



**MINUTES OF THE SPECIAL TRANSPORT PORTFOLIO COMMITTEE MEETING
HELD ON 13 MARCH 2020 AT 9:00 IN UMGUNGUNDLOVU DISTRICT
MUNICIPALITY COUNCIL CHAMBER**

MEMBERS PRESENT:

Hon SA Duma: **Chairperson**
Hon BM Zuma
Hon JS Nxumalo
Hon BN Mthethwa
Hon S Moodley
Hon S Hoosen
Hon GF Mtshali

DEPARTMENTAL OFFICIALS:

Mr S Gumbi: HOD
Mr SS Nkosi: DDG: TIRS
Mr W Evans: CFO
Ms F Sithole: DDG: Transportation Services
Ms G Xaba: Chief Director: Strategy Management
Mr SJ Lunga: Chief Director: PRE
Mr T Nkosi: Director: Financial Accounting
Mr: LL Mashaba: HOM
Ms B Kunene: PLO:
Mr K Ncalane: Director: Communications

SANTACO KZN: Mr Zondi: SANTACO KZN: Chairperson
Mr PJ Manqele:
Mr SR Shangase SANTACOKZN: Office Manager

LEGISLATURE OFFICIALS:

Arch SN Nxumalo: Cluster Manager
Mr S Nsele: Senior Legal Advisor
Mr TT Msomi: Senior Researcher
Ms B Xaba: Content and Budget Analyst
Ms NL Dube: Committee Coordinator
Mr SN Nkosi: Administrator

1. OPENING AND WELCOME

The Chairperson welcomed all members present. He advised Members that the purpose of the meeting was for the Committee to adopt the department's budget before it was presented to the House during the Budget Sittings. He also advised the meeting that SANTACOKZN had been invited to make a presentation on taxi industry matters.

2. APOLOGIES

An apology was tendered on behalf of the MEC, Hon MB Ntuli. Apologies were also received on behalf of Hon MC Frazer, Hon MB Gwala and Hon ME Phakathi.

3. ADOPTION OF AGENDA

With Hon Zuma and Hon Mthethwa proposing and seconding respectively,
It was **resolved**:

That the agenda for the Transport Portfolio Committee meeting held on
13 March 2020 be adopted.

4. MEC'S REMARKS

Noting that the MEC was not present at the meeting, it was agreed that MEC's remarks be deferred to the next meeting of the Portfolio Committee.

5. PUBLIC TRANSPORT TRANSFORMATION

The HOD (Mr Gumbi) gave a brief background on Public Transport. He highlighted that prior to 1994 the public transport sector was not regulated. He pointed out that it was partly in the hands of government. In 2016/17, the KwaZulu-Natal Provincial Department of Transport began to implement the Transformation Program on subsidized bus contracts.

He advised the meeting that the aim of the strategy was to promote the inclusion of the previously disadvantaged operators and to ensure that there was an acceptable balance amongst races and participate meaningfully in the economy.

The DDG: Transport Services (Ms Sithole) took members through the report on public transformation. She pointed out that transformation of subsidized public transport program seeks to achieve a 70% sector representation by previously disadvantaged groups and established operators to retain 30%.

She reminded the Committee that in 2016 the Department embarked on a process of implementing Phase one of the Transformation Program. Contracts that were mostly affected by Phase one were the subsidized contracts operating in King Cetshwayo District. She said that this resulted to seven (7) Transformation Companies that emerged under the King Cetshwayo District.

She advised further that there was one Company under uMgungundlovu District, One under uThukela, one in uGu District and one in Zululand District.

The DDG: Transport Services then gave a breakdown of transformation companies and several buses thereof, which equaled to 220 buses. She highlighted that phase one did not affect subsidized contracts under Durban Metro.

She also advised the Committee that the Department was currently preparing the implementation of Phase two of Public transport transformation in the following Districts:

- uMkhanyakude
- iLembe
- uMgungundlovu
- Amajuba

- Zululand

She said these had to be put out to tender since negotiations were found to be irregular by the Auditor General. The terms of reference had been completed to be developed in preparation to go out to tender. She reiterated that all subsidized contracts under Durban Metro were treated differently from contracts outside the Durban Metro. The Durban Metro had its own Transport Plans for Public Transport, for example, Go-Durban. Transformation of the Durban Metro contracts were aligned to the objectives of the Go- Durban project.

The HOD also added that the Department had learnt from when they were doing Phase one. For example, the issue of access to finance by contractors. He pointed out that the incubation program for small operators was also important so that after seven years they can be able to operate without the assistance from the main contractor.

Members noted the discontinuation of funding for subsidization of public transport.

In response to a question raised regarding consultation with public transport structures; the DDG: Transport services affirmed that the Department consulted with SANTACO, KWANABUCO and SABOA about issues concerning public transport transformation. She also pointed out that although it was little but the Department provide training. The HOD also added that the Department had started to develop a subsidy policy for taxi operators.

It was **resolved**:

- (i) That the Minister of Transport be invited to the Portfolio Committee to clarify issues relating to Msunduzi Municipality funding of public transport subsidization.
- (ii) That the Department should make a presentation on beneficiation of taxi operators to the Portfolio Committee.

6. **SANTACO KZN PRESENTION**

Mr Zondi (Chairperson: SANTACO KZN), expressed their appreciation for being afforded an opportunity to appear before the Portfolio Committee. He highlighted that the taxi industry was second to Government in terms of providing employment opportunities. He pointed out that the taxi industry was trying to transform the industry for better so that it becomes a mode of transport for choice.

Mr Shangase also took Members through their presentation. He pointed out the challenges and opportunities by SANTACO KZN. He advised the meeting that SANTACO KZN had incorporated the scholar transport component (omalume). SANTACO KZN had proposals that they had in ensuring a better and compliant vehicle; that transport learners. He further advised the Committee that SANTACOKZN had an accredited academy. Which had trained 6000 candidates (drivers, rank marshals, operators and administrative staff in the taxi industry).

In response to a question raised regarding AARTO Act, Mr Zondi, pointed out that the AARTO Act was still going to be protested Nationally because they feel that their input was not considered. He advised the meeting that the taxi industry, would appreciate if they were consulted in respect of public transport transformation, to ascertain that small operators were benefiting and not only the main operators.

Members expressed concern about the conflict in the industry. It was pointed out that some Security Companies do instigate conflict as a way of extending or getting more work for them to make more money. It was pointed out that it would be a good idea if the Security Companies were owned by SANTACOKZN.

It was further pointed out the Portfolio committee should have a workshop with all relevant stakeholders, on issues relating to public transport.

With regard to the Mozambique Jersey Barrier; the HOD apprised the meeting that the Department was chosen as an implementing agent, to erect the barrier wall. He said the Department of transport was assisting Public Works Department and were ready to put the barriers, however the entire project was requiring environmental assessment.

Following discussion, it was **resolved**:

- (i) That SANTACO KZN be invited to the Portfolio Committee meetings on a regular basis.
- (ii) That PRASA, SANRAL and Msunduzi Municipality be invited to the Committee's workshop.

7. 2020/21 ANNUAL PERFORMANCE PLAN (APP) AND BUDGET

The HOD (Mr S Gumbi) tabled the 2020/21 APP Budget. He advised the Committee that the Department had aligned the budget with Strategic Plan and Annual Performance Plan. He also advised the meeting about the Department's vision and mission statements. He said the Department would strive to ensure that Kwa- Zulu Natal becomes a gateway connecting Africa and the world, through an affordable, reliable and integrated provincial transport system.

The Chief Director: Strategy Management (Ms Xaba) also took Members through the presentation. She advised the meeting about how the Department's alignment of its budget to the National and Provincial priorities.

The CFO (Mr Evans) then presented the budget. He mentioned that the summary of the budget estimates was as follows:

- Administration: R459 785
- Transport Infrastructure: R8 316 704
- Transport Operations: R1 784 593
- Transport Regulation: R1 032 810
- Community Based programme: R41 594

The total budget for 2020/21 financial year was **R 11 635 486**

In response to a question raised the Chief Director: Strategy Management, advised that the Department's Transformation Program was under Programme 5 (Community based programme). The HOD also affirmed that an expression of Igula would be made under Programme 5.

The Chief Director: Strategy Management also responded that EPWP numbers were not increasing on the APP for the outer years because the Department was only able to give estimates and would readjust annually.

Regarding a question raised about bicycles, the CFO advised the Committee that the bicycles project was a project that was done by the Department and had its own budget. It was not from the learner transport. He said it was an omission on the budget that was being presented but would be included.

The HOD also responded on the concern raised regarding the status of Weigh Bridges. He pointed out that the Department will consider improving the services that were performed at the weigh bridges.

8. ADOPTION OF THE 2020/21 APP AND BUDGET

Political Parties present at the current meeting supported the 2020/21 APP and Budget. The Democratic Alliance however reserved their comment. The Minority Parties were not represented at the meeting since Hon ME Phakathi had tendered an apology.

The 2020/21APP and Budget was supported as follows by the Political Parties:

- **African national Congress (ANC): supported**
- **Inkatha Freedom Party (IFP): Supported**
- **Democratic alliance (DA): Reserved their comment**
- **Economic Freedom Fighters (EFF): Supported**
- **Minority parties were not represented the meeting**

9. CLOSURE

The Chairperson thanked everyone for attending the meeting and declared meeting closed at 12:00

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DATE

CHAIRPERSON
SA DUMA

