



**SUBMISSIONS TO THE DRAFT  
NATIONAL PUBLIC TRANSPORT SUBSIDY POLICY  
SMALL BUS OPERATORS  
28 SEPTEMBER 2021**

**Submitted on behalf OF SANSBOC  
by  
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## 1. PREAMBLE

On behalf of the Small Bus Operators, SANSBOC wishes to express its appreciation for being invited to make inputs on this important policy. As the official representative of the SBOs, we see these processes as an opportunity for government to finally redress the economic and social injustices in the allocation of public transport subsidy, SBOs remain at the periphery of economic prosperity after decades of marginalisation. It is hoped that our inputs will be honestly considered and duly included in the final policy.

## 2. INTRODUCTION

### 2.1. Origins of SANSBOC

- 2.1.1. The formation of SANSBOC was facilitated by the National Department of Transport with an aim of forming a representative body for the Small Bus Operators in the bus industry and for interaction with other relevant stakeholders for the benefit of its members. It was formed in 2009 and officially launched in 2012 after an elaborate consultation between National Department of Transport and Small Bus Operators. This was after the operators' raised concerns about being excluded in the mainstream economic empowerment, especially in the roll-out of Integrated Public Transport Networks (IPTNs) by Provinces and Cities.
- 2.1.2. Small Bus Operators raised concerns that government is only prioritizing the minibus taxi industry and continue to neglect emerging bus operators who for years never benefitted from government subsidies. In 2011 and 2012 provincial structures were established and on 6<sup>th</sup> December 2012 the national structure was launched as the first phase.
- 2.1.3. The second phase which was to follow the launch was a government spearheaded empowerment which we still are waiting for.

### 2.2. High Level Policy Challenges Identified

- 2.2.1. **Historical Context.** The dominant bus market has its origins in the 1950's from supplementing railways, to competing, then operating trunk routes. These players are still entrenched, and new players have grown to a large scale.
  - 2.2.1.1. Small Bus Operators have only reached representation in the last 15 years, and can not have the same strategic position built by Large Bus Operators over 80 years.
- 2.2.2. **Policy Gaps.** NLTTA Section 47(3)(a)(i) and the NLTA 41(1)(b) highlight the **once only** preferential support for the "economic empowerment of small buses" or previously disadvantaged persons. However, this empowerment is not equivalent to the potentially entrenched dominant players.
  - 2.2.2.1. Recapitalisation initiatives focused specifically on minibus-taxi-type vehicles, whereas, rising small bus operators serving learners, and tourism, have not been exposed to similar efforts.
- 2.2.3. **Institutional Gaps.** The NLTA No.5 of 2009, does not provide transport authorities with the capacity to deal with the competition between SBOs and Minibus Taxis in the form of defining "encroachment" in the long-distance and learner transport context.
- 2.2.4. Taxi Empowerment Model and other supporting initiatives are not translated for the SBO market, although the Competition Commission finds that (7.98): ***"the bus subsidy system, in its current form, prevents competition between commuter bus operators, and serves as an artificial barrier to entry – especially for small bus operators"***.

### 2.3. General Concerns with the Draft Policy

- 2.3.1. The draft policy does not acknowledge SANSBOC as a stakeholder and its efforts over the years to organise SBOs.

- 2.3.2. The draft policy does not explicitly designate SBOs as previously marginalised and worthy of being prioritised for inclusion in the new subsidy regime, especially commuter subsidy. In fact there is no actual reference to SBOs but rather small enterprises term is used.
- 2.3.3. The policy does not reflect or take into consideration recommendations of the *Competition Commission on Market Inquiry into the Land Based Public Passenger Transport Sector Report* which eloquently captures the current policy gaps and provides guidance on how SBOs in particular can be catered into subsidy regime.
- 2.3.4. The policy is insensitive to SBOs in that it generalises when it comes to bus operators and particularly leave SBOs in an unfair competition with big operators, especially when it comes to public tenders.

### 3. SANSBOC FOUNDING MANDATE AND OBJECTIVES

#### 3.1. **SANSBOC is a statutory creation having been created through a constitution which spells out the reasons for its existence, its mandate and further guide how the organisation should be run. The following are the objectives of SANSBOC contained in the constitution:**

- 3.1.1. To support; promote and contribute towards transformation processes in the small bus operator industry.
- 3.1.2. To support, encourage, facilitate and promote introduction of more bus operators from previously disadvantaged communities into the economic mainstream of the country through formal bus operations.
- 3.1.3. To protect, secure and promote the interest of members of SANSBOC.
- 3.1.4. To enquire into, promote and support such amendments to, or oppose any legislation or proposed legislation pending or calculated to impinge or encroach wrongfully upon the rights and privileges of its members, to give evidence and make representations to anybody or bodies on any legislation adversely affecting the interests of SANSBOC generally or any of its Members.
- 3.1.5. To collect, record, disseminate and publish any information and know-how calculated to be of use and/or interest to SANSBOC Members.
- 3.1.6. To represent generally the views of SANSBOC Members.
- 3.1.7. To promote and advance the status of the road passenger transport industry thereby promoting the interest of the travelling public.
- 3.1.8. To establish communication channels with the government and other appropriate institutions or bodies concerned with or interested in the development of the road passenger transport industry.
- 3.1.9. To publicise the activities of SANSBOC to such persons and in such a manner as shall be advantageous to SANSBOC and/or promoting the interests of SANSBOC.
- 3.1.10. Fostering good working relationship with the government including, *inter alia*:
- 3.1.11. To engage actively in discussions and negotiations and to make representations and appeals to the various provincial and local authorities, in the interest of SANSBOC members; and
- 3.1.12. To register SANSBOC as a non-profit making company (NPO) and to ensure that it remains registered.
- 3.1.13. Fostering good working relationships with other role players within the public transport industry, and to co-operate with other relevant stakeholders having similar objectives, or to encourage and strive for the co-operation of similar organisations and bodies.

#### 3.2. **In addition to the above, the Constitution provides that in pursuit of this aim, SANSBOC will operate according to objectives, which shall include:**

- 3.2.1. Effective and efficient running of SANSBOC including, *inter alia*:

- 3.2.1.1. applying SANSBOC funds for the purpose of giving effect to the objectives of SANSBOC, and to invest funds in suitable financial institutions and in addition, to acquire immovable or movable property by purchase, lease, exchange or donations,
- 3.2.1.2. causing duly audited accounts for each financial year to be prepared by independent external auditors,
- 3.2.1.3. complying with the code of conduct.

*3.2.2. Encouragement for the improvement of the services provided by its members to the public including, inter alia:*

- 3.2.2.1. to ensure compliance with all relevant labour legislation by all its members,
- 3.2.2.2. take all such steps as may be deemed necessary by SANSBOC to preclude any misconduct on the part of any of SANSBOC's members, and to take further steps regarding the suspension or expulsion of defaulting members as may be deemed necessary, with due regard to the Grievance and Disciplinary Procedures; and
- 3.2.2.3. promoting public transport and to develop structures to enable passengers to communicate their needs with respect regarding public transport facilities or services rendered by SANSBOC members.

## 4. SANSBOC ECONOMIC PROFILE

### 4.1. Small Bus Operators are National Assets

- 4.1.1. SANSBOC represents over 1500 members, 35% of which are women, with 9000 buses, in all 9 provinces. It creates direct employment for 22 620 people, spread over R1.8bn in salaries circulating in local economies.
- 4.1.2. Furthermore, it represents an asset base of approximately R5.3bn, with the combined annual revenue of all members exceeding R6bn.
- 4.1.3. Annual passenger trips are estimated at 235 million trips. While 80% of the SBO's operations are in the Learner Transport market, and 70% operate in rural areas.
- 4.1.4. Less than 2% are benefiting from commuter subsidies. No direct government empowerment was ever initiated for or included SBOs since the dawn of democracy. No monetary support is provided to SANSBOC administration by government except assistance with meeting arrangements despite the promise made 10 years ago by NDoT to support the Council.

### 4.2. Fundamentals of SANSBOC

- 4.2.1. **Acknowledging that SANSBOC is a unique player in the transport market is a key point of departure.** This can take the form of:
  - 4.2.1.1. Prioritisation of SANSBOC in specific and direct terms in the *Draft Policy*.
  - 4.2.1.2. Making a clear distinction between different operator markets in the *Draft Policy*<sup>1</sup>.
- 4.2.2. **Reflecting the full economic cost of operations native to Small Bus Operator markets**
  - 4.2.2.1. With a large rural and long-distance (tourist and commuter) market the operating costs are unique. They involve the cost of lagging institutional capacity, physical constraints placing upward pressure on operating costs (gravel roads and topography), market segment specific dynamics and land use configuration.

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<sup>1</sup> This can be structured in the form of (a) Small Bus Operators (i.e. SANSBOC); (b) Large Bus Operators (SABOA); (c) Minibus Taxis (SANTACO/NTA).

- 4.2.2.2. **Rural Institutional Environment:** The institutional capacity to administer, manage and coordinate integrated transport planning, is limited within this environment. This is feeding ground for limited capacity to implement or execute on municipal functions described in the National Land Transport Act No. 5 of 2009 Section (11)(c)<sup>2</sup>.
- 4.2.2.3. Furthermore, the structural composition of the Division of Revenue (as amended) purports some ease in allocating resources to local municipalities with a low base, partly because of the formulae used; in another sense the extent to which municipalities are prone to being under administration; and finally in terms of the extent to which municipalities in rural areas have the capacity to implement based on the resources they are endowed with as the Fiscal Financial Commission (FFC) found that '*conditional grants are underspent, and [rural] municipalities have backlogs in almost all services*'<sup>i</sup> the authors continue to reveal that the average efficiency of municipalities is 38%, meaning 62% of the potential services that should be delivered are not<sup>i</sup>.
- 4.2.2.4. Although many municipalities in the rural and peri-urban areas have been identified as key development nodes, the extent to which interventions have been implemented is thus limited.
- 4.2.2.5. **Gravel roads and topography:** Although the Road Asset Management Systems are duly operated in some areas, there are legacy gravel roads in rural and peri-urban communities which are part of the make-up and linkages between schools and communities. These relatively long journeys involve traversing between villages and in some instances along freeways.
- 4.2.2.6. However, it is the relationship between the Integrated Transport Plans, their appropriate specification, suitable selection, and budget that tie into the capacity of the municipality to deliver on the Project Proposals, Business Plans or any equivalents to Chapter 12 of the Minimum Requirements for Comprehensive Integrated Transport Plans<sup>ii</sup>.
- 4.2.2.7. It is in these plans that the appropriate identification of Learner Transport and Rural Transport activity routes should be identified, and their rehabilitation if not upgrading should be planned for. However, the Estimates of National Expenditure show an increase in the number of road kilometres regavelled (4500km to 5900km between 2015 and 2019), and the number of road kilometres that were bladed (350 000km to 500 000km), whereas tarmac patching and pothole repairs exceed 900 000km per year<sup>iii</sup>.
- 4.2.2.8. SBO's are predominantly exposed to both gravel roads and tough topographic characteristics of the rural areas, villages and the areas in between.
- 4.2.2.9. **Market Segment<sup>iv</sup>: Learner Transport.** SANSBOC is a custodian of the Learner Transport Policy as transporting learners is, essentially, the core business of 80% of the SBO's.
- 4.2.2.10. Members have invested relationships, initiatives, standard operating procedures and capital in the Learner Transport and Tourism (long-distance) markets.
- 4.2.2.11. The scholar transport market represents 14.7 million trips, which accounts for 79% of all education trips. Rural areas this demand is approximately 40% of all education trips, 7.5 million. When disaggregated for bus transport, 821 000 learners commute by bus on a daily basis and this only 16% of the motorised learner travel demand.

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<sup>2</sup> In terms of the Learner Transport Policy, Section 4.1, the functions for Monitoring and Evaluation maybe spread between National, Provincial and Local spheres of government, with appropriate Key Performance Indicators with due regard for engagement with key stakeholders including the Department of Basic Education.

- 4.2.2.12. As per the Learner Transport Policy<sup>v</sup> scholars with disabilities must also be included in the provision of transport, they account for 1.9% of the daily bus commuters, little over 16 000 individuals.
- 4.2.2.13. The scholar transport in rural areas accounts for 38% of the bus market, which is equivalent to 342 000 learners. The acute difference between Urban and Rural areas is also notable, where bus use accounts for 30.4% of the scholar transport market in rural areas, and only 24.6% in urban areas—the minibus taxi dominates by 69.6% and 73.9%, respectively.
- 4.2.2.14. Overall, the learner transport market is not only part of a constitutional debate for ‘access to education’, it is rather a market segment that is (a) low volume market in need for growth; (b) dominated by local minibus taxi operations; and (c) has a unique cost profile as universal accessibility is a key part of enabling learners to board, alight and have best-fit ergonomic characteristics within the vehicle. Overcoming these limitations come at a cost.
- 4.2.2.15. It was noted in the engagement that “persons without income” are an inclusive term, including scholars. However, SANSBOC argues that explicitly referring to *Learners or Scholars* is more consistent with the policy frame as travel behaviour is not necessarily driven by income alone.
- 4.2.2.16. **Market Segment<sup>vi</sup>: Tourism.** According to the Land Transport Survey, between 2008 and 2019, road passenger journeys have floated around similar volumes month-to-month and were beginning to decline. This relative decline has resulted in rising prices per passenger (seasonally adjusted at current prices), revealing increasingly unaffordable bus market.
- 4.2.2.17. Although these are estimates for the general road passenger transport market (excluding minibus taxis), road transport passenger services in the tourism sector have been over-supplied relative to domestic tourism demand. Inbound tourism expenditure on road transport accounted for 12%, R14.7bn in 2018, while domestic tourism expenditure on road transport accounted for 28.4%, R43.4bn in the same year.
- 4.2.2.18. However, this is dampened by the fact that while demand is equivalent to R53bn, domestic supply exceeds R150bn, resulting in a tourism product ratio of 35.8%— or an almost 65% oversupply in the market.
- 4.2.2.19. This results in a highly competitive market with low rates, low margins, an environment that is particularly conducive for large operators with economies of scale, and niche operators with long-term partnerships with destinations or experiences.
- 4.2.2.20. **Land Use Configuration.** Page 24 of the Subsidy Policy (Fig. 5) shows how household expenditure on transport is spread in general. In line with the Integrated Urban Development Framework (IUDF)<sup>vii</sup>, the spatial differences in expenditure show how inefficient the distribution of expenditure is for Rural Formal areas toward cars, and low demand for bus (5.7.3).
- 4.2.2.21. However, what the data from the Living Conditions Survey of 2015 (see Figure 1) reveal is that there expenditure distribution between urban and rural areas is much higher for rural areas. Households in rural formal areas spend 18.6% of their expenditure on transport, this is similar to the Urban Informal household expenditure profile.
- 4.2.2.22. The difference between the Rural Formal and Urban Informal household expenditure compositions is that in rural areas motor car, fuels and lubricants dominate the expenditure profile—highlighting a growing car dependence. Whereas in Urban Informal areas the expenditure profile is dominated by passenger transport by road, revealing an expensive cost profile dominated by public transport inefficiencies.
- 4.2.2.23. Thus, for Rural Formal areas, passenger transport is in many instances not an attractive option, unless if there are high levels of captivity or there is a degree of access

to private vehicles. Further analysis of the spatial configuration of the policy with respect to the differences in where transport users are will be crucial.

4.2.2.24. The IUDF places the policy issue quite clearly as it states:

4.2.2.24.1. *Developing solutions to benefit the whole country is difficult if rural and urban areas are seen as opposites, especially as these areas are becoming increasingly integrated because of better transport and communications, and migration. Therefore, focusing on linkages (not separateness) can help reframe how development occurs in rural and urban areas.*<sup>viii</sup>

4.2.2.25. **Highlighting and crafting a policy frame that captures both urban-rural needs is a key part of National Development, thus the policy should reflect a more integrated approach.**

4.2.2.26. It was also noted that in 10.3.1.1 of the Draft Policy, 40% of the subsidy will be allocated to category B or C municipalities. This was acknowledged, however, the framework and formula does not show a clear distinction between rural and urban, or municipal category types. This distinction from a spatial structure perspective is described in the Guidelines for the Provision of Social Facilities in South African Settlements pg. 11.

4.2.2.27. Following comments from NDoT, there is a need to find harmony between patronage and coverage within the subsidy policy, while bearing in mind that not all areas of the subsidy policy will be best-fit for all stakeholders.

## 5. ASSESSMENT OF THE POLICY SCOPE WITH RESPECT TO SANSBOC

### 5.1. The policy recognises the important of the Learner Transport Policy, (2.9.2.4)

5.1.1. 80% of Small Bus Operators serve scholar transport markets, who are recognized as a *Special Category of User, or Targeted Users* in the NLTA.

5.1.2. However the policy falls short in explicitly providing for learner transport in terms of the subsidy structure, as per the Learner Transport Policy.

5.1.3. **Recommendation:** Specific account of Targeted Transport Users, or Special Categories of Users needs to be included in the subsidy policy as serving these groups of users may lead to higher operating costs

### 5.2. It acknowledges that assisting minibus taxi operators and small bus operators to participate in the subsidised market as justifications for the policy (4.8.4).

5.2.1. There is fierce competition from the minibus taxi industry for empowerment opportunities, providing differentiated forms of support for each operator market is ideal.

5.2.2. There is a need to provide more information and special consideration for Learner Transport, and Tourism Transport (long-distance) based on the topography, type of vehicles required for rural terrain and cost of maintenance for this unique operation—especially in the context of Small Bus Operators.

5.2.3. **Recommendation:** Specific account for geographic, or topographic factors related to the rural transport terrain and its impact on fuel, wear and tear and other costs, higher than those in urban areas.

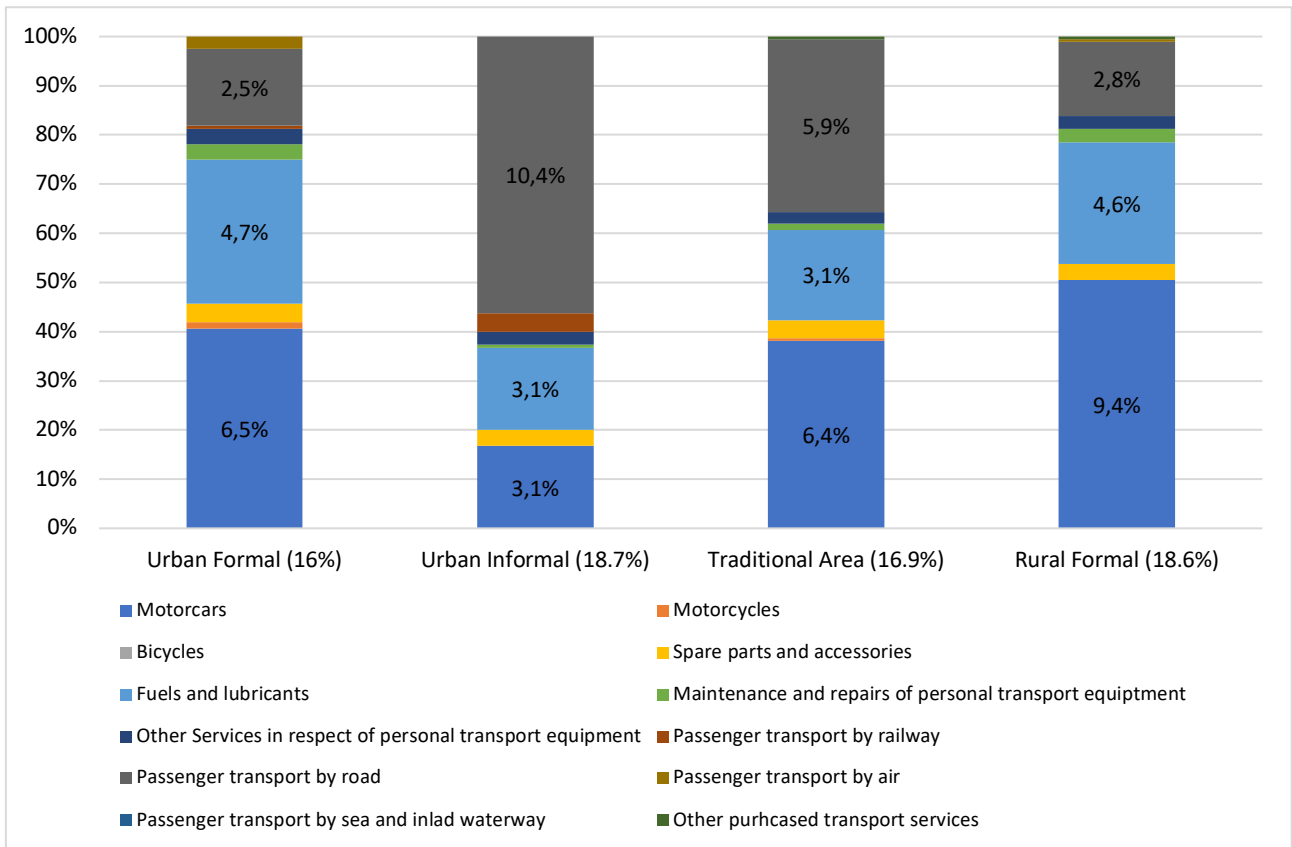


Figure 1: Transport Expenditure by Settlement Type

5.3. However, this is premised upon the goal to serve “target recipients of mobility support” (4.9.2) through local authorities, appropriate tenders and suitable transport plans (4.9.5).

5.3.1. 70% of SANSBOC operations are in rural areas, of which need significant support in the transport authorities, transport planning and service monitoring entities.

5.3.2. As SANSBOC have previously raised concerns about the inconsistencies of policy application by various provinces include disparities in rates.

5.3.3. **Recommendations:** Specific reference to the practical implications of the subsidy policy on the procurement practices (i.e. tendering) and inherent rates should be made in the subsidy policy.

5.4. The policy also indicates that “assistance will be offered to disadvantaged operators to enable them to participate in the [tendering] system” (4.9.4).

5.4.1. Implementation of the 30% set aside policy pronouncement by government on commuter contracts for small bus operators.

5.4.2. As much as there is consideration for **Mode Specific Subsidy** there should also be a **Service Specific Subsidy** which will take care of unique operational requirement such as Learner Transport, Tourism Transport, and the vehicle characteristics (and cost profile) of SBO’s.

5.4.3. **Recommendation:** Specific account for operator specific (minibus, large bus, small bus), mode specific and service specific (learner, tourism, commuter) subsidy<sup>ix</sup> frames are recommended.



## 6. SPECIFIC INPUTS TO THE DRAFT POLICY

| Page/Section Reference                    | Comments  | Recommendation   |
|---|---|--|
| Page 28 – 31 : 5.10, 5.11                 | <p>5.10 The phrasing of the statement suggest that public transport disproportionate little funding relative to its role in the economy refers to only dominant modes such taxis.</p> <p>We need to take into consideration the challenges our dominant market is also facing, e.g. high costs of operation and tough terrains, and special categories of users.</p> <p>5.11 Innovation can only be possible if financial support is provided.</p> <p>There is no indication that financial support for this requirement will be provided.</p> <p>5.13 Operational subsidy not differentiated.</p> <p>There is acknowledgement of operating in rural conditions but the acknowledge is restricted to commuter subsidy and does not also explicitly deal with learner transport complexities</p> | We recommend a more differentiated subsidy policy that accounts for <i>Categories of Users</i> .   |
| <b>1.4 Rural Transport</b>                | <p><b>5.14.3.1 In line with the IUDF (pg.28), prioritising urban-rural development would result in subsidy being directed mostly to rural and semi-urban areas.</b></p> <ul style="list-style-type: none"> <li>- This is only possible if small bus operators are prioritised because of their strong presence in these areas.</li> </ul>   | <p>While we acknowledge the issue of welfare (4.10), we recommend that some weighting should be given to social development the same as economic development as the two are intertwined.</p> <p>We recommend that a different Urban and Rural Subsidy Policy is carved to account for the lower base in rural areas, and potentially higher operating costs.</p> |
| <b>Policy Guidelines (Pg 33)</b>          | <p><b>6.3.4 Spatial distribution of public transport funding including subsidies in the country.</b></p> <p><b>6.3.5 Rationale for adequate provision of funding of public transport services.</b></p> <p><b>6.3.6 Accelerated transformation.</b></p> <p>The Goals support the need for transformation and this can only be achieved by integrating Small Bus Operators.</p>   | We therefore need the role of SBOs to be prominent in the policy   |
| <b>Subsidy Structure (Pg. 41, 42, 43)</b> | <p>The formula seems to be more in urban context and does not make provision for rural and peri-urban areas.</p> <p>Prescribed trip length kilometres does not say much about learner transport context.</p> <p>Cost recovery base: How does policy account to assist with excess and unrecoverable costs in unique operations such as learner transport.</p> <p>Capital support as referred to 8.7 – What are the parameters.</p> <p><b>8.7.3 – Requirement for Operators to compete for right to operate in line with service a service contract. This</b></p>  | Subsidy structure to consider not only but also user and service type  |

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|---|--|---|
|   | <b>will be challenge for SBOs who will not be competing on equal basis.</b>  |   |
| <b>8.9 Differentiation of urban and rural areas</b> | <p><b>8.9.1 Rural areas are prioritised but they is no benchmark for them in the section dealing with subsidy allocation.</b></p> <p>Overall there is not adequate benchmarking for rural based operations/service. Page 58 - Table 10 stills addresses only urban benchmarks.</p> <p>Bearing in mind the "big-jump" and other strategic issues noted in the Rural Transport Strategy for South Africa (2007 pg. 28-38).</p> | Differentiate the subsidy policy scheme bearing in mind the spatial context of Urban and Rural Areas. |

## 7. IMPLEMENTATION PRIORITIES

- 7.1. Implementation priorities completely cater for minibus taxis** in that there is a precedent already set as noted in 2.2.2 and 2.2.3. These are the practical outcomes of policy decisions. SANSBOC is concerned that lagging issues have not been addressed, namely:
- 7.1.1. Long-term contracting for current operators with entrenched relationships with regulators and other market actors who grant and allocate subsidies.
  - 7.1.2. Strong inclination toward tender contracts purport a similar "short-term" empowerment effort, rather than a long term "development effort" which would enable the evolutionary frame<sup>x</sup> discussed in the meeting.
  - 7.1.3. The importance of innovation and technology for SANSBOC is evident in its position, however, these efforts do not come without additional costs and effort. Following the deliberation, SANSBOC took note of the potential opportunities to streamline automated fare collection, APTMS and streamlining these within the subsidy policy. This line of argument highlights the importance of a capitalization based approach to enhance the capabilities of the transport market and the quality of the subsidy regime's capacity to monitor and evaluate (by lowering the cost of information and reducing the probability of information asymmetries).
- 7.2. An inclusive approach is necessary** in order to redress historical inefficiencies, some proposals include:
- 7.2.1. A specific allocation for SBO's would be ideal, with a ringfenced minimum of 30% for commuter subsidies. This may take the form of the traditional *sub-contracting* model, but ideally, transport authorities would structure specific transport services which are best suited for SBO's from both a business development and empowerment perspective—a shift away from the "once only" framework.
  - 7.2.2. Reconciling the set-aside principle with national legislation is a key part of the policy process, as both local municipal regulatory entities, or transport authorities will need the appropriate capacity to administer this effort; and there will be a need to invest in reforming the NLTA Section 41 to gear toward long-term empowerment, over "once only" endeavors competing with "recurring contracts".
  - 7.2.3. This approach would also enable further opportunities for SBO's to interact with the Rural Integrated Public Transport Networks (RITPN) with the suitable support from transport entities with devolved transport functions.
  - 7.2.4. Preferential allocation of Learner Transport services to SBO's largely to leverage on the historical base, legacy and long-standing relationships with both communities, learners and schools within their respective networks.

- 7.3. **Practical implications need to be described** in the supply chain context, specifically in terms of the securing an equitable share in: *tendering, procurement rates, empowerment, and region specific tenders.*

## 8. CONCLUSION

- 8.1. In the past 15 years, SANSBOC has become a 1500 member strong organisation representing over R11bn in revenue and assets circulating in urban and mostly rural economies– with over 200 million passenger journeys per year.
- 8.2. While there are policy positions aimed at supporting SANSBOC, they are inherently once-off, and do not enable SBOs to catch-up to companies which have had access to the market for more than 50 years in 15 years.
- 8.3. Specific policy recommendations outlined show that there is a need to:
- 8.3.1. Explicitly state and refer to learner transport, or scholars, or education related mobility
  - 8.3.2. Differentiate between Urban and Rural subsidy requirements;
  - 8.3.3. Service, Operator and Mode specific subsidy requirements;
  - 8.3.4. Accounting and reflecting procurement and preference toward SBOs needs to be included
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## ENDNOTES

<sup>i</sup> Vacu, Nomfundo (2018) *The Effectiveness of Transfers to Local Municipalities for Rural Development*. Fiscal Financial Commission, Technical Report pg. 239-254.

<sup>ii</sup> Government Gazette (2014) *Minimum Requirements for Integrated Transport Plans*. Department of Transport (Regulation No. 954).

<sup>iii</sup> National Treasury (2019) *Estimates of National Expenditure*. National Treasury, pg. 739-740.

<sup>iv</sup> The data presented here is derived from the National Household Travel Survey of 2020, published by Statistics South Africa.

<sup>v</sup> Policy Focus Area 3.3, statement 3.3.1 indicates that learners with disabilities must be among the beneficiaries of learner transport services; Policy Focus Area 3.9, Statement 3.9.1 and 3.9.2. state that scholar transport services must be universal accessible.

<sup>vi</sup> The data presented here is based on the *Tourism Satellite Account for South Africa*, published by Statistics South Africa. <http://www.statssa.gov.za/publications/Report-04-05-07/Report-04-05-072018.pdf>

<sup>vii</sup> CoGTA (2016) *Integrated Urban Development Framework*. Cooperative Governance and Traditional Affairs.

<sup>viii</sup> CoGTA (2016) *Integrated Urban Development Framework*. Cooperative Governance and Traditional Affairs. Pg. 29.

<sup>ix</sup> This recommendation also applies within the broader procurement frame for both the subsidy and tendering processes.

<sup>x</sup> This was an issue raised by Dr M. Mokonyama, who highlighted that Small Bus Operators may not necessarily be small indefinitely. SANSBOC members acknowledged this, and contended that to reach the Large Operator or multi-operator level, there is a need for appropriate support, integration and empowerment.