

**PUBLIC PASSENGER TRANSPORT MARKET INQUIRY BY  
COMPETITION COMMISSION**

**DA SUBMISSION ON RAIL IN SA**

SUBMISSION BY MANNY DE FREITAS, MP (SHADOW MINISTER OF  
TRANSPORT) ON BEHALF OF THE DEMOCRATIC ALLIANCE



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  - Diversifying ownership



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# Current picture of transport – Rail transport lacking & collapsing

- Rail is under the national government has effectively collapsed
  - Corruption, mismanagement and a lack of leadership and care
- Trains carried 2,7 mil people in 2008 while trains today transport only 1,2 mil people a day
  - Limits commuter choice
  - Unsafe and dangerous
  - Unreliable & Lack of alternatives when service is down
  - Directly leads to **job losses** & decreases access to schooling/services



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# A resurgent rail system is possible

- The DA has a comprehensive transport offer with a key focus on rail



Stabilise then Modernise rail system



Merge Transnet and PRASA under the Dept of Transport



Facilitating Metropolitan integrated transport planning and governance



Diversifying ownership



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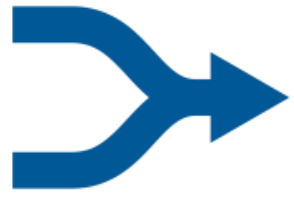


# Stabilise then Modernise

- South African cities continue to face the legacy of apartheid spatial planning
- and improve access to jobs and amenities for previously excluded communities is through public transportation.
- Urgent attention is required in order to stabilise the rail system, the DA has proposed a four-point:
  - Stop the institutional collapse at PRASA.
  - Implement an emergency safety plan
  - To order an urgent update as to the progress made in upgrading the current signal system & Train sets
  - That PRASA cede control of Metrorail services and the allocated budget to metro councils



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# Merge Transnet and PRASA under the Dept of Transport

- PRASA and Transnet shares infrastructure that governed by various lease agreements
  - PRASA pays Transnet nearly **R500 million** per year and Transnet paying PRASA **R91 million**. PRASA owns Transnet **a net R816.5 million** for access to Transnet infrastructure
- Transnet under PE and PRASA under Transport leads to:
  - Muddled the reporting lines and accountability structures
  - Allows certain entities to justify poor performance
  - This makes for slow decision-making, ineffective administration and poor accountability.
- All rail-related passenger and freight services should become the direct responsibility of the Minister of Transport



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# Metropolitan integrated transport planning & governance

- Metropolitan Councils should take on the role of a Metropolitan Transport Authority (MTAs).
  - focus on developing an integrated, multi-modal network in which different modes of public transport fulfil an appropriate role.
- This will ensure coordinated and integrated public transportation systems as major Metros
  - Cape Town Case Study



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# Diversifying ownership

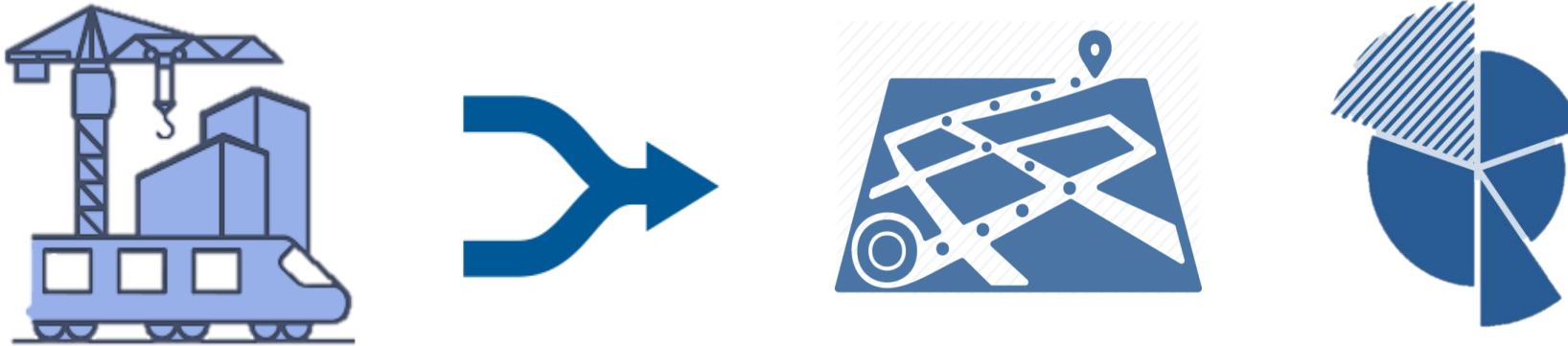
- While the state should retain ownership of the infrastructure, the DA would encourage the gradual inclusion of private firms/PPP of some of the operations.
  - Enhances competition and choice
- A public corporation will own the physical components of the rail network. This corporation will:
  - Be required to cover costs, not make a profit.
  - Be responsible for system operation and safety.
  - Fund capital investment
  - Negotiate access agreements
  - Assist Local Government with the integration of rail facilities
- International case studies: Japanese Model



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# Conclusion



- Urgent intervention needed
- The DA's plan on rail:
  - Will lead to the provision of safe and reliable rail transportation
  - Truly enforce integrated transportation planning dearly needed to transform the entrenched Apartheid spatial legacy.



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