

Good morning Ladies and Gentlemen,

All protocol observed.

A small correction to the agenda: I WAS the President of the Minerals Council a few years back, as well as the CEO of Exxaro. My only official titles now are Grandfather and Retiree.

It was as a result of being the latter that I am where I am today.

There was a calling, well a phone call in fact, from Martin Kingston (who you will hear from later) to get involved in the Business for South Africa initiative and join hands with The Presidency to support the great work of the Operation Vulindlela team in the focal areas of Energy, through the National Energy Committee (NECOM), Transport and Logistics, through the National Logistics Crisis Committee (the NLCC) and Crime and Corruption, through the Joint Initiative to Fight Crime and Corruption, or JICC.

And so, my retirement has been put on hold, and I am working as hard as ever as one of the three CEO Sponsors of the NLCC.

The agenda, however, does accurately capture the essence of what will be the basis of our success in these areas, collaboration! And there is no more appropriate forum than NEDLAC to continue, and to emphasise, the absolute imperative of collaboration between Government, Labour and Business if we are to effectively and successfully address these challenges, and I am sure you will agree that there are others we could add, that are impeding the economic growth that is so necessary to create the country that we are all striving for.

Just some background for those who may not know, the NLCC came into being after months of hard work, and a personal intervention by the President in April and May 2023 in direct response to the crisis in transport and logistics. It is positioned as one of three crisis committees and is receiving the highest government attention every six weeks when we report back to the President and Cabinet; and we are expected to demonstrate progress at these sessions.

Bold and decisive action is needed to address this logistics crisis within the next 12 months and prevent further damage to the economy. Rather than disparate interventions across government and business, a coordinated approach is needed to enable a coherent, integrated response that creates an enabling environment for Transnet and other stakeholders to effectively turn around the performance of the logistics system.

The NLCC is chaired by the President and includes the relevant members of Cabinet and Transnet senior leadership. It will oversee implementation of the Freight Logistics Roadmap, a plan for reform that has been developed by Operation Vulindlela and which focuses on three main objectives:

1. To improve the operational performance of freight rail and ports
2. To restructure Transnet to ensure its future sustainability, and
3. To implement reforms to modernise the freight transport system and restore its efficiency and competitiveness in the longer term.

A distinction will be made between short, medium and long-term actions to achieve these objectives, recognising the need for interventions to address the immediate crisis and increase volumes transported on the network as well as longer-term measures to ensure future competitiveness and resilience. The following principles will guide the work of the NLCC:

- Urgency and focus on addressing the immediate crisis; and the matter of security of South Africa's infrastructure is one of the most immediate and urgent areas that must be addressed.
- A "business unusual" approach: removing regulatory bottlenecks and red tape to create a more flexible regulatory environment that responds to the crisis.
- Open and robust engagement to resolve areas of disagreement, assuming good faith on the part of all team members.
- Strong political coordination by delegated Ministers.
- Clear timeframes, implementation modalities, transparency and accountability.

The NLCC's first order of business was to develop workstreams where Government and Business could engage meaningfully around key focus areas. Terms of Reference were collaboratively agreed, settling on eight workstreams.

Originally, security was listed as one of the areas to address in Workstream 1, which deals with stabilising and improving the country's rail system. However, before work even began, there was an agreement to specifically address security within its own workstream.

Crime and corruption is a many-headed monster with deeply embedded roots and, therefore, a strong, collaborative and multi-pronged response is needed if we are going to be successful, and I am confident we will see levels of collaboration not seen before in our determination to rid South Africa of this scourge.

Security is now Workstream 7 and will focus on securing railway, port, and pipeline infrastructure, as well as addressing cable theft and vandalism on the container corridor, the

coal line and other strategic rail corridors. A close link will be established between this workstream and the Joint Initiative on Crime and Corruption (JICC), which is quickly finding its feet as the entity intended to mobilise a collaborative effort against Crime and Corruption.

Additionally, the Security Workstream will ensure security in the road transport sector is urgently addressed, specifically around the driver, cargo and vehicle safety.

The Workstream is chaired by Lt General Peter Jacobs, who is also responsible for the Eskom Security Workstream under NECOM; so lessons learnt are immediately brought across to Transport and Logistics, a prime example of the benefit and power of collaboration.

The NLCC Security Workstream includes representatives from NATJOINTS, Transnet, the State Security Agency, Rail and Port Users, Pipeline Users, the Road Freight Sector and local Municipalities – a further level of collaboration. Addressing security locally at a municipal level, and with support of communities will be a critical aspect of any solution.

It is vital that the road transport sector is involved, sharing information, experiences and solutions, as there is a relationship between road and rail. It is also important to address concerns that road transport benefits when rail fails and these matters are being openly addressed in the Workstream.

As far as rail and port are concerned all six key rail and port corridors – coal, iron ore, manganese, chrome, containers and ArcelorMittal - have been brought together to share experiences and solutions before the NATJOINTS team and we have been encouraged by the level of transparency and frankness on the challenges and proposed responses.

As some of you may be aware, Rail/Port users on the coal Line, the iron ore line and the ArcelorMittal line have already, with full collaboration and support from TFR, been providing various levels of private security interventions on these corridors. This has, without doubt, been successful and has led to a significant reduction in security incidents and cancelled trains on these lines in particular.

However, providing this level of security is not sustainable for the private sector, and therefore Transnet recently introduced an Outcomes Based Security Strategy, appointing several different security companies who will be held to account for reducing incidents.

This new strategy is premised on technology, intelligence and drones, with reduced reliance on tactical intervention. At the risk of repeating myself, collaboration is again key to the success of this security strategy.

Both rail/port users and local communities along the corridors must be included as part of the solution. Transnet has already had some success with this strategy and several arrests have recently been announced. Vey welcome news!

Three further collaborative efforts are also being addressed by the Security Workstream within the NLCC:

- A multi-disciplinary pilot intervention involving communities, Transnet employees, SAPS, SSA, private security and the TFR-appointed service providers - this approach requires significant collaboration and tight planning, but all indications are that it has a great chance of success.
- As mentioned earlier, crime is a many headed monster and, specifically copper cable theft is causing significant disruption in three key areas of economic activity – mining, Eskom and Transnet. A collaborative effort between the security executives in all three of these areas is underway where trends, analysis, data, information and intelligence are being used to plan coordinated responses. There is a view that there are linkages that must be tackled for a significant impact.
- Finally, the collaboration between security initiatives in NECOM (Eskom) and NLCC (Transnet) and the great work being done in the JICC, though in its early days, is invaluable. JICC representatives attend the NECOM and NLCC Security Workstream meetings and will be further integrating their strategies with these efforts. A focus area for JICC is the judiciary and ensuring successful prosecutions, which will give the whole security initiative a welcome boost, demonstrating that arrests and cases built are not in vain and that people will be incarcerated for a very long time.

I realise that we still receive bad news every day around crime and corruption but be assured from what you have heard this morning, we are fighting back, and significant attention and effort, as well as time and resources, are being focused on this critical area to rid our country of this evil.

Collaboratively we will succeed.

Thank you for the time.