



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA



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**DEPARTMENT OF
TRANSPORT AND COMMUNITY SAFETY**

**Presentation to National Council of Provinces
On
Interventions to Mitigate the Impact of Covid-19 on
the Transport Industry**

**Presented by MEC Mavhungu Lerule-Ramakhanya
Limpopo Province
Date: 06 May 2021
Time: 14h00**

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Presentation Outline

1. Background
2. Impact of Covid-19 to Bus Subsidy Contracts
3. Impact of Covid-19 to Public Transport as a whole
3. Interventions in support of the Public Transport
4. Impact of Covid-19 to Service Delivery
5. Recommendations

Background

- Limpopo Province is one of the most rural areas in the country;
- Most of the commuters rely on busses and taxis to move from one point to the other;
- The Province is managing 26 Bus Subsidy Contracts using Public Transport Operations Grant and Equitable share;
- The Province supports Taxi Industry with R5m on annual basis to administer and manage the Taxi Industry.

Impact of Covid-19 to Public Transport

- Covid-19 had severe impact on revenue collection to Bus Operators;
- Bus Operators includes those receiving passenger subsidies, Commercial Bus Operators, Tourists Bus Operators;
- Bus Subsidy Operators had to amend their timetables based on the demand and supply during specific lockdown levels;
- Business only started to normalize during November 2020;
- The loss ranges about R242 545.00 for Small Bus Operators and R3.2m for bigger Bus Operators during April 2020;
- The State-Owned Bus Company (GNT) lost about R6.1m during this period.

Impact of Covid-19 to Public Transport

- The Taxi Industry was negatively affected by Covid-19;
- The limited number of commuters affected their financial Standing;
- Tourist Public Transport could not move at all for three quarters, up to now their business are not active as there are very limited movements to tourist's attraction areas;
- Jobs have been lost;
- Individual companies approached the Department complaining that they are unable to license their vehicles.

Interventions in support of the Public Transport Industry

- The Province was granted authority to pay standing kilometers to all bus subsidy operators at 60% of their respective rates, based on the average kilometers operated over a period of three months;
- An amount of R39m was paid out on standing kilometres for the twenty-six (26) subsidy contracts in the Province;
- Section 29.2 of the terms and conditions of the subsidy contracts provides for the payment of standing kilometres in situations where operators cannot operate their scheduled trips and kilometres, due to factors which are beyond their control such as community unrests leading to road closures, floods and industrial actions affecting their sector.

Interventions in support of the Public Transport Industry

- The Province supported the Industry by provision of sanitizers, disinfectants and power sprays as well as monitoring compliance in both Taxi and Bus Ranks;
- The MEC also led campaigns of disinfecting Taxi Ranks in all the Five Districts in order to reduce the spread of the virus, namely Mopani, Vhembe, Sekhukhune, Capricorn and Waterberg Districts.
- A request is submitted to Provincial Treasury for considering rebates for the Public Transport;
- The Province is assisting Taxi Industry with R5m to manage their Administrative Affairs;
- Limited movements to schools, churches, public gatherings have negative impact on transport services at large.

Impact of Covid-19 to Service Delivery

- For the Province to prepare for the anticipated third wave, budget had been cut tremendously;
- The current employment status of Traffic Officers necessitate the payment of overtime for all hours worked beyond 40hrs a week;
- The budget cut included the budget for overtime of Traffic Officers;
- This limits the deployment of Officers over the weekends which compromises service delivery.

Recommendations

Implementation of the following recommendations will enable the Province to further assist the Transport Industry:

- Assistance of R140m to the Province to honor the annual bus subsidy adjustment of 5.5% approved by Treasury;
- To assist Taxi Operators on the implementation of the resolutions of Nation Taxi Lekgotla for them to be able to sustain themselves;
- R10m is required to provide PPEs to the Public Transport Industry in support of their efforts to prevent the spread of Covid-19;
- To expedite the implementation of 24/7 shift system at National level in order to avoid reliance on overtime for effective deployment of Traffic Officers.

Thank You

