



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD



TDA
CAPE TOWN

*The City of Cape Town's Transport
and Urban Development Authority*

OPERATING LICENCE STRATEGY

2013 – 2018

October 2014

EXECUTIVE SUMMARY

INTRODUCTION OF THE OPERATING LICENCE STRATEGY

The provision of public transport in South Africa is governed by the National Land Transport Act, 2009 (Act No. 5 of 2009) (NLTA). The Act provides the measures necessary to:

- Transform and restructure the country's land transport system,
- Give effect to the national policy concerning the first phases of the process, and
- Achieve a smooth transition to the new system, which is applicable nationally.

A requirement of the NLTA is that every planning authority must prepare an integrated transport plan, the type of which depends upon the categorisation of the planning authority. The City of Cape Town (The City) is a Category 1 type Planning Authority thus has to prepare a Comprehensive Integrated Transport Plan (CITP). The Operating Licence Strategy (OLS) is an integral component of a CITP.

The previous OLS was prepared for the period 2007 – 2013, and was not updated. This OLS is prepared for the period 2013 – 2018 and has been written to include significant changes to the legislation, policies, and public transport initiatives that have been implemented since 2007.

In addition, this OLS has been structured in accordance with the Minimum Requirements and the Technical Guidelines for the preparation of CITP's and OLS's that has been published by the National Department of Transport.

DESCRIPTION OF THE AREA

The City is a metropolitan municipality which covers an area of 2 487km² in the southern part of South Africa. The 2011 national census reported that there are currently 3.74 million people resident in the metropolitan area with the highest densities in the Metro South East, which consists of Mitchells Plain, Khayelitsha, and Langa. In 2009, 55.1% of all households in the City had a monthly income under R7 000 with 34.6% below the household poverty level of R3 500 per month (CITP, 2013).

The 2011 census data on the prevalence of Special Needs passengers was not available at the time of writing this OLS, however the 2001 census data indicated that approximately 770 000 persons living in the City have impairments of some nature.

The National Traffic Information System indicates that of the 1 128 808 vehicles registered in the City 24 709 are minibuses and 3 866 are buses. It must be noted that not all of these vehicles, in particular the minibuses, are actually utilised in the public transport system of the City.

Table 1 below indicates the nature of road-based public transport services that are operated in the City. The table also indicates the roles of the different services.

Table 1 – Desired Role of road-based public transport. Adapted from (OLS, 2007)

Road-based Public Transport	Desired market							Timetable		Fares	
	Commuters	Long Distance	Tourists	Individuals	Organised Groups	Staff	Educational	Yes	No	Individual	Pre-arranged
Scheduled	X			X				X		X	
Unscheduled (including Minibus-taxis)	X			X					X	X	
Long Distance		X						X	X	X	
Metered Taxi			X	X					X	X	
Tourist			X					X	X		X
Charter				X	X				X		X
Staff						X		X	X		X
Learner							X	X	X		X
Pedi-cab	X		X	X					X	X	
Tuk-Tuk	X		X	X					X	X	

Table 2 below indicates the reported daily modal split of commuters in the City, which indicates that rail is the most prevalent public transport mode followed by the minibus-taxi and then the subsidised buses.

Table 2: Daily modal split in the City, excluding NMT (CITP, 2013)

PUBLIC TRANSPORT MODE	MODAL SPLIT	DAILY PASSENGERS
Car	52%	1 310 833
Rail	25%	634 837
Contracted buses	9%	240 000
MyCiti	1%	21 820
Minibus-taxi	13%	320 041
TOTAL		2 527 531

ANALYSIS OF THE PUBLIC TRANSPORT SYSTEM

All road-based public transport services are regulated through the National Land Transport Act (Act 5 of 2009)(NLTA) and in a such all vehicles require an operating licence (OL) that authorises the operator and vehicle to provide specified services. These OL's are currently being administered by the Provincial Regulating Entity (PRE).

Scheduled Services

Scheduled road based services are operated by the City's MyCiti, Golden Arrow Bus Services (GABS) and Sibanye Bus Services.

Integrated Rapid Transit

The City's Integrated Rapid Transit System (IRT) is currently being implemented in phases with Phase 1a, the corridor along the R27, an airport express service and some inner city services, operating from 2010, further milestones of this phase are being rolled out from time to time. Implementation of the infrastructure, procurement of the vehicles, and contract negotiations are underway for Phase 1b and the N2 express services.

Further planning for the Integrated Public Transport Network (IPTN) is also currently underway and is expected to be completed by the end of October 2013 with detailed operational planning for the Lansdowne/Wetton Corridor by January 2014. Distance based fares are charged with the use of a smartcard automated fare collection system (AFC) which is being implemented on the IRT system and is intended to be rolled out along with future phases of implementation.

Subsidised Bus Services

The other subsidised bus services are operated by GABS and its sub-contractor Sibanye under interim contract with the WCG's Department of Transport and Public Works (T&PW). These services convey approximately 240 000 passengers daily with a combined fleet of 1 134 buses operating over approximately 2 600 different routes covering the majority of areas within the City. Individual fares, which are distance based, are charged using a manual ticketing system although multi-journey clip-cards are also available at discounted rates.

Dial-a-Ride

The City, and the WCG, contracts a service provider to operate an on demand service for commuters with special needs in the City. The operator uses 30 specially adapted vehicles which convey approximately 120 000 passengers annually. Passengers pay fares according to a zonal system.

Minibus-Taxi – Unscheduled Services

Unscheduled services are those that are operated on a route, routes, or, where applicable, within a particular area (radius), without a timetable and where passengers are charged fares individually. The services are predominantly provided by minibus taxis which provide non-contracted, non-subsidised, unscheduled services throughout the City.

Latest survey data indicate that 6 035 unique registrations (TRS, 2013) have been observed at the various ranks in the City. The minibus-taxi operators are organised into 102 different taxi associations, some of which are affiliated to 2 mother bodies, which represent the interests of

the individual operator. Services are provided in most areas of the City and in most cases on parallel routes as the subsidised bus services and the rail system.

Shuttle or Courtesy Services

These services are provided mainly between hotels, airport, and attractions in the City. The full extent of these services are not known as this type of service is exempt from requiring OL's if no more than three vehicles are operated by each operator.

Metered Taxi Services

The 686 metered taxis that are operational in the City provide rank-based, and base on-demand services mainly within the city centre, tourist attractions, and commercial retail centres with OL's that authorise operations within an area or radius. Generally these vehicles do not roam in search of passengers. Demand for this type of service is very seasonal with the peak being during the summer season. Fares are charged per kilometre with an additional boarding fee (flag drop).

Tourist Services

The related transport services carry tourists to or from tourist attractions where the tourists are accompanied by a registered tour guide. Authority to operate tourist services is general area or radius based and can include the entire country. Sections 80 to 84 of the NLTA regulate tourist services and place this responsibility under the auspices of the NPTR. In addition, Section 55 (1) exempts the NPTR from referring tourist applications to the Planning Authority in as such the City has no further responsibility in the regulation of this type of service however Regulation 31 makes provision for the applications to be referred to the PA. Section 81 (2) requires that the operators of tourist transport services are required to be accredited and the vehicles need to be certified by the NPTR (NLTA Part 3). It is in the experience of the City and PRE that operators, who have been refused OL's to operate minibus-taxi type unscheduled services, then subsequently apply for OL's that authorise either Charter or Tourist services. If this authority is granted the operator then proceeds to operate services that are considered as unscheduled services. In as such the City and the WCPRE has concluded a written agreement that all applications for Tourist and Charter Services are referred to the City for direction

Charter Services

Charter services are those where a vehicle and driver is hired for a journey at a charge arranged beforehand with the operator. The person hiring the service has the right to decide on the route, date and time of travel; and the passengers are taken to a common destination. It is thus generally regarded as a service provided to transport organised parties to and from an event. Charter services are, similar to tourist services, generally granted on area or radius basis. Further to this it has been experienced that applicants, who have not been granted minibus-taxi authority, have been making application for charter services and then proceeds to operate as an unscheduled minibus-taxi.

Staff Services

Certain commercial concerns, which, for whatever reason, provide transport for their own employees can make application to provide this service by means of their own vehicle/s or may contract an operator to provide this service on their behalf. The persons conveyed in terms of this authority must be employees of the applicable concern. The authority is granted for specified routes and timetables.

Learner Transport

Learner transport in the Western Cape is a mixture of formal contracted services through to informal arrangements between parents to transport their children to and from school. The Western Cape Department of Education subsidise and contracts operators to provide these services for learners who need to travel more than 5 km to their school.

In terms of the NLTA services that are publically available to scholars require OL's that authorise such conveyance. However, there are still a number of operators that do not hold the required OL's.

Rail Services

The Passenger Rail Agency of South Africa (PRASA) through their subsidiary, Metrorail, provide the rail services in the City. The latest surveys have indicated that approximately 622 000 passenger trips are made daily on these services. Some sections of the network experience significant overcrowding during peak operations. PRASA is currently implementing projects that are expected to increase the capacities on the network in the medium term (3-5 years).

Intercity rail services are provided by PRASA's Shosholoza Meyl with upmarket services being provided by the Blue Train and Rovos Rail. Rail excursions are operated by private organisations and rail enthusiast clubs.

Major Public Transport Facilities

The City has provided 213 public transport facilities, across the area, from which services are provided. In many locations, facilities for one mode are located next to facilities for another mode. This allows passengers to interchange relatively easily between modes.

Facilities that are being implemented for the IRT consist of depots, route stations, termini, and a control centre.

13 facilities from which long distance road services may operate have been established across the City. Joe Gqabi, terminus in Khayelitsha, is regarded as one of the major long distance facilities which experience numerous departures and arrivals during peak holiday season and over long weekends.

Metered taxi ranks are provided in the City, by the City, other governmental institutions, and private organisations. These ranks are located in areas which, mainly, are frequented by tourists.

PRASA owns the majority of rail lines and stations that are used by Metrorail in the City.

Major Public Transport Corridors

The main road-based public transport corridors, that experience high levels of commuter travel in the City, are:

- Klipfontein Road/N2 (Khayelitsha - Cape Town);
- Lansdowne Road (Khayelitsha- Claremont/ Wynberg);
- Vanguard Drive; and
- Delft Main Road/R300

With the rail corridors being:

- Cape Town - Khayelitsha/Kapteinsklip;
- Cape Town – Bellville; and

- Cape Town - Simon's Town

Services competing in parallel to each other

From an inspection of the routes that are operated by the rail, bus, and minibus-taxi it can easily be established that both bus and minibus-taxi compete against the rail along similar corridors. Further, in the other areas the bus and minibus-taxi compete along the same routes. The scheduled bus services provide an almost equivalent collection/distribution service in most areas as that provided by the unscheduled minibus taxi service so as to protect their line haul market.

Issues and impediments

The following summarises the issues and impediments that have been identified.

Legislative

- There is a lack of legislation that make provision for conditions outside the applicants control when applying for renewal of an OL;
- The non-appointment of the Transport Appeals Tribunal (TAT);
- The non-appointment of the National Public Transport Regulator (NPTR); and
- The Western Cape legislation that is still aligned to the National Land Transport Transition Act, which has been repealed in 2009.

Administrative

- The Operating Licence Administration System (OLAS) experienced a loss of data during 2010/11 and existing licence data had to be manually recaptured;
- Communication between the PRE and the City needs to receive attention in terms of the PRE informing the City which applications have been granted and uplifted; and
- The City has requested that the National Minister to assign the regulatory functions to the Municipal Regulating Entity (MRE).

Law Enforcement

The capacity and lack of resources and training of the public transport law enforcement unit and the judiciary is affecting efficient law enforcement of the public transport system.

POLICY FRAMEWORK

The basic policy framework which is intended to guide the disposal of operating licences in the City is based on the national, provincial, and metropolitan transport legislation, strategies, statutory planning, and policy documents. The main regulating legislation is the National Land Transport Act (Act 5 of 2009) (NLTA) and its associated Regulations. Further the Western Cape Government has promulgated various laws and regulations give further regulation to the processes undertaken in the Western Cape.

National Policies

The three main national transport policies that have bearing on this OLS are:

- The White Paper on National Transport Policy, 1996;
- Moving South Africa: The Action Agenda, 1999; and
- The Public Transport Strategy, 2007.

Provincial Policies

Provincial transport policy, goals and objectives are recorded in the White Paper on Western Cape Provincial Transport Policy (1997) and the Western Cape Provincial Land Transport Framework (May 2011) (PLTF), which is currently being updated, which incorporates the contents of the Provincial Vision for Public Transport Five-year Strategic Delivery Programme (2003) and the Provincial Strategic Objective 3: Increasing Access to Safe and Efficient Transport (2011).

Metropolitan Policies and Statutory Planning Documents

Guidance on the disposal of operating licences is given within the following metropolitan policies:

- Integrated Development Plan;
- Moving Ahead: City of Cape Town Transport Plan;
- Integrated Transport Plan 2013/18;
- Public Transport Implementation Framework;
- CoCT's Transformation and Action Plan; and
- City Policy on Compensation of minibus-taxi and other operators (2012)

Of particular reference to this OLS is the Transformation and Action Plan's intention to implement, amongst others, and as part of the Transport Authority – Transport for Cape Town (TCT), the Municipal Regulating Entity (MRE) which will replace/assume the functions that the Provincial Regulating Entity (PRE) is currently performing, for OL's that are issued for public transport operations in the City and those that extend from the City to surrounding areas. In addition to the MRE, TCT will continue to perform its responsibilities as a Planning Authority (PA) – under which this OLS, and the CITP, is implemented. These two functions of TCT must remain autonomous from one another to maintain impartiality to reduce the potential for conflict of interest issues being experienced.

Legislation

Legislation controlling the disposal of OL's has been promulgated by both National and Provincial spheres of Government, namely:

- National Land Transport Act (Act No. 5, 2009) and regulations;
- Western Cape Road Transportation Act Amendment Act (Act 8 of 1996);
- Western Cape Road Transportation Act Amendment Act (Act 7 of 2000)
- Western Cape Regulations on Operating Licences, 2002;
- Western Cape Regulations on the registration of minibus-taxi associations, their members and non-members, 2007; and
- City of Cape Town Traffic By-Law, 2011

Framework for the Disposal of Operating Licences

This section presents the framework itself, which comprises a statement of its purpose, followed by policies to guide the City when making its directions and representations to the RE.

Purpose of a Policy Framework

The purpose of the policy framework is to assist the City in formulating its recommendations and representations on applications received by the Regulating Entity (RE) for:

- The granting, renewal, amendment, or transfer of an OL authorising the operation of any public transport service other than a charter service; and

- The conversion of a permit to an operating licence that involves a conversion from a radius or area based permit to a route-based OL.

Types of public transport services that require operating licences

Public transport services, all of which require an OL or a permit, are defined within the NLTA as services for the carriage of passengers for a fare or other consideration or reward and include:

- A scheduled service;
- An unscheduled service (which includes a minibus taxi-type service);
- A charter service;
- A long distance service;
- A metered taxi service;
- A tourist service;
- A staff service;
- Tuk-tuk;
- Adapted light delivery vehicles; and
- A learner service.

Spatial, land use and economic planning

The City intends that all land transport functions must be integrated with related functions such as spatial, land use and economic planning and development. This is to be achieved through, amongst other actions, the development of an IPTN, corridors, densification, and infilling.

Type of Vehicles

The following categories of vehicle will be considered for operations of public transport within the City:

- Motor Car - fewer than 9 persons, including the driver, or
- Minibus - between 9 and 16 persons, including the driver, or
- Midibus - between 17 and 35 persons, including the driver, or
- Bus - 35 or more persons, including the driver.

Operating licences for Contracted Services

The City recognises that existing contracted services (interim and current tendered contracts) are to be replaced, by the relevant Government Departments, with commercial and subsidised service contracts and that the RE must issue an OL for each vehicle involved in the contract, and that such OL's must be made specific for the validity period of that contract and will consider the following:

- The availability and improvement needs of terminals and bus stop facilities on the route in question for boarding and alighting of passengers;
- Whether the application is supported in light of the City's transport plans; and
- Any other recommendations or representations the City may have in relation to the application.

Operating licences for non-contracted services

The City will include, in its considerations when providing direction and making representation to the RE with respect to an application for the granting, renewal, amendment or transfer of an OL for a non-contracted service, the following:

- The availability of ranks or terminals or other facilities or spaces for boarding or alighting, or holding or parking of vehicles;

- Whether the application is supported in the light of its transport plans (ITP);
- Whether or not the public transport requirements for the particular route or routes are adequately served by an existing public transport service of a similar nature, standard or quality provided in terms of a commercial service contract or subsidised service contract, or in terms of operating licences as shown by the City's transport plans;
- The existence of any by-law, regulation, prohibition, limitation, or restriction that is relevant to the transport service that the applicant proposes to operate;
- The period for which the operating licence should be issued; and
- Any other direction or representation the City may have in relation to the application.

Validity period for operating licences

The NLTA prescribes that no OL may be issued for a period of longer than seven years except where a service contract has been awarded in terms of Sec 41 in which case the validity period will be for the terms of the contract.

When considering its representations and directions to the RE with respect to the validity period of an OL for non-contracted services, the City may include the following:

- Current and envisaged trends in utilisation on the route, routes, or in the particular area;
- Efficiency of the proposed services in meeting user needs;
- Likelihood that, in the future, the public transport services for which the application is being made may no longer be required in terms of the City's transport plans; and
- Likelihood that the public transport services for which the application is being made may become the subject of a commercial service contract or a subsidised service contract.

Cancellation of OL's not brought into use

The City may invoke section 78 of the NLTA when an OL, either converted from a permit or otherwise granted, has not been brought into use within a period of 180 days. The RE may then call the holder to provide good reason as to why the authority to operate that service should not be suspended or cancelled.

Withdrawal of OL's in rationalisation of public transport services

The City is in the process of designing and implementing an IPTN throughout the city which in itself is rationalisation of the public transport supply and through the implementation of service contracts the original operating licences will need to be cancelled. Section 39, of the NLTA, requires that the planning authority must, where possible:

- Offer the operator an alternative service; or
- Allow the operator to continue to operate and impose a moratorium on the issuing of new OL's on that/those routes.

The City will undertake all possible efforts to transform the industry and its operators and ensure that the financial and other benefits, received from the operator's involvement in the VOC's and other suppliers involved in the IPTN, will at least match the income that the operators are currently enjoying.

Special Needs Passengers

The City will consider the needs for special categories of passengers when making representations and providing direction to the RE with regard to applications for OL's.

UNDERLYING FACTORS CONTRIBUTING TO INSTABILITY AND POOR PERFORMANCE OF THE PUBLIC TRANSPORT INDUSTRY

The national strategic objective is to strive towards a modal split of 80/20 in favour of public transport. The realisation of this objective is, however, hampered by a number of factors:

- The lack of integration between the various public transport modes and inadequate infrastructure prevent seamless journeys and transfers; and
- The minibus taxi industry has been marred by the incidence of violence over the last period, leading to poor service delivery.

Minibus taxi mode

Overtrading¹ of taxi routes is probably one of the main reasons for the instability in the industry. This overtrading has also resulted in large parts of the industry being economically unsustainable, resulting in a fleet of ageing and un-roadworthy taxis and has led to fierce competition for passengers forcing operators to impinge on other more lucrative routes. The situation is aggravated by the high percentage of illegal operators on the various routes which is indicated to be in the region of 49% of all operators. The above situation is further exacerbated by inefficient law enforcement measures and the non-appointment of the Transport Appeals Tribunal (TAT).

Bus Mode

The bus mode is also plagued with a number of problems and challenges the need to be addressed so that an efficient and effective bus service can be delivered. Over the years the subsidised bus services have been shackled by the uncontrolled competition from the minibus-taxi which has resulted in the service viability being seriously affected, dispersed routeing over a wide area which has restricted the provision of higher frequencies, and direct competition for passengers with virtually a total overlap of routes.

By necessity, due to the lack of sufficient capacity over some rail routes, the bus services competes with the rail system for passengers which cannot be removed until such time as a significant improvement is realised on the rail system. Further, no integration through of the various modes' fares systems exist. The uncertainty of continued business due to the insecurity of the interim contract that is being administered by the WCG DT&PW is also limiting the companies' willingness to upgrade their bus fleets.

Rail Mode

The rail system is owned, planned, operated, and maintained on a national sphere by PRASA with little integration or involvement of the City's planning authority. A lack of funding over the years has led to a serious deterioration of the level of service through the age of the rolling stock and critical systems such as signalling and communication systems. Further, due to protests rolling stock is regularly destroyed thus further placing pressure on the operations. The PRASA regional strategic plan is addressing these issues and recent projects, signalling upgrade and new rolling stock, have been awarded, however appreciable improvement in capacity will only be realised in the medium to long term (5 - 10 years). Patronage on the system has experienced a small reduction over the last survey period. The rail system, at this

¹ "overtrading" – relates to the excessive supply of transport services in relation to the number of passengers (demand) to be conveyed

stage, is not very accessible to passengers with special needs with only three stations on the network being considered as fully accessible.

Metered Taxi Mode

The main factors contributing to poor performance of this mode are:

- Variation in standard of vehicles and oversupply of low quality vehicles;
- Variation in the knowledge of drivers and oversupply of poorly-trained drivers;
- Relatively high tariffs and not related to service quality;
- Operational and financial performance largely carried by drivers and not by the operators;
- Variation and perceived inequality in existing operating rights;
- Inadequate service quality regulation and enforcement;
- Lack of access to radio dispatch systems by small operators;
- Competition from vehicles licenced to provide charter and/or tourist services such as 'chauffeur services' and hotel, airport, and shopping centre shuttles; and
- Persons, who have been issued with drivers licences from other countries or territories, may not drive a motor vehicle carrying passengers and in respect of which a professional driving permit is required.(NRTA Section 23

RESTRUCTURING OF PUBLIC TRANSPORT SYSTEMS

Over the years the City, and WCG, have developed a number of plans that deal with the restructuring of the City's public transport system all of which have been included, in some manner or form, in the CIP that the City has approved.

This OLS reflects the strategies and plans that have been developed in the period following the publication of the 2007 OLS. This section of the report highlights the issues in these that have particular reference to the issuing of OL's.

Public Transport Implementation Framework, 2007

This Framework proposes a full IPTN for the City, with the rail system as the mode used on the principle corridors, road-based services consisting of trunk, conventional, and feeder, complimentary modes such as metered taxis, cycleways, and quality walkways. The services would be provided under contract with the current incumbent operators under an overarching contracting authority who will undertake the planning, implementation, monitoring, and management of the IPTN.

Phase 1 IRT Operations and Business Plans

These documents have guided the implementation of the Phase 1 IRT implementation and operations from 2010. In terms of these plans three vehicle operating companies (VOC's) were established, from affected operators, which provide the services under a performance based service contract. Operators participating in the VOC's would need to surrender their operating licences in order to receive compensation with which shares in the VOC could be purchased.

Transformation and Action Plan, 2012

The City approved the Transport, Roads, and Stormwater Directorate's (TR&S) Transformation and Action Plan in 2012, the gist of which is to achieve integrated, interoperable, and intermodal transportation across the City. The outcomes from this plan are:

- One Transport Authority;
- One Network;
- One Timetable For All Modes Of Transport;
- One Ticket;
- One Unified Standard For Infrastructure And Operations Across The City;
- One Transport Enforcement Unit;
- One Management System; and
- One Brand.

This plan has resulted in the establishment of the transport authority – Transport for Cape Town (TCT) which encompasses, amongst others, the planning authority (PA), the regulating entity (RE) and the contracting authority (CA).

2013 Integrated Public Transport Network (IPTN)

The City has commissioned a further project in which the IPTN for the whole city is being reviewed and redesigned to take into consideration changes in travel that may have occurred since the development of the Framework and the implementation of the Phase 1 IRT services. This project incorporates detailed design and operations planning for the Lansdowne / Wetton corridor which is due for completion in December 2013 or January 2014 after which an implementation project will be initiated.

Contracted Scheduled Bus Services

These services are operated by GABS and Sibanye bus services under contract to the WCG DT&PW. It is intended that these contracted scheduled services will be replaced by the IPTN vehicle operating contracts as they are implemented and the following outcomes are achieved:

- Transform the interim contract into tendered or negotiated contracts on a phased programme linked to the IPTN rollout;
- Through the IPTN restructure the existing bus and minibus taxi services operating in competition into a unified road-based scheduled service utilising the optimum vehicle on line-haul and feeder/ distribution routes;
- Restructure the scheduled services to align with the IPTN;
- Develop negotiated, or tendered, contracts to provide enhanced quality of service in line with a public transport service charter and strategy, extended 18-hour day service on the primary accessibility routes, provision for Special Needs Passengers, strict monitoring of service quality and timetabling, etc.;
- Restructure the services in main residential zones to respond to passenger demand for feeder and distribution services; and
- Introduce expand the MyConnect card and integrated fare management system to all areas in the city.

Refinement of Bus Operators Authorities

The bus operators, in the City, hold OL's that have retained authorities that were originally conceived under the auspices of the Road Transportation Act (Act 77 of 1977) and which have not been satisfactorily been reviewed over the years, which has resulted in errors which, if contested by any party could result in considerable litigation. Further, with the phased introduction of the IPTN, these authorities need to be amended to remove routes and exclude possible routes that could compete with the IPTN services.

In order to resolve this issue amicably the City should, with the assistance of the RE, engage with the operators and resolve issues raised through discussion and mutual agreement as amendments will need to be made, to their authorities, at any time that increased capacity,

new or improvements in the level of service is introduced on higher order public transport, such as rail and IRT/IPTN.

Current Constraints and Impediments to the Restructuring

- The taxi industry is not currently structured or formalised to the degree necessary to enter into tendered or negotiated contracts;
- The proposed restructured system aims to rationalise the system to make use of the most appropriate vehicle size in terms of financial efficiency and the operating environment. It would entail major abortive expenditure if a large number of vehicles were to be recapitalised only to be replaced by more appropriate vehicles once the restructured system is implemented;
- The existence of dormant permits may also affect the restructuring of the public transport system.
- The management of the OLS relies on proper and sustainable enforcement and the successful prosecution and conviction of perpetrators; and
- The restructured systems represent a substantial increase in the subsidy required and there needs be some concurrence from the DoT. This arises largely from the need to introduce new vehicles to comply with the current required specifications, such as being universally accessible.

Phased Implementation of the Restructured System

The major objective of the restructured system is to improve public transport for the benefit of existing users and to attract potential new users. It is therefore imperative that the transition to the restructured system causes minimal disruptions to public transport services and responds to changes in passenger demand.

The premise of the implementation strategy should therefore be the following:

- Neither the bus nor the taxi industry should experience dramatic losses in terms of market share, employment opportunities, and economic viability. Whilst it is acknowledged that there will be losses, it remains imperative that such losses incurred are phased in over a period of time; and
- The proposed restructured system should not;
 - Offer the commuter less in terms of safety and trip quality (as reflected in the quality charter);
 - A maximum of 60 minutes of travelling time;
 - A maximum walking distance of 1 km;
 - A maximum of two transfers; and
 - Maximum queue waiting times of less than 15 minutes in peak periods.

Regulate and Clean-up the Status of Existing OL's

The intention is to complete the conversion process and remove dormant permits so that they will not become eligible for scrapping allowance, or possible compensation.

On application for renewals, the City requires proof of regular operation to be submitted, and based on this the need for the service/s can be determined and allows the system to be cleaned up both by removing dormant licences and removing OL's which are not in line with the transport plans.

Implementation of the OLS

IPTN Affected Areas (1 – 5 years horizon)

With the implementation of the IPTN in the City, it would create future difficulties, such as possible job losses and possible financial burden to suitably accommodate affected operators, if additional OL's are granted in areas where the implementation is imminent.

The City, on commencement of an implementation project, will develop a detailed Operating Licence Plan (OLP) that will deal with specific OL related issues and how to resolve these issues for the affected area. Amongst which will be to place a moratorium on any new OL's for that area, a limited validity period on renewal applications, and issue each identified operator with a letter informing them of the impending implementation of the restructured service/s.

Non-IPTN Affected Areas (5 years and longer horizon)

In areas where either no IPTN is being planned or where the IPTN is planned to be implemented in the future applications will be evaluated on their merit and the demand/supply on the applicable route/s.

Improvement in the rail system capacity

The PRASA Regional Strategic Plan is addressing the insufficient capacity and service quality of the rail services, however, these initiatives are only likely to be significantly noticed on the medium to long term, although the implementation projects are being started currently. The City's strategy of dealing with the OL's will be the same as with the implementation of future IPTN services which will require a detailed OLP to be developed in close collaboration with PRASA.

Establish Effective Law Enforcement

The successful implementation of this OLS is heavily dependent on effective law enforcement and conviction of perpetrators which relies on continuous and sustained effort through a dedicated enforcement unit that specialises in public transport law enforcement during 2007 the City established this unit which has resulted in improved law enforcement. With the establishment of TCT the public transport unit will be an integral part of the transport authority and will report to the Commissioner.

Taxi Recapitalisation Project (TRP)

The City intends to utilise the benefits of the TRP in the implementation of the IPTN throughout the City and will support the relevant applications that are made in this respect, subject to that the routes for which the OL is authorised, are not affected by an imminent IPTN or rail implementation phase.

Evaluation of Demand and Supply

The NLTA (section 55 (2)(a)) requires that the PA must indicate whether there is a need for the service intended, the evaluation of the need is best carried out through the evaluation of the demand and supply on the relevant routes. This principle is key to the evaluation of all applications, which will be evaluated on the merits of each, and if it is found that the route/s is overtraded the City may direct the RE not to approve the application. Supply and demand evaluation will be based on the online data as recorded in the City's Transport Reporting System (TRS) in which on-going survey data is being captured.

It is the intention, of this section, to provide the officials, who undertake the evaluation of the applications, a methodology on where to find the relevant information and how to analyse it to be able to come to a conclusion. Annexure A provides a step-by-step method of undertaking this evaluation.

Evaluation Tool

The public transport evaluation tool was successfully developed in order to assist officials in the technical evaluation of applications from new routes in a specific hotspot in the City. The City will expand and improve this tool so that all new applications can be technically evaluated through a number of criteria and it produces a result that indicates the possible risk level of the application.

Utilisation of parallel subsidised modes and wasteful competition

It is the intention of the City to restructure public transport and for all modes to be integrated so as to provide an efficient system with regulated competition. Where there is competition with rail, the latter must be protected. Through the IPTN project, detailed operational planning of the corridors and the services in the adjacent areas will be undertaken in a phased manner.

Utilisation of ranks and termini

As part of the evaluation of an application, sufficient space for the vehicle needs to be available in the ranks and facilities that the operator is proposing to use for loading off-loading, and holding.

Long Distance Services

Although long distance services are required throughout the year, there are significant peaks during the holiday season, long weekends, and to a lesser extent weekends. A comprehensive survey was undertaken between 14 – 21 December 2012 at the Joe Gqabi long distance facility and a number of issues have been identified that will need attention amongst others those that relate directly to the OLS of the City;

- Enforcement of illegal operations in other areas;
- Scheduled long distance bus/coach operators have expressed an interest to operate from the Joe Gqabi facility;
- Similar surveys need to be conducted at other facilities to obtain a more comprehensive understanding of the long distance operations;
- The City and WCG need to develop a common standard for long distance operations;
- The City and PRE need to engage other provinces' PRE's on issues of inter-provincial operations and concurrence;
- The PRE to initiate the process against operator found to have fraudulent OL's; and
- The use of the Langa facility needs to be resolved.

Metered Taxi Services

Currently, these services are provided by operators who either operate from an established rank "rank-based operations" or from their place of business and dispatch the vehicles via radio from a call-centre "base operations." The main source of income is generated from conveying tourists to and from their accommodation and attractions in and around the city and it is unlikely that these passengers would make use of the mainstream public transport. The City's policy has been to try and balance supply with peak period demand for metered taxi services. It remains very difficult to accurately gauge the balance between metered taxi supply and utilisation given that information on route destinations, trip duration, and passengers collected by arrangement is not readily available. Surveys are undertaken at the city ranks and on major CBD approach roads in the city and on access roads to major tourist attractions. It is intended that a project will be undertaken to assist the City in the final stage

of the metered taxi consolidation, verification, and rationalisation process i.e. developing a metered taxi operations rationalisation strategy.

Tuk-Tuks and Pedi-cabs

The City has been receiving applications for the operation of Tuk-tuks and pedi-cabs in certain areas of the City, mainly in areas frequented by tourists. Section 70 of the NLTA regulates the use of tuk-tuks, but not pedi-cabs, and is prescriptive that OL's can only be issued if the transport plans of the City make provision for this type of service. The City is in the process of drafting an amendment to the CITP, which will provide the circumstances in which such applications will be considered. It is the City's policy that these modes are not considered as part of the mainstream public transport system but rather as a pedestrian assistance mode.

Evaluation of an Operating Licence Application

This section of the report deals extensively with the practical issues that each application has to be evaluated against, it provides guidance, to the evaluating staff on the statutory requirements as well as the relevant direction and comments, in accordance with the City's policy, that need to be included on the correspondence between the PA and the relevant RE for each type of application that could be received.

Some of the significant policy changes to the previous OLS are:

- No late renewal applications will be entertained;
- Replacement of Vehicles – the City will require the PRE to provide supporting documentation to the effect that the vehicle has not been moved between operators in order to re-authorise a vehicle that may be inoperable;
- Additional Authority – supporting documentation to be submitted to reduce the possibility of gate-keeping;
- Historical agreements or MOU's with associations will not be entertained in the future;
- New routes and developments:
 - Public transport to be evaluated in the Traffic Impact Assessment (TIA) processes;
 - The PA must develop a localised Public Transport Plan for that development and include such into the CITP;
 - A suitable mechanism be used to engage operators to provide services that conform to the City's public transport policy; and
 - Partial operational costs be recuperated from the developer; and
- Long Distance Services – only permitted from recognised long distance facilities and that applications received from other RE's must have detailed route descriptions and authorised ranking space within the City.

The Issuing of Rank Letters

The issuing of rank tokens and rank letters on City owned facilities is regulated by the City's Traffic By-Law (2011) and Sections 3 – 11 deal extensively with matters relating to the issuance of the rank tokens and is based on the availability of space for the vehicle in the applicable ranks.

Matters Impacting on the Effective Regulation and Management of the Public Transport System

Bypassing of interchanges (re-routing)

The City and the PRE have been inundated with requests by minibus taxi operators for the direct transport of passengers between an A and B-point², where previously the passengers were transported to a central rank from where they would use a connecting minibus to reach their final destination. The City is not able to entertain minibus re-routing applications at this stage because of overtrading and the imminence of the implementation of the IPTN. Exceptions to this rule will be considered if no alternative transport is available and there is sufficient demand, and also should the IPTN require the re-routing of minibus services.

'Floor crossing' - changing of associations

Members of taxi associations, who are not in good standing with one association, opt to join a different association. This also happens in cases where operators are unhappy with the management practices of a particular association. This creates operational issues as the operator may be authorised to operate on routes that are applicable for the original association which could result in a conflict situation. The City strongly discourages the practice of allowing two associations to operate on the same route.

Non-renewed permits

The NLTA legislates that OL's may only be valid for a maximum period of seven years, and that all indefinite permits will lapse seven years after promulgation of the act. However, a number of operators are still ignorant of this and have not renewed their OL's and are thus operating illegally. The City will treat each application for renewal on an individual basis according to the relevant section that deals with renewal applications.

Dormant operating licences

The City has completed a project that has rid the system of dormant OL's, the City will need to remain vigilant and monitor records of operations and initiate action against those who have not operated for a period of 180 days.

Conversion of Radius or Area -based operating licences

A number of radius/area-based permits were not converted to route-based OL's, which is creating problems for the management and administration of the system. It is the City's policy that all radius based authorities must be converted to route-based OL's when any transaction is done on that authority.

Gate-keeping

It is the experience of the City that senior officials of the taxi association are only permitting their families and friends to make application for additional authority or new OL's thus, when the routes become affected by IPTN implementation, they may benefit financially if any consideration might be paid. In order to reduce this likelihood the City requires that along with the association's letter of support a copy of the minutes of the general meeting – with a signed attendance register, wherein the application was discussed and voted on, is attached to the letter.

More than one "A-point"

The City's policy is that an operator may only have one "A-point"³ on the authority which is the base rank of the relevant association, however, the association, in order to equalise the income of operator's move the vehicles around on their authorised routes which may result in that the operator may have to operate from an alternative rank. Currently, the authorisation is given by adding in "Via" points.

² Refer to the definition of A and B-points in section 2.5 of this document.

³ Refer to the definitions in section 2.5

Management of Public Transport Facilities

This section of the report provides a brief summary of the functions that the Public Transport Facilities Management Section undertake to maintain order at the City's public transport facilities. In terms of this function, management, cleaning and emergency maintenance functions are provided at these facilities. The four main role players in the management structure are listed below:

- Stakeholder Committee – commonly referred to as the Interchange Management Advisory Committee (IMAC);
- Public Transport Interchange Manager (PTI);
- Rank Management Committee (RMC) and PTI Manager; and
- Enforcement Forum.

Amongst others, the Facilities Management Section is also responsible to issue rank letters and rank tokens, in accordance to the Traffic By-law. The use of an eTag could facilitate controlled entrance into the authorised ranks and facilities.

Application Referral and Evaluation Processes

The OLS contains step-by-step flow charts and description of the processes involved in the submission of application to the PA for direction and the processes that the PA needs to follow to ensure that the application is evaluation thereof is effectively and efficiently conducted.

An additional area of evaluation that has been introduced in this OLS is the requirement for the Public Transport Enforcement Unit to screen the applicant for any outstanding warrants or previous convictions of crimes as indicated in the Western Cape Regulations (2002) or of the prescribed type, as in NLTA Reg. 18.

LAW ENFORCEMENT

As stated earlier the lack of efficient and effective law enforcement significantly contributes to illegal operations, infringements, general lawlessness, and safety to passengers and public.

Strategy

The fundamental building blocks that will support the enforcement strategy are:

- A visible presence of enforcement personnel;
- Preventative interventions to deal with specific areas of concern, followed by sustained law enforcement and the prosecution of offenders;
- Access to information and intelligence regarding components of the public transport system;
- Coordination between various authorities to optimise the use of limited resources and
- The implementation of appropriate technologies for detection and processing of offenders.

Law enforcement programmes need to be carefully considered and implemented in an open manner and are to be devised that will focus on priority incidents and/or offences, which will yield the best return with the limited resources available. Equally important is the need to develop an awareness that will engender self-regulation amongst public transport service providers, a public demanding safer and more secure travel, and a judiciary that will impose appropriate penalties.

Responsible Authorities

Law enforcement agencies primarily involved in aspects relative to the NLTA and the Road Traffic Act include the Traffic Inspectorates of both the City and the Province, assisted where appropriate, by the Metro Police and the SAPS. The public transport unit, of the traffic department, is under resourced to handle the number of vehicles that are operational in the City's public transport system.

Operating Licence Focus Area

The OL is a contractual agreement between Government and the operator regarding the delivery of specific public transport services to the user and prerequisites to effective law enforcement include:

- Information on the OL to be clearly specified, understandable and unambiguous;
- An assessable information database;
- An adequately staffed and trained law enforcement component;
- The provision of appropriate equipment and infrastructure;
- A judiciary with the understanding of the need for control in the public transport industry;
- Independent system for monitoring processing and evaluation;
- An understanding public;
- Enforcement of public transport priority lanes;
- Dedicated public transport enforcement;
- Strong political support; and
- E-tags – the use of electronic information tags that are attached to the OL disk or the Rank Token, on which is loaded is information pertaining to the authority that is granted to that vehicle, will enable officers to be able to access this information with an electronic reader and quickly ascertain if any infringements are applicable.

PUBLIC AND STAKEHOLDER ENGAGEMENT

The pure nature of the need for communication between the City, WCG, PA and various RE's requires a close working relationship and understanding of each agency's processes in the administration of the operating licences in the city. The processes defined in this OLS have taken full recognition of this and have made adequate allowance for this communication to occur unimpeded for all matters concerning this OLS. Public consultation of this OLS will be combined with the process that the CIP will follow.

IMPLEMENTATION

Transformation and Action Plan

The Transformation and Action Plan is the overarching initiative to restructure transport, in particular public transport in the City of Cape Town. The establishment of Transport for Cape Town (TCT) transport authority that will plan, manage, operate, and monitor the entire transport function of the city. This OLS is in full support of this process and in particular calls for the development of very detailed and focused strategies that relate directly to each and every affected operating licence in the applicable corridor or area that is being implemented.

IPTN Implementation

This OLS supports the IPTN Development project that is currently underway and recognises it as being the main tool for restructuring of the public transport system of the City.

Unscheduled Services

Actions that the City will take to manage the licences, which are not affected by the imminent implementation of an IPTN corridor:

- Regulate and clean up the status of existing OL's;
- The conclusion of the process to cancel all dormant permits. This will reduce the cost of the recapitalisation project in the City;
- The City will provide appropriate direction to the relevant RE in accordance to the CTP;
- Through the careful evaluation of new applications, for routes not affected by IPTN implementation, the City will be able to, overtime, reduce the overtrading⁴ on routes;
- It is also apparent that the lengthy passenger waiting times on line-haul routes are mainly due to congestion on the City's major freeways;
- The effective enforcement of public transport priority lanes will allow public transport vehicles to return at a faster rate and this will automatically result in a better level of service. The enforcement of public transport priority lanes will also obviate the need for additional services. Improve law enforcement;
- The success of the OLS is heavily dependent on effective law enforcement. This is best achieved through a dedicated enforcement unit, specialising in public transport law enforcement. The existing unit must be fully supported in its tasks and provided with equipment and resources that enables them to make a larger impact on illegal operations;
- A strategy to engage the judiciary to ensure that offenders receive appropriate penalties that will deter further offences;
- Develop a strategy for phased implementation of the restructured system. The major objective of the restructured system is to improve public transport for the benefit of existing users and to attract potential new users;
- Joint ventures, or at least contracted collaboration agreements, between bus and minibus taxi operators are to be promoted;
- After the successful clean-up of the public transport system the restructured public transport network can be introduced. This will bring about the use of the optimum mode for a particular route or corridor; and
- Identify taxi associations that are willing to form joint ventures or other types of business entities with established scheduled bus operators to operate a unified scheduled service on a particular route.

Long Distance Services

The City proposes that an operational plan is developed with input from operators providing the services. As a basis for this plan, information on the supply and demand characteristics of long distance services needs to be collected for both the peak holiday periods and normal operations.

Metered Taxi Services

The City concurs with the proposals of the WCG Delivery Plan 17 (Metered Taxi Transformation Process) in that:

⁴ Refer to the definition of overtrading in Section 2.5 of this document.

- The metered taxi mode, as a component of the public transport sector, must be transformed according to a structured programme so that it is in a better position to serve the tourism market and fill public transport 'gaps' in the local market;
- A database of all operators, vehicles owned and their operating circumstances must be developed, and this must be used to obtain a clear and detailed understanding and record of all operators, both legal and illegal, and the markets being served;
- Hotels and other tourism organisations must be made aware of the role of the metered taxi industry and other transport services that are currently competing illegally with this mode of travel should be removed;
- A strategy must be developed to address the problem of currently illegal operations;
- The capacity to perform effective enforcement in relation to metered taxi services needs to be strengthened;
- A driver empowerment initiative providing self-employment for long-service metered taxi drivers must be developed and new permits issued on a preferential basis to those, who in terms of defined criteria, qualify to participate in the initiative; and
- The process of upgrading vehicle standards must be initiated. A strategy must be developed to assist with the replacement of ageing vehicles.

Shuttle or Courtesy Services

A possible project that can be undertaken is to initiate investigations of how to accurately determine the demand that may exist for such services.

Public transport training academy

The City will investigate the feasibility of creating a Training Academy that will focus skills development in three activity groups.

Rank token roll-out project

The City, through its Traffic By-law, is in the process of rolling out the issuing of rank tokens in a phased manner and to investigate, in depth, the inclusion of eTAGs, or similar electronic devices, in or on the OL disk which could also facilitate entry and exit from the authorised PTI's.

Public transport Evaluation Tool

A project to be undertaken that develops the Public Transport Evaluation Tool (PTET) so that it integrates with the OLAS, OLF and the City SAP system so that its functionality can be extended to assist in the evaluation of all applications received.

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ACRONYMS

BMT	Bus and Minibus-Taxi lanes
BRT	Bus Rapid Transit
CATA	Cape Amalgamated Taxi Association
CBD	Central Business District
CITP	Comprehensive Integrated Transport Plan
CMC	Cape Metropolitan Council
CoCT	City of Cape Town
CODETA	Cape Organisation for the Democratic Taxi Association
CPTR	Current Public Transport Register
DoT	National Department of Transport
eNATIS	National Traffic Information System
GABS	Golden Arrow Bus Services (PTY) Ltd.
I(R)PTN	Integrated (Rapid) Public Transport Network
IRT	Integrated Rapid Transit
ITP	Integrated Transport Plan
MEC	Member of Executive Council
MRE	Municipal Regulating Entity
MSE	Metro Southeast
NLTA	National Land Transport Act (Act 5 of 2009) as amended
NLTAB	Draft National Land Transport Amendment Bill
NLTR	National Land Transport Regulations (as amended)
NLTA	National Land Transport Transition Act (Act 22 of 2000)
NMT	Non-motorised Transport
NPTR	National Public Transport Regulator
NRTA	National Road Traffic Act (Act 93 of 1996 as amended)
OL	Operating Licence
OLAS	Operating Licence Administration System
OLF	Operating Licence Function as included in the functions of the PRE/MRE
OLP	Operating Licence Plan
OLS	Operating Licence Strategy
PRASA	Passenger Rail Agency of South Africa
PRE	Provincial Regulating Entity
PTET	Public Transport Evaluation Tool
PTI	Public Transport Interchange
RE	Regulating Entity (as defined in the NLTA)
SAP	CoCT's Electronic Information Management System (Systems, Applications and Programmes)
SNP	Special Needs Passengers
T,R & S	Transport, Roads and Stormwater Department of the City.
TA	Transport Authority (Transport for Cape Town)
TCT	Transport for Cape Town (Transport Authority)
TIC	Transport Information Centre
TMC	Traffic Management Centre
TMP	Traffic Management Plan – for special events and major special events
TRP	Taxi Recapitalisation Project
TSA	Taxi Scrapping Administrator

WC PLTF	Western Cape Provincial Land Transport Framework
WCDE	Western Cape Department of Education
WCG	Western Cape Government
WCG: T&PW	Western Cape Government; Department of Transport and Public Works
WCPRE	Western Cape Provincial Regulating Entity

1. INTRODUCTION OF THE OPERATING LICENCE STRATEGY

2.1 REQUIREMENTS OF THE OLS

The provision of public transport in South Africa is governed by the National Land Transport Act, 2009 (Act No. 5 of 2009) (NLTA). The Act provides the measures necessary to:

- Transform and restructure the country's land transport system,
- Give effect to the national policy concerning the first phases of the process, and
- Achieve a smooth transition to the new system, which is applicable nationally.

A requirement of the NLTA is that every planning authority must prepare an integrated transport plan, the type of which depends upon the categorisation of the planning authority.

The format and contents of an integrated transport plan is described in regulations to the NLTA titled: Minimum Requirements for the Preparation of Integrated Transport Plans. In addition the National Department of Transport published the Technical Transport Planning Guidelines for Comprehensive Integrated Transport Plans (CITP Guidelines). The City is categorised as a Type 1 Planning Authority and is required to prepare a Comprehensive Integrated Transport Plan (CITP) which, *inter alia*, must include:

- A Public Transport Strategy (PTS)
- A Rationalisation Plan (Ratplan)
- An Operating Licences Strategy (OLS)
- A Current Public Transport Record (CPTR)

The interrelationship between the different types of plans and frameworks is shown in Figure 0-1, which is reproduced from the Guidelines.

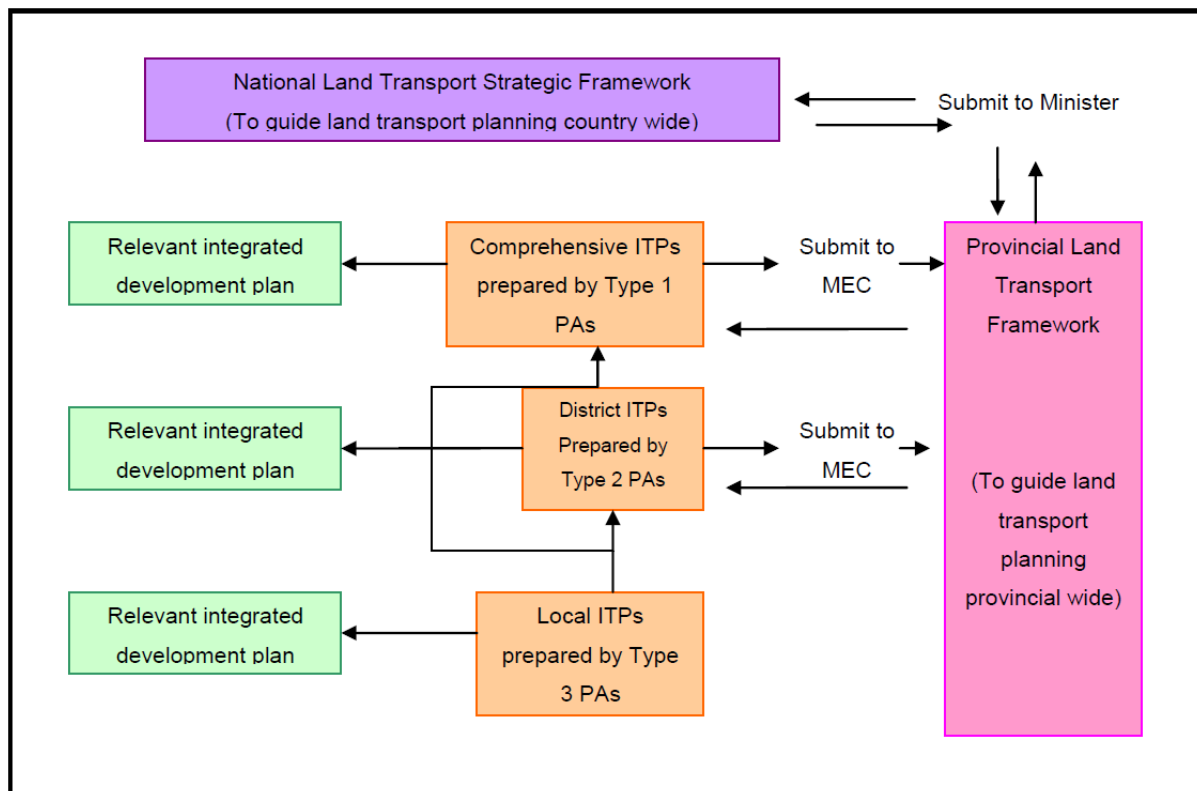


Figure 0-1 - Interrelationship between different types of plans. (CITP Guidelines, 2009)

This document is the Operating Licences Strategy (OLS) for the City of Cape Town (CoCT or City). It has been prepared in accordance with the requirements as outlined in the Minimum Requirements for the Preparation of Integrated Transport Plans of 2007.

The OLS is required by the National Minimum Requirements to contain the City's policy and strategies on non-contracted and contracted public transport in relation to, at least:

- The maximum passenger demand on a route in the peak hour;
- The calculated fleet requirements to service that demand;
- The existing number of valid operating licences pertaining to a route;
- The resulting additional capacity required, or a calculation of the resulting over-supply;
- A proposal as to the maximum number of operating licences (per vehicle classification category) that may be granted on that route or, in the case of an over-supply, a proposal as to what action to take to reduce the over-supply;
- The passenger facilities associated with each route that may be used by the holder of operating licences for the route; and
- Any particular conditions that should be attached to the operating licences issued in the future in respect of the route.

The NLTA allows for the establishment of regulatory entities at all three spheres of government i.e.:

- A National Public Transport Regulator (NPTA);
- A Provincial Regulatory Entity (PRE);
- A Municipal Regulatory Entity (MRE) in the case of a municipality to which the Operating Licence Function (OLF) has been assigned under Section 11(2) of the NLTA (note that the term "Municipal Regulatory Entity" will be formalised with the adoption of the National Land Transport Amendment Bill, 2013).

In terms of section 11(1) (a) of the NLTA the national government is responsible for the OLF. This can be assigned to municipalities. This function is currently being undertaken by the Western Cape Provincial Regulatory Entity (PRE) of the Province, and the Province must continue to do so until an assignment takes place. If the OLF is assigned to the City, it will become responsible for issuing operating licences for all public transport services taking place within its municipal area, and related functions. During 2010-2011 the City of Cape Town undertook a feasibility study as to whether it should take over the OL function. The study examined all relevant aspects (legal, financial, personnel etc.) and outlined the possible risks and advantages of an assignment.

The City has requested the assignment from the Minister as part of its drive to establish a dedicated transport authority for the City and to be able to exercise the full range of transport functions as part of its drive towards integration.

It is envisaged that the establishment of the Cape Town MRE will occur within the next 2 financial years - before the end of the Municipal 2013/14 financial year. As soon as the function has been assigned, the MRE will receive and decide on applications for operating licences wholly within the boundaries of the municipality. The municipality will also be allowed to place a moratorium on new applications on overtraded routes.

Section 55 of the NLTA describes the responsibilities of a planning authority in the case of OL's for public transport services provided for in transport plans and the liaison and communication requirements with the NPTR and PRE.

Section 55(1) requires from both the NPTR and the PRE to inform all planning authorities in whose areas the services will be operated of an application for an operating licence, before they considers such an application.

In Section 55(2)(a) the planning authority is then required to indicate the need for the service on the route or routes or in the area or areas to either the NPTR or PRE, and if there is a need for such a service, direct the NPTR and PRE to grant the operating licence and make any recommendations it considers fit regarding conditions to be attached to the operating licence having due regard to its integrated transport plan.

In Section 55(5) the NPTR and/or the PRE is obliged to act in accordance with the directions of the planning authority and must not grant an operating licence contrary to the directions of the planning authority, unless the planning authority failed to respond (Section 55(6)).

Note that the planning authority is required to direct both the NPTR and the PRE on how to dispose of applications for OL's. This is in contrast to the previous arrangements under the NLTA where the planning authority dealt mainly with the former Provincial Operating Licence Board (now the PRE) by merely commenting and recommending how the application should be disposed of. This should be borne in mind where reference is made to the PRE in latter parts of this document as such section(s) of the document may also be applicable to the NPTR and the MRE when it is established.

2.2 AUTHORITY RESPONSIBLE FOR THE OLS

The planning authority responsible for the preparation of the OLS is the City of Cape Town.

2.3 STATUS OF THE OLS

The previous City OLS was approved by council in June 2007. This OLS has not been updated since, in accordance with the Requirements, until this current review.

In as such this report, after adoption by the Council, will be applicable for the five (5) year period 2013 to 2018. Constraints have resulted in that the OLS has not been totally overhauled but rather a desktop review has been undertaken, with applicable attention to the following:

- Amending referrals to legislation being changed from the National Land Transport Transition Act (Act 22 of 2000) (NLTTA) to the National Land Transport Act (Act 5 of 2009) (NLTA) which was promulgated in April 2009;
- Amending and adding additional necessary strategies to address current initiatives and issues in the public transport scene of the City;
- Transforming the document from being predominantly a strategic document to that more aligned to a user manual that can be referred to on a daily basis; and
- The development of flow charts that indicate the procedures that needs to be followed when OL applications referrals are received from the NPTR, PRE, or MRE.

It is very important to note that this OLS will need to be annually updated, in conjunction with the update of the CIP, and totally overhauled during 2017/18.

2.4 STRUCTURE OF THE REPORT

During the scoping of the project to review the OLS it was accepted that, as this report forms an integral part of the Comprehensive Integrated Transport Plan (CIP), large common sections, that are adequately dealt with in the CIP would not be regurgitated in this report.

The sections of the report are:

- 1. INTRODUCTION OF THE OPERATING LICENCE STRATEGY – Section 0
- DESCRIPTION OF THE AREA – Section 2.6

The description and demographics of the area is dealt with comprehensively in Section 3.3 of the CIP:

- **ANALYSIS OF THE PUBLIC TRANSPORT SYSTEM** - Section 2

The Transport Register of the CIP deals comprehensively with this issue - Section 3;

- Survey data and statistics – dealt with in the CPTR, for which the City has developed an electronic Transportation Record System (TRS) database which is currently located at <http://trslive.aspdemo.co.za/Data> and is being continuously updated.
- **POLICY FRAMEWORK**– Section 3
- **RESTRUCTURING OF PUBLIC TRANSPORT SYSTEMS**– Section 5
- **6. LAW ENFORCEMENT** – Section 6
-
- **7. PUBLIC AND STAKEHOLDER ENGAGEMENT**– Section 0
-
- **8. IMPLEMENTATION** – Section 0

2.5 DEFINITIONS

In addition to the definitions contained in the NLTA and NLTR, in the context of this document the following definitions are used:

- "A-point" – means the origin of the route during the weekday morning peak period.

- "B-point" – means the destination of the route during the weekday morning peak period.
- "overtrading" – relates to the excessive supply of transport services in relation to the number of passengers (demand) to be conveyed;
- "uplift" – refers to the transaction in which an operator, to whom an OL has been granted, submits the required or outstanding supporting documentation in order to be issued with the prescribed operating licence and disk. Refer to Regulation 21 of the National Land Transport Regulations.

2.6 DESCRIPTION OF THE AREA

The City is a metropolitan municipality established in December 2000 by the merging of the Cape Metropolitan Council (CMC) and the six local councils namely Tygerberg, Oostenberg, Blaauwberg, South Peninsula, Helderberg, and Cape Town.

The City covers an area of 2 487km² and is the southernmost metropolitan area of South Africa.

Refer to Section 3.3 of the 2013/18 CIP for a more detailed description of the study area.

1.6.1 Population

The 2011 Population Census determined that the population of the Metropolitan area is approximately 3.74 million (statssa.gov.za). This implies an annual growth rate of 2.6% over the past decade. (CIP, 2013)

Please refer to Section 2 of the 2013/18 CIP for a more detailed description of the population in the study area.

1.6.2 Distribution of population

There are relatively high levels of population density, which exist in the Metro South East (MSE) and Cape Flats, as shown in Figure 0-2. Densities are far lower in the traditionally white residential areas, particularly those located on the urban periphery, but also in the newer, planned, and formal townships of Blue Downs and Delft. Depending on the constraints provided by the natural environment, by service limitations and the desire to preserve a certain character of the City, it is these peripheral areas that potentially could contain higher concentrations of future population.

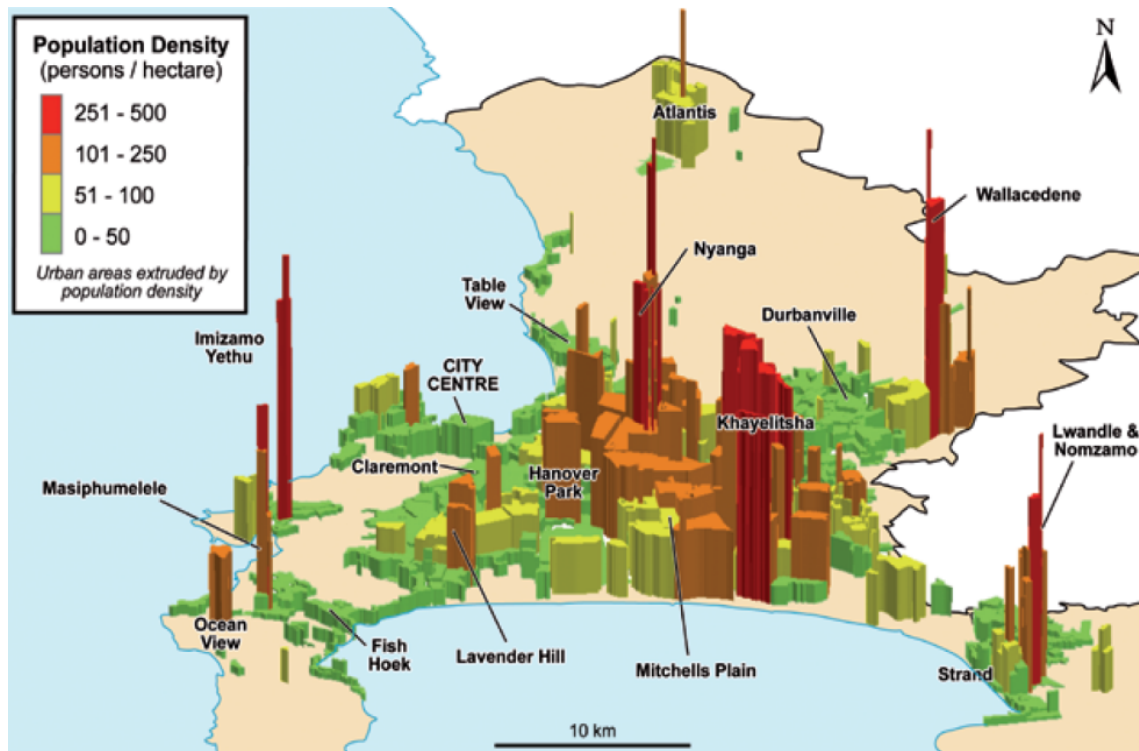


Figure 0-2 - Population densities across the city (Source: Turok and Sinclair-Smith, 2009)

The population of the City is concentrated within a triangular wedge extending from the CBD to the metropolitan southeast - the historically segregated townships.

Further details can be found in Section 2 of the 2013/18 CIP.

1.6.3 Income and employment

In 2009, 55.1% of all households in the City had a monthly income under R7,000 with 34.6% below the household poverty level of R3,500 per month. The highest percentage of Black African headed households are living in poverty with 52.2% of households having a monthly income under R3,500. For Coloured households 29.7% have a monthly household income under R3,500. (CIP, 2013)

The unemployment rate for the City has increased from 15.1% in 2006 to 25.8% in 2010 with that for Black Africans having increase from 25.2% to 37.3% and that for Coloureds from 15.3% to 24.5%. The White unemployment rate increased from 3.0% to 6.6% over the same period. (CIP, 2013)

1.6.4 Growth trends and projections

The Dorrington reports are the most authoritative population projections for the City. These projections are continually updated as new information becomes available. The results of the 2011 census revealed that the population of the City has grown slightly less than the projections of the Dorrington (1999).

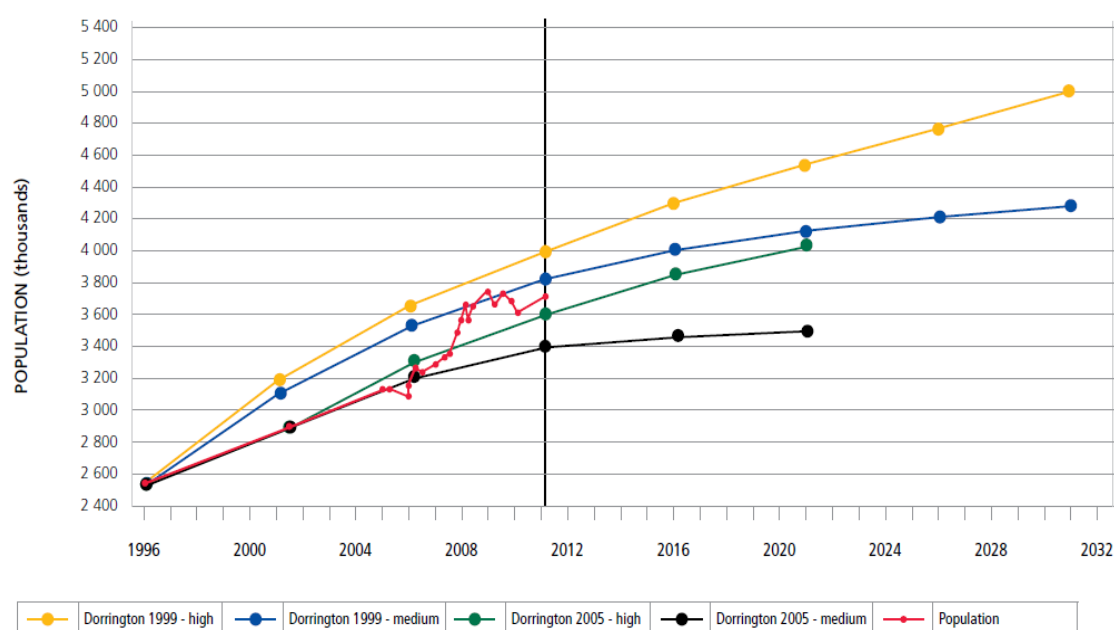


Figure 0-3 - 2011 Census results compared to the low, medium and high case population projections of the Dorrington (1999) report (CITP, 2013)

1.6.5 Passengers with special needs

The City of Cape Town policy refers to 'Special Needs Passengers' (SNP).

The definition of these passengers is that presented in the Department of Transport September 1998 draft discussion document entitled 'Moving South Africa' and includes the following categories:

1.6.5.1 Life Cycle Passengers

Includes children between five and 14 years old, people with health conditions, pregnant women and the elderly (age 65 and above).

1.6.5.2 Impairment Passengers

Any person with physical, sensory, or cognitive impairments, including full or partial impairments in motor functions, sight, hearing, speech, mental or intellectual capabilities, and short people.

Table 0-1 - Prevalence of Special Needs Passengers (2001 Census Data) (OLS, 2007)

Special Needs Passenger Category	South Africa	Western Cape	City of Cape Town
Life Cycle Passengers			
Children (between 5 and 14)	9 915 472	831 159	518 195
Pregnant women	N/A	N/A	N/A
Elderly (65 and above)	2 215 211	234 092	144 168
SUBTOTAL	12 130 683	1 065 251	662 363
Impairment Passengers			
Sight	577 096	34 282	19 261
Hearing	313 585	26 492	14 270
Communication	75 454	6 492	3 798

Physical	557 512	53 752	31 147
Intellectual	206 451	20 239	13 079
Emotional	268 713	21 991	13 926
Multiple	257 170	23 661	12 470
SUBTOTAL	2 255 981	186 849	107 951
TOTAL SPECIAL NEEDS PASSENGERS	4 386 664	1 083 940	770 314

1.6.5.3 Signage Passengers

Including people who are not literate and foreigners who are unable to read transport signs and notices and require non-verbal forms of communication.

The prevalence of SNP's, based on Census 2001 data, is shown in Table 0-1. The 2001 data indicates that approximately 60% of persons with special needs in the Western Cape live within the City. Data from Census 2012 on special needs persons in the City is not available at the time of this report.

1.6.6 Number of registered vehicles

A query of the live vehicle population, in the City, as provided on the eNatis website (www.enatis.com), provides the details as indicated in Table 0-2. Of particular reference to this OLS is the 24 709 minibuses and 3 866 buses that are registered in the City.

Table 0-2 - Live vehicle population as at 30 November 2012 (eNatis, 2012)

Heavy load veh (GVM >3500Kg, not to draw)	Heavy load veh (GVM >3500Kg, equip to draw)	Light load vehicle (GVM 3500Kg or less)	Heavy passenger mv(12 or more persons)	Light passenger mv(less than 12 persons)	Minibus	Motorcycle / Motortricycle / Quadrucycle	Special Vehicle	Unknown	TOTAL
13 349	14 611	22 9058	3 866	774 349	24 709	53 743	13 427	1 694	1 128 806

2.7 NATURE OF SERVICES

The public transport services that operate within the City and whose OL's will be subject to the recommendations and representations of the City are:

- road-based scheduled services;
- unscheduled services (which include minibus taxi-type services);
- long distance services;
- metered taxi services;
- staff services;
- learner services;
- Tuk-Tuk services; and
- Pedi-cab services.

The role of the road based public transport services is shown in Table 0-3.

Table 0-3 - Desired role of road-based public transport. Adapted from (OLS, 2007)

Road-based Public Transport	Desired market							Timetable		Fares	
	Commuters	Long Distance	Tourists	Individuals	Organised Groups	Staff	Educational	Yes	No	Individual	Pre-arranged
Scheduled	X			X				X		X	
Unscheduled (including Minibus-taxis)	X			X					X	X	
Long Distance		X						X	X	X	
Metered Taxi			X	X					X	X	
Tourist			X					X	X		X
Charter				X	X				X		X
Staff						X		X	X		X
Learner							X	X	X		X
Pedi-cab	X		X	X					X	X	
Tuk-Tuk	X		X	X					X	X	

Some services operating within the City, such as 'shuttle services' and 'chauffeur services' are sub-classes of some of the other services, such as Charter Services. In addition, courtesy services operate within the City. These are transport services, which are not provided by public transport operators and are therefore not defined by legislation to be public transport refer to the regulations of the NLTA that qualifies when an OL is required. As such, they do not require an operating licence. However, some services being provided as courtesy services are public transport services which require authority and the apparent abuse of legislation is creating unrest in the transport industry.

Rail services also operate within the City but are not required to function in terms of a permit or an operating licence.

Some 634 837 (CITP, 2013) passenger trips are made by commuter rail; 320 041 (CITP, 2013) passenger trips a day by minibus taxi-type services and 261 820 (CITP, 2013) passenger trips a day by scheduled bus services. The daily percentage share of the commuter market is shown in Table 0-4.

Table 0-4 - Daily modal split in the City, excluding NMT (CITP, 2013)

Public Transport Mode	Modal Split	Daily Passengers
Car	52%	1 310 833
Rail	25%	634 837
Contracted buses	9%	240 000
MyCiti	1%	21 820
Minibus-taxi	13%	320 041
		2 527 531

2 ANALYSIS OF THE PUBLIC TRANSPORT SYSTEM

This chapter outlines the existing public transport system that operates within the. It provides an initial overview of the services that are provided in the City. It then reports on the major facilities that have been built to support these services. Many of the services operate in corridors that connect the different areas of the City and the corridors with the largest passenger flows are identified. Often the services in the corridors, and elsewhere in the City, operate in parallel and compete with each other. This is further unpacked below. This chapter also considers some of the significant regulatory issues and impediments that have been identified which relate to the disposal of operating licences that authorise the public transport services within the City.

2.8 OVERVIEW OF PUBLIC TRANSPORT

Cape Town is served by both road and rail-based public transport. An overview of each follows, commencing with the road-based services, which are the focus of this OLS. Services provided by rail are then considered. For a full description of the public transport system, refer to the 2013-18 CIP.

2.8.1 Scheduled services

Scheduled services are those that are operated by road on a route or routes in accordance with a time table. The following paragraphs describe the scheduled bus services currently in operation in Cape Town.

2.8.1.1 MyCiti Integrated Rapid Transit

The City is currently implementing Phase 1a of the Integrated Rapid Public Transport Network (IRPTN) system along the R27 corridor and the inner city. The MyCiti system is designed to be rolled out in four phases, for completion within 15 to 20 years. Phase 1 focuses on the central city and the Blaauwberg corridor towards Table View/Du Noon, as far as Atlantis and Mamre. Phase 2 is currently intended to address the substantial public transport needs of the MSE, including Khayelitsha and Mitchells Plain. The sequencing of the roll-out will be determined under the modelling and detail analysis done in the development of the City's IPTN, which is due for completion in February 2014.

Phase 1 has been divided into two parts: Phase 1A and the remainder of Phase 1B. The revised Phase 1A includes the Inner City (including extension to Hout Bay), Woodstock rail station, Paarden Eiland, Milnerton, Montague Gardens, Century City, Du Noon, Tableview, Melkbos, Atlantis, and Mamre. It includes the rapidly growing residential areas in Blaauwberg north of the Diep River, and the low-income communities of Atlantis, Mamre, Du Noon, and Doornbach. This corridor faces some of the worst peak period congestion levels, especially to the south and east of the bridges over the Diep River.

The implementation of Phase 1A must be matched to available funding. The cost of items required for Phase 1A to be operational has been estimated and grouped in a number of packages that make up the building blocks for implementing the MyCiti system. These packages have been combined in a number of different sequences to create operational milestones for Phase 1A. The implications of each sequence for the duration of roll out, implications on existing services and company formation, system legibility and costs, among other matters, have been assessed and discussed in detail. Technically, the system operates optimally as a network of routes, which ideally should be implemented together. Unfortunately, due to funding constraints, this is not possible.

The overriding factor in the proposed roll out sequence was how quickly the main components of the Phase 1A network could be implemented. This sequence permits the greatest coverage in the shortest time, based on a preliminary exercise of matching the costs with the funding timeframes.

The City has commissioned a further study to redevelop the envisaged Integrated Public Transport Network (IPTN) and the conceptual design of the Lansdowne – Wetton corridor. This detailed study is due for completion in February 2014.

2.8.1.2 Subsidised Bus Services

Scheduled, subsidised, bus services in the City are provided by Golden Arrow (GABS), Sibanye, and MyCiTi bus services. While all of these services are subsidised, they differ greatly in terms of their respective service operations.

GABS and Sibanye both provide a direct Metro-wide origin-destination type service under a Provincial contract by contrast the MyCiTi services are based on a hub-and-spoke principle. These services are provided predominantly by contracted, subsidised services in terms of an interim contract with the Department of Transport that commenced in April 1997. This contract is currently being extended on a monthly basis. GABS have subcontracted the routes that operate from their Atlantis depot to Sibanye Bus Services (Pty) Ltd.

The combined fleet size is 1134 buses, of various capacities, which consist of single deck vehicles, and articulated buses. Each vehicle operates under the authority of an area based authority issued by the Western Cape Provincial Regulatory Entity (PRE).

The services are provided in accordance with timetables and provide some 240 000 passenger trips a day. The roads on which the services operate are shown in Figure 2-1. Detailed maps of each service may be found in the City's CPTR.

At the time of writing, GABS and Sibanye charge individual fares ranging from R7.10 and R36.40 cash and R5.90 and R15.80 clipcard per trip. These operators sell the clipcards in weekly and monthly formats.

2.8.1.3 Dial-a-Ride

The City's Dial-a-Ride service is a demand responsive, kerb-to-kerb public transport service provided by an operator contracted to the City. The service utilises 30 specially adapted minibuses which are fitted with passenger and wheelchair restraint systems and lifts. Passengers are required to register with the operator before they are permitted to use the services. In May 2013 there were 6 633 registered people on the database. Some 119 994 passenger trips were operated during 2011/12, mainly to places of employment (71%), social trips (11%), schools (9%), and medical centres (9%) (DAR Report, 2012). Fares that are being charged as per a zonal system are indicated in Table 2-1.

Table 2-1 - Dial-a-Ride fares (DAR Presentation, 2012)

Current Fare (effective 1 Sept 2012)	Proposed Fare (effective July 2013)
R 5.00	R 5.50
R 6.00	R 6.50

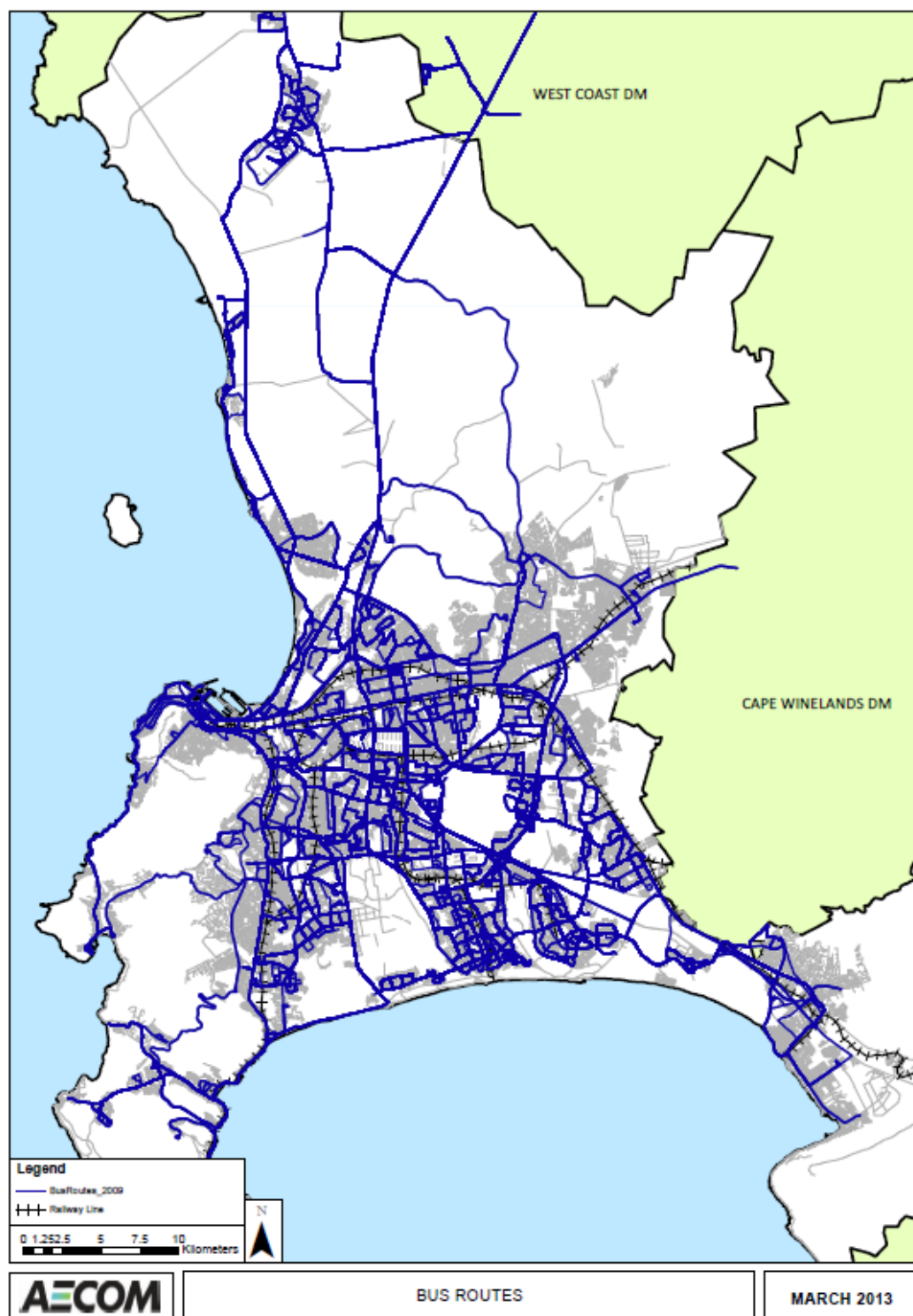


Figure 2-1 - Existing Bus and IRT routes

2.8.2 Minibus Taxi – Unscheduled services

Unscheduled services are those that are operated on a route, routes, or, where applicable, within a particular area (radius), without a timetable and where passengers are charged fares individually. The services are predominantly provided by minibus taxis which provide non-contracted, non-subsidised, unscheduled services throughout the City.

The minibus-taxi operators have been compelled to belong to a registered association, in accordance with the repealed NLTA and the Western Cape Regulations on Registration of Minibus Taxi Associations and Their Members, 2007.

The associations within the City are given in Table 2-2. Some associations belong to larger umbrella organisations or mother bodies such as CODETA (13 associations) and CATA (13 associations) as indicated. This table also indicates the number of vehicles that are active and licensed.

The Province has developed the "Route Book" which provides details of the routes that are attributed to each association in the City.

Table 2-2 - Taxi Associations registered in the City of Cape Town as at 07 November 2012 (Source: The City).

	Association Name	ACTIVE UNIQUES	CANCELLED UNIQUES	TOTAL UNIQUES	PENDING 2011-2012	Grand Total
1	Athlone and Districts Taxi Association	29	1	30	0	30
2	Atlantis/Blaauwberg Taxi Association	144	0	144	0	144
3	Beacon Valley Taxi Association	86	0	86	0	86
4	Bellville / Belhar / Delft Taxi Association	32	10	42	0	42
5	Bellville Taxi Association	155	44	199	0	199
6	Blackheath / Malibu Taxi Association	21	0	21	0	21
7	Bloekombos / Wallacedene Taxi Association	108	60	168	14	182
8	Bonteheuwel Taxi Association	110	7	117	0	117
9	Busy Corner / Mitchells Plain / Hanover Park TA	38	1	39	0	39
10	Busy Corner / Retreat Steenberg Taxi Association	44	0	44	0	44
11	Calta Transport Services	22	20	42	0	42
12	CATA - Langa Intertownship	50	26	76	0	76
13	CATA - Langa/Cape Town/ Sea Point	66	14	80	0	80
14	CATA - Wynberg/Claremont	259	95	354	36	390
15	CATA Bellville (BELLTA)	526	179	705	41	746
16	CATA Delft-Nyanga Taxi Association	0	0	0	26	26
17	CATA Elsie's River	44	15	59	13	72
18	CATA Eyona	147	61	208	0	208
19	CATA Langa Mowbray	45	19	64	0	64
20	CATA Lwandle Taxi Association	149	23	172	0	172
21	CATA Nyanga Mitchell's Plain Taxi Association	16	0	16	0	16
22	CATA Saxonworld	0	0	0	12	12
23	CATA Seawater	241	109	350	88	438
24	CATA Wynberg / Constantia	17	32	49	0	49
25	Central Unity Taxi Association	273	101	374	0	374
26	Claremont Taxi Association	33	8	41	0	41

27	CODETA - Khayelitsha / Elsie's River	79	38	117	0	117
28	CODETA - Khayelitsha/Bellville	204	68	272	0	272
29	CODETA - Khayelitsha/Cape Town	189	76	265	0	265
30	CODETA - Khayelitsha/Claremont/ Wynberg	229	95	324	0	324
31	CODETA - Khayelitsha/Killarney	84	57	141	0	141
32	CODETA - Khayelitsha/Mfuleni & Districts	175	65	240	0	240
33	CODETA -Khayelitsha Somerset West	22	22	44	0	44
34	CODETA Khayelitsha Station Taxi	0	0	0	67	67
35	CODETA -Khayelitsha/Mitchells Plain/Philippi/Nyanga	36	102	138	0	138
36	CODETA Mowbray / Khayelitsha	66	31	97	0	97
37	CODETA Nyanga / Langa / Khayelitsha	118	47	165	0	165
38	CODETA Vrygrond	0	0	0	10	10
39	CODETA Vuyani / Mfuleni	7	7	14	0	14
40	Delft / Cape Town Taxi Association	34	37	71	0	71
41	Delft / Elsie's River Taxi Association	45	28	73	0	73
42	Delft Belhar Parow Taxi Association	72	11	83	0	83
43	Delft Bellville Taxi Association	62	52	114	0	114
44	Delft Taxi Association	72	29	101	0	101
45	Dunoon Taxi Association	160	98	258	0	258
46	Durbanville Taxi Association	24	12	36	0	36
47	Eerste Rivier Taxi Association	36	1	37	0	37
48	Elsie's River and Environs Taxi Association	110	37	147	0	147
49	Fish Hoek / Ocean View Taxi Association	34	1	35	0	35
50	Hanover Park Taxi Association	39	2	41	0	41
51	Hazeldene Shuttle Service Taxi Association	69	8	77	0	77
52	Heideveld / Cathkin Taxi Association	47	7	54	0	54
53	Kenfatta Taxi Association	77	8	85	0	85
54	Kuilsriver Taxi Association	48	15	63	0	63
55	London Village / Colorado Taxi Association	9	11	20	0	20
56	Lotus River Taxi Association	66	1	67	0	67
57	Main Road Taxi Route (Green Cabs) Taxi Association	48	61	109	0	109
58	Maitland Amalgamated Taxi Association	64	66	130	0	130
59	Manenberg Taxi Association	62	29	91	5	96
60	Masiphumelele Taxi Association	58	31	89	0	89
61	Melton Rose Taxi Association	35	3	38	0	38
62	Mitchells Plain - Century City Taxi Association	0	0	0	24	24

63	Mowbray Taxi Association	35	18	53	0	53
64	Mutual Taxi Association	5	18	23	0	23
65	N1 City / Vasco Taxi Association	45	16	61	0	61
66	Northwood Taxi Association	21	0	21	0	21
67	Norwood Taxi Association	12	2	14	0	14
68	Ocean valleyTaxi Association	5	9	14	0	14
69	Park CityTaxi Operators Association	88	24	112	6	118
70	Parkwood / Wynberg Taxi Association	31	3	34	0	34
71	Parow / Elsie's Rivier Taxi Association	15	4	19	0	19
72	Peninsula Taxi Association	343	134	477	15	492
73	Plain - Bell Taxi Association	9	17	26	0	26
74	Plain - Clare Taxi Association	0	0	0	0	0
75	Plain - Park Taxi Association	42	7	49	0	49
76	Proteaville Taxi Association	17	13	30	0	30
77	Ravensmead Taxi Association	36	2	38	0	38
78	Retreat Taxi Association	135	24	159	0	159
79	Route 6 Taxi Association	80	21	101	0	101
80	Route 7 Transport Service	93	35	128	0	128
81	Route JJDaniels Taxi Association	10	12	22	0	22
82	Rusthof Amalgamated Taxi Association	191	147	338	0	338
83	Seventh Avenue & District Taxi Association	99	1	100	0	100
84	Silversands Taxi Association	29	26	55	0	55
85	Sir Lowrys Pass Taxi Association	23	2	25	0	25
86	Somerset West And District Taxi Association	91	6	97	0	97
87	Steenberg Taxi Association	49	0	49	0	49
88	Strandfontein Taxi Association	21	0	21	0	21
89	Surran Road/Cape Town Taxi Association	78	12	90	0	90
90	Town Centre Johannes Meintjies Taxi Association	16	0	16	0	16
91	Twelfth Avenue Retreat Station Taxi	15	0	15	0	15
92	Tygerberg Hospital Taxi Association	19	1	20	0	20
93	Uitsig Taxi Association	26	2	28	0	28
94	United Mandalay Taxi Association	7	9	16	0	16
95	Vredehoek Devils Peak Taxi Association	10	0	10	0	10
96	Wesbank Taxi Association	35	58	93	0	93
97	Westlake Taxi Association	10	0	10	0	10
98	Wynberg - Grassy Park	96	0	96	0	96
99	Wynberg / Hanover Park Taxi Association	12	2	14	0	14
100	Wynberg/Houtbay Taxi Association	95	38	133	0	133
101	Ysterplaat Taxi Association					
102	United Taxi Association	179	0	179	0	179

		7258	2644	9902	357	10259
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The TRS database indicates a total of 6 035 unique Registrations were observed at the various ranks in the City between January and March 2013. (TRS, 2013)

Vehicles operate under the authority of an OL (which is predominantly route-based) granted by the PRE. Most of the minibus taxi permits (most of which were granted for an indefinite period and can be either radius, area or route-based) have been phased out as part of the recent permit conversion process. All permits that were not successfully converted to OL's by 31 May 2006 have lapsed. The Section 47 of the NLTA regulated that all "Indefinite" operating licences would expire seven (7) years after the date of promulgation of the NLTA. This period is currently under review and may be changed to allow a further five (5) years if the National Land Transport Amendment Bill (NLTAB) is enacted.

It is common knowledge that there are a number of illegal minibus-taxis operational in the City and it is very difficult to accurately establish which and how many there are. The 2007 OLS indicated that an estimated 46% of taxis operating were illegal. (2007, p. 37)

The roads on which the services operate are shown in Figure 2-2. Most of the services are delivered within the City although some extend beyond its boundaries. Detailed maps of each service may be found in the City's CPTR.

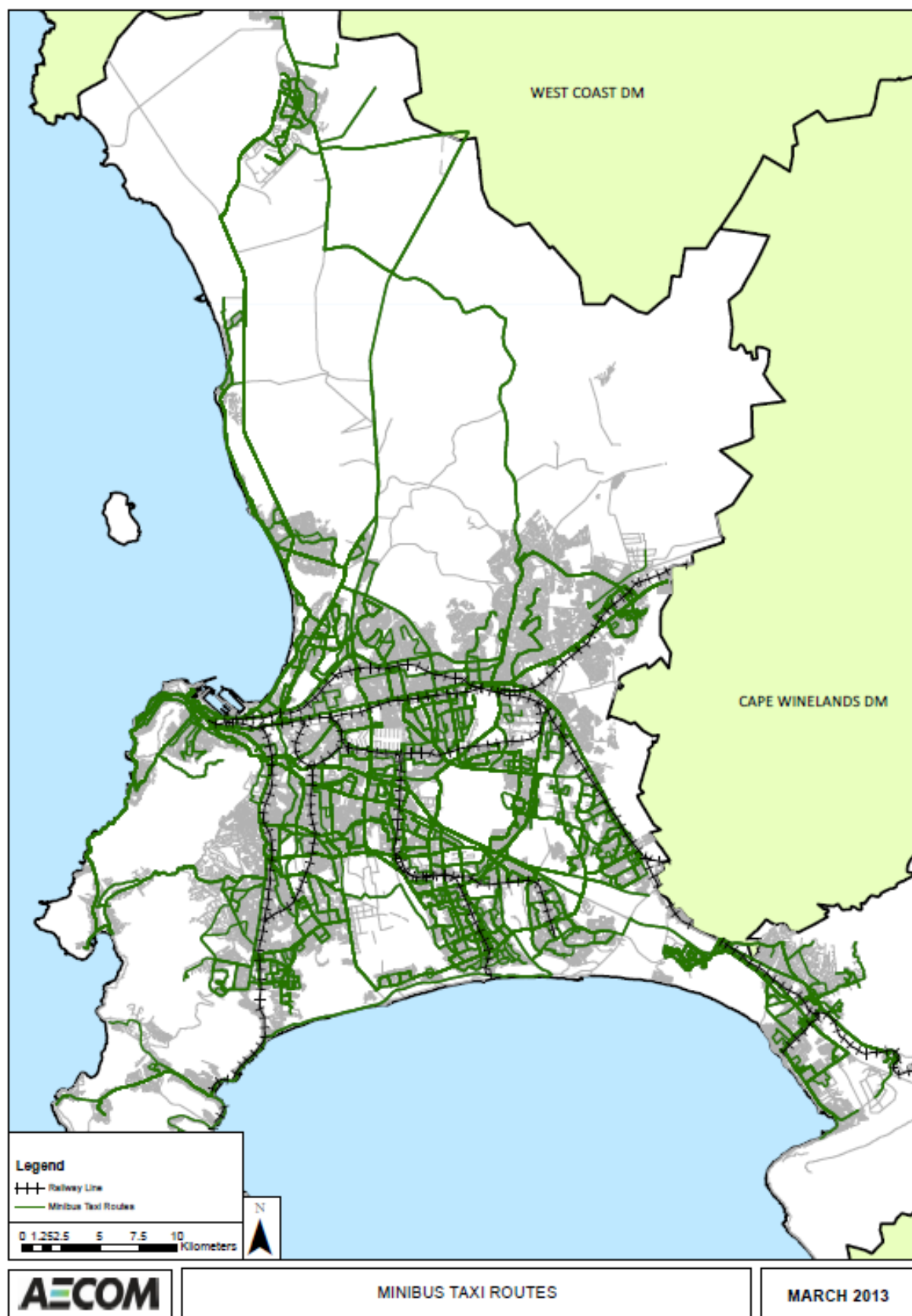


Figure 2-2 - Minibus Taxi Routes

Table 2-3 indicates the ten busiest taxi ranks in the city.

Table 2-3 - Top ten busiest taxi ranks (CITP, 2013)

		ALL DAY PASSENGERS		
	RANK NAME	2011 Cycle 1	2011 Cycle 2	2006 CITP
1	Bellville Station Transport Interchange	42 492	39 174	Not Listed
2	Unassigned	23 344	Not Listed	Not Listed
3	Cape Town Station Transport Interchange	20 412	27 618	61 565
4	Khayelitsha (Nolungile Station) Transport Interchange (Site C)	15 554	31 914	31 292
5	Mitchells Plain Station Transport Interchange Eastern Side (Northern)	15 055	6 215	56 507
6	Khayelitsha Station Transport Interchange	14 986	4 215	Not Listed
7	Wynberg Station Transport Interchange Western Side (Cape Town Route)	14 790	14 823	Not Listed
8	Wynberg Station Transport Interchange Eastern Side	8 568	6 781	19 601
9	Retreat Station Transport Interchange Eastern Side	7 618	10 533	Not Listed
10	Somerset West Public Transport Interchange	5 770	3 130	Not Listed

Minibus taxi fares are paid in cash to the drivers or the assistants (gardjies). The fares increase as the distance travelled increases.

2.8.3 Shuttle or Courtesy Services

The NLTA defines a Courtesy Service as such:

"courtesy service" means a service provided by or on behalf of an organisation such as an hotel, which is not an operator, for its customers or clients, either by means of its own vehicle or the vehicle of an operator in terms of an agreement with that organisation, with no direct charge to the passengers; (NLTA, 2009)

'Shuttle' or Courtesy services are being operated within the City, particularly between the Cape Town International Airport, hotels, and other attractions such as shopping centres. The extent of these services is not known. It is also known that motor repair firms also make available courtesy cars for their clients whose vehicles are temporarily unserviceable. Some courtesy services are operated on demand within the definition of a non-contracted, unscheduled service.

2.8.4 Metered Taxi Services

The NLTA's definition of a Metered Taxi Service is:

"metered taxi service" means a public transport service operated by means of a motor vehicle contemplated in section 66 which -

- (a) is available for hire by hailing while roaming, by telephone or otherwise;
- (b) may stand for hire at a rank; and
- (c) is equipped with a sealed meter, in good working order, for the purpose of determining the fare payable, that is calibrated for such fare or complies with any other requirements applicable to such meters;" (NLTA, 2009)

Metered taxi services are public transport services in a vehicle that is available for hire by hailing, telephone or otherwise, or may stand for hire at a rank, and is equipped with a sealed meter to determine the fare payable.

Operation of the services differs from that found in many other cities in that the vehicles tend not to roam through the City in search of passengers. This may be due to a combination of a lack of population density, which would cause unproductive kilometres to be driven, and the employment conditions of many drivers who are reluctant to risk the cost of driving unproductive kilometres. Instead, they rather hold at one of the designated ranks or pick up passengers by arrangement through centralised radio dispatch systems. Current discussions indicate that the Metered Taxi association is intending to revisit their method of operation to one that is similar to that as is New York. The OLS will need to be amended once an agreement with the City has been reached.

The most common vehicles used for metered taxi services are motor cars. However, the use of minivans is becoming more popular. Only ranks located in secure environments showed any significant increase in passengers. Most of the ranks are located in the Cape Town Central Business District (CBD) some distance from major hotels. At the end of the business day the Cape Town CBD becomes almost deserted. Most tourists opt to be collected at hotels or other places where security is more prevalent. This means that the overall demand for metered taxi services has remained strong and operators using radio dispatch systems are doing very well. Metered taxi is still the preferred method of travel for tourists.

The TRS database reports that, for the 1 cycle of the 2013 year, at 14 ranks in the City 1 487 daily passengers on 1 165 trips in 629 unique registration numbers were recorded. (TRS, 2013) A further query from this data indicated that 713 unique registration numbers have been observed in the current cycle of surveys.

A list of 686 metered taxis has been compiled by the City, This list is however not inclusive of all metered taxis that currently hold authority to operate.

The times of maximum commuter utilisation (16:30 - 17:30) coincided with the core business hours of mainstream public transport services. This is a clear indication that metered taxis serve a completely different market which requires a more personalised form of transport.

As with the minibus-taxi it is known that illegal metered taxis are operating in the City, the 2007 OLS reported that approximately 49% of these vehicles were illegal. (2007, p. 46) Authority to operate the service is in terms of a permit or OL granted by the PRE. This specifies the area in which the vehicle can operate; generally a radius from a base rank, area, place of business, or address. Authorisations for transport of passengers by cars, which are route-based, are not considered to be metered taxi services.

The 2007 OLS indicated that the majority of operators have been granted no more than four permits or operating licences; however, the ten biggest metered taxi operators control approximately 90% of the industry. The tariffs are set by the operator and approved by the PRE. They comprise a fixed component and a variable charge per distance; additional amounts are also charged for waiting and carriage of luggage. The fares charged by these taxis are reported to be R10.00 flag drop and R10.00 per kilometre travelled. If the system is changed to be a roaming system these fares may be substantially decreased. Consideration is to be given to determining tariff model that will allow for fuel price fluctuations and a more standardised tariff for all metered taxi operators.

The Operating Licence Administration System (OLAS), which is maintained by the DoT, experienced data loss during 2010/11 and is not able to provide accurate statistics of the issued OL's.

2.8.5 Tourist Services

The NLTA defines Tourist services as:

"tourist transport service" means a scheduled, unscheduled or chartered public transport service by road for the carriage of tourists to or from tourist attractions according to a predetermined itinerary, and includes transfers of tourists, for example from hotels to and from airports;" (NLTA, 2009)

The tourism industry in South Africa is thriving, much of which operates to international standards. The related transport services carry tourists to or from tourist attractions where the tourists are accompanied by a tour guide registered under Section 21 of the Tourism Act, 1993 (Act No. 72 of 1993). The second Amendment of this Act states that no tour guide may drive a vehicle with a carrying capacity of more than 10 persons and at the same time act as a tour guide. This specifies the area in which the vehicle can operate, with some operators providing tours nationally.

The Sections 80 to 84 of the NLTA regulates tourist services and places this responsibility under the auspices of the NPTR. In addition, Section 55 (1) exempts the NPTR from referring tourist applications to the Planning Authority in as such the City has no further responsibility in the regulation of this type of service however Regulation 31 makes provision for the applications to be referred to the PA. Section 81 (2) requires that the operators of tourist transport services are required to be accredited and the vehicles need to be certified by the NPTR (NLTA Part 3).

At present, with the non-establishment of the NPTR, difficulty is being experienced with the process of accreditation.

It is in the experience of the City and PRE that operators, who have been refused OL's to operate minibus-taxi type unscheduled services, then subsequently apply for OL's that authorise either Charter or Tourist services. If this authority is granted the operator then proceeds to operate services that are considered as unscheduled services. In as such the City and the WCPRE has concluded a written agreement that all applications for Tourist and Charter Services are referred to the City for direction.

2.8.6 Charter services

The NLTA defines Charter service as follows:

"charter service" means a public transport service operated by road involving the hire of a vehicle and a driver for a journey at a charge arranged beforehand with the operator, where –

- (a) neither the operator nor the driver charges the passengers individual fares;
- (b) the person hiring the service has the right to decide the route, date and time of travel; and
- (c) the passengers are conveyed to a common destination, and includes vehicles hired with drivers contemplated in section 67;" (NLTA, 2009)

Charter services are those where a vehicle and driver is hired for a journey at a charge arranged beforehand with the operator. The person hiring the service has the right to decide on the route, date and time of travel; and the passengers are taken to a common destination. It is thus generally regarded as a service provided to transport organised parties to and from an event.

Authority to operate a chartered service is in terms of a permit or operating licence granted by the PRE. This specifies the area in which the vehicles can operate. A wide range of vehicles is used to provide the services, ranging from coaches to minibuses and motor cars. The City has seen a large growth in the number of authorities that have been granted for charter services, especially since the "Be Legal" campaign to formalise minibus taxi-type services. Further to this, in the past a trend has been noted that applicants, who may not

receive minibus-taxi type of authorities, have been making application under the Charter Service type of authority and then operating as an unscheduled minibus. This has been a contributing factor of the increase in illegal operations.

Some operators have multiple authorities to operate charter, tourist, and long distance and/or minibus taxi services. It is the City's policy to limit each OL to one type of authority i.e. Charter OR Tourist OR un-scheduled services.

'Chauffeur' services are being operated within the City where a vehicle and driver are made available to a passenger, or group of passengers. Such services may be considered as charter services.

Section 67 of the NLTA regulates the Charter Service type of operations. Similarly to the Tourist applications, applications for charter services are not referred to the PA for direction (Section 55 (1)). However, the City and the WCPRE have a written agreement that these applications are referred to the PA in order to combat the possibilities of applicants, who have been refused un-scheduled services authorities, to re-apply for Charter or Tourist and then operate illegally.

2.8.7 Staff Services

The NLTA defines Staff Services as:

"staff service" means a public transport service by road provided by means of a vehicle owned by an employer or a vehicle provided by an operator in terms of a contract with the employer, used exclusively for conveying the employer's employees;" (NLTA, 2009)

Staff services are those provided by a vehicle that is either owned by an employer, or are provided by a public transport operator in terms of a contract with the employer when used exclusively for the conveyance of the employer's employees.

2.8.8 Learner Transport

Learner transport is provided in the Western Cape by either formal, contracted services or informal arrangements such as school buses, parents transporting their children to school, etc. The formal services are a mixture of contracted, subsidised services provided by the Western Cape Department of Education (WCDE) and contracts between school governing bodies and operators. The WCDE subsidises trips that exceed 5 km. These services were mainly centred in the Kuils River, Bellville, Athlone, Khayelitsha and Mitchell's Plain areas.

Since July 2001 the conveyance of learners, students, teachers, or lecturers to and from a school or other educational institution on a daily basis is regarded as a public transport service. The services may be scheduled, unscheduled or could be, in some instances, considered as charter or staff services. There are still numerous operators running learner services under the presumption that it is not required to hold an OL.

2.8.9 Rail services

Commuter rail services are provided by Metrorail in terms of a concession agreement with Passenger Rail Agency of South Africa (PRASA). Multiple branch lines radiate from Cape Town Station to the South (Simon's Town and Cape Flats line); South-East (Kapteinssklip and Khayelitsha lines); and East (Bellville, Monte Vista, Paarl, Wellington, Strand and Stellenbosch lines). A distinctive feature of the system is that the different lines interlink to form a complex network of routes rather than lines serving single origins or destinations. Passengers therefore have a choice of services, sometimes on different lines, to reach their destination. The services that are operated by Metrorail are shown in Figure 2-3. They utilise predominantly

5M2A train sets although eight 8M train sets operate on the Khayelitsha line. Some 621 833 (2012/13 Rail Census) passenger trips are made per day. A rail census is currently being conducted however the results were not available at time of writing.



Figure 2-3 - Western Cape Rail Map (Metrorail, 2013)

Long distance rail services are provided by PRASA Shosholoz Meyl, and upmarket services by, Rovos Rail, The Blue Train and another private organisations or clubs that operate special rail excursions.

2.9 MAJOR PUBLIC TRANSPORT FACILITIES

The City is well provided with facilities from which operators offer public transport. A detailed description of each facility is presented in the CPTR. The total number of public transport ranks/stations in the City is 213 and the amenities provided, at 58 of these ranks, for each commuter mode is shown in Table 2-4.

Table 2-4 - Summary of amenities provided at public transport boarding points. (CITP, 2013)

Mode	Platforms	Shelter	Parking	Office	Toilet	Telephone	Lighting
Railway	250	370	3743	83%	83%	25%	85%
Minibus-taxi	0	43	983	0	85%	30%	85%

Bus	Information outstanding						
IRT	53	146	0	21	21	None	100% (Trunk)
							60% (Feeder)

In many locations, facilities for one mode are located next to facilities for another mode. This allows passengers to interchange relatively easily between modes. The operational management of 58 of the interchanges is undertaken by the City.

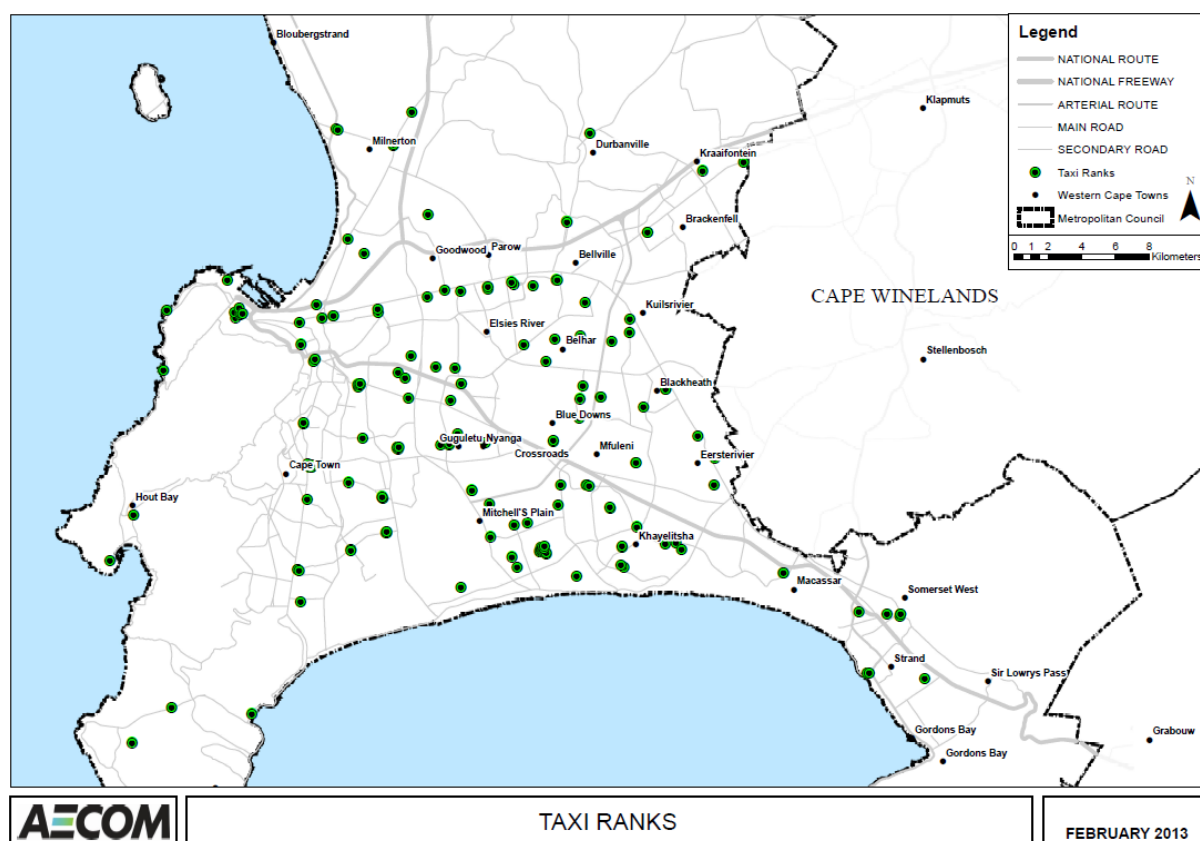


Figure 2-4 - Map indicating the position of ranks in the City of Cape Town

2.9.1 Bus facilities

The City owns all the bus facilities such as terminals and bus bays in the road reserve. The private operator who provides the contracted, scheduled bus services only owns six operating depots. The City, in conjunction with the IRT, has developed, or developing, 4 depots or staging areas for use by the VOC's contracted to supply the contracted services.

2.9.2 Minibus taxi facilities

The City owns the interchanges and ranks that are used by the minibus taxis.

The major minibus taxi facilities in terms of passenger arrivals and departures are shown in Table 2-3. The locations of commuter minibus taxi facilities are shown in Figure 2-4.

2.9.3 Long distance facilities

Road based long distance services are provided by buses and minibuses. Some facilities are owned by the City and others are private.

The facilities for both buses and minibuses are indicated in the following list:

- Cape Town Station Deck;
- Bellville;
- Khayelitsha;
- Nyanga;
- Langa (only minibus-taxis);
- Mitchell's Plain;
- Du Noon;
- Masiphumelele;
- Mfuleni;
- Gugulethu;
- Lwandle;
- Joe Gqabi; and
- Delft (proposed).

Long distance rail services which are provided by Shosholoza Meyl, and private operators, operate from Bellville and Cape Town Stations. Surveys during the 2004 December peak holiday season recorded 580 rail passenger departures from Cape Town on the busiest day.

2.9.4 Metered taxi facilities

Metered taxi facilities are owned by the City, other government institutions, and private organisations. Examples of those located on private land are the facilities at the V&A Waterfront, Century City, Grand West Casino, and some larger hotels. The major metered taxi facilities, in term of passenger arrivals and departures, are shown in Table 2-5.

Table 2-5 - Metered Taxi Ranks and daily utilisation (TRS, 2013)

Rank name	Total		
	Unique Vehicles	Trips	Pax
Cape Town (Bloem Street)	12	24	31
Cape Town (Bree Street)	6	6	0
Cape Town (Cullinan Hotel)	33	48	36
Cape Town (Kloof Street)	18	33	45
Cape Town (Mill Street On-ramp)	27	85	134
Cape Town (Mount Nelson Hotel)	46	61	61
Cape Town (Plein Street)	34	109	167
Cape Town (Upper Adderley Street)	25	84	190
Cape Town (Upper Long Street)	80	95	135
Cape Town (Queen Victoria Road)	27	35	38
Century City	10	13	22
CTICC	157	266	258
Grand West Casino -(Back entrance)	8	11	19
Grand West Casino -(Front entrance)	5	5	4
Sea Point (Protea Hotel)	59	92	70
Sea Point (Ritz Hotel)	33	39	70
Table Mountain Nature Reserve	49	159	207

2.9.5 Commuter rail facilities

PRASA owns the majority of the rail lines that Metro Rail operates over. The stations that are used to provide commuter rail services within the City are also owned and operated by Metro Rail.

2.10 Major Public Transport Corridors

The major road-based public transport corridors will be confirmed through an assessment of the Household Travel Survey and EMME 3 modelling that will be finalised by February 2014.

The major commuter rail corridors are:

- Cape Town - Khayelitsha/Kapteinsskloep;
- Cape Town – Bellville; and
- Cape Town - Simon's Town

2.11 SERVICES COMPETING IN PARALLEL TO EACH OTHER

An inspection of Figure 2-5 which illustrate the roads on which the scheduled bus, unscheduled minibus, and the rail services operate shows that, almost without exception, these services operate in parallel to each other throughout the City. This reflects how the two road-based services have competed for the same market with the scheduled bus services providing an almost equivalent collection/distribution service in most areas as that provided by the unscheduled minibus taxi service so as to protect their line haul market. In addition, inspection of the above mentioned figures and shows that both road-based modes also operate in parallel to commuter rail services where rail exists. Indeed, the competition between road and rail may be traced to the early 1900's when the services were first introduced.

Competition therefore exists in the City between scheduled and unscheduled road based services and also between the road-based services and commuter rail services.

Each road-based mode is providing both a local service within a community and line-haul service between communities and nodes. Competition also exists between the road based modes which do not operate on routes but provide services on an area basis throughout the City. In particular, competition exists between the metered taxi services and those provided by services authorised to transport tourists.



Figure 2-5 - Map indicating the duplication of services on parallel and same sections of route.

2.12 ISSUES AND IMPEDIMENTS

Some of the significant regulatory issues and impediments that have been identified relating to operating licences that authorise public transport services within the City are summarised below.

2.12.1 Legislative issues and impediments

- Legislation is absent that governs the legality or otherwise of a holder of an operating licence/ permit continuing the operation of their services after the expiry date of the operating licence/ permit if they had applied timeously for the renewal of that authority (NLTA Section 58) and that renewal has not been considered by the PRE due to reasons beyond the holder's control;
- The establishment or appointment of the Transport Appeals Tribunal as intended in Section 92 of the NLTA;
- The establishment or appointment of the NPTR as intended in Section 20 of the NLTA; and
- A Western Cape Public Transport Regulatory Act (known as Law 8) was promulgated to replace Chapter 3 of the NLTA, which relates to matters of provincial concern. This Act provides clarity on issues of provincial concern relating to the disposal of operating licences. With the promulgation of the NLTA in 2009 some of the matters addressed in Law 8, in particular relating to the Taxi Registrar, are in conflict with the NLTA.

2.12.2 Administrative issues and impediments

- During 2010/11 the OLAS experienced a loss of data. All operating licence data had to be manually recaptured from hard paper records. During this process some data has not been recaptured or recaptured incorrectly. This is causing frustrations when data needs to be verified;
- Communication between the PRE and the City should be improved especially in terms of the PRE advising the City of the disposal of an application for an operating licence; and
- The City has requested the National Minister to assign the functions of a MRE to the City and is currently engaged in a programme to establish a MRE and to develop the systems, and capacity, required to administrate the OLF.

2.12.3 Law enforcement issues and impediments

There is a lack of:

- Accessible information database;
- Adequate staff, equipment and infrastructure;
- Municipal judiciary trained in public transport law enforcement and prosecution;
- Understanding public; and
- A vehicle should be inspected to ensure that it is correctly marked when an operating licence is collected.

2.13 Issues in the preparation of this OLS

- Complexity of the establishment of the TCT and its effects on its organisation;
- Limited resources and available budget to undertake the review; and
- The length of time that it takes to obtain comments from stakeholders.

3 POLICY FRAMEWORK

This chapter presents a basic policy framework which is intended to guide the disposal of operating licences in the City. The framework is based on the following national, provincial, and metropolitan transport documentation:

National and Provincial Policy Documentation

- White Paper on National Transport Policy, 1996;
- Moving South Africa The Action Agenda, 1999 Provincial policy documentation;
- White Paper on Western Cape Provincial Transport Policy;
- Public Transport Strategy and Action Plan;
- Western Cape 2011/12 – 2015/16 Provincial Land Transport Framework (currently being updated);
- Western Cape Taxi Plan;
- Western Cape Strategic Objective: Moving the Western Cape Forward; and
- Provincial Strategic Objective 3: Increasing Access to Safe and Efficient Transport (2011).

Metropolitan Policy Documentation

- Integrated Development Plan;
- Mobility Strategy;
- Integrated Transport Plan for the City of Cape Town 2013 to 2018;
- Moving Ahead: City of Cape Town Transport Plan (2001);
- Cape Town Public Transport Implementation Plan (2007);
- IRT Phase 1 Operations Plan (2008); and
- MyCiTi Business Plan (2012).

Legislation

- National Land Transport Act, 2009 (Act No. 5 of 2009) (NLTA);
- Western Cape Road Transportation Act Amendment Law (Law 8 of 1996);
- Western Cape Road Transportation Act Amendment Act (Act 7 of 2000);
- Western Cape Regulations on Operating Licences, 2002;
- Western Cape Regulations on the registration of minibus-taxi associations, their members and non-members, 2007; and
- City of Cape Town Traffic By-law, 2011.

It is intended that the framework which follows the discretion of the existing documentation is specific and concise and deals with the practical issues relating to the disposal of operating licences in the City.

3.1 NATIONAL POLICIES GUIDING THE DISPOSAL OF OPERATING LICENCES

National transport policy, goals, and objectives are recorded within the White Paper on National Transport Policy (1996) and Moving South Africa: The Action Agenda (1999). Relevant sections applicable to the OLS are extracted and summarised below.

3.1.1 White Paper on National Transport Policy, 1996

The vision for transportation in South Africa is set out in this White Paper. It is for a transport system which will:

'Provide safe, reliable, effective and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at Improving levels of service and cost in a fashion, which supports government strategies for economic and social development whilst being environmentally and economically sustainable.'

The White Paper presents a series of broad goals to fulfil this vision. Those relevant to this OLS are:

- To support the goals of the Reconstruction and Development Programme for meeting basic needs, growing the economy, developing human resources and democratising decision making;
- To enable customers requiring transport for people or goods to access the transport systems in ways which best satisfy their chosen criteria;
- To improve the safety, security, reliability, quality and speed of transporting goods and people;
- To improve South Africa's competitiveness and that of its transport infrastructure and operations through greater effectiveness and efficiency to better meet the needs of different customer groups, both locally and globally;
- To invest in infrastructure or transport systems in ways which satisfy social, economic, or strategic investment criteria; and
- To achieve the aforementioned objectives in a manner what is economically and environmentally sustainable and minimises negative side effects.

The White Paper gives a framework for the provision of services. In this, it states that Government recognises public passenger transport as a basic need but wishes to ensure that it is provided efficiently so that public resources are used in an optimal manner and that the public transport system in South Africa will be based on regulated competition. Regulation will be in the form of:

- operating licences (the authority to operate a route or network with no subsidy);
- contracts (the authority to operate a route or network at a tendered price); and
- concessions (the authority to operate a rail line or network at an agreed price).

The White Paper continues that regulated competition for the minibus taxi industry will mean the industry will have to be formalised and measures introduced to enhance its economic viability. In particular, it will have to function in terms of OL's to operate on a route or network. The OL's will be granted by the PRE by direction of the City as legislated by the NLTA. The number of OL's granted on a route or network will be determined by need (demand) estimated in terms of the integrated transport plan. The determination of routes or networks will be based on existing operations (including both legal and illegal operators).

Minibus taxi businesses may also compete for the awarding of contracts either on their own or in joint venture with other minibus operators/bus operators.

The White Paper further continues that bus operations may also operate in terms of OL's from the board and/or through tendered contracts. Existing permits or operating licences on subsidised routes will have to be converted into interim contracts for a period before competing for tendered contracts.

All transport operators will be encouraged to bid for contracts. The entry of smaller operators will be facilitated by various means, which may include portioning contracts into parcels of differing size.

3.1.2 Moving South Africa: The Action Agenda, 1999

To realise the vision of the White Paper on National Transport Policy, the Minister of Transport published Moving South Africa: The Action Agenda in May 1999. Strategic actions relating to road-based public transport were:

- Action 1: Densification of transport corridors; and
- Action 2: Optional deployment of modes to meet customer services requirements.

3.1.3 Public Transport Strategy

The Public Transport Strategy has two key thrusts: **Accelerated Modal Upgrading** and **Integrated Rapid Public Transport Networks**. Accelerated Modal Upgrading refers to the current initiatives to transform bus, taxi and rail service delivery in the short to medium term. Integrated Rapid Public Transport Networks pertains to the Action Plan's focus on implementing high quality Phase 1 networks of Rail Priority Corridors and Bus Rapid Transit Corridors in especially the 6 metro cities.

It is terms of this strategy that the City is currently implementing the IRT system and continues planning for an IPTN throughout the City.

3.2 PROVINCIAL POLICIES GUIDING THE DISPOSAL OF OPERATING LICENCES

Provincial transport policy, goals and objectives are recorded in the White Paper on Western Cape Provincial Transport Policy (1997) and the Western Cape Provincial Land Transport Framework (May 2011) (PLTF), which is currently being updated, which incorporates the contents of the Provincial Vision for Public Transport Five-year Strategic Delivery Programme (2003) and the Provincial Strategic Objective 3: Increasing Access to Safe and Efficient Transport (2011).

3.2.1 White Paper on Western Cape Provincial Transport Policy (1997)

The White Paper on Western Cape Provincial Transport Policy was published in May 1997. Its vision for transport within the Western Cape is:

'An integrated, accessible, well managed and maintained transport system throughout the Western Cape, which is recognised as making efficient use of resources and being socially just, in a way that advances broader developmental aims and objectives.'

The White Paper requires the following principles to be adhered to:

- Formation of more efficient and equitable land use arrangements that reduce the growth in demand for travel;
- Making better use of existing, available movement resources, particularly road space, rail facilities and public transport vehicles;
- Avoiding an excessive demand for investment in major infrastructure in urban areas, except where this is necessary to integrate new or existing areas into the overall urban system of which they are part; and
- Pursuing a 'Public Transport First' policy, which advances the interests of public transport over those of private transport; improving significantly the overall quality of public transport services available.

3.2.2 Provincial Land Transport Framework (Draft, January 2013)

The PLTF is one of the transport plans required to be produced in terms of the NLTA. The current draft is an update of the 2011/12 – 2015/16 PLTF of the WCG. The Province's transport policy, long term vision, and objectives as described in this document are quoted below:

3.2.3 Provincial Land Transport Policy

The province, as one of its primary strategic objectives, will facilitate the development and implementation of an integrated transport solution in the province by:

- Ensuring that integrated public transport services in the province are designed to integrate metropolitan, urban, and rural public transport networks;
- Ensuring that the integrated rapid public transport network in the Cape Town functional area is centred on the existing railway network;
- Ensuring the provision of rapid trunk routes for existing public transport services;
- Ensuring that rail and bus networks are supported by a system of feeder public transport services;
- Ensuring that the rail network is complemented by an appropriate road-based public transport network which must include the integrated rapid bus network;
- Ensuring that existing bus and minibus-taxi are transformed into contracted services that operate in areas not served by the rail and the IRT system or to provide alternative services to main public transport modes; and
- Assisting planning authorities to create public transport connections between rural settlements and towns.

3.2.3.1 A Long Term Vision for Transport in the Western Cape

Key in the PLTF is the long-term vision that elaborates on the vision statement above. The purpose of the longer term vision is to set a long term course towards which the transport sector shall strive. All frameworks, strategies, plans, programmes and projects must work towards this longer term vision. The various transport strategies within this five year framework are seen as the stepping stones between the *status quo* and the ideal long term vision. These strategies provide actions and guidelines that assist to incrementally improve the transport system in the Western Cape.

The following sets out the beginnings of a long term vision for transport in the Province of the Western Cape. It is envisaged that this longer term vision will be developed and distilled as the PLTF is reviewed over time. The long term vision must be very clear in its direction, yet also take account of a dynamic future with many uncertainties.

It is envisaged that by 2050, the transport system of the Western Cape will be developed along and defined by the following pillars, which will guide the future development of the transport system:

- Sustainability;
- Equity;
- Access to opportunity in an economically efficient manner; and
- Safety.

By 2050, the Transport System in the Western Cape will be defined by the following elements:

- Full IRPTN's in the higher-order urban regions of the Province;
- Full IPTN's in the rural regions of the Province;
- A Safe Public Transport System;
- A Well Maintained Road Network;
- A Sustainable, Efficient High Speed Rail Long Distance Public and Freight Transport Network;

- An efficient international airport that links the rest of the World to the choice gateway of the African Continent;
- International-standard Ports and Logistics Systems; and
- A Transport System that is resilient to peak oil.

3.2.3.2 Transport objectives

Based on the above, six objectives have been identified for realising the vision and mission. Each objective is supported by several, more specific indicators.

Table 3-1 - Provincial strategic focus areas

Objective	Indicators
An efficient, accessible and integrated multimodal public transport system managed by capacitated and equipped municipal authorities	A 13% modal shift from private to public transport into Cape Town's CBD by 2014.
	Increase the number of commuter rail train sets in operation to 117 by 2016.
	Develop implementable safe and accessible mobility strategies and IPTNs in district municipalities by 2014.
	Establish land-use incentives and NMT improvements around 10 underdeveloped public transport nodes of provincial significance by 2014 (Provincial Key Projects).
	Fully implement a universally accessible and multimodal IRT phase 1a by 2014.
	Increase user satisfaction of public transport facilities by 25% by 2014.
	Organise courses and seminars dealing with infrastructure management, transport planning and land-use planning for district municipalities by 2014.
	Bring commuter rail network from D+ to a C maintenance level on A corridors by 2016.
	Bring minibus taxi recapitalisation rate up to national level by 2016.
NMT as pivotal part of all forms of transport planning in urban and rural areas	Organise courses and seminars dealing with infrastructure management, transport planning and land-use planning for district municipalities by 2014.
	Dedicated NMT Expanded Public Works Program projects by 2014.
	Every provincial road project in the province must include a NMT component.
	NMT Plans will be developed and implemented for each municipality of the Province, as a part of the mobility strategy and IPTN roll-out.
	Dedicated cycle lanes in the Western Cape must be doubled by 2014.
A well maintained and preserved transport system	Reduce the road transport infrastructure backlog by 16% by 2014.
	Bring commuter rail network from D+ to a C maintenance level on A corridors by 2016.
	Introduce economic decisions support tools (multi-criteria assessment matrix) to facilitate decision making with regard

	to road investment by 2014.
A sustainable transport system	A 13% modal shift from private to public transport into Cape Town's CBD by 2014.
	Influencing parties in order to achieve a shift in contestable freight haulage from road to rail freight by 10% by 2014.
A safe transport system	Reduction of the number of fatalities on the Western Cape roads by 50% by 2014.
	The provincial and the Cape Metro Incident Management Plan should be expanded to include lower order roads by 2014.
	Implementation of an integrated transport safety management system by 2014.
A transport system that supports the province as leading tourist destination	Introduce economic decisions support tools to facilitate decision making with regard to road investment by 2014.

The building of an integrated public transport system would need intervention of all spheres of Government. It requires the political will to turn around the decline in rail service, the successful implementation of the Cape Metropolitan IRT System and the integration of rail and IRT system with existing bus and minibus taxi operations. It would also require the provision of public transport service in rural towns and corridors as well as connecting rural settlements to the public transport system.

Key elements of the public transport strategy for the province are set out below:

- Public transport services must be improved in both the urban and rural areas of the Western Cape, with a particular focus being on the captive commuter;
- A viable, competitive, safe, and affordable multimodal public transport system must be achieved and managed by equipped municipal authorities;
- A modal shift incoming into the Cape Town CBD of 13% from private to public transport must be achieved by 2014, resulting in a modal split of 60:40 for public: private transport;
- Rail must be better equipped to fulfil its role as the backbone of the IRPTN in the Cape Town functional region. The rail network will be complemented by an appropriate road- based public transport network which includes - but is not limited to - the integrated rapid bus network. The rail and bus network will be supported by a system of feeder services. Existing bus services and minibus taxi services need to be transformed into contracted services that operate in areas not served by the rail and the IRT system, or provide alternative services to main public transport modes providing passengers with a mode choice to suit their particular travel requirements;
- The metropolitan public transport services will extend into the functional area of Cape Town, including Stellenbosch, Paarl, and Wellington. Appropriate institutional arrangements need to be put into place to coordinate the provision of public transport in this region;
- The Province will also focus on the provision of public transport in rural towns and corridors, with a focus on connecting rural settlements to "leader" towns in these corridors (i.e. linking areas of high need with places of high growth potential). Mobility studies will be undertaken in the District Municipalities to determine public transport demand and supply of services, which will enable the rural population access opportunities to schools, health facilities and social grant pay-out points;
- Under the banner of Universal Access and Design, gender and life cycle considerations must be given adequate, meaningful, and progressive attention in the design, operations, and revision of the public transport system, including in the roll out of NMT and related facilities. This must include, but is not limited to, giving attention to

the central guiding principles of the needs of women in terms of access through appropriateness, availability, frequency, affordability, safety, and dignity. All surveys done must be gender sensitive and adequate mechanisms of consultation, implementation, and evaluation must be employed;

- The focus areas of the above initiative are summarised below:
 - Providing safe, affordable, and efficient public transport, initially focusing on the Cape Town functional region;
 - A system of which the backbone is provided by rail in the Cape Town functional region;
 - A system that is supported by a rural rail system for passenger and freight where this is feasible;
 - Integration of metropolitan, urban, and rural public transport networks; and
 - Reducing the carbon footprint of the province promoting the use of sustainable energy sources and movement typologies.

3.2.3.3 Provincial strategy on the dispensing and dealing with OL's

The Department of Transport & Public Works in 2011 prepared the Western Cape Minibus-taxi Operating Licence Strategy. This policy document is aimed at creating unified norms and standards for public transport regulation. Three parts of the policy are elaborated on in the section below.

Prerequisites for minibus-taxi operating licences on existing minibus-taxi routes

The Western Cape Province has formulated the following pre-requisites for municipalities to support new applications for minibus-taxi operating licences on existing routes. (Source: (Draft PLTF, 2013)

Pre-requisites for municipalities to support new applications for minibus-taxi operating licences on existing routes:

- No applications should be supported on overtraded routes. The supply and demand criteria should be rigidly applied;
- Where the operating function has been assigned to a municipality in terms of section 11 of the NLTA, the municipality must immediately impose a moratorium on new applications on overtraded routes. The provisions of section 18 of the NLTA should be used to impose the moratorium;
- Applications should not be supported if the route descriptions contained therein are considered to be vague. Both route descriptions and operating licence conditions should not be subjective. The application should contain road by road route descriptions and explicitly state the names of minibus-taxi facilities where passengers can be loaded and off-loaded together with any restrictions and or limitations;
- Competition with subsidized services should be avoided. Applications should only be supported if there is no spare capacity on parallel subsidised services. The granting of the application should not result in wasteful competition with an existing subsidized mode;
- Only one association should be supported per route bar cases where there are already two or more associations serving the same route. Therefore, applications should not be supported for more than one association on the same route or network of routes. In recent times a number of newly formed associations have impinged on existing routes served by other associations. This has resulted in violence and this practice must be stopped immediately. No operator or association must be allowed to muscle in on existing routes served by another association. Where there are existing entrenched rights on minibus-taxi routes, these rights should be protected. Government has a responsibility to ensure that existing operators are able to exercise their rights in terms of their permits/operating licences without any intimidation;

- Where there is sufficient passenger demand, new applications should only be supported for members of the resident association(s) or subject to membership of that association;
- Employment areas should not be granted as A-points (origin points) for minibus-taxi routes bar cases where a route connects more than one employment area or where there are already existing permits/operating licences with an employment area as an A-point. The A-point for any route should be the residential area where the trip originates. A case in point would be a route from the Mitchells Plain residential area to Cape Town. This is clearly people residing in Mitchells Plain who are employed in Cape Town. The A-point for the route should therefore be Mitchells Plain. Operating licences should therefore be considered for the association providing the service at the origin point and this association should be allowed to provide the return service from Cape Town. It is not desirable for one association to provide the forward service and for another association to provide the return service. This is not economically viable and will result in a considerable amount of dead kilometres;
- The application should not contain more than one A-point. An application may have more than one destination but only one origin point;
- In the case of a feeder or distribution service where there is only one association operating in the area, a collection area may be specified;
- Operators should not be allowed to trade permits that have not been successfully converted to operating licences for new applications. Where an operator has been given the opportunity to convert his permit to an operating licence and the application has been refused by the PRE, the permit must immediately be cancelled in the OLAS;
- Operators should not be allowed to trade non-renewed licences for new applications in cases where there has been a break in service of more than a year;
- Operators should not be allowed to trade permits/operating licences for other types of services (in particular chartered services) for minibus-taxi operating licences. Many operators apply for operating licences for charter services given that the criteria are less rigid and then use this authority to operate on minibus-taxi routes;
- Applications for new minibus-taxi operating licences should not be granted if the application contains more than one type of service. Only long distance minibus-taxi routes may be combined with local minibus-taxi routes on the same operating licence. **Under no circumstances should an operator be allowed to provide charter services and minibus-taxi services with the same operating licence.** Given the open-ended nature of the charter services authority, it makes enforcement very difficult and operators often use this authority to impinge on other routes;
- When deciding to support a new application on a particular route, illegal operators who have formed part of the existing capacity for more than three years should be given preference;
- Any person applying for a minibus-taxi type operating licence must be a member of an association registered with the Office of the Provincial Transport Registrar and subscribe to a Code of Conduct and Standard Constitution. This includes operators providing minibus-taxi type services with sedan vehicles;
- The application must be submitted together with a letter of support from the resident association and a registration certificate from the Office of the Provincial Transport Registrar. New applications must not be supported for members who are no longer in good standing with the association or the Office of the Provincial Transport Registrar. **However, where the Registrar finds that an association is withholding a support letter without good reason, he or she may instruct the regulatory entity to dispose of the application without a support letter from the association;** and
- All new applications granted after the 1st of April 2010 will be for a period of five years bar areas/route directly affected by projects aimed at restructuring and transforming the public transport system in the Western Cape. In such cases the municipality may ask the regulatory entity to shorten the validity period of the operating licence using

the provisions of section 52 of the NLTA. The granting of all minibus-taxi operating licences for a period of only two years increases the administrative burden on the regulatory entity and municipalities and has therefore been aborted.

Considerations and recommended procedure for new minibus-taxi routes

Given the intertwined nature of the existing minibus-taxi route network, it is almost impossible to approve a new minibus-taxi route without some impact on one of the existing routes. This is a highly contentious issue. Land intensification is however dependant on effective transport provision to connect people with social and economic opportunities. It is common for a multitude of minibus-taxi routes to traverse segments of the same road and the restrictions imposed by the PRE or relevant regulatory entity is paramount to avoid route-related tension.

Before deciding to support operating licence applications on new minibus-taxi routes, the municipality must carry out a comprehensive risk analysis. This risk analysis should encompass more than just the passenger demand for the service but should also look at the impact of the new service on existing minibus-taxi routes. The following factors should be considered:

- The impact of the service on existing minibus-taxi routes (will the new route impact on the economic viability of operators on existing routes);
- The potential for conflict with existing associations and members (where this is the case, the route should not be considered)
- Existing travel patterns;
- Existing public transport network coverage;
- Journey times (direct routes versus the aggregation of demand to interchange points);
- Cost to the user (portion of monthly income spent on public transport)
- Dormant routes (routes for which operating licences have been issued but operators are not providing the services)
- Route distance and passenger demand (minibus-taxis is not considered the ideal mode on line-haul route with high passenger demand). What is considered the ideal mode for the service?
- Spare capacity on subsidized modes (the national strategic objective is to avoid wasteful competition with subsidized modes).

The table below provides an overview of the procedure that is recommended when dealing with low-risk new minibus-taxi routes.

Recommended procedure when dealing with low-risk new minibus-taxi routes

- It remains important to proactively plan for the provision of public transport services to and from new developments. These operating licences should be in place by the time the development opens in order to connect people with opportunities;
- For this purpose, it is recommended that ten permanent operating licences be issued with a maximum validity period of four months (only where such applications are supported by the municipality). These operating licences should not be renewed at the end of its validity period and this should be imposed as a condition on the operating licences. The applications for these four-month operating licences must be lodged at least 60-days prior to the opening of the development. This process is also applicable to any new minibus-taxi route;
- Prior to the issuance of the four-month operating licences, all route descriptions must be verified by the municipality concerned to minimize the impact of the new service on existing routes. These applications must be placed in the government gazette as prescribed by section 59 of the NLTA, which will afford interested and affected parties the opportunity to provide comment on the service;
- The four-month period will allow the municipality to gauge the effectiveness of the service and its impact on other existing routes. During this period the association must market and advertise the service. This will allow the municipality to do a proper

demand analysis to determine the number of vehicles required to meet passenger demand. This must be achieved through constant monitoring and evaluation of the service;

- Once route descriptions have been perfected and the demand for the service has been established, new applications can be lodged for the same operators (with renewals the route descriptions cannot be changed). These applications must be lodged two months before the expiry date of the 4-month operating licences. In terms of the National Land Transport Regulations, the PRE must dispose of operating licences within 60 days of receipt of the application. This means that the new operating licences can be issued by the time the 4-month operating licences expire. Note that the 4-month licences should be handed in before the new licences can be uplifted.
- It is recommended that such operating licences be issued for a period of two years, reviewable at any time and thereafter for a period of five years (with the renewal thereof).
- The number of operating licences may be increased if there is increased passenger demand for the service.
- Where there is a remote chance of violence/conflict with other operators, operating licences should not be issued for new minibus-taxi routes until these issues have been resolved.
- Such operating licences must be issued to members of associations in the area where such trips originate (A-points) or a new association formed in that area. The origin point (A-point) is where patrons of the route reside.

The prescribed criteria for new applications on existing minibus-taxi routes are also applicable to new minibus-taxi routes (unless clearly inappropriate).

Renewal of definite period minibus-taxi operating licences prior to the implementation of public transport restructuring projects.

The PRE in terms of Section 93 of the NLTA, is therefore directed not to consider any further new applications for minibus-taxi type services in areas affected by IRPTN or related projects (such as the City's IPTN). The same applies for applications for additional authority. Note that the PRE, in disposing of an application, must act in accordance with the relevant integrated transport plan and directions of the PA and must not grant an OL contrary to directions of the ITP and PA. This position only applies to applications where both the origin and destination of the route(s) are within the boundaries of areas affected by projects to transform and restructure public transport.

Note that in such areas, all OL's for unscheduled minibus-taxi type services are considered inconsistent with the transportation plans. Therefore, all definite period OL's must only be renewed for a two-year period or until such projects are implemented, whichever occurs first. The PRE is requested to impose the following condition on the operating licence in terms of section 57(5) of the NLTA:

- That the OL will not be renewed at the end of its validity period given that will be inconsistent with the transportation plans for the affected areas. The service will be replaced by the GMS/IRT system and the operator will become a stakeholder in this process or opt out of the system at their choice; and
- The City and the WCG is not liable to pay compensation to the holder of the OL at the end of its validity period in the event of the holder opting out of the system.

3.3 METROPOLITAN POLICIES GUIDING THE DISPOSAL OF OPERATING LICENCES

Guidance on the disposal of operating licences is given within the following metropolitan policies:

- Integrated Development Plan;
- Moving Ahead: City of Cape Town Transport Plan;
- Integrated Transport Plan 2013/18;
- Public Transport Implementation Framework;
- CoCT's Transformation and Action Plan; and
- City Policy on Compensation of minibus-taxi and other operators (2012).

3.3.1 Integrated Development Plan

This OLS, through the ITP, responds to the transportation requirements of the Integrated Development Plan (IDP) which is the principal strategic planning instrument of the City. The IDP developed five key pillars: Opportunity City, Safe City, Caring City, Inclusive City, and Well-run City which provides guidance to the development of the ITP and this OLS.

3.3.2 CoCT's Transformation and Action Plan

The Transport, Roads and Stormwater Directorate (TR&S) of the City has developed a Transformation and Action plan (Transformation & Action Plan, 2012) that strategically aligns the processes and projects undertaken in the Directorate into an overall, prioritised perspective is required, given both the political targets set as well as the legislative imperatives. The overall desired outcomes include:

- ONE TRANSPORT AUTHORITY;
- ONE NETWORK;
- ONE TIMETABLE FOR ALL MODES OF TRANSPORT;
- ONE TICKET;
- ONE UNIFIED STANDARD FOR INFRASTRUCTURE AND OPERATIONS ACROSS THE CITY;
- ONE TRANSPORT ENFORCEMENT UNIT;
- ONE MANAGEMENT SYSTEM; and
- ONE BRAND.

Transport for Cape Town (TCT) was launched on 10 October 2012 and is the City's Transport Authority (TA) which will have planning, financial, regulatory, and operational management powers. TCT sets, manages, and monitors the implementation of the standard, in order to achieve truly integrated transport, along with financial control over transport systems and operations. (Transformation & Action Plan, 2012)

One of the functional arms of TCT will be the Regulating Entity (RE) or Municipal Regulating Entity (MRE) as, which will be established in terms of the NLTA. This functional arm will handle the OLF that administers the application, approval, and issuing of OL's in the City.

A further functional arm of TCT is the PA, which, amongst others and in terms of the OLS, directs the relevant (RE) on which applications for operating licences can be approved and what conditions, if necessary, need to be attached to such in accordance to its Comprehensive Integrated Transport Plan. The City is already a PA in terms of the Constitution and the NLTA.

3.3.3 Comprehensive Integrated Transport Plan

The CIP is one of the statutory plans that all Type 1 Municipalities, including the City, are required to produce in terms of the NLTA. The current approved CIP was prepared in 2006 and updated in 2011. The following is an extract from the 2011 update of the City's CIP. The City is currently overhauling the CIP for the period of 2013/14 – 2018/19.

3.3.3.1 OLS and RATPLANS for areas not covered by IPTN Operations Plans

Background

The City has a multi-modal transport system that range in capacity from heavy rail to the private car and non-motorised transport, with rail being the proclaimed "backbone" of the system. However, rail is a National Government competency and does not fall under the control of the City. Despite numerous motivations and requests for improvements, rail service levels have been declining for the last 27 years, with the trend accelerating in recent years.

The growing demand for public transport services over this period has been met by a dramatic increase in the number of road-based public transport services. The demand was mainly met by scheduled services provided by GABS, who operated on a subsidy administered by the Provincial Government, and unscheduled minibus taxi service that operate without a public transport subsidy.

The growing demand continues to put pressure on the City and the PRE to issue OL's to, especially the informal minibus-taxi sector. Section 55 of the NLTA stipulates the responsibilities of the City as PA and PRE to deal with the licencing function.

The City's drive to improve rail services continues, with indications from PRASA that significant improvements can be expected over the following 5 to 8 years. **While many OL's would still be granted during this period, the introduction of rail services could result in a reduced demand for scheduled and unscheduled road-based passenger services on some routes.**

In the same light, bus rapid transit (BRT) services will continue to be rolled out by the City, which would lead to further transformation of the public transport arena. In this case, the existing operators would be given the opportunity to be incorporated into the new operator entities, as has been demonstrated in Phase 1 of the IRT programme.

The growth of the public transport system will be guided by the development of an IPTN, which highlights the ultimate roles of different modes in the system.

3.3.4 City Policy on compensation of minibus-taxi and other operators

As part of the public transport industry transition processes, linked to the implementation of the Phase 1 IRT, the City has approved, in 2012, the above policy for application to operators, both taxi and bus, that are affected by the implementation of Phase 1 of the IRT. With respect to the OLS this policy states that in order to receive compensation the operator, who chooses to become part of a Vehicle Operating Company (VOC) must surrender his/her vehicle and OL. Those who do not wish to join may elect to retain the operating licence and continue operating alongside the IRT until such time as the OL expires, at which time the City will not support the renewal of the OL, and in such cases the operator will not qualify for compensation. (Business Plan, 2012)

3.4 LEGISLATION CONTROLLING THE DISPOSAL OF OPERATING LICENCES

Legislation controlling the disposal of OL's has been promulgated by both National and Provincial spheres of Government, namely:

- National Land Transport Act (Act No. 5, 2009) and regulations;
- Western Cape Road Transportation Act Amendment Act (Act 8 of 1996);
- Western Cape Road Transportation Act Amendment Act (Act 7 of 2000)
- Western Cape Regulations on Operating Licences, 2002;

- Western Cape Regulations on the registration of minibus-taxi associations, their members and non-members, 2007; and
- City of Cape Town Traffic By-Law, 2011.

Each is considered in more detail below.

3.4.1 National Land Transport Act, 2009

The principal Act controlling the provision of public transport in South Africa is the NLTA (Act No. 5, 2009). The NLTA represents the most significant change in land transport in the history of the country with a complete shift from a supply-driven system to a demand driven system based on transport plans.

3.4.1.1 Responsibilities of a Planning Authority (PA)

In Section 11 of the Act, the responsibilities of the municipal sphere of government are described in detail. This includes:

- The development of land transport policy and strategy within its area;
- Promulgating municipal by-laws and concluding agreements as appropriate;
- In its capacity as PA, preparing transport plans for its area;
- Encouraging and promoting the optimal use of the available transport modes; and
- The planning, implementation and management of modally IPTN's and travel corridors.

Further the Act requires in Section 14 that a PA (defined as a municipality in relation to its planning functions) must –

- Prepare an ITP for its area;
- Perform the constitutional transport functions listed in Parts B of Schedules 4 and 5 of the Constitution;
- Supply directions to the entities responsible for the granting, renewal, amendment or transfer of OL's in terms of their integrated transport plans;
- Perform any other transport-related functions assigned to them in terms of the Constitution and the NLTA.

3.4.1.2 Legal Requirements pertaining to the Disposal of Applications for OL's;

The NLTA requires the establishment of a NPTR and PRE's (Sections 20 and 23 respectively) to, *inter alia*, receive and decide on applications relating to OL's for inter-provincial and intra-provincial services respectfully.

The NLTA allows the Minister to assign the OLF to municipalities. In Section 18 it is required from a municipality to whom the OLF has been assigned, to receive and decide on applications relating to OL's for services wholly in their areas of jurisdiction, excluding applications that must be made to the NPTR or a PRE.

In Section 36(6) the NLTA requires that: every PA must make its ITP available to the NPTR and relevant PRE and provide direction to them relevant to applications for new OL's, in the prescribed manner.

Section 55(5) must dispose of an application in accordance to the direction given by the planning authority, and may NOT grant an operating licence contrary to the directions of the integrated transport plan and planning authority.

Chapter 6 of the NLTA deals with the regulation of road-based public transport. Matters that are covered in the NLTA include:

- The rationalisation of existing scheduled and of minibus-taxi type services Sections 47 to 49);

- Entities that must issue OL's (Section 51);
- Validity period of OL's (Section 52);
- Processes for the application for new services (Section 54), OL's for public transport services provided for in transport plans (Section 55), OL's for contracted services (Section 56), disposing of applications with regard to OL's for non-contracted services (Section 57) and renewal, amendment or transfer of OL or permit (Section 58);
- The contents of an OL is described in Section 62;
- The issuing of OL for a range of supplementary modes and/or services is dealt with in Sections 65 to 72. The following modes/services are covered:
 - Long-distance services
 - Metered taxi services
 - Charter services
 - Staff services
 - Lift clubs
 - Tuk-tuks
 - Adapted light delivery vehicles; and
 - Transporting of scholars, students, teachers, and lecturers; and
 - The regulation of tourist transport services is covered in Sections 80 to 84.

3.4.2 Western Cape Road Transportation Act Amendment Act (Act 8 of 1996)

This Law amended the Road Transportation Act, 1977 (RTA) to make provision for a taxi registrar and allocate functions duties and powers. To make provision for the registration of taxi operators and associations and other associated issues.

3.4.3 Western Cape Road Transportation Act Amendment Act (Act 7 of 2000)

To amend the Road Transportation Act, 1977, insofar as it applies in the WCG, to provide for special measures in respect of minibuss taxi and other road transportation services in certain areas; to amend the Minister's powers to make regulations regarding persons who may seize motor vehicles; and for matters connected therewith.

3.4.4 Western Cape Regulations on Operating Licences, 2002

The NLTA of 2000 permitted the Minister of Transport: Public Works and Property Management of the Western Cape to publish certain regulations relating to OL's. These are contained within Provincial Gazette No. 5838 of 14 June 2002 and are known as the Western Cape Regulations on Operating Licences, 2002.

These regulations cover the following matters:

- Application for conversion of permit to operating licence;
- Submission of Regulation 2 (1) Application to planning authority for recommendations;
- Application for the granting, amendment or transfer of an operating licence for contracted services;
- Application for the granting, renewal, amendment, or transfer of an operating licence for non-contracted services;
- Application for amendment of operating licence to replace a specified vehicle;
- Responsibilities of board regarding information and documents submitted with application forms;
- Publication of applications;
- Inter-provincial services;
- Representations regarding applications for operating licences;

- Convictions for offences to be considered by board in disposing of applications with regard to operating licences;
- Roadworthy certificates;
- Issuing of operating licences and distinguishing marks;
- Applications for duplicate original operating licences, permits, or distinguishing marks;
- Fees;
- Inspectors;
- Stopping of vehicles by authorised officer;
- Distinguishing marks;
- Information on vehicles to which operating licences relate;
- Information on vehicles used for courtesy services;
- Staff services; and
- Form of operating licences.

3.4.5 Western Cape Regulations on the registration of minibus-taxi associations, their members and non-members, 2007

These regulations prescribe the following:

- Manner of keeping of provincial transport register;
- Information to be kept in register;
- Information to be kept in register concerning non-members and their vehicles;
- Fees for information from the Register;
- Requirements for associations to qualify for provisional and full registration;
- Application fees for registration;
- Application forms;
- Manner of application for registration by a newly admitted member of a registered association;
- Information and documents submitted with application forms;
- Registration of non-member: certificate by Registrar;
- Registration certificates;
- Distinguishing marks;
- Standard minimum Constitution and Code of Conduct;
- Form of subpoena and manner of serving;
- Fine for failure to comply with notice;
- Return of documents upon cancellation or suspension of registration; and
- Offences and penalties.

3.4.6 City of Cape Town Traffic By-Law, 2011

This by-law regulates public transport vehicles and traffic within the City area and covers the following issues:

- Plying for Hire and Ranking Requirements;
- Licence and Operating Licence;
- Conduct of Drivers, Conductors, and Passengers;
- Road Safety issues; and
- Communications Devices.

Briefly the by-law legislates that operators must be in possession of rank tokens for the applicable rank, must be authorised, by means of the OL, to be operating from that rank, may not park the public transport vehicle at any point that is not designated for public transport vehicles, may not use handheld communications devices whilst in control of the vehicle.

Rank tokens may only be issued to operators that have been granted OL's and only for the ranks applicable to the authorised routes provided for in the authorisation.

The roll-out of the rank token system will be phased in after 1 July 2013.

3.5 FRAMEWORK FOR THE DISPOSAL OF OPERATING LICENCES

The previous sections of this chapter presented the principal documentation on which the framework for the disposal of OL's within the City is built. This section presents the framework itself, which comprises a statement of its purpose, followed by policies to guide the City when making its directions and representations to the RE. The framework must, however, always be read in conjunction with national, provincial and metropolitan policy and does not supersede these documents nor any legislation on the matter.

3.5.1 Purpose of the policy framework

The purpose of the policy framework is to assist the City in formulating its recommendations and representations on applications received by the RE for:

- The granting, renewal, amendment, or transfer of an OL authorising the operation of any public transport service other than a charter service; and
- The conversion of a permit to an operating licence that involves a conversion from a radius or area based permit to a route-based OL, or to an operating licence for a larger vehicle. The City will, only support an application for the conversion of a permit to an OL if the service authorised by the permit had been provided on a regular basis for a period of at least 180 days prior to the date of application. However, the NLTA does not make provision for any further conversions of permits to OL as, at the date of enactment, all permits issued under previous legislation automatically expire after 7 years.

Note: the previously mentioned seven year period may be amended when the proposed National Land Transport Amendment Bill (NLTAB) becomes law.

3.5.2 Types of public transport services that require operating licences

Public transport services are defined within the NLTA as services for the carriage of passengers for a fare or other consideration or reward and include:

- a scheduled service;
- an unscheduled service (which includes a minibus taxi-type service);
- a charter service;
- a long distance service;
- a metered taxi service;
- a tourist service;
- a staff service;
- Tuk-tuk;
- Adapted light delivery vehicles; and
- a learner service.

Certain services are exempt from the requirement for their operator to hold a permit or an operating licence. These include a farmer conveying employees in his or her own vehicle, a local authority conveying people in its own vehicle without reward, persons conveying patients to receive medical treatment (e.g. ambulance drivers), a hotel conveying guests to the nearest or most convenient transport facility in its own vehicle and an employer conveying employees between workplaces (but not between home and work). Also exempted are persons operating under the authority of permits issued in terms of the Cross-Border Road Transport Act (No. 4 of 1998).

The NLTA allows, in Section 69, for the National Minister to make regulations on the requirements to qualify for a lift club. This will include the requirement that lift clubs be registered with PA's.

No person may operate a road public transport service unless he or she is the holder of an OL or permit (Section 50(1)). The Act however allows that an OL may authorise the vehicle to which it relates, to operate more than one service or type of service (Section 50(2)).

3.5.3 Spatial, land use and economic planning

The City intends that all land transport functions must be integrated with related functions such as spatial, land use and economic planning and development. This is to be achieved through, amongst other actions, the development of an IPTN, corridors, densification, and infilling.

3.5.4 Type of vehicles which may be used for public transport services

The City notes that vehicles to be used to convey passengers must comply with the National Road Traffic Regulations, 2000, as published by Government Notice No. 20963 of 17 March 2000, and other relevant legislation. In particular, the City notes that no person shall, on a public road, carry any person for reward in the goods compartment of a motor vehicle.

From a date to be determined by the National Minister, the City will take note that OL's may only be issued for vehicles designed or lawfully adapted by a registered manufacturer to carry, as defined in the NLTA:

- Motor Car - fewer than 9 persons, including the driver, or
- Minibus - between 9 and 16 persons, including the driver, or
- Midibus - between 17 and 35 persons, including the driver, or
- Bus - 35 or more persons, including the driver.

Unless the National Minister, in consultation with the MEC's, provides otherwise for special categories of vehicles to cater for exceptional cases in rural areas, or exceptional cases in relation to tourist or courtesy services (NLTA Section 71).

From a date to be determined by the National Minister, which may not be earlier than 1 October 2006, the City will take note that no vehicle may be used for the operation of a public transport service unless it is a vehicle contemplated above or otherwise a special category of vehicle (NLTA Section 71). When making recommendations and representations to the PRE, the City takes into consideration the role of each public transport mode and promotes the integration of all modes (NLTA Section 31). In this respect, the City recognises the operational concepts for the road-based services that are given in Table 3-2.

Table 3-2 - Operational Concepts for Road-Based Public Transport

Demand Characteristics	Service Type		Candidate Road-based Mode
High demand destinations	Direct	Long Haul	Bus: 45 or more seats
		Short Haul	Midibus: 19-35 seats
Low demand destinations	Aggregate demand	Feeder to Interchange	Minibus: 9 – 18 seats
	Direct from interchange	Long Haul	Bus or midibus
		Short haul	Midibus or minibus

A midibus (19 to 35 seated persons, excluding the driver) may be used for the operation of an unscheduled service only where there are no existing scheduled services on the same route or another route in the same corridor; and

Relevant transport plans allow for its use.

No standing passengers may be carried in a motor car, minibus, or midibus (excluding the 9 meter buses (Optare) as purchased for the IRT system).

3.5.5 Operating Licences for contracted services

The City shall include in its considerations when providing its directions to the PRE with respect to an application for the granting, renewal, amendment or transfer of an OL for a contracted service, the following:

- The availability and improvement needs of terminals and bus stop facilities on the route in question for boarding and alighting of passengers;
- Whether the application is supported in light of the City's transport plans; and
- Any other recommendations or representations the City may have in relation to the application.

The City notes that existing contracted services (interim and current tendered contracts) are to be replaced, by the relevant Government Departments, with commercial and subsidised service contracts. The City concurs with the principle of user charging or cost recovery in that users should pay for all or most of the costs related to the service in question. Where services are subsidised, it is the City's desire that these subsidies are aimed to assist currently-marginalised users and those who have poor access to social and economic activities.

In the case of negotiated contracts, subsidised contracts or commercial contracts, the City notes that the relevant RE must issue an OL for each vehicle involved in the contract, and that such OL's must be made specific for the validity period of that contract (Section 56).

3.5.6 Operating licences for non-contracted services

The City will include, in its considerations when providing direction and making representation to the RE with respect to an application for the granting, renewal, amendment or transfer of an OL for a non-contracted service, the following:

- The availability of ranks or terminals or other facilities or spaces for boarding or alighting, or holding or parking of vehicles;
- Whether the application is supported in the light of its transport plans (ITP);
- Whether or not the public transport requirements for the particular route or routes are adequately served by an existing public transport service of a similar nature, standard or quality provided in terms of a commercial service contract or subsidised service contract, or in terms of operating licences as shown by the City's transport plans;
- The existence of any by-law, regulation, prohibition, limitation or restriction that is relevant to the transport service that the applicant proposes to operate;
- The period for which the operating licence should be issued; and
- Any other direction or representation the City may have in relation to the application.

The City deems the non-availability of ranking space at a public transport facility owned by the City to be sufficient reason not to support an application for an OL. Instead, when considering any application for an OL for a minibus-taxi type service, the City requires the applicants to nominate their 'priority route' to assist the City to best manage the public transport facilities on that route.

When in receipt of an application for an OL for long distance services, the City will also take into account:

- The days of the week or month and time of day for departure; and
- For a minibus taxi-type service, those passengers may not be picked up or set down en route unless the operator has reached agreement in this regard with the City and other relevant transport authorities and with the taxi associations operating locally in the area concerned.

In this context, the City prefers long distance services that are operated by vehicles that also provide a public transport service within the City. When in receipt of an application for an operating licence for a metered taxi service, the City will take into account the latest version of its operation plan for metered taxi services that has been developed with the industry.

With regard to applications for OL's for tourist services, the City gives preference to tour operators since it deems services of a predominantly shuttle/transfer nature more suited to other types of transport services, such as charter services.

3.5.7 Validity period for operating licences

The City notes that no OL's may be issued for a period not exceeding seven years except where a negotiated contract has been awarded, in terms of Section 41, to an operator for more than seven years; then such OL must be awarded for the period of the contract (NLTA Section 52).

When the City makes its representations and provides direction to the RE with respect to the validity period of an OL for contracted services, the validity period shall be only for the duration and subject to the terms and conditions of the contract. The period will be amended to extend the duration thereof where the duration of the relevant contract is extended (NLTA Section 56(3)).

When considering its representations and directions to the RE with respect to the validity period of an OL for non-contracted services, the City may include the following:

- Current and envisaged trends in utilisation on the route, routes, or in the particular area;
- Efficiency of the proposed services in meeting user needs;
- Likelihood that, in the future, the public transport services for which the application is being made may no longer be required in terms of the City's transport plans; and
- Likelihood that the public transport services for which the application is being made may become the subject of a commercial service contract or a subsidised service contract.

The City notes that OL's for charter services, long distance services, staff and tourist services, must be for a fixed period.

3.5.8 Cancellation of OL's not brought into use (Section 78)

The City may bring to the notice of the RE that an OL converted from a permit has not been brought into use within 180 days. It may also bring to the notice of the RE that a service authorised by a permit or an OL has not been observed by the City to operate and may therefore not be faithfully carrying out the conditions or the requirements of the authority (Section 78 (5)). The RE may then call on the holder to give good reasons why the authority to operate that service should not be suspended or cancelled.

3.5.9 Withdrawal of OL's in rationalisation of public transport services

The City is in the process of designing and implementing an IPTN throughout the city which in itself is rationalisation of the public transport supply and through the implementation of

service contracts the original operating licences will need to be cancelled. Similarly to the Phase 1 IRT project some mechanism will need to be developed through which licences could be cancelled and the operators still maintain an income similar to what they are currently earning. The National strategy and guidelines for the implementation of IPTN's, amongst others, require that affected minibus-taxi operators should not be worse off in terms of their current legitimate earnings compared to what they would earn when forming part of the new service.

Section 39, of the NLTA, requires that the planning authority must, where possible, Offer the operator an alternative service; or allow the operator to continue to operate and impose a moratorium on the issuing of new OL's on that/those routes.

Section 39(2) makes provision for the National Minister to make regulations on the procedures to be followed. This has not been done.

The City will undertake all possible efforts to transform the industry and its operators and ensure that the financial and other benefits, received from the operator's involvement in the VOC's and other suppliers involved in the IPTN, will at least match the income that the operators are currently enjoying.

3.5.10 Special Needs Passengers

The City will consider the needs for special categories of passengers when making representations and providing direction to the RE with regard to applications for OL's.

It is National policy that all IPTN's are to be designed to be universally accessible, if funded by Government. It is anticipated that all contracted public transport services will be required to be universally accessible in the near future. In as such the City will encourage applicants who wish to provide services with universally accessible vehicles, provided that all other criteria and assessments are positive until such time as a universal access policy is concluded.

The City is currently in the process of drafting its Policy on Universal Accessibility, to which, when it is adopted, this OLS shall need to be revised if necessary.

4 UNDERLYING FACTORS CONTRIBUTING TO INSTABILITY AND POOR PERFORMANCE OF THE PUBLIC TRANSPORT INDUSTRY

The national strategic objective is to strive towards a modal split of 80/20 in favour of public transport. The realisation of this objective is, however, hampered by a number of factors. Firstly, the lack of integration of the various public transport modes and the inadequate infrastructure prevent seamless journeys and convenient transfers. These problems are compounded by the institutional fragmentation with regard to the management of public transport services. Secondly, the minibus taxi industry has been marred by the incidence of violence over the last period, leading to poor service delivery. This violent confrontation between taxi associations and operators has tarnished the image of public transport in the City and if this is allowed to prevail it could result in increased private car usage and associated congestion problems. At the end of 2012 more than 773 439 private vehicles (less than 9 passengers) were registered in the City's area. This chapter outlines some of the underlying factors contributing to instability in the taxi industry and presents some of the key issues contributing to the poor performance of the public transport system.

4.1 MINIBUS TAXI MODE

Overtrading⁵ is possibly one of the main reasons for the instability of the taxi industry in the City. Results obtained from the CPTR support the above statement. Although the method used to determine the amount of vehicles required on each route is based on the time of maximum commuter utilisation, the resulting data still shows that approximately 70% of the routes in the City's metropolitan area are over-traded. In essence, the amount of legal vehicles exceeds the commuter demand on these routes. The result is a supply-driven system and an environment where it is no longer economically viable for operators to ply their trade. This overtrading has also resulted in large parts of the industry being economically unsustainable, resulting in a fleet of ageing and un-roadworthy taxis. This has led to fierce competition for passengers forcing operators to impinge on other more lucrative routes. The net result is conflict between operators and associations. Despite the overtrading on many of the routes, more and more permits and OL's are being granted. This problem is being exacerbated by the non-appointment of the Transport Appeals Tribunal (TAT).

The NLTA in Section 92 makes provision for the establishment of a TAT to hear appeals relating to applications in connection with any decision of an entity that has granted or refused an application for an OL. In terms of Section 92 of the Act, the following persons may appeal to the TAT against an act, direction, or decision of a board:

- The aggrieved applicant;
- The holder of an operating licence affected by the decision; and
- Any other person affected by the decision.

In terms of Section 92(2), in considering an appeal the TAT is bound by the applicable transport plans of the PA.

The situation is aggravated by the high percentage of illegal operators on the various routes. The 2007 OLS reported that 49% of the total operators were operating without valid OL's. The harsh reality is that these operators further reduce the economic viability of the existing legal operators who are already in excess of the commuter demand.

The 2005 CPTR survey results show that 49% of all operators are now operating illegally. These illegal operators ferried 35% of the passengers (132 262 of the 378 995 passengers) loaded at official facilities in the City. This is an indication that control is being lost at the interchanges and drastic measures, such as implementation of rank tokens, increased law enforcement initiatives and improved conviction rate, are required to curtail the spread of illegal operations and to minimise the impact of such operations.

The spread of illegal operators has been fuelled by the lack of proper law enforcement, and conviction, in the municipal courts.

Approximately 80% of the inhabitants of the City are captive to public transport; hence the objective of the City to put '*Public Transport, People and Quality of Life First*'. The aim of the City is to create the maximum opportunity through transport for all residents and visitors to enjoy the full economic and social potential the City has to offer. This can only be achieved by promoting public transport over private travel and effective law enforcement is a key ingredient to create a safe, reliable, and effective public transport system. All legal operators are required to produce roadworthy certificates, a requirement that is not met by the many illegal operators.

⁵ Refer to the definition in section 2.5

Despite these alarming volumes of illegal operators, most associations are still taking on new members and going out on recruitment drives to encourage new members to join. These new members pay an exorbitant amount of money to join the association and with this joining fee is concomitant expectation - especially with regard to being granted an OL. It is also a requirement for any applicant to be a member of a taxi association before applying for an OL. The continuous influx of new entries into the market constantly reduces the economic viability of existing operators. Most associations are unable to give plausible explanations for this practice but it can safely be assumed that the high membership fees ensure the continued existence of the association.

Despite the reduction in economic viability caused by the addition of new members, most owners refuse to drop the driver's daily target. This places a tremendous amount of pressure on the drivers to put bread on the table for their own families. In a desperate attempt to meet these targets drivers start to impinge on other routes in search of passengers. This causes a lot of tension with existing operators and often results in the loss of human lives. The daily target is also one of the main reasons for reckless driving in the minibus-taxi industry. The only way to solve this problem is to introduce a minimum wage for minibus-taxi drivers – the Labour Department has published a minimum wage determination for persons employed in the taxi industry however, as with their flouting of other laws, very few operators have complied with this.

The opening of new residential and business developments in the City (e.g. Cape Gate) also attracts very aggressive vying for licences and control because of the lack of work on the existing routes. These areas are seen as a way to alleviate some of the overtrading on their existing routes and act as an outlet for illegal operators. It is therefore important for the City to be proactive in planning the transport needs of such developments. This will require better coordination between the City's Planning departments and the Public Transport Branch. The City, in association with the Provincial Government of the Western Cape, should also develop a policy for the opening of new developments, which could involve putting these routes out to tender. In line with this, no association should be allowed to claim employment areas as an A-point⁶.

The overtrading⁷ on minibus routes has also led to operators starting to bypass interchanges in an attempt to create more direct routes. The City has been inundated with requests for direct routes despite the potential for conflict with other operators providing distribution services from interchanges. The City's policy regarding direct routes, as documented in the PTP, stipulates that there is a need to aggregate demand to a transfer point on low demand, low volume routes. Despite the fact that direct routes hold certain benefits to the commuter, such as shorter journey times and financial savings, they are extremely contentious and in most cases perpetuate tension between operators. In general, the City has not supported any route where there is a potential for bloodshed. It is also evident that a number of operators have entrenched rights on the distribution routes from interchanges.

The establishment of direct routes would seriously affect the livelihood of these operators, which could ultimately force them to impinge on other routes to secure an income.

As a result of the overtrading⁸ taking place a number of operators have opted to leave the industry. Unfortunately most of these dormant operating licences are not handed in at the PRE and a culture of renting out OL's has been created. This creates an income for the owner of the OL even though they have left the industry. In some cases, permits have been handed

⁶ Refer to the definition in Section 2.5

⁷ Refer to the definition in Section 2.5

⁸ Refer to the definition in Section 2.5

to the associations who resort to the same practice. In terms of Section 77 (1) (a) of the NLTA the authority conferred by an OL may not:

- Be ceded or otherwise alienated by the holder of the operating licence, and no person may be party to such a cession or alienation, except where the operating licence is transferred in accordance with the Act; or
- Be hired out by the holder of the operating licence or hired by any other person.

Despite the clear guidelines in the Act, this type of contravention is extremely difficult to uncover and people are scared to come forward in fear of victimisation. Legally, the owners of these OL's cover themselves by registering the vehicle of the lessee in their name. It is also common for the lessee to remain in the industry when the owner of the OL decides to rent to someone else. By this time they already form part of the existing capacity on the route, thus adding to the number of illegal operators.

The number of consultants representing the industry is a concern. The consultants represent operators at PRE hearings at exorbitant rates. In the process they also create unrealistic expectation on already saturated routes. The consultants have also been guilty of inciting operators at the hearings, who in turn vent their frustration at the City and PRE officials.

NLTA Regulation 25 (2) states; *"Where application for renewal was properly made under sub-regulation (1) and the regulating entity has not issued the licence by the expiry date, the operating licence will remain valid until the entity either issues the renewed licence or notifies the applicant that the application has been refused, and the operator must keep in the vehicle the receipt issued by the regulating entity as proof that such an application has been made."*

It should, however, be noted that both the receipt and the expired operating licence should be kept in the vehicle at all times. Currently, most transport-related matters are covered in the NLTA and its regulations. In terms of Section 52 of the NLTA, no OL may be issued for longer than seven years.

Traffic fines may therefore not be issued to operators who can prove that they have an application pending with the PRE for the renewal of the OL and who has applied for this renewal on or before the expiry date of the OL. It is thus important to create a unified understanding and interpretation of the legislation.

The poor management of public transport facilities has also added to the instability in the minibus taxi industry. In some cases no rank tokens have been issued and associations have claimed 'ownership' of certain ranks, given the lack of proper management. Most of these associations claim rank fees from smaller groupings and this has resulted in increased tension between operators and associations. The bigger associations also decide who should load at the facility and in certain cases even legal operators have been denied access to these facilities. The City has developed a policy on the management of ranks and it administers the issuing of rank tokens to applicants if there is sufficient space in the ranks and the applicant satisfies the criteria. The PRE may not issue an OL if the applicant is not in possession of a rank token letter. The following conditions must also be imposed by the RE on all OL's:

- That an operator, whilst in a public transport facility, including a holding area that is provided by the City, should act in accordance with any management procedures and/or regulations that the City has put in place at that facility; and
- The City further reserves the right to suspend any public transport operations at the facility in the event of non-adherence to these procedures and/ or regulations.

4.2 BUS MODE

A number of problems and challenges need to be addressed to deliver an efficient and effective contracted scheduled bus service in line with the public transport vision.

There are a number of key factors leading to the poor performance of the scheduled bus service. Currently, augmentation from the unscheduled minibus taxi mode is required on especially line haul routes to eliminate the disparity between public transport supply and utilisation.

4.2.1 Service Viability

The existing bus service, with exception of the IRT, compares unfavourably with Third World international best practice benchmarks such as passengers/bus/day, kilometres/bus/day, passengers/bus/kilometres, etc. This does not necessarily imply inefficiencies by the operator, but can be attributed to inherent inefficiencies in the public transport system manifested in the various modes operating in inappropriate operating environments, the lack of modal integration and destructive competition. A contributing factor is undoubtedly the urban structure characterised by low densities, extensive distances between residential and workplaces, absence of appropriate land use arrangements which can support and encourage bi-directional and off-peak demand.

4.2.2 Dispersed Routing

The service offers a wide coverage over a much dispersed network. Whilst the service offers good coverage, it restricts the option of providing higher frequencies and route permanence, which can support and enhance the Mobility Strategy aimed at all-day, high frequency services along the development corridors. On average, the route network translates to no more than six trips per route, per day in both directions.

Inspection of the bus network also shows extensive services and trips within the main public transport market areas of Mitchell's Plain, Khayelitsha, and Blue Downs which are of an internal/feeder/distribution type. It is suggested that this role would be more appropriately left to smaller vehicles, allowing the higher capacity buses to concentrate on the line-haul, higher density routes. The appropriate positioning of the various modes in their most effective and economic environment is a vitally important issue in developing an effective integrated service.

4.2.3 Competition for Passengers

A comparison between the bus and taxi network shows that there is a virtually complete overlap between the two services. The map in Figure 4-1 indicates the extent of the overlap of bus and taxi services on the streets of the City.

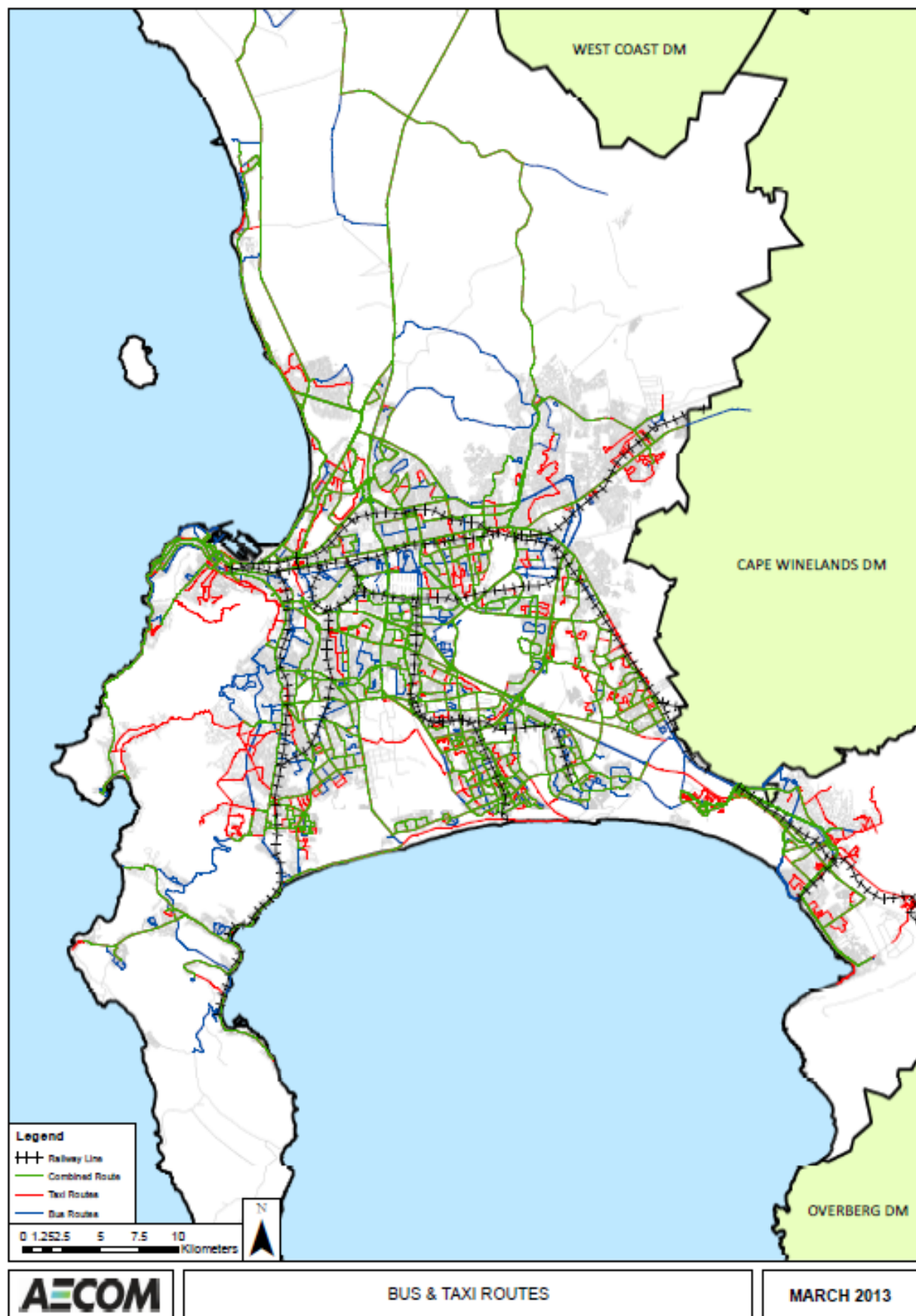


Figure 4-1 - Map indicating the overlap of taxi and bus services.

This reflects how the two road based modes are competing for the same market both in the line haul and feeder/distribution services. Significantly the scheduled bus services also provide an almost equivalent collection/distribution service in most areas to that provided by the unscheduled, minibuss taxi services so as to protect their line-haul market. The development of a IPTN in the City will address these issues.

4.2.4 Parallel Subsidised Services by Rail

The subsidised bus service also competes with subsidised rail service on a number of routes, notably the services from Mitchell's Plain, Khayelitsha, Main Road, and Voortrekker Road. National and provincial policy is aimed at eliminating parallel subsidised services. It must be noted, however, that the rail system currently operates at capacity with severe overcrowding. This means that the bus mode is currently providing a supplementary service which cannot be removed until investment in rolling stock has been achieved which is currently being planned, according to the Regional Rail Strategic Plan. The introduction of the IRT's N2 Express services during 2013 is designed to reduce pressure on, particularly, the rail system. This implementation is currently being planned and discussed with the relevant stakeholders.

4.2.5 Integration of Services

There is no effective integration of services through integrated ticketing systems. The intention of the City is to expand the MyConnect card throughout the city across all modes. The road based modes will be converted to the MyConnect card as and when they enter into the service contract in accordance with the IPTN. The intention is also to expand the MyConnect card for use on the Metrorail services in the future.

4.2.6 Interim Contract

The subsidised bus services are being provided through an interim contract with the WCG. This contract is currently being renewed on an annual basis pending the phased implementation of the IPTN. Further, discussions with the WCG are proceeding wherein the City, or TCT, assume responsibility of the contract will become the contracting authority for these services.

4.3 RAIL MODE

4.3.1 Institutional arrangements

Rail is a current function and competency of the national sphere, falling under the ownership and management of the PRASA. Exercising its mandate to develop and manage the system in response to passenger demands has largely been done in isolation and without the meaningful participation of the City. The City needs and intends to play a more significant role in the planning and service level decisions on the rail system. In the long term, this could also lead to the assignment of the rail planning function to the City.

4.3.2 Funding

There has been insufficient funding over many years for the upgrading of rolling stock, stations, and other system components in the Cape Town rail system, leading to deterioration of the service. Funding, particularly to upgrade and modernise rolling stock and add to the fleet, being addressed through the Regional Strategic Rail Plan.

4.3.3 Rolling stock

The availability and condition of the rolling stock would appear to be the biggest problem facing the operation of the rail system. This severely affects the ability to increase services and train frequencies, reliability of the services, the quality of the service, as well as the ability to attract particularly choice passengers with attractive, up-to-date equipment. PRASA has undertaken a refurbishment programme in recent years during which train-sets were refurbished to extend their working lifespan. The PRASA Regional Strategic Plan makes provision for the purchase of new train-sets over the medium to long term. Improvements to the infrastructure and signalling systems is intended in the short to medium term which will permit and increase of train operations per hour from 6 trains per hour to 12 trains per hour.

4.3.4 Patronage

The 2012/13 rail census indicated that 621 833 passenger trips per day were made across the network which indicates a slight reduction from the 2007 survey.

4.3.5 Passenger perceptions

Several travel surveys done over a number of years in the City, including the 2012 Intercept Survey done in preparation of the CIP, indicated that the consistent and common theme across all respondents surveyed is the concern about personal safety and overcrowding. Perceptions regarding the advantages of the train service varied more widely and included factors such as the relatively low fares, punctuality, safety (from accidents), and in some cases, journey time.

4.3.6 Special Needs Passengers

The facilities for passengers with special needs, especially the mobility and visually impaired, are extremely limited. Only three stations in the network are fully accessible although assistance is still required to load and off-load passengers in wheelchairs due to the gaps between platforms and the train.

4.4 METERED TAXI MODE

The main factors contributing to the poor performance of the metered taxi industry are:

- Variation in standard of vehicles and oversupply of low quality vehicles;
- Variation in the knowledge of drivers and oversupply of poorly-trained drivers;
- Relatively high tariffs and not related to service quality;
- Operational and financial performance largely carried by drivers and not by the operators;
- Variation and perceived inequality in existing operating rights;
- Inadequate service quality regulation and enforcement;
- Lack of access to radio dispatch systems by small operators;
- Competition from vehicles licenced to provide charter and/or tourist services such as 'chauffeur services' and hotel, airport, and shopping centre shuttles; and
- Persons, who have been issued with drivers licences from other countries or territories, may not drive a motor vehicle carrying passengers and in respect of which a professional driving permit is required.(NRTA Section 23)

5 RESTRUCTURING OF PUBLIC TRANSPORT SYSTEMS

Over the years the City, and WCG, have developed a number of plans that deal with the restructuring of the City's public transport system all of which have been included, in some manner or form, in the CIP that the City has approved. These are also being included into the current 2013/14 – 2018/19 CIP which is being developed.

This OLS reflects the strategies and plans that have been developed in the period following the publication of the 2007 OLS. This section of the report highlights issues in these that have particular reference to the issuing of OL's.

5.1 PUBLIC TRANSPORT IMPLEMENTATION FRAMEWORK, 2007

The stated goal of this initiative is stated as:

"The overall goal of this initiative is to improve the quality of life for the city's residents through the provision of an integrated public transport network that is rapid, safe and secure, convenient, clean, affordable, and socially equitable. This document will delineate the actions required to:

1. Provide a **full network** covering the expanse of the city of Cape Town with appropriate services based on rail, road, and non-motorised options;
2. Assure **actual implementation** of the system within the necessary timeframes; and
3. Deliver a system of sufficiently **high quality** that will both attract existing car users and greatly enhance the travel experience of current captive public transport customers." (Implementation Framework, 2007)

The Framework proposes a full IPTN for the City with the following characteristics:

- Rail services - Network of enhanced rail services covering the principal high-demand corridors in the city;
- Road-based services:
 - Trunk services – High-demand corridors not currently served by rail will operate predominately in median bus ways with pre-board fare collection and platform level boarding, providing a rapid and high-quality customer experience;
 - Conventional services - Principal bus routes in corridors with either insufficient demand for exclusive infrastructure or where the nature of the urban environment does not permit exclusive infrastructure. In subsequent project phases, some conventional services may be upgraded to trunk services; and
 - Feeder services – Community or local area services that act to principally connect passengers to trunk (rail or road) and conventional services;
- Complementary modes - A range of other modal types may also assist in feeding customers to the public transport system, including private cars (e.g. park-and-ride facilities), metered taxis, bicycles (cycle ways), and quality walkways;
- Service providers, consisting of the current incumbent operators, will be contracted to provide the vehicles and services in accordance to service contracts; and
- An overarching contracting authority for the planning, implementation, monitoring, and management of the IPTN.
- This framework document is still recognised as the ultimate goal of the restructured public transport system and the Phase 1 IRT implementation was initiated in terms of its recommendations.

5.2 PHASE 1 IRT OPERATIONS AND BUSINESS PLANS

These documents relate to the 1st phase implementation of the IRT between the CBD and the residential areas along the R27 to Atlantis. With regards to the OLS, existing operators, 8 taxi associations and 2 bus operators, formed three VOC's with which the City has contracted to provide the bus services in accordance with a City determined schedule. In order to attract the existing operators to participate in the VOC's, and not un-controllably compete with the IRT the "policy on compensation of minibus-taxi and other operators" (see Section 3.3.4) was developed and negotiations on this, and other issues, is still underway.

In terms of this policy the operators, who wish to participate, need to surrender their OL's to receive compensation with which they can purchase shares in the VOC's and thus financially benefit from the IRT operations.

The 2012 MyCiTi Business Plan fully explains the manner in which Industry Transition is being conducted for Phase 1 and makes some proposals on the N2 Express service which should be implemented in the latter part of 2013.

5.3 TRANSFORMATION AND ACTION PLAN, 2012

The TR&S Directorate developed its Transformation and Action Plan during 2012. The gist of this plan is to achieve integrated, interoperable and intermodal transportation across the City of Cape Town and has as its outcomes the following, known as the "EIGHT ONES":

- One Transport Authority;
- One Network;
- One Timetable For All Modes Of Transport;
- One Ticket;
- One Unified Standard For Infrastructure And Operations Across The City;
- One Transport Enforcement Unit;
- One Management System; and
- One Brand.

This initiative is the guiding factor and agency for the restructuring of the public transport system in the City.

Simply put, in order to achieve these outcomes, with reference in particular to the operations of the network, is that most of the commuter transport service providers will have to be contracted, in some enforceable, monitor able, and manageable manner, to the contracting authority (TCT).

5.4 2013 INTEGRATED PUBLIC TRANSPORT NETWORK (IPTN)

A project is currently underway in which the IPTN for the whole city is being reviewed and redesigned to take into consideration the changes in travel that may have occurred since the development of the 2007 Framework. One of the outcomes of this study is to determine the main travel corridors, the appropriate mode, and the most appropriate phasing programme for the implementation of the full IPTN. Further, this study will also begin the detailed design of the Lansdowne - Wetton corridor, which is known as one of the higher demand corridors in the City.

5.5 CONTRACTED SCHEDULED BUS SERVICES

As stated in the Overview, scheduled bus services in the City are provided by Golden Arrow Bus Services (GABS) and Sibanye Bus Services under contract with the WCG T&PW.

GABS have operated subsidised commuter services in the City over many decades, and this was last formalised as an interim contract in 1997. This contract was originally for a three year period, but has since been extended a number of times and now is extended on an annual basis pending the implementation of the IPTN.

The service is subsidised by the Department of Transport through the WCG, and received a subsidy of approximately R660 million in the current financial year (2012/13). This is funded through the Public Transport Operations Grant (PTOG) which is paid on the basis of a passenger subsidy based on an agreement amount per live kilometre operated, which is negotiated between the operator and the WCG. These contracted scheduled services will be replaced by the IPTN vehicle operating contracts as discussed above. In this regard the outcomes of the IPTN will be, amongst others:

- Transform the interim contract into tendered or negotiated contracts on a phased programme linked to the IPTN rollout;
- Through the IPTN restructure the existing bus and minibus taxi services operating in competition into a unified road-based scheduled service utilising the optimum vehicle on line-haul and feeder/ distribution routes;
- Restructure the scheduled services to align with the IPTN;
- Develop negotiated, or tendered, contracts to provide enhanced quality of service in line with a public transport service charter and strategy, extended 18-hour day service on the primary accessibility routes, provision for Special Needs Passengers, strict monitoring of service quality and timetabling, etc.;
- Restructure the services in main residential zones to respond to passenger demand for feeder and distribution services; and
- Introduce expand the MyConnect card and integrated fare management system to all areas in the city.

5.6 REFINEMENT OF BUS OPERATORS AUTHORITIES

5.6.1 General comments

The bus operators, in the City, hold OL's that have retained authorities that were originally conceived under the auspices of the Road Transportation Act (Act 77 of 1977). A specific example is that on a typical OL, held by GABS, authority is given to provide the "Conveyance of Organised Parties" - this type of service was last defined in the above mentioned Act and was removed from the subsequent legislation - NLTA and NLTA. Further to this, the Organised Parties authority has no restrictions linked to it - which, in essence, permits the operator to operate anywhere and at any time in the entire country provided that it is for a group of persons.

There are also some further conflicting statements contained in the authorities under Charter services and service provided in terms of tender or contract.

5.6.2 Local Routes

The above operators have a blanket authority that permits them to operate on any route, of their choice - as no detailed route descriptions are provided - within the enumeration zones in the City. It will be very difficult to attach a route description of all 2 600 routes that the

operators are currently operating in the City. Also with the introduction of the IRT services these operator's OL's have not been amended to specifically remove authority to provide competing services with their own vehicles. It is noted that these operators are stakeholders and are involved in the VOC's of the MyCiTi - however they use a totally different fleet of buses, with separate OL authority, to provide this service to the City. Technically and legally their normal fleet should not be permitted to operate in competition to the IRT. The VOC agreement should address the issue of restricting competing services but this is not totally sufficient.

5.6.3 Method of amendment

The relationship between the City and the operators is at times strained and sometimes results in protracted court proceedings when either party perceives that its legal rights are being unfairly affected. Thus, in order to reduce the likelihood of needing to refer the matter to court the City, with the Chairperson of the RE, should actively engage the operators on this issue and resolve it through discussion and mutual agreement.

On agreement a structured process of amending the authorities will need to be determined. This process can either be regarded as a once off special process where all the affected OL's are amended at the same time, this may also require an arrangement on the transaction fees applicable to this process, or when the operators make application for amendment of any of their OL's that the corrections are made at that time, this will however require a strong administration process to ensure that all OL's, over time, are suitably amended.

For future public transport system improvements, including the increase in rail capacity, or implementation of IPTN corridors the OL's will need to be suitably amended to remove authority for services that may compete with the IPTN services. This process will also need to be addressed through a detailed Operating Licence Plan (OLP) that needs to be developed during the implementation projects as mentioned in section 5.8.2.1.

5.7 CURRENT CONSTRAINTS AND IMPEDIMENTS

The major impediments to the restructuring of the public transport system are outlined below:

Apart from the 3 VOC's that have been formed for the Phase 1 IRT, the taxi industry is not currently structured or formalised to the degree necessary to enter into tendered or negotiated contracts. Extensive negotiations still need to be completed on acceptable models, for future phases, for participation of the taxi industry. The number of taxi-service transport is nearly double the existing subsidised bus passengers and are therefore a vital stakeholder in the unified public transport service. Suitable empowerment models need to be developed and agreed to ensure the industry's meaningful participation.

Furthermore, the proposed restructured system aims to rationalise the system to make use of the most appropriate vehicle size in terms of financial efficiency and the operating environment. It would entail major abortive expenditure if a large number of vehicles were to be recapitalised only to be replaced by more appropriate vehicles once the restructured system is implemented.

The existence of dormant permits may also affect the restructuring of the public transport system. The intention is to use the appropriate vehicle size to reduce total costs. This means that where appropriate, the existing 16-seat vehicles will need to be replaced by 35-seat vehicles, standard buses, or articulated buses on certain routes. Operators are to be offered participation in the new operating entity VOC or will need to exit the industry. The existence of large numbers of dormant permits will merely exacerbate the problem of finding

alternatives or increase the costs of possible compensation when the restructured system is implemented. There is little doubt that the proposed restructured system will lead to attrition in the current taxi industry, but this problem will be much greater if the existence of a large number of dormant operating licences is allowed to persist.

The management of the OLS relies on proper and sustainable enforcement and the successful prosecution and conviction of perpetrators. The lack of enforcement capacity and the judiciary is also a major constraint and will need to be addressed.

GABS received a subsidy of R660 million for the current financial year (2012/13). The restructured systems represent a substantial increase in the subsidy required and there needs to be some concurrence from the DoT. This arises largely from the need to introduce new vehicles to comply with the current required specifications and the doubling of the number of passengers to be accommodated on the subsidised scheduled service. Additional funding will need to be secured.

In summary, a consolidated approach by the City, the WCG, T&PW and the RE are required to ensure that no dormant permits are converted to operating licences.

5.8 PHASED IMPLEMENTATION OF THE RESTRUCTURED SYSTEM

It is essential that these major impediments are satisfactorily removed before the proposed restructured system can be fully implemented. A strategy has therefore been developed which addresses these concerns and can lead to a managed implementation of the proposed restructured system over the next two to three years.

The major objective of the restructured system is to improve public transport for the benefit of existing users and to attract potential new users. It is therefore imperative that the transition to the restructured system causes minimal disruptions to public transport services and responds to changes in passenger demand.

The premise of the implementation strategy should therefore be the following:

- Neither the bus nor the taxi industry should experience dramatic losses in terms of market share, employment opportunities, and economic viability. Whilst it is acknowledged that there will be losses, it remains imperative that such losses incurred are phased in over a period of time; and
- The proposed restructured system should not:
 - Offer the commuter less in terms of safety and trip quality (as reflected in the quality charter);
 - A maximum of 60 minutes of travelling time;
 - A maximum walking distance of 1 km;
 - A maximum of two transfers; and
 - Maximum queue waiting times of less than 15 minutes in peak periods.

5.8.1 Regulate and Clean Up the Status of Existing OL's

The conversion process provides the opportunity to clean up the system and rid it of dormant permits. The intention is to complete the conversion process and remove dormant permits so that they will not become eligible for scrapping allowance. The dormant process is now complete.

Parallel to the process of conversion is the need to bring the operating licences into alignment with the transport plans for the City. The application for renewal of operating licences also requires that proof of regular operation is supplied. The direction of the City on the need for the service must also be taken into account by the RE in disposing of any application. This process allows the system to be cleaned up both by removing dormant licences and removing OL's which plans are not in line with the transport (where the commuter demand has decreased.)

5.8.2 Implementation of the OLS

5.8.2.1 IPTN Affected Areas (1 – 5 years horizon)

It is known that the vast majority of routes in the City are overtraded⁹. In the light of the IPTN Project, it would create future difficulties to grant additional OL's in areas where it is known that the implementation of the IPTN is imminent. Not only would this lead to additional job losses when the project is fully implemented, but it would place an additional financial burden to suitably accommodate the affected operators if these OL's need to be withdrawn when the IPTN is implemented in that area.

The City, when commencing with the "Implementation phase¹⁰" of an IPTN corridor, will:

1. Carefully determine which routes, scheduled and unscheduled, will be affected¹¹ by the implementation of the IPTN corridor;
2. Develop a detailed Operating Licence Plan (OLP) for that particular corridor which, amongst others, will identify:
 - a. Each individual operator and vehicle who holds authority for operations on the affected routes;
 - b. Determine at which implementation stage or milestone will it be necessary to withdraw the OL; and
 - c. Issue individual letters notifying each operator of the proposed implementation and inviting them to make representation and join the discussions relating to the withdrawal of the OL's and involvement in the proposed VOC's;
3. Impose a moratorium, in accordance with Section 39 (1)(b), on all new applications that relate to routes in the areas affected by the corridor; and
4. On all OL renewals, in respect to routes in the affected areas, place an expiry date that matches the planned date of start of operations on that particular route. The expiry date that is set will need to take into consideration the:
 - a. Various sub-phases or milestones that are being planned; and
 - b. Will also need to consider the possibilities of any delays in implementation that may occur.

Section 39 of the NLTA directs a planning authority, when needing to rationalise public transport services, to:

- a. Offer the affected operator an alternative service; or
- b. Allow the operator to continue providing the service AND impose a moratorium on the issuing of new OL's on that route. Due to the limited period

⁹ Refer to the definition in section 2.5

¹⁰ Implementation Phase – means when the detailed operational planning and construction of facilities on the corridor commence. This would generally result in a period of 24 months until initial operations on the corridor could begin.

¹¹ Affected Routes: there have been three categories of affected route defined. 1) Affected route – where the majority of the route between origin and destination is to be removed due to the implementation of the IPTN, 2) part affected route, where a section of the route either crosses or runs on an IPTN route, which may result in reducing the amount of available passengers to the existing operations, but will not require the route to be withdrawn, and 3) Non-affected route where no competition for passengers will exist between the IPTN and existing operations.

that an OL is valid, maximum 7 years, the City will also not support and renewals of OL's on that route.

5.8.2.2 Non-IPTN Affected Areas (5 years and longer horizon)

In areas where either no IPTN is being planned or where the IPTN is planned to be implemented, phases 3, 4 and any further phases as may be determined, the applications will be evaluated on their merit and the demand/supply on the applicable route/s as per the evaluation processes outlined in section 5.11 below.

5.8.2.3 Improvement in the rail system capacity

As previously stated the rail system is the backbone of the City's intended IPTN. The National Strategy is that there should be no parallel road services that may compete with the rail system that could reduce its viability. However, this system is experiencing overcrowding and is running, in some places, over capacity. This has resulted in the scheduled and unscheduled services being increased on parallel routes in order to satisfy this demand and relieve pressure for the rail system. It is for this reason that the IRT's N2 express service is being implemented in the later part of 2013.

According to the T. R& S's Transformation and Action Plan, TCT may also take over the responsibility of the service planning on the rail system at some point in the future and any changes that may be made will affect the other modes of public transport in the area. It will therefore be that the City will need to play a major role in the discussions and negotiations surrounding these issues.

According to the PRASA regional strategic plan initiatives are being undertaken to address the situation. However, these initiatives have yet to proceed to the "Implementation projects" that will result in predictable timeframes for the capacity to be formally increased and the service improvement realised. It is probable that the increased rail capacity will only be realised after the period of this OLS, however, the implementation projects may commence in the near future.

As with the implementation of the IPTN affected areas, the City will, at the commencement of the implementation phases of the projects, undertake the following:

1. Carefully determine which routes, scheduled and unscheduled, will be affected by the implementation of the increased capacity on the rail;
2. Develop a detailed OLP, in close collaboration and co-operation with PRASA, for the particular route/s or corridors which, amongst others, will identify:
 - a. Each individual operator and vehicle who holds authority for operations on the affected routes;
 - b. Determine at which implementation stage or milestone will it be necessary to withdraw the OL; and
 - c. Issue individual letters notifying each operator, including bus operators, of the proposed implementation and inviting them to make representation and join the discussions relating to the withdrawal of the licences;
3. Impose a moratorium, in accordance with Section 39 (1)(b), on all new applications that relate to routes in the areas affected by the improvement in service; and
4. On all OL renewals, in respect to routes in the affected areas, place an expiry date that matches the planned date of start of operations on that particular route. The expiry date that is set will need to take into consideration the:
 - a. Various sub-phases or milestones that are being planned; and
 - b. Will also need to consider the possibilities of any delays in implementation that may occur.

5.8.3 Establish Effective Law Enforcement

The success of any OLS is heavily dependent on effective law enforcement and conviction of perpetrators. This relies on continuous and sustained effort and this is best achieved through a dedicated enforcement unit specialising in public transport law enforcement. During 2007 a dedicated Public Transport Unit, within the City's Traffic Department, was established to deal with Public transport specific law enforcement issues. Currently this unit consists of 27 law enforcement officials and 2 administration staff and these officials operate throughout the City focusing on all offences that relate to public transport and OL infringements.

The other sections of the Traffic Department undertake general traffic law enforcement that includes the enforcement on the BMT lanes and on the existing and proposed bus lanes or public transport priority measures in the remainder of the City.

With the establishment of TCT the Public Transport Unit will become an integral part of the transport authority and will report to the Commissioner. This will assist in the management of the unit so that it will argument TCT's strategies and policies.

5.9 TAXI RECAPITALISATION PROJECT

The Taxi Recapitalisation Programme (TRP) is a national initiative that is regulated by Section 49 of the NLTA as well as the National Traffic Act as amended in October 2005. In terms of the TRP a legitimate operator, one that, amongst other requirements, holds a valid OL attached to an operating vehicle, may apply for the vehicle to be scrapped through the Taxi Scrapping Administrator (TSA). When approved the operator receives a lump-sum, at the time of writing R 63 100.00 (TSA, 2013), with which he/she can either use as a deposit to purchase a new compliant vehicle, the OL will be transferred to the new vehicle in terms of NLTA section 73, or can take the money, surrender the OL, and exit the industry. Full details on the TRP and TSA can be found on the TSA's website which can be found at the following link. <http://www.scraptaxi.net/default.aspx>

The City intends to utilise the benefits of the TRP in the implementation of the IPTN throughout the City. Refer to the policy on compensation in Section 3.3.4 of this document and the Industry Transition chapter of the 2013 MyCiTi Business Plan.

The City supports replacement of vehicle applications, made in terms of the TRP and NLTA Section 73, provided the routes, for which the OL is authorised, are not affected by an imminent IPTN implementation phase (refer to section 5.8.2 above).

5.10 EVALUATION OF DEMAND AND SUPPLY CHARACTERISTICS FOR NON-CONTRACTED SERVICES

This section evaluates the demand and supply characteristics for non-contracted public transport services where survey data has recently been collected by the City. It therefore considers:

- unscheduled services (minibus taxi-type service);
- long distance services; and
- metered taxi services

The City will consider its recommendations and provide direction in response to an application for the granting, renewal, amendment, or transfer of an authority on the merits of each individual application submitted to it by the RE. The intention of this evaluation is to

assist in the formulation of these directions and representations. The data provided in the chapter is subject to correction as the RE disposes of applications and passenger demand changes. The evaluation is based on the data that is currently available to the City in the preparation of its CPTR.

This chapter also gives an overview of the process given in the NLTA for the withdrawal of an authority if the City makes an application to the RE for such a withdrawal as part of its restructuring of public transport services. An evaluation of the demand and supply characteristics for scheduled public transport services may be found in the CPTR.

5.10.1 Unscheduled Services (Minibus Taxi-Type)

The evaluation of the demand and supply characteristics of unscheduled services provided by minibus taxi-type services is based on analysis of data obtained from surveys and studies of actual operations in the City. The City's Regulation and Survey Section undertake a programme of surveys in the municipal area on a planned cycle that provides information that can be used to determine the demand and supply characteristics of the particular route. The City has recently begun the development of the Transportation Reporting System (TRS) which is a computer based database system that is used to store and organise all data that is obtained through the various surveys that are undertaken. In essence this system replaces the CPTR in many respects. The TRS can be accessed from the following address, <http://trslive.aspdemo.co.za/>, however, users have to be registered by the System Administrator in order to gain access.

It is not the intention of the OLS to reproduce any tables that reflect data for surveys and studies as such information is essentially out of date immediately after the survey is undertaken and is always changing from day-to-day. It is rather the intention to provide the officials, who undertake the evaluation of the applications a methodology on where to find the relevant information and how to analyse it to be able to come to a conclusion that can be applied in the response to the relevant regulating authority.

5.10.1.1 Evaluation Tool – New Routes

The Public Transport Evaluation Tool was a method of assessment that was developed in order to assist in the assessment of new minibus-taxi routes, in the Vrygrond area near Muizenberg in the south of the City, where a particular local problem of conflict between operators, was establishing itself.

The Tool was designed to evaluate each application using the following criteria:

- Technical Criteria;
 - Cost to User;
 - Travel Distance;
 - Travel Time; and
 - Infrastructure;
- Operational Criteria;
 - supply of services/licences;
 - demand for services;
 - A point – B point;
 - operations management ; and
 - law enforcement;
- Institutional Criteria; and
 - Existing associations;
- Network and Modal Choice Criteria;

- Expansion of Route Network; and
- Modal choice options to users.

Each of these criteria is evaluated on the:

- Impact that the route would have;
 - Negative;
 - Neutral;
 - Positive, and
- Risk of conflict that could occur if the route was approved;
 - High,
 - Medium, and
 - Low.

The scores from this evaluation were then plotted on a chart that indicated if the route was established or authorised, what would the associated risk be refer to Figure 5-1

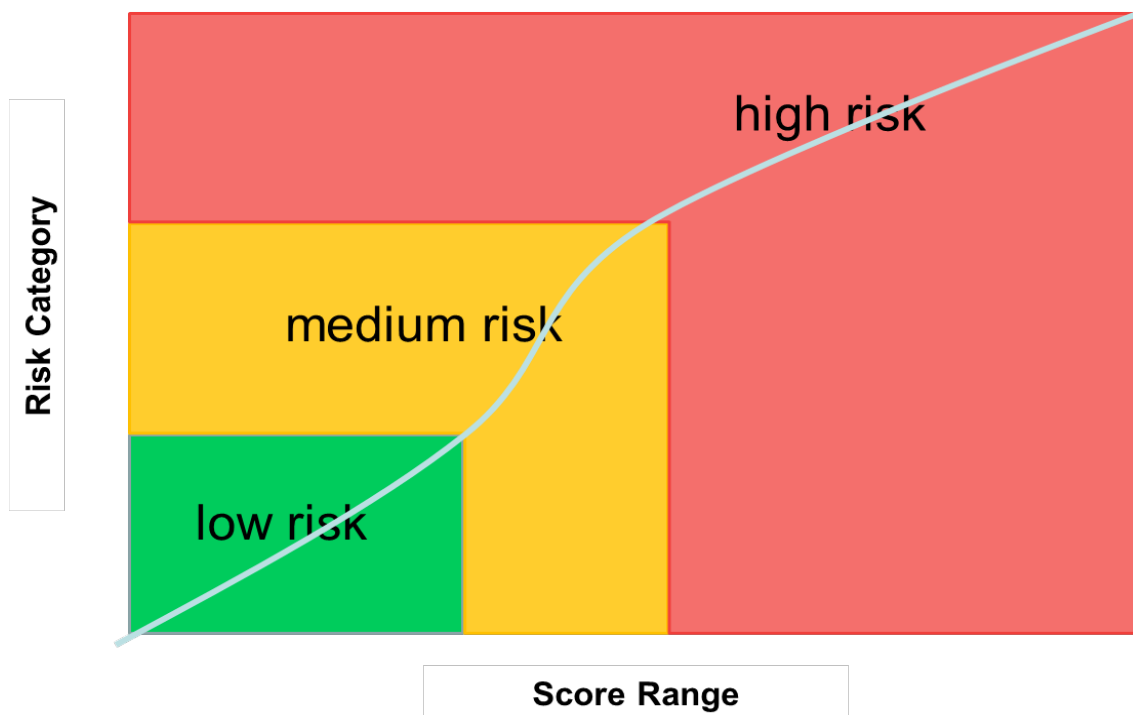


Figure 5-1 – PT Evaluation Tool: Risk Analysis and Outcomes Chart.

5.10.1.2 Requirements for authorities, service capacity and capacity utilisation by route

Refer to Annexure A for a step-by-step method of undertaking these calculations.

The method used to determine the requirements for authorities (OL's) is that developed by the City and operators to successfully resolve the conflict that arose in 2003 at the Bellville minibus taxi rank. It compares the number of authorities that exist on the route with the number required to authorise sufficient vehicles to transport the passengers during the peak hour. This method takes into account both legal and illegal operation to establish demand as well as passenger waiting times, trip duration and loading and holding area utilisation. It is based on the assumption that if there are enough vehicles to cater for times of maximum commuter utilisation (peak hour) there will be enough vehicles to cater for the demand throughout the day. It should however be noted that the enforcement of the public transport lanes and the construction of new priority lanes to aid the movement of public transport

vehicles will significantly impact on the number of vehicles required to meet peak demand. The effective operation of these lanes would allow vehicles to return at a faster rate, which means that a better quality service can be provided without adding vehicles to the system.

The number of authorities required to meet demand is determined by firstly calculating the peak hour passenger demand for a particular route. The number of commuters waiting in the queue at the end of the peak hour (where waiting times exceeded 15 minutes) was also added to the peak hour passengers. The next step involves calculating the number of trips required to meet peak hour demand (number of peak hour passengers/14 = number of trips). The final step in demand analysis involves calculating the number of vehicles required to undertake the number of trips. This is done by calculating the number of trips each vehicle can do during the peak hour by taking into account trip duration (60/trip duration). In some cases vehicles can do two trips per hour (where trip duration is less than 30 minutes) which means that for example, only six vehicles will be required to undertake the 12 trips. The number of vehicles required is determined as follows: Number of trips required/number of vehicle trips per hour. This number was increased by 10% (one additional vehicle for every 10 required) to provide additional vehicles to augment the minimum number, thereby allowing vehicles to be non-operational at times for reasons such as maintenance, sickness of the driver and so forth.

Routes with common origins and destinations should be grouped as part of the demand analysis. The difference in the granted number of authorities and the number to suit the observed demand was considered together with the following factors:

- granted service capacity utilisation;
- supplied service capacity; and
- observed average passenger waiting times (which should be less than 15 minutes)

The demand analysis is carried out to determine the number of vehicles required on each route to cater for the passenger demand. The next step is to establish how many OL's have been registered for a particular route in the OLAS. The results allow the City to gauge the balance between public transport demand and supply on the various routes. Using this information, the City can conclude whether the route has a shortfall or surplus of OL's. In cases where there is a shortfall of OL's, the City will support applications for new OL's.

5.10.1.2 Utilisation of parallel subsidised modes and wasteful competition

An assessment of Figure 2-5, which illustrate the roads on which the subsidised, scheduled bus and unsubsidised, unscheduled minibuses operate route-based services, shows that almost without exception, these services operate in parallel to each other throughout the City. Further examination of Figure 4-1 shows that both road-based modes also operate in parallel to commuter rail services where rail exists. Each mode is providing both a local service within a community and a line-haul service between communities and operates in parallel, and in competition, to each other.

It is the intention of the City to restructure public transport and for all modes to be integrated so as to provide an efficient system with regulated competition. The aim of this is to create a unified road-based public transport service utilising the optimum mode for a particular route or corridor. Where there is competition with rail, the latter must be protected. The basis of this system has been outlined in the Framework (section 5.1).

Detailed operational planning of the corridors and the services in the adjacent areas will be undertaken in a phased manner. This planning will determine the frequency and passenger capacity of the vehicles that will operate on the accessibility network and the geographical extent of the feeder and distribution services to be provided as community services in each area.

The data contained in the TRS lists the routes of the minibus taxi-type services that were surveyed as part of the City's CPTR and other routes in the OLAS' database. It also shows, for each route of length greater than a nominal distance of 10 km, whether a subsidised, scheduled bus route is planned to operate in parallel to the minibus taxi route in terms of the IPTN Framework. In this context, the term 'in parallel' means that the bus route has the same origin and destination as the minibus taxi route and/or operates on the same route as the taxi for at least 75% of the taxi's route. If so, the minibus taxi-type service is envisaged only where there is a lack of capacity on the subsidised mode. If no rationalised bus route is parallel to the minibus taxi route, wasteful competition does not exist. However, if the route carries more than 180 passengers in the morning peak hour, the service could be provided more efficiently by a contracted scheduled bus service. If the route is less than the nominal 10 km it is concluded that the service being provided is a community service and wasteful competition does not exist. All bus routes less than the nominal distance of 10 km, or that are predominantly internal routes within residential areas should become community services and be operated by the most appropriate vehicle size for the passenger demand.

It is accepted as a historical feature of the City that commuter rail and road-based services operate in parallel to each other. This feature is often credited for the successful socio-economic growth of the mature Voortrekker and Main Road activity corridors.

As such, it is considered that in mature corridors, parallel commuter rail and road-based modes are not in wasteful competition but complement each other by offering a choice to passengers. If there is competition with rail (in cases where there is spare capacity) the latter must be protected.

5.10.1.4 Utilisation of ranks and termini

The utilisation of the loading bays and holding areas at the ranks and termini used by unscheduled minibus taxi-type services is indicated in the TRS. Also shown is the City's proposed future expansion of these facilities. The loading area of a facility is concluded to be fully utilised if, during peak period, the number of vehicles observed to be loading in the area equals or exceeds the number of bays available. Similarly, during the inter-peak period, many vehicles use the loading and/or holding areas to hold. These areas are also concluded to be fully utilised if the number of vehicles in both loading and any holding areas exceeds the available bays.

5.10.2 Long Distance Services

The Regulation and Survey Section conducted surveys at the Joe Gqabi Long Distance Interchange during the period of 14 to 21 December 2012 which relates to the peak period of travel out of the City to long distance destinations. The survey concluded that destinations in the Eastern Cape were the most popular, with the Western Cape the second most popular destinations. The 22 seater midibus being the most popular type of vehicle used with 401 trips recorded carrying 8 822 passengers out of the facility. During the survey period 89 additional Temporary "Special Events" licences were issued by the PRE, however only 34 of these licences were actually observed during the survey period.

The survey also concluded that long distance activities at the Langa rank were continuing despite the intention that all such operations should be relocated to the Joe Gqabi Interchange. It was also observed that vehicles, that may not be fit for operations, would make use of the Langa rank as there is no vehicle testing facility.

The following list has been extracted from the report on the survey of issues that need to be given attention to in the future, some of which relate directly to the OLS:

- Enforcement of illegal operations in other areas and long distance facilities as well as weigh bridges and along long distance routes should be increased in future;

- The bigger and more well-known operators like Intercap, Translux, Greyhound, etc. also expressed an interest to operate from Joe Gqabi and this needs to be investigated;
- Current vehicle fitness tests at other facilities are not as comprehensive as at Joe Gqabi. The City therefore needs to investigate upgrading the other approved 7 long distance facilities to the same standard in terms of vehicle fitness inspections before a long distance trip is undertaken;
- Campaign to get all long distance vehicles thoroughly tested (1 hour inspection) before the festive seasons to be investigated by the City and Province;
- An understanding of long distance operations at other facilities need to be realised through the same comprehensive surveys conducted during December 2012 at Joe Gqabi.
- Enforcement of illegal long distance operations at Langa to be prioritised during future festive seasons;
- The City and Province need to develop a common standard for long distance operations with the proviso that economies of scale are maintained in the industry;
- SANTACO to be approached to get involved in resolving the Eastern and Western Cape operations;
- The City and PRE need to be engaging with the other provinces on a regular basis in an effort to resolve the inter-provincial long distance concurrence issues;
- PRE to facilitate a workshop with long distance operators and all spheres of government in an effort to resolve all the issues;
- A possible mechanism to reduce illegal operations from Joe Gqabi, or any of the long distance facilities within the City boundaries, where the appropriate authority is not in place at the commencement of the phased roll out of the rank;
- The long distance testing facility at Potsdam to be considered for long distance vehicle fitness testing in future;
- PRE to initiate the process to take the necessary action against the operators with fraudulent operating licences identified during the survey process; and
- Issues surrounding the use of the Langa facility need to be fully resolved.

The high utilisation percentage reported at both the bus and minibus long distance facilities supports the need for additional services to be provided during the peak holiday period. Survey data is not yet available to evaluate the demand for additional services during other periods of the year, however, demand diminishes sharply after the peak season. It is therefore important that long distance authorities are issued to operators with existing local authorities. This will alleviate some of the overtrading taking place on the local routes. It also allows operators to revert back to their local routes when the demand for long distance services diminishes after the peak season.

5.10.3 Metered Taxi Services

The City of Cape Town conducts regular surveys of metered-taxi services this data is captured in the TRS and is available for further use.

Most of these surveys extend over a 12 to 18 hour period. This provides a very clear understanding of the supply and demand at ranks. Screen-line surveys are also undertaken on major roads around the City to measure the movements of all metered taxis using these roads. Analysis of registration numbers recorded at rank and screen-line surveys together with data from the PRE has been used to draw conclusions about the number of taxis operating legally and illegally and the number of taxis that are rank based and those that operate from a base. OL's specify either a single radius of operation or an inner (pick-up) or an outer (service) radius of varying distances. The centre of the radius is sometimes, but not necessarily, the rank from which the taxi is authorised to operate. 'Central Area' authorities allow the operator to wait for customers at any of the ranks in the central area of Cape Town.

Currently, only a limited number of operators have been granted authority to rank in the V&A Waterfront and all others are doing so illegally. The City's policy has been to try and balance supply with peak period demand for metered taxi services. It remains very difficult to accurately gauge the balance between metered taxi supply and utilisation given that information on route destinations, trip duration, and passengers collected by arrangement is not readily available.

This City has adopted a method of comparing peak hour passenger demand with the available supply at every rank. The peak hour is calculated using the highest four consecutive 15-minute passenger volumes. A further inspection is carried out to determine the number of vehicles present at the rank during the peak hour.

During previous studies, there were sufficient vehicles at the ranks to cater for the peak hour demand and at no point were any of the ranks totally devoid of vehicles during the peak hour. Loading and holding area utilisation and protracted passenger waiting times are normally an immediate indication that the service offered is not at a desired level. In most cases where demand exceeds supply, the rank will be totally devoid of vehicles during times of maximum passenger utilisation, resulting in a build-up of commuters and extensive waiting times. This was clearly not the case at any of the metered taxi ranks, and most of these facilities had vehicles present at the rank after the peak period demand had been serviced. No passengers were observed waiting at any of the ranks. It was mostly ranks located at major hotels that had no vehicles present after the peak hour departures, and it is clear from the survey results that passengers were collected by arrangement. Most of the busy ranks had between 15 and 30 vehicles waiting to load after the peak period demand had been satisfied and it can therefore be concluded that most ranks, where there is any significant demand, tend to be more than adequately served by existing metered taxi services.

The Western Cape Regulations on Operating Licences explicitly stipulate that any application for the renewal or amendment of an OL for non-contracted services must be accompanied by a statement from the planning authority as to whether the service authorised by the licence has been provided on a regular basis for a period of 180 days before the date of such application. The City will direct, in terms of NLTA Section 78 (5) that the RE requests the holders of such 'dormant' operating licences to supply the RE with good reasons as to why the service authorised by the licence had not been provided on a regular basis. If the reasons supplied by the holder are not deemed adequate, the City will not support the renewal or the amendment of such licences and will request the RE to withdraw such licences in terms of Section 78 (1) of the NLTA.

More visible enforcement is also required to rid the system of illegal operators. Illegal vehicles are not subjected to the same quality standards as legal vehicles and the alarming presence of illegal operators is compromising both the quality of service and passenger safety. A new demand and supply analysis should be undertaken after sustained enforcement and following the conclusion of the aforementioned verification process.

To accurately gauge the number of base operators, the trips they undertake and the passengers carried, screen-line surveys are undertaken. Passenger and vehicle movements are monitored on the major approach roads to the CBD of Cape Town and access roads to major tourist attractions such as the Cable Way Station.

It is understood that metered taxis serve a completely different market and it is unlikely that passengers would opt to use mainstream public transport services. Survey results suggest that these passengers are transported by base operators using radio dispatch systems or even rank based operators using cell phones. Most of the metered taxi ranks are located in the City centre some distance away from major hotels. Only ranks that are located in busy, secure environments (such as the Waterfront) have shown any significant increase in passengers. The absence of security at central area metered taxi ranks and sporadic if not

non-existent enforcement at night with a concomitant increase in crime means that metered taxi passengers prefer to be collected at hotels or other secure environments.

Developments with regard to the relationship between the metered taxi association/s and the City have indicated the following initiatives and issues are being addressed:

- The Section: Regulation and Survey appointed a service provider to assist with the final stage of the metered taxi consolidation, verification and rationalisation process i.e. developing a metered taxi operations rationalisation strategy (With a demand and supply determination formula) which is still on track to have the process completed by end of June 2013.
- The Section: Regulation and Survey also met with the newly established (voluntary) Cape Town Fleet and Call Centre Taxi Association. This association was formed due to the Western Cape Metered Taxi Council being dysfunctional for a number of years now. This association raised the following proposals/issues with the City, which need to be fully investigated and necessary actions identified:
 - Onerous Operating Licence conditions to be revisited;
 - Difficulty experienced when replacing 4 seater vehicles with 7 seater vehicles (Avanza's) as the NLTA and the Regulations do not allow for a replacement if the new capacity exceeds 20% of the previous;
 - Fitting of an automatic vehicle tracking system with different levels of reporting access being provided to the association and the City to monitor metered taxi operations;
 - Allowing metered taxi vehicles to withdraw for the 9 off-peak months when the metered taxi industry goes into 'hibernation';
 - Installation of meters by suppliers accredited by the City. Due to latest technology there is no longer a need for traffic services to physically seal the meter;
 - Consideration to be given to the funding of the current metered taxi fleet by the city;
 - Issues regarding IRT roll-out and the compensation of the affected metered taxi industry as a result thereof;
 - No new or replacement vehicles older than 6 years and the maximum age of a metered taxi vehicle not exceed 10;
 - Consideration be given to a metered taxi operation similar to that of New York where the metered taxis roam and do not operate from a base; and
 - Developing of a tariff model that will allow for fuel price fluctuations and a more standardised tariff for all metered taxi operators.

5.10.4 Tuk-Tuks and Pedi-cabs

A tuk-tuk is defined in the NLTA as follows:

"tuk-tuk" means a three-wheeled motor vehicle designed or modified solely or principally for conveying not more than three seated persons, including the driver."

A pedi-cab is a non-motorised version of this vehicle. Both of which require operating licences if they provide transport for the public for which consideration is received.

Although, these modes can be used to provide a "Last-mile-home" service between the mainstream public transport services (as an alternative to walking) or as an attraction, tourist or otherwise, to undertake a trip in a casual or unconventional manner, the City does not recognise them as part of the mainstream public transport system, due to the fact that the type of vehicle is not suited to operate during the adverse weather conditions that are common in Cape Town and are thus considered un-reliable. In addition, the slow operating speed of pedi-cabs is a traffic safety concern.

These modes should only operate with a very limited radius from their “rank” or loading points. These types of services could be regarded in a similar manner as the “rank-based meter taxis”. Further, the business model that is used is based primarily on income generated through the advertising that is displayed on the vehicles, rather than the fares received from the conveyance of passengers

It has been proposed that the operation of these modes be “tested” in areas such as the Waterfront and Canal Walk which are not on City roads.

Section 70 of the NLTA regulates the use of tuk-tuks, but not pedi-cabs, and is prescriptive that OL’s can only be issued if the transport plans of the City make provision for this type of service.

In recent years the applications for tuk-tuks have been received by the PRE and referred to the City. In some cases these licences have been granted for limited periods and at present no licences are currently in operation. However, interest has been indicated for approximately 250 tuk-tuks but has been held back pending the development and finalisation of a City policy on this mode of transport.

Pedi-cabs were tested during 2010 as a mode to get passengers from the IRT stations in the CBD to nearby destinations but were largely unsuccessful in providing a financially viable service.

A future update of this OLS will need to fully address the issue of these modes.

The amendment to the 2011 CIP that specifically deals with the issues that need to be evaluated when an application for tuk-tuk services is received, is fully dealt with in section 5.11.12.

5.11 EVALUATION OF AN OPERATING LICENCE APPLICATION

In terms of NLTA Section 55 (1) the RE must, by notice on the prescribed form (Form 2B) inform all planning authorities of the application with a request to give **direction** with regards to its ITP within the prescribe period (30 days – Reg. 6 (4)) . Section 55 (5) directs that the RE may not grant an OL that is in contrary to the ITP and the direction of the PA. It is with overall reference to this section that the evaluation of applications is handled.

This chapter presents some of the matters that the City may consider when formulating its responses on:

- Applications to grant, renew, amend, or transfer an operating licence for a non-contracted service; and
- Application to grant or renew operating licences for contracted services.

Further to the aforementioned, this chapter outlines some conditions that the City may consider recommending that the RE impose on an OL. The NLTA makes provision for the RE to grant an application for the granting, renewal, amendment or transfer of an operating licence subject to any conditions, determined by it, that are not inconsistent with the NLTA or with relevant Provincial laws or transport plans (Section 57 (5)). A condition may, however, only be imposed after a decision has been taken to grant or otherwise reject an application based on other considerations set out in the NLTA, including any recommendations and representations of the PA.

The City has given its support to the concept of a restructured network as a first option. However, in previous chapters a number of impediments have been identified that could jeopardise the successful implementation of the restructured network. It is essential that these major impediments be satisfactorily removed before the restructured system can be fully implemented. Failure to satisfactorily remove the identified impediments could mean that the restructured network cannot be implemented, and a rationalised system has been mooted as a second option. It should be noted that if the planning for the intended, desired public transport system (IPTN) alter in any significant form it would impact significantly on the licensing processes presented in this chapter. This would necessitate changes to the strategy for the disposal of OL's given in this chapter. The successful enforcement of the public transport priority lanes could also significantly alter the balance between public transport supply and demand and this may necessitate an update of the supply and demand analysis. The City's method to calculate demand is based mainly on journey times and the enforcement of existing priority lanes and the construction of new priority lanes could significantly reduce public transport journey times. This means that additional seats could be added to the system without adding vehicles and this would obviate the need for additional operators.

The chapter further presents the circumstances under which 'Proof of Rank' letters should be issued by the City. Once an OL has been granted by the RE, the applicant is required to apply to the City for permission to use the City-owned public transport facilities.

The NLTA explicitly stipulates that subject to Section 50, the RE in disposing of an application, must act according to, and may not grant an operating licence contrary to the provisions of an ITP. The City's interpretation is that where it supports an application for an OL, the RE may still reject the application after taking into consideration the factors mentioned in Section 57. However, where the City recommends against an application the RE may not grant such an application.

Notwithstanding any matters presented or not in this chapter, every application must comply with the relevant requirements of the NLTA. This chapter does not attempt to present these requirements in any form or manner. Instead, reference must be made to the NLTA

5.11.1 Conversion of a Permit to an OL

A conversion of permits into OL's was specifically dealt with under the NLTA. The NLTA is not silent on the need to convert but instead makes all permits expire on 9 April 2016 (7 years after the effective date of the NLTA Section 47(2)). Regulation 14 makes provision for this conversion. Holders of such permits on application for renewal will simultaneously have to apply for the conversion to an OL. Regulation 14 (4) also make it a necessity to amend and area based authority to a route based authority during this conversion.

5.11.1.1 Matters that the City must consider when evaluating an application for the conversion of a permit.

Before considering any application for the conversion of a permit to an operating licence that involves a conversion from a radius or area based permit to a route-based OL, or to an OL for a larger vehicle, the RE must, by written notice, inform the planning authority of the application with the request to provide direction with regard to the application, together with any representations, to the board within the period stated in the notice. In terms of Regulation 14(5), the RE is compelled to refer a conversion application to the PA where the permit to be converted already authorises public transport services on a particular route or routes. However, in terms of the Western Cape Regulations on Operating Licences, an application for a conversion of a permit to an OL must be accompanied by a statement from the relevant PA as to whether or not the service authorised by the permit has been provided on a regular basis for a period of at least 180 days before the date on which application is

made for the conversion, unless the permit was granted less than 180 days before the date of application (Regulation 2, Sub-regulation 4 (c)).

The City will therefore consider, amongst other matters, and support an application to convert a permit to an OL under the following circumstances:

- If the service authorised by the permit has been provided on a regular basis within the last 180 days prior to the date of application for conversion by the vehicle linked to that particular permit;
- An exception will be made in cases where an application for the replacement of the vehicle linked to the permit is pending with the RE. In such cases the City will confirm operation within the last 180 days even though the service had been provided with the new vehicle. However, this exception will only be made if the service was provided for a continuous period during the transition from the old to the new vehicle. Applications where there has been a break in service of more than 180 days will not be supported by the City;
- If the applicant has not been providing a regular service on all the routes authorised by the permit, the City will only support the conversion for the routes that have been regularly served by the applicant;
- The application for the conversion of the permit to an OL will only be supported by the City if the applicant is still a registered member of the resident association on the route(s) authorised by the permit or in the case of a conversion from radius to route, a member of the resident association on the route(s) for which application is made;
- In the case of the conversion of a radius permit, the routes applied for must fall within the specified radius unless it can be demonstrated that the applicant forms part of the existing capacity on a route and that he/she is a member of that association. In cases where a route for which application is made is considered to be contentious or where there is a possibility that the route could perpetuate conflict, the City will refuse the application; and
- No application for a change in A-point will be supported by the City as part of the conversion process unless it can be demonstrated that the existing A-point is not an official rank and that the safety of passengers will be compromised if they are loaded at the existing A-point. Under no circumstances will applicants be allowed to trade a permit (which has not been successfully converted to an OL) for a new application on a particular route.

5.11.1.2 Further matters that the City must consider when recommending conditions to be imposed when converting a permit to an operating licence

Except where the permit to be converted already authorises public transport services on a particular route or routes, the City will recommend conditions that it considers fit to be imposed with regard to the route or routes, or where applicable, the area to be specified in the OL to which the permit is to be converted. Where the permit to be converted is already for a route or routes, and the route descriptions are considered vague, the City will direct the RE that a detailed route description be submitted for consideration. The City proposes that the RE impose at least the following conditions on OL's converted from permits:

- That the OL to which the permit is converted explicitly stipulates ranks or terminals or other facilities or spaces where loading/ranking can take place and facilities where passengers may only be set down;
- That the OL is brought into use within 90 days or advance good reasons for not having commenced operations within that period. In the case of an operating licence with multiple routes, the service must be provided on all the routes authorised by the OL;
- That the authorised vehicle, whilst in a public transport facility including a holding area that is provided by the City, is operated in accordance with the Traffic By-law (2011);
- That the operator obtains a rank token from the City before they can uplift the OL;

- That the operator signs an agreement with the City for the use of the facility before they can uplift the operating licence; and
- In the case of converting permits to OL's for long distance services, the City will require the RE to also impose the condition that all buses providing long distance services from a facility owned by the City operate from the long distance public transport facility to Joe Gqabi. As part of the conversion process, all long distance minibus taxi operations will be centralised at:
 - Khayelitsha Site C;
 - Bellville Station Transport Interchange;
 - Langa Public Transport Interchange;
 - Nyanga Public Transport Interchange;
 - Cape Town Station Transport Interchange;
 - Du Noon Public Transport Interchange;
 - Masiphumelele Minibus Taxi Terminus;
 - Mitchell's Plain Public Transport Interchange; and
 - Lwandle Minibus Taxi Terminus.

5.11.2 Non-Contracted Service

5.11.2.1 General matters

When deciding whether to support an application for the granting, renewal, amendment or transfer of an OL in respect of a non-contracted service (NLTA Section 57), the City will consider an application where, amongst other matters:

- The service is encapsulated in the City's ITP. (NLTA Section 57 (1) (a));
- The vehicle by means of which the service is to be operated is suitable for that purpose (NLTA Section 57 (1) (b));
- Official ranks or official terminals or other facilities or spaces for boarding or alighting and for holding or parking vehicles engaged in the operation of that service are available (NLTA Section 57 (1) (c));
- Compliance with the City's by-laws and any regulations, prohibitions, limitations or restrictions (NLTA Section 57 (1) (d));
- The City knows of no previous convictions of the applicant for any offences of the type and seriousness as prescribed in the Western Cape Regulations on Operating Licences, 2002 and the NLTA Section 57 (1) (e) and Regulation (18); and
- The City considers that the applicant has the ability to operate the service in a manner satisfactory to the public (NLTA Section 57 (1) (f)).

5.11.2.2 The circumstances under which application for operating licences should be considered.

Transfer of an OL for a non-contracted service

When deciding whether to support an application for the **transfer** of an OL for a non-contracted service, the City will consider the following matters:

- The transfer of any OL will only be supported by the City if converted to a definite OL (Section 58 (2));
- Operators are not allowed to trade any OL's for new applications;
- The service authorised by the OL to be transferred must have been provided on a regular basis (by the vehicle linked to the OL) for a period of at least 180 days before the date of application (Western Cape Regulations on Operating Licences, Regulation 5 (2) (a)) and Section 49 (2)(b) of the NLTA. The City will only support applications for the transfer of an OL in cases where it has issued a statement confirming operation within the last 180 days. This confirmation letter will normally be issued before the application is referred to the City in terms of Section 55 (1) of the NLTA in consultation with the WC PLTF or Provincial Taxi Plan. The Western Cape Regulations on Operating Licences require an applicant to submit a 180-day confirmation letter from the PA together with the normal application form;

- Where the holder of an existing OL has not been providing a regular service on all the routes authorised by the OL, the City will only support the transfer of routes that have been regularly operated within 180 days. In other words, no dormant routes will be supported as part of the transfer process;
- The City will only support an application if the OL is transferred to a member of the same association or subject to membership of that association;
- In the case of a transfer of a radius permit, the conversion from radius to route must be done simultaneously; and
- Where route descriptions are vague, the City will recommend to the RE that applicants will be required to submit detailed route descriptions to supplement applications for consideration.

Renewal of an OL for a non-contracted service

Possibly the most important intervention listed in the City's IPTN Framework is the restructuring and transformation of road based public transport services. This would include initiatives to transform the current interim bus contract into negotiated, subsidised service contracts on a phased implementation. As part of this process, the aim is to restructure the existing bus and minibus taxi services operating in competition into a unified road-based scheduled service utilising the optimum mode for a particular route/corridor in terms of financial efficiency and operating environment. High volume line-haul routes are considered an inappropriate operating environment for low capacity vehicles. The successful implementation of the restructured network would therefore result in some of the existing services being inconsistent with the transportation plans for the City. In such cases, the renewal of OL's (granted for fixed periods) for high volume line-haul routes will not be supported by the City. The mentioned licences are to be phased out over a period of time as the restructured network is implemented so as to cause minimal disruptions to public transport services. Under existing conditions, the City will consider the following matters when formulating its directions on the renewal of OL's for non-contracted services:

- No late renewals (Regulation 25) will be considered by the City;
- Whether the service authorised by the OL to be renewed has been provided on a regular basis (by the vehicle linked to the OL) for a period of at least 180 days before the date of application (Western Cape Regulations on Operating Licences, Regulation 5 (2) (a)) and Section 49 (2)(b) of the NLTA. The City will only support applications for the renewal of an OL in cases where it has issued a statement confirming operation within the last 180 days. This confirmation letter will normally be issued before the application is referred to the City in terms of Section 55 (1) of the NLTA in consultation with the PLTF and Provincial Taxi Plan. The Western Cape Regulations on Operating Licences require an applicant to submit a 180-day confirmation letter from the PA together with the normal application form;
- Where the applicant has not been providing a regular service on all the routes authorised by the OL, the City will only support the renewal of the OL for routes that have been regularly served by the applicant. **In other words, no dormant routes will be supported as part of the renewal process;**
- Where route descriptions are vague, the City will direct/recommend to the RE that applicants be required to submit detailed route by route descriptions to supplement applications for consideration;
- In the case where the minibus taxi mode is considered the appropriate mode on the route or routes linked to the OL the City will only object to the renewal of the minibus taxi OL if the applicable route/s has sufficient capacity to cater for commuter demand on the route;
- Current and envisaged trends in utilisation on the route or routes, or where applicable, in the particular area concerned. Where there is significant overtrading on a particular route, the application for the renewal of fixed-period licences will not be supported by the City;

- Whether the applicant has furnished the City with a letter of support, and minutes of the general meeting, including a signed attendance register, in which the members of the association resolved to support the application, from the resident association on the route(s) authorised by the OL;
- In the case where an operator has operated contrary to their OL conditions, the renewal of the OL will not be supported by the City; and.
- A demerit system will be introduced by the City to determine if the service linked to the OL had been operated in a manner satisfactory to the public. This system will be used as a measurement to formulate the City's responses on applications for the renewal of OL.

It should be noted that where an applicant applied for the renewal of an OL on or before the date of expiry, the old OL would remain in force for a period of 21 days, which the RE may extend, until such time as the regulating entity has been disposed of and decided on the application for the renewal of the OL. In such cases, operators should be allowed to operate with a certified copy of the OL and the receipt issued by the RE. (NLTA Reg. 25 (2)).

5.11.2.3 Amendment of an OL for a non-contracted service

Replacement of specified vehicle

The culture of renting out OL within the minibus taxi industry has resulted in both the City and the PRE being inundated with applications for the replacement of vehicles. This practice, although illegal in terms of the NLTA (Section 64 and 77) has continued unabated for a number of years and very little attention has been paid to this type of transaction. In the past these replacements took place in a vacuum of information and as a result there are many cases where one vehicle is linked to more than one OL. In order to ensure that the level and quality of service offered by public transport remain unchanged, it is important to regulate the replacement of vehicles linked to OL's. In formulating the City's response on an application for the replacement of a vehicle linked to an OL, the City will consider the following matters:

- Whether the service authorised by the OL has been provided on a regular basis (by the existing vehicle linked to the operating licence) for a period of at least 180 days before the date of application (Western Cape Regulations on Operating Licences, Regulation 5 (2) (a)) and Section 49 (2)(b) of the NLTA. The City will only support applications for the replacement of vehicles in cases where it has issued a statement confirming operation within the last 180 days. This confirmation letter will normally be issued before the application is referred to the City in terms of Section 55 (1) of the NLTA in consultation with the WC PLTF and Provincial Taxi Plan. The Western Cape Regulations on Operating Licences require an applicant to submit a 180-day confirmation letter from the PA together with the normal application form. A replacement will not be supported if it is the view of the City that the OL is dormant;
- A eNATIS check should be carried out or a certified copy of the registration documents be supplied by a dedicated official at the RE, and a report from the RE on the last three (3) transactions made in order to establish if the existing (old) vehicle was registered in the name of the OL holder during the six month period prior to the date of application. If it is found that the old vehicle had been sold during this period (and possibly linked to another operating licence), a letter confirming operation within the last 180 days will not be issued by the City;
- Replacing of a scrapped vehicle **will only be considered if proof of 180 day operations is provided on all applicable services authorised by the OL;**
- The replacing vehicle should not be linked to another OL. In such cases the applicant must submit proof from the RE that the vehicle is no longer linked to an OL;
- The new vehicle must be registered in the name of the OL holder;
- The replacing vehicle must have approximately the same passenger capacity (not more than twenty percent 20%), or less, and should be of the same nature as the

vehicle which it replaces. Any increase in vehicle capacity more than 20% will require a new application;

- Where it is the applicant's request to replace the existing vehicle with a bigger vehicle (irrespective of seating configuration), the City will only support the application if the both A & B point facilities has been designed to accommodate the bigger vehicle;
- The quality and standard of the service (authorised by the OL) should not be compromised by the replacing vehicle;
- The replacing vehicle should be suitable for the operation of the public transport service authorised by that OL, and must be certified as roadworthy in compliance with road traffic laws and appropriately licenced;
- Where it is established that the operator had operated contrary to the conditions of their OL, the application will not be supported by the City;
- If the application is granted by the RE, the City will direct to the RE that the applicant:
 - Surrender the replaced operating licence to the RE; and
 - Completely remove all distinguishing marks related to the replaced OL and hand in such markings to the RE and present the new vehicle for inspection by an official of the RE's Inspectorate.

Application for additional authority

In cases where an association serves a network of routes, members of that association will not automatically be entitled to all the routes forming part of that network. Such applications will only be supported if, in the view of the City, there are insufficient vehicles to cater for the passenger demand. It is also important that the proposed service does not result in wasteful competition with existing subsidised services.

The City will consider the following matters when deciding whether to support an application for additional authority:

- The balance between the supply and demand of minibus taxi services on the route as well as other public transport modes;
- Where no spare capacity exists in parallel, on the subsidised rail and bus corridors;
- Whether the service authorised by the OL has been provided on a regular basis (by the existing vehicle linked to the OL) for a period of at least 180 days before the date of application (Western Cape Regulations on Operating Licences, Regulation 5 (2) (a))) and Section 49 (2)(b) of the NLTA. The City will only support applications for the replacement of vehicles in cases where it has issued a statement confirming operation within the last 180 days. This confirmation letter will normally be issued before the application is referred to the City in terms of section 55 (1) of the NLTA in consultation with the WC PLTF or the Provincial Taxi Plan. The Western Cape Regulations on Operating Licences require an applicant to submit a 180-day confirmation letter from the PA together with the normal application form. Additional routes will not be supported if in the view of the City the OL is dormant;
- Where the additional route is registered in the name of the same association;
- Whether the applicant has furnished the City with a letter of support, and minutes of the general meeting, including a signed attendance register, in which the members of the association resolved to support the application, from the resident association on the route(s) authorised by the OL;
- Were the granting of the additional authority could result in conflict between associations and operators. Where there is a real possibility of conflict, the application will not be supported by the City;
- All applications for additional authority must indicate the A-point¹², as the origin of the route in the weekday morning peak period, and B-point¹³, as the destination of the route in the weekday morning peak period, of the routes.);

¹² See definition of A-point in the definitions (section 2.5)

¹³ See definition of B-point in the definitions (section 2.5)

- Where the additional route would result in more than one A-point, the application will not be supported. Refer to section 5.13.7;
- Where the granting of the application will result in more than one association serving the same route, the application will not be supported. An exception will only be made where there is already more than one association serving a particular route;
- In the case of long distance applications:
 - The applicant must be a member of the applicable association;
 - Operations should be centralised at the approved long distance facilities; and
 - Only if sufficient demand exists on that route.

The City will further direct the RE not to issue different authorities on the same operating licence (e.g. Charter and minibus-taxi type services). This practice makes enforcement extremely difficult and serves as an impediment to the effective management and regulation of the system.

5.11.2.4 Granting of new OL's for unscheduled minibus taxi services

Until such time as the restructured public transport network is implemented, the City remains committed to achieve an equitable balance between the demand and supply of minibus-taxi services. However, the City will generally discourage the granting of new authorities and will recommend against them unless the additional routes are strongly justified in terms of passenger demand and the level of service offered by existing public transport services is inadequate. These exceptions will be made in special cases and after careful and thorough investigation. As mentioned before, it is also important that the proposed service does not result in wasteful competition with existing subsidised services. If the restructured network is successfully introduced, the City will not support applications for new licences on routes or corridors which are considered an inappropriate operating environment for minibus taxis. These would be mostly line-haul routes given that lower capacity vehicles are considered ideal to provide community services. In such cases, any increase in passenger demand should be accommodated within the scheduled contracted bus services.

Existing minibus taxi routes

The City will consider supporting an application to grant a new OL to operate an unscheduled service on a particular route in the City on the condition that:

- The route is not adequately served by an existing public transport service. The supply and demand criteria should be applied;
- The service will not result, in the City's opinion, in wasteful competition with existing or planned contracted services;
- The applicant is a member of the resident association on that route and that the granting of the application will not lead to more than one association operating on the same route. An exemption from this requirement will be allowed where there are already two or more associations registered for the same route;
- Whether the applicant has furnished the City with a letter of support, and minutes of the general meeting, including a signed attendance register, in which the members of the association resolved to support the application, from the resident association on the route(s) authorised by the OL;
- The application does not contain more than one A-point;
- All applications for additional authority must indicate the A-point¹⁴, as the origin of the route in the weekday morning peak period, and B-point¹⁵, as the destination of the route in the weekday morning peak period, of the routes.)
- Other prerequisites for the City's support include:
- Operators are not permitted to trade any OL's for new applications;

¹⁴ See definition of A-point in the definitions (section 2.5)

¹⁵ See definition of B-point in the definitions (section 2.5)

- Permits which have not been successfully converted to OL's may under no circumstances be traded for new applications;
- Whether the service authorised by the OL has been provided on a regular basis (by the existing vehicle linked to the OL) for a period of at least 180 days before the date of application (Western Cape Regulations on Operating Licences, Regulation 5 (2) (a)))) and Section 49 (2)(b) of the NLTA. The City will only support applications for the replacement of vehicles in cases where it has issued a statement confirming operation within the last 180 days. This confirmation letter will normally be issued before the application is referred to the City in terms of section 55 (1) of the NLTA in consultation with the WC PLTF or the Provincial Taxi Plan. The Western Cape Regulations on Operating Licences require an applicant to submit a 180-day confirmation letter from the PA together with the normal application form;
- Operators will not be allowed to trade dormant OL for new applications on the same route;
- When deciding to support a new application on a particular route, illegal operators who have formed part of the existing capacity for more than three years should be given preference;
- Existing permits/OL's for other types of services (contract, scholar, etc.) may under no circumstances be traded for OL for minibus taxi-type services; and
- Where operators have joined another association, they must hand in any OL's for routes registered under that association before any new applications are considered.

New minibus taxi routes

It is important that the impact of new residential and business developments on transport is identified as part of the relevant Transport Impact Assessment process (TIA). Transport is seen as key to connect people with opportunities and one of the City's objectives is to encourage developers to develop closer to the residential areas in order to reduce the demand for travel. In cases where new developments take place far from other opportunities, developers should be forced to make a contribution towards both services and infrastructure. As part of the TIA process, the potential demand for new public transport routes as well as the number of vehicles required to provide the service should be established. It is also important to identify the appropriate mode to provide the service.

In the case of residential developments these findings should be substantiated with the results of interview studies aimed at establishing the demand for public transport services to various destinations, time of travel and trip purposes. In the case of new business developments, the findings of the TIA should be supported by information collected from the property managers. In such cases, the property manager could be requested to communicate with all shop owners to elicit information on travel behaviour. This process would give a plausible reflection of demand for public transport services and would obviate the need for protracted interview studies. It is crucial to achieve an equitable balance between public transport supply and utilisation on a particular route and there is always the risk of granting too many licences in the absence of accurate information. This could result in fierce competition for passengers and eventually conflict between operators and associations.

The Public Transport Evaluation Tool (PTET) should be utilised to determine the risk of introducing new routes into the public transport system (see section 5.10.1.1).

On receipt of a TIA for a new development, the PA must ascertain:

- If the TIA adequately addresses the public transport situation;
- Consider the impact of the development on the IPTN; and
- Must seriously consider the opportunity to conclude, preferably, a commercial service contract or secondly a subsidised service contract, in terms of Sections 40 to 44 of the NLTA, for the public transport services to and from that area.

The routes, level of service, vehicle types, number of vehicles, and number of operating contracts can then be determined and the contract/s be advertised for tender. In this manner operators will be encouraged to become formal and contracted operators. This will also permit the expansion of the principles of the TCT to achieve a uniform integrated public transport system in the City and allow for effective regulation on the applicable routes. Further, the City will be able to specify that the service provided would be fully accessible to all persons with special needs thus reducing the burden on the Dial-a-Ride service. As mentioned above the TIA applicant or developer could, by means of some type of public transport development levy, be committed to assist in the funding of the public transport service to their development.

In considering OL applications for this type of service refer to section 5.11.9.

The existence of service contracts will permit the City to effectively monitor the demand and adjust the level of service as required.

5.11.2.5 Conditions to be imposed when supporting an application for the granting, renewal, amendment or transfer of an OL for non-contracted service

- That the OL explicitly stipulates official ranks or official terminals or other facilities or spaces where loading/ranking can take place and facilities where passengers may only be set down;
- That the OL is brought into use within 90 days of upliftment¹⁶ or advance good reasons for not having commenced operations within that period (NLTA Sections 47 (3) and 49 (2) (b)). In the case of an OL with multiple routes, the service must be provided on all the routes authorised by the OL;
- That the authorised vehicle, whilst in a public transport facility including a holding area that is provided by the City, is operated in accordance with any management procedures and/or regulations and/or by-laws that the City has put in place at that facility and that the City reserves the right to suspend the operator's rank token in the event of non-compliance to these procedures and/or regulations and/or by-laws (Traffic By-law Section 6);
- That the operator obtains a rank token from the City after the OL is uplifted (Traffic By-law Section 3 (5));
- That the operator signs an agreement with the City for the use of the facility the OL can be uplifted. **The issuing of the Rank Token will become part of the upliftment processes when the City establishes its MRE;**
- That the City is not liable to pay any compensation should the need arise to withdraw the licence before the expiry date, in line with the implementation of the IPTN;
- In determining the period of an OL for non-contracted public transport services, the City will have due regard to:
 - Current and envisaged trends in utilisation on the route or routes, or where applicable, in the particular area concerned;
 - The efficiency of the proposed services in meeting user needs;
 - The likelihood that in future, the public transport service with regard to which the application for an operating licence is made, may no longer be required in terms of the ITP and IPTN; and

¹⁶ Refer to the definition of Uplift in section 2.5.

- Applicants for various OL transactions within this category are reminded that the likelihood that the public transport service with regard to which application for an operating licence is made, may become the subject of a commercial service contract or a subsidised service contract in the future. Applicants will be duly informed by the City; and
- Where route descriptions are vague, the City will direct to the RE that applicants be required to submit detailed route by route descriptions to supplement applications for consideration.

5.11.3 Learner Services

Section 72 and Regulation 42 legislates this type of service.

The transportation of scholars, students, teachers, and lecturers is becoming a growing area of concern for the City given that in most cases these services are operated in direct competition with existing public transport services. This is not in line with the public transport plan for the City area. In terms of the NLTA, the needs of special categories of passengers (which include learners) must be considered in planning and providing public transport infrastructure, facilities and services, and these needs should be met as far as may be possible by the system provided for mainstream public transport (NLTA Section 11(1)(c)(xiv)). Law enforcement initiatives have brought to light the fact that most of the operators providing this service are doing so without valid OL's. In some cases the misconception exists that an OL is still not required for the transportation of scholars.

In terms of Section 72 of the NLTA the conveyance of learners, students, teachers, and lecturers to or from a school or any other educational institution on a daily basis, is regarded as a public transport service and in such an OL is required. The NLTA gives the following definition of a public transport service: *"public transport service" means a scheduled or unscheduled service for the carriage of passengers by road or rail, whether subject to a contract or not, and where the service is provided for a fare or any other consideration or reward, including cabotage in respect of passenger transport as defined in the Cross-Border Act, and except where clearly inappropriate, the term "public transport" must be interpreted accordingly;"*

Given the fact that this type of service is now regarded as a public transport service, Section 72 of the NLTA applies. It stipulates that an OL is a prerequisite for the provision of a public transport service. Operators who are guilty of providing this type of service without the necessary OL will be charged in terms of the NLTA Section 90 for providing a public transport service without a valid OL. When formulating its response to the granting, renewal, amendment, or transfer of an OL to operate learner services, the City will consider the following matters:

- The contract between the operator and the school or other educational institution or department or certified copy thereof, or a letter from the principle or authorised administrative officer of such an institution approving the operator and the transport is in order;
- The route description is in sufficient detail and the route/routes is/are not in conflict with the transport plans for the area nor impinge on or are in direct competition with any other public transport service such as the MyCiti or minibus taxi services lawfully provided by other types of public transport;
- The vehicle type, capacity and standard thereof is adequate to transport scholars; and an area not on busy public roads where scholars may be picked up or set down is available and that roads to be crossed by the scholars to be picked up or set down are safe.

Educational institutions should also be made aware that any person or persons offering to provide this type of service should be in possession of a legal OL, authorising the transportation of scholars. Any agreements reached with these parties should therefore be subject to the successful application for an OL as set out in the NLTA. It should further be noted that educational institutions should prohibit the provision of such a service until such time as the OL has been granted. In terms of the Provincial Regulations on OL's, the PRE should dispose of such an application within 90 days. In terms of Section 62 (d) of the NLTA, an OL may not be granted unless the successful applicant has submitted to the PRE a current roadworthy certificate, which was issued for the vehicle to which the OL relates. The Provincial Regulations on Operating Licences stipulate that such a certificate must not have been issued more than 180 days before the date on which the PRE issued the OL (Sub-section 12). It is therefore imperative that educational institutions insist that prospective operators are in possession of a valid OL to ensure that only vehicles meeting certain quality standards are used for this type of service.

The City will further direct that the RE impose the following conditions on the OL some of which are legislated in Regulation 42 of the NLTR:

- The validity period of this specific OL will be 12 months from the date of issuing or until the City's CIP has been concluded by the City, whichever comes first, after which it will lapse and a new application and contract will be required;
- That none of the City's official transport facilities are used by the operator;
- The vehicle may only carry a maximum of XXX¹⁷ passengers at any given time even though the capacity of the vehicle is greater;
- That the OL will be withdrawn if mainstream public transport services are introduced in the future. Furthermore, in line with the restructuring and transformation of public transport services, the City will not be held liable for the payment of compensation if the OL is withdrawn before the expiry date;
- All schools and other institutions must provide loading areas that are not on busy public roads where scholars and students may be picked up or set down by motor vehicles (Refer to NLTA regulation 8);
- The operator to install a tracking device system in the vehicle (Refer to NLTA regulation (2d));
- All vehicles used for scholar transport must:
 - be marked in the manner prescribed or required by the relevant regulatory entity to indicate that scholars or students are being carried; and
 - have a first aid kit in the vehicle at all times that complies with prescribed requirements or those stipulated by the regulatory entity (NLTA regulation 4 a & b);
- All drivers engaged in scholar transport must be issued by the regulatory entity with a special identity card with feature designed to ensure that it is not possible to be forged, containing at least the following information:
 - full names and identity number of the driver;
 - name of the operator;
 - full, recent colour photograph of the driver; and
 - the code indicating the type of vehicle that the driver may drive. (NLTA regulation 6a-d); and
- Strict adherence at all times by the operator and driver of the public transport vehicle of the City of Cape Town: Traffic By-Law, 2011

¹⁷ The capacity of the vehicle, which is linked to the application, is to be inserted here.

5.11.4 Staff Services

The City prefers that staff travel to their place of work, and return home, by use of mainstream public transport. Notwithstanding this, it is acknowledged that the current public transport system does not accommodate shift workers where their working day begins before or concludes after the core business hours of mainstream public transport. Given this, the City has been prepared to support OL applications for staff services where these services operate outside of the core business hours of mainstream public transport. The successful implementation of the restructured network will significantly extend the core business hours (18-hour services) of public transport and this may well result in the needs of shift workers being met by mainstream public transport services. In such cases, the City will not support the renewal of OL's and will embark on a process to phase out non-contracted services operating in direct competition with subsidised scheduled services. If, under current conditions, the staff service involves a significant movement of commuters, the service must be scheduled. Until such time as the IPTN is introduced, the City will consider the following matters when deciding whether to support an application for the granting, renewal, amendment, or transfer of an OL for staff services:

- Whether there is a signed written contract between the employer and the operator;
- Whether the proposed service will operate outside the core business hours for public transport where the service is not in direct competition with existing service;
- Whether the vehicle is linked to an authority for minibus taxi-type services. The City requires dedicated operators for this type of service;
- Whether the vehicle is suitable for the provision of a public transport service;
- Whether a detailed route description has been submitted for evaluation;
- Whether the times of operation have been clearly stipulated on the application; and
- Whether the name(s) of the company/ies to be served have been clearly listed on the application.
-

The City will further request that the RE impose the following conditions on the OL:

- That the validity period of the OL is less than or equal to that of the contract;
- That the operator submits proof of passenger liability insurance;
- That the authorised vehicle is clearly marked with the name, address, and nature of the business of the holder of the OL on both front doors of the vehicle;
- That none of the City's official public transport facilities are used by the operator;
- That the OL is brought into use within 90 days of collection at the RE;
- That the OL will be withdrawn if mainstream public transport services are introduced in the future; and
- That the City is not liable to pay compensation if the OL is withdrawn before the expiry date, in line with the restructuring and transformation of public transport services.

5.11.5 Long Distance Services

The results of long distance surveys undertaken in the City of Cape Town area highlighted the need for additional operators to cater for the proliferation in commuter demand especially during peak times. Previous survey results showed extensive passenger waiting times and there is an urgent need to improve the level of service in order to reduce the waiting times of commuters.

NLTA Section 65 relates to the provision of long distance services.

5.11.5.1 Long distance minibus taxi services

The City is, however, not in favour of dedicated long distance minibus taxi operators. The demand for long distance services normally diminishes after the peak holiday season, resulting in an oversupply of vehicles on long distance routes. As a result these operators tend to impinge on other existing commuter routes, causing conflict. The City has therefore taken a

stance to support existing operators who apply for additional authority to operate on the long distance routes in terms of Section 65 of the NLTA. The rationale behind this decision is the fact that operators can revert back to the local routes when the demand on the long distance routes diminishes. It also allows the association to rotate operators on both the local and long distance routes to alleviate some of the overtrading¹⁸ taking place on the local routes. The City is also in the process of restricting all formal long distance minibus taxi operations within the City boundaries to the following interchanges:

- Cape Town Station Deck;
- Bellville;
- Khayelitsha;
- Nyanga;
- Langa (not intended for long distance bus operations);
- Mitchell's Plain;
- Du Noon;
- Masiphumelele;
- Mfuleni;
- Lwandle;
- Joe Gqabi; and
- Gugulethu.

The current decentralised system and the continuous granting of OL's all over the metropolitan area places a tremendous financial burden on the City, which has the responsibility of providing passenger facilities at these ranking points. This practice also means that certain safety standards are compromised during the process. In future, only long distance applications with the above areas listed as either an origin or destination point would be supported by the City to ensure that consistent quality standards are maintained throughout the system.

The City receives, from time to time, applications that have been submitted in other Provinces that apply to operate to destinations in the City's jurisdiction. The City requires that the applicable RE ensure that a detailed route description with a specific facility as end destination be supplied for the section of the route within the City's jurisdiction. In the absence of the required information, the City will unfortunately not be in a position to make informed decisions in order to support any applications for new operating licences or the renewal thereof and these applications will then be refused.

When formulating its responses to the granting, renewal, amendment, or transfer of OL for long distance minibus taxi services, the following matters will be considered by the City:

- Whether the operator has an existing operating licence for one of the local routes;
- Whether the local service authorised by the OL has been provided on a regular basis for a period of at least 180 days before the date of application for the long distance route;
- Whether the operator is a member of the resident long distance association and has furnished the City with a letter of support, and minutes of the general meeting, including a signed attendance register, in which the members of the association resolved to support the application, from the resident association on the route(s) authorised by the operating licence;
- Whether the application is for one of the official long distance facilities;
- Whether there is concurrence from the PA at the destination point of the route(s);
- Whether a detailed route description has been submitted for evaluation;
- Whether the vehicle is suitable for long distance services. In future only recapitalised vehicles will be allowed for long distance minibus taxi services;

¹⁸ Refer to the definition in Section 2.5

- Whether the application clearly stipulates where passengers will be picked up or set down and
- Whether the demand for the service is justified from a passenger perspective.

With the renewal of existing long distance operating licences with A-points¹⁹ other than those listed above, applicants should be requested to change the A-point to one of the official long distance ranks. Two applications for additional authority can be supported for every operator required by the City in terms of its demand analysis. Holders of OL's for special hire trips (within the boundaries of RSA) should be forced to convert these authorities to the provision of long distance services and provide detailed route descriptions to the City for consideration.

5.11.5.2 Long distance scheduled bus services

There are facilities for scheduled, long distance bus services at Cape Town Station and at the facility in Maybel St/Frans Conradie/Durban Road in Bellville. These facilities are privately operated and charge market rentals to the operators that make use of them. In future, alternative facilities will only be allowed for long distance operations where such facilities have been approved by the City. In recent years, the City has developed the Joe Gqabi modal interchange at Stock Road in Philippi and is in the process of centralising all unscheduled long distance bus operations at this facility. The Joe Gqabi long distance bus terminal has been built by the City as part of its commitment to improve the quality of life of residents in marginalised areas. A railway station, integrated with this public transport interchange, situated on the Cape Town - Khayelitsha line has been conveniently located to ensure access to the new long distance bus terminal. The Joe Gqabi facility offers excellent passenger facilities including indoor waiting areas, ticket offices, 106 bus loading bays, ample ablution facilities, informal trading areas, and a vehicle testing station.

The City receives, from time to time, applications that have been submitted in other Provinces that apply to operate to destinations in the City's jurisdiction. The City requires that the applicable RE ensure that a detailed route description with a specific facility as end destination be supplied for the section of the route within the City's jurisdiction. In the absence of the required information, the City will unfortunately not be in a position to make informed decisions in order to support any applications for new OL's or the renewal thereof and these applications will then be refused.

When formulating its response on the granting, renewal, amendment, or transfer of an OL for long distance bus, the following matters will be considered by the City of Cape Town:

- Whether the demand for the service is justified from a user perspective;
- Whether the application is for one of the official long distance bus facilities - Bellville or Cape Town in the case of scheduled services and Joe Gqabi in the case of unscheduled services;
- Whether the vehicle is suitable for public transport services;
- Whether there is concurrence from the planning authority at the destination point of the route(s);
- Whether a detailed route description has been submitted for evaluation;
- Whether the vehicle is suitable for long distance services; and
- Whether the application clearly stipulates where passengers will be picked up or set down.

The City will further direct that the RE impose the following conditions on the OL:

- That the operator keeps a log book of all long distance journeys;

¹⁹ See definition in section 2.5

- That the OL is brought into use within 90 days or advance good reasons for not having commenced operations within that period. In the case of an operating licence with multiple routes, the service must be provided on all the routes authorised by the OL;
- That the authorised vehicle, whilst in a public transport facility including a holding area that is provided by the City, is operated in accordance with any management procedures and/or regulations that the City has put in place at that facility and that the City reserves the right to suspend the operator's ranking rights in the event of non-adherence to these procedures and/ or regulations;
- That the operator obtains a rank token from the City before they can uplift the OL;
- That the operator signs an agreement with the City for the use of the facility before they can uplift the OL;
- That the OL is granted only for the validity period of the rank token;
- That the operator submits proof of passenger liability insurance;
- That the operating licence clearly stipulates where passengers may be loaded and where passengers may only be set down; and
- That passengers may not be picked up or set down en-route unless the operator has reached agreement in this regard with the City of Cape Town and with the taxi associations operating locally in the area.

5.11.6 Metered Taxi Services

NLTA Section 66 provides the applicable regulation in this matter.

Applications for base licences can be considered on the following conditions:

- That the applicant can prove the need for the service; and
- That the applicant has the necessary dispatch infrastructure.

As a result of weak regulation, there is a wide range of service quality levels in the metered taxi industry and there is no direct relationship between quality and tariffs. A **draft Operations Plan** proposes a uniform service quality standard and tariff, but this plan has not yet been supported fully by the industry. In the meantime, the City is directing the PRE on applications for tariff increases and is opposing increases that cannot be justified by service quality. However, it is understood that the RE has not ruled against any such applications.

When formulating its responses to the granting, renewal, amendment or transfer of a metered taxi OL application (both rank and base operations), the City will consider the following matters:

- Whether there is a demand for the service;
- The availability of other services of a similar nature and standard;
- Whether there is ranking space available (in the case of rank operators); and
- Whether the vehicle is suitable for operation of a metered taxi service. The City will not support an application to grant an OL for a metered taxi service if it is operated by a vehicle designed, or lawfully adapted by a registered manufacturer, to carry more than seven passengers plus the driver.

The City will further direct that the RE impose the following conditions on the OL:

- The name of the base rank, base area or base address from which the metered taxi operates and the pick-up radius must be marked on both front doors of the authorised vehicle with wording to be approved by the City in addition to the name, address and nature of business of the holder of the OL;
- The driver of the authorised vehicle shall have successfully completed a training programme recognised by the City;
- The scale of charges shall be displayed on both front and back doors of the vehicle;
- The fare shall be calculated from the time the passenger enters the metered taxi. No charges shall be made from the passenger's destination back to the rank or depot;

- The service authorised by the OL must commence within 90 days of the date of collection of the OL from the RE;
- That the operator obtains a rank token from the City before they can uplift the OL (only in the case of official ranks);
- That the operator signs an agreement with the City for the use of the facility before they can uplift the OL;
- That the operator submits proof of passenger liability insurance; and
- That the vehicle is fitted with a sealed, working, and properly calibrated taxi fare meter. (Refer to Sec 66 (2))

5.11.7 Charter Service

The NLTA defines a "charter service" as a means of a public transport service operated by road involving the hire of a vehicle and a driver for a journey at a charge arranged beforehand with the operator, where –

- a. neither the operator nor the driver charges the passengers individual fares;
- b. the person hiring the service has the right to decide the route, date and time of travel; and
- c. the passengers are conveyed to a common destination, and includes vehicles hired with drivers contemplated in section 67;" (NLTA, 2009)

The NLTA does not require any RE to refer applications for Charter services to the PA. However, the City has agreed with the WCPRE in terms of Section 67 of the NLTA. This has been done in an effort to prevent some of the ingenious main stream public transport operators circumventing NLTA requirements and apply for a charter service in lieu of a normal public transport OL for various reasons; or where a charter type service preferably should rather be performed by means of a metered taxi or special event authority.

It should be noted that in terms of Section 55(5) of the NLTA, the RE, in disposing of an application, must act in accordance with the relevant Integrated Transport Plan (ITP) and direction of the PA and must not grant an OL contrary to the direction of the ITP and the City as the PA.

Historically the City has been inundated with applications and requests for the authority of the conveyance of chartered passengers and previously, the City only supported these applications for organised parties. However, due to the significant number of existing operators already providing charter services, it is evident the City needs to regulate charter services more rigorously. This will be done in order to prevent the over saturation of charter services and to avoid the encroaching of new charter operators on long standing and existing charter operations.

The City is acutely aware that it is extremely difficult to accurately determine the demand and supply for charter services and therefore the support of charter service applications were subject to very strict and specific criteria in the past. The biggest concern to the City as PA in relation to charter applications, is that some main stream public transport operators are not successful with applications for normal route based public transport authority/authorities and therefore they opt to apply for charter services as the criteria is more relaxed. In addition to the aforementioned, survey results have proven that in some instances operators with charter authority often violate their OL conditions by operating at municipal ranks or along minibus taxi routes with a charter service authority.

The City will evaluate an application for Charter services by taking the following into account:

- The charter service applied for meets the criteria as per the definition of a chartered service and provisions of Section 67 in the NLTA;
- The charter service applied for should not rather be provided as metered taxi service;

- The vehicle or vehicle type is suitable as per Section 57(1)(b) of the NLTA in terms of reliability, convenience, affordability and passenger safety for the purpose of providing a chartered service; and
- The applicant is able to operate a charter service in a matter satisfactory to the public.
- The City will direct that the following conditions to be added on to the OL:
- This specific OL will only be valid for a period of 12 months from the date of issuing or until the Charter Service Consolidation, Verification and Rationalisation process has been concluded by the City, whichever comes first, after which it will lapse and a new application will be required;
- The vehicle may only carry a maximum of XXX²⁰ passengers at any given time even though the capacity of the vehicle is greater;
- The operator is required to protect the passengers through the provision of adequate liability insurance cover;
- The OL must stipulate that the vehicle must be marked with the name and address of the operator as well as the type of service provided; and
- Strict adherence at all times by the operator and driver of the public transport vehicle to the City of Cape Town: Traffic By-Law, 2011.

5.11.8 Tourist Services

The NLTA defines a *“tourist transport service” as a scheduled, unscheduled or chartered public transport service by road for the carriage of tourists to and from tourist attractions according to a predetermined itinerary, and includes transfers of tourists, for example from hotels to and from airports.*” (NLTA, 2009)

Part 3 of the NLTA provides the regulation of these services and the authority lies with the NPTR to administer the accreditation, and issuing of OL's to tourist service operators. Section 55 contemplates that tourist, and charter applications are not referred to the PA's however, NLTR Regulation 31(2) clearly states that the NPTR must refer the application to the relevant PA. Reg. 31(3) requires the PA to submit its response to the application within 14 days. However, in contrast to other types of services (as contemplated in Sec 55), **no** provision is made that the NPTR **must** handle the application in accordance to the PA's direction. Although Sec 36(6) requires that the PA must submit its ITP to the NPTR and relevant PRE and must make recommendations to them on how to handle applications that are referred to them.

City has an agreement with the WCPRE, in the absence of the NPTR that all applications for tourist services are forwarded to the City for direction.

The tourism industry in South Africa, and more specifically Cape Town, is a thriving industry, which relies heavily on the provision of high quality transport services to carry its customers safely, promptly and in comfort to their destinations. Tourist services are public transport services that transport tourists to and from tourist attractions where the tourists are accompanied by a tour guide registered under the Tourism Act, 1993. The Second Amendment of this Act states that no tour guide may drive a vehicle with a carrying capacity of 10 or more persons and, at the same time, act as a tour guide. The City has seen a large growth in the number of OL's granted for tourist services and, in some cases, the abuse of these authorities. Some of these services may be providing more luxurious or specialised services than the existing scheduled and unscheduled public transport services.

²⁰ The capacity of the vehicle, which is linked to the application, is to be inserted here.

The NLTA sets out specific requirements on the regulation of tourist services in Sections 80 to 84 of Act. In Section 80 it stipulates that: "the driver of a vehicle used for tourist transport services must at all times while such services are undertaken comply with requirements imposed by tourism legislation, this Act and other applicable legislation." (NLTA, 2009)

The NLTA in Sections 81 to 82 requires an operator wishing to operate a tourist transport service to be accredited by the NPTR, and sets out the process to be followed in applying for accreditation.

The cancellation of accreditation is dealt with in Section 83. One of the criteria to be considered by the NPTR is "negative complaints against that operator from a planning authority ..." Section 83(1)(e). which could be received and administered through the Transport Information Centre (TIC)

Section 84 requires that all tourist vehicles be certified by the NPTR.

The biggest concern to the City is that in relation to tourist transport accreditation applications, is that some main stream public transport operators are not successful with applications for normal route based public transport authority/authorities and therefore they opt to apply for tourist services as the criteria is more relaxed. In addition to the aforementioned, survey results have proven that in some instances operators with tourist transport authority often violate their OL conditions by operating at municipal ranks or along minibus taxi routes with a tourist service authority.

Further, the City is generally against permanent OL being issued for special events, such as the FIFA World Cup. In such cases, the City would support licences be issued in accordance with Section 60 - Special Events and Section 61 of the NLTA - Major Special Events. Refer also to section 5.11.10 of this document.

The City will evaluate an application for tourist services by taking the following into account:

- That the operator is fit and proper in terms of Section 81(2)(a) of the NLTA to transport tourists in a manner that is safe and will promote South Africa as a tourist destination;
- That the operator meets all the prescribed technical requirements in terms of Section 81(2)(b) of the NLTA;
- That the operator has access to acceptable vehicles and maintenance facilities in terms of Section 81(2)(c) of the NLTA;
- That the prescribed matters (criteria) in terms of Section 81(3) of the NLTA has been met;
- That the proposed tourist service does not impinge on any other public transport services such as the MyCiti or minibus taxi services lawfully provided by other types of public transport;
- The applicant is a properly qualified tour operator; and
- A qualified tour guide shall accompany the tourists at all times; and
- A detailed route description (itinerary) has been provided.
- The tourist services operator may operate a maximum of XX class XX vehicles in terms of Section 81(4) of the NLTA.
- The tourist service operator has the required recommendations from the local tourism authorities or authorities recognised by the Minister as required in terms of Section 81(5) of the NLTA;
- That the operator is registered as an accredited tourist operators in terms of Section 81(7) of the NLTA;
- The operator is fit and proper in terms of Section 82(2) of the NLTA to provide the proposed tourist service; and

- The vehicle or vehicle type is suitable as per Section 84(3)(b) of the NLTA in terms of reliability, convenience, affordability and passenger safety for the purpose of providing a tourist service.

The City will direct that the following conditions to be added on to the OL:

- The granting of this specific OL will only be valid for a period of 12 months from the date of issuing or until the City's CIP has been concluded by the City, whichever comes first, after which it will lapse and a new application will be required;
- Certified tourist transport vehicle to display special token, tag, or equipment as prescribed in Regulation 35;
- A clearly stated prohibition on the provision of shuttle or pre-booked transfer services;
- The nature of the service must be specified on the operating licence and vehicle;
- The tour guide must display the prescribed name badge whilst in the vehicle;
- The operator maintains, for the period of the operating licence, appropriate passenger liability insurance;
- That the City is not liable to pay compensation if the OL is withdrawn before the expiry date in line with any restructuring and transformation of public transport service; and
- Accredited operator must renew their accreditation every five years in the prescribed manner, failing which their accreditation will lapse (NLTA Section 81 (8)).

5.11.9 Contracted Services

NLTA Chapter 5 and Regulation 16 specifically deal with the application of OL's for this type of service. In the City's jurisdiction there are five contracts that can be considered to be concluded in terms of these provisions.

Currently, only GABS (and Sibanye under sub-contract to GABS), are contracted to the WCG to provide scheduled subsidised services. This contract is currently regarded as an interim subsidised contract that is renewed on an annual basis and is concluded and maintained in terms of Sections 42 and 46 of the NLTA.

The IRT operations are contracted, by the City to Kidrogen (Pty) Ltd, Golden Arrow Bus Services (Pty) Ltd, and Transpeninsula Investments (Pty) LTD. These contracts are performance based gross contracts, concluded in terms of Section 41 and 42 of the NLTA, in which services are paid for by means of a rate per kilometre operated. At the time of this report these contracts are interim in nature and negotiations are underway to conclude the full term contracts.

The Dial-a-Ride service is also provided in terms of these sections of the NLTA. The City is the contracting authority for this contract.

OL's for contracted services must be granted or renewed by the RE for any negotiated, subsidised, or commercial service contract awarded by a competent contracting authority (as defined in the NLTA) for services to be provided within the City. The licences may only be granted for the duration of the contract and are subject to the terms and conditions of the contract (NLTA, Chapter 5). Section 56 and Regulation 16 specifically deal with matters relating to the issuing of OL's for this type of service.

The Western Cape Regulations on Operating Licences, 2002 (Section 4) require that the application for the licences must be submitted with written confirmation from the relevant contracting authority that the contract has been properly concluded. The regulations also require the RE to submit copies of the application to the City and that the City should:

- Submit direction to the RE on the availability and improvement needs of terminals and bus stop facilities on the routes for boarding or alighting of passengers.
- Confirm whether it supports the application in terms of its ITP; and

- Submit any directions it may have in relation to the applications.

As part of the design of subsidised service contracts for the restructured network (IPTN), special attention is being given to the national strategic objective of eliminating competition between parallel subsidised services. However, in Cape Town there has been serious underinvestment in rail over many years, leading to a declining service and severe overcrowding on certain rail lines. This has necessitated augmentation from road-based public transport services to improve the overall level of service offered by public transport. Therefore, parallel subsidised services will continue to be allowed until such time as serious investment is secured for an increase in capacity on the rail system. The contracts are fairly flexible and allow for the number of buses to be adjusted if the rail system is improved. The design of these subsidised service contracts has been driven by the WCG in association with the City. The City's input has therefore been incorporated during the design process and alignment with the transport plans of the City has been ensured. The issuing of licences for these subsidised service contracts will therefore not be opposed by the City. The major impediment remains the issue of funding and the development of an empowerment model for minibuses taxis.

5.11.10 Special Events and Major Special Events

Sections 60 and 61, of the NLTA, and Regulation 20, deal with issues surrounding the application and granting of temporary licences for special and major special events.

Temporary special event licences will only be issued (a) if existing authorities and services are not sufficient to meet the estimated demand (b) that existing services are not disrupted or prejudiced, and (c) other prescribed criteria have been met. The City, on evaluating such application, will need to consider the above and, for special events within the City, the relevant Traffic Management Plans (TMP) that are prepared for such special event.

Major Special Events will be declared by means of regulations issued, in terms of Section 61, by the Minister. These regulations will regulate the circumstances under which temporary licences for the relevant major special event can be issued. An example of such regulations refer to the National Land Transport Regulations for the 2010 FIFA World Cup (Government Notice R 1170 dated 8 December 2009.)

5.11.11 Courtesy Service

A courtesy service is defined in the NLTA as follows:

"courtesy service" means a service provided by or on behalf of an organisation such as an hotel, which is not an operator, for its customers or clients, either by means of its own vehicle or the vehicle of an operator in terms of an agreement with that organisation, with no direct charge to the passengers;" (NLTA, 2009)

Section 53 (1) (a) exempts courtesy services from needing an OL if the operator operates less than the prescribed number of and type of vehicles. Regulation 29 prescribes that a maximum of two motor cars can be exempt from applying for OL's. However, if minibuses, midibuses, and buses are used they will need to be in possession of licences application for which must be done through the relevant RE.

In addition, Regulation 29(3) requires that operators of exempted courtesy services need to notify and register as an operator with the NPTR. The NPTR must then notify the relevant PRE and PA of such services. In terms of the above legislation the City does not have any input into the registration for these exempted services. However, where the operator requires a

licence/s the City must direct the RE in accordance with its ITP in terms of Section 55 of the NLTA.

In evaluating such applications the City must consider:

- Whether there is a demand for the service;
- Carefully evaluate the objective behind the provision of the service to ensure that it does not negatively impact on the viability of other existing services;
- The availability of other services of a similar nature and standard;
- Whether there is space available for the vehicle/s to stop and off-load passengers; and
- Whether the vehicle is suitable for operation of a courtesy service

5.11.12 Tuk-Tuks

A notice of the City of Cape Town (the City) on the amendment of the updated Comprehensive Integrated Transport Plan 2006 - 2011 (CITP) in the form of a set of conditions for the use of Tuk-Tuks is hereby published for public information as set out in the Schedule. The amendment was approved by the Western Cape Minister of Transport and Public Works in terms of section 36(4)(a) to (h) of the National Land Transport Act, 2009 (Act No. 5 of 2009) (the Act).

The set of Tuk-Tuk conditions is available at all municipal offices within the City for inspection during office hours and copies thereof may be obtained at the cost of the requester at the applicable tariff of the City as indicated at such offices.

The parameters and conditions to be included as an amendment to the updated CITP for the City are as follows:

- Support systems
 - Tuk-Tuks to be included as a pedestrian assistant mode in the marketing and management of the single public transport system, under TCT; and
 - Tuk-Tuks to operate as a short distance mode (last mile home), no longer than a 3 km trip on a dedicated route, as defined in the OL.
- Operations
 - The service will be limited to one area or neighbourhood only, with a dedicated route descriptions, not longer than 3 km, incorporated into the IPTN;
 - Supplementary to mainline services, where relevant as identified in the IPTN;
 - Maximum speed of 30km/hour; and
 - OL to be displayed at all times.
- Infrastructure
 - Tuk-Tuks are seen as a base operation (same as sedan taxi) with respect to facilities with no formal City facilities provided. Base facilities will be privately owned/leased by the Tuk-Tuk operator. Their base facilities shall be stipulated and within an acceptable radius from their route.
- Regulatory
 - Vehicles to be licensed by the RE after taking due regard of the current Statutory Plan i.e., Comprehensive Integrated Transport Plan(CITP), Operating License Strategy (OLS) and Integrated Public Transport Network (IPTN);
 - Children under the age of 13 years, must be accompanied by an adult when travelling on a Tuk-Tuk;
 - All trips must be pre-booked with the Tuk-Tuk operator;
 - No Tuk-Tuk OL can be converted to another mode of transport, if the business case does not prove viable, the licence shall immediately be withdrawn;
 - Vehicles will be subject to regular inspection as determined by the RE;
 - A maximum of three persons (including the Driver) to be conveyed at one time (as per definition in NLTA 2009);and

- Zero tolerance principles will apply, and the sanction shall be that the licence shall be immediately withdrawn, in the following cases:
 - Overloading;
 - Operations on illegal route;
 - Vehicle standards not adhered too; and
 - When the service is not in operation for a six (6) month period.
- Areas where approval will be considered.
 These areas and parameters will be reviewed in the new 2013-18 Comprehensive Integrated Transport Plan namely:
 - Waterfront/Sea Point/Bantry Bay;
 - CBD as long as no conflict with sedan taxis;
 - Kalk bay; and
 - Fishoek/Simonstown
- Land use
 - normal road facilities for parking, safe stopping/loading areas.

5.12 THE ISSUING OF PROOF OF RANK LETTERS BY THE CITY OF CAPE TOWN

The issuing of rank tokens and rank letters on City owned facilities is regulated by the Traffic By-Law (2011) and Sections 3 - 11 deal extensively with matters relating to the issuance of the rank tokens.

A proof of rank letter authorises operators to utilise the official City-owned public transport facilities listed on their OL's. The evaluation and issuance of these rank letters is undertaken by the Facilities Management Section of the Public Transport Department and is based on the availability of space for the vehicle in the applicable ranks. However, during the evaluation of the application, before granting, the availability of ranking space needs to be assessed.

This letter is required by the RE after an application has been granted and failure by the applicant to submit this document leads to the lapsing of the approval. In short, an applicant cannot uplift²¹ his/her operating licence unless they obtain a proof of rank letter from the City. The operator is normally given 60 days to submit this document, although they can apply for an extension of the period.

The City refuses to issue proof of rank letters in cases where the City has objected to the application based on its demand analysis. Section 55(4) of the NLTA explicitly stipulates that the regulating authority, in disposing of an application, must act according to and may not grant an operating licence contrary to an integrated transport plan for the area, or direction of the planning authority.

This is, however, subject to Section 57 (1) of the NLTA which stipulates the following:

"Where any application is made to the NPTR or PRE for the granting, renewal, amendment or transfer of an operating licence in respect of a non-contracted service other than a tourist transport service, the may grant or refuse the application after having considered:

- a. In the case of a service shown in an integrated transport plan, the directions of the planning authority;

²¹ See definition of "uplift" in section 2.5 of this document.

- b. Whether the vehicle by means of which the service is to be operated is suitable for that purpose;
- c. The availability of ranks or terminals or other facilities, based on the recommendations of the relevant planning authority or other information at its disposal;
- d. The existence of any by-law, regulation, prohibition, limitation or restriction;
- e. Whether the applicant has any previous conviction for an offence relevant to the operation of public transport services;
- f. The ability of the applicant to operate the service for which the operating licence is sought, in a manner satisfactory to the public." (NLTA, 2009)

5.13 KEY MATTERS IMPACTING ON THE EFFECTIVE REGULATION AND MANAGEMENT OF THE PUBLIC TRANSPORT SYSTEM

5.13.1 Bypassing of interchanges (re-routing)

The City and the PRE have been inundated with requests by minibus taxi operators for the direct transport of passengers between an A and B-point²², where previously the passengers were transported to a central rank from where they would use a connecting minibus to reach their final destination. Up to now, the routing of minibuses were usually agreed upon between the minibus taxi associations concerned and approved by authorities. The question of bypassing a rank is a serious matter, and the City must adopt a policy and strategy in this regard in order to guide the operators on a day-to-day practical basis and also to inform its own transport plans.

The matter of re-routing minibus services involves the following considerations:

- City of Cape Town's goals, objectives, standards, and constraints for public transport;
- Data collection;
- Future demand projection;
- Trip (re)distribution model; and
- Assessment of the impact on social, economic, land use, operators, transport agreements. In addition to the above points, current overtrading²³ on feeder and distribution routes has entrenched rights which must be considered when re-routing is evaluated, as the City is liable for compensation should losses be incurred by the operators concerned.

Another major initiative affecting the re-routing of minibus services is the Public Transport Restructuring Plan and subsequent Implementation Framework as discussed in section 5.1 of this document. This scheme gives clear guidance as to which trip lengths are suitable for bus and minibus modes. However, it does not provide guidance with respect to passenger demand. That aside, the City cannot at this stage consider re-routing applications, because of the imminence of the scheme which could lead to immense financial compensation claims by affected operators. However, the City will consider rerouting applications for two special scenarios:

- Where no alternative is available (bus or rail), routes with more than 600 passengers per morning peak hour; and
- Cases involving the City's Public Transport Restructuring Plan.

²² Refer to the definition of A and B-points in section 2.5 of this document.

²³ Refer to the definition of "overtrading" in section 2.5 of this document.

In summary, the City is not able to entertain minibus re-routing applications at this stage because of overtrading and the imminence of the implementation of the IPTN. Exceptions to this rule will be considered if no alternative transport is available and there is sufficient demand, and also should the IPTN require the re-routing of minibus services.

5.13.2 'Floor crossing' - changing of associations

A total of 102 minibus taxi associations are registered with the Provincial Taxi Registrar for the City of Cape Town area. These associations are responsible for the provision of minibus taxi services on some 600 (common origins and destinations have been grouped) minibus taxi routes within the City of Cape Town boundaries. A major reason for the tension between associations is the issue of 'floor crossing'. In many instances, operators who are not in good standing with one association opt to join a different association. This also happens in cases where operators are unhappy with the management practices of a particular association. In conflict situations some operators will also opt to join the more powerful association in fear of their personal safety. This is, in many cases, done without informing the RE and operators continue to provide the service authorised by their OL's. This often leads to conflict between associations and operators since there are then two or more associations providing the same service.

The approach adopted by this OLS is to strongly discourage the practice of allowing two associations to operate on the same route. In the event of 'floor crossing', the conditions under which the OL had initially been granted have materially changed.

The City's response to OL applications takes into account comments from the resident association on a particular route and both the supporting letter and the '*proof of rank letter*' would be subject to membership of that particular association. Even with the transfer of an OL, the City's support would be subject to membership of the resident taxi association on that route. The RE must also satisfy himself/herself that the applicant is a member of the resident association on that particular route and hence the requirement of a supporting letter. These conditions and criteria are put in place to prevent route related tension and play a major role in the decision of the RE to grant a particular application. In terms of Sections 55 and 57 of the NLTA the RE, in disposing of an application, must act according to and may not grant an operating licence contrary to the direction of the PA. The issue of association membership is therefore considered and plays a major role in the City's direction(s). Therefore, it can be argued that when an operator moves from one association to the next, the conditions under which the operating licence had been granted have materially changed. The provisions of Section 79 of the NLTA will then be used to cancel the OL. Under this section of the Act, the RE may withdraw, suspend, or vary a permit or OL in the circumstances contemplated in Section 79 of the NLTA.

Section 79 (2) (a) of the NLTA allows for a permit to be withdrawn or suspended at any time, if in the opinion of the board, the holder of an OL has not carried out faithfully the conditions or requirement of such an OL. In such cases, the 'old' association would first have to deregister such a member before the OL can be cancelled. The City would then direct the RE that the OL be cancelled. However, before the licence can be cancelled, the due process provisions of the Promotion of Administrative Justice Act would have to apply. The operator is entitled to apply for an OL on the routes served by their new association. However, the principle of supply/demand would apply in the City's evaluation of this application.

5.13.3 Non-renewed permits

In terms of Section 52 of the NLTA, an OL is granted only for a fixed period, not exceeding seven years or as may be amended. Section 47 of the NLTA further legislates that all indefinite permits will lapse on 8 April 2016 – seven years from the date of enactment – and will need to be renewed before that date. It is unfortunate that some operators are ignorant of this

requirement and that they have not renewed their authorities in time, thus resulting in the authority lapsing and the operator continuously operating illegally.

Such an OL is prerequisite for the operation of a public transport service and is not deemed as a right. An OL will lapse if, by the time the licence expires, an application for its renewal is not pending with the regulating authority.

The evaluation of applications for renewal of licences will be done in accordance with section 5.11.2.2 of this document.

5.13.4 Dormant operating licences

A current process of cancelling dormant licences is underway and will be concluded by mid-2013. After this process has been completed the City will need to remain vigilant and monitor records of operators and observations to ensure that operators, who have not operated in a period of 180 days, are notified and the provisions of Section 78 are implemented.

5.13.5 Conversion of Radius or Area -based operating licences

A number of radius/area-based permits were converted to 'radius/area-based' OL's, which is creating a number of problems and is the reason for conflict between route-based and radius-based operators. The existence of radius/area-based OL's also complicates the management and enforcement of the system. In the case of a conversion of a permit for an unscheduled service, which is not a metered taxi service, that authorises the operation of that service within a defined area or radius, the OL to which that permit is converted, must:

- Authorise the operation of that service according to one or more routes, based on the holder's actual operations for the period of 180 days prior to the date of application; and
- Specify the route or routes in detail, except in circumstances where the board on reasonable grounds finds the non-detailed specification of the route or routes justified (Regulation 14 (4) and (5).) This type of authority is clearly inconsistent with the transport plans for the City's area which require that all minibus taxi-type OL's be specified in detail according to one or more routes. These directions were also submitted to the RE as part of the conversion process.

The following recommendations are made with regard to radius/area-based OL's:

- Given that this type of authority is ultra vires any administrator, it must be assumed that such licences were issued erroneously. The RE will be directed to inform holders of such 'radius/area-based' OL's in writing that their OL's are invalid and that they must make application for the amendment of these licences to route-based OL's as a matter of urgency. For the purposes of allocating these operators routes, the RE should consider what routes the operators have been serving over the last 180 days; and
- In the interim period, the City will not support applications for the renewal, amendment or transfer of radius/area-based OL's for minibus taxi-type services unless the conversion from radius/area to route is done simultaneously.

5.13.6 Gate – keeping

It has been experienced that the senior officials and/or executive members of the taxi associations are limiting their support to applicants to themselves, close friends, and family. It is assumed that this is in order to personally benefit from financial benefits or possible compensation when the services are amended in terms of the expansion of the IPTN.

As described in the sections above the City requires the inclusion of a letter of support, to be issued by the resident association, that the applicant is a member of the association and that the association supports the application to operate on the routes authorised.

In order to limit the possibility of Gate-keeping the City requires that the resident association submits, as an attachment, to the support letter, the minutes of the general meeting wherein 1) a signed attendance list is included and 2) specific reference to the members support of applicant's application is indicated by means of a resolution.

5.13.7 More than one "A" – point.

For purposes of improved regulation, administration, and management of the minibus-taxi operations, the City has a policy that only one (1) A-point²⁴ may be specified on an operating licence. The A-point is generally determined as the base rank of the applicable association. However, in certain areas of the City, associations are authorised to operate out of numerous ranks. Further, the associations, in order to fairly manage their members' income, rotate the vehicles around numerous routes between lucrative routes and those that are less lucrative. This practise is resulting in difficulty in determining the supply of vehicles from specific ranks.

In order to limit the possibility of conflict amongst association each A-point is allocated to only one association. In other words the associations have unique A-points that are not shared with other associations.

At present the PRE has permitted the vehicle, by means of stating that it may operate "via" the other ranks, to be able to be rotated amongst the ranks.

5.14 MANAGEMENT OF PUBLIC TRANSPORT FACILITIES

The City is currently providing management services at 58 public transport facilities. The City of Cape Town's Public Transport Facilities Management Section fulfils the role of management all public transport interchange facilities throughout the city. In terms of this function, management, cleaning and emergency maintenance functions are provided at these facilities. The four main role players in the management structure are listed below. A detailed description of their functions and responsibilities is contained in the report:

- Stakeholder Committee – commonly referred to as the Interchange Management Advisory Committee (IMAC);
- Public Transport Interchange Manager (PTI);
- Rank Management Committee (RMC) and PTI Manager; and
- Enforcement Forum.

Furthermore, to ensure the safety of the commuters and its assets the City has appointed 16 security contractors deploying 180 guards at 23 PTIs.

5.14.1 Functions and Responsibilities of Stakeholder Committee (IMAC)

The PTI manager is to establish and facilitate a Stakeholder Committee, namely an Interchange Management Advisory Committee (IMAC), representing the local ward councillor, all modes of public transport operators using the interchange through their legitimate structures, formal traders on and adjacent to the PTI, informal traders on the PTI, enforcement agencies, community organisations where applicable, representatives of City

²⁴ Refer to the definitions in section 2.5

Departments that provide services and representatives of users of all modes of other transport at the PTI. Functions include:

- IMAC to meet on a regular basis;
- IMAC to function as an advisory forum to the City of Cape Town Public Transport Branch and its agent;
- Disseminate information to all stakeholders and consider response;
- Promote innovative ideas with stakeholder organisations;
- Request PTI manager to facilitate stakeholder needs in the services provided by all modes;
- Report all relevant information/matters/concerns raised by the stakeholders to the attention of the PTI manager; and
- Evaluate functions of the stakeholder structures.

5.14.2 Functions of the PTI Manager

It is the PTI Manager who responsible for the management of the PTI, the functions of the PTI Manager include:

- Coordinating all modes of transport using the facility;
- Ensuring effective access control is effective;
- Coordinating the rank management structures and reporting inadequacies to Stakeholder Committees;
- Receiving reports from the Stakeholder Committee and disseminates them to the relevant City departments;
- Ensuring that informal trading matters are reported to Business Areas Management;
- Monitoring and auditing the provision of contracted security services at the PTI;
- Inform the City regarding the maintenance of the public transport infrastructure and the PTI;
- Monitoring and auditing of the contracted cleaning services and monitor municipal cleaning services provided at the PTI;
- Establishing working relationships with the various enforcement agencies within the vicinity of the PTI and liaise with them regarding crime and the maintenance of law and order;
- Assisting the Stakeholder Committee in liaising with the appropriate forums that will enhance the effective management of the PTI;
- Liaising with the various City departments regarding effective service delivery; and
- Receiving various concerns from users of the facility and channel them to the appropriate stakeholder structures and service providers to address.

5.14.3 Functions of Rank Management Committee/Structure

- Ensure mandated representation of all taxi associations including all routes operating from the facility;
- Each route association to keep a detailed database of all operators and supply PTI manager with information on request;
- Ensure that regular meetings take place between operators and PTI management;
- Consider operational issues on rank from operators PTI management;
- Written feedback on operational issues to be channelled to PTI management who will forward it to the correct authorities;
- Discipline offenders in terms of agreed procedures; and
- Written details of elected officials to be forwarded to PTI manager.

5.14.4 Functions and Responsibilities of Rank Manager/S

The rank manager coordinates public transport operations on the PTI. These functions are:

- Ensuring safe, efficient, and smooth operations within the facility;

- Coordinating functions of the route regulators;
- Promoting good behaviour and ensuring that passengers are well handled;
- Reporting inadequate operational functions to the PTI manager;
- Providing on request, any operational information to the City via the PTI manager;
- Allowing only taxis with the correct operating licences to load in their specific destination lanes; and
- Ensuring queuing, loading, and off-loading of commuters happen in an orderly manner.

5.14.5 The Issuing of Rank Tokens for Public Transport Facilities

Sections 3 to 11 of the City's Traffic By-law (2011) deals extensively on the issuing of Rank Tokens.

5.14.6 Access Control for Public Transport Interchanges

Some minibus facilities are experiencing high levels of congestion where the number of vehicles requiring the use of that particular facility comprehensively exceeds the number of available loading bays. This normally happens during the off-peak period when commuter demand is low and all vehicles are parked at the facility. This problem is further compounded by the excessive number of illegal operators at these facilities.

The City is currently developing an access control system that will regulate entry to public transport facilities so that congestion is reduced and illegal operators are prevented from entering the facilities. The new access control system is boom controlled and will only allow vehicles into the facility that have legal loading rights in terms of operating licences. The system will be controlled by a database, which recognises vehicle registrations.

Each vehicle with loading rights at the facility will follow procedures that are unique to that facility.

The rank token and a copy of the agreement are issued to the operator. A copy of the rank token and the original agreement are archived for the City's records;

No operator will be allowed to use a City owned public transport facility without a valid rank token. The rank token must be affixed to the left-hand side of the windscreen so that its face is clearly visible from the outside;

The PTI Manager will monitor compliance with management procedures and/or regulations at the particular facility. Any violations will be recorded by the PTI Manager and forwarded to the Public Transport Regulation and Survey Department who will manage the demerit system. Disciplinary procedures will be put in place to deal with offending operators and this may eventually lead to suspension of ranking rights at a facility. In such cases the City will direct the RE that the OL must be withdrawn given that the circumstance under which the licence had been granted has changed. All transgressions committed by taxi operators on the interchange will be captured on the database and a demerit system will come into play when rank tokens must be renewed. Operators who are guilty of non-compliance with the management processes and/or regulations at a particular facility will be denied access;

5.14.7 The Provision of Security Services at Public Transport Facilities

Enforcement is an important aspect of the Integrated Management Plan and creates a safe environment for public transport usage. Since 1997, the City has deployed security at transport interchanges to assist in promoting the use of public transport by creating a safer environment at these nodal points. To ensure that the most effective service is rendered, regular enforcement meetings and briefings between enforcement agencies and contracted security are scheduled. These meetings are facilitated by the PTI Manager. The

focus of such meetings is to assess security risk factors and to implement the necessary interventions to reduce or stamp out the identified threats.

5.15 APPLICATION REFERRAL PROCESS

The processes of submission, evaluation, granting and issuing of OL's is a complex procedure that is undertaken through many different authorities, departments and sectors in the City as well as with the WCG.

The schematic depicted in Figure 5-2 indicates that there are eleven (11) possible steps that a typical application for an OL could follow before being issued. Steps 3, 8 and 12 are the steps where reference to this OLS is relevant.

5.15.1 Step 3 – Informal Evaluation

The RE informally refers a possible application to the City for informal evaluation. The City's Public Transport Regulation and Survey Section (the PA) undertakes the evaluation process and provides informal direction, by means of an email or similar communication, to the RA. If the City directs that the application will not be successful the applicant is notified by the RE and the process stops there after proper record keeping.

However, if the City directs that the application could be successful the applicant is notified to formally submit the application and pay the relevant application fee.

5.15.2 Step 8 – Formal Evaluation

The RE formally advertises the application in the Government Gazette and, in terms of Section 55 (1) and Regulation 6 (4), issues a formal referral (on the prescribed Form 2B) to the PA. The City must respond with the applicable direction within 30 days. Unless there are substantial changes in circumstances and information related to the application, the City should forward a supporting response to the application. However, if on further evaluation it becomes clear that the application will not be successful in terms of this OLS the City shall formally direct the RE to refuse the application.

5.15.3 Step 12 – Decision to Appeal

On receipt of the notification of decision, received from the RE, and if the decision is contrary to the City's direction, the City may consider lodging an appeal against the decision with the Transport Appeals Tribunal. It should also be noted that the operator and any objectors may also follow this course of action if they feel that the decision is incorrect.

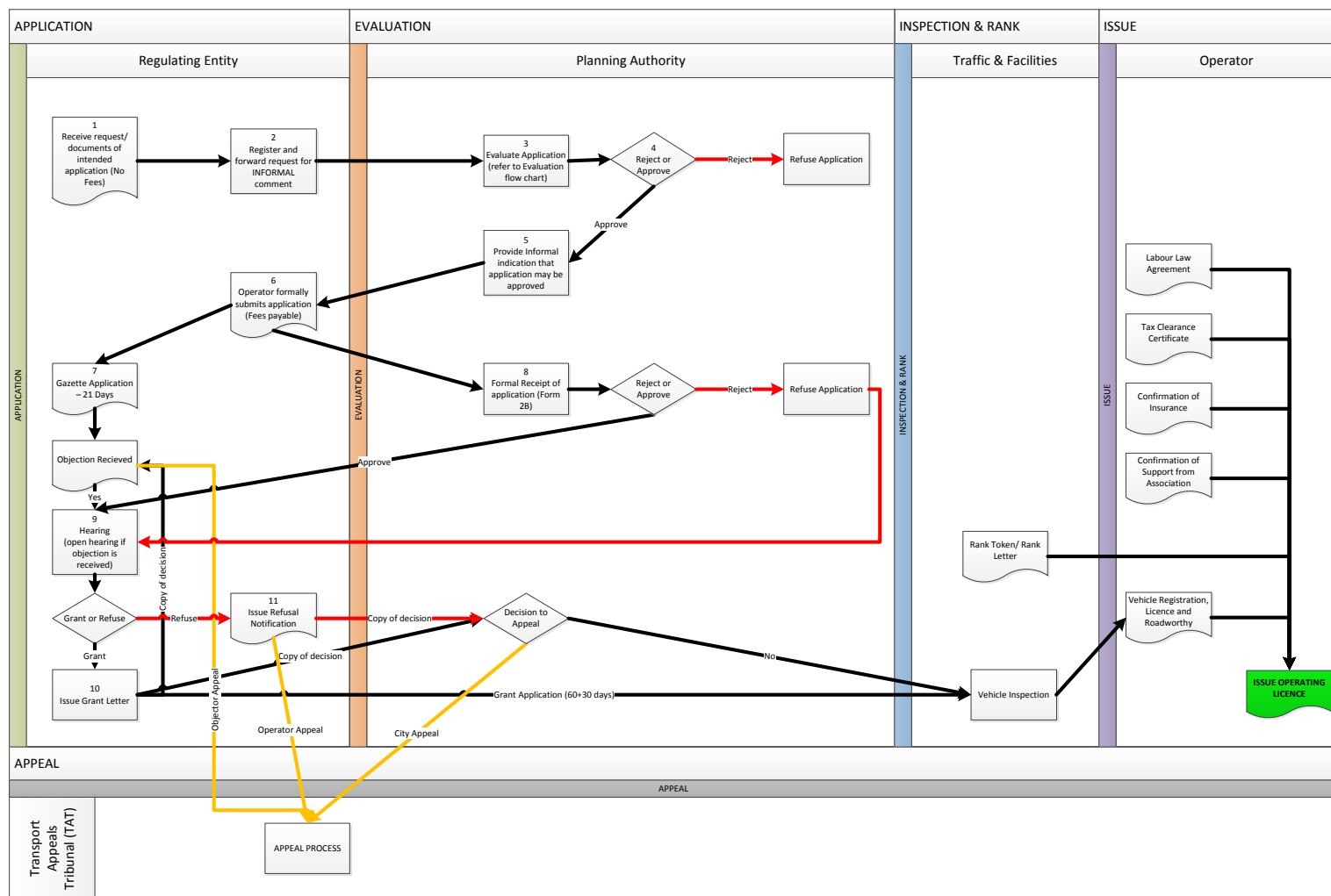


Figure 5-2 - Application Process

5.16 EVALUATION PROCESSES

Once the City has received an informal referral (Step 3 above) the following processes have to be undertaken by the City's Regulation and Survey Section. The schematic depicted in Figure 5-3 provides an overarching view of the process.

During the evaluation process at all times the requirements and guidelines of sections 5.10 and 5.11 of this OLS must be complied with.

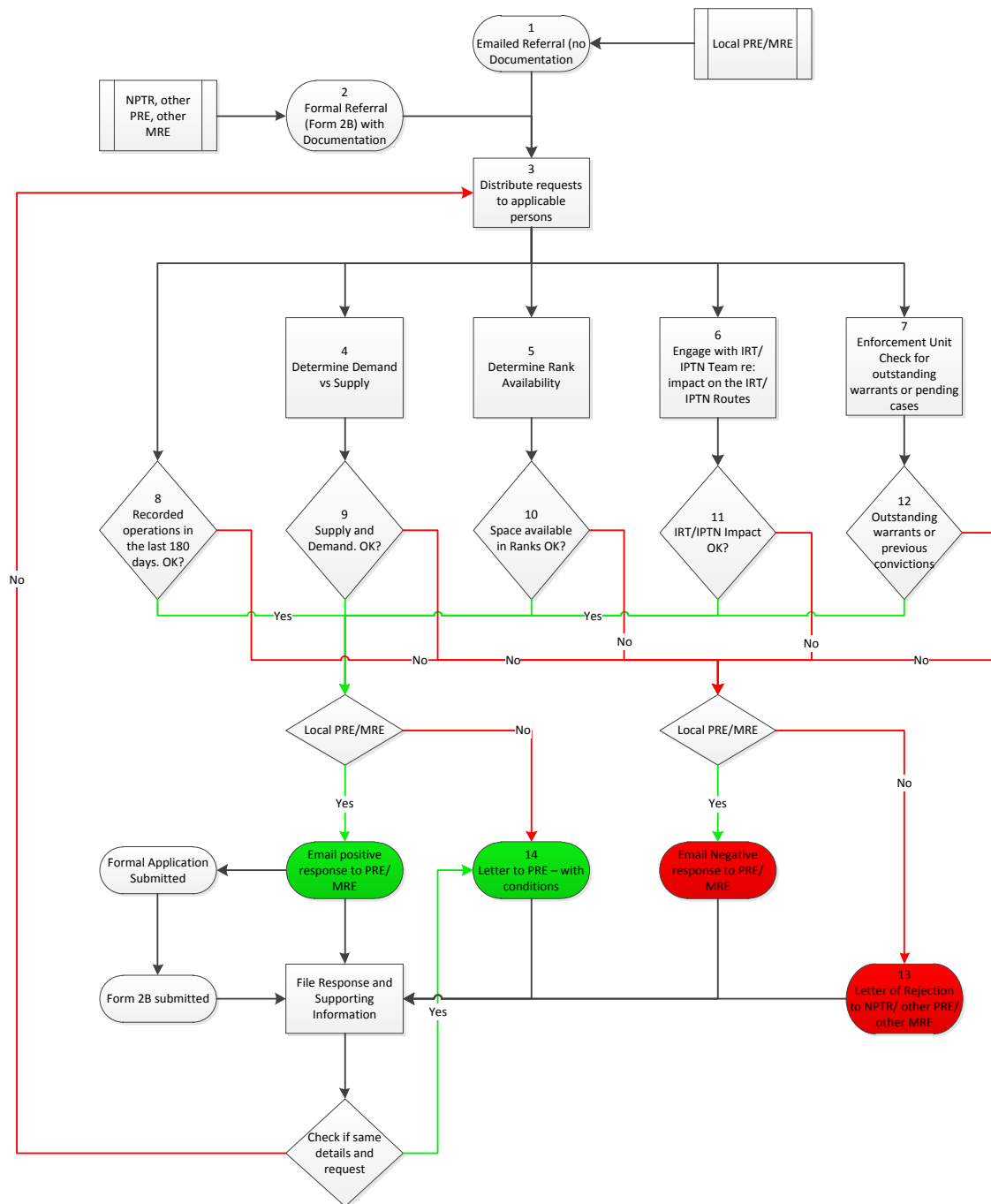


Figure 5-3 - Evaluation Process

5.16.1 Step 1– Receipt of Informal Referral

The referral to the PA is received from the RE via email (or SAP will notify the relevant officials of the application).

The referral is recorded in the required manner to ensure that adequate records are maintained.

5.16.2 Step 2 – Formal Receipt of Referral

Form 2 B is received from the RE.

The referral is recorded in the required manner to ensure that adequate records are maintained.

5.16.3 Step 3 – Evaluation

The application is checked for completeness of all relevant information and is forwarded to the following departments:

- Regulation and Survey Section's Transport Record System (TRS);
- Facilities Management (Rank Management);
- TCT Regulations Department (Early Exit Compensation); and
- Enforcement Unit

5.16.4 Step 4 – Supply and Demand (NLTA Sec 57 (1) (a))

Refer to Annexure A for a step-by-step method of undertaking these calculations.

- Using the TRS and other available survey data the passenger demand on the applicable route/s is determined;
- Using the TRS and other available survey data the queue length and passenger waiting times are determined;
- Using records of valid OL's, with authority to operate on the applicable routes, determine the number of vehicles and their carrying capacity;
- Utilising the method described in paragraph 0 determine if sufficient capacity is already authorised to operate the route; and
- Care should be taken to ensure that available capacities on the bus and rail corridors, if applicable, are also taken into consideration – refer to the current approved Integrated Transport Plan (ITP).

5.16.5 Step 5 – Rank Space Availability (NLTA Sec 57 (1) (c) & (d))

Facilities Management will:

- Refer to their records of Rank Tokens and Rank Letters at the applicable ranks and determine if there is available space at the ranks for the additional vehicle/s;
- Determine if the Operator has complied with rank rules and has not contravened any By-laws (section 6 of the Traffic By-law); and
- Ensure that the requirements of the City of Cape Town Traffic By-Law (2011) are met.

5.16.6 Step 6 – IRT and IPTN Impact

The IRT/IPTN planning department will:

- Assess the application to determine if the route/s applied for will be affected by the existing IRT operations;
- Assess the application to determine if the route/s applied for will be affected by the imminent commencement of operations on a future IPTN corridor;
- Assess the application to determine if the route/s applied for are operated parallel to existing bus and Metrorail corridors and if imminent capacity improvement measures are to be implemented; and
- In terms of Section 3.5.4. of this OLS, determine if the vehicle, as indicated in the application, is suitable for the type of service intended. (NLTA Sec 57 (1)(b))

5.16.7 Step 7 – Outstanding Warrants and Convictions

The Enforcement Unit will:

- Check their warrant records if the operator or vehicle/s has any outstanding warrants, summons's and fines;
- Check if the operator or vehicle has any applicable previous convictions, which are relevant to the operation of public transport services, or of a prescribed type of offence (NLTA Sec 57 (1) (d) & (e); and
- Consider if the applicant has the ability to operate the service in a satisfactory manner. (NLTA 57 (1) (f)).

5.16.8 Step 8 – 180 Day Letter (NLTA Sec's 47, 49 & 78)

TRS records are checked to ensure that the operator, if an existing operator, has operated within the last 180 days. If so:

- Issue the "180 day letter", if not;
- Indicate that the operator has not been operating within 180 days and place a condition or request in terms of Sec 78 (1) (a) & (b);
- Why it failed to operate the service; and
- Why the licence should not be cancelled; and
- Forward recommendation to designated official.

5.16.9 Step 9 – Sufficient Demand on the Route

- If in Step 4 it is determined that there is insufficient supply (capacity) and or passengers are forced to wait long times for vehicles on the applicable route, then issue indicate that the application can be supported and insert the relevant conditions that may be applicable.
- If it is determined that the route is overtraded²⁵ then indicate that the application will not be supported; and
- Forward recommendation to designated official.

5.16.10 Step 10 – Rank Space availability

- If sufficient space is available for the vehicle to operate from the ranks indicated, or if the vehicle is currently operating from the ranks;
- Indicate that the operator will, if the OL is granted, be issued with a rank letter or token; and
- Forward recommendation to designated official.

5.16.11 Step 11 – IRT/IPTN impact

- If the service, that is being applied for, does not or will not be affected by a current or imminent IPTN corridor implementation or improvement (including rail and bus services) indicate that the application will be supported;
- If the route/s will be affected by a future imminent IPTN corridor implementation indicate when the envisaged implementation is expected and draft a condition that the validity period of the OL be limited in terms of section 5.8.2 of this OLS; and
- Forward recommendation to designated official.

²⁵ Refer to the definition of overtrading in section 2.5

5.16.12 Step 12 – Outstanding Warrants

- If the operator has outstanding warrants, summonses, or fines, indicate these and place a condition that the application may be supported if these are settled forthwith;
- If the operator has previous convictions, as indicated in the Western Cape Regulations (2002) or prescribed type, as in NLTA Reg. 18, indicate that the application will not be supported; and
- Forward recommendation to designated official.

5.16.13 Step 13 – Issue Informal Rejection Notification

On receipt of the responses from steps 8 – 12 consolidate all and if any one of the responses recommended that the application is not supported email a notification of the rejection to the regulating authority.

5.16.14 Step 14 – Issue Informal Approval Notification

- If all responses received, support the granting of the application email an informal approval to the regulating authority stipulating that the City approves the application under the specified conditions; and
- Attach the relevant prescribed conditions as indicated in Section 5.11 of this OLS.

5.16.15 Step 15 – Issue Approval Letter

- If all responses received, support the granting of the application, from a formal referral (Form 2B) draft the notification/letter directing the RE that the City approves the application under the specified conditions;
- Attach the relevant prescribed conditions as indicated in Section 5.11 of this OLS; and
- Ensure that record is kept of the decision to provide evidence for further possible action or appeal.

5.16.16 Step 16 – Issue Formal Rejection letter

If, the application is a formal referral (Form 2B), and the recommendation is received that the application is not to be approved, draft the letter of rejection and forward to the relevant RE.

5.16.17 Step 17 – Record Keeping

All correspondence and supporting documentation that was used to evaluate the application and to formulate the response must be filed in the appropriate manner to facilitate easy retrieval when the formal application is referred and for any event where the details and reasons need to be reviewed or used for appeal or litigation.

5.16.18 Step 18 – Formal Referral Check

- When the formal referral, on Form 2B, is received the records of the informal evaluation process can be used to determine if the formal application is materially the same as previously evaluated and if the same the formal approval letter can be drafted and issued to the RE; and
- If the application has materially changed then it will need to be re-evaluated using steps 3 to 17.

6. LAW ENFORCEMENT

Discussion on the matter of law enforcement relating to the management of operating licences is necessary as it highlights the intent to achieve compliance with legal prescription and in the process diminish the negative impacts of destructive competition. Destructive competition is the product of imbalances in supply and demand that have resulted in overtrading²⁶ and this is evident between transport modes, and within modes. The consequences are deterioration in the quality of services delivered, reduced earning potential of operators and deterioration in the quality of services as a whole. Given a scenario where there is an absence of effective law enforcement, the value of having an OLS can be questioned.

This summary provides an outline within the context of the OLS. It is linked to a wider metropolitan strategy of dealing with the full spectrum of public transport services, enforcement, and that of the safety and security of passengers. Consequently the content of this chapter draws on the more comprehensive strategy that is being developed by the City in association with various law enforcement agencies.

6.1 STRATEGY DEVELOPMENT

The approach promoted is that of considering the issue of law enforcement within the context of safety and security on the public transport system as a whole. Thus issues relating to the vehicle, the OL, the driver, the operator, and traffic laws are all seen relative to the broader issues of promoting public transport development, and in the context of the built environment and the use of infrastructure.

The fundamental building blocks that will support the enforcement strategy are:

- A visible presence of enforcement personnel;
- Preventative interventions to deal with specific areas of concern, followed by sustained law enforcement and the prosecution of offenders;
- Access to information and intelligence regarding components of the public transport system;
- Coordination between various authorities to optimise the use of limited resources; and
- The implementation of appropriate technologies for detection and processing of offenders.

Law enforcement programmes need to be carefully considered and implemented in an open manner that:

- Informs both the public transport industry and travelling public of problem areas;
- Creates understanding of the need to address these identified issues;
- Recognises that the initiatives will positively contribute to better service delivery; and
- Is seen as beneficial to public transport service providers.

For each public transport mode, law enforcement plans are to be devised that will focus on priority incidents and/or offences, which will yield the best return with the limited resources that are available. By way of example: within the minibus taxi industry, issues of roadworthiness, speeding, no OL's and operators operating contrary to their OL conditions are target areas. However, to deal with these effectively requires that appropriate

²⁶ Refer to the definition of overtrading in section 2.5 of this document.

infrastructure, equipment, and trained personnel are in place and that there is a mechanism of dealing with passengers inconvenienced in the process.

Equally important is the need to develop an awareness that will engender self-regulation amongst public transport service providers, a public demanding safer and more secure travel, and a judiciary that will impose appropriate penalties.

6.2 RESPONSIBLE AUTHORITIES

The RE's are charged with the issuing of OL's. However, this is undertaken through a legal process that increasingly makes reference to the CIP for the City. The CIP, as the OLS, is a statutory document that provides for the restructuring of the public transport system. The responsibility for drafting of the CIP and the OLS is that of the City with the support of the Province. These documents become legal upon approval by the Provincial Minister of Transport and Public Works.

The overall aim is to systematically increase the level of system recognition and regulation so that passenger accessibility is enhanced at an affordable level. By implication, this means the removal of illegal operations and other forms of destructive competition.

With regard to road-based public transport, it is incumbent on both the Province and the City, at this time, to transform service delivery, while it is up to the different law enforcement agencies to ensure compliance with the law.

The National Land Transport Act (Chapter 7, Sections 85 to 91) is very specific with regard to law enforcement in that it is required that the Provincial Minister, and municipalities 'take active steps to develop systems to improve land transport law enforcement'. The agreed 'enforcement authority' for the jurisdictional area may be the Provincial Minister, a municipality who will enter into agreements with respect to:

- Enforcement functions in relation to jurisdictional areas;
- The secondment of personnel between authorities;
- Joint enforcement initiatives and
- The financing of such activities.

Law enforcement agencies primarily involved in aspects relative to the NLTA and the Road Traffic Act include the Traffic Inspectorates of both the City and the Province, assisted where appropriate, by the Metro Police and the SAPS.

Although a dedicated Public Transport Unit has been established, in the present context it is recognised that resources for enforcement are limited with respect to public transport.

6.3 OPERATING LICENCE FOCUS AREA

The OL is a contractual agreement between Government and the operator regarding the delivery of specific public transport services to the user.

Prerequisites to effective law enforcement include:

6.3.1 A clearly specified contract or operating licence issued by the NPTR/PRE

The OLS provides guidelines for managing the supply of OL. However, the onus is on the RE to ensure that the OL is drafted in a manner that clearly describes the services in a legally defensible manner. Particularly in respect of route description, operational hours, service frequency, loading rights and so forth.

6.3.2 An accessible information database

All information attached to the OL must be readily accessible at any time (24 hours/ day, seven days a week) to those with authorised access. The database is to include information on pending applications OL's issued. Important is that the information is accessible to the law enforcement officer attending to a situation out on the street and consequently, the database system must make use of modern telematics technology. Access should also be available to those managing the supply of OL's and for transport planning purposes.

6.3.3 An adequately staffed and trained law enforcement component

Within the present environment with its high percentage of illegal operations, it is necessary that Public Transport Unit receives specialised training on issues and management of management of the public transport sector. Law enforcement actions should be routine, special, and selective in nature, but will also aim to encourage self-regulation, with all activities undertaken in accordance with agreed operational plans.

6.3.4 The provision of appropriate equipment and infrastructure

Apart from the standard equipment issued to law enforcement officers in a patrol vehicle, there should be the specialised equipment required to enable access to the information database, establish geographic position (GPS). Ensure the knowledge that the officer's movement is being tracked and that support resources are available in the event of emergencies. In addition, it is essential to have access to suitable facilities to prevent illegal public transport vehicles from proceeding on their trips. In this regard the provision of vehicle pounds strategically located (either permanently or temporarily), and the use of wheel locks if required, must be included in the enforcement strategy.

The present a driver who is found to be operating in contradiction to the authority provided on the licence, will be arrested and the vehicle is impounded, in accordance to Section 90 of the NLTA.

6.3.5 A judiciary with the understanding of the need for control in the public transport industry

Special effort is required to inform, provide advice, and train public prosecutors, magistrates and judges regarding this specialised field of law enforcement. Attention must also be given to the effectiveness of processing citations so that it minimises delays and maximises the use of law enforcement officers in field operations.

6.3.6 Independent system for monitoring processing and evaluation

Maximum use must be made of the Intelligent Transport System (ITS) technology in the detection of illegal operations and traffic violations. In this regard attention should be given to the City's CCTV monitoring systems, the use of number plate recognition technology at termini and along routes, and the possibility of e-tagging all legal public transport vehicles so

as to minimise wasted interventions. In addition, modern technology should be used in the information processing field; thus relieving skilled traffic officials of much of the tedium and providing the opportunity for independent evaluation of law enforcement efforts.

6.3.7 An understanding public

An informed public will have a significant influence on the achievement of order. The passenger has rights and is entitled to safe passage and protection through the legal system. While the operating licence is a contract between Government and the operator, it is based on agreement between Government and the user in respect of a quality charter. Dedicated marketing and communication efforts are required to achieve this objective.

6.3.8 Enforcement of public transport priority lanes

Here, the priorities are to:

- Improve public transport journey times;
- Discourage the use of private vehicles;
- Attract more people to public transport;
- Ease congestion;
- Demonstrate law enforcement;
- Alter driver behaviour;
- Increase fleet capacity without adding new vehicles; and
- Address the imbalances between supply and demand on certain routes.

6.3.9 Dedicated public transport enforcement

The NLTA Section 86(1) stipulates that the MEC may appoint employees of the Provincial Department, or a municipality to which the operating function has been assigned who are fit and proper persons, as inspectors for the for the relevant functions

The function of inspectors so appointed is to monitor compliance with this Act in the Province or transport area concerned. They are thus required to assist with the investigation and prevention of offences contemplated in Section 89 which have been committed within the Province - subject to Provincial laws and the directions of the MEC and the head of the Provincial Department.

6.3.10 Strong political support

The transformation of the public transport system requires strong political leadership and the will to succeed. It is important to remember that legalising the public transport system is but one aspect of the broader objectives towards establishing efficient, affordable public transport.

6.3.11 e-Tag Proposal

The possibility of issuing e-Tags to operators who have successfully been issued with an operating licence will, with the accompanying reading equipment being issued to relevant law enforcement officials, assist in eliminating falsified documents, make determining the authority contained in the OL easier to obtain and can be also used to facilitate the boom control or other entry restriction devices, at the authorised ranks, in conjunction to the rank tokens.

Section 26 (3) of the NLTA makes provision for the National Minister to prescribe a tag, electronic card or other device to be issued with an OL and be kept in the relevant vehicle. An issuing fee can be levied for this device. In the absence of a Ministerial prescription the City may amend its Traffic By-law to make this a requirement similar to the Rank Tokens.

The e-tag cannot replace the decal or original document on the vehicle but is a device that will make law enforcement easier.

A full investigation into the implementation of such devices should be undertaken in the near future to determine the practicality, benefits, and costs of such a system.

7. PUBLIC AND STAKEHOLDER ENGAGEMENT

7.1 COMMUNICATIONS BETWEEN THE NPTR, PRE, AND THE CITY OF CAPE TOWN

In accordance with Section 55 of the NLTA, the City receives written notice from the relevant RE of an application for the granting, renewal, amendment, or transfer of an OL. By that notice, the RE requests the City's direction with respect to that application.

The City considers the application and provides its directions to the relevant RE. The RE receives the City's directions and advises interested parties, including the City, of the meeting of the board at which disposal of the application is to be considered. When an application for a non-contracted service that requires use of a public transport facility for ranking is approved, the applicant is required to obtain from the City a 'Proof of Rank' letter for submission to the RE when uplifting²⁷ the operating licence. Failure by the applicant to obtain this 'Proof of Rank' letter from the City will result in the approval lapsing.

The RE, in response to a request from the City, undertakes to forward every week a record of all OL's that have been granted, renewed, amended, or transferred.

Standard documentation is not used in the correspondence between the RE and the City, however, both use the text of past correspondence, which is amended to suit the application under consideration.

7.2 INTRA-PROVINCIAL APPLICATIONS

The RE forwards applications for OL's received for intra-provincial services to the City with the request for the City to return its direction on the application. The City returns its direction as requested. The RE also forwards the application to other PAs in whose area of jurisdiction passengers will board or alight from the intended service. The RE assembles the replies of the PA's, including those of the City, and considers the application at a meeting of the PRE.

The City receives, from time to time, applications that have been submitted in other Provinces that apply to operate to destinations in the City's jurisdiction. The City requires that the applicable RE ensure that a detailed route description with a specific facility as end destination be supplied for the section of the route within the City's jurisdiction. In the absence of the required information, the City will unfortunately not be in a position to make informed decisions in order to support any applications for new operating licences or the renewal thereof and these applications will then be refused.

²⁷ Refer to the definition of uplift in section 2.5 of this document.

7.3 INTER-PROVINCIAL APPLICATIONS

The NPTR and the City follow the same procedure to consider an application for an inter-provincial OL as that for an intra-provincial application.

7.4 PUBLIC CONSULTATION

This OLS is regarded as an integral part of the CIP that is annually prepared or updated by the City in as such both documents are subject to a combined public participation process prior to adoption by the City's Council.

8. IMPLEMENTATION

This chapter sets out the prioritised proposals that the City intends to follow in order to restructure the public transport services in the City where this restructuring affects the City's recommendations and representations on applications submitted to a regulating entity for the disposal of OL's. The purpose of the restructuring process is to provide services that adhere to the City's Public Transport Implementation Framework and IPTN implementation.

8.1 TRANSFORMATION AND ACTION PLAN

The Transformation and Action Plan is the overarching initiative to restructure transport, in particular public transport in the City of Cape Town. The establishment of Transport for Cape Town (TCT) transport authority that will plan, manage, operate, and monitor the entire transport function of the city. In terms of this plan TCT will phase in a fully integrated and restructured public transport system over the medium to long term. This OLS is in full support of this process and in particular calls for the development of very detailed and focused strategies that relate directly to each and every affected operating licence in the applicable corridor or area that is being implemented. As it has been stated before the process of restructuring the public transport system of the City serious attention needs to be given to the transition of informal minibus-taxi operators into a formal performance based contract model.

With the implementation of the Phase 1 of the IPTN or IRT services, the City is firmly on the road to restructure the entire public transport system in its jurisdiction. The implementation of the IPTN will require intense planning efforts and drive to fully realise the potential of an integrated system that is equal, or better, than established public transport systems in the world.

With the phased implementation of the IPTN both scheduled and un-scheduled public transport services will be restructured into ONE system that has the following goals or visions:

- One Transport Authority;
- One Network;
- One Timetable For All Modes Of Transport;
- One Ticket;
- One Unified Standard For Infrastructure And Operations Across The City;
- One Transport Enforcement Unit;
- One Management System; and
- One Brand.

8.2 IPTN IMPLEMENTATION

The City's current project to develop an IPTN, including the detailed operational plan and implementation plan for the Lansdowne - Wetton Corridor is fully supported by this OLS and is an integral part of the restructuring of public transport. The current project is seen as the planning phase of the IPTN and it is expected that the implementation of, in particular, the Lansdowne - Wetton corridor will commence during April/May 2014.

8.3 UNSCHEDULED SERVICES (INCLUDING MINIBUS TAXI-TYPE SERVICES)

- Actions that the City will take to manage the licences, which are not affected by the imminent implementation of an IPTN corridor;
- Regulate and clean up the status of existing OL's;
- The conclusion of the process to cancel all dormant permits. This will reduce the cost of the recapitalisation project in the City;
- The City will provide appropriate direction to the relevant RE in accordance to the CIP;
- Through the careful evaluation of new applications, for routes not affected by IPTN implementation, the City will be able to, overtime, reduce the overtrading²⁸ on routes;
- It is also apparent that the lengthy passenger waiting times on line-haul routes are mainly due to congestion on the City's major freeways;
- The effective enforcement of public transport priority lanes will allow public transport vehicles to return at a faster rate and this will automatically result in a better level of service. The enforcement of public transport priority lanes will also obviate the need for additional services. Improve law enforcement;
- The success of the OLS is heavily dependent on effective law enforcement. This is best achieved through a dedicated enforcement unit, specialising in public transport law enforcement. The existing unit must be fully supported in its tasks and provided with equipment and resources that enables them to make a larger impact on illegal operations;
- A strategy to engage the judiciary to ensure that offenders receive appropriate penalties that will deter further offences;
- Develop a strategy for phased implementation of the restructured system. The major objective of the restructured system is to improve public transport for the benefit of existing users and to attract potential new users;
- Joint ventures, or at least contracted collaboration agreements, between bus and minibus taxi operators are to be promoted;
- After the successful clean-up of the public transport system the restructured public transport network can be introduced. This will bring about the use of the optimum mode for a particular route or corridor; and
- Identify taxi associations that are willing to form joint ventures or other types of business entities with established scheduled bus operators to operate a unified scheduled service on a particular route.

8.4 LONG DISTANCE SERVICES

²⁸ Refer to the definition of overtrading in Section 2.5 of this document.

The City concurs with the proposals of the Province's Delivery Plan 16 (Long Distance Public Transport Services) in that:

- A strategy to plan and regulate long distance services must be prepared; and
- The Province, in collaboration with the local municipalities, should provide the necessary terminals and stops for these services. (The City notes that it has provided the Joe Gqabi facility for long distance buses.)

The City proposes that an operational plan is developed with input from operators providing the services. As a basis for this plan, information on the supply and demand characteristics of long distance services needs to be collected for both the peak holiday periods and normal operations.

8.5 METERED TAXI SERVICES

The City concurs with the proposals of the Province's Delivery Plan 17 (Metered Taxi Transformation Process) in that:

- The metered taxi mode, as a component of the public transport sector, must be transformed according to a structured programme so that it is in a better position to serve the tourism market and fill public transport 'gaps' in the local market;
- A database of all operators, vehicles owned and their operating circumstances must be developed, and this must be used to obtain a clear and detailed understanding and record of all operators, both legal and illegal, and the markets being served;
- Hotels and other tourism organisations must be made aware of the role of the metered taxi industry and other transport services that are currently competing illegally with this mode of travel should be removed;
- A strategy must be developed to address the problem of currently illegal operations;
- The capacity to perform effective enforcement in relation to metered taxi services needs to be strengthened;
- A driver empowerment initiative providing self-employment for long-service metered taxi drivers must be developed and new permits issued on a preferential basis to those, who in terms of defined criteria, qualify to participate in the initiative; and
- The process of upgrading vehicle standards must be initiated. A strategy must be developed to assist with the replacement of ageing vehicles.

8.6 SHUTTLE OR COURTESY SERVICES

A possible project that can be undertaken is to initiate investigations of how to accurately determine the demand that may exist for such services.

8.7 PUBLIC TRANSPORT TRAINING ACADEMY

Enhancing human capital development, to build a competent and capable workforce, has been identified as an important focus area for sustained service delivery. The City will investigate the feasibility of creating a Training Academy that will focus skills development in three activity groups, namely:

- talent management, succession planning, mentorship and learner programmes,
- recruitment enhancement, and
- centres of excellence

8.8 RANK TOKEN ROLL-OUT PROJECT

The City, through its Traffic By-law, is in the process of rolling out the issuing of rank tokens in a phased manner to all the City-owned PTI's. The station deck PTI has been used as a pilot to iron out issues and challenges with the administration system.

It is further proposed that the City investigate, in depth, the inclusion of e-TAGS, or similar electronic devices, in or on the OL disk which could also facilitate entry and exit from the authorised PTI's.

8.9 PUBLIC TRANSPORT EVALUATION TOOL

A project to be undertaken that develops the Public Transport Evaluation Tool (PTET) so that it integrates with the OLAS, OLF and the City SAP system so that its functionality can be extended to assist in the evaluation of all applications received.

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ANNEXURE A - A COMPREHENSIVE ANALYSIS OF THE DEMAND FOR MINIBUS-TAXI SERVICES

This method takes into account both legal and illegal operation to establish demand as well as passenger waiting times, trip duration and loading and holding area utilisation. It is based on the assumption that if there are enough vehicles to cater for times of maximum commuter utilisation there will be enough vehicles to cater for the demand throughout the day. In essence, we are looking at the worst case scenario. Whilst many may argue that this method will result in an oversupply of services during the off-peak period we have to ensure that the available supply of public transport services meets peak period demand. In the Western Cape we still have a commuter transport system where services are most prevalent during the peak periods. The ultimate aim however is to migrate to a public transport service with extended business hours and additional services over weekends and public holidays. We need to create conditions for all day public transport usage.

It should however be noted that the enforcement of the public transport lanes and the construction of new priority lanes to aid the movement of public transport vehicles will significantly impact on the number of vehicles required to meet peak demand. The effective operation of these lanes would allow vehicles to return at a faster rate, which means that a better quality service can be provided without adding vehicles to the system.

The number of vehicles required to meet demand was determined by firstly calculating the peak hour passenger demand for a particular route. The number of commuters waiting in the queue at the end of the peak hour (where waiting times exceeded 15 minutes) was also added to the peak hour passengers. The next step involves calculating the number of trips required to meet peak hour demand ($\text{number of peak hour passengers} / 14 = \text{number of trips}$). The final step in demand analysis involves calculating the number of vehicles required to undertake the number of trips. This is done by calculating the number of trips each vehicle can do during the peak hour by taking into account trip duration ($60 / \text{trip duration}$). In some cases vehicles can do 2 trips per hour (where trip duration is less than 30 minutes) which means that for example, only 6 vehicles will be required to undertake the 12 trips. The number of vehicles required is determined as follows: $\text{Number of trips required} / \text{number of vehicle trips per hour}$. This number was increased by 20% (1 additional vehicle for every 5 required) to provide additional vehicles to augment the minimum number, thereby allowing vehicles to be non-operational at times for reasons such as maintenance, sickness of the driver and so forth.

Routes with common origins and destinations have been grouped as part of the demand analysis.

The difference in the granted number of authorities and the number to suit the observed demand was considered together with the following factors:

- Granted service capacity utilisation;
- Supplied service capacity; and
- Observed average passenger waiting times (which should be less than 15 minutes).

The demand analysis is carried out to determine the number of vehicles required on each route to cater for the passenger demand. The next step is to establish how many operating licences have been registered for a particular route in the Land Transport Permit System. The results allow the Municipality to gauge the balance between public transport demand and supply on the various routes. Using this information, the Municipality can conclude whether

the route has a shortfall or surplus of operating licences. In cases where there is a shortfall of operating licences, the Municipality will support applications for new operating licences.

A STEP BY STEP GUIDE TO DO THE DEMAND ANALYSIS

Analysing the Survey Data

STEP 1 – PEAK HOUR RESULTS

You need the following data re: peak hour. Remember the peak hour is highest four consecutive 15-minute passengers' volumes.

Example – Samora Machel to Bellville

- Number of Trips - 30
- Number of Passengers - 445
- Peak hour start - 06H00
- Peak hour finish - 07H00

To calculate the average occupancy of the vehicle you need to divide the peak hour passengers in the number of observed trips.

Example $445/30 = 14.83$

STEP 2 – CALCULATING TOTAL PEAK DEMAND

To calculate the total peak hour demand you need to add the peak hour passengers and the passengers waiting in a queue at the end of the peak hour. Ideally you want to transport these people during the peak hour as well. Note that the length of the queue (number of people waiting at the end of the peak hour) can be obtained from the CPTR CD's.

Example

- Peak hour passengers = 445
- Number of passengers waiting in a queue at the end of the peak hour (07h00) = 156
- Therefore, Total peak hour demand = $445+156 = 601$

STEP 3 – CALCULATING THE NUMBER OF TRIPS REQUIRED TO MOVE PEOPLE FROM POINT A TO POINT B (SAMORA MACHEL TO BELLVILLE)

This can be achieved by taking the total peak hour demand (Step 2) and dividing it by 14 (this will remain constant. Note that the reason why we use 14 and not 15 is because we have some lower capacity vehicles operating on certain routes)

Therefore, the number of trips required = $601/14 = 42.92$. Always round up – 43.
Total trips required = 43

STEP 4 – NUMBER OF TRIPS PER VEHICLE PER PEAK HOUR

This is achieved by firstly establishing the passenger waiting times a quarter of an hour before the end of the peak hour. In this case it would be 06h45. In our example the passenger waiting times at this point is 17 minutes. The national benchmark for urban areas is that passengers should not wait for more than 15 minutes. You need to subtract the actual passenger waiting times from this benchmark. In our example = $17-15= 2$ minutes. This means that passengers have waiting 2 minutes longer than the national requirement. If the waiting times are less than 15 minutes no calculation is required.

You now need to subtract the excess waiting time (2 minutes) from the total number of minutes in your peak hour (60 minutes). This will reduce your peak hour.

- Example = Peak Hour $60 - 2 = 58$ minutes.

How to calculate trip duration

- 1 After you have completed your “matching exercise and your checking has been completed, you need to consolidate both your arrivals and departures in one sheet.
- 2 Next go control/home – your cursor will now go to the first row of column A.
- 3 Hold in the shift button and use the side arrows to select all the columns. Now hold in the control button and press Home and the down arrow together. All the fields will now be selected.
- 4 Now go to the icon on top and select:
 - Data
 - Sort
 - Column I (route)
 - Column B (Regno)
 - Column A (time)
 - No header row
 - Enter
- 5 Never work in your main sheet. Create another worksheet by clicking on the sheet name at the bottom. Right click on the mouse to enable the menu and select:
 - Insert
 - Worksheet
 - Enter
- 6 Now rename your sheet to by double clicking on the sheet name and typing in the route name you want to analyse
- 7 If you are for example working on the Samora Machel – Bellville route you need to delete all the other route entries by highlighting them with the mouse and selecting Delete.
- 8 You now need to insert a column next to the time column (Column A). Click on the grey shaded area on top of the B column (where the letter B is) and right click on the menu and select insert. A new column has now been inserted.
- 9 To calculate trip duration you need to subtract your first departure from your second arrival. To do this you need to place your cursor in your second arrival row for a particular vehicle. Remember your answer will always be in your arrival row.

	Time		Regno			Veh Movement
A1	06:01		CA177732			Arrival
A2	06:33		CA177732			Departure
A3	07:13	=A3-A2=40	CA177732			Arrival

- 10 That particular vehicle in our example was away for 40 minutes. Remember we need to calculate the average for all vehicles. Now go control/C or right click on your mouse and select – copy. Highlight the entire column (B) and go control/V or right click on your mouse and select – paste.
- 11 You now need to convert these formulas to values. Click on top of the B column (grey shaded area with the letter B). Now right click on your menu and select copy. Click on the same shaded area now select – paste special
 - Values
 - Enter
- 12 You have now converted the formulas to values.
- 13 Next go control/home – your cursor will now go to the first row of column A.
- 14 Hold in the shift button and use the side arrows to select all the columns. Now hold in the control button and press Home and the down arrow together. All the fields will now be selected.
- 15 No go to the icon on top and select

- Data
 - Sort
 - Column N (vehicle movement)
 - Column B (where you inserted your formula)
 - No header row
 - Enter
- 16 Next go to column N (now vehicle movement and delete all your departures by highlighting these rows and selecting delete. Also delete all your funnies (#####).
- 17 You now need to set your parameters. In other words you need to work out realistically what the minimum and maximum time is the vehicle will take to go from his A point to his B point and back to his A point. This is a round trip. In our example (Samora Machel – Bellville) I would say the minimum time a vehicle could take to complete this round trip is 35 minutes and the maximum time is 60 minutes. Even if you are out with a couple of minutes it won't make a big difference but always deliberate with the more experienced staff.
- 18 Now delete all the entries before your minimum and after your maximum time.
- 19 Next go to the a vacant space in column B (below your last entry) and type in the following formula - =Average(- Once you have opened your bracket you can use the mouse to highlight all the entries in Column B and hit the enter button. The answer is your trip duration.

The next step is to take your peak hour and divide it into the trip duration (this trip duration must be calculated and is a round trip – Example from Samora Machel to Bellville and back to Samora Machel. In our example the trip duration is 49 minutes.

Therefore, the total number of trips per vehicle per peak hour is $58/49 = 1.18$

STEP 5 – CALCULATING THE NUMBER OF VEHICLES REQUIRED TO MEET PEAK HOUR PASSENGER DEMAND

This can be achieved by taking the total number of trips required (Step 3) and dividing it into the number of trips per vehicle per peak hour (Step 4).

Number of Trips required/number of trips per vehicle per peak hour
 $= 43/1.18 = 36.32$

Always round up

Therefore, the number of vehicles required to meet peak hour passenger demand = **37**

STEP 6 – ADDING A CONTINGENCY

You now need to add 20% extra capacity (adding one vehicle for every 5 required). Remember that we are dealing with an ageing fleet of vehicles and not all of them will be at the rank on a particular day. We need to ensure an equitable balance between supply and demand.

How do we achieve this?

Take the total vehicles required $= 37/5 = 7.4$ (Here we need to round down = 7)

Add this to the total vehicles required $= 37+7 = 44$

Total demand is therefore 44

Note that the Provincial Regulatory Entity will provide the supply information (number of active permits/operating licences registered in the Operating Licence Administration System (OLAS)).

This will allow you to gauge the balance between supply and demand to determine if the route is overtraded or whether additional operators are required. In our example there is a need for 44 vehicles to cater for passenger demand. If for example there are already 50 active permits/operating licences registered in OLAS, then the route is overtraded. If for example there are only 36 active permits/operating licences, then the municipality can

direct the regulatory entity to grant a further 8 operating licences to balance peak period demand and supply.