



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

## COMMITTEE REPORT

Report of the Standing Committee on Mobility on the Annual Reports of the Department of Transport and Public Works and Government Motor Transport (GMT) for the 2022/23 financial year.

The Standing Committee on Mobility, having deliberated on the Annual Reports of the Department of Transport and Public Works and Government Motor Transport (GMT) for the 2022/23 financial year, reports as follows:

### 1. Introduction

The Department of Transport and Public Works (DTPW) (previous Vote 10) ceased to exist on 31 March 2023 and was taken up into the new Department of Mobility and the Department of Infrastructure with effect from 1 April 2023.

There are however an Annual Reports for the Department of Transport and Public Works and its trading entity Government Motor Transport (GMT) for the 2022/23 financial year.

The Annual Reports of the Department and Government Motor Transport for the financial year ended 31 March 2023 were tabled on 29 September 2023 in accordance with section 65(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended.

The Standing Committee on Mobility (the Committee) invited the Department of Mobility and the relevant officials from the Department of Infrastructure to attend the deliberation on the Annual Reports of the Department and Public Works and GMT for the 2022/23 financial year.

As part of its oversight function, the Committee considered the Annual Reports of the Department and GMT on 30 October 2023. 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 2022/23 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 Chairperson afforded an opportunity to the public to ask questions to the Department.

## 2. Overview

### **Department of Transport and Public Works**

Despite the significant changes resulting from amalgamating the infrastructure components of DTPW and the provincial Department of Human Settlements into a new Department of Infrastructure and moving the mobility components of DTPW into a new Western Cape Mobility Department (WCMD), the DTPW achieved a clean audit report and managed to spend 99,8% of its budget.

The B97 minibus taxi route between Mbekweni in Paarl and Bellville was closed by the Provincial Minister due to violent conflict between rival taxi associations. The closure affected ranks until the conflict could be resolved. The DTPW supported the parties' efforts to agree to peacefully share this route and sign a memorandum of understanding to that effect. While the routes and ranks were reopened in the year under review, the injuries and loss of life that resulted from the conflict is unacceptable.

During the year under review, the DTPW faced significant challenges. The war in Ukraine caused delays in supply chain systems and procurement streams, which are critical for the Department's effective operations. Ongoing power interruptions were another significant hindrance. Consequent fuel disruptions and shortages of material brought about rising costs with a negative knock-on impact on other important sectors. Despite these challenges, the Department continued to respond to these and other crises through innovative solutions based on its embedded capabilities and systems.

Several regions in Western Cape were hit by flooding during the year under review, which had a detrimental effect on transportation systems. This resulted in disruptions in the project delivery cycle and the Department had to respond immediately since communities were cut off and road users had to be diverted to alternative routes. As a result, resources were allocated to emergency flood damage repairs.

The Committee proceeded to engage with the Department by asking questions on Parts A, B and D of the Annual Report. All questions were satisfactorily answered, and the Committee was satisfied that the Department achieved its predetermined objectives for the 2020/21 financial year and that it was accurately reported on.

### **Government Motor Transport**

GMT obtained an unqualified audit with no findings for the eleventh consecutive year thus continuing with the positive trend of the past years.

GMT faced numerous challenges arising from geopolitical tensions, policy frameworks, and operational obstacles. These challenges span various domains, including resource scarcity, rising freight costs, difficulties in demand forecasting, congestion at ports, inflationary cost-of-living increases, the need for digital transformation, and sector restructuring to optimize efficiency. These factors can potentially lead to delays during the initial stages of GMT operations and supply chains.

The rise in commodity prices, driven by macro factors, directly impacts GMT's service delivery costs. To mitigate this, GMT adjusts charges to client institutions monthly while also managing its operations prudently within its budget limits. Recognising the fiscal and economic challenges faced by its client institutions in the current economic climate, GMT remains cognisant of these factors and strives to adapt accordingly.

To stay up to date with the evolving motor vehicle industry, GMT actively collaborated with original equipment manufacturers, specialists, and other stakeholders. This regular engagement allowed GMT to strategically position itself based on expert recommendations and market trends. By doing so, GMT not only demonstrated thought leadership in the mobility sector but also contributed to the development of a collaborative mobility ecosystem, envisioning a future where all stakeholders work together to create innovative solutions.

During the year under review, GMT's Massive Transformative Purpose as outlined in its Strategic Plan 2020-2025, continued to steer the entity in its service delivery to clients. The Strategy also outlines three strategic outcomes for the period, namely leadership in mobility solutions, greening the fleet and satisfaction of stakeholders.

GMT collaborated with client institutions and other stakeholders to executing the projects outlined in the Western Cape's Electric Vehicle (EV) Strategy, which received approval from the Provincial Cabinet on 13 October 2021. A fundamental objective of the EV Strategy is for GMT and the WCG to emerge as thought leaders in Africa for EVs, and to establish essential building blocks towards an EV ecosystem.

The Committee proceeded to engage with the GMT by asking questions on Parts A, B and D of the Annual Report. All questions were satisfactorily answered, and the Committee was satisfied that GMT achieved its predetermined objectives for the 2022/23 financial year and that it was accurately reported on.

### **3. Information requested**

The Committee REQUESTED that:

- 3.1 The Department provides the Committee with the number of vehicles in the Western Cape impoundment facilities as on 31 March 2022, 31 March 2023 and 31 October 2023 and the impoundment fees for the same periods; and
- 3.2 Government Motor Transport provides the Committee with the outstanding debt per client as on 31 March 2022, 31 March 2023 and 31 October 2023 and indicate which of the outstanding debt is older than 30 days.

### **4. Acknowledgement**

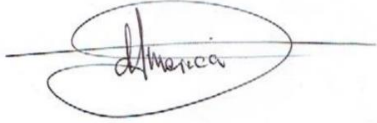
The Committee congratulated the Department on their performance for the 2022/23 financial year, wherein they spent 99,8% of their budget. The Committee further congratulates the Department and GMT on achieving their 11<sup>th</sup> consecutive unqualified audit opinion without findings.

The Committee noted the expiration of Ms Gooch's employment on 31 October 2023 and acknowledged that Ms Gooch is a remarkable woman who is known for her integrity, governance, and ethics, as well as her sharp mind and incredible knowledge. She has been the Head of Department of the Western Cape Department of Transport and Public Works since November 2013. Her respectful leadership style has built a team that is not only innovative at all levels but also empowered through her incredible commitment to improve the lives of all the people of the province.

The Committee expressed its appreciation to the Traffic Law Enforcement Officers and wished them well during the execution of their duties over the upcoming festive season, to ensure roads are safe for all road users.

## 5. Conclusion

The Chairperson thanked the Members of the Committee, Ministers Simmers and Mackenzie, the Head of Departments, Ms Gooch and Ms Moore and all the officials of the Department for their preparation and responses to the questions raised by the Committee.

A handwritten signature in black ink, appearing to read "D. America", is enclosed within a large, hand-drawn oval. A horizontal line passes through the center of the oval, extending slightly beyond its left and right edges.

**MR D AMERICA, MPP**

**CHAIRPERSON: STANDING COMMITTEE ON TRANSPORT AND PUBLIC WORKS**

**Date: 21 November 2023**