



Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

Ref Number: 11/4/1/2/56

REPORT OF THE STANDING COMMITTEE ON TRANSPORT AND PUBLIC WORKS ON THE 2018/19 ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORT AND PUBLIC WORKS AND GOVERNMENT MOTOR TRANSPORT

The Standing Committee on Transport and Public Works, having considered the annual reports of the Department of Transport and Public Works and Government Motor Transport for the 2018/19 financial year, dated 31 October 2019, reports as follows:

1. Introduction

The Annual Reports of Government Motor Transport and the Department of Transport and Public Works (the Department) for the financial year ended 31 March 2019 were tabled on 19 September 2019 and 26 September 2019 respectively in accordance with section 65(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

As part of its oversight function, the Standing Committee on Transport and Public Works (the Committee) considered the annual reports of the Department and its trading entity, Government Motor Transport (GMT), on 8 October 2019. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition hereto, it accounts for the success of each programme that was implemented.

Standing Rule 111(1)(a) of the Western Cape Provincial Parliament provides standing committees with the mandate to consider departmental annual reports submitted in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

The Annual Report Programme for the 2018/19 financial year was advertised in newspapers to invite stakeholders and members of the public to attend and participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information and Part D: Human Resource Management, after which the public present was afforded an opportunity to ask questions to the department.

2. Department of Transport and Public Works

2.1 Overview

The Chairperson welcomed the members of the Committee, the Minister of Transport and Public Works, the Head of Department, departmental officials and all present.

The Minister highlighted that this Annual Report was completed under the previous Minister. This Department plays a critical role in stimulating the economy in the province and provides

the infrastructure to ensure that there is adequate service delivery during the sixth Parliament.

Since the start of term of the Minister, he had various engagements with the officials, as well as with stakeholders and the National Ministers, Minister of Public Works and Infrastructure, Minister De Lille and Minister of Transport, Minister Mbalula. The Minister reiterated that it is important to ensure that there is a close alignment between the provincial and national spheres of government in order to address the challenges facing the Department, specifically with challenges relating to rail transport and that the success of the Department will be determined by good Inter-governmental relations.

The Minister further noted that the Premier launched a safety plan for the province and the Department of Transport and Public Works has a critical role to play in road safety. The Department will develop a plan with clear strategic deliverables on how to address his critical role in respect to Road Safety.

The Department is also in consultation with various departments and stakeholders to support the building and construction industry in order to create an environment for job creation.

The Department will continue to engage the national Department of Transport, the City of Cape Town and the Passenger Rail Agency of South Africa to find a sustainable solution to the crisis.

Minister Madikizela highlighted that he will be focusing on four key strategic areas during his term in office, namely road safety, the improvement of public transport (in particular rail transport), empowerment and skills development and spatial integration.

3. Government Motor Transport

3.1 Overview

Government Motor Transport (GMT) is a crucial component of the service delivery component of the various arms of government. It encompasses a wide range of functions and is the only trading entity of the Department of Transport and Public Works. It operates as an independent business unit responsible for the delivery of vehicle-fleet management services to the provincial and national government, as well as to other entities. GMT operates differently from the Department as it uses accrual accounting as opposed to the modified cash accounting system used by the Department. GMT maintained its clean audit status.

As fleet management agency, GMT is vulnerable to the impact of changing economic conditions, high fuel costs and local and international events. Fuel is one of GMT's main cost drivers and expenditure on fuel, which totalled R165 million during the 2018/19 financial year, representing an increase of 14,3% on the previous year. The expenditure on fuel represents 27,8% of GMT's operating expenditure and is likely to increase as adverse economic conditions affect fuel prices.

GMT continually provides client institutions with innovative solutions and was fundamental in the introduction of in-vehicle technology for the Department's traffic management fleet. During the installation of the in-vehicle technology, problems with the battery system were experienced in one of the vehicles and the matter was referred to the service provider, who carried out the repairs at no cost to GMT. Lessons were learnt and the necessary corrective measures were put in place.

During the year under review, the running cost increased by 11,9%, which consist of the fuelling component and general repairs and maintenance, while fuel increased by 14,1%. The unit cost per running kilometre is R2,29, which consist of the R1,51 fuelling cost and R0,71 is for general repairs and maintenance, and that represents an increase from R2,03. The cost for accident repairs is R10, 279 million, which is 5% of the total repairs and maintenance, and that represents a decrease from R12,988 million, which was 6% of the total repairs and maintenance.

Client-satisfaction consultations are conducted bi-monthly during transport client forum meetings to resolve GMT-related issues. GMT is also evaluated annually to identify and resolve shortcomings. The feedback is used to improve service delivery where necessary but the feedback in general is positive. Regular interaction and training sessions took place between the GMT liaison officers and the transport officers in client departments to address any problem areas.

GMT self-ensures that vehicles are not misused as it is in GMT's interest. GMT is in the process of implementing a driver tag system whereby a driver is issued with a tag and with the help of technology and a tracking system, a driver can be monitored and a driver profile can be compiled. Where it is found that a driver transgresses, a report will be sent to the client department for further action.

The Committee noted the low number of employees with disabilities who are employed but also noted the Department's and GMT's attempts to address this matter.

GMT continues to strive to deliver effective fleet management services and has taken a number of innovative steps to ensure that it effectively supports the core values of the Western Cape Government.

4. Information requested

The Committee REQUESTED that the Department, by 31 January 2020, submits:

- 4.1 A complete list of the private cleaning companies utilised by GMT for on-site vehicle cleaning at GMT, and the cost of the project;
- 4.2 The statistics with regard to road fatalities per district municipality; and
- 4.3 A list of the framework agreements in place for the maintenance programme at the Department and an indication of the grade of each contract, as well as the cost per contract.

5. Resolutions

The Committee RESOLVED to invite the Department, at a future date, to brief it on:

- 5.1 The utilisation of provincial sites and/or land to address the imbalances of the past in the province;
- 5.2 The refinement of Phases 1, 2 and 3 of the "Go George" bus service and a status report on the implementation of Phase 4; and
- 5.3 The Conradie Better Living Model Exemplar Project.

6. Conclusion

The Chairperson thanked the Members of the Committee, the Minister, the Head of Department and all the officials of the Department and GMT for their preparation and responses to the questions raised by the Committee.



MR D MITCHELL (MPP)

CHAIRPERSON: STANDING COMMITTEE ON TRANSPORT AND PUBLIC WORKS

DATE: 31/10/2019