

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



Content

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- DA's offer on a resurgent rail transit system
 - Stabilise then Modernise rail system
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 - Facilitating Metropolitan integrated transport planning and governance
 - 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



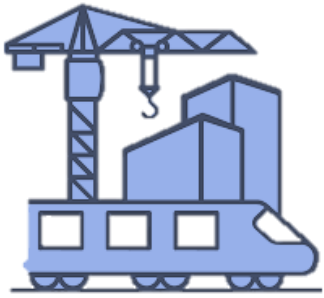
Facilitating Metropolitan integrated transport planning and governance



Diversifying ownership



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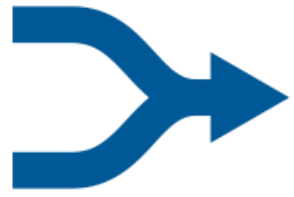


Stabilise then Modernise

- 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 fulfils an appropriate role.
- This will ensure coordinated and integrated public transportation systems as major Metros
 - Cape Town Case Study



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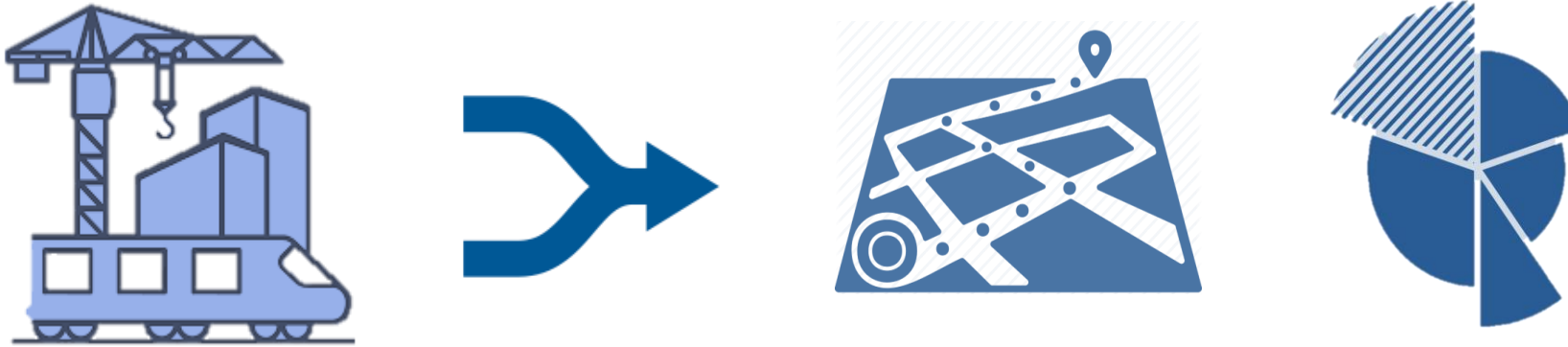
Diversifying ownership

- 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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