



SABOA

Southern African Bus Operators Association

voice of the bus & coach industry

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COMMUTER BUS SECTOR MAY HAVE TO SEEK RELIEF VIA PRICING AND FARE ADJUSTMENTS AS THE INDUSTRY'S DISTRESS WORSENS

Over the past three months, amidst Covid-19, the Southern African Bus Operators Association (SABOA), has presented numerous requests for relief to Government. To date, Government has not responded with a sustainable solution to address the plight of the industry. This may leave the commuter bus services sector with no other option, but to seek relief via pricing and fare adjustments. This is not a course of action that the sector takes lightly, as the already distressed commuters may have to carry the burden of Governments inability to provide sustainable relief measure for the bus and coach industry.

The realities are that many commuter bus companies are running reduced operations of around 60%, with thousands of buses parked off, and a further regulated 50% loading capacity to assist with social distancing. No bus company can operate sustainably under these scenarios and losses mount daily.

Interprovincial and long-distance bus operators have hardly operated since lockdown began and can currently only operate extremely limited services. Cross-border services have not operated since March and face equally grim financial circumstances.

School operators who are almost exclusively small and micro businesses, have had no form of income for at least three months and currently operate at about 20% of capacity, due to the phased approach to school openings.

The tourism and charter coach sector have ceased to operate, with no viable means to generate revenue for months to come. This situation is expected to prevail into early 2021 and operators will be without any income for 12 months. The likelihood that any would survive for 12 months, without assistance, is highly unlikely and will seriously affect South Africa's ability to respond to national and international tourism needs in future.

Many companies, both large and small, have either closed or are facing imminent and certain closure. The impact of COVID-19 and the regulatory measures of government imposed on the industry has major implications on the sustainability of the industry at large. These are dire times for an industry which is regulated, compliant and contributes significantly to the South African economy.

To date, SABOA has actively engaging with the Minister of Transport, National Department of Transport, Provincial Departments, NEDLAC and MEC's. At a meeting with Minister of Transport, Fikile Mbalula on the 29 May 2020, the Minister committed to examining the requests and exploring relief measures for the industry. Subsequently a Task Team has been established, but progress has been slow and the Minister and Department of Transport, have yet to revert with a sustainable way forward.

The Industry continues to engage across all spheres of government, with a commitment to ensure the risks and spread of COVID-19 are mitigated within bus operations.

Who is SABOA?

The Southern African Bus Operators Association represents a wide range of bus and coach operations in South Africa, these being, commuter bus operators, long distance intercity and inter-state services, school bus operators and tour/charter operators. It is recognised as one of the most representative associations in public transport in South Africa.

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