

Madam Speaker,
Deputy Speaker,
Honorable Premier,
Executive Council Colleagues,
Honourable Members,
Senior Managers of the provincial government,
Ladies and Gentlemen,

Good afternoon,

It is with a great sense of honour and gratitude that I stand before you today to pronounce how the department will over the next financial year respond to the aspirations of our communities, the emerging realities and needs of the people of the Eastern Cape.

Today, we are tabling a budget that is aimed at growing Eastern Cape through a safe and reliable transport system. This budget aligns with our plan of ensuring safety on our roads, rebuilding and refurbishing the provincial roads network.

Speaker, one of the key priorities for this administration is to **build a capable, ethical and developmental state**. We will forge ahead with the capacitation of our Expanded Public Works Programme beneficiaries through accredited institutions of Higher Learning. During 2019/20 we implemented such training programmes through Ikhala Tvet College. We will further strengthen our artisan development initiative through the Center of Excellence in Graff-Reinet.

We acknowledge that the rate within which we produce new traffic officers is slower than our need for them in the system. This is partly due to the fact that we only have one Traffic College in the Eastern Cape.

To this end, plans are afoot to establish a Provincial Traffic College in partnership with the Road Traffic Management Corporation. We have since moved an application for the approval for the accreditation of facilitators through South African Safety and Security Seta (SASSETA) as part of making this plan a reality. The college will cater for the up-skilling of our officers as well as training of new entrants.

Our broad bursary fund and professional development programme work together to address skills shortages, drive economic growth through the transport sector while creating a conducive environment for training and development aimed at up-skilling youth. A budget of **R11 million** has been set aside for this exercise.

The allocation will ensure that **111 young people** gain access to institutions of higher learning to further their studies. In the last couple of years we have successfully developed Pilots, Maritime Engineers, Civil Engineers and Transport Economists amongst others.

We also continue with building our internal capacity and up-skilling existing traffic law enforcement officers. **30 youths** will resume their training to be traffic officers in June.

The following areas are targeted for development of the existing force;

- Examiners of Driving Licenses,
- Examiners of Motor vehicles and
- Basic Crash Accident Investigation.

Speaker, we are committed to support the Buy Eastern Cape Campaign and the development of Small Medium and Micro Enterprises (SMMEs). Over the last year, the department has spent more than R1.5 billion of its allocation to local SMMEs.

Our approach has focused on the following:

- Procurement of all transactions below the R500 000 threshold were limited to only Eastern Cape based SMMEs
- 30% subcontracting of all tenders above R30m to the locally based emerging contractors (first preference is given to contractors who are residing within the Local Municipal Area).
- 50% of the materials to be procured within the LMA-District where construction is taking place.
- Skills transfer to locally based SMMEs in addressing socio economic challenges affecting the LMA or District, such skills transfer isn't limited to the construction industry.

Going forward, our procurement strategy will be enhanced towards our local SMMEs, this will include the introduction of more framework agreements for the supply of construction material amongst others.

Transport Infrastructure

Our focus on **transport infrastructure** is to develop and implement plans based on the needs of present day Eastern Cape. In so doing, we ought to ensure a balanced provision of services across the province.

During the course of this year, the Department will analyse and review the National Transport Master Plan: EC (EC: NATMAP2050). The aim is to close any gaps in the existing plan approved by the Executive Council in 2010.

We are finalizing the Roads Master Plan and we will, in the second quarter, start the consultation process with all the stakeholders, and process it for consideration and approval by EXCO.

Honourable members, roads remain one of the country's most critical infrastructure and a key enabler to economic development. We therefore understand when communities demand trafficable roads.

This year we will complete the construction of Bailey Bridges we committed to during the 2019/20 financial year. In partnership with the South African National Defence Force (SANDF) we are currently working on the Bilatye Bailey Bridge in Cofimvaba and will commence with construction of Fini Bridge in Chris Hani, Jozana and Sterkspruit bridges both in Joe Gqabi District Municipality.

The department continues to press ahead with substantial investments in upgrading our roads infrastructure. A total budget of **R2.3 billion** will go towards the upgrading, maintenance and rehabilitation of roads.

As pronounced in this house last year various roads have been handed over to contractors to perform upgrades from gravel to surface standard.

These include:

- 14 km of T125 from the N2 to Siphetu Hospital (Phase 4). The project has been awarded at a cost of **R296.3 million** and is awaiting works permit from Department of Labour;
- The contractor has established site and commenced with the works on the 15 km road project from Willowvale to Dwesa Nature Reserve (Phase 2) which includes the construction of two bridges. Total costs of the project are set at **R280, 4million**.

- Upgrading from R61 at St Barnabas Hospital to Hluleka Nature Reserve (Phase 1) with a budget of **R296, 3million**. The contractor has established on site and commenced with the works for the 16km road project.

In addition to these construction projects, we are pleased to announce that administrative processes have been undertaken to ensure that during the 2020/21 financial year we commence with tendering process for the following projects:

- Cedarville to Mvenyane Phase 1 of about 14 km;
- Centane to Kei Mouth & Qholorah (Phase 2b);
- Mlamli Hospital Road - the 12 km Project includes 4 bridges;
- Clarkbury Road project which constitutes 20 km;
- R61 Magusheni to Mzamba Phase 3 [Section 1];
- Lower Nxaxa [Milani Link Road] - 1.5 km.

Speaker in light of the fiscal challenges we face, we wish to reiterate to the people of the province our commitment to ensure our roads are trafficable. We will be implementing various re-gravelling projects as follows:

- Butterworth to Ngqamakhwe, in the Amathole region with a budget **R14, 9 million**;
- DR08316 to Noxova in Nyandeni LMA - OR Tambo District. This project will include stormwater structures at an estimated cost of **R18, 8 million**;
- DR08094 to Mtsila in the Alfred Nzo District including stormwater structures with an allocation of **R15, 5 million**;
- Phase one of DR08015 at Umzimvubu and Matatiele in the Alfred Nzo District at an estimated cost of **R25 million**;

- DR02481 in Cookhouse at Blue Crane LM in Sarah Baartman district, including the construction of a bridge with a budget of **R16, 4 million**;
- DR08232 from R61 to Engcobo in Engcobo LM Chris Hani District, including the construction of new concrete bridge with an estimated cost of **R18, 2 million**;
- DR03230 in Tiffendel at Senqu LM in Joe Gqabi District, including construction of new concrete bridge with a budget of **R13, 2 million**;
- DR08015 at Umzimvubu and Matatiele in the Alfred Nzo District (Phase 2) which attending to Stormwater structures at an estimated cost of **R25 million**.

These projects will be implemented over a period of eight to twelve months. The total budget for maintenance of our provincial roads is **R891 million** over the financial year.

On reseals and rehabilitation, at the end of 2019 we handed over to the community of Matatiele Local Municipality a contractor tasked to reseal about 10.3 km of road from Matatiele - Maluti (DR08012) at a cost of **R 93 million**.

About **R150 million** has been invested to reseal 30, 5 km from Flagstaff to Magusheni (DR08004) in the Alfred Nzo District, while in the Amathole District about **R190 million** has been allocated for the reseal of 31km from Butterworth to Centane (DR08048).

In our efforts to unlock the tourism corridor of our province, we will this year prioritize the rehabilitation of the Vidgesville to Coffee Bay road and as part of our bridge programme revitalize the Tsitsa Falls bridge. This prioritization will extend to the rehabilitation of the Engcobo to Elliot road which is in a state of collapse and a danger to society.

In this regard we will continue to engage with potential alternative funding sources such as the Budget Facility for Infrastructure (BFI) and the Presidential Investment and Infrastructure Unit. Projects such as the Wild Coast Meander are earmarked for this type of funding. Designs are ready for the implementation of the Thafalofefe to Centane road project over the MTEF. This provides our province with an opportunity to unleash the potential of our coastal belt.

It is through these initiatives that critical roads such as the Tsomo to Stutterheim link, the Debenek road and many more are upgraded for the realization of outstanding commitments made.

Madam Speaker, it is an open secret that the public purse is unable to fully respond to the needs of the community. Going forward and in partnership with our key stakeholders we will revisit all past studies and evaluate within the prevailing legal framework, roads which can be considered for tolling during this term of office.

This we believe has a potential to add some needed funding for maintenance of our road network. We believe that as a Province we really need to open a dialogue on the tolling concept. In this regard a preliminary report will be produced before the end of the 2020/21 financial year.

Our plant recapitalization project towards the full implementation of 50/50 strategy has taken another step with an investment of R82 million to acquire 32 plant items inclusive of Tow Tractors, Platform Trucks, Water Trucks and Construction Motor Graders amongst other.

This move has also been bolstered through the appointment of 113 operators across the province.

The recapitalization has strengthened our in-house construction unit. Currently, this team is implementing the following upgrade projects from gravel to surface standard:

- MR00522 from R72 to Hamburg, 13 kilometers with a budget of R130 million over the MTEF;
- Madwaleni Hospital road, 9km at a cost of R18, 1 million
- Coffee Bay road to Zithulele, the remaining 10km will cost taxpayers about R50, 6 million.
- Ngqeleni to Canzibe Hospital road, 26km estimated at R195 million
- Cofimvaba to Asketon road, 52km with a budget of R219 for the remaining 43km

Further to this, the department will continue to explore alternative technologies to upgrade our roads. During the 2020/21 financial year, we will attend to 6.3 km of DR08131 in Qumbu, Mhlontlo LMA, OR Tambo District and 3km of DR08272, from DR08034 to Clarkbury, in Ngcobo LMA, Chris Hani District. Both roads will be paved.

Madam Speaker, I wish to confirm to the house and the people of this province that roads are vital to the building of our economy and improving the quality of life. These roads are used to transport agriculture products and other commodities to markets. During the 2018/19 financial year, we spent over R15 million maintaining roads that were part of a dispute with Agri: EC.

Transport Infrastructure

Madam Speaker, SANRAL is doing a sterling job in the Eastern Cape, rolling out their Road Infrastructure Plan. Five upgrade projects of sections of national roads in the province have been awarded to various contractors. These include the following:

- N2 Upgrading of road between Ngqadu and Mbokotwana River (near Qumbu) and improvements at Dan's Place and Tsolo Junction (19km);
- On the R67, the upgrading of section between Black Kei River (Whittlesea) and Queenstown (18km) has been awarded;
- R75 Special Maintenance of road between Wolwefontein and Jansenville Ph 2 (20km), as well as Special Maintenance of the of road between Jansenville and Pearston Turn Off (16km);
- R63, the upgrading of the road between Fort Beaufort and Alice (20km);

In all the above mentioned projects, contractors have been appointed and they will be on site as soon as the COVID 19 regulations have been incorporated into the Health and Safety and approved by SANRAL.

In addition to these, the N2 from Green River (Nonkcampa near Bhisho Airport) to Buffalo River in King Williams Town will be upgraded. The tender for this project closed in February with the award expected in July 2020. It is also pleasing to see that there are two tenders at evaluation stage for Special Maintenance to the R56 from the N6 to Dordrecht as well as from Dordrecht to Indwe. These projects will surely have a positive impact in that part of our province.

Tendering processes will commence during the financial year for a variety of projects to be rolled out in the province as summarised per key national route:

On the N2, tenders will be invited in June 2020 for the construction of the Breidbach and Belstone Interchanges. The award is expected in October 2020. Plans are also at an advanced stage for the dualing of the road between Viedgesville and Mthatha CBD (15km). Tenders for the construction of the road will be invited in November 2020 and the award is expected before the end of the financial year.

On the R61, upgrading of section between Baziya and Mthatha Airport (27km). Tenders will be invited for construction in June 2020. In the main this is to finalise incomplete work as a result of the previous contractor going into Business Rescue and then liquidation. A new contractor is expected to be on site in October 2020.

On the R56, we will upgrade the 38km road from Matatiele to the KZN boundary (east of Cedarville), the award is expected in June 2020 for this project.

On the R58, there are two projects at evaluation stage. These are the Special Maintenance and Reseal from Aliwal North to Lady Grey (50km) as well as Lady Grey to Barkley East (66km) and the award to contractors on both projects is expected in July 2020.

On the R336, upgrading of the road between Kirkwood and Addo Phase 1 - Tenders will be invited for construction in July 2020.

On the R335, SANRAL will implement the upgrading of the road between Motherwell and Addo Phase 1 – Tenders will be invited for construction in October 2020.

On R342, special maintenance of road between Addo and Paterson Phase 1 – Tenders will be invited for construction in August 2020.

On the N2 Wild Coast Highway Project, the two projects Lingeni to Msikaba Bridge as well as the section between Msikaba Bridge and Mtentu Bridge are undergoing tendering processes. These are big projects that will make a difference in the Wild Coast area.

The established Provincial Political Oversight Committee, that I chair, will ensure that SANRAL accounts on these commitments through our quarterly engagements as we have identified a need for improved accountability on projects being done by the National Department's entity in the Eastern Cape.

Government's total investment in the Eastern Cape through SANRAL over the next two financial years is:

- **R5, 4 billion in 2020/21**
- **R6, 4 billion in 2021/22**

As a government, our focus is to ensure that we use the available resources to prioritise roads that benefit all sectors of society. This commitment has been reiterated in the many engagements we have had with our stakeholders.

Transport Operations

Honourable Members, the mobility of our communities is necessary in improving the lives of our communities. The department will continue to support subsidised bus passenger transport services to improve the movement of people through Algoa Bus Company, which operates in the Nelson Mandela Bay Metro, and Africa's Best 350 Ltd (AB350), which operates 136 routes in the Alfred Nzo, Amathole, Chris Hani and OR Tambo Districts and Mayibuye Transport Corporation in the central part of the province.

Speaker, I have earlier indicated that government resources must be shared such that they benefit communities across our province. With that in mind, we have taken a decision to renegotiate our contracts with all the bus companies with a view to capacitate all bus services in our province, with an unapologetic approach to grow the small bus industry.

We will continue to engage and give support to SANTACO through the Eastern Cape Taxi Council and the Eastern Cape Small Bus Operators Council (ECSBOC), the local affiliate of the South African National Small Bus Operators Council.

In curbing fraud and corruption in the public transport sector, we will be placing special focus on the issuing of licenses and certificates of fitness for public transport vehicles, both buses and taxis. We believe that this is a critical project which will have a bearing on both improving safety on the roads as well as curbing violence among public transport operators.

We wish to announce that we have since finalized tendering processes for the new Scholar Transport Contract. From the second term of this academic year, the programme will benefit about **87 000**, an increase from the current **83 000 learners** transported currently. Over the financial year the budget for the transportation of learners is sitting at **R627 million**.

Ladies and gentlemen, in our endeavors for continuous improvement, we have lodged an application with the South African Civil Aviation Authority (SACAA) for an interim classification of the Mthatha Airport as a Category 5 Airport.

This is a step closer to the envisaged Category 6. During the current year, we have made an investment of R3 million for installation of a Fire Simulator. The project is nearing completion and it is expected that before the end of the financial year, our fireman will conduct their training using this simulator.

These efforts will enable the classification of the airport as a Category 6 airport that can land bigger aircrafts providing an opportunity to attract other airlines to our airport.

On behalf of the Eastern Cape people, we will strengthen engagement with the National Department of Transport, Transnet, PRASA, Transnet Freight Rail (TFR) and the Railway Safety Regulator (RSR) with a view to lobby for the expansion and revitalising rail transport.

With regards to the Maritime Sector, we will continue to improve its internal capacity to deal more comprehensively with the Oceans Economy. We are already talking to the South African Maritime Safety Authority (SAMSA) to assist us in building the profile of the Maritime sector in the Province. We will continue to participate in the Maritime Sector in terms of the National Comprehensive Maritime Transport Policy and the Province's own Oceans Economy Master Plan which was launched by the Premier in March 2020.

Transport Regulations

Madam Speaker, since the outbreak of the Novel Coronavirus (Covid-19) in South Africa, our Traffic Officers have been at the forefront of managing movement in support of government's efforts to reduce the spread of the virus. We are grateful for their selflessness and wish them well as they continue with this job.

We continue to implement operations aimed at moving violations on the road towards reducing crashes, fatalities, injuries and improving safety of road users.

They are on high alert in particular on the R61, N2, N6, R72 implementing enhanced stop and check of Motor vehicles with Systematic Examination of motor vehicles to minimize unroadworthy vehicles and unfit drivers on the road.

This period has also seen us implementing 24/7, albeit with overtime implications for an elongated period of time. This has further strengthened our resolve to finalize negotiations with our stakeholders with a view to start a 24/7 shift in 9 traffic stations.

Over the coming performance year, we will establish Driving License Testing Centers [DLTC] in four of our Provincial Traffic Stations. This is aimed at reducing pressure from the Municipalities and bring services closer to communities.

We are slowly but surely enhancing traffic law enforcement through intelligent transport systems and as such an additional three buses will be converted and fitted with modern technology to identify defaulting offenders on the road.

The service will include verification of legitimate motor vehicle and driving licenses, as well as operator licenses for Public Transport vehicles. This strategy will also positively impact on the department's ability to enhance revenue collection.

Community Based Programme

Honourable Speaker, in line with the requirements of the National Land Transport Act (Act 5 of 2009), the department will continue supporting Municipalities with upgrading or construction of public transport facilities (taxi ranks).

As we committed last year, work is underway with the rehabilitation and upgrade of Jubilee Taxi Rank in Mthatha, Elliot and Cala taxi ranks using labour intensive methods. The R5.6 million Jubille project has created 15 work opportunities including AptCoD learners.

The two projects in **Sakhisizwe LM** have also commenced with design and engineering, the projects are estimated to cost about R13, 2 million and will benefit local SMMEs.

These initiatives will improve public transport facilities in the interest of both commuters and taxi operators.

We are also pleased to announce that the Umzimvubu **Local Municipality** 1.6 km Rhode brick paving road is now complete at a cost of R5.4 million. Over the duration of the project, 43 work opportunity were created.

Honourable Members, with drought ravaging our province, we have also seen an increase in the number of stray animals that wonder on or near our roads causing havoc for motorists. Going forward, through EPWP initiatives, we will enhance the erection of fence along our roads in Buffalo City Metro and Mnquma Local Municipality as well as the management of vegetation.

Further to this, we will explore the implementation of paving of sidewalks, gabion construction, head walls and walkway cycle tracks. These projects will be earmarked to create work opportunities and develop skills for our unemployed youth.

Ladies and Gentlemen, we are resolute on our commitment to improve access to economic and social amenities and as such we will be using alternative ways of construction to upgrading a 2km road from Cape College to the Ngumbela Cricket Park in Healdtown, Raymond Mhlaba.

We create about 49 000 work opportunities through EPWP projects, including the training of 2500 participants in technical (road rails, paving, gabion construction) skills.

Honourable Members, the National fencing) and life Youth Service (NYS) programme has since its inception capacitated thousands of young people and created work opportunities for them. We have since recruited a new cohort of NYS participant and about 100 of these young people will be part of our Artisan Development

Programme aimed at capacitating youth for integration on projects like fleet, mechanical, maintenance of roads and buildings.

We have noted honourable members that our communities need constant engagement and we will strengthen our Transport Forums in the six districts to ensure that issues relate to Transport are addressed timeously.

With regards to the rationalization of our entities, GTAC has been contracted to conduct a feasibility study with regards to the amalgamation of our Aviation Directorate, Mayibuye Transport Corporation (MTC) and the Government Fleet Management Services (GFMS). That work is still underway and we will report back to the house on progress during the course of the financial year.

While we await the conclusion of this work, GFMS will continue providing fleet management services to the provincial government. We will also strive for continuous improvement in the maintenance of the fleet with EMS vehicles being our one priority. The departmental central workshops in Mthatha and Port Elizabeth that were formerly Roads workshops will be customized to provide the needed minor servicing of the EMS fleet, and this is intended to provide an efficient and effective service for the increased availability of the EMS fleet. To enable us to seamlessly provide this service, we wish to make a special plea to all departments to ensure they pay us on time.

Speaker, I hereby table the Policy Speech for the department of Transport with the Annual Performance Plans for both the Department and Mayibuye Transport Corporation.

I thank you