



## NATIONAL COUNCIL OF PROVINCES

### Policy Debate on Budget Vote No. 37 – Transport

9 June 2011

**Honourable Chairperson and Deputy Chairperson of the NCOP**  
**Honourable Minister**  
**Honourable Deputy Minister**  
**Honourable Members**

On Tuesday, during the debate of the budget vote on Energy and this morning during the CoGTA budget vote, we noted with pride the very successful local government election in which our communities have gone against international trends in respect of voter turn-out and came out in their numbers to vote for parties and local representatives of their choice.

We stated that towards, during and after elections the message we heard from our communities was that “**they expect better services now**”.

The state of roads infrastructure has come up very strongly; especially towards elections where sometimes, in violent public protests, in which the anger at state of roads infrastructure was central, properties of councillors and public property was destroyed. We condemn the destruction of public property as well as the private property of councillors.

We again say that we intend to respond, with unquestionable commitment, to the demands of our communities for better services.

Minister please partner with us in this regard. It became very evident during the period towards elections that communities do not know or care which sphere of

government is responsible for which road. From their point of view, all roads are physically in a municipal space and therefore the municipality must account. Intergovernmental coordination is nowhere else more important as it is in the roads sector.

SALGA would like to request the Minister to please add the following matters to his list of priorities for this year.

### **1. Finalization of the roads proclamation**

With about 221 000 kilometres of roads remaining unallocated between the provinces, district and local municipalities, this means that monitoring of the condition and maintenance of this vast portfolio of roads infrastructure falls between the cracks.

### **2. Funding of rural roads**

We appreciate the steps that the Minister has taken in launching the S'hamba Sonke. But we understand that this focus on secondary roads means that this programme is about only those roads that are responsibilities of provinces. It does not include municipal roads, mostly access roads.

With the exception of tolled roads, the roads infrastructure is generally funded from tax. In the case of local government, this tax is property rates tax. In rural areas there is no property rates tax payment. National Fiscus contributes, on behalf of poor households in the form of MIG, some limited amount for the provision of basic services infrastructure, including basic level of roads infrastructure. This means that those households that are not reflected in the Stats SA data as poor as well as businesses, do not contribute to the costs of providing roads infrastructure to and in their areas.

Therefore urban rates payers and poor rural households who are paid for by the national fiscus, have to carry this unfair subsidy burden to the rural middle and high income households and businesses. Unfortunately, a municipality cannot overtax those urban rates payers, leading to situations where there is no financial provision for investment and maintenance of the rural roads infrastructure except for the small contribution made by the national fiscus, on behalf of poor households. Ironically,

middle and high income households and businesses are the most vocal in their demand for good quality roads because of the impact it has in their vehicles.

SALGA would like to request the Minister to please work with SALGA and National Treasury to find a solution to this challenge of funding of rural municipal roads such as access roads.

### **3. Public Transport**

SALGA appreciates the strides taken in respect of supporting implementation of and roll-out of Bus Rapid Transit Systems in four cities.

However, some of the cities have indicated concern that the Rapid Transit System has been reduced into a Bus modal transport system. Where a city prefers a Rapid Transit System that is not anchored on a bus system e.g. rail, this does not appear to find favour from Department of Transport officials.

Secondly, in the last financial year a budget was provided for interventions of a similar kind in 12 District municipalities, but there has been no progress in this regard.

SALGA appeals to the Minister to attend to the above two matters in respect of Rapid Transit Systems.

### **4. Open Road Tolling in and around metropolitan spaces**

The view of local government is that charging the users of infrastructure for the use of such infrastructure is an acceptable way of revenue collection, that is what we do on a daily basis. However we are concerned at how this principle has been applied in the case of Gauteng Freeway Improvement Project (GFIP). Municipalities believe that the application of road user charging through tolling a road should be preceded by detailed studies and analyses of:

- How the proposed tolling will affect communities in the nearby areas; including access to public transport, to other life opportunities such as health centres, and opportunities of employment or education.
- Extent to which there is likely to be diversion of vehicles onto the municipal road network and the impact of such a diversion.

These studies should form the basis for decision making regarding whether to toll a road or not or determining mitigating measures against negative impacts if the tolling has to go ahead.

In the case of the GFIP, SALGA has not seen any of these studies being published and/ or used as a basis for public consultation.

The introduction of road tolling should be linked to viable alternatives in terms of alternative roads or alternative modes of transport for those who will be affected by road tolling.

Municipalities believe that the impact of the diversion of traffic from the tolled roads into local roads, in terms of congestion and costs of maintenance, has not been assessed and provision made to ameliorate such an externally on the municipal roads network, which is not designed to carry such heavy traffic volumes.

SALGA wishes to request the Minister to engage meaningfully with local government on this matter.

## **5. Councillor induction**

After the recent elections the majority of councilors, who will be MMCs responsible for roads or members of Council Committees on roads, are likely to be new councilors with no previous sector experience.

This creates a desperate information asymmetry between the administration and councilors and leads to poor oversight and poor decisions by council structures (Mayco, Exco and Council Committees). There is a need to empower councilors.

We appeal to the Minister to include, in his list of priorities this year, a programme to induct MMCs responsible for roads and members of Council Committees on roads.

I thank you.

**Cllr W Mxolose**