**National Assembly**

**Question 497**

**Mr M Chetty (DA)) to ask the Minister of Transport:**

With reference to his reply to question 1030 on 14 November 2019, (a) what are the reasons that the City of Ekurhuleni failed to meet the deadline of October 2019 in order to have 40 buses operating, (b) what action has his department taken with city for missing the deadline and (c) amount does the city spend on leasing each bus in each month NW553E

**REPLY**

1. **Challenges experienced with the operationalisation of additional buses and services.**

The City of Ekurhuleni reported that there were unforeseen delays with the issuing of new operating licences for buses at the Provincial Regulatory Entity (PRE). Without the operating licences the additional busses could not be introduced into the system.

This delay was further exacerbated by the closing of PRE offices during the COVID-19 lockdown period. Only applications for operating licence renewals were processed during the lockdown period.  The City had to intervene and request for a special dispensation for the processing of the BRT operator’s application for operating licences.

It must also be noted that Ekurhuleni’s application for a rollover of over R100 million for the 2018/19 year was not approved by National Treasury even though the city appealed in January 2020. This led to a shortage of operational funding for the 19/20 financial year.

1. TheDepartment of Transport supported the Ekurhuleni’s appeal regarding its 18/19 rollover. However, with this appeal being unsuccessful and with the challenge of COVID 19 from March 2020 and its impact on the Tembisa to OR Tambo International Airport route, the Department has accepted a delay and has instructed Ekurhuleni to fully ramp up the 40 bus service in the first half of 2021.

Failure to comply with this will see Ekurhuleni as a potential candidate for being suspended from the Public Transport Network Grant in the 2022 MTEF period.

Similar cautionary warnings have been given to several other cities as well.

1. The City of Ekurhuleni report that it is not spending any funds per month relating to the leasing of busses stated above. Initially some of the 40 buses were leased from early 2019 by Harambee operator KTVR Vehilce Operating Company (VOC) in order to augment the pilot service launch in late 2017.

By October 2019, the Harambee operator KTVR VOC had secured short term financing for the remainder of the 40 bus fleet that was not already procured