

THE DRAFT NATIONAL PUBLIC TRANSPORT SUBSIDY POLICY

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ABSTRACT

The Department is developing a public transport subsidy policy that will help respond to the fundamental question of whether public transport in South Africa should be subsidised and how and what are the mechanisms to be put into place to subsidise public transport. The policy is founded on the principle of sustainability, in that every Rand of expenditure paid for public transport must set in motion a better life for both present and future generations.

Key considerations of the draft subsidy policy are to establish clear objectives for public transport subsidisation, and provide appropriate models for policy implementation including a costing methodology, founded on the principles that public transport subsidy should be user targeted, equitable and sustainable in the medium to long-term.

Some fundamental goals forming the basis of the draft subsidy policy are to:

- facilitate accelerated development of efficient integrated transport plans at a local level;
- propose a subsidy approach for public transport that will facilitate the transformation of the public transport operations across the prevailing operational areas functioning on a mode exclusive basis;
- establish governance, institutional and regulatory adjustments for managing, operating and maintaining public transport and facilitating capital investments in new technologies;
- propose a funding approach for transport system development at a feasible level to ensure the closure of public transport infrastructure provision and maintenance backlog over a period of time;
- propose the consolidation of public transport funding streams at the National level and across the various tiers of government.

It is necessary to understand to what extent government should allocate more subsidy to public transport to bring down the cost to the end consumer. This is further coupled with the premise of ensuring inclusivity through integration of public transport modes.