

BAHWADUBA BUS SERVICES

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Memorandum to the Competition Commission

Bahwaduba Bus service (Pty) Ltd is a bus company that is owned by Bishop B E R Lekganyane, the head of the ZCC Church and was formed in 1976.

Bahwaduba (BBS) entered into the land – based public passenger transport industry when they, the Lekganyane family, in 1973 bought 4 buses with the relevant permits to transport commuters from point in the surrounding areas of Polokwane to town on a daily basis. These permits allowed them to transport passengers on certain routes at a scheduled time-table and at an approved rate.

In 1983 BBS applied to the National Department of Transport for subsidy to be paid on the weekly and monthly tickets sold to passengers. This was done to assist passengers with their transport cost at an affordable rate. This was approved and they received the first subsidy in 1986. At that stage they operated with approximately 60 buses.

With the entrance of the minibus taxis into the commuter system, BBS as well as other bus operators, lost quite a number of passengers as the taxis rendered a different type of service. The taxis are not bound to specific routes and time-table and could operate on an as and when required basis. BBS is aware that the Department tried to assist the taxi industry financially by the buying back of old vehicles at a fixed rate. This however did not last very long, for reasons unknown to BBS. There can be many reasons why the services rendered by the taxi industry is not subsidised, one can only speculate, which is a dangerous exercise. It is a well known fact that a lot of taxi drivers have little respect for traffic rules and regulations. Members of the Commission can by doing observations, confirm this.

BBS, with the involvement of the Department decided to make certain routes available to small bus companies as sub-contractors. The Department at a later stadium decided to call for tenders on the routes served by BBS and other operators and decided to set aside one of the areas for small operators. The tenders were however not awarded.

In 1997 the Department entered into an interim contract with BBS that was renewed to 31 March 2021. With the shortage of sufficient funds from Treasury certain restrictions were placed on *inter alia* BBS, for instance, that no additional trips or pick-up points are approved as it entails additional cost. The annual subsidy rate per kilometre increase, for the last few years, was very low, in 2018 far below inflation rate. It is impossible to collect the shortfall from the passengers.

BBS is a member of SABOA and agree with the representation made by them. They on behalf of their members handle all regulatory and admin matter of a general manner with the Department of Transport.

An Employee of BBS will be available at the public hearing by the Commission to answer questions if possible.

