



Province of the
EASTERN CAPE
TRANSPORT

POLICY SPEECH

2022-2023



2022 - 23 Policy speech

Honorable Speaker

Deputy Speaker

Honorable Premier

Executive Council Colleagues

Honourable Members

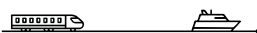
Senior Managers of the Provincial Government

Ladies and Gentlemen

I greet you all

Honourable Speaker, may I first express my gratitude for the opportunity presented to me at this moment to rise and address this august House on the key policy priorities and service delivery interventions that the department has identified in response to the challenges facing our people throughout the Eastern Cape.

However, I must be swift, ladies and gentlemen, to mention at the very outset that our operating environment is repeatedly reminding us of great thinkers before us who observed that nothing is certain since everything is subject to change with only change itself remaining constant and certain. We witness in our times serious changes that alter our operating environment in a manner we never imagined, these changes include the outbreak of the COVID-19 virus, climate change volatilities, expanding settlements,



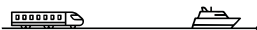
and others all growing against the dwindling public purse that over the years appear to be available less and less.

As far back as 2008, Dr Mamphela Ramphele convened a scenario team that sought to paint a picture of what our country would look like in 2020. A statement from the Dinokeng Scenario Report stands out for me, and I quote: -

“A core aspect of our current reality is that we have a weak state with a declining capacity to address our critical challenges. Any suggestion that the solution to our problems lies in the state, with its already proven lack of capacity, assuming an even greater interventionist role in the development of the economy and society, is misplaced and a recipe for disaster. At the same time, it is worrying that civil society has, since 1994, tended to adopt a very statist view of the country, with the expectation that government should do everything. We believe that this too is a recipe for disaster”.

In reflection of the external environment within which we operate, the reality of Global warming have given this Department, and I believe, all other Provincial Departments a rude awakening. The extent of Infrastructure damage that has been recorded in the province requires a robust, and adaptive strategy in ensuring that we put sustainable measures in place to mitigate the risk of recurrence.

Honourable Members, our Honorable Premier reiterated that we as government need to be deliberate in addressing the 47% unemployment rate in the Province. The window of opportunity in



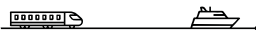
cementing a solid sustainable economic future for generations to come is growing narrow.

We have reached a new appreciation for the technology sector which continues to give optimism through the opportunities we have experienced on our strategic journey. We have made deliberate efforts of exploring technology innovations to diversify our service model making it more relevant to this era. The prospects of leveraging these opportunities in driving service excellence have been appreciated, and also formed motivation for the plans which we will be presenting to you all today.

It is in the context of these realities in 2022 that the department has heeded and embraced the call made by our glorious movement. We embrace the government priority of “Investing more in building the **CAPACITY** of the state” as a guiding lamp to our strategic vision in this coming new financial year.

Honourable Speaker and Members, the department has decided to spend more effort in building a more enabled machinery that will be able to respond to the daunting socio-economic challenges facing our people as exacerbated by the changes as exemplified above. The policy speech I am presenting here today therefore is premised on this fundamental objective.

My departure point **Honourable Members**, is that the Department recognizes the importance of Organizational Culture as the engine that will propel any of the plans that we commit to in this year. A reflection in the Leadership and Discipline paradigm of the Department has been priority and a common theme that the Top Management and Senior Management have been charged with.



We will drive a transformative agenda to ensure that compliance and good governance become the centerpiece of improving organizational performance overall in the interest of service delivery. The development of Management in this paradigm will find resonance in the contracting process as a fundamental area to drive the strategies that we commit to in this year.

Noting the challenges brought about by the Coronavirus as well as the continued wastages occasioned by regular trips between various service delivery points and our head office only to sign and collect memoranda and various documents, the department decided in the 2021-2022 financial year to continue driving a digital transformation agenda introduced in the preceding year.

This time the department developed an electronic document management system (EDMS) which is proving to be a worthy investment on how it has already changed the culture in the department and fast-tracking the processing of documents in a bid to improve service delivery which brought about a dramatic turnaround time on document submission for approval.

In a bid to keep up with the changes in and demands of our operating environment, **Members**, the department will continue with this radical digital transformation approach. One other challenge the department has noted is the difficulty it has been having with regards to performance information management, a challenge that has even been observed by the external auditors leading to a consistent decline in the quality of the departmental audit outcomes. It is due to this fact that the department therefore will, in the coming financial year, aim at improving the monitoring and evaluation of its performance both from an institutional and

individual point of view in order to bring it into synchrony with our financial performance.

We will also be moving into advancing the plans for the automation of key processes within the learner transport service which has been a thorn in the flesh in the past years especially in relation to our accounting and administrative systems with the Auditor-General continuously identifying it as a major contributing factor to our declining audit outcomes.

The Department will also develop a business case for an Incident/Case Management system to support virtual reporting of potholes, accidents and any other matter within the Department's mandate, while also helping to transparently monitor the lead times for their resolution.

The conversation that this has sparked in the Department is the Change Management approach for managing the transition from an overly manual process of administration, to one that is automated with very minimal manual integration. We will in this year investigate the feasibility of centralizing some administration functions of the Department into a shared service supported by automated systems. The feasibility will also advise how to rationalize the cost for Compensation of Employees, and ensure that more budget is directed towards more service delivery focused programmes.

The research work will provide a cost-benefit analysis of technology investment to realize the rationalization of cost of operations, and provide a blueprint of the strategy to follow for realization of these benefits beyond the 2022/23 financial year.

Honourable Speaker and Members, one capacity challenge that the department has realized as hampering the ability to deliver quality and timely transport services in the Province is the lack of skilled and knowledgeable personnel in critical areas of our programmes.

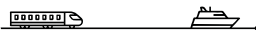
We have realized that this stems from a number of industry related factors. These include, but not limited to, the industry requirements for technical staff to be employed in certain positions, hence the drive in the coming financial year will be to fully capacitate our Centre of Excellence in Graff Reinet.

Other notable factors include the changes in the operating environment of the Department which either continues to require new technologies or improved way of doing things.

Lastly, the department has a fairly aged workforce, and most of whom will be leaving the employ of the state through natural attrition. This requires a robust strategy to ensure that there is a sound Talent Management Strategy to sustain the momentum for achieving a capacitated state.

To tackle this challenge, the department has introduced a combination of interventions. These include retraining internal personnel, offering training opportunities for external youth with a view of later creating more sustainable employment for them within the department and sector at large, as well as exploring partnerships with various institutions to assist in industry compliance of our technicians.

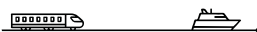
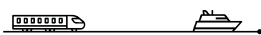
In the current financial year, the department awarded ninety-seven (97) bursaries to external students who are pursuing various



transport related qualifications in aviation, maritime, civil engineering and transport management. The Department is engaging further to resolve the stakeholder related challenges surrounding the Provincial Traffic College which we announced earlier. We have commenced with the training of twenty-five (25) Traffic Officers as Assessors and nine (9) of them were trained as Moderators of which four (4) were found to be competent.

Honorable Members, we must always aim to have a silver lining connecting our programme evidential of their interconnectedness. We have identified the need for streamlining of our Maths and Science programme with our Bursary programme. In order to create synergies between the two, the Department will through mentorship and coaching, entice interest in Transport related fields of study. This, we hope, will in the long-run provide a sustainable stream of capacity for the transport sector, particularly in areas of Aviation and Maritime where it is lacking.

The Department has adopted a Supply Chain Management sourcing strategy intended to avoid procurement delays in project turn-around times. We have managed to appoint a number of framework contracts that will assist material and machinery supply in areas where capacity requires buffering. Some of these framework contracts will assist in roads and bridges maintenance. This will assist in maximizing project output without the constraints of having to create pressure in the procurement pipeline as a dependency, as a result delaying project delivery as in previous financial years.

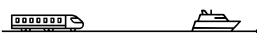


Honourable Speaker and Members, with regards to the **Transport Infrastructure**, the department has indeed lived mostly up to its plans in that considerable progress has been recorded on various major infrastructure investment projects announced in the 2021-2022 policy speech which include:

- The last phase of the N2 to Siphethu Hospital in Ntabankulu currently 30% complete;
- The reseal of DR08012 Matatiele to Maluti reseal, Alfred Nzo, which is 60% complete;
- Phase Two of the Willowvale to Dwesa road right up to Msengeni Junction currently 82% complete;
- Phase One of the Hluleka Nature Reserve project currently 90% complete;
- Service Level Agreement (SLA) with Enoch Mgijima for Phase Four of the Thornhill and Tsolwana Reserve to do 12km that is currently 95%;
- The Sterkspruit to Mlamli Hospital gravel road upgrade of 12km that includes four (4) bridges is 35% complete; and
- The Elliotdale to Madwaleni Hospital road has been completed thus far.

We have noted the challenges engulfing some of these projects some of which are affected by our internal capacity as well as stakeholder challenges that we are busy addressing.

Honourable Members, as mentioned above, the effects of climate change have been felt most by the department and thus it is worth mentioning that most of the work we did in the current financial year has been hit hard by the recent summer rains that began in September 2021. As we assessed the damage caused by the



recent rains to the roads and bridges, including those roads worked on by Municipalities, the cost to repair the damage in January was sitting at R2,6 billion. To this end an application for funding has been made through the Disaster Management Centre as well as the National Department of Transport

For the 2022-2023 financial year, the department is allocated R1,8 billion for all infrastructure projects, and thus will continue with its resolve to improve mobility and accessibility.

In this regard, work that we started in the current financial year on various other roads will continue even into the new year. These include,

- The last 10km of the Centane to Qolorha road;
- Phase Three of Magusheni to Mzamba road which constitutes 8,5km on R61;
- The first 20km of the Clarkebury road from the R61 side.

Furthermore, the second phase of the Hluleka Nature Reserve is currently at an award stage, this will complete the surfacing of the entire length to the Nature Reserve. As we resolved to take projects to completion, Phase 3 of the Willowvale to Dwesa will go out to tender in the third quarter of the new financial year.

Similarly, we will continue with the reseal projects in our portfolio that include,

- 30,5km on DR08004 from Magusheni to Flagstaff road;
- The 53,5km on TR04601 from Grahamstown to Port Alfred road, and
- The road between Butterworth and Centane.



Honourable Members, with respect to roads maintenance, we will be regravelling approximately 625km; blading over 30,000km; rehabilitation to over 87,000 square meters; reseal around 486,000 square meters as well as black-top patch more than 65,000 square meters.

Our in-house construction unit will also continue with projects that include Canzibe Hospital road, Coffee Bay to Zithulele Hospital road, Cofimvaba to Askeaton road, the R72 to Hamburg road as well as paving in Qumbu assisted by appointed panel of contractors.

As part of our inter-governmental relations work and partnerships, nine Bailey bridges were completed through the agreement between the department, the Department of Public Works and Infrastructure (DPWI) and the South African National Defence Force. His Excellency, President Ramaphosa, in the State of the Nation Address, remarked that the Welisizwe Rural Bridges Programme will be upscaled from the current 14 to 95 bridges. This initiative will be rolled out by the National Department of Public Works and Infrastructure, with SANDF being the implementation agent. Discussions with DPWI have yielded to 18 of the 95 bridges to be constructed in our Province.

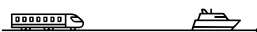
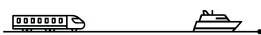
Similarly, in the Presidential Stimulus Package the department received a financial injection of R86,1 million in the last financial year and this enabled two labour-intensive projects: a 6km interlocking block-paving on the Macubeni road in Cacadu which is currently 55% complete as well as an 8km interlocking block-paving in Healdtown, Fort Beaufort, which is progressing well.

Honourable Speaker, in the State of the Province Address, the Honourable Premier mentioned the 18 projects worth R7 billion that are currently being implemented by SANRAL in the province. The National Minister of Transport, Honourable Mbalula, has accepted our request for SANRAL to take over five major roads in the province, and these are:

- Vidgiesville to Coffee Bay;
- Engcobo to Elliot (Satan's Nek);
- Maluti to Qasha's Nek;
- R61 to Cala via Ncorha; and
- The rest of R61, that is from Port St John's to Mtamvuna River (EC border).

There is agreement that while administrative processes are being finalized for proclamation, repair work will be done on these roads. This process **Honourable Speaker** is intended to leverage on the financial and capacity muscle SANRAL possesses.

Honourable Speaker and Members, with regards to **Transport Operations**, the department has experienced challenges on the transportation of learners mainly occasioned by the fact that the commencement of the current contract coincided with the serious outbreak of the Coronavirus which necessitated certain levels of control of movement through regulations. Due to minimum numbers of learners that had to be at school on a daily basis given the gradual opening of teaching and learning, other deserving learners were added with no additional budget, however, when then teaching and learning started full swing our administrative systems could not off-load these additional learners in time as a



result the department ended up transporting 125,423 against the budgeted target of 103,000 learners. The matter is being addressed and corrected with the Department of Education in the province so that come 1st of April 2022, the department optimizes the transportation of learners. The compliance environment in the scholar transportation environment warrants for a robust strategy in the verification of work done from source. We have agreed to be deliberate in increasing the Scholar Transport monitoring efforts, and will assign monitors per school to ensure that children are ferried as contracted with our operators.

The department is also working in partnership with the national Department of Transport in the distribution of 1750 bicycles yearly to those learners who do not qualify for the scholar transport while they walk distances to school that are under the policy threshold.

Ladies and gentlemen, our people, especially in rural hinterland, are still faced with the challenges of limited access to safe and affordable transportation in which case in some instances they end up commuting in non-suitable vehicles. To this end the department, in its endeavours to extend access, is subsidising communities' public transportation in 2275 routes, covering 18 million kilometres (round trips) for 540,490 trips with a total budget of R637,9 million through Mayibuye Transport Corporation, Algoa Bus Company and Africa Best 350 (AB350).

Considering that Mayibuye Transport Corporation is the department's entity, the department will formulate a strategy to



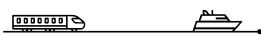
recapitalize the Corporation as part of ensuring it is sustainable going forward.

Honourable Speaker great strides have been made to establish a Rail Committee led by the department and comprises of PRASA, Transnet, National Department of Transport, municipalities and the EC Chamber of Business. This is intended to revitalize the rail system in the Province and to this end PRASA and Transnet will be presenting their business case for the province in the first quarter of the financial year.

The Department of Public Works and Infrastructure, as the implementing agent, recently appointed a contractor for the construction of the Fire Station at the Mthatha Airport at a cost of R35 million. A pay-parking system will also be installed in the coming financial year to enhance revenue generation. These interventions Honourable Speaker are part of the departmental plans to apply for the CAA Category 6 licence as part of enticing bigger airlines to enable increased competition.

Honourable Speaker and Members, with regards to the **Transport Regulations** the department remains committed to improving the road safety profile of the Province of the Eastern Cape. The Department has partnered with the Eastern Cape Parks and Tourism Agency to leverage on their platforms in the distribution of roads safety messages.

The reality is that a drop in the road safety profile will lead to a rise in the costs of doing business in the province causing investor fright. To this end, the department is in charge of strengthening

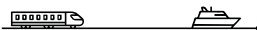
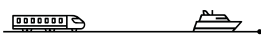


regulations as well as compliance thereto through inspections and law enforcement.

Regarding law enforcement, the department has introduced an interim flexi shift system known as 24/2 in terms of which traffic inspectors are deployed to the most critical roads during most crucial times, while waiting for the finalization of the 24/7 policy at national level. This flexi system has yielded positive results for the province since we recorded a 7,9% reduction on road fatalities during the past festive season compared to the previous financial year.

In its regulatory function, the department is also hard in its fight against fraud and corruption. One of the challenges in this regard relates to fraudulent issuing of both driving and operating licenses as well as registration documents, let alone the amount of unregistered vehicles that are sometimes on our roads. Furthermore, the Department is proud to announce that a first Departmental Registering Authority has been established in the Chris Hani area at the Queenstown Traffic Station to ease pressure to the Enoch Mgijima Municipality. This is in an effort to ensure continuity in the licensing service environment for the communities of that area.

Honourable Speaker, I wish to advise that the Department intends to expand on the licensing facilities in this Province to curb down on the unlicensed drivers and un-roadworthy vehicles. During the financial year 2022/23, our Struandale and Elliotdale Provincial Stations will be offering licensing services.



We are also pleased to announce that the Department is beginning to deliver on its Service Delivery Model, as we are soon to be opening a “Transport Service Centre” in Bhisho. These centers are meant to offer all licensing services, including Operator Licenses for our Transportation Operators and over the counter payment of traffic fines.

The Department in collaborating with the Road Traffic Management Corporation (RTMC) introduced the online services in Gqeberha as pilot project, and from the 1st March 2022 this service has been rolled out to Buffalo City Municipality. Further assessments are being conducted to increase the stations where these services are available, this will enable remote accessing of these licensing services and reduce the queues communities have to contend with on a regular basis.

Honourable Speaker, I wish to reiterate the confusion by many of thinking AARTO has gone away due to the recent High Court ruling, I wish to advise that the appeal process was initiated by the National Department of Transport. This means that the AARTO rollout continues until the appeal process is finalized.

Honourable Speaker and Members, the department, in the delivery of transport services, also is charged socio-economic objectives which it addresses partly through its

Community Based Programmes.

Honourable Speaker and Members, the Department appreciates and notes the cost constraints within which we operate and are expected to deliver services within our mandate. It is again my wish to reflect on the Dinokeng Scenario Analysis to give relevance to the transformation agenda we have set for the Community Based

Programme of the Department. We find resonance with the scenario advocating for Government and the citizenry "WALKING TOGETHER". That being said, Honourable Speaker, the work we will put into the Community Based Programme this coming year will afford the Department an opportunity to redefine the Engagement Model used in adding value to the service delivery proposition of the Department in partnership with our communities. This year will see the Department maximising integration of EPWP empowerment and innovation and drive Service Delivery Innovation for both Service Delivery and Sustainable Economic Improvement.

The department has approved a new EPWP policy that will help in accelerating the implementation of interventions that deliver on transportation infrastructure, operations and infrastructure-related projects through public employment programmes. Over 32 983 work opportunities will be created through EPWP projects that will target primarily unemployed youth, women and persons living with disabilities as well as families without any income. The department will continue to develop 500 youth through the National Youth Service and the Artisan Development projects and 2 271 participants across all our projects will be trained on technical and administrative skills.

As part of repurposing the EPWP programme, the department has identified key areas of intervention where the services of the EPWP participants will add value to the outcomes of the department. The areas identified include attachment of 1 school 1 monitor for the Scholar Transport Programme, Brigades for the maintenance of

potholes, guardrails, gabions and cleaning of road reserves; and continue assisting deserving learners who are not meeting the policy threshold of 10km for ferrying who have been finding assistance through our walking bus programme.

Furthermore, the National Youth Service (NYS) participants will be directed to the Center of Excellence to be trained as Plant Operators thus increasing our capacity to confront the roads maintenance backlog our province faces. We will advocate for the safety of our children in partnership with our local government stakeholders and drive for an agenda to have patrons of our programmes screened and vetted before qualifying them into these programmes. Our children's safety remains a priority above all else, and this should find resonance in our community by-laws as a strategy driven by and with our traditional leadership and local governing structures.

Having fallen short in our approach to attracting more youth and persons with disabilities, a foundation has already been laid through engagements that we made with organisations leading interests for youth and persons with disabilities. The department has identified infrastructure projects that will train and appoint youth, local contractors and establish micro to medium enterprises to gain skills and work independently.

Indeed we are on course, **Honourable Speaker**, and together with the people we will bring change to our environment.

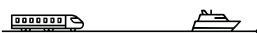
In respect of **Government Fleet Management Services**, through the Emerging Suppliers programme, we will assess the utilization of our

mechanical workshops across the province for free capacity intended to bring efficiencies into the vehicle maintenance of government fleet. The Department will leverage emerging artisans in the mechanical engineering sector for fleet maintenance and repairs, assisting with minor service and maintenance jobs. A Cooperative Development Programme will be designed to achieve this objective.

I also take this opportunity to thank the management and employees of the Department as led by the Head of Department as well as those of our entities and the Board of Mayibuye for their efforts in supporting these initiatives.

Honourable Speaker, I hereby present the Department's Policy Speech, Annual Performance Plan, Operational Plan, and Corporation plans for Mayibuye Bus Corporation.

I thank you!!!





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