**National Assembly**

**Question No: 2590**

**2590. Mr M Waters (DA) to ask the Minister of Transport**

What is the total amount of (a) profit and (b) loss that the City of Ekurhuleni’s Bus Rapid Transit system has made since its inception? NO3295E

**REPLY**

1. Profit – Internationally well performing mass public transport systems cover between 30% and 60% of operational costs. Only a few systems in dense Asian cities can cover a higher amount of direct operating costs. Given that Ekurhuleni is still in an unfinished pilot phase, which has witnessed delays in ramping up to envisaged 200 buses, the current fare box coverage of direct operating costs is disproportionally low.

Currently the city is yet to negotiate the final contract with the Bus Operating Company which they plan to conclude by July 2021. This final contract will include a market related profit margin for the Bus Operating Company.

1. Loss - From 2017/18 to 2019/20 financial years, the total operational deficit was approximately R290 million to June 2020, due to the fact as highlighted in (a) above that the pilot ramp up has been delayed, thus limiting the amount of fare revenue collected. Currently the city is covering the operational deficit.