

**FREE TRANSPORT TO THE ELDERLY AND TO THE
STUDENTS SCHEME – SUBSIDIES (08/09/15)**

(No. B/468) Mr K. Ramano (Third Member for Belle Rose & Quatre Bornes) asked the Minister of Public Infrastructure and Land Transport whether, in regard to the allocation of subsidies to the bus owners in relation to the Free Transport to the Elderly and to the Students Scheme, he will state if his Ministry is considering revising its policy in relation thereto and, if so, give details thereof.

Reply: I am not envisaging any fundamental change in the policy of the free transport to the elderly and to the students scheme. However, there is need to revise the modalities thereof.

The present system represents a number of flaws and there is need to make it more efficient, cost effective, transparent and accountable.

The main problems relating to the present system are as follows –

- (a) complaints from parents and head of schools about unavailability of school bus services;
- (b) buses failing to pick up students and old aged pensioners;
- (c) excessive lateness of students at school;
- (d) students can travel only on the itinerary from their residence to their schools and back;
- (e) misbehaviour of bus crew towards students and old aged pensioners, and
- (f) calculation of compensation is based on assumptions and projections and not on specific figures and therefore very difficult to be audited.

I am further informed that over the years the amount disbursed under the scheme has increased considerably from Rs570 m. in 2005 to reach Rs1.233 billion in 2014 and Rs616.48 m. for period January to June 2015.

In view of the massive amount of public funds used, I consider that there is need to make an assessment of the impact of the free travel scheme and to determine as to whether the target population is getting value from the budgetary resources injected in the scheme.

I have therefore decided that a study be carried out to re-engineer the transport industry which would include an assessment of the free bus travel scheme and recommendations

for a more transparent, efficient and cost effective management of the free transport payment mechanism effected by Government to bus operators.

Expressions of Interest will be issued by mid-September 2015, and the assignment will have to be completed within a period of 6 months from the award of the contract.