



TRANSPORT PORTFOLIO COMMITTEE

2022/23 BUDGET REPORT

Committee Details	
NAME OF COMMITTEE	TRANSPORT PORTFOLIO COMMITTEE VOTE 12
TABLING DATE	05 MAY 2022
CHAIRPERSON	HON. TS MTSHALI

REPORT OF THE TRANSPORT PORTFOLIO COMMITTEE ON THE CONSIDERATION OF THE 2022/23 APP AND BUDGET FOR THE DEPARTMENT OF TRANSPORT

1. INTRODUCTION

Hon Chairperson and Hon Members of the House, the aim of this report is to present what has transpired during the budget process of Vote 12, The Department of Transport.

2. SUBMISSION OF INFORMATION AND USEFULNESS THEREOF

The Departmental 2022/2023 Final Budget APP were submitted on 30th March 2022 to the Committee. This allowed a sufficient time for the Committee support team to analyse the documents and brief the Committee.

3. BUDGET CONSIDERATION PROCESSES

In line with its mandate to facilitate public participation, the Portfolio Committee on Transport facilitated stakeholder's engagement on 07 December 2021 at Ladysmith (uThukela District), where the department presented and engaged both the Portfolio Committee and stakeholders on its 2022/23 Draft Budget and Annual Performance Plan (APP). The Department's budget hearing with the Finance Portfolio Committee was also held on 18th March 2022 and was then followed by the Portfolio Committee meeting on 29 April 2022.

4. ANALYSIS OF THE FINAL APP AND BUDGET

The Portfolio Committee notes that the department is allocated R12.474 billion for 2022/23 financial year to provide safe transportation system and quality infrastructure which will act as a catalyst for development and investment in the province. The Committee also notes with appreciation that the Department's budget grew by an above inflation growth rate of 7.4%. compared to the 2021/22 adjusted budget of R11.619 billion. And that there were no budget reductions initiated against the

departmental equitable share in 2022/23, however carry-through budget cuts implemented during previous MTEF periods meant that the department was deprived of R888 million, it would have received in the absence of these carry-through cuts.

The Committee notes with appreciation that, the department allocated R8.118 billion (72%) of its total budget towards transport infrastructure; and the department received additional funding of R582.453million on Provincial Roads Maintenance Grant (PRMG) thus, continuing with investment in the provincial road network while aiming towards the creation of EPWP job opportunities through road construction and maintenance projects. Furthermore, the Committee appreciates the increased allocation against transport regulations which is an investment in law enforcement and regulation activities.

Further analysis of the department's APP and budget and deliberations during the hearing amongst other things reflected the following:

- The department's APP aligns to framework for Strategic Plan, Annual Performance Plan, National Development Plan (NDP) and Medium Term Strategic Framework (MTSF) Priorities.
- There has been upwards adjustment in most of the targets for the performance indicators for 2022/23 fiscal period.
- The department undertook to ensure that the industry and restructuring of bus industry will also remain its focus area.
- The department has increased number of schools which receive leaner transport from 363 to 397.

5. COMMITTEE CONCERNS

The Committee pointed out the following concerns in respect of the 2022/23 APP and Budget:

- The department in recent years has had challenges with spending budget allocated for Transport Infrastructure (programme2) which contains bulk of the department's budget and this poor performance has negatively impacted on planned infrastructure projects and created infrastructure backlog.

- The decrease on the EPWP Grant whereas the department is said to be spending this grant fully, however reporting is inefficient and incomplete hence this grant has been reduced. This decline has been persistent from previous financial year as it was R76 million in 2018/19 but has decreased to R68 million in 2022/23.
- Since funds earmarked for disasters that occurred during 2019 and 2020 have only been received in 2022/23, what will be the implications and impact on targeted financial and non-financial performance and outputs as per current Budget and APP, if additional funds for the 2022 floods are not received in the current financial year.
- Due to recent 2022 floods and pending reprioritization of the budget, Some of the of the Department's APP indicators might change and this will aggravate the already existing infrastructure backlog.
- Poor infrastructural conditions of Road Traffic Inspectorate (RTI) stations and the department will no longer provide 24hr bridge operations.
- The high vacancy rate in the department as well as high staff turnover in the key positions due to delays in the finalization of organizational structure and alignment of the organizational structure to the District Development Model. (DDM).
- Members expressed great concern about the increase of vehicle licensing in the KZN Province. The department however mentioned that motor licensing was another a way of getting revenue and have been increasing it with only 4%.

6. RECOMMENDATIONS/RESOLUTIONS

When conducting its robust oversight, the Committee will ensure that the department submits the following documents for further deliberations during the financial

year under review:

- (i) A report with timelines on the finalisation of the organisational structure which will be aligned to the DDM, which was reported to be implemented in six months since April 2021.
- ii) Updated APP and Budget once reprioritisation process of these voted funds has been finalised, and national government has provided way forth.
- (iii) A list of added schools for leaner transport, per district.
- (iv) A plan on how it will reprioritise its budget to fix the key roads and bridges damaged by 2020 floods from its baseline while delaying planned outputs.
- (v) A report on implications and impact on targeted financial and non-financial performance per current plans, if additional funds for the 2022 floods are not received in timeously.
- (vi) The department is implored to ensure that it expedites rehabilitation of roads and bridges which have been damaged because of the recent, 2022 floods.
- (vii) The Department is encouraged to continue spending on EPWP incentive grant and to ensure timeous and compliance reporting on this grant to mitigate against decline or loss of funds required to create job opportunities in the province in outer years.
- (viii) The Committee supports department's intervention on working with National Department of Transport to resuscitate railway and exploration of other modes of transport which will ease the load on road transport.

The Committee feels that KZN Transport is not adequately funded, however the onus is on the department to demonstrate an ability to fully spend the allocated budget efficiently, effectively and economically. This will empower the Portfolio Committee to support the department when petitioning for additional funding.

7. ADOPTION OF THE 2022/23 BUDGET

Having considered the department's 2022/23 Budget and APP and informed by considerable deliberations the Portfolio Committee's Political Parties, voted for the budget as follows:

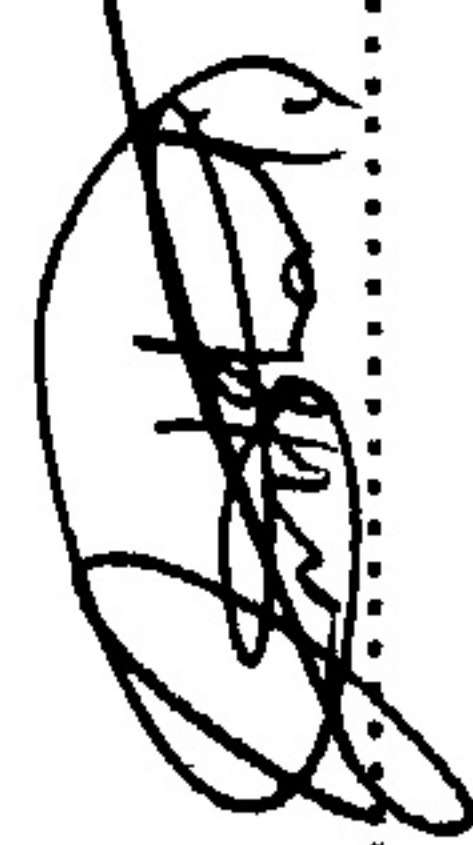
- African National Congress (ANC) supported the Budget
- Inkatha Freedom Party (IFP) voted in favour of the Budget
- Democratic Party (DA) reserved their rights
- Economic Freedom Fighters (EFF) supported the Budget
- Minority Parties were not represented at the current meeting

8. CONCLUSION

Hon Speaker, we wish to assure this House that the Portfolio Committee aims to support the department to maximize the implementation of service delivery and ensure that road safety issues receive the appropriate attention.

We would also like to thank the MEC, Hon NP Nkonyeni for her leadership. The Committee also extends its words of gratitude to the entire management team led by Mr S Mbhele, Head of Department.

Many thanks also go to all Portfolio Committee Members for positive contributions on Transport issues. Lastly, my appreciation goes to the support staff of the Committee for their valuable input and dedication to Committee activities.

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CHAIRPERSON OF TRANSPORT PC

HON TS MTSHALI

03/05/2022

DATE