

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER 2018/46**

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**Mr M Waters (DA) to ask the Minister of Cooperative and Traditional Affairs:**

1. What recommendations of the feasibility study (details furnished) compiled in July 2014, has the Ekurhuleni Metropolitan Council (a) implemented and (b) what was the cost of the feasibility study;
2. Have the (a) Ekurhuleni Metropolitan Council and/or the (b) Department of Transport given any subsidies to a certain company (name furnished) in the (i) 2014/15, (ii) 2015/16, (iii) 2016/17 and (iv) 2017/18 financial years;
3. What was the operating expenditure of the specified company in the (i) 2014/15, (ii) 2015/16, (iii) 2016/17 and (iv) 2017/18 financial years?

**Reply:**

The information was provided by Gauteng provincial Department of Cooperative Governance and Traditional Affairs

1.The City of Ekurhuleni (COE) undertook a review and development of the governance and delivery model for its entities in 2012. The process was undertaken in terms of the Bus Options Study which cost R1 439 517.85. The review assessed the financial governance status of the municipal entities as well as consideration of reconfiguring the Brakpan Bus Company (BBC) SOC Limited, to improve service delivery and maximize funding and financial efficiencies, including the consideration of re-absorbing the entity functions into the COE. A further study was triggered in terms of Section 78 of the Municipal Systems Act, 32 of 2000, with the view to review and improve operational effectiveness, governance efficiencies and to determine the most appropriate model to deliver bus services within the City. The outcomes of the study have been presented to the Executive, and should be approved by Council within the current financial year.The feasibility study was concluded and the City of Ekurhuleni is in the process of preparing an item to council for approval of the desired option.

2. The Brakpan Bus Company received a grant of R5 million per year from City of Ekurhuleni for three consecutive years which are 2014/2015, 2015/2016 and 2016/2017. This amount is for covering the shortfall from the subsidy received from Gauteng Department of Roads and Transport. In 2014/2015, financial year there was R7.7 million the City of Ekurhuleni has written off which emanate from expenses that Brakpan Bus Company was unable to pay in the financial year 2013/2014. These expenses are for services that City of Ekurhuleni supplies to Brakpan Bus Company which include diesel/fuel.

3. The operating expenditure of the Brakpan Bus Company for the financial years requested are as follows:

* 2014/2015 R26 680 400 Audited financial statement
* 2015/2016 R30 030 206 Audited financial statement
* 2016/2017 R35 058 938 Audited financial statement
* 2017/2018 R17 694 824 as per Q2 FS