

# NATIONAL PUBLIC TRANSPORT SUBSIDY

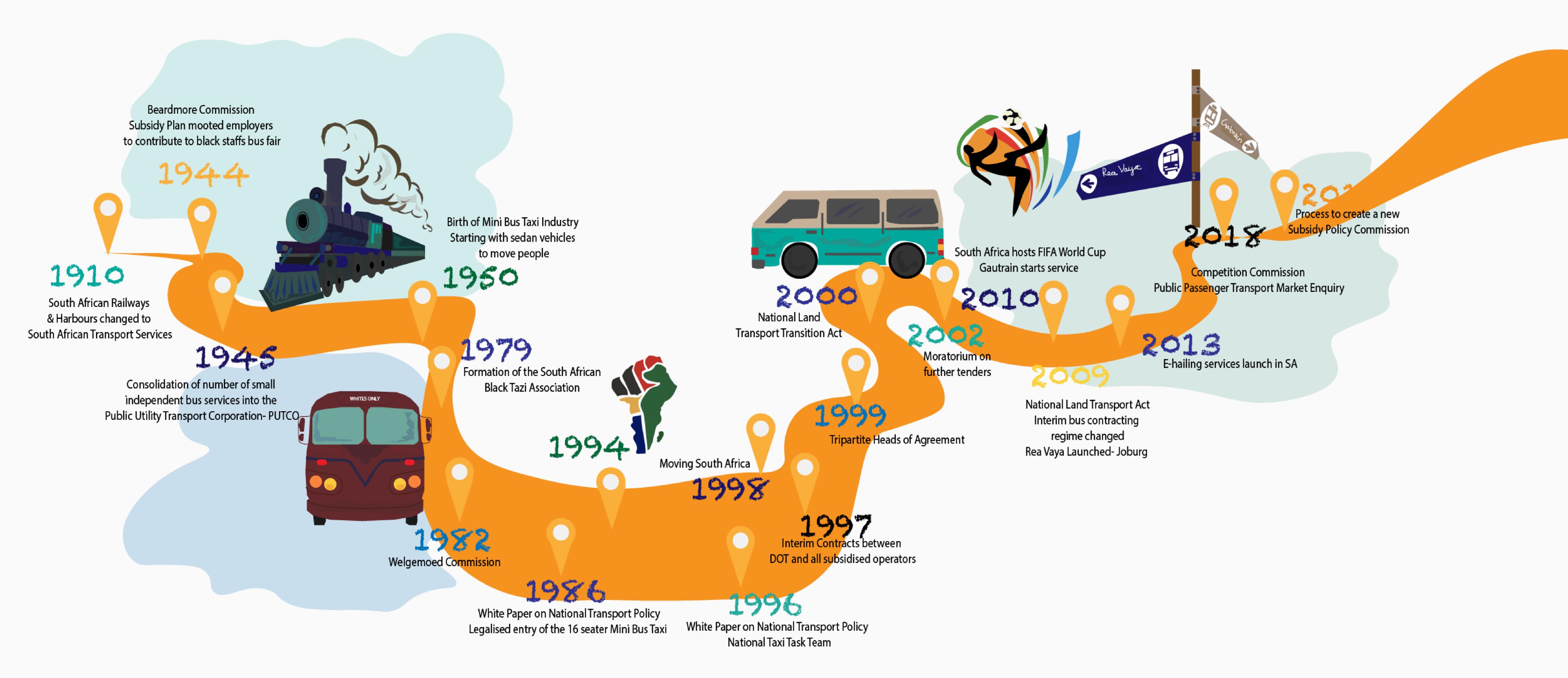
should be implemented through approved transport plans. Interventions South Africa should spend 5% of its Base allocation of 40% to Category B and C municipalities; and 60% to category A municipalities. Funding on the basis of a plan, where the plans will be independently evaluated and scored. The evaluation of the

benchmarks

plans will be in terms of criteria provided for in Table 10.1.

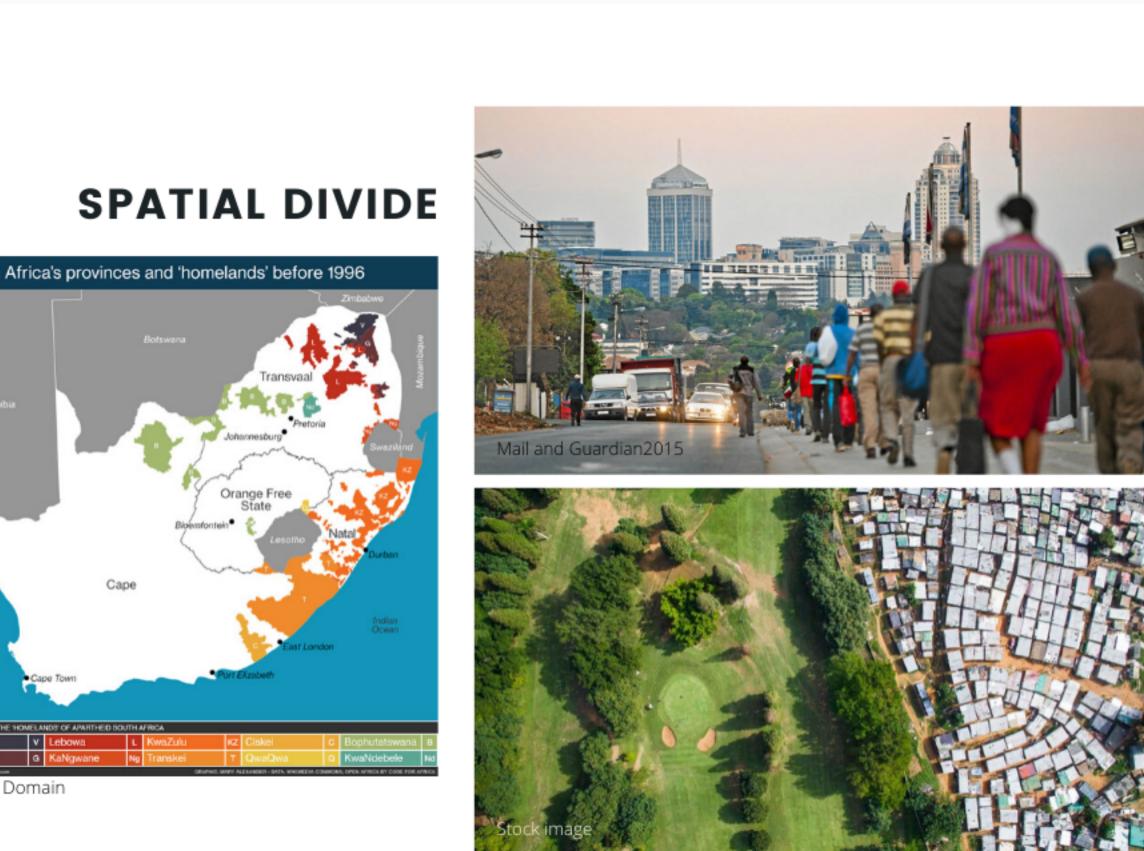
The individual municipalities must demonstrate how they

are implementing their plans in order to achieve the stated

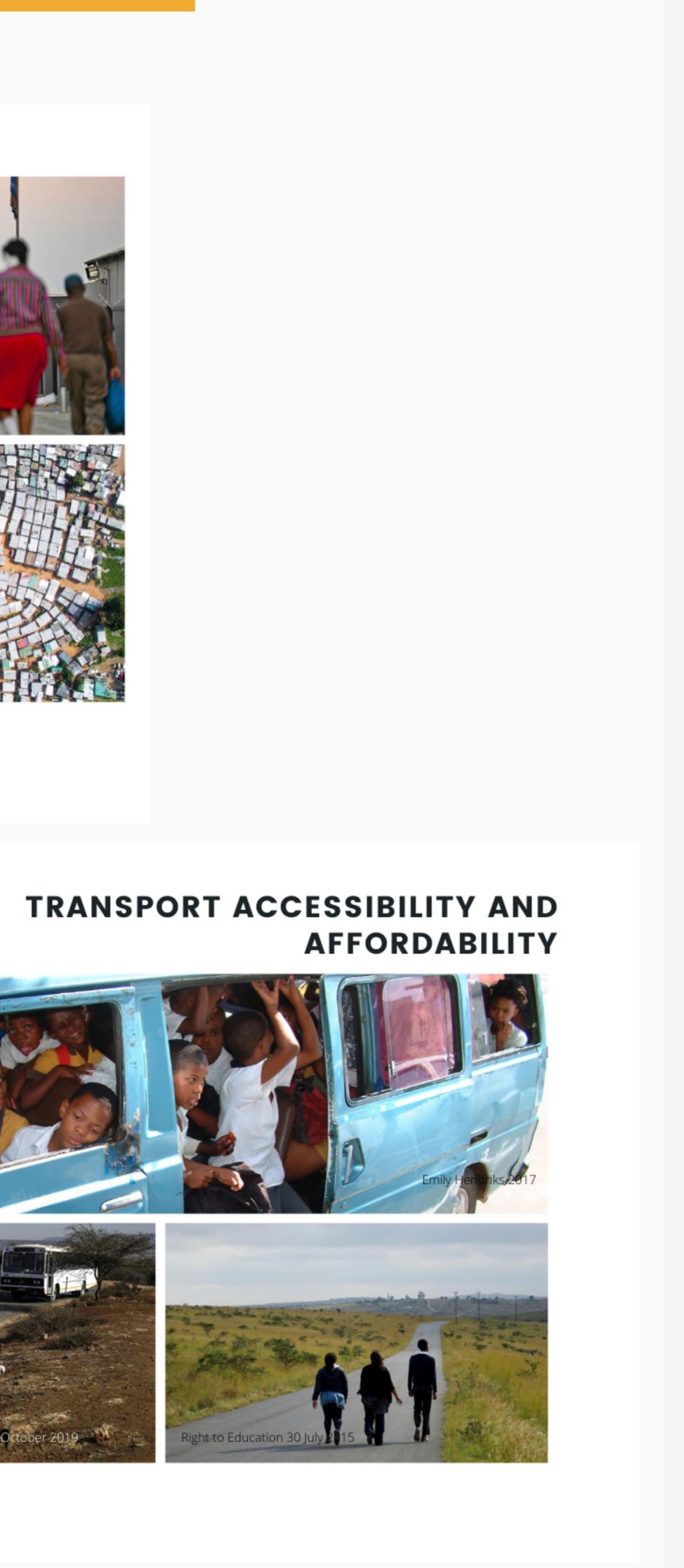


### 2020 STATUS QUO

terms of







## **EXISTING ASPIRATION** REALITY System Input Costs for bus operations and 60% for

180 grams

CO2 per

travel

Impact on Environment

Minimise trip length travel as much as

for work trips. Education trips for education.

Minimise motorised travel

person on a weekday

Minimise crashes

#### **EXISTING ASPIRATION REALITY** Direct Cost of Transport Subsidy to

Society as % of GDP

Society

Limit travel time to 40

for all other trip

purposes

#### Reduce total travel time Significant

on Public Transport, hour Minimise cost of service to the user

income on Public

Transport

Minimum operating speed on board public transport

> operating some

> > Universal Access

#### IMPLEMENTATION PRIORITIES

- Evaluate possible additional capital subsidy funding of the minibus-taxi operators through increased budget for "scrapping" allowance through the Taxi Recapitalisation Programme on the per application basis. The additional capital funding would assist the operators through reduced finance cost of the rolling stock and overall operating cost of the service.
- Evaluate appropriate technology solutions to introduce a cashless and automatic fare collection (AFC) for the minibus-taxi services whilst appreciating the prevailing business model of the industry.
- Prepare a competitive procurement process for the prevailing bus contracts based on an interim rationalisation of the prevailing service designs and funding approach and issue operating contracts aligned to the current legislative requirements to enable stabilisation of the service provision and improvement of the service levels.
- Providing subsidised connectivity of road-based services to rail services should be prioritised in order to strengthen the role of rail as the backbone for public transport. Furthermore, locating state subsidised housing programmes in the vicinity of rail stations should also receive priority

#### POLICY STATEMENTS

#### FINANCIAL INSITUTIONAL CONSIDERATIONS ARRANGEMENTS

PLANS

transport plans

There will be no differentiation

Rather, subsidy will be paid on

the basis of a transport plan that

of public transport modes.

achieves specific goals

Public transport will be cost Public transport subsidies will be managed recovery based by Municipalities

TRANSPORT Differentiation of urban and rural areas

No municipality should be a public Public transport subsidies will be transport operator implemented to achieve goals in

#### USER TARGETED SUBSIDY FOR THE POOR

Operating subsidy will increasingly be administered through information technology

#### CAPITAL

#### SUBSIDY

Public transport subsidy will consist of both operational and capital support

- Subsidy will comprise a user-targeted operational
  - User-targeted subsidy will be limited to households that are considered poor, earning below the upper-bound poverty line that is determined by the state (R1183 per person per month in household 2018). Persons from such households should not spend more than 10% per month on transport for work, education and basic health services
  - All the infrastructure, including non-motorised transport infrastructure, and vehicles operating on the subsidised network, will be owned by the state, and managed through an appropriate contract
  - Subsidy will be limited to capital subsidy and the subsidisation of persons from poor households
  - User-targeted subsidies will require a fare collection system allowing for a means-tested form of identification

