



Republic of Namibia

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# MINISTRY OF WORKS AND TRANSPORT

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## **BUDGET MOTIVATION**

### **STATEMENT**

#### **VOTE 24: DEPARTMENT OF TRANSPORT**

**BY JOHN MUTORWA, MP**

Minister of Works and Transport

**Date: 20 April 2018**

**FINANCIAL YEAR  
2018/19**

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## **1. Introduction**

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

Let me thank the Honourable Members of this House, for affording me the opportunity, to present the funded programs for the Department of Transport, Vote 24, a component of the Ministry of Works and Transport, 2018/19 Financial Year.

Vote 24 is largely responsible for the oversight of the development of efficient and effective transport infrastructures, which contributes to the promotion of the country's economic development and social uplifting.

This sector has the potential to enhance industrial development and contributes substantially to our Gross National Product as per the country's National Development Plan 5 NDP%. The Ministry wishes to take a holistic and integrated approach to transportation planning, including multimodal and intermodal approaches in handling goods, transporting people and providing services in accordance with Namibia's strategic Policy Objective, to become an International Logistics Hub for SADC Countries and beyond.

A reliable, functional and efficient transport and logistics sector is the backbone for the realisation of our targets in other sectors such as; Agriculture, Mining, Manufacturing, Fisheries, Rural and Urban Development and Tourism. Thus, to meet our Desired Outcome, that by 2022, Namibia will have a sustainable transport system supporting a world-class logistics hub connecting SADC to international markets numerous hurdles have to be over-come.

Firstly, there is a formidable task of developing and maintaining the roads and railway lines. Changing climatic conditions causing excessive floodwaters during rainy season in the northern part of the country is a basic reality that requires proactive planning and response. In the southern part of the country road wash-away affect our national infrastructure nearly every rainy season. These natural challenges make the preservation of Government road infrastructure Assets a daunting task.

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

Secondly, in financing transport infrastructure we are aware of Namibia's economic and social characteristics including various demands made on tax-based revenues. The Ministry of Works and Transport's efforts to make transport a driving force contributing to the economic growth of our beloved nation continues. It is an open secret that the nation is worried about the seemingly inflated costs being incurred in the construction of our valuable infrastructure.

**Honourable members**, be assured that such issues are being addressed for the benefit of this nation and as a Ministry we are determined and more than ready to uproot all unscrupulous elements involved in such degrading activities, wherever and who ever. We therefore request you Honourable Members to render us support in our endeavours for us to realize our national goal of Socio-Economic development.

I now wish to present to you, Honourable Members, programs that will be dealt with by the Ministry through the Department of Transport during the Financial Year 2018/2019 to ensure modern and reliable Transport Infrastructure.

## **2. Programme 01: Planning and Development of Transportation Infrastructure**

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

The purpose of this programme is to develop world class transportation infrastructures and to maintain them. The programme includes the design and construction of gravel roads, upgrading of gravel roads to bitumen standards, rehabilitation of roads, construction & maintenance of State Owned Aerodromes as well as the oversight of State Owned Enterprises (SOEs).

The Ministry of Works and Transport continues in its efforts to maintain Namibia's status of having excellent transportation infrastructures. The Ministry seeks to ensure that Namibia has modern and reliable transportation infrastructures that are well maintained and cost effectively managed. Our objective is to guarantee access to economic and social centres as well as to link Namibia with neighbouring Countries and other parts of the world through various modes of transport i.e. Roads and Air.

In line with the Harambee Prosperity Plan as launched by His Excellency, Dr Hage Geingob, our Ministry aims to make a tangible contribution to the vision of eradicating poverty and bringing prosperity to the Namibian people by providing connectivity through Transport Infrastructure.

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

*I therefore request for an amount of Two billion and twenty-one million, six hundred and twenty-one thousand Namibia dollars (N\$2,021,621,000) to be allocated to Planning and Development of Transportation Infrastructure programme.*

### **3. Programme 02: Provision and Upgrading of the Railway Network**

The purpose of this programme is to ensure the provision of safe and reliable Railway Transportation services by executing an oversight function over the rail Operator, as well as by constructing new railway lines, conducting feasibility studies for new rail lines, maintain, upgrading and rehabilitation of aged railway lines. Namibia's railway network is more than hundred years old and requires urgent upgrading and reconstruction. Faced with weekly and in some instances, monthly horrendous car crashes that are robbing our country of mostly the economic active citizens, as a country we need to move to rail transport for heavy loads of goods instead of roads. The current trend of transportation of heavy loads on our roads is unsustainable as it does not only result in many car crashes but high road maintenance costs.

*Honourable Members, I request for an amount of Seven hundred and twelve million, and eighty-seven thousand Namibia dollars (N\$712 087 000) to be*

*allocated to the Provision and Upgrading of the Railway Network. (Railways Network Development, Maintenance and Rehabilitation Programme).*

#### 4. Programme 03: Formulation of Transportation Policy and Regulation Oversight

Through this programme, the Ministry formulates and implement transport policies that ensures safe, efficient and effective mobility and universal access to Namibian citizens and foreigners alike. The programme is also responsible for the regulation of transportation services in the transport sector and for the development, review and administering of relevant legislation.

Strategic activities to be carried out under this programme are the:

- Non-motorized transport facilities nationwide (urban and rural settings) and access to public infrastructure to promote the economic and social demands of all Namibia's citizenry.
- Conformity of all 21 approved Vehicle Testing Stations and Driver Testing Stations to Standardized technical requirements as approved under South African Bureau of Standards (SABS).
- Standardized learner and drive testing assessments.
- Uniform grading of Vehicle Examiners and routine testing to assert competencies.
- Enforce adherence to technical and safety requirements to promote safe, efficient and effective passenger and freight operations within urban, rural and cross border operations.
- Ensure adherence to safety standards and maintenance standards which will ensure that the asset value of the road network is sustained to support corridor movements and internal demands for transport services
- Minimise the impact of transport externalities on the country's economy and society.

The initiative to integrate road safety into the school curriculum is still ongoing in close collaboration with NIED under the Ministry of Education, Arts and Culture. To date integration for grades 1-9 have taken place. The teaching and learning material for grades 10 and 11 have been produced and approved by NIED, however the training of teachers for the two grades is still pending and is set to take place during this financial year (2018/19). The delay was mainly on account of limited funding. Preparatory work for grade 12 is underway and will be intensified during

2019/2020 financial year. This being work-in-progress, the project will continue until 2023, by which time road safety education should have covered both primary and secondary school phases.

An in-depth analysis of crash data revealed a high prevalence of fatality related road crashes on the B1 and B2 trunk roads. Premised on the understanding that road safety awareness campaigns alone are incapable of producing road user behaviour change that are conducive to road safety, efforts are underway to mobilise all stakeholders towards the establishment of a pilot Law Enforcement Task Force on both the B1 and B2 roads. The Task Force will comprise of representatives from all functional stakeholders (Office the Judiciary; Prosecutor General's office; NAMPOL; City Police; Road Transport Inspectors from the RA; and Local Authorities with traffic policing as part of their establishment. The aim of the project is principally to suppress lawlessness on these two trunk roads. This effort will among others increase the visibility of the traffic police, prompt detection and isolation of traffic offenders and quick dispatch of emergency response and speedy disposal of traffic related court cases. This will however, require a strong collaboration between all sectors involved in road safety.

*Honourable Members, the Ministry is requesting for an amount of Forty-three million, and ninety-two thousand, Namibia dollars (N\$ 43,092,000) to be allocated to the Formulation of Transportation Policy and Regulation Oversight.*

## **5. Programme 04: Air Transport Administration**

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

This programme caters for Aircraft Accident Investigations, Government Air Transport Services and Civil Aviation Air Navigation Services sub-programmes.

### **5.1 Sub programme - 04:01 Aircraft Accident Investigations**

**The purpose of this sub-programme is to:**

- Fulfil the State's obligations towards Civil Aviation Act No 6 of 2016 and Annex 13 to the Chicago Convention to which Namibia is a signatory.

- Improve aviation safety by investigating causes of aircraft accidents and serious incidents and making recommendations aimed at preventing possible future occurrences.

*In order for the programme to function effectively and efficiently to fulfil Namibia's obligation to the Convention I request an amount of Eight million, six hundred and seventy-four thousand Namibia dollars (N\$8 674 000) to be allocated to Aircraft Accident Investigations.*

## **5.2 Sub programme - 04:02 Government Air Transport Services**

The purpose of this sub-programme is to provide safe, secure and efficient air transport services to His Excellency the President of the Republic of Namibia, the Vice President, Right Honourable Prime Minister, Deputy Prime Minister, Cabinet Ministers, Government officials and Foreign Dignitaries to local and international destinations. Additionally, the programme provides Charter Services to the general public and special operations including relief and rescue work countrywide as required.

*Honourable Members, I request for an amount of Fifty-six million, two hundred and ninety-four thousand Namibia dollars (N\$ 56,294,000) to be allocated to Government Air Transport Services.*

## **5.3 Sub programme - 04: 03 Civil Aviation Air Navigation Services**

The objective of this sub-programme is to ensure an internationally compliant safe, secure and efficient Civil Aviation Infrastructures and skills that contributes to the national security. A significant amount has already gone into the upliftment of skills needed to build the regulatory oversight capacity, as well as to provide services to the Industry. The Namibia Civil Aviation Authority (NCAA) provides Safety Oversight and Air Navigation Services throughout Namibia. The current challenges experienced in transformation of Namibia Civil Aviation Authority (NCAA) is the shortage of skilled human resources in most of the technical areas such as Air Worthiness, Air Traffic Control, Aircraft Maintenance and Inspections, etc. the Ministry is nevertheless confronted with the matter of skills shortage.

In dealing with Civil Aviation Air Navigation Services, the Ministry of Works and Transport (MWT) through Namibia Air Port Company (NAC) was directed by Cabinet to upgrade and maintain airports like Hosea Kutako International



Airport (HKIA), Eros, Ondangwa, Walvis Bay and aerodromes like Mpacha, Rundu and Tsumeb. As a matter of fact, Mpacha aerodrome is strategic for economic penetration in SADC for export of goods to countries like DRC, Zambia including other northern countries and tourism promotion as it stands close to Botswana Chobe National Park, Nkasa/Rupara National Park and half way to Etosha National Park.

Honourable Members, the then Directorate of Civil Aviation (DCA), now NCAA introduced the collection of user pay charges for flying over and terminating in our airspace back in 2006. Despite the many challenges it encountered to attract and retain competently qualified and experienced professionals it managed to collect an amount of more than N\$219 million to date. This funds could have been used to address the critical shortage of qualified and skilled professionals. The balance of the collections remain kept in the State (Aeronautical Suspense) Account under the control of Treasury.

With the establishment of the NCAA in November 2016 it required capitalisation which was not provided for, despite having collected revenue directly from airspace uses through their own billing system. It will take a while before the NCAA can justifiably increase the current charges to cost recovery levels because sudden drastic increase will shock the market. It is reasonable that these funds are transferred to NCAA to financially sustain it; while introducing new complimentary charges that will help reduce dependency on Treasury in the future.

*Honourable Members, to achieve these objectives, I request an amount of Four hundred and seventy-five million, seven hundred and ninety-one thousand Namibia dollars (N\$ 475,791,000) to be allocated to Air Transport Administration.*

## **6. Programme 05: Maritime Legislation Administration**

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

This program is to fulfil the Ministry's maritime mandate and objectives regarding safety of life and property at sea, protection of marine environment

from pollution by ships and to promote our national maritime interest to the international community.

The program is delivered in line with the International Maritime Organisation (IMO) instruments relating to flag, port and coastal State obligations and comprises the following main activities:

- Registration and licensing of ships and seafarers
- Maritime Safety and Security Administration
- Marine pollution Control and Marine Search and Rescue (SAR) coordination.

Lastly this program is responsible for budgetary allocation related to maritime infrastructure projects that are aimed at making Namibia a regional maritime logistic hub.

***I am requesting the approval and support of this August House for an amount of thirty-nine million, five hundred and forty four thousand Namibia dollars (N\$ 39,544,000) to be allocated to Maritime Legislation Administration.***

## **7. Programme 06: Meteorological Services Administration**

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

The purpose of this program is to provide timely and quality weather, climate and early warning services to all sectors such as: disaster risk reduction, agriculture, transport, health, energy, fisheries, environment and construction, whose operations are sensitive to the vagaries of extreme meteorological hazards and disasters.

The other objective of the programme is to ensure Namibia's compliance to National, Regional and International standards, regulations and protocols particularly those related to SADC, World Meteorological Organization (WMO) and Annex 3 of International Civil Aviation Organization (ICAO) dealing with the provision of aviation meteorological service for international air navigation.

***Honourable members, I request for an amount of Thirty-five million, four hundred and thirty-two thousand Namibia dollars (N\$35,432,000) to be allocated to Meteorological Services Administration.***

## 8. Programme 07: Centralized Support Services Administration

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

The purpose of this program is to provide cost-effective transport services to all OMA's, efficiently: Procure, manage fuel provision, maintain – scheduled servicing, 24/7 recovery service and upkeep of Government Garage premises, repair and servicing of vehicles and other machineries, licensing of vehicles.

Honourable members, the current state of our government garage's functionality is not appropriate for effective transport management. More needs to be done to rehabilitate our government fleet and machineries.

*Honourable members, although the allocation to this programme is inadequate, for the Ministry to be able to provide Government with required transport under the current situation, I request for an amount of eighty-two million, and sixty-three thousand Namibia dollars (N\$ 82,063,000) to be allocated to Centralized Support Services Administration.*

**Honourable Members,** I now present the Budget summary of Vote 24: TRANSPORT, allocations for FY 2018/19.

### 9. Budget summary of Vote 24

PROGRAMME	DESCRIPTION	OPERATIONAL	DEVELOPMENT	TOTAL AMOUNT N\$
01	Planning and Development of Transportation Infrastructure	766,749,000	1,254,872,000	2,021,621,000
02	Provision and Upgrading of Railway Network	172,930,000	539,157,000	712,087,000
03	Formulation of Transportation Policy and Regulation Oversight	30,190,000	12,902,000	43,092,000

04	<b>Air Transport Administration</b>			
04:01	<b>Aircraft Accident Investigations</b>	8,674,000	0	<b>8,292,000</b>
04:02	<b>Government Air Transport Services</b>	56,294,000	0	<b>56,294,000</b>
04:03	<b>Air Transport Administration: Civil Aviation Air Navigation</b>	72,626,000	403,165,000	<b>475,791,000</b>
05	<b>Maritime Legislation Administration</b>	39,544,000	0	<b>39,544,000</b>
06	<b>Meteorological Services Administration</b>	19,432,000	16,000,000	<b>35,432,000</b>
07	<b>Centralized Support Services Administration</b>	73,327,000	8,736,000	<b>82,063,000</b>
<b>GRAND TOTAL ALLOCATION FOR VOTE 24</b>		<b>1,239,766,000</b>	<b>2,234,832,000</b>	<b>3,474,598,000</b>

In conclusion Honourable Chairperson of the Whole House Committee, Honourable Members: it is now my pleasure to present to you **Vote 24: Transport**, to the amount of **Three billion, four hundred and seventy-four million, five hundred and ninety-eight thousand Namibia dollars (N\$3,474,598,000)** for your consideration and approval.

*I Thank You*  
for your attention

## 10. Vote 24 – Budget Execution by Programme for 2017/2018 – Operational

Programme	P-Code	Budget Allocation	Revised Allocation	Actual	%Execution Rate
Air Transport Administration	01	660 043 000	729 179 759	730 077 253.79	100.12
Meteorological Services	02	23 080 000	22 006 620	22 157 812.05	100.68
Maritime Affairs Administration	03	52 073 000	54 478 400	54 249 906.10	99.59
Transportation Policy & Regulation	04	53 024 000	38 730 617	38 125 944.59	98.44
Railway Infrastructure Management	05	323 151 000	357 849 066	357 698 807.39	99.96
Transportation Infrastructure	06	506 810 000	764 497 767	763 856 979.81	99.92
Centralized Support Services	07	105 813 000	107 599 894	106 952 400.28	99.40
<b>Totals</b>		<b>1 723 994 000</b>	<b>2 074 342 123</b>	<b>2 073 119 104.01</b>	<b>99.94</b>

## 11. Vote 24 – Budget Execution by Programme for 2017/2018 - Development

Programme	P-Code	Budget Allocation	Revised Allocation	Actual	% Execution Rate
Air Transport Administration	01	286 333 000	201 093 966	197 184 649.61	98.06
Meteorological Services	02	17 000 000	4 861 254	4 815 175.32	99.05
Maritime Affairs Administration	03	0	0	0	0
Transportation Policy & Regulation	04	12 902 000	4 335 467	3 506 183.28	80.87
Railway Infrastructure Management	05	740 157 000	480 424 248	478 725 789.55	99.65
Transportation Infrastructure	06	958 622 000	934 872 000	932 082 863.76	99.70
Centralized Support Services	07	8 736 000	5 811 942	5 336 023.99	91.81
<b>Totals</b>		<b>2 023 750 000</b>	<b>1 631 398 877</b>	<b>1 621 650 685.51</b>	<b>99.40</b>