

**OFFICE OF THE MEC/ IHHOVISI LIKA MEC
KANTOOR VAN DIE LUR/ KANTORO YA MEC**

**FOR PUBLIC TRANSPORT, ROADS AND WORKS
WEZOKUTHUTHA WOMPHEKATHI, EZEMIGWAQO NEZEMISEBENZI
VIR OPENBARE VERVOER, PAAIE EN WERKE
WA DIPALANGWA TSA SETJHABA, DITSELA LE MESEBETSI**

ANNEXURE A

To: Mr. Sibusiso Buthelezi
Head of Department

From: Mr. Ignatius Jacobs
MEC for DPTR & W

**SUBJECT: Bus Transformation Initiative and Other Special Projects
Moratorium on Special Projects
Winding Down in Preparation for a Hand Over**

Date: 25 February 2009

Dear HOD,

1. I appreciate the efforts and intended intervention regarding the bus transformation initiative. This is indeed a matter that is long overdue, hence the need for urgent intervention by Government with a view to ensure the rendition of quality transport services for our consumers and citizenry in general.
2. Two weeks ago, I had consultative/briefing meetings with the DDG for Transport, Ms. N. Maninjwa, DDG for PMU, Mr. S. Mpanza, Chief Director for Public Transport, Mr. E. Raboroko, Director, Mr. S. Mbhele, my Political Advisor and Spokesperson, Mr. M Seheri and Mr. A Nhlapo respectively (*"the team"*).
3. The meeting was to both brief and consult with me about the proposed intervention, subsequent to the bus subsidy crisis. Based on the rationale behind the intervention, I declared my support for the project in principle. But I have however drawn their attention to certain critical concerns for pursuing a project of this magnitude.
4. I have had the opportunity to reflect on the current position following my meeting with the team and deem it necessary and prudent to place my views and opinions (and indeed instructions) on record for purposes of a common understanding and approach to this project and other similar projects listed below.

11 Based on the above I wish to emphatically caution against the following:

11.1 Any financial commitments to any service providers and consultants linked to the 2009/10 financial year budget not only as it relates to the initiatives discussed with the team but all projects unless these have been budgeted for or have already been approved in accordance with our internal mechanisms ;

11.2 Any disregard to policy and legislative compliance with reference to conflict of interest, amongst other critical areas of note especially at this critical time;

12 A disregard for my instruction will result in me instituting an investigation into the entire project process.

13 I have carefully considered the matters referred to herein and I consider the content hereof, my proposals, instructions and views to be in the Department's best interests. I remain convinced that there is no reason for us to pursue this matter immediately because we only have a month or two until the inauguration of the New Government.

14 I therefore wish to instruct as follows:

14.1 Any planned short term interventions must be temporarily suspended, with the view of enabling the new Executive Authority to consider the proposals and make determinations based on the 4th Term policy direction and most importantly within the context of the new mandate.

14.2 Any attempts to introduce any new projects must be stopped, based on the principle alluded to above, in the event of any attempt or intent to do so. The specific projects I am referring to above are 13S, (INP) etc that to date have not been successful and some of which are still the subject of investigation. Therefore, we must immediately stop and await the new directive from the incoming Executive Authority. Hence, our short term program should be to wrap up and celebrate our achievements, under the theme "Completing the Mandate".

15 I have considered the urgency of certain matters and have weighed up these considerations against the inherent disadvantages of saddling a New Authority with a policy which might not find favour with it. I have come to the conclusion that it would be best if we confine ourselves to providing a solid platform for those policies rather than to make them or attempt to implement them. I am confident that you will appreciate my stance.

This will fall to the Dept of research in point 5.

I think this refers to the Bus Subsidy Transformation.

The current placement of resources in a form of a task has been challenged by an attempt to prepare comprehensive researched reports dealing with 5.1, 5.2, 5.3.


- 5. Prior to the implementation of any project I require to be furnished with comprehensive researched reports dealing, *inter alia*, with the following:
 - 5.1 the current state of the industry, its dynamics and the quality of services rendered to our commuters in the Province;
 - 5.2 detailed information about commuter trends, behavior patterns and aspirations regarding public transport in general, and bus services in particular;
 - 5.3 the legislative, regulatory and legal environment, and also the integration of legislation to all other modes, including the impact on the existing taxi and the bus industries.
- 6 In drafting any such reports we should ensure that we confer and consult with local and international experts to ensure that we are in line with global trends and best practices currently obtaining at an international level, to ensure sustainability of the project.
- 7 Armed with the above reports, I am confident that I can engage with the National Minister about this noble and innovative intervention that will benefit our country, in the medium to long term. Given that this is a major transformative policy shift the Minister is a critical role player. Without the support and assistance of National Government the sustainability of the project will be limited. We should also be mindful of the positive role the Minister could play in informing and implementing such policies and initiatives. It is also my view that the exchange of information with the National Ministry can only benefit such initiatives.
- 8 I also cautioned the team about the current political environment and the possible political risks involved, especially as it relates to the National and Provincial General Elections.
- 9 Logically, any medium-long term intervention should be sanctioned by the incoming Executive Authority within the context of the new mandate for the fourth Term of Government. Therefore, any attempt to pursue this project outside the framework outlined above, will be inappropriate and will be tantamount to imposing policies on a new Executive Authority which it might not find appropriate. If such policy is implemented now it might ultimately be wasteful and unnecessary. More importantly, whilst we may now be in a position to draft policies, we might not be in a position to implement them. We should therefore act prudently and responsibly. The approach I seek to outline herein is, I submit, prudent and responsible.
- 10 I therefore view this noble intervention as our proposal for the next term of Government and undertake to further canvass for its adoption as a catalyst for the Public Transport Transformation Agenda.

✓ Agree

✓ Agree

- 16 If we are unable, in the limited time available, to provide such a platform we should, at the very least, finalise the reports envisaged above. I am by no means suggesting that the Department ceases working; indeed, we are duty-bound to ensure that we continue working towards achieving our objectives but we must guard against scrambling to achieve the impossible to the detriment of the New Authority.
- 17 I believe that we have made major strides in improving the quality of lives of the people of Gauteng. Our Department has made its own contribution especially as it relates to The Freeway Improvement Scheme and Gautrain. We have succeeded in building and improving the Socioeconomic Infrastructure of our communities. This is the time to celebrate our successes with our people.
- 18 We should acknowledge our failures and attempt to provide the incoming Executive Authority with all that is required for a smooth transition. Saddling a new Authority with a policy we are unlikely to see through to the end might not be productive and in the Department's best interests nor that of the citizens of Gauteng.
- 19 I am willing to discuss the content of this letter with you should you deem it necessary.
- 20 I hope and trust that you will view the content hereof in good faith.

Thank you.



Ignatius Jacobs
MEC for Public Transport, Roads and Works

CC: DDG for Transport, Ms. N. Maninjwa, DDG for PMU, Mr. S. Mpanza, Chief Director for Public Transport, Mr. E. Raboroko, Director, Mr. S. Mbhele, My Political Advisor and Spokesperson, Mr. M Seheri and Mr. A Nhlapo