

Programme 6: Transport Logistics and Corridor Development

The Branch will concentrate its efforts over the MTEF on the finalization of all policies and strategies in freight transport, commence the implementation of such strategies, develop and commence implementation of corridor optimization strategies and establish a firm base of information resources and research, establish a centre for co-ordinating information, resources and training in the freight industry.

Detailed research and forecasting is required in this sector to establish the scale of likely demand, and the ability to reduce regular freight movements during the 2010 World Cup. The Freight Logistics Task Team has embarked on the development of a framework for this sector within the ambit of freight logistics policy and its relation to other sectors (border security control, employment, energy supply, trade, etc.).

The priority areas for strategy development and implementation shall be in air, rail, road, port and inland terminals. The priority corridors for intervention shall be the Gauteng-KZN Corridor and the Cape Town-Harare Corridor. The priority areas in information shall be the establishment of the National Freight Information System and the population of the NFIS database with nationally relevant information, leading on to the population of the database with information of provincial and local relevance.

The objectives of the Branch are to concentrate on policies, strategy and implementation that deliver:

- transit, storage and processing time reduction;
- reduced environmental impacts;
- reduced costs;
- greater integration of second and first economy transport systems; and
- increases in system dynamic and static capacity.

The Dube Trade Port

The Dube Trade Port project seeks to provide a major economic stimulus to the economy of KwaZulu-Natal and South Africa by providing world class logistics infrastructure comprising the intercontinental passenger and freight orientated King Shaka International Airport (KSIA) as well as the Trade Zone, a commercial orientated real estate development focussing on serving the needs of industry-orientated to air/sea/land and rail logistics. It capitalises on and compliments the Durban and Richard's Bay port infrastructure and the established road and rail links to Gauteng.

KSIA overcomes the shortcomings of Durban International by providing runway capability of landing fully laden long range cargo aircraft, dedicated airfreight terminals serving both general and perishables cargo as well as (initially) a 4 million passenger terminal. Master planning provision is made that enables KSIA to grow into a major airport centre.

The Trade Zone represents one of the most significant new developments in comparison to Durban International Airport, creating an enhanced operating environment serving a wide range of industrial sectors. The Trade Zone consists of a perishables centre together with office space, warehousing, light manufacturing ventures and support services that integrates to the cargo terminal. A Cyberport will deliver IP connectivity internally to the Trade Zone and provide an IT platform that electronically enables the entire export value chain and integrates key stakeholders external to the trade transaction itself (e.g. banks, logistics companies, freight forwarders, airlines). The Cyberport will also act as the IT platform for the KSIA and additional IT and telecommunications-related services.



SHORT-TERM QUICK WIN STRATEGIES

Measurable Objective: Freight Logistics and Corridor Development

Program	Sub-program	Output	Measure/indicator	Targets and time frames	Impact
Gauteng-Durban Corridor	City Deep and its supply chains	Analysis of all existing initiatives and development of integration plan that aligns all initiatives into a single programme	City Deep Integration plan complete	March 2007	Better understanding of corridor interventions across all parties
	Harrismith Hub	An initial feasibility study on the integration of the proposed Harrismith hub into the Gauteng-Durban Corridor	Study completed	March 2007	Allows prior planning of impact on corridor
	Dube Trade Port	Freight integration approach for DTP	Integrated Freight Plan for DTP, Durban and Richards Bay Ports	Sep 2006	Ensure planning re-alignment prior to airport construction
		KSIA	Creation of a Special Purpose Vehicle (SPV) for the joint ownership and funding of KSIA by ACSA and KZN.	Sep 2006	Critical for the completion of the KSIA.
		Communication roll-out for DTP-KSIA	Communication plan developed and commenced	June 2006	Increase awareness of project and interest from investors
Institutional reform and restructuring	ACSA	Capital restructuring	Develop and commence ACSA capital restructuring plan and model	July 2006	Increase the capital efficiency of ACSA and release dividends to National Treasury
Branch-Line Strategic Framework	Introduction of competition into the rail sector	Interim Branch-Line Competition Introduction Model	Develop model and commence implementation	March 2007	Increase rail service levels on branch-lines.
Implementation of the NFLS	National Freight Information System	Centralised Freight Information Platform	Implement NFIS Platform, establish data sets in existence and commence data acquisition and integration of data gaps and privately held data	March 2007	Freight information will be centrally housed and available to users.
	National Logistics Centre	Establish NLC	NLC established and frameworks complete	Mar 2007	Centrally situated freight resource base Leadership provided in research and education with respect to freight

MEDIUM-TERM STRATEGIES

Measurable objective: Freight Logistics And Corridor Development

Programme	Sub-programme	Output	Measure/indicator	Targets and time frames	Impact
Gauteng-Durban Corridor	City Deep and its supply chains	Integrated City Deep Strategy	Implementation commenced	March 2008	Better management of corridor interventions, proper development of freight models and scenario planning
	Gauteng – KZN Corridor	Gauteng – KZN Corridor Optimisation Strategy	Gauteng – KZN Corridor Optimisation Strategy completed	Dec 2007	Better management of corridor traffic, greater capacity and efficiency along and over corridor
	Cape Town – Harare Corridor	Cape Town – Harare Corridor Optimisation Strategy	Cape Town – Harare Corridor Optimisation Strategy completed	June 2008	Better management of corridor traffic, greater capacity and efficiency along and over corridor
	Dube Trade Port	Commissioning of KSIA and Decommissioning of DIA	KSIA operational and DIA de-commissioned	Feb 2010	An integrated airport and logistics hub facility will alleviate freight traffic on northern and east west routes
	DIA	DIA Redevelopment plan	Master plan for DIA redevelopment is completed with the buy in of all stakeholders and integrated into the Gauteng – KZN Corridor Optimisation Strategy	June 2007	Critical for the integration of the KZN – Corridor and in particular, long-term port and back of port logistics planning.
Branch-line Strategic Framework	Branch-line strategy	Branch-line Network Model	Branch-line Strategy implemented and new institutional structure effected	March 2009	Introduce competition into the rail sector, increase rail service levels across the country, support Spoornet strategy and financial sustainability
Implementation of the NFLS	National Freight Information System	National Freight Information System Platform	NFIS established, data sets complete for country, and regulatory framework for information filing complete, spatial freight planning and monitoring implemented	March 2008	Freight information will be centrally housed and available to users.
			NFIS integrated into GIS system for planning and integration across all parties	March 2009	Freight planning can occur in an integrated manner across all spheres of Government and private sector.
	National Corridor Performance Measurement (NCPM) transferred to DoT	National corridor performance measurement platform	Assessment of infrastructural investment need for each corridor.	Ongoing	DoT able to manage corridor interventions better as well as track impact of interventions.
			Identification of both infrastructure and operational bottlenecks in each corridor in relation to seamless movement of cargo.		
	Sub-sectoral strategy development	All sub-sectoral strategies	All strategies developed and implementation commenced	March 2008	Commence implementation of institutional reform in industry
		Freight forecasting	Use the National Freight Databank, NFIS and NCPM as tools to help develop freight models and scenario planning.	March 2009	Better planning and implementation inputs and oversight.

Program 7: Public Entity Oversight and Economic Regulation

MANDATE

- Transparent and predictable regulatory frameworks.
- Shaping our institutions to optimise service delivery.

KEY STRATEGIES

- Institutional appropriateness for economic growth and improved service delivery – consolidating regulators and public entities in line with the strategic long-term vision of the Transport Sector.
- Strengthen governance of entities to improve service delivery – institutional arrangements, mandating, monitoring and constant improvement.
- Achieve growth of the transport sector by developing transparent and predictable regulatory frameworks – rail economic regulator, ports economic regulator and air transportation regulations for the regulating committee.



Short-term Quick Win Strategies

Measurable objective: Shaping our public entities to optimize service delivery and regulation

Sub-program	Output	Measure/ Indicator	Targets & time frames	Risks
PEO	Board recruitment policy and scientific screening processes	New Boards to be appointed following on rigorous screening process	May 2006	Reluctance of recruiters to go through this process Delays in the recruitment process
	Developing regulations for the Road Accident Fund Amendment Act, 2005	Regulations promulgated	July 2006	Delays due to groundbreaking work in healthcare arena
	Improved oversight agencies	Signing of Performance Agreements	July 2006	Implementation by Agencies
Economic Regulation	Civil Aviation Policy: Rollout of implementation of the Civil Aviation Policy to drive the liberalization of our skies in terms of YD	Approved by Cabinet and implementation plan for SA's liberalization of the aviation Sector	July 2006	All processes will be internally focused and unless regional players take advantage of the YD
	Develop the National Aviation Strategy that will respond to the National Airports Development Plan and the Yamoussoukro Decision	Strategy consulted with the industry and approved by the Minister	July 2006	Internal capacity to strategically drive these projects
Economic Regulation	Development of the Airlift Strategy	Approved by Cabinet	April 2006	Level of acceptance by the Industry

Measurable objective: Shaping our public entities to optimize service delivery and regulation

Sub-program	Output	Measure / Indicator	Targets and time frames	Impact
PEO	Overall public entity institutional analysis (positioning and effectiveness evaluation) • Strategic public entity evaluation • Public entity positioning and restructuring e.g. RAF, ACSA, CBRTA/RTMC	<ul style="list-style-type: none"> • Cabinet approval of policy positioning and restructuring of agencies including the terms of reference. • Final strategy report submitted to Cabinet 	12/2006 03/2007	<ul style="list-style-type: none"> • An enabling environment for the oversight and regulation of all transport modes. • Public entities that serve the same strategic mandate i.e. inter-modal, could strategically work together both in planning and execution for the delivery of that strategy
PEO	Public Entity Mandate setting Enhancing overall public accountability to the Executive Authority Compliance levels • Policy/ Strategy • Legislation • Leadership (both at Board and Executive Management levels)	Shareholder compacts and performance agreements between the Accounting and Executive Authority Performance Agreement the Board/ CEOs and the Executive Management	March 2007	Public Entity Boards that strive to fully implement their mandate and optimally account to the Executive Authority
PEO	General Laws Amendment Act	Passing legislation to align oversight <u>processes for agencies</u>	July 2006	Facilitate oversight of public entities and regulators reporting to the Minister of Transport.
PEO	Restructuring of the CBRTA	Model design for this <u>agency</u>	June 2006	Properly positioned agency to deliver services
Economic Regulation – Sector Regulator	Developing institutional Design for Transport Sector Regulator	Model in place in 2006-2007 Financial year and approved by Cabinet for implementation	March 2007	Manageable institution and consolidated and regulating capacity serving the transport sector in a strategic and consolidated manner.
Economic Regulation – priority Maritime Regulation	Setting up the Ports Regulator and developing maritime regulations	Regulations and the governance system for the Port Regulator approved by the Minister and Cabinet	March 2007	Provision of regulations for fairness, transparency, efficiency, access and pricing mechanisms.

List of Abbreviations

MEDIUM-TERM STRATEGIES

Measurable objective: Public Entity Oversight and Economic Regulation

Sub-programme	Output	Measure / Indicator	Targets and time frames	Impact
Public Entity Oversight	Strategy for Public Entities in the Department of Transport: Positioning and restructuring	Cabinet approval for Strategy Management information system in place	March 2007	Improved alignment of service delivery with Transport Sector objectives Information on the performance of agencies to be reality available
Economic Regulation - Rail	Interim Rail Economic Regulatory Capacity	Interim capacity in place	March 2007	An institutional framework for economic regulation will provide a platform for introducing other players in the rail sector
Economic Regulation	Airlift Strategy Implementation	Approved by Cabinet	March 2007	Better support of the Tourism Sector
Economic Regulation – Priority Civil Aviation	Review legislation to make provision for the new Airports i.e. Dube	Legislation submitted to Cabinet for approval and commence Parliamentary process	March 2008	Provision of appropriate framework for the required economic regulations for the Civil Aviation Industry
Economic Regulation – Priority Civil Aviation	Development of Comprehensive Civil Aviation Database specification and completion of workflow with IT, which captures ICAO statistics as well as air services licensing, foreign operators' permits.	Terms of reference Procurement process Completion of the database system.	March 2007 2007/08 F/Y	Streamlined accurate aviation database towards a more effective service delivery. Easy access to ICAO decisions to influence policy and strategic positions.
Economic Regulation – Priority Civil Aviation	Review and Strengthen existing and develop new economic regulations to stimulate growth and to include new airport development such as DTP	Regulations approved by the Minister and implemented.	March 2008	Transparency and predictability of regulations.

AARTO	Administrative Adjudication of Road Traffic Offences
ACSA	Airports Company of South Africa
ATNS	Air Traffic and Navigation Services
BEE	Black Economic Empowerment
CBRTA	Cross-Border Road Transport Agency
CLS	Convention on Liability and Compensation
COTO	Committee of Transport Officials
DBFO	Design Build Fund and Operate
DoT	Department of Transport
DTI	Department of Trade and Industry
EPWP	Extended Public Works Programme
GVM	Gross Vehicle Mass
HDG / I	Historically disadvantaged groups / Individuals
HRD	Human Resource Development
IASC	International Air Services Council
IDP	Integrated Development Plan
IRIP	Integrated Road Infrastructure Plan
ISPS	International Ship and Port Security Code
ITP	Integrated Transport Plan
ITIP	Integrated Transport Infrastructure Plan
MARPOL	International Convention for the Prevention of Pollution from Ships
MEC	The Minister of the Executive Committee of a Provincial government responsible for transport, roads or aviation
MEPC	Marine Environment Protection Committee
MINCOM	Ministerial Committee of Minister of Transport and MECs
Minister	The National Minister of Transport
MoU	Memorandum of Understanding
MSC	Maritime Security Committee
MSCC	Maritime Security Coordination Centre
MTEF	Medium Term Expenditure Framework
NaTIS	National Traffic Information System
NaVISS	National Vehicle Information Sharing System
NEPAD	New Partnership for African Development
NLTSF	National Land Transport Strategic Framework
NLTTA	National Land Transport Transition Act
NMT	Non-Motorised Transport
NRTLEC	National Road Traffic Law Enforcement Code
NSRI	National Sea Rescue Institute
NTC	National Transport Commission
OPRC	International Convention on Oil Pollution Preparedness Response and Cooperation
PFMA	Public Finance Management Act
PPP	Public Private Partnership
RAF	Road Accident Fund
RISFSA	Road Infrastructure Strategic Framework for South Africa
RTIA	Road Traffic Infringements Agency
RSR	Rail Safety Regulator
RSS	Road to Safety Strategy
RTMC	Road Traffic Management Corporation
SACAA	South African Civil Aviation Authority
SADC	Southern African Development Community
SAMSA	South African Maritime Safety Authority
SANRAL	South African National Roads Agency
SANTACO	South African National Taxi Council
SAPS	South African Police Services
SARCC	South African Rail Commuter Corporation
SMME	Small, medium and micro enterprises
SOCU	Special Overload Control
SOLAS	Safety of Lives at Sea
SUA	Suppression of Unlawful Acts
TAT	Transport Appeal Tribunal
TDM	Travel Demand Management
UNCLOS	United Nations Convention on Law of the Sea
UTF	Urban Transport Fund