



**TRANSPORT MINISTRY
REPUBLIC OF SOUTH AFRICA**

**KEYNOTE ADDRESS DELIVERED VIRTUALLY BY
THE MINISTER OF TRANSPORT, MR FIKILE
MBALULA, ON THE OCCASION OF THE ANNUAL
NATIONAL CONFERENCE OF THE SOUTHERN
AFRICAN BUS OPERATORS' ASSOCIATION HELD
AT NASREC ON 9 JUNE 2022 AT 09H00**

Programme Director, Ms Matlakala Motlounq

President of SABOA, Mr Terry Murugan

Deputy President of SABOA, Ms Imogene Mncwango

Members National Executive Council of SABOA

Allied Industry stakeholders

Government representatives from all spheres of
government

Distinguished guests

Ladies and gentlemen

Let me first express my gratitude for the invitation to
address this august annual Southern African Bus
Operators conference.

This occasion is a clear indication of our desired wish to strengthen and provide new opportunities for the social and economic development of our country through sustainable transportation, which can only be delivered if we work together.

The onset of the COVID-19 pandemic had a devastating impact on the economy, and the transport sector was not spared. The travel restrictions we introduced during various Alert levels had a direct impact on your operations and revenue streams.

Since the outbreak of this pandemic, most countries experienced an acute decline in the demand for public transport. Studies indicate that, as we learn to live with COVID-19, mobility patterns and customer expectations are likely to be different. As countries work to rebuild economies in the aftermath of the COVID-19 devastation and deal with the uncertainties of how the recovery will unfold, they also have an opportunity to reposition public transport as a key driver of the new economy.

Unfortunately, public transport in South Africa was already in a dire situation when the pandemic was declared. The vast majority of South Africans rely on public transport for their transport needs and livelihoods.

Over the years, as private vehicle ownership increased, so did investment programmes focused largely on expanding road networks. Bus and rail services became increasingly tailored towards providing commuter transport for the low-income segments of our population, forced to live in dormitory townships away from centres of economic activity, as a direct consequence of apartheid spatial planning.

Meanwhile, public transport capital investment for renewal, improvement and system extensions essentially dried up. Operational subsidies for bus and rail services were introduced through the 1970s to provide essential fare relief for low-income workers forced to travel long distances. These subsidies have remained in place to the present, with little change to commuter bus service operations.

Over the last 3 decades, the minibus-taxi industry has grown exponentially while operating on the fringes of the formal economy. Their growth was a consequence of increasing urbanisation, decentralisation and poor regulation of public transport. By using the extensive road network and serving the ever expanding residential and commercial urban development, the minibus taxi industry market share grew rapidly.

Meanwhile, the formalised modes of bus and rail have remained focused on the same peak-period commuter services and their general effectiveness and market share has diminished due to an absence of service planning at the local level, low investment, and no modal integration.

The combination of apartheid spatial planning, transport policies skewed towards road-based mobility, uncontrolled development and an absence of effective public transport planning has exacerbated urban sprawl and decentralisation.

The resulting low densities further undermine the ability of public transport to provide effective access to all users, thus completing the vicious cycle of decline. Funding support focuses predominantly on commuter rail and subsidised bus contracts.

Before the promulgation of the National Land Transport Act of 2009, little change was made to these services. As a result, today's public transport modes and systems often operate in direct competition to each other, without effective planning and the necessary sustained investment.

The 2020 National Travel Household Survey reflects that in 2020, only 9,4% of South African households selected travelling by bus as their usual mode of travel compared to 10,2% in 2013.

Our commitment to improving public transport services in a manner that responds to the needs and aspirations of the South African commuting public has never been greater.

We have made significant strides in developing a public transport subsidy policy anchored on a sound public transport funding model which seek to, amongst others, give impetus to the transformation of passenger transport service delivery, by including the taxi industry and propose a new approach to subsidy allocation. The policy will provide a response to the following fundamental questions:

- Should public transport in South Africa be subsidised?
- How do we give effect to our stated policy position of subsidising the commuter and not the operator in an equitable manner that recognises commuter choices? and
- How do we accelerate transformation of the public transport industry in a manner that makes it responsive to the needs of the populace?

The policy will be a product of extensive engagement with the public and relevant stakeholders to create a broad framework for addressing the legacy of public transport and subsidy practices in South Africa.

At its core, the policy aims to contribute to the creation of a sustainable public transport system planned through a comprehensive integrated transport planning process.

Such process must promote mobility, reduce consumption of natural resources, be based on minimal input costs, achieve the desired mobility goals of society, and support the reduction of spatial imbalances that create inequitable access to opportunities and improve the affordability of transport services for low-income households.

I must acknowledge that SABOA made some important inputs during the first round of consultation on the draft policy document. A second draft policy discussion document has since been released for further consultation. We implore SABOA to again participate during this round of consultation to enrich the final product.

We are also working with municipalities in the implementation of integrated public transport networks.

The adoption of the Public Transport Strategy and Action Plan in 2007 gave impetus to a bold vision for public transport in South Africa. Consequently, public transport interventions have taken a more holistic view, with greater focus being placed on integrated public transport networks for all types of municipalities.

Of critical importance is that the integrated public transport networks embody the following public transport policy principles:

- Improvement of public transport
- Focus on non-motorised transport
- Development of an integrated solution - modally, spatially, fare management, incorporation of existing services
- Transformation of existing subsidised and unsubsidised services into new formal, scheduled services
- Prioritisation of affordability, safety, accessibility, connectivity

- Creation of a system which provides a preferred alternative to private car travel
- Access for disabled and special needs passengers
- Improvement of rural public transport
- Shift from provinces to municipalities as the contracting authorities, and placement of the municipality at the centre of public transport functions.

A high-level performance assessment of cities that are implementing IPTNs indicates that there is improvement and steady progress in the implementation of these essential public transport systems. However, there is still much to be done in bringing public transport services to the levels espoused in the public transport strategy.

The integration of legacy bus services into the integrated public transport networks is a critical element in delivering a functional public transport system that recognises the contribution of each mode in the value chain.

Public transport funding is an important tenet in the transformation of public transport and positioning the same as an enabler of mobility. In 2019, the National Treasury announced that significant reductions will be made to planned expenditure over the 2020 MTEF due to the overall economic downturn and the associated pressure on the fiscus.

Almost all conditional grants have been reduced, with large reductions effected to grants with a history of poor performance. Unfortunately, the Public Transport Operations Grant was also affected with a 0.4% reduction in the 2022/23 financial year.

One of the interventions we are exploring in the short term is that infrastructure funding through the Public Transport Network Grant and operational support through Public Transport Operations Grant should progressively be integrated, in order to achieve the same overall objective of incrementally bringing about affordable and quality public transport systems.

However, this will find expression in the broader Public Transport Funding model we are in the process of developing.

Despite all the challenges experienced in the public transport space, we must recognise the strides we have made, and the successes recorded.

The rollout of the bus rapid transit system and its associated infrastructure has been the most visible progress we have made. We must continue to build on this progress to deliver an integrated transport system that is responsive to the Integrated Transport Plans of our Cities.

In conclusion, while the challenges that confront us appear to loom large, we will achieve our goals through collaboration and collective effort to improve our public transport offering to the average South African.

I have no doubt that your deliberations and outcomes will make a meaningful contribution towards a public transport system that is safe, reliable, affordable and efficient.

The bus industry remains an integral part of our public transport services and will continue to play that role for many years to come. I wish you well in your deliberations and I am looking forward to engaging with your resolutions.

I thank you.