



PRESENTATION TO

**COMPETITION COMMISSION INQUIRY INTO THE LAND-
BASED PUBLIC PASSENGER TRANSPORT INDUSTRY**

27 AUGUST 2018

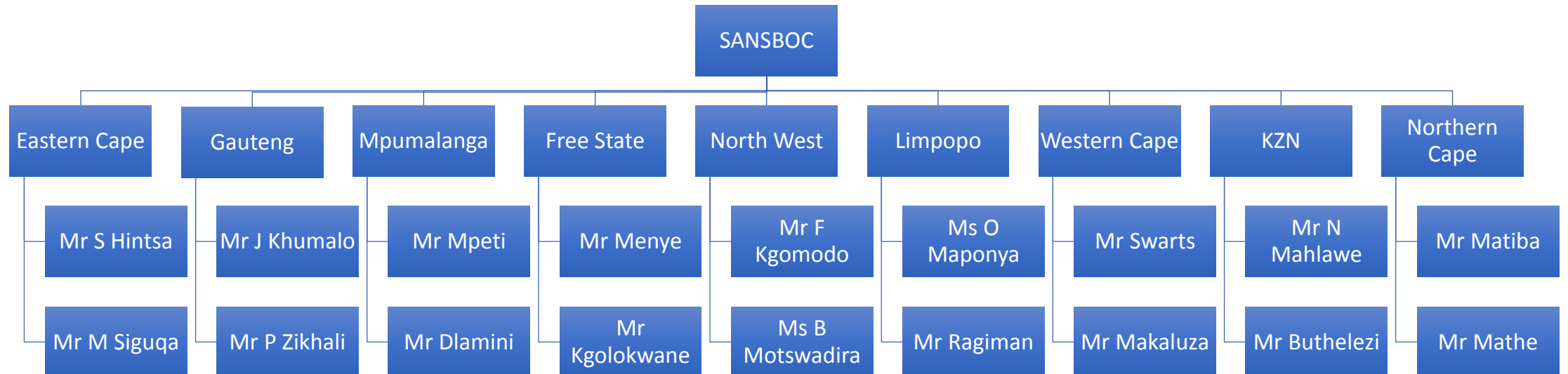
SANSBOC INTRODUCTION

- The National Department of Transport (NDoT) identified the need for the development of a strategy to formalize and empower the Small Bus Operators (SBOs). In line with strategy, the NDoT then facilitated the formalisation of SBO's at Regional, Provincial and National levels.
- Formalisation of SBO's is to position the SBO's for better participation in the formal bus industry within the greater public transport sector.
- SBOs – Small Bus Operators who are previously disenfranchised and have had very limited or no participation in the mainstream economy of the country

SANSBOC STRUCTURE



SANSBOC STRUCTURE (Cont.)



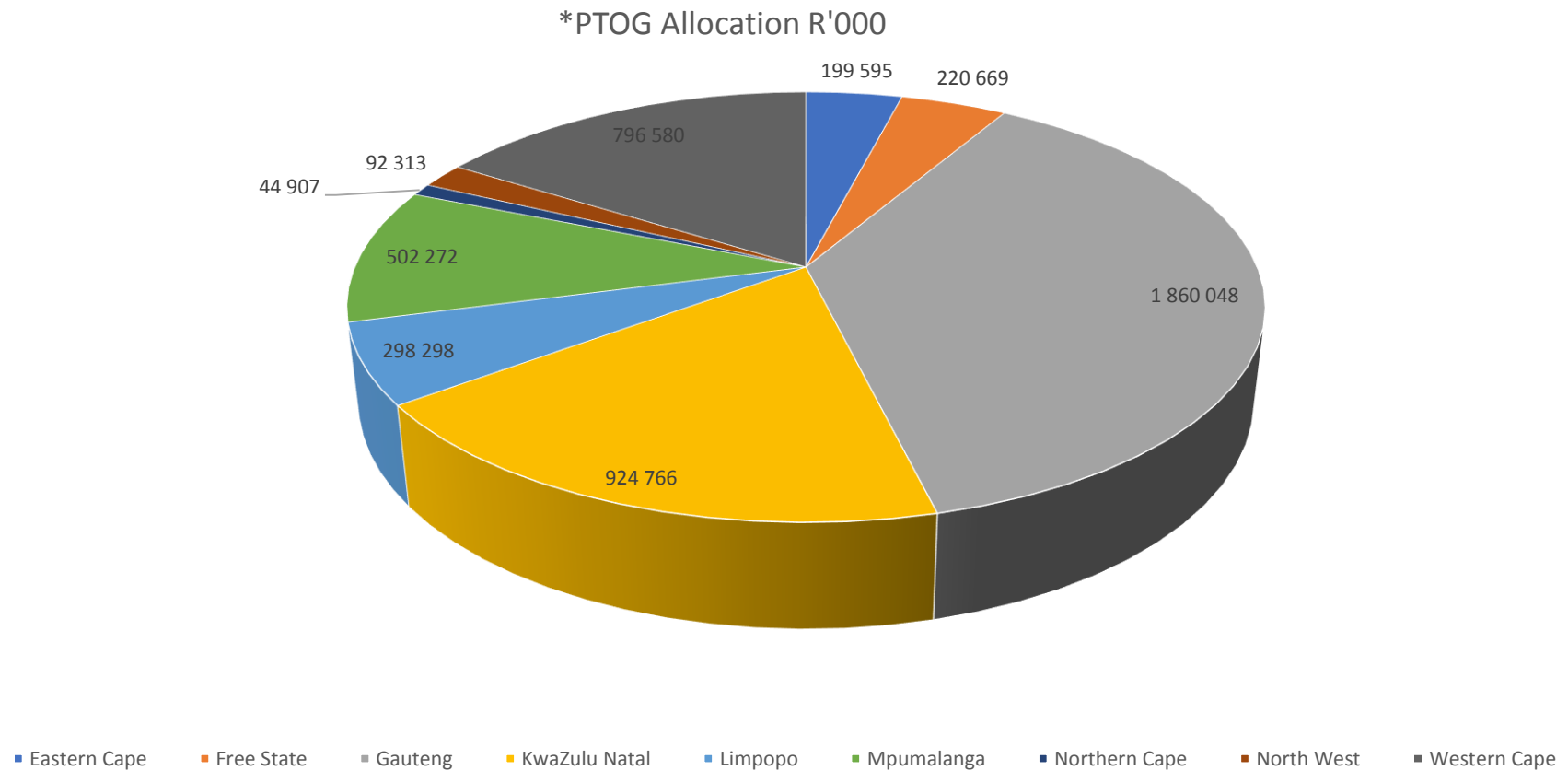
SANSBOC STRUCTURE (Cont.)



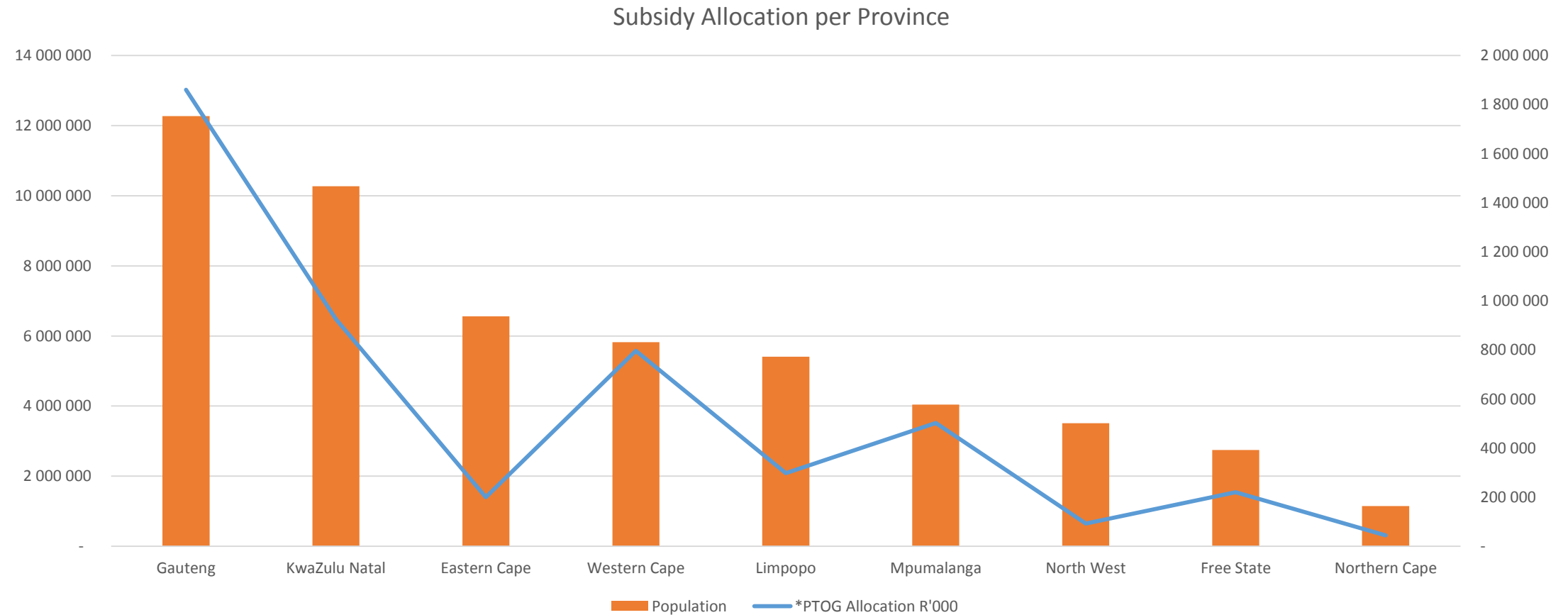
SUBSIDY ALLOCATION - PROVINCIAL REPRESENTATION OVERVIEW

Province	No. of Regions	Population	Area (km)	No of Operators	*PTOG Allocation R'000
Eastern Cape	6	6 562 053	168 966	351	199 595
Free State	4	2 745 590	129 825	40	220 669
Gauteng	5	12 272 263	18 178	197	1 860 048
KwaZulu Natal	10	10 267 300	120 361	87	924 766
Limpopo	6	5 404 868	125 755		298 298
Mpumalanga	3	4 039 939	76 495	203	502 272
Northern Cape	6	1 145 861	372 889	170	44 907
North West	4	3 509 953	104 882	150	92 313
Western Cape	5	5 822 734	129 462	200	796 580
*2016 Public Transport Operator Grant					

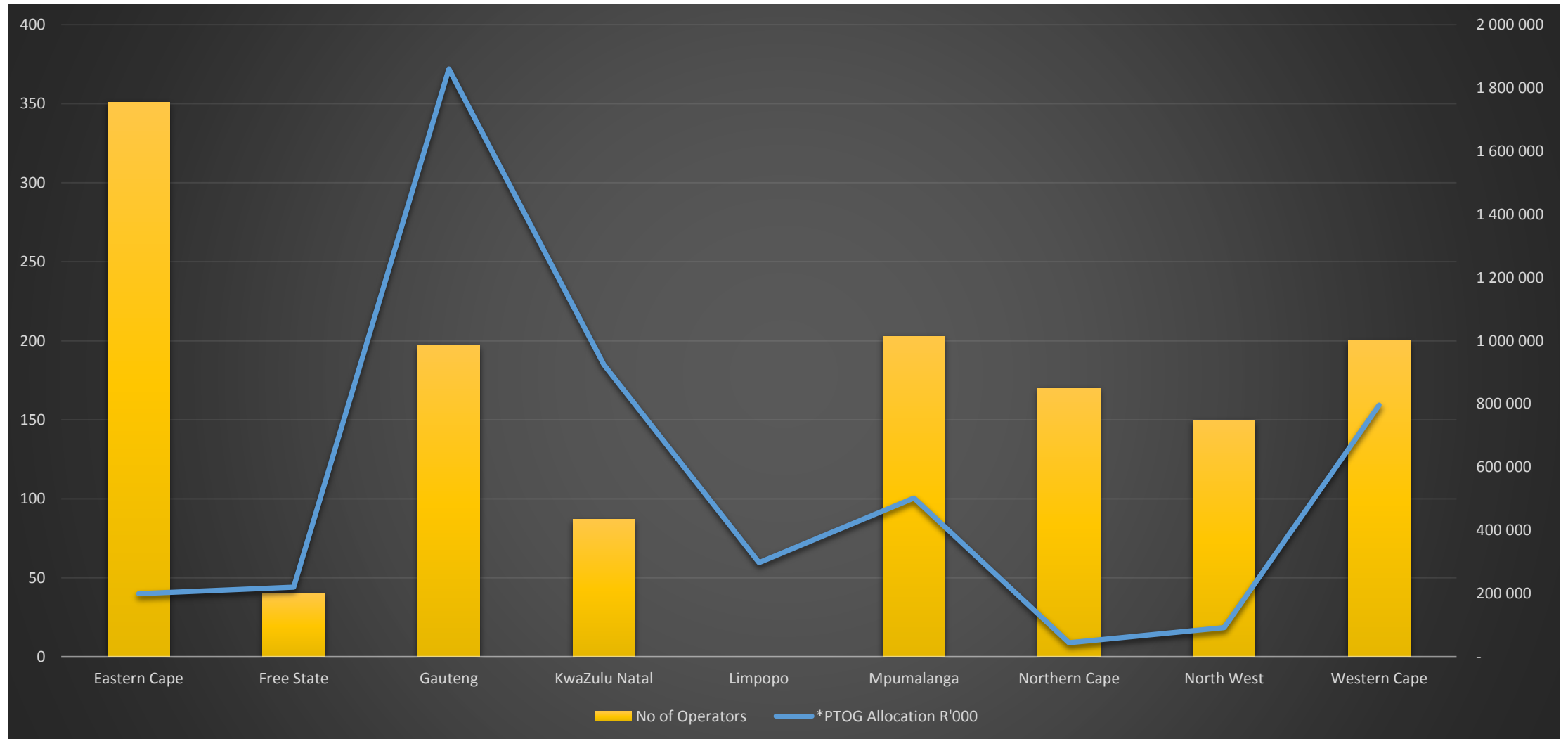
GRANT ALLOCATION PER PROVINCE



SUBSIDY ALLOCATION VS POPULATION



GRANT ALLOCATION PER PROVINCE VS # OF SBO



CHALLENGES

- Dominance of subsidised public passenger industry by few major bus operators.
- Disparity between National and Provincial Transport commuter subsidy rates
- Poor Road Infrastructure
- Poor and non existent Rank Facilities
- Access to existing Terminal Infrastructure facilities
- Regulating and monitoring of issuing of licenses
- Implementation of Transport B-BB EE charter is not in SBO's favour
- Fronting by major industry players
- Limited new business opportunities

RECOMMENDATIONS

- Level subsidised public passenger playing field through:
 - Reallocating subsidies from dominant major player to SBO's
 - Equitable allocation of subsidy commuter contract across all subsidised bus operators
 - Effective implementation of municipal by-laws and central park and ride facilities for all operators
 - Implementing authority municipality & transport department to determine demand, utilisation, efficiency and route demand for transport operations
 - Exclusive access to terminal sites by the dominant operators for example Gautrain bus park & ride sites, Park Station, etc.
 - NLTA 51% black ownership policy must be effected, monitored and implemented. This has not been the case.
 - Major players must share resources and SBOs must have direct participation.
 - Implementing of existing legislation on fronting, with the blacklisting of defaulters.

TRANSFORMATION

- We believe there is legislation in place to transform the industry and empower Small Bus Operators. However, the implementation process has been unsuccessful. It is time to directly cut the subsidy budget allocated to dominant big bus operators by the government and re-allocate to the Small Bus Operators.
- This can be accomplished by the formation of provincial companies owned by SBOs so as to participate in the mainstream economy.
- **Consolidation of SBOs into a single provincial legal entity which government can transact with will create a platform for sustainable growth of Small Bus Operators.**