

Sabrata calls on government to review bus rapid transit legislation

South African Bus Rapid Transit Association and Academy (Sabrata), the industry body representing the bus operating companies (BOCs) which operate bus rapid transit (BRT) systems across major South African cities, is urging government to reconsider changing the current BRT legislation governing the call for new BOC tenders.



Source: Matthew Henry via [Unsplash](#)

According to Sabrata, there are significant issues relating to BRT systems around the country, which need to be highlighted and addressed, with the major one being the 12-year contracts. Body members are collectively calling on government to automatically renew the current BOC contracts upon expiry of 12 years to give our members time to work with national government to collaboratively create a viable framework and legislation for future operations.

Transformation and empowerment

The call is made on the basis that the original contracts were not tendered contracts but rather negotiated contracts with the taxi industry where several considerations were taken into account, including transformation and empowerment of the taxi industry. Sabrata does not agree with the idea of going out on tender. "Our call is about addressing imbalances, both past and present, creating a viable framework for BOCs across the country and ensuring that there is a level playing field for all operators," says Andile Peter, chairman of Sabrata.

Sabrata's concern is with the legislation on which BRT is based and as contained in the National Land Transport Act 5 of 2009 (Act). The original legislation was developed on the basis that it would further the process of empowerment, transformation and restructuring of the national land transport system initiated by the now-repealed National Land Transport Transition Act 22 of 2000.

The body's other concern is with the initial consultations done with taxi owners in 2009, prior to the implementation of the first BRT in Johannesburg, where the contract was not properly explained. Sabrata believes the government did not do enough to explain the contractual terms, cognisant of the fact that the taxi owners had never operated a BRT system before.

"Most of the promises made to our members by government when they joined the BRT have not been fulfilled. For instance, there has been no transformation, minimal empowerment and no tangible value chain opportunities, despite a signed Value Chain Framework Agreement in some instances.

Government promised that members would be better-off after joining BRTs, yet the reality is the opposite. Our members are required to respond to an open tender in a competitive bidding process, where they are expected to compete on a clearly unequal and prejudicial basis with persons who unlike them when they joined, will not be expected to scrap their vehicles, relinquish their permits and be restrained from trading and earning a livelihood," says Peter.

Sabrata on behalf of its members, is, therefore, calling for uniform standards and conditions across all BOC contracts. Unlike Sabrata members whose contracts have a finite duration, there are other players in the public transport sector who have enjoyed the privilege of continuous extension of expired contracts for decades and are not subject to responding to new tenders.

While Sabrata fully supports the continued expansion of current BRT networks and routes, it is concerned about municipalities not meeting contractual obligations regarding rollouts and route expansions as this is limiting growth opportunities. "This is against a backdrop where operators' earning ability was curtailed due to loan repayment obligations which have now been replaced with high costs for vehicle maintenance, within an environment which is not conducive to profitability and positive cashflows," adds Peter.

The body also has concerns with regards to the entry points for tender renewal as they are not equitable. "In our view, there is no fairness and justice in such a process. The consequences of contract termination are dire for our members. For instance, one of the members would have 299 shareholders who will lose a guaranteed income taxi operators losing their jobs, with no chance of obtaining new taxi permits or gaining access to their old routes.

"We are calling for a review and change to the BRT legislation. We are appealing to the government to listen to and understand our plight. In the interim, we propose an automatic contract renewal to give our members time to work with national government to collaboratively create a viable framework and legislation for future operations," concludes Peter.

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