, and is now working with the Rail Safety Regulator towards new and improved safety standards across the board.

The drafting of the Provincial Transport law, which will regulate the use of blue lights and sirens, and introduce a compulsory 1.5M passing distance of bicycles and other non-motorised transport.

Safely Home.

Ministerial Priority Programme 4: Improving road safety, resulting in the reduction of the number of fatalities on Western Cape Roads by *50 per cent* by 2014.

According to RTMC statistics, Safely Home reduced the Province's road fatality count by 11%.

This means that there are 150 people alive today who otherwise would not be.

This was achieved mainly by a successful onslaught on drunken driving.

The establishment of the two SHADOW Drager testing centres at Vangate and George, fed by ongoing road blocks, and reinforced by our "Name and Shame" disclosures in the media have significantly reduced the amount of drunk driving. Our law enforcers report that the number of drivers who are stopped in road blocks and test positive have dropped by half.

In excess of 2000 drivers have been tested positive at Vangate, over 60% of the national total, despite there being 8 other Drager centres in SA.

Currently the breathalyzer technology has been challenged in the Cape High Court. We are confident of success, but let me make this absolutely clear:

Blood testing has irrevocably broken down in SA, and if we are to depend on it, then there is no possibility of controlling drunk driving.

I am, in turn, totally committed to breathalyzer testing, and will do whatever is necessary to ensure it becomes the standard test for drunk driving.

There are two existing pound facilities in the province, one at Ndabeni and one at Beaufort West. A third pound facility has been promulgated in George in June 2010.

A fourth and fifth one are planned for Maitland and Hermanus during 2011/2012 financial year to the tune of **2.9 million Rand** combined.

The sixth and seventh are planned to be completed by 2012/2013 in the Cape Winelands and along the N7 corridor budgeted to the tune of **3 million Rand**. These facilities will assist law enforcement agencies towards achieving safety and compliance with laws and regulations by public transport operators and also address the issue of lawlessness on the provincial roads. The gazetting of the new Impoundment fees in line with the provisions of the National Land Transport Act will be done in 2011/2012.

The very high level of roadblocks will continue, with every vehicle on average being stopped once per year.

Increasing attention will be given to moving offences including tailgating, speeding, cell phone usage and failure to wear safety belts.

Speed over distance control has been very successful on the M5, and is being tested on the Beaufort West to Aberdeen Road.

Fatality statistics remain a significant problem.

The Mini Bus Taxi (MBT) Industry.

The Department has provided ongoing support to the Metered and Minibus Taxi Councils in accordance with agreements to the value of R20M over the MTEF.

More importantly, a tremendous contribution of the time of the Minister and Top Management is made to the MBT industry.

The two warring representative factions – NTA and SANTACO – have been persuaded to form one house.

Regular Saturday sessions have been held at the Public Transport Services Centre at Vangate to resolve issues. Training on the NLTA has been given to the entire industry.

SANTACO`s road safety division has been given full status at our road blocks.

Sixty per cent of extremely serious accidents (that is, 10 or more dead) in the last two years have involved taxis.

The most concerning aspect of taxi behaviour has been the murderous violence that has characterised the industry.

In the last 15 years, over 100 people have been murdered in taxi related violence.

The Province, the local authorities and all the law enforcement agencies are determined to stamp out criminal acts and unsafe driving, and bring about a safe, peaceful, law abiding and prosperous taxi industry. I have yet to meet a taxi operator who disagrees with this goal.

How then is it to be achieved?

Firstly we have tackled the issues of lawfulness, peace and safety.

The law must be applied without fear or favour to the taxi industry just as it is to anyone else.

The taxis may not, and will not, be above the law. Illegal vehicles will be impounded, as will those that are off route. Unsafe taxis, like any other vehicle, are removed from the road.

There will be no moratorium on these matters, and the taxi representative body - SANTACO – supports this view.

Route invasions, the leading cause of taxi violence, have largely been stopped. Thus the route invasions in Retreat and Steenberg have been stopped, and shortly Vrygrond will be formally established as an Association with 10 operating licences.

As a result, for the first time in 15 years, we have had a 12 month period without a taxi related killing.

There are elements in the industry who are used to getting their way through violence and strikes, and the sooner they discard that strategy the better. I and my colleagues in the City have clear policies and legal obligations, and these will be met, come hell, strikes or high water. The surest way to invite more strife is to make concessions under duress.

R5m has been made available to SANTACO to improve driver safety and increase the levels of prosperity in the MBT industry, primarily by creating co-operatives to exploit the enormous buying power of the industry in respect of the purchases of new vehicles, fuel, spares, finance charges and motor insurance. This, in turn, will have a beneficial impact on safety.

Despite all we have done, as well as a formal engagement with the industry to replace dormant licenses with new licenses which will decrease the number of illegal taxis without increasing overtrading, and to consider a limited number of areas where routing requirements can be relaxed, the industry called a very violent strike in which one person died, many were injured and much material damage was done. Most associations were intimidated into supporting the strike.

What of the future of the industry? National policy seeks to incorporate the taxis into formal scheduled BRT operations, replacing their taxis with buses. I support this view up to a point, but I have watched the futile attempts of many governments to make the taxis disappear – all without success.

My personal view – and it is not yet a policy – is that those taxis that want to become part of BRT should do so, and those that don't should be left to operate on their licensed routes, just as the 19,000 black cabs do in London.

Long experience tells me that those elements in the industry that have the power to intimidate are gearing up for another strike. This is not unconnected with the pending election. By combining tactics, elements in the industry hope for concessions and a political party hopes for more votes. They are both going to be disappointed. All they will achieve is to set back the goal of a safe, peaceful, law abiding and prosperous taxi industry.

Further strikes will result in a very strained relationship with the ministry - and indeed the public at large.

Metro Region Public Transport High Strategy

The existing components of public transport are as follows:

- Subsidised and scheduled, main players:
 - Golden arrow bus (1200 buses – adequate, good condition)
 - Metro rail (90 trainsets; inadequate (-30), poor condition)
- Other public transport, main players:
 - MyCiti (70 buses; currently underutilised)
 - Minibus taxis (7000 vans; 101 taxi associations).
- Private transport with potential for PT:
 - Jammie shuttle (confined to UCT passenger transport)
 - Learners transport (some 200 contracted buses)
 - Dial a Ride (dedicated transport for disabled people)
 - Hospital transport (dedicated transport for Health patients).
 - National Transport/ Treasury – direction and funding.

The City is well supplied with commuter rail, stations, transport interchanges and with a small and emerging network of busways and buslanes.

The Metro Functional Transport Region.

This consists of the municipalities of Cape Town, Drakenstein and Stellenbosch, with spurs to Worcester and Malmesbury, and later development to Saldanha.

Barriers to Effective Public Transport.

There is no formal transport authority, and integration is sporadic. Public transport is characterised by gross over-utilisation of all major modalities at peak times, exacerbated by extreme congestion on the roads. Major problems include safety of pedestrians accessing interchanges, bus-stops and stations and on trains, universal lack of punctuality, time of trip and affordability.

Certain of the key players, far from co-operating, are in conflict with each other.

Prognosis.

Despite the current dire situation in Public Transport, there is every possibility that significant short-term improvements can be made, and that within an 8 to 10 year period an effective city wide Public Transport system could be in place.

It is the purpose of this heads up strategy to show how this process will be achieved.

Responsibilities of Statutory Players.

- **The Province** – the overseer who must ensure that an adequate public transport system is brought into being; must approve the Integrated Transport Plan and agree time frames in which these matters will be completed.
- **The City** – the lead player who must, during the period agreed, take ownership of the Metro region's entire public transport including management; regulation; law enforcement; funding; rail and road based subsidy and the harmonious and fruitful relationship between all the main players
- In a nutshell, the City must make Public Transport happen.

Managing the Process.

The Integrated Transport Steering Committee made up of all three spheres of government, will manage the process transversally.

Tasks Being Undertaken to Provide an Acceptable Public Transport System for the Region.

Each task is, or will be, driven by a City of Cape Town project manager. Whilst these projects have different outcome dates, they will operate simultaneously, feeding off each other.

1. Immediate and short term interventions to improve Public Transport.

- Increase number of Metrorail trains to as close to 110 as possible;
 - Convert medium distance to Shosholozo Meyl coaches = + 2;
 - Run maintenance overnight and on weekends
Have 10 trains transferred from other regions;
 - Consider the leasing of trains;
 - Improve existing Metro rail offering:
 - Increase frequency of night trains on 'A' routes(underway),
 - Extend and improve safety at 'park & rides' & on trains;
 - Pressure Metrorail for a general clean-up of coaches (graffiti)
 - Improve facilities and appearance of stations;
 - Promote switch to PT on underutilised lines;
- Rehabilitate as many coaches and motor coaches as possible utilising the Transnet Salt River workshops.
- Improve road-based mobility:
 - Implement N2 PT outbound lane to Borchers Quarry;
 - Consider benefit of PT lanes on R300;
 - Investigate some degree of laning on key corridors.

2. Creating greater certainty going forward.

There is insufficient clarity regarding the future of road based transport, including routes, costs, operating models and the way in which BRT, GABS,

the MBT industry, metered taxis and the small bus operators will be addressed, and, if appropriate, accommodated and integrated.

This requires a process that leads to agreement between all major players on the broad forward shape of PT and the way it accommodates the road based modalities.

This is, in fact, the missing piece in the puzzle, and its absence is generating increasing hostility with the statutory bodies, particularly in respect of the MBT industry and GABS.

The intention of this project is to engage all road-based elements with a view to agreeing by MOU or similar compact a set of principles to govern the process, and, if possible, to describe the accommodations.

Accommodation in BRT route 1A in respect of GABS, the relevant taxi associations and the City has been largely achieved.

3. The Migration to the City of Public Transport Functions as per the National Land Transport Act (Act 5 of 2009 (NLTA)).

This is a fairly straightforward migration of responsibilities, albeit complex, connected and very sensitive.

The project plans need to co-ordinate the transfers of the powers and functions as required by the NLTA.

The project will need to co-ordinate all elements of the transfer, assess capacities, retain existing skills and keep costs to a minimum.

It is already well underway.

The project should ensure minimum inconvenience to, or change for, the client base.

4. Medium to Longer Term Interventions.

This project draws the PT system together, ensuring that it is holistic, flexible and sustainable.

It will obtain agreement on the management vehicle, propose the funding models, define current contractual obligations and suggest how these can be incrementally transformed to new and inclusive contractual environments.

It will ensure that the capacity and expertise exists to implement integrated fare management and comprehensive tracking and monitoring.

A management vehicle should be in place this year.

It prepares the case for National Treasury and National Department of Transport which will persuade them that the City is able to manage its Public Transport within a funding envelope that National Treasury will find sustainable; reliable and predictable.

5. Maximisation of Commuter Rail.

With 130 operational train sets and an updated communication system, the existing network can increase its load to 500,000 commuters a day, which will then lead to a much more effective road based service covering the areas not serviced by rail, and feeding to both rail and road based trunks.

PRASA will this year go out to tender for 8000 coaches and motor coaches, as well as an updated communication system.

If funding is available the first new trains will come into operation in 2014.

Programme 5: Transport Regulation – R265,626.000

In order to further improve service delivery and management control at Registering Authorities, Driver Licence Testing Centres and Vehicle Testing Stations, solutions and systems will be developed and implemented that will result in signed Service Delivery Agreements between the Department of Transport and Public Works and municipal agents – with publicised service standards to ensure that all functions are rendered effectively, efficiently and optimally within the framework of adequate resources provided at the respective offices.

A comprehensive operational improvement process and organisational investigation will be embarked on at the Provincial Licence Inspectorate, which is responsible for the follow up and management of outstanding licence fees, in order to reduce the occurrence of outstanding licence fees, for completion during 2011/12. This will include an investigation into a best practice model for debt management.

Equipment required in terms of legislation at VTS's (wheel mass meters and play detectors) will be acquired.

A revenue forecasting model will be developed, to more accurately predict revenue streams.

The Provincial Regulatory Entity will be established in terms of the NLTA with the added aims of enhancing end to end processes and improving systems for the receiving and adjudication of operating licence applications.

Standard conditions attached to operating licences will be reviewed and consulted with stakeholders for implementation during 2011. Training of law enforcement officers in the correct reading and interpretation of operating licences will continue during 2011.

There is still a risk of violence in the taxi industry and for that reason the Dispute Resolution Unit will not be abolished. Where the conflict has erupted or about to erupt the mediators will be deployed to ensure that issues causing conflict are dealt with amicably.

Whilst the National Land Transport Act is silent on the registration of Mini-Bus Taxi Associations, the Western Cape will continue with the regulation of this industry to ensure compliance with a minimum constitution and code of conduct for associations, their members and drivers.

Programme 6: Community Based Programmes – R49.493,000

The Department will continue with the implementation of Empowerment Impact Assessments on projects with a capital value of more than R2 million in order to optimise the opportunities for job creation and local economic development and empowerment that these projects offer in the areas for which they are earmarked.

The Department will continue with the facilitation of the skills development of unemployed youth within the construction sector trades as part of the National Youth Service Programme and other skills development initiatives. The development and implementation of a contractor development programme will continue that is aimed at emerging contractors, including tender information sessions, training on construction contract documents, costing and pricing, and environmental health and safety.

Various surveys and case studies on innovative construction techniques will be conducted, aimed at providing information on the success of the various EPWP programmes, as well as tracking the progress of beneficiaries of the programme and enhancing the construction sector's contribution to EPWP. The Nationally determined target for the creation of EPWP work opportunities for this province is 53 461 work opportunities, the distribution of which should be as follows:

- 40 per cent Youth (21 384 work opportunities)
- 55 per cent Women (29 403 work opportunities)
- 2 per cent Disabled (1 069 work opportunities)

This target will be met, as it was last year.

The department will continue with the implementation and improvement of the institutional framework for the co-ordination of the Expanded Public Works Programme (EPWP). This includes ensuring the smooth operation of the EPWP Provincial Steering Committee and the respective sector working groups.

The Directorate intends to have established five (5) District Municipal Forums that will meet on a monthly basis to discuss the implementation of EPWP.

The achievement of the provincial EPWP work opportunity targets will be regularly monitored, evaluated and reviewed to ensure compliance.

Achievement of these targets is critical as an incentive grant is available to be accessed when targets are exceeded.

In *South Pacific*, the Frenchman notes “once you have found her, fly to her side and make her your own, or all of your life you may dream all alone.”

This is for Margaret, Frith and Erin.

But it is also for all who love Africa – catch the dream, or all of your life you may dream of what might have been.