Media Release

**MEMORANDUM OF AGREEMENT SIGNED BETWEEN ETHEKWINI METROPOLITAN MUNICIPALITY AND BUS OPERATORS FOR THE GO!DURBAN PROJECT**

Thursday, June 23: THE Ethekwini Municipality and the Bus Operators potentially affected by GO!Durban, the city’s Integrated Rapid Public Transport Network (IRPTN) system today signed a Memorandum of Agreement which outlines the way forward for dialogue and negotiations which will affect the roll out and operations of the IRPTN in which the current public transport industry will have a key role to play.

The Memorandum of Agreement was signed by the City Manager Sibusiso Sithole and Bus Operators represented by the Durban Bus Owners’ Association (BOA), The KwaZulu-Natal Bus Council (KWANABUCO) and the South African Bus Owners’ Association (SABOA).

In 2011, the City started engagements with the leadership of the current public transport industry to be part of a consultation process to discuss their participation in GO!Durban’s operations. The Bus Operators’ MOA will see continued discussion around the contracts for the Bus Operators who will become invested shareholders in the vehicle operating companies (VOC’s) of the IRPTN, together with the mini-bus taxi industry.

Since the launch of GO!Durban, the City has been committed to introducing a new public transport system in partnership with affected public transport operators, including the mini-bus taxi industry with an MOA signed between them and the City in February 2014.

His Worship the Mayor James Nxumalo said at the signing. “Today marks a significant milestone in terms of the rollout of this massive infrastructural programme which will benefit all the people in the City. Operators whose routes will be affected by the GO!Durban operations will have the opportunity to be included in vehicle operating companies, with which the City would negotiate and enter into a contract to operate the services as outlined in the NLTA.”

He explained that the City “is committed to negotiating with these operators with a view of contracts to a maximum of 12 years being awarded, in accordance with the National Land Transport Act, Act No 5 of 2009.”

“We have been mindful of the importance of inclusivity, and care has been taken, and due diligence followed particularly with operators who were previously disadvantaged, to ensure they are included in the process to negotiate their participation in the new vehicle operating companies.”

“We recognise that significant support must be given to them to be able to manage a viable and sustainable bus operating company, with impeccable governance, in the interests of service delivery to the people of the City, as ultimately GO!Durban is a vital cog in the machine to realise our vision of making the City the most caring and liveable by 2030.”

The initial consultations with the leadership were followed by intensive engagements during which, amongst other things, the Memorandum of Agreement (MOA) was developed and agreed upon between the City and the bus operator leadership.

“It is important that everyone understands that this MOA is not the negotiated agreement for the operators’ involvement in GO!Durban. This MOA is merely the agreement that sets out how we as a City entity and the bus operators, will negotiate their involvement into the new system. The MOA represents a commitment by all parties to engage with one another in order to arrive at a mutually satisfactory position. It outlines our mutual roles and responsibilities, the rules of engagement, and sets the boundaries in which we will work together as we embark on the negotiation process. There is still a lot more discussion and agreement to take place around the table in terms of finalising the operators involvement in GO!Durban. Our vision is not only to set out the goals of excellent service to commuters, but to look at how transformation of the public transport sector as a whole can be affected.”

In this process, the City has been required to provide support for the operators, in the form of technical advisors, so that the operators come to the table on an equal footing with the City. These advisors, who have legal, financial and corporate governance and other skills, were agreed upon by both the bus and taxi operators.

ACCORD, highly experienced specialist mediators have been appointed to guide and facilitate the process of negotiations between the City and the bus and mini-bus taxi industry.

“The Bus Owner’s Association, which was established in 1926, four years before the first motor carrier transport act of 1930, was pioneered by sons of indentured Indian sugar cane labourers who had started the bus operation, first in the rural areas and then later in semi-urban areas, and as such are deeply rooted in the public transport system in the City, “ says Mr Mohanlall Dehal, Chairman of the Bus Owner’s Association. “Since we began, we have always relied on fares collected to sustain our businesses, while still remaining reliable and punctual. Representing about 150 buses, we are entering unchartered waters with our potential involvement in the new GO!Durban system, but we believe that the technical experts who will be assisting us through the forthcoming negotiations will be able to help provide the clarity required to make any firm commitments.”

Mr Mandlakayise Majola, Chairman of Kwanabucosays “It has been a long and bumpy journey (for us). Maya Angelou once said, one is not necessarily born with courage, but one is born with potential. All the parties [bus associations] involved had the courage to act on the potential that the project has. For the youth we see a potential future. For the business we see productivity. For the economy we see growth. For the investor we see confidence. For the members of KWANABUCO we see equal treatment. In isiZulu we say *ithemba alibulali* which means that we still hope that the outstanding matters in this process can still be concluded successfully.”

Representing SABOA, which has 90 operators with 294 buses in the eThekwini Municipality area, Mr Kovilan Murugan said, “Our journey with the ETA started some two years ago and through all our challenges, we have arrived at this milestone wherein we formalize our agreement and commitment to the GO!Durban Project. We certainly have a long challenging road ahead of us. For us the project allows operators an opportunity to improve the quality of our service to our customers, and we look forward to providing a superior service with quality buses. In some small way we shall contribute to a better quality of life for all citizens. We also commit to working with our fellow Bus Associations, Taxi Associations, the ETA and Commuter Forums for the benefit of our citizens and our city.”

“It is also important to note that the bus operators, are not the only people affected by the introduction of a new system. There are drivers who are the face of public transport services and a critical stakeholder to the delivery of a safe, reliable public transport system, as are a host of other people in the employ of the sector. To ensure they are all included in the process, a comprehensive skills development programme aimed at existing industry employees affected by the GO!Durban project has been developed. These programmes aim to stimulate professionalisation of public transport drivers with improved conditions of service,” said the Mayor, Cllr Nxumalo.

MEC of Transport, Community Safety & Liaison in KwaZulu-Natal Mr Mxolisi Kaunda said:“The signing of this agreement, the next step in the process of delivering a new improved public transport system for the people in the country, marks Government’s commitment to on-going consultation and participation in the democratic process of the country. We estimate there are a significant number of people involved in the bus and mini-bus taxi industry in the eThekwini Municipality and it is vital that they are part of the process going forward, that their voices are heard and that they play a role in planning their futures in the programme.”

“Everyday these stakeholders move millions of citizens to and from various areas of social and economic activities, and it goes without saying that all existing legal operators in the eThekwini Metropolitan area are included.”

“We thank the Durban Bus Owners’ Association, The KwaZulu-Natal Bus Council and the South African Bus Owners’ Association for the foresight in signing this MOA, and to their commitment they have made to enter into the negotiations together in good faith and with an agreed upon framework as we all move forward to bring benefits to their business, customers, and to the citizens of this municipality. We congratulate them for their courage and commitment,” said Cllr Nxumalo.

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