MARKET INQUIRY INTO THE
LAND BASED PUBLIC PASSENGER
TRANSPORT SECTOR.

VENUE:
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Contents

Session 1 ........................................................................................................................................ 3

Session 2 ........................................................................................................................................ 63
Session 1

CHAIRMAN: Uhh morning everyone, my name is Bukhosibakhe Majenge. Today is the 3rd of October 2018. We are resuming uhh hearings into the Public Transport Sector Market inquiry. We have convened this morning to receive presentations from the City of Johannesburg uhm I will be the Chair of today’s session, I am joined by two panel members uhh on my left I am joined by Miss Nompucoko Nontambana, uhh who is the Divisional Manager of the Market Conduct Division and the Competition Commission. And on my right I am joined by Mr Thulani Mandiriza uhh who is joining the panel in his capacity as the head of the enquiries technical team. Both Miss Nontambana and Mr Mandiriza are economists based at the Commission. Uhh our evidence leaders, excuse me will be Mr Jabulani Ngobeni and Mr Itumuleng Lesofe uhh who are both lawyers based at the Competition Commission, uhm if you could please just uhh take the oath or the affirmation.

MS SEFTEL: Uhh must I also introduce myself?

CHAIRMAN: Indeed just for the transcript.

MS SEFTEL: Oh okay my name is Lisa Seftel, I am the Executive Director of Transport in the City of Johannesburg. I solemnly affirm that the evidence I shall give shall be the truth, the whole truth and nothing but the truth.

CHAIRMAN: Thank you very much.

MR MASEKO: Morning my name is Ben Maseko, I am the Deputy Director in business development for the City of Johannesburg. I solemnly affirm that the
evidence that I shall give, shall be the truth, the whole truth and nothing but the truth.

**CHAIRMAN:** Thank you very much. We have received a further uhm submission from, from the City for which we, we thank you, it is quite a very detailed submission. Before we start uhh with our questions, uhh please feel free to uhh emphasise or amplify any points in your submission, otherwise we can go straight to our questions.

**MS SEFTEL:** Uhm to be honest we don’t know the background about why you asked these specific questions so it is difficult to know what you want us to emphasise. So I think rather uhm maybe ask the questions and then like we can take it from there.

**CHAIRMAN:** That’s, that’s okay. Uhm Mr Lesofe?

**MR LESOFE:** Thank you very much Chair. Uhm thank you very much indeed for, for the supplementary submission, uhm I think the submission largely responds to the uhm questions that we had asked, uhm so I would like to take a slightly different approach. Uhm so uhm we have read with, with keen interest paper that you have written, you wrote it a while back, I think ... [laughing]

**CHAIRMAN:** Please switch on, your mic on.

**MS SEFTEL:** Okay oh it can be left on all the time?

**CHAIRMAN:** Yes.

**MS SEFTEL:** Oh oh okay. Okay.
**MR LESOFE:** Yes uhm the paper is titled, “Pains and Gains of a negotiated contract, the Johannesburg Rea Vaya BRT experience”. I think the paper is, is quite a relevant, it is and academic paper but I see it is largely based on your experiences uhm in, in the implementation of, of BRT. Uhm and I thought perhaps we could use the paper as the basis of some of the discussion, uhm that we, we, we are going to have. Uhm we have made you a copy of ... [intervened]

**MS SEFTEL:** Oh okay I was just going to look for it in the ... [intervened]

**MR LESOFE:** Ja I will point you to, to some of the sections, uhm what we have done, it is just to insert the page numbers because the papers was, was not numbered.

**MS SEFTEL:** Okay.

**MR LESOFE:** And we have done that for purposes of facilitating this discussion.

**MS SEFTEL:** Mmm.

**MR LESOFE:** Perhaps as, as a starting point and I think this is something that you, you deal with quite, uhm in some degree of detail in the paper. It’s in relation to the circumstances that led to the uhm to the introduction of BRT in South Africa, so for instance in the paper you, you identify two key events, uhm one of these events is uhm South Africa’s success in bidding for the 2010 uhm World Cup and uhm you also uhm mention the influence of Bogota. Uhm which had already adopted a BRT system as well. So if perhaps you could start by uhm, just based on your recollection in terms of the circumstances and different
events that, occurred at which ultimately led to the uhm introduction and implementation of BRT in South Africa.

**MS SEFTEL:** Okay uhm you know this is called uhh, what left, being something a little bit unanticipated ... [intervened]

**CHAIRPERSON:** Lateral thinking ... [laughing]

**MS SEFTEL:** That could be that, but uhm and I can answer that from, although I wasn’t all together involved with the BRT at its inception, but one thing that I think we all do is that we reinterpret history in the light of the current. And in fact myself and Ben and some other colleagues of ours have just completed, which I think I have made reference to in the document, a review about our empowerment and transformation strategy and we have just put together a Policy document which we Mayoral Committee to approve, which is looking at taking a slightly different approach from what might have been the initial intention. And I think you can understand that, we have also had to be very tactful about it, bearing in mind that the political administration under which we are under has a different approach to empowerment than I think you know the ANC Government at a national level has. Uhm so when I answer the questions uhm, you need to be mindful of the context and also about us reinterpreting history.

**MR LESOFE:** Yes, yes, yes. Sorry, sorry just to, if I may add, this was not meant to be an ambush at all.

**MS SEFTEL:** [laughing]
**MR LESOFÉ:** It's a pity that I actually read the paper in the early hours of the morning. But because you were the author of the paper I thought uhm it won't be that difficult for you to, to speak to some of the things in the paper. But I think I do appreciate your point that uhm history, it can be interpreted based on recent events but historical events remain the same, they remain unchanged.

**MS SEFTEL:** Okay but I suppose the reason why I want to say this is that I might give you a different history now from the history I gave here. Okay? With the hindsight of the, you know, just looking at the present, so, so then to answer your question, how did the BRT start, so actually and I don't know if it is in this document, uhm in around 2002 or 3, uhm, the, I think under, okay the local Government started on a more stronger footing with the, you know Municipal Systems Act, Municipal Structures Act and transport was given a greater focus in the City, and the City of Johannesburg employed a person who was in my previous job, no I think it was just a Director of Transport at the time called Bob Stanway and Bob was a very experienced Public Transport planner, had also been involved in initiating the National, the National, he was part of the drafting team I think of the National Land Transition Act. And one of the things that the National Land, NLTA, Transition Act said is that Municipalities must have ITPs. Okay. And that also looked at other cities around the world and it was based on an approach which is, you should not leave Public Transport to market forces. That the City as a, like a, Transport started with a small aim, should be able to work out what is the demand and what, what kind of modes should operate where? And to do that there is meant to be these household surveys. So for the first time in Johannesburg for a long time they did a ... [inaudible] household survey and actually they came with a very big ITP document and that ITP
document at the time came with something which probably was quite unique in the world, not BRT, but they called it SPTN, Strategic Public Transport Network. And what they wanted to do was they wanted to put existing vehicles, taxis and busses, but in a dedicated lane on the curb side. And that was welcomed by the City and it was uhh they even started to do some detailed design and they might even have started, I am not sure, some construction, some of it, I don’t think they did ... [intervened]

**MR MASEKO:** For, for Metro Bus yes, they did some work during that time.

**MS SEFTEL:** Ja but then they could not get the taxi industry on board, one, then the, I think part of the plan was that Metro Bus was a traditional white service, only operating in the old white suburbs, they also wanted to take it to Soweto and the taxi guys were up in arms and Putco, they were both up in arms and there was intensive litigation and a deal was reached, uhm whereby Metro Bus can't go into Soweto and today you will not see Metro Bus in Soweto unless it operates contractor services. Uhm because of the threat of violence and it deal also which is Putco, that Putco that Metro Bus could go into Soweto with 21 busses and to this day, they still take 21 busses from Protea. To uhh, to uhh Sandton, while Putco kept the monopoly of like 200 busses that go from the San destination. In any even somehow the taxi guys didn’t get on board that.

Then 2006 came, World Cup as it is written in the Paper and the Bogota experience and I am sure as you may, you know, I put in the, I wrote in the Paper, there were these two gentlemen from the ITDP Lloyd Wright and whatever and they came to the SATC conference and they sold this thing. And they sold it on two grounds, both of which I think now, are not correct.
MR LESOF: Mmmm.

MS SEFTEL: The first ground and that is the tragedy of the BRT, and that is why me and Ben are you know like we get grey hair and you know and we are stuck in a very difficult sustainability situation, the first thing they said, Government can fund the Capex and the Opex will fund itself. And I think I read recently even in Bogota, that’s not the case. Even in Bogota that is not the case. That you need operational subsidy. Uhm and it is only in some of these other cities where they have very strong desire lines in both directions that that can work. Some, maybe Corretiva or whatever. So it sounded like a very good proposition from a sustainability thing. But I remember even Parks Town at the time questioning that. The second thing they sold, is that the operators can make a lot of money if they transformed from being taxi people to being bus people. They will get enough they called it free cash flow, that will make it meaningful for them. So it was sold, so the time when Jeff Gadebe and there was lots of protests. Jeff made a very public commitment, which the taxi people hold us to, that we are not going to be worse off, that we are going to be better off and to today, as I think I tried to explain in the other paper, the National Government is paying an enormous premium because the bus operations is not letting that best off by themselves. So if you looked at our, the first phase company, we had to pay a proper premium of 28% for them to get to the same amount of money that they are looking for. For phase one (b) we had to pay them an amount of R850 000.00 which is the equivalent of if they had operated their taxis for the same period of time. Uhm you know, a complicated calculation which we can explain to you if you want, uhm so and also that, but when the taxi people heard that and they were taken to Bogota and they met
those operators and I think there was something also to do with the charisma
and stature, both of the Masondo and the first MMC Riana Mosagie, that
managed to move these taxi people, at enormous sacrifice. And the tragedy
now is there is a lot of conflict in the first company Pitrans and for example one,
those initial what they call themselves, pioneers, okay the two pioneers who
were really bad taxi guys, they both passed away, Mabaso and Ntambo, but the
third guy a guy called Eric Motswane he then became in the first company a, a
sort of, uhh director operations and he also was a shareholder and he also was
on the board and they have just kicked him off and they are investigating him,
they have spent at least R100 000.00 on investigating him. And I don't know
what the grounds are, but he is a destroyed man. And we meet regularly now
with some of those initial shareholders who were promised that they were going
to be better off and they are not better off. And they were only better off if they
were also board members and now they have been kicked out of the board.

Uhm so it's quite, so it's, so it's, it is quite a, you know it had a lot of promise and
there is no doubt that the Rea Vaya is better for the commuters.

**MR LESOFE:** Mmmm.

**MS SEFTEL:** Uhm cost wise, safety wise, uhh accessibility you know in terms
of, you know off peak services, late night services and there is no doubt in my
mind that the Rea Vaya is better off for the drivers. The drivers lives have and
that's one of the issues of the shareholders, their drivers now earn a steady
salary of sometimes more they get as shareholders, those drivers get medical
aid, they have got a provident fund, they, they are all, they get staff transport, if
they don't get staff transport they drive themselves to work, they have all been
medically tested so, otherwise previously undiagnosed diabetes, eyes, heart,
they are now have to be treated otherwise they cannot drive the bus. Their lives have, there is no doubt in my mind that is a contract success story and there is nothing wrong with that. Uhm, uhh but that wasn’t even a big issue because you know we were talking with operators or bosses, not with workers.

5 **MR LESOEFE:** Ja. Perhaps to, to interject. Because I think you mentioned one important factor and I had questions around this, uhm the point that shareholders are, are actually worse off, I think this ties in with what we were told uhm in the Western Cape.

**MS SEFTEL:** Mmmm

10 **MR LESOEFE:** Uhh to quote from uhm one of the operators, uhm or rather shareholders, uhm in George, she says, “*We are not happy in George about the implementation of BRT because it actually did not help us, but worsened our situation. The report that says that we are happy is not true. We are not happy.*” And reference is, it has been made also to the promises that were made to operators and uhm Minster Jeff Gadebe’s name pops up even, it popped up even during those, those interviews, now if we could just expand on that. From your perspective, uhh what makes you think that shareholders are worse off?

**MS SEFTEL:** Okay let me say and I also want Ben to add on this one as well, first of all uhm, we haven’t done any scientific study in Ben does want to collaborate with UJ and look at a study about what they were earning before and what they are earning now, so to some extent it is still in the game of perceptions. Okay that I the first point I want to make. The second one I want to make is that not all taxi people were equal when we started, you know, there
were some that managed to have a lot of taxis and earn a lot, there were others, widowers and so on who were marginalised, who were not earning a lot. And so there were some that definitely got more and they didn’t have to worry about their drivers, I mean I have had anecdotal evidence to say BRT transformed my life. You know because they, you know they were, you know they don’t have to, uhh you see if you are, okay if you are powerful in the Taxi Association, you get the more lucrative routes, so you go to earn a premium, if you are not powerful in the Taxi Association you have to pay lots of what do you call this thing, collections. You, you are forced to pay high membership fees, you are not given the lucrative routes, especially if you are a woman or you are not in the, you are not Zulu or you are not from this area or tribe, you know there is a whole lot of, they call them syndicates, clans, struggles within the Taxi Association. So it would really vary, some people would be worse off, you know, some people wouldn’t, and then the third variable is that it depends how they use their money and this is the, for me now, is one of the biggest weaknesses of you know, is that we gave them the money, we assumed that they could easily go in and diversify, that they would use the money to buy farms or they would buy farms or they would use the money to buy rental or they would buy property or I don’t know what they would do. But they don’t have those skills. And they don’t have those aptitudes and many of them are elderly. And many of them have been brutalised by all their time in the Taxi Industry, so that’s why so many of them have taken that money and gone back into the Taxi Industry and are competing. And that’s why there is also a visceral sense amongst some of them that they were foolish, that they were misled.

MR LESOFÉ: And those who have gone back to ... [intervened]
MS SEFTEL: Can I ... [intervened]

MR LESOFÉ: Sure, sure.

MR MASEKO: And I just want to add there as well. Ja as Lisa was indicating that look we, we have been arguing about this even internally as the, the City team just to understand, understand exactly if the BRT is helping the operators or it is just creating problems for the operators, so uhm I have already started to initiate a process where we will, get scientifically information to say is the BRT benefiting the operators or not? So I am engaging UJ to, just to get the research and get the results of that. But uhm what we can say from our side, we have been observing uhm what has been happening in the industry and before when we introduced the BRT process. Well starting with phase one (a), well were still learning in, in that phase so a lot of things happened there and it was like a pilot project so, uhm, most of the operators they didn’t even know what, will, what should they expect uhh when entering into the BRT process and also from the City side, we are not sure if we are going to help them or we are going to fail. Uhh even the negotiations uhh the negotiated amount was an amount just to say okay how much are you making now and then we calculated based on that and we didn’t have uhm scientific information or go down uhh with the Taxi Industry, check how much they are making and ge their expenses and see exactly what is their profit, so all of those things did not happen in phase one (a). So we just negotiated an amount and then we have agreed that this will be an amount which will be equal to what you would have made if you were to operate for uhh the period of 12 years.
MS SEFTEL: And but we even wrote, we even went to the Mayor and we said there is a political price to pay.

MR MASEKO: Yes.

MS SEFTEL: You know and we also like felt that the time that this was uhm, what do you call it, it was to compensate, like a political compensation because they had been previously disadvantaged and it hasn’t been subsidised, and that could only apply to Black, you know those, what do you call this thing, what do you call it, like reconciliation, not, the political term? Retro ... [intervened]

MR MASEKO: Redress.

MS SEFTEL: Redress, redress. We saw it in a political sense as part of redress.

MR MASEKO: Ja so because of all of those dynamics then, then we, because of all of those dynamics then uhm we renegotiated an amount and then we have agreed to say that this is an amount that the City is willing to pay based on information that we have gathered but not, I mean, enough information that would have made us to understand the operations of the Taxi Industry. So when we moved to ...[inaudible] we had some information and we had some understanding of how we should uhh, uhh deal with the issue of compensation and then we negotiated that, that’s why even the deal for phase one (b) it was better than for uhm when compared to phase one (a) and so when I looked at the phase one (b) according to my observations, I would say that they have benefited more than phase one (a) and some of, of the operators which didn’t even have moving cars got compensated because of historic that they had
operating licence. Some of the operating licence were even expired, but then we made a concession as the City to say because you have been in the industry but then we negotiated that we will calculate as to when have you been active in the industry and then we will put a cut off there to say, up until this date then we can accept people and even if they don’t have moving vehicles, but we will accept that they had an operating licence and also verifying with the PRE just to get an understanding that these people they are operating there. So we, we have even taken those people like the widows who were, had no clue about the operations because I mean they, the industry is mainly operated by males, so we have assisted the people to uhh to come on board. So just to indicate that the worse off thing, there would be those who will say the BRT didn’t assist me due to the fact that some of them, uhm like if you had one vehicle and that one vehicle was making money for you, but then now you opted for BRT and you have used all the money that you had, and you have got no income any more, then definitely for you, you will feel like the BRT didn’t uhh help me. And one of the issues that we also have seen that it was uhm lacking is the financial management. We have tried to uhm, to assist but well the training that we have provided it was a short uhh course sort of training in terms of financials, which it was not that, it didn’t have that impact to assist, so we also then after we have learned that then we have devised new courses like we partnered with the university of Witwatersrand to, to train them before they could even, I mean just to get into the negotiations. They need to understand what the negotiations are about. If they would going to, if they are going to get money out of this things, how should they use this money uhm from the City, so those are some of the things that we have observed, so well they, the worse off situation we are still
uhh going to determine if it’s really true because it will inform us as well going forward if do we still need to use BRT as a transformation project or should we use another mechanism of uhm formalising the industry.

**MR LESOFE:** Thank you just going back to my initial question in relation to the uhm circumstances that led to the introduction of BRT, uhm based on, on the evidence that we have heard, uhm and of course from reading the paper the general impression that I get is that uhm the issue of uhm the 2010 World Cup seems to have a, a been one of the, the main or key factors uhm, I appreciate that before, before 2006, there was already planning but it appears that uhm the, the by winning the bid to host the World Cup, uhm that resulted in in pressure being, being exacted and I think this is like, this is one of the key factors that led to, to the uhm adoption of BRT. If I may quote perhaps from, from the Paper, that is page 3, the first paragraph on page 3. Uhm the second sentence reads, “Firstly South Africa won the bid to host the 2010 FIFA Soccer World Cup, and all the delegations that went to visit Germany came back with one message, get public transport right.” Would you, would you care to comment on that?

**MS SEFTEL:** Look I think that is right, uhm, and it was, I think it was yes, that even from the City of Jo burg side, there was a, and nationally, you know this was part of Mandela’s legacy, there was a lot of pressure that we were going to get this right, we were going to be the world leader and you know there is a whole dynamic around soccer. But also I think very cleverly and importantly there was money, because there were some people I can't even remember who they were, there were two smart young, I think had , was either American or had an American accent, I remember there two people who were linked somehow
with the National Treasury, I can't remember their names or anything and they quickly moved to build this pot of money which I think initially was call PT, Public Transport, they changed the name, it, you know over the time, now it's called Public Transport and ...[inaudible] but they set up this fund and they wrote some interesting Papers and they moved to cities and they said apply for these Legacy Projects, and so that's also why what happened is that there was never, unlike say the Gautrain, where there was proper studies done, there was only a scoping study done. And the scoping study was done with a lot of assistance from these international people so that they could put in bids to get this money. And Jo burg put in bids for I think three bits of money, the one was the Rea Vaya, the second was the N1 uhm to make that link which is also a Legacy thing, because it enabled people from Soweto to get access to the N1 because you know under apartheid you never allowed township to have access, and the third money was for an international, what do they call ITSC, International Trade and Transit Centre for long distance travellers in Park Station. And the national Government said no to that amount of money. So we are only building it now with City money now, ten years later. Those other two projects got money, uhm so I think the fact that there was a pool of money was a good thing. I also think that the routes were influenced, uhm by the 2010 World Cup. So our first route went on Soweto highway, five years later when some international people came here and did a review, they said why on earth are you taking a route where there is no people. Uhm, that's not the TOD model that usually BOT has. We also went all the way thought town to Ellis Park, which and our bus, and if you look at our figures, our figures drop off considerably by the time you have finished at like Joubert Park. Going to Ellis
Park, but I still think it's not, its fine it's you know and we have managed to turn around some busses also, you know so we don't, take every bus all the way to Ellis Park. And then the third, the other loop then, was meant to be, it was all meant to be done by 2010, was a loop to Sandton, which was going to be where all the uhm hotels were, but look that was just a little bit, significantly too ambitious, ja.

**MR LESOFÉ:** And also perhaps another factor that uhm seems to, to support the, the view that the 2010 World Cup was a major factor that led to the introduction of BRT is the fact that uhm, the 12 cities that have been ordered, were identified as cities where uhm BRT would be implemented, were actually the 2010 host cities. Is that a fair uhh ... [intervened].

**MS SEFTEL:** Look I can't remember and you also have to look at other cities, I think there were, that's the network grant initially was public transport but I think I was also NMT like Park and Walk. Walk and Ride, Walk and what, Park and Walks, like at Limpopo, to Peter Makaba Stadium and things like that. You would have to ask someone else for more details on this.

**MR LESOFÉ:** Sure uhm now uhm my next question is in relation to the uhm to Bogota, I am not sure if you have been to Bogota.

**MS SEFTEL:** I haven’t. ... [laughing]

**MR LESOFÉ:** You, oh Mr Maseko has been to Bogota?

**MR MASEKO:** Yes.

**MR LESOFÉ:** I guess he is better placed then to answer questions in relation to Bogota, uhm so I just want to get a sense in terms of uhm, because Bogota is
also another major factor it would seem, even today I think there are operators, uhm this year actually are operators who were taken to Bogota, which clearly shows that Bogota is still seen as the, the appropriate case study and model to follow, now I am not sure if you are in a position to, to uhm to do this, just a comparison, in terms of uhm, the, uhh the, the cities in Bogota and other South American countries where BRT has been implemented and the cities in South Africa what would you say are the key similarities in contract to that, what would you say are the key differences?

MR MASEKO: Okay I will start and then Lisa will add because she has got information as well and in her Paper I think she mentioned Bogota too. Uhm look Bogota is seen as the world BRT system where it originates, and they have got a massive system there and they operate uhm uhm with a good headway, so and even their cities is very compact city, uhm like they, they have people all the way, the routes are like, people will come in here and then get off there, the, the bus doesn’t move without people. So that’s how the system works. Uhm so when you look at the South African cities as, they are not similar built like Bogota, the landscape is, it's different. Uhh but what we uhm, we wanted to learn from the, the Latin American is that uhm especially in Bogota, they had taxis as well. So they had traditional busses not necessarily the taxis that we have the small, uhh minibus taxis, but they have that kind of an operation which is similar to what we have here in South Africa, so when they introduced the BRT there, they had to talk to the taxi or the bus, the traditional bus operators, so they have negotiated to have them to buy in into the BRT system, so we have seen that there is a similar case for South Africans that we can use their model, because you will have to absorb the people that are currently on the
routes not to introduce your bus system and then phase them out, but they should be part and parcel of that. So that was one of the key uhm aspects of taking the, uhh the South African delegation to Bogota to learn. But maybe Lisa has more to add to that as well. Ja.

5 MS SEFTEL: Maybe just like add two things, I think the one thing, uhh you know I don’t know uhh it’s not only a taxi culture, you know once you take one group of people to Bogota, everyone else has to go to Bogota. So we had like big problems but you know the third group when we started to work with ...[inaudible] they had to go on a study tour to Bogota, because the first group went and we said no you can just go to Rea Vaya down the road, or to My City in Cape Town. So you know, they, the need to go to Bogota and the enquiry has got less over time. You know that’s the first one I am making, the other big difference which is important for the sustainability, between Bogota and us and is even more important for us compared to maybe Tshwane or Ekurhuleni, no, no Ekurhuleni is that Bogota’s I don’t know what you call their industrial patterns, their sectors, mean that they were able to have you know they can operate a bus service which was their promise, like 18 hours a day, and as Ben says they would have people on those busses in the middle of the day, in Johannesburg between crime, that means people don’t travel late at night, and the fact that we are a retail sector and not a manufacturing sector, our demand is like that. You know or no it’s not like that, their high in the morning and then it goes like that because also school kids come in the afternoon, so and, and we have no people moving in that direction, so and my I, we can share with you if we didn’t already, the, the figures and how that makes such a big difference on sustainability. And nobody every picked that up until it was far too late, the fact
that the nature of the demand over the day, varies quite considerably. The other issue also is the actual numbers. Uhm there is some you know Mexico have 400 000 trips a day, BRT is a no-brainer. Uhm and you can invest in all the fancy technology for 400 000 trips a day. We are in the world I think now, and there is a lot of Papers if you want we can share with you, where we are one of the, we are moving, because of our apartheid legacy and you know South Africa has a sprawl, you know, we have one of the lowest uhm numbers of people traveling and again if you look at it, there is lots of international work which says for this number of people this is, must be your mode. And you know I think BRT should only be coming in at about over 100 000 passenger trips in the morning, what do they call it, peak hour. In the peak hour.

**MR MASEKO:** Ja.

**MS SEFTEL:** And we have got 60 000 trips in the peak hour, and then the other problem also is that when we calculated the trips in the beginning if you read some of the initial documents, there was an anticipation that we would start off with 140 000 trips. We have never had the 140 000 trips, because it was assumed that every single seat would be full all the time, but the seats are not full, particularly from about nine in the morning till about two. Uhm but look it's a, you know it's a challenge for all, even if we didn't do BRT, even if we did uhh the curb side, the old SBTN, we would have some of the same challenges.

**MR LESOFÉ:** Ja, ja I think your, your explanation in this regard, I think it ties in with uhm what is stated on page 17 of the Paper, uhm there is a paragraph that is highlighted in, in green and maybe I can read the paragraph and I quote, “secondly there are also countervening pressures in South Africa that may
make the South American story not really replicative. There are not growing opportunities to expand to other cities as in South America. The roll out of the BRT in the proposed 12 or 13 South African cities is very slow due to capacity issues but also low population densities and urban sprawl making it not necessarily the appropriate public transport solution, and there are also various strong political imperatives for localisation.”

**MS SEFTEL:** I almost got fired for this. Shoo ... [laughing] you know uhm ... [intervened].

**MR LESOFE:** I hope I won’t revive that. That process ... [laughing]

**MS SEFTEL:** No look, you know because, you see the politicians have said to these Soweto guys, if you, you will be the first BRT in Africa and that you, and the politicians worked very hard to, I don’t know if it comes out somewhere but they started off with the, with the, okay the politicians said, you guys this is a new system, if you uhh work with the local bus operators like Putco and all of that, they don’t know how to create efficiencies, if you really want to get it right, because they had to give us a management plan, we would want you and your management plan to get somebody from Bogota, and then there was these guys from this company, Finalco running around you know, now me you know I, I come from a political tradition and I just though oh this is just imperialism in another form but of course gosh I couldn’t say that, this was not imperialism in another form, this was sub, sub cooperation you know it was a different kind of thing, but anyway these Finalco guys they made it, they came here, and they also saw this as an entry into the African market, and they did form a JV, that JV with these guys, I think the JV, Management Agreement and then after the
Management Agreement they were going to buy some shareholding and they had quite a good sophisticated model, but after a year these tax guys ...having none of it, they could not understand the model uhm and the model would mean that there would have to be more efficiencies, and the Finalco people just couldn’t work with South Africans, it was just such a culture, disparate culture, not only at the level of the tax operators to be honest, the drivers there were about 14 strikes in the first year, uhm, I think in Bogota they don’t have strong unions and it's a different culture, so eventually they went their different ways.

But there was that promise, Jo burg politicians, that Pitrans, if you start, you know, you will be able to run it in Brits and this and this and this, and you know I, I used to work in national Government and I, and I was, it's not going to happen. The Brits people are going to want to run it in Brits, you know, they are going to want to get the same dispensation that the Joburg people got, and that’s what's really happened. Uhm and now, I am telling you these guys from Pitrans are now in my office every day, saying they are now terrified what is going to happen after 12 years, because they haven’t had the skills, and that’s the impending crisis. That’s you know, which, about what will happen after this contract is over. And I am sure you have heard from the taxi guys, that’s why they are saying, this 12 year contract is not on. We need to, you know we had lifelong permits, you have taken away our permit which was essentially lifelong even though the law says it’s got to be renewed every seven years and you are replacing those 12 year, a 12 year contract and what's going to happen after 12 years. And now that reality is coming and the way we try to address it in our new policy Paper is to say that we have got a position, empowerment, not only as shareholding, in fact not as shareholding, shareholding is something that you
put in equity for and you get. If you contribute equity, and it must be a competitive equity, you get shareholding, but empowerment, we look at empowerment, three maybe four. One thing is financial compensation because you, you had a license, not because you were Black and redressed, because or not subsided. You had a licence and this is the difference that you would be earning between, it's the gap between what you would have been earning, if you continued to operate your license and you know. Of seven years, and we are making the assumption of seven years, secondly capacity building. Empowerment has got to involve significant much more capacity building so that you can, uhm do, go into other enterprises. And even maybe that you can go, stay in the taxi industry but do better in the taxi industry. You know with uhh safer cars and uhh reduced debt kilometres and discounts on petrol and so on. Thirdly the drivers, the fact that they can get trained to get formal jobs and fourthly this one, uhm again, I think it's, you know our MMC is very keen on it but we are taking it to the Mayoral Committee, the so-called value chain, which the industry want, doing security and cleaning, but our Mayor is very opposed. He says what, these are taxi people, they are in the transport sector, why must they get security and cleaning for taxi ranks or for stations or things like that, and anyway he has also got a political imperative to in-source them because of the cohiliation with the EFF. So we are trying and we have added maintenance and outdoor advertising to this value chain, and maybe, but I am not sure how, what the politicians will say about this. But the critical thing is, it's, to, we are repositioning this, uhm but we may not reposition it successfully with the industry in our negotiations.

MR LESOFE: Ja.
MS SEFTEL: You know that is still a big risk, you know, we think we are being more honest about it, uhm but it is a very big risk.

MR LESOFE: Ja but again the, the, uhm the success of, of the BRT system, uhm despite all of these changes that you would like to bring, the system is still largely dependent on, on ridership, good numbers. Uhm and it appears that currently that’s one of the, the challenges and because the system is unable to attract sufficient numbers just like for instance uhh in some of the cities that you mentioned that are in South America, uhm questions about its sustainability, uhm are still real. So uhm just to get your, your views in terms of especially because uhm Rea Vaya has been running now for almost ten years, uhm if it has been running for almost ten years and uhm for most, if not all of these years the system has struggled in terms of uhm attracting very good numbers and it appears that this has an impact on, on costs. So instead of costs going down, costs are increasing and if costs increase it means even the level of subsidy, uhh, inevitably has to increase uhm and this is in, in Gauteng, that is Johannesburg, so if you could just comment on, on the sustainability of, of the system in Gauteng, but linked to that is, uhm whether the systems is really suitable in small cities because I think one of the advantages that Gauteng has is that uhm Gauteng and perhaps the Western Cape is that in terms of, of numbers, uhm while the two provinces may not be doing so well but their performance it, it’s better, uhm now if we are concerned about, about numbers what more with small cities.

MS SEFTEL: Okay look to be honest that’s not a question you should ask us, you really need to bring the NDOT in and maybe the grant, you know the City, the National Treasury people that administer this grant in to ask that question. I
mean, you know sort of my personal view is that, it, and not, the academic literature is that BRT is not a solution for Mangaung and Limpopo, it's not. Brits, you know, and a lot of that was about copy, you know, what do you call those, I don't know it was uhh, I think you, let me not comment on, it's not right for me to comment on what it is about.

**MR LESOFE:** It's okay you can limit your comments.

**MS SEFTEL:** Ja I will limit my comments to Jo burg, I think that's safer. Uhm, uhh I think that and we, since the beginning Rea Vaya was always measured its success not only in ridership, you know, uhm look it was, uhm it was initiated at a time of city building. You know, uhm remember, you know local Government changed, it was initiated at a time of city networking internationally, around sustainability. The emergence of C40 which was 40 cities and the cop, you know all those conferences around the role of cities in the world, and the role of cities in climate change and all that. So from the beginning, yes, there were like at least five objectives to measure the city on. One was affordable quality safe transport. And think about the image of taxi, of taxis in this country, I mean you go to the back page of the Sunday Times and people always talk about what they like best and most about the city they live in, and everybody talks about the taxis. You know it's like a, but there is something there, although a lot of people really love taxis and taxis offer a very good short left service. So it was about quality public transport. Secondly it was about city form, and there is no doubt that uhh, Soweto at a micro level and Soweto's relationship with Jo burg has changed. I mean uhm I don't know if any of you come from Soweto but you know you used to go through this narrow little road. Through Riverlee, to get into, to get to Orlando. Now it is a gateway to Soweto. We have really linked for
better or for worse those coloured communities with Soweto you know it's, we have changed city form, uhm and we have, and there is still a potential for further what they call transit orientated development. And ultimately that reduces the cost, not only to consumers of transport but also to the City of providing services. If you congregate people around transport corridors. Uhm and that is a long term gain but we are seeing the changes. The second thing is obviously the carbon emissions, uhm which, it is, you know with drought in Cape Town, it is not something that one should poo-poo about, is that increasingly City leaders are not only addressing the apartheid legacy but also have to make sure that our children have a better future than we have today which is not anything as secure as it used to be. Thirdly congestion reduction, which also talks both to, well I wouldn't say, let's say economic productivity of a city, you know and if people are spending too much time in, in unsafe transport, and paying high price for transport, it doesn't do well for the, the competitiveness of your City, uhm and then the transformation of the taxi people. So if you were to look at from that perspective, I think that there is a, not a negative, but a positive and growing positive story about Rea Vaya. If you look at our numbers we, are not, there, we get a petition once every two weeks. There is not enough busses in the peak, so there is not as if we are not sweating those assets, we are sweating those assets a lot. And you will hear the operators when that comes out telling that the City is, you know they are sweating the assets more than they anticipated because of overloading. We tell them it's, uhh, it's overloading because they don't, you know their busses are in the yard and you know, but it's true we are, we do sweat those assets. We do get good ridership figures in the peak. Uhm that's not the case in all the cities. We were
lucky that like Cape Town I know they started the decided to pilot the West Coast which is not as like, as opposed to Khayalitsha, we are fortunate because I, our number one route was Soweto to CBD.

MR MASEKO: Well maybe two points look public transport needs to be viewed as the essential services so uhm it will require a subsidy so the notion that BRT’s will sustain itself it is not working and it's not, I mean uhh feasible. So it will definitely need to be subsidised in order to uhh continue its operations, so that's one of the things that we need to look and well Lisa has mentioned some of the uhh success stories of the BRT like your quality of public transport that has improved the image of the City and also when you look at especially Soweto where we have constructed the BRT you look at the environment, how, around the stations, then also talks to improving the image of the townships that you will find such, uhh quality, public transport service and the infrastructure that has been put in place there. And also uhm the safety of commuters that’s one of the key factor that will say that this makes the BRT uhh concept to be more different or unique to any public transport that we have in the country. Look the question of uhm the numbers if, is the BRT suitable for South African cities, uhm well I will in my view I will say not in all of the cities that have been earmarked to be given the, the light to do BRTs uhm are suitable to do that because of the numbers that determine the need of public transport. So if you don’t have congestions or traffic then you really don’t need the BRT but we have seen that some of the cities they have been given, but and again its public information, like Ekurhuleni, we have been told in many conferences that they are operating I think about ten busses or so and they get less than 30 passengers a month so you can see that BRT is not viable in a city like that.
And well from our side in Johannesburg we also need to maybe rethink the model on how can we improve that we get more passengers because the passengers that we get is more on a uhm peak period and then the off-peak we really have no service. So we just need to rethink on how we can model the BRT process.

**MR LESOFE:** Thanks very much now if you could just comment ... [intervened]

**MS SEFTEL:** Just. Just one minute I have just opened this email here, you really must call these people. They have just sent us their evaluation of all our grants. And uhm they compare all the cities and they show which cities are, they have got all the information, feedback, I have just lost it, but you must call them here to come and present this, because they have got, what status, anyway they compare, they compare directly the operator cost per kilometer, average fair per passenger, fair revenue as a percentage, operating costs, rate, contribution to the rates based on the city, very useful and they also identify which are acceptable and which are unacceptable, so I really think you should call them here.

**MR LESOFE:** Sorry who are the people?

**MS SEFTEL:** It's uhm, uhm the city support program, I will send, shall I send this to who, whose email have I got, yours, but regard it as off the record. I will send it to you. Regard it as off the record but then I think you can see who is responsible. It is this guy, Michael Couch, Inter Governmental Relation National Treasury. And then write them a letter like you like to do, and ask them to come here. Is that okay/
MR LESOFE: Yes thanks, thanks. Uhm my next question would have been just to get your comment uhm on, I appreciate all the factors that you, you have highlighted which essentially show that you know there are, there is a good story to tell about BRT there are important successes that have been recorded but if you could just comment on uhm the systems costs vis a vie uhm the revenue uhm collected or generated uhm and perhaps your comment in this regard may touch on whether or not uhm uhh the picture right now is consistent with uhm your projections uhm back then.

MS SEFTEL: Just ja look I think I did, and Ben also alluded to this, we never thought that the system costs would be so great. Relative to revenue collected, the National Department have put a norm and I, I want you know, about where, where we should, what we should, where we should be, uhm, at the moment our fair revenue is a percentage of direct vehicle operating costs, is 35%. So uhm uhh but I think it, it is with, in George it's 60%. In Tshwane, it's 100% whatever that means. I am not, okay I you know I am just looking at this now, I am being naughty. Uhm so ja it, it is not sustainable and they are very high, what makes them high? Some of the reasons which makes them high are systemic like the fact that you have got stations in the middle of the road, the fact that you know, you have got a fair collection system. Uhm and these stations cost to maintain. Uhh fair collection system are generally very expensive, they are imported and things like that. Other things make them high which could be managed better. Like the number of people that we put in our stations. When we started there was quite a lot of violence and security and so we ended up having like three or four security in our stations, we have got station ambassadors, we have got cleaners you know, those things one can
reduce over time uhm and also there are some technology. We are trying to, we have just gone out to tender again for fare collection system and we are trying to ... [inaudible] not so smart. Uhm more robust to hopefully get local people and things like that. So there are ways in which we can reduce the system costs but not significantly. The only way to reduce the system costs significantly is to change the mode. And actually we are doing that. Uhm and if you get a proper CBA done and long term forecasting and all these you know what do you call it, economic modelling, they will tell you that it doesn't make sense. You know, because you are looking at shorter ... [inaudible] but if that is what the fiscal constraints are about now, that's what we are going to have to do. So we are looking at, at concept called Integrated Corridor Management, where we will use existing, basically back to curb side, use existing vehicles and you know maybe not have a fancy ticketing system, but try and create more reliability, through getting rid of parking on the side of the road, maybe, uhm still having off-board you know, the drivers mustn't collect cash because when the drivers collect cash it takes a long time. You know they can't move, you know we are trying to build a model now for that, precisely because uhm of some of the fiscal constraints and the long-lead time between introducing quality public transport and it having a dividend in terms of city form. Uhm, and I think ja, uhm and also because, I know it is, you know interesting, there is also a Paper which I can find for you, which would it have been better to do a like in Chile, in Chile, they did a city-wide, you know, and uhm I don't know how they had the money to do a city-wide, but then you know you bring in your Putco, you know, there is no inequality in services or whether you do an incremental approach. And the experience of the South American cities is better, it is the incremental is better.
But the long-lead times between the Putco type service add Rea Vaya type service there has also been a lot of criticism. You know that, that the State is paying much more for a Gautrain person versus a, I am sure you have seen these figures, somebody must have presented them to you. The different costs for the different uh services. And in a country which has such a legacy of inequality that level of inequality is often politically unacceptable.

**MR LESOFÉ:** My last few questions Chair. Uhm so just on the, on the model, uhm based on evidence from some of the, uhh people who testified and I think I also read it from your Paper that when, when the system was conceptualised the, uhh it would seem that the initial plan was to uhm uhh, uhh  Mr Philip van Ryneveld describes the model, the initial model as a full replacement model. Uhm if you could just uhh, uhh maybe just give some, some context into this, uhm what, what was envisaged here.

**MS SEFTEL:** Not in my Paper Philip, what Paper did Philip write?

**MR LESOFÉ:** No, no, it's the evidence that he gave, uhm during, in one of the sessions and uhm I think I read something uhh similar uhh something similar in, in your paper, you correct me if I am wrong?

**MS SEFTEL:** Okay you know I know Philip argues a particular point, and I am not sure, the contents of full replacement so let me just quickly check. Uhm okay, in ... [intervened]

**MR LESOFÉ:** So this is in the context of uhh essentially, uhh replacing the taxi industry with a BRT uhh system.

**MS SEFTEL:** Ja but you see ... [intervened]
MR LESOFE: But you can obviously clarify and ... [intervened]

MR MASEKO: I am thinking it's like, what we going to do in 1C, uhm ... [intervened]

MS SEFTEL: No it's not you know he ... [intervened]

MR MASEKO: But ja.

MS SEFTEL: Okay, okay full ... [intervened]

MR MASEKO: The full replacement.

MS SEFTEL: Okay in, I don’t know what he means by full replacement, what we would understand by full replacement maybe is that you could replace all the taxis, take all the taxis off a route and replace them with busses. Now theoretically that sounds right but practically it is not as easy as all that. One, there is significant overtrading of the taxi industry due to the collapse of regulation, so like that’s the thing we are facing now, with Alex, is that we think, okay I would not punch the number you know although they know the number but our estimation, we are putting on demand which would require us to take over 707 taxis. We think that the 707 taxis you know, we think that that should cover all the demand. It may, it may not. It's only in the model okay. But those guys say that there is 939 taxis that are operating on the route or in fact more uhh than that, uhm now do you take off all those taxis and you think there will be no problem, no, because there is still going to be a taxi that might operate to Killarney or just slightly off the route, so in practice to try and take off all the taxis is impossible. And the heart of the way, if you don’t want them to compete with each other, then you have got to get enforcement right and enforcement in
this country is an enormous challenge. However the way, so that's, the way Philip tried to argue this things when he was caught with us, is he was saying that you see if you try and run your BRT uhm for the peak demand, then you need to buy a hell of a lot of vehicles and that's the CAPTA mistake, they have bought too many vehicles so for the, anyway that's another story, but they bought, you buy the vehicles for the peak and then you have a lot of this, the vehicles that you are not using productively in the off-peak, remember what I said about the difference between peak and off-peak. So Philip has been arguing that don't buy for the peak, buy for less than the peak and let the taxis add uhm in the peak period. Now again that is theoretical, but if I am a taxi driver, I, I may not make enough money just operating in the peak and who do you, and again it's an enforcement challenge. So uhm ja I don't know, on the other hand, it has become a little bit the reality. Is that when the busses get full, the guys will move to the, back to the taxis, but it is not really a sustainable business for the taxis. You know just uhm and often I think it is illegal if they do this. I don't know, do you remember that argument of Philip? I don't know.

**MR LESOFE:** No it's fine.

**MS SEFTEL:** I don't know if that makes sense? Ja.

**MR LESOFE:** We, uhm we can move to, to another point. So uhh, we have already touched on this, uhm the 12 year contract and I think everyone is anxious and uhm operators in other uhh in other provinces in particular uhh the Western Cape have, those who run VOC's or what you call BOC's in, in Gauteng, have actually mentioned that they are actually closely following what is happening in Gauteng because that's, that is where the first set of contracts
would uhm lapse. So the question is uhm and I think you have alluded to issues that have been raised by operators, uhm because these contracts are, are almost uhh lapsing or they are almost complete what, what is likely to happen?

5 **MS SEFTEL:** Okay so in our revised policy that we are taking to Mayoral Committee we, uhh we are now making provision for a tendered contract. Okay. Mmmm, and you know we think we have to do a tendered contract because the Constitution requires us to do a tendered contract. Uhm, there are two areas of complication potentially, uhh is that what happens if we dis, because we are now working on a Soweto plan, is if our next contract is not on the same routes but is a combination of first time routes which can be negotiated and the existing routes. That is quite an interesting challenge that we are beginning to think about because it could be a reality. Uhm, uhh so ja that is an interesting competition challenge, we might even have to get a counsel opinion about how we, we manage that. The second thing is that we have always said to them that and the international experience also shows it, that incumbent operators have an enormous advantage. So the changes of that same company not getting the contract again if they have been performing is very small, no, no is very large that they would get it again. Now the complication is that the two, the shareholders are fighting so there is, you know, the shareholders are split, now what happens if the shareholders split and both of them come and tender, uhh, uhh what happens then. So these are not all the things that, that we have thought about. In our second phase contract, we did put in the, oh the other complication is the, is the workers. You know, there is some Labour Court evidence that there is a chance that if those works go to
court, the, there is precedent, but it is not exactly the same situation, but you never know these days in the courts. That the workers will have to come work in the city, because it is a single contact, you know, a Section 197 might come and we might have to employ them all. So that's another, so there is a lot, as I said, we are beginning to think about it and create a policy framework for us to be able to, to address it going forward, but there is something in the second contract which says that, I can't remember, it is carefully worded so that it won't attack constitutional scrutiny but it is carefully worded in a way that, I can't remember now but I can look it up for you, or I can send it to you afterwards if you want.

**MR LESOFÉ**: Sure.

**MS SEFTEL**: Uhm ja to try and ... [intervened]

**MR MASEKO**: Then the preference that ... [intervened]

**MS SEFTEL**: Yes ja.

**MR MASEKO**: Ja.

**MS SEFTEL**: The preference ja. Ja.

**MR MASEKO**: So but the preference.

**MS SEFTEL**: I mean there is also, you know and I have had this discussion with this man who is now very, getting very high prominence in the newspapers, that because Blade sent him, to, what's his name Mateti Mokonyane, he said and but it, that, because he goes also to all these international conferences about contracting and so on, uhm that there can be some justification that on
the basis of performance, okay internationally you are given a seven year contract, and Government somehow extends it for another seven years on the basis of performance, uhm he was saying to us at some point, surely if there is good performance with the 12 years, you can extend it, I think extending for 24 years is just too much, I think it would be, they would need to get constitutional scrutiny. Uhm but ja.

MR LESOFE: In terms of performance, uhm is the City happy with the performance of the current BOC’s/

MS SEFTEL: I think that is what my, this Supplementary Commission, so, uhm no, uhh, uhm, uhh and they have complicated reasons for it, uhm, the first BOC I think, well you know they started with the Finalco people then one of the Finalco people stayed behind and he was the COO. And although he was a difficult guy he generally could run a bus company and he understood the need for efficiencies and penalties. Uhm it had, and you know they had always been cash flush, and generally their performance has been okay. Uhh where they have fallen down a bit is the management of labour, neither companies have got a performance incentive scheme, so, you know so the labour are either, either re a bit slack and they, or they are, how can I put it, you know they, they work in fear, they don’t work because they are proud of their company. So but now since that guy has gone, and they fired this other guy we are not happy with their operational performance at all, uh, the second company, was a more independent board. Uhh again and they got quite an experienced bus operator to run it, and at least he understood drivers and he had authority and it went very, and had a good independent board and it went, it went well, but they, they have kept their eye off maintenance and now they haven’t got proper
maintenance you know, they didn’t have a good maintenance manager, because you need skills, you know. And I also think now, oh and also because we are fighting with them about the interpretation of the Bokke, so they have never actually been, they have never had a penalty because they keep disputing with us about how the penalties work. So they are not feeling the penalties in their pocket. But maybe, when they feel their penalty in their pocket, things will change and then again they have kicked out the independent directors and you know it's not that stable, so again now in this policy that we are now taking, we are really trying to, and it's very difficult, we have even went to senior counsel for an opinion about this. How does the City whose got, even though we have got to negotiate a contract, it's a completely independent contract, you know. Uhh it is with an independent contractor rather, get involved in the governance and operations of that company. And went to counsel and said you can't, because we have been very worried about the governance you know and then the guys come and tell us you know they are going to be killed you know and that, which was the comment I was making earlier on, they see you as, like you are the parent now, why don't you step in and we say no. This is, this is a marriage that's gone, that can irreconcilably breakdown, this is not a parent child relationship. Having said that, you know these are I think about, there is not something wrong with the model, these what do you call them, Net Contracts, these Net Contracts ...[intervened]

**MR MASEKO:** Gross Contracts.

**MS SEFTEL:** Gross Contracts, performance based, are, is much better, ten times better than the Putco Contracting or the Metrobus arrangement, in terms of performance, much, much better. Yes there is problems but I think it is sort
of, con, what do you call it conjunctural problems and the problems of governance. And things that we can get right as we go forward. Uhm with tighter clauses. Like obviously our biggest power is when we negotiate the contract, so what we want to do now, and we can share with you in the Paper, although it is not policy yet, it's you know the kind of, we want to say, in your MI you must commit that the board will be 50% independent and if independent members resign, the board is not ...[inaudible], because that's what the second company did, is that they kicked out the independent board members but they can still be ...[inaudible] as a non-intendent, and then they can make naughty decisions through it, you know so, so and we are also trying to say that, what else, ja we are trying to put clauses in the Bokke, the suspensive conditions, oh that's right, now we want to put in a suspensive condition that we won't, you can't start, you know we won't over the Bokke to you until you have got employment equity plan and a supply development plan, so that they can do the value chain in the company, you know that they should develop supplies, they can do that. Things like that.

**MR LESOFE:** Thank you, uhm just to take this back to the point that you made in relation to, to tendering. Uhm I think you said if the performance of the supplier is, is good uhm they stand a better chance, the chances are high that you will win, you might win the contract, but in this instance the opposite it would seem appears to be the case, given your concerns about the performance of the current BOCs.

**MS SEFTEL:** Okay so, okay with the first BOC, okay there is four years to go, uhm even though their, their performance is poor, they have still go the best chance, they have got the relation with the drivers, they have got the
experience, uhm, uhh and they will have an asset to leverage and finance new assets or they will refurbish the existing assets because they are going to own those busses. And that’s the thing I mean even all this business I am sure other parts of the enquiry around Putco, even when, and I think it was you know these, the tendered, these provincial subsidised contracts or these, these PITA contracts, is that the Putco’s and the, the Golden Arrows, they win the, even when there is tenders, they are more likely to win. Because they are the only people that have got an asset, or have got an ability to fundraise money to buy more new assets, while, these, newcomers you know, don’t have the assets or if they want to buy the assets they come with Chinese assets because they are cheaper and they are not so reliable and then they operate, anyway that is a whole discussion which I am sure you have had with other parts, in other parts of the enquiry, so I think they have still got a good chance. The second, the phase one (b) company, at the moment we own the busses and we will transfer the busses to the them at year six on the base of good performance, and that good performance we have also included things like, they have always paid their tax, they have got, even though, you know unqualified audit would be easier in the private sector, they must have an unqualified audit, they must uhh, you know the cumulative penalties in a particular year must not be more than X. So that’s an incentive for good performance. So that, and I think it does work to some extent. So from your one to six, that, they are fighting to get ownership of the busses. At the, you know from your six to twelve, they are first of all preserving the assets as much as they can, so that the assets have got a value for the future. We hope, and if they have good performance they have also got a better chance of getting the other contract.
MR LESOFE: Okay thanks. Uhm thank you Chair.

CHAIRMAN: Thank you Mr Lesofe, uhm Mr Ngobeni?

MR NGOBENI: Thank you Chair, just a few uhh clarity seeking questions, I think if you can just start by the, in your submissions and I think you also spoke about this uhm a short while ago, uhh you do indicate in a supplementary, uhh submission that one of the things, uhh you know that there is a reason that you have actually seen in the start, there has been a conflict in, you know in the bottom, that is when you are talking about the ...[intervened]

MS SEFTEL: Sorry what page?

MR NGOBENI: The, I think the pages are not numbered, it is the second last page.

MS SEFTEL: Oh.

MR NGOBENI: Where you deal with the appointment of... [intervened]

MS SEFTEL: Oh yes ja.

MR NGOBENI: I think Mr Maseko this morning indicated uhm that what you, as a City what you actually doing is to empower them and I think he mentioned uhh finance costs that you know some of the board members have been taken through and uhh what I wanted to find out is uhh, are there in addition to these finance short courses that uhh are being offered to the board, uhh are you also assisting them in terms of uhh corporate governance, uhh you know issues in terms of, in courses being designed you know in order to try and assist them uhh you know to deal with corporate governance issues, because I see there
you indicate that there is a lack of adherence to the Kings Commission and all of those things and those are issues which are likely to be dealt with under corporate governance. We heard in the Western Cape that I think one, one of the things that they are doing is to, they have partnered with the UCT and uhh you know some of the shareholders and the people in, on the board, they are being taken through some corporate governance you know which are being paid for by, you know by the City so I just want to try and understand because I heard Mr Maseko mentioned a short course on finance, is there anything in addition to uhh, you know, the finance courses that, that have been designed in order to assist?

**MR MASEKO:** Ja well as I have indicated that look we, we have given them some short courses and one of the requirements for them to be part of the board was to be trained so we also uhm contracted with the institute of uhh directors to uhm to give them training in terms of uhm board management, corporate governance and how those issues are handled, uhm, but the thing is, uhm, if you give them maybe a short course or so, I mean it's, the change from informal to formal setting, it, it takes time, so that's why we have, we are seeing all of these things that are happening currently in the, in the management of the companies, the boards, the boards, I mean fighting each other and all of those things. And whereas in now in one (b) uhm they have got the guy who was like the technical support when were ... [intervened]

**MS SEFTEL:** This one he wrote the letter with, this thing to do with me.

**MR MASEKO:** Ja ... [laughing] Uhh now he is with a company and he disregard all the Kings Commission Reports, he says those are just
recommendations so, they are not binding, so he is influencing the, uhm the board members to take decisions which are against the, Kings Commission, so it really needs more I mean of a change, management sort of training that they need to get involved into, so that they can understand really how formal business operates.

MS SEFTEL: Mmmm I think Ben’s point is critical, we, we also do this Wits course, just like the UCT one. We did a 100 and we took them all. Has it ever changed? I am not sure. Uhh, the, you know, I have seen specially those one guys which you may meet next Monday, the, they have learned how to play board politics, uhm and it's true but they will, you know they don’t, uhm I always also think there is a bit of modelling happening when it happens in other parts of Government. Other parts of society. You know that if you work in a sector where Kings Commission, King Commission is respected, you want to adhere to it, but they don’t see that you know. Uhm they play the same kind of games that we have seen in other sectors and it is very difficult for us to stand up and say guys King Commission is important.

MR NGOBENI: Thank you. And just to try and understand on the compensation model, the, the policy that you have now drafted which you say you are taking to the Mayoral Committee, I see in your submission you are saying it is going to look at the compensation that is going to be linked you know to the amount that a taxi operator would receive if they were to continue to operate you know for seven years. In previous phases uhh where I see this morning, you know I think you did mention that I think, uhm they were paid R850 000.00. I just want to try and understand you know what was, what was it based on, you know the compensation of you know in the previous phase. Uhh
how is it different from what you are now proposing in the policy that you are now taking to the Mayoral Committee?

**MS SEFTEL:** Okay uhm, okay so what it was, okay firstly it was based to some extent on what they were earning before, okay so, if say, this is what they were earning before, okay over a period of 12 years, we tried to match that. But we tried to match it in two different ways. The first way we tried to match it was in dividends, so we built our fee per kilometer model that they would get a profit of at the end, it was 14.2 % or something like that and that commercial profit translated into two 2200 uhm, uhh approximately 2200 per month even though they would get the dividends, actually they got the dividends every quarter. Okay but lest just say this is a monthly amount. And then, this amount of money we worked out on the basis of 7700 a month. Okay, uhm so if they were previously earning 9900 that, that was the assumption that we had made, you know then they would be not worse off if they were earning 7700 from the empowerment dividend, empowerment premium and 2200 from the dividend. So in this way they wouldn't be worse off. Then what we did with the 7700, we times it by 12 months, then we times it by 8 years because we worked out that if they got the money upfront, and invested it, then they would get a, they would be not well, uhh it is so complex I am not a mathematician, but it would be equivalent, okay to get, if they were going to get it once off, 8500, 850 000, if we were to work it on 7700 times 12 times 12, it is a much bigger sum, but because they are getting it upfront the cost of money ...[intervened]

**MR MASEKO:** Now.

**MR MASEKO:** It was discounted.
**MS SEFTEL:** It was discounted and we used CPI to discount it. So that’s how we got to the 850 000. Uhm in phase one (a) and I am sure when they come here they will tell you, that they also thought that we are not well off, they needed the value chain. The, you know the cleaning and security but in phase one (b), we uh m we didn’t put that model into account. In the next phase the way we want to do is it is that we want to say preferably that if they were earning 7700 before, then we will give them all of that in the empowerment premium and the profit is an optional extra. Uhm but also then there is this hot issue about the equity for the, the equity that they had to pay in. They will pay the equity from this amount of money and the vehicle, if they scrap the vehicle that’s their own money. We tried to make it simpler, we are not trying to complicate things like we did in one (a) and one (b). I don’t know if I am ja.

**MR MASEKO:** Just to add there, uhm well in the base where we like we could base the amount, what we did was we have requested information from them to say how much are you currently making a day and then a week, a month, and then we will calculate that for a year and then we multiply it for the duration of the contracts and then we make the amount, but then because there were different routes all of them, like they were not the same, some will cost more, some they will, like they will get more money, some they will get less, and then we’ve, we’ve agreed that we should average the amount and take the, the best performing routes as our case and then we will use the, the best performing routes to start negotiating for the amount and also from outside we had to uhm just to gather more information as to what they were providing is true. Uhm because by then we were not like following the Dora Condition as, as we are currently now doing because what the, uhm the condition says that we have to
go aground, do an independent verification of all the amounts that they are claiming, so we should be matching what they would, they are earning. So we have, we took that amount, which we are, the average of the best uhm performing routes and then we worked out how much then we will pay them uhh per month and then after that we worked out for a period of 8, of 8 years and then we came to a figure, in actual fact it is 870 that we came to.

**MS SEFTEL:** Ja sorry.

**MR MASEKO:** Ja, not 50, 850, 870. And then uhh because the BRT is for 12 years and then we had to uhm to match the four years then, what would happen then after the four years than then when we have built in the empowerment of the uhm, 2 point, 2 point something that we worked on. So that's how we came up with the amount, the amount of money.

**MR NGOBENI:** Okay and uhm when we were in, in the Free State Province we received a submission from I think he is a junior lecturer there, his name is Stuart uhh Denon Stevens, what he said, I just want to try and understand if that is, if the figures are you know what you have in mind, he has indicated uhh you know I think he, quoting from, I think it is a newspaper article that uhm in essence what is going to happens is that to run the Rea Vaya system, the taxi bosses were to be paid annually 221 million for the next 12 years and for 12 years and he then says all in all it appears as if uhh you know for those 12 years to run the system, they were going to be paid 2.6 billion. Do you have any comments on the figures?

**MS SEFTEL:** In Jo burg?
**MR NGOBENI:** Yes that is the, the ja that is what he is submitted to us. Do you have any comment on the figures?

**MS SEFTEL:** I don’t know it depends.

**MR NGOBENI:** Ja that is why I am trying to understand the compensation model because he is saying that collectively ... [intervened]

**MS SEFTEL:** In which phase? Both phases?

**MR NGOBENI:** I think it is the phase, phase one.

**MR MASEKO:** Phase one (a)

**MR NGOBENI:** Ja.

**MS SEFTEL:** We need ja because, 381?

**MR NGOBENI:** And then he quotes the number of the you know and then he says, “I think the minibus taxis that are involved” he said 317 uhh ... [intervened]

**MS SEFTEL:** No that’s right.

**MR NGOBENI:** Minibus taxis.

**MS SEFTEL:** 317.

**MR MASEKO:** 317.

**MS SEFTEL:** 317 or 370?

**MR NGOBENI:** Ja 317.

**MS SEFTEL:** Oh yes that is one (b).
**MR NGOBENI:** Oh is that one (b) yes oh okay ja so he is saying maybe just to read he says, “*In the Rea Vaya case collectively the taxi bosses are going to be paid 221 million annually for 12 years and that is 2.6 billion.*”

**MS SEFTEL:** No that’s not, you can’t, 221 annually is not right.

5 **MR NGOBENI:** Is it.

**MS SEFTEL:** Uhuh, because even if you time 870 times how many 317.

**MR NGOBENI:** 317.

**MS SEFTEL:** Equals 322 million over 12 years, once off.

**MR NGOBENI:** Ja.

10 **MS SEFTEL:** Am I right?

**MR MASEKO:** Ja that’s not right.

**MS SEFTEL:** It’s not right.

**MR NGOBENI:** Okay no I just want to test with you because he is, although he is from the Free State, he was quoting, uhh the numbers in Johannesburg and you know given the fact that you work with the system I just want to try and understand if that was, you know if the numbers are what you see.

**MS SEFTEL:** Okay ja, the 2.6 billion you know look all these figures change every year. You know the, even the Capex figures you know slightly change, you know but if you want we can give you a cost of the initial Capex, we can give you our operating costs per annum if you want that. And we can give you the transformation cost per annum. Or no, transformation costs per phase. I
think that’s better. You know. If you want that, I think those are better numbers that we can give, we can evaluate.

**MR MASEKO:** Or our financial model because we did a model on how the, this competition will be in the ... [intervened]

**MS SEFTEL:** Ja we can also share with you our ja.

**MR NGOBENI:** Oh okay.

**MR MASEKO:** We can share maybe that information.

**MR NGOBENI:** Okay.

**MS SEFTEL:** We can share two models, we have got a bus financial model, which is the, all the costs over 12 year for the bus operating company, the input costs, fuel all those things. And then we have got another model which is just focussing on the transformation.

**MR NGOBENI:** Thank you. And just lastly the, one the on phase one, you mention that there were in the so called “victimised operators” if you can just explain to the panel what you meant by that?

**MS MASEKO:** Okay uhm, because of our, our BRT model, as you were talking about the full replacement initially well my thinking was that you were talking about the uhm, the removal of the vehicles as well, uhh of the minibus taxis, so what happens is that we introduce a certain capacity to say if we introduce busses, 143 busses then it will equate to 585 taxis, so those are the only taxis that we will remove. And the removal of those taxis will be uhm, will be entirely the responsibility of the Associations, they will tell us which operators
are going to remove their taxis. For our side we will only verify if those taxis are in fact coming from the routes which uhh is going to be affected. So Association A, you will find that Association A has to remove let's say a hundred taxis, but out of that 100 taxis, the Association has got 200 taxis that are operating in the same routes. So the operator, the one operator will have five, but then he or she opts to give two in, into the system and then will remain with three. So now the three that are remaining from the City side will register the three to say can still operate the three, we will not regard those as contravening uhm our agreement, agreement or I breach of our agreement. So we will consider those operators, those vehicles. But then the Association because some of the Associations were not, uhh bought into the BRT concept.

**MS SEFTEL:** The leadership was split.

**MR MASEKO:** Their leadership was split, so some of the individuals just came in as an individuals and then then formed themselves into a group of people and then they nominated some people to lead them and to negotiate on their behalf. So then the Association will, will then chase those individuals who opted for BRT and say, you can't be in the taxi industry with three vehicles and two vehicles in the BRT. So you will have to choose whether you are in the BRT or you are in the taxi industry. So some of them then they wanted to be part of the BRT and then they didn’t have space in the BRT to bring in all their, their vehicles. So that's what we have regarded the victimised operators because they were chased out of the Association without their will to, when they, they still wanted to be operators of minibuses and also be part of the BRT. So the City then had to uhm compensate them and exit them from the taxi industry and then they will be fully in the BRT process.
MR NGOBENI: Okay thank you Chair.

CHAIRMAN: Right Mr Mandiriza?

MR MANDIRIZA: Thank you Chair I just have one, one question, I think it relates to, to integrated transport planning, so I think in your, in your submission I think, uhh on the 5th of June, you know you, you mention I will just quote slightly, uhh you say, uhh you know public transport is not all public owned and the vast majority of public transport is privately owned. So I just want to get your perspective, whether, whether integrated transport planning in the current context where we are moving into BRT, which are privately run, and you also have a big component of minibus taxis which are also privately owned. Whether in your view you think integrated transport planning is actually going to be feasible or it's just a dream that we, we, we have, given the context that you have painted? I think that would be my first question.

MS SEFTEL: Okay. No it's an interesting question, mmm, uhh, okay, okay you guys are in the game of competition and things like that so, uhm, I don’t know like if you think about another sector, uhh, no okay I won’t be able to think what other sector, but it would seem to me that uhh if we had a perfect market actually you would have perfect integration. You know that if you were a producer, a provider of minibus taxis, and it made economic sense for you to operate short distances, even though you are private sector person, then you would congregate to those short distances and if you were in the bus business and the economy of the bus business was that you would do better on longer routes, then you would congregate to the longer routes and you could have uhh, you know the, not necessarily seamless, but there would be integration that
would not be a duplication or an overlap. Okay, now for all sorts of reasons we don’t have that uhm and that’s why it is, you know the role of the State to try and develop that plan uhm and uhh I think the ideal you know from the NLTA was that in the long run every service would be contracted. Okay, uhm and you would uhh but the problem is, is that there isn’t enough money for every service to be contracted particularly because of our, our special form. Uhm, uhh but that’s where the, so then the idea came in the NLTA for the operating licence board, so the operator licence board, so there would be like uhm you know your City would do your ITP, and the City would say on this route you need 20 busses, on this route you need 30 taxis. And then the City, another part of the City, the Contracting Authority in the City, the transport authority would then contract out 20 busses and agree as a matter of public policy to subsidise that. And then the City would concur with the operator, or give the Licensing Board a direction letter to say only allow 30 uhm taxis here and these taxis would be able to make a commercial profit, not because they could be more efficient in the private sector, that’s the theory and why hasn’t it worked? Uhm is because it’s very difficult to determine this demand you know, uhm and the State doesn’t have the resources to subsidise all the busses as they would like to you know, as the ideal demand. Uhh and then there is obviously over supply and lack of enforcement. And there is a lot of corruption in the regulatory bodies. Can it work between public and private operators, integration? I think it can, I don’t think that there is a problem, uhm if there is, and in some senses a strong plan that you know looks at demand properly can assist. You know even if the uhh, uhm, ja so, ja let me just say that. The other thing I want to say though is that this whole thing of the forth industrial revolution and increased technology uhm,
also creates even more opportunities for integration. Uhm if it was, if the environment was, was conducive, because if you look at what's happening internationally they have got something called mobility as a service. Okay, so think about it, I heard this phrase the other day about, devices as a service. So you no longer are going to buy yourself a laptop, you know on Takealot, or whatever, you know, you buy, you would buy, you buy devices as a service and then you have a service provider like Dell, and when your device breaks down they just give you another device. Or when you need to upsize or downsize or you know, so it is the same idea as that, you don't get, mobility as a service, you don't get, you know just buy, you buy a, a ticket that you can use interchangeably on an Uber on a bus or something like that. So ja I don't know if I am answering your question but I do think that integration is, there isn't, you don't have to have all public modes or all regulated modes to have integration. Uhm in other words the critical components of integration what I call tools of integration, uhh I think are, can assist, so the one big thing for integration is fair harmonisation. So that if you are in a different mode, you still pay the same fare for the same distance. And that's where we don't have integration in Johannesburg. Because Gautrain you pay X, so even the Gautrain, is the quickest way for people from Ivory Park to get to the CBD, you know they just have to get the Midrand Station, nobody from Ivory Park ever uses the Gautrain because it is much more expensive, they all use the minibus taxi. So you don't have integration. You have two modes on the same corridor. Uhm the other tool can be a single ticket so that, but that's more, it's an easier tool. Another very important tool is, for integration, is speedy transfers. So now for example our Rea Vaya system you can get in a station on one side and walk across,
uhm to the, like uhm where is a good example? Uhh at UJ, UJ you come from Soweto, you get off at UJ Sophiatown, in two minutes there is another bus going to Cresta, you move and you are move quickly. Now if you want to go in Jo burg by minibus taxi, to South, to say Turffontein, from Park, from Parkview, you catch one taxi to Parkview, you walk from Metro Mall to Carlton Centre and you take another taxi to Turffontein. That’s not integration. So, ja.

**MR MANDIRIZA:** So I think, sorry to interject, so I think the, the point I am trying to test is whether uhh you need uhm publicly owned modes of transport for integration to happen? Uhh, you know because I think in other countries for instance developed countries, you can actually see that Government owns almost all of public transport though they might contract to private players but they control, they control everything so I think that’s the thing that I wanted to test whether you know is it a pipeline dream for us to say we tried to use regulation, uhh to try and limit you know the demand and say, you know permission letters and the like for, for you to try, so we are trying to force uhh integration using regulation as, as a course of managing the players that have been contracted, that’s what I wanted to test.

**MS SEFTEL:** Okay ja.

**MR MANDIRIZA:** Because I think what, what you mentioned also I think in the, in the, in your previous submission was uhh the duplication of services between Metrobus and also Rea Vaya. I also wanted to test whether there, the Gauteng Transport Authority, in your view, uhm, is it going to assist because of already, we already have these uhm you know, lack of integration to some extent, now we have another body which is the Gauteng Transport Authority that is trying to
coordinate the activities between the three metros, uhh I just want to get a sense of whether you know do you think that would help.

**MS SEFTEL:** Okay mmm, okay let me try and answer the question simply, I think if you have got Government and regulation which has authority and respect and makes business sense you can do it. You know, in other words if your regulation to, you know it's the same thing in every sector, you know, makes business sense for the operator, there is a sense in which they will abide by it, and it's a sense in which they are protected by the regulation against other illegal operators or whatever, it will work, you don't need to have Government control of all modes, to have integration, particularly with technology now. You know with the smart cards and, and it's the way you manage your contracts you know. Uhm because now you can have like one card that can be used on Gautrain and Rea Vaya, technology wise it is possible. So ja. The second point I want to make is that I don’t, again, if you have got a strong planning authority, uhh then Metrobus, which I think we do, Metrobus and Rea Vaya don’t compete with each other. Because we have said, Metrobus you can't go on the same route as Rea Vaya. Maybe they will overlap a little bit you know because the one is going a further distance from the other. But essentially they are not competing with each other and because we are in charge of those modes we have been able to ensure that. On the Gauteng Transport Authority, look this is a big debate and I don’t know how much I want to go there. In theory and the international experience is, is that when you have a strong transport authority that can command authority uhm and uhh can play a very strong role in both planning and contracting, then it can foster integration. The, if you look at, and I don’t know if the Gauteng people have come and presented on the authority, I
think they do want to play quite a big role in planning but it is contested because some of us as municipalities we say you know we also want to play a role in planning because we want to link our transport planning with our land use planning. And you Gauteng, you will only think about it, you will be more interested in the movements across municipalities than in the impact, you know, so there is contestation there, but I think also in politically is that these authorities work where they are politically matured democracies where there are less conflicting interests. You know, less interests associated with transport. Uhm, or the interests are aligned across municipalities but it is going to be very difficult to see you know and MMC saying I am going to relinquish control of the Rea Vaya to the Gauteng, because Rea Vaya is so strongly associated with the, a political mandate and brand of the City of Jo burg, so those are some of the City of Jo burg, so some of the institutional constraints around the, I think around the Transport Authority, but having regional planning and having, it does help in theory. But on the other hand London, London the underground in London is run by National Government, you know, uhm and yet London the transport works, so it's a complicated set of factors.

**MR MANDIRIZA:** Okay thank you Chair.

**CHAIRMAN:** Uhh thank you uhm.

**MS NONTOMBANA:** Thank you Chair and good morning again. Uhm just one think I wanted to follow up on regarding integration uhm I hear you referring to the ease with which you can have integration particularly with regards to the use of technology but one of the things that have come up during these hearings is the fact that there is also limitations in terms of how you can facilitate integration
because existing facilities are not necessarily shared and I just wanted to get a sense of whether there is anything that the City is doing with regards to integrating the different modes outside of technology?

**MS SEFTEL:** Ja I mean, I think, the integration of the technology there is also costs associated with it, on the issue of facilities the two key facilities for public transport is the routes and the stops or stations or taxi ranks and things like that. Uhm, and as I think I said earlier on we would be reluctant to allow other modes onto the BRT routes because in the morning peak, the frequencies are, are 30 minutes, you know, now if you then ask, but the taxis and the Metro busses in the route of the Rea Vaya, you, you don’t fulfil your Rea Vaya mandate which is reliability and speed. Because that route has now got taxis and busses, and other busses in between your Rea Vaya busses which need to move quickly. Uhm however what we are looking at is approach called Integrated Corridor Management, where on other routes which are not so, where your promise is more reliability than speed, we can put Metro busses and Rea Vaya and taxis in a dedicated lane. But we have done a lot of studies on this and it is often counterintuitive. Like think about here in Tshwane, what’s this road, these big Schoeman, you know these big roads coming into Tshwane, in the morning, there is probably taxis on three lanes and private cars on two, so if you only dedicate one lane for the taxis they are not going to want it, so that’s what we are trying to explore with this Integrated Corridor Management and uhm ja, uhh on the facilities we have, you know even in our new phase we have tried quite a lot, like we are trying to end our new route at a place called Ghandi Square which is a Metrobus interchange, so we will have a Rea Vaya station right next to Ghandi Square so people can easily walk between Ghandi
We have a facility in Dingilisie in Dobsonville, where the taxis are in one bay and then the Rea Vaya is in the next bay so a lot of people say from, will come in a taxi from Braamfisherville, they walk not even two meters and they get on to the bus to go to, to town.

Uhm and we are doing something similar, at, in Alex at Watt Street we are doing a very big interchange, where all these small, Avanza’s and everything that come from the township where the roads are small they will just drop and people will just walk down. So we are definitely trying to work a lot on, on the facilities.

MS NONTOMBANA: Maybe just a follow up question with regards to how the City is using the BRT and Metrobus, uhm into the future is the intention to keep both, I know you said that they are not necessarily competing but is the intention to, to run both? Uhm like long term if for example the BRT were to be run successfully, would you still see the need to have both running over and above the other modes of transport that would be there?

MR NGOBENI: Okay so, uhm I think in my other presentation I identified like a hierarchy of modes linked to demand. So we wouldn’t, we would always want to have a let’s call it a conventional bus operator, you know, whether it is Metrobus or Putco etcetera, on routes with medium demand. Where you don’t need to have a lot of dedicated lands, you know uhm like uhh, okay I don’t know Tshwane that well, uhm like obviously your routes going to Menlyn should be Rea Vaya but maybe your routes going Muckleneuk or Green, what’s this place here, Greenpoint in this, there is a Green something. Uhm Greenkloof, could always be a bus route, you know, because there is, the demand, the nature is, is less. So that’s, we would always see a role for Metrobus, ideally we would
want Metrobus also to be a private company like Rea Vaya with a contract, uhm the trouble is, is that you know we have, there is a history, the Metrobus employees are earning much more, they have been City employees, there used to be in the ANC a very strong ideological position and an alliance with COSATU that you don’t privatise, now we have the EFF, we have a similar position, so we are trying to restructure Metrobus so that it would have a contract as similar as possible to a Rea Vaya contract, bearing in mind it's a public company.

CHAIRMAN: Alright thank you Ms Nontombana, just one question from my side. Uhm how many shareholders uhm in the two bus operating companies that you mentioned in your submission, uhh, being Pitrans and uhm, uhh Letsamayso.

MR MASEKO: Oh okay uhm the, oh okay, phase one (a), the Pitrans they have got 308 shareholders, and then one (b) they have got 174. Uhh I think the information we have also put in the CD there, ja, it's there.

CHAIRMAN: Oh it is part of the CD?

MR MASEKO: Yes.

MS SEFTEL: Okay remember that some shareholders own more than one share. So I think it also gives the number of shares.

MR MASEKO: Ja well what I did there is, I have listed the number of vehicles that one, like one of the Associations that they have given in and also the number of shareholders in that Association. And then I have summarised all the information to say phase one (a) they have got this number of vehicles that
they have surrendered and then they have got this number of uhm shareholders. Individual persons, because one person might have ten vehicles that’s have been submitted, so that information is part of the CD.

**CHAIRMAN:** I said this is, thank you, thank you for that clarification, I said that was uhh, uhh my one question, there is just a, a related question and this relates to the model itself, your, your BRT model, uhm, within the City, is the model uhm premised on mode, modal substitution uhh of uhm, the minibus taxi service which are servicing uhm the roads that fall within the scope of your two phases or is it based on uhm, these two uhm modes servicing those routes parallel or in tandem with each other?

**MS SEFTEL:** [laughing] you know we have talked all the time here about minibus taxis as if there is no other shareholders in the Rea Vaya, while in phase one (a) Putco really believed that they had a case but dropped it at the end, uhm because of Aldo Park routes, and in phase one (b) uhm Putco is actually a 20% shareholder, uhm which is another very controversial issue. Uhm because you know Putco ultimately is a contractor for the province, uhm but there was some litigation and it was determined that they could be regarded as an affected operator. So there, uhm and there have been people in you know, who have said, what is this BRT you are just substituting one mode for another, uhm you are not increasing public transport provision? Uhh so we would argue that we are trying to have it, I suppose in some senses, modal substitution to a mode of greater quality safety and effectiveness for both the commuters and the State. Uhm so which is about the BRT which is about the promise of speed, reliability, or, you know, you know there is a whole lot of features of the BRT, off board uhh fare collection, the speed issue, the safety
issue, you know, accidents, crime, uhm those kinds of, of things, uhm as well as the dividend in the City form and things like that. I don’t know if that answers uhh your question. Uhh we also did anticipate and in, we did factor in our initial demand models, a move of private cars too and I think we did see it as some of the initial service, like about a 7% shift. We are hoping for a stronger the 7% shift in the Sandton route. Because of the impact on congestion. So it is, it is a private car to public car, taxi to bus, and bus to BRT. Taxi to BRT and bus to BRT uhm but again there is a political question about what is the biggest priority, provision of public transport or modal substitution. Because one of the figures that has come up for us is that in Johannesburg and it may not be the same for other South African cities, accessibility to public transport is higher than in most countries in the world, it is like number 7 in the world. You know that actually, most citizens walking what, less than 500m, 200m can get a, find a taxi, can find some form of public transport, unlike if you think about a rural city or something. Uuhh.

CHAIRMAN: Any further uhh questions? Uhh thank you very much we have come to the end of our interview. Thank you very much for your time and I think we must uhm express uhm I think our gratitude uhm I think our presentation is generally quite, they are quite detailed, it is one of the most detailed presentations that we have received. Thank you very much uhh for that. Uhm you are excused. There may however be follow up questions ... [laughing]. Please don’t tire of us. ... [laughing]

MS SEFTEL: No look we think it is a very important thing, I, I really think a different view from a different perspective will really help the debate about the ... [inaudible], I really, I wish you all your luck in this, in this endeavour of yours.
CHAIRMAN: Thank you very much thank you, you are excused, we will take a short break and we will be back at what time? At 12 o’clock.

MS SEFTEL: [inaudible] for days and days and days all over the country in the heat and the cold.

CHAIRMAN: ... [laughing]

RECORDING ENDS.
Session 2

**CHAIRMAN:** Uhh welcome back we will now uhm proceed with the interview of Mangaung Municipality. Uhh welcome lady and gentlemen, uhh thank you very much for coming please place full names and surnames for the record and please switch on the mic as you do so.

**MR GODONGOANA:** Oh my name is Utanungaso Godongoana the acting unit head for IPT in Mangaung Municipality.

**MS NDLOVU:** My name is Mawedsi Ndlovu, I am responsible for the systems planning on the IPTM.

**CHAIRMAN:** If you could please just take the oath or the affirmation, there should be a document in front of you with uhm and oath or an affirmation.

**MR GODONGOANA:** I Utanungaso Godongoana swear that the evidence that I shall give shall be the truth, the whole truth and nothing but the truth so help me God.

**CHAIRMAN:** Thank you Mr Godongoana. Miss Ndlovu?

**MS NDLOVU:** I Mawetse Ndlovu solemnly affirm that the evidence that I shall give shall be the truth, the whole truth and nothing but the truth.

**CHAIRMAN:** Thank you very much. You may proceed to take us through your presentation.

**MR GODONGOANA:** Alright thank you so much Sir. What we have opted to do, not undermining the questions that were sent to the City, what we then prepared to, we did a presentation to take you through our current progress,
current planning to date, and then most of the questions that were given to the
City, uhh, most of them at this stage are not applicable to the City, so that’s why
then we opted to rather present where we are and then we, we discussed the
questions that were sent because on the presentation we didn’t want the non-
applicable, non-applicable then it would kill that engagement. Alright uhm,
what I would like to outline is that the, on our side as Mangaung, we are a small
City and the suitability for, for BRT on small cities, it differs, like for instance
George is different from us and we are different from other cities in terms in
terms of your spatial planning. So therefore our current status on
implementation we will try to stick as much as we can to locality and using the
current infrastructure, so I will take you through in terms of our learnings and
our challenges as well in terms of, we will take you through the full IPTN. We
are currently busy with phase one and we are going to do also phase two, and
also we will take you to the implementation and progress and challenges and
measures that we are currently trying to, to make so that for, we, we have
capacity internally. Alright, uhm implementation of the BRT. The truth is it is
very expensive and for us we don’t call it BRT as Mangaung because BRT
stands for Bus Rapid Transport System which is, ours is not rapid. Because we
don’t have dedicated lanes, so that’s just the truth. Because of also our
infrastructure, it's an expensive exercise to go the Rolls Royce route, like other
cities, we will also go to the challenges why we opted for this one uhm viability
and sustainability for the BRT it depends on solely on numbers. And as a small
city the numbers don’t warranty us to go the Rolls Royce route. Uhm cities
such as Mangaung do require a schedule serve, schedule service that is safe,
that is UA compliant. UA unfortunately we did not get the opportunity to state,
UA stands for Universal Accessible meaning for people that are using wheelchairs, people that are, that are disabled, elderly. As you are aware of the current system that does not accommodate the elderly and looking at what we had in the past, in terms of our infrastructure it does not accommodate that. So that means we have to go back look at our infrastructure and try to make it accommodate the, the elderly and that’s to be quite honest, that’s and expensive exercise. Because if you look at our sidewalks, they are not universally accessible and to do, to make them universally accessible then it becomes also a costly exercise but it is one of the challenges anywhere. Uhh, the, Mangaung approach uhh, the approach is based on what we have learned from other cities, uhh other cities end up having white elephants uhh we have experienced one of the case where with our tax rank at one stage it became a white elephant. You design and build without looking at incremental approach and then what happens is that is not being used and then there is nothing you can do about it. So what we then did we tried to look at an incremental approach. We start small, we then based on growth, then we, we, we upgrade based on that. So it, it also assists in terms of managing the finances because what, the question will be what warrants you to build a Rolls Royce whereas your numbers do not talk to the Rolls Royce. So we, we then opted for an incremental approach. Our corridor identification uhh I will take you through on the, the visuals regarding our corridor. Our approach was that we wanted to start from areas where people cannot afford uhh from your, from your poor areas because that’s where our high numbers are because of, mostly of the working people. As much as there is also a percentage of the people that are working, uhh the high numbers for the City is from poor areas, let’s say the
location, your, the term ekasi, to town. Therefore it assists in terms of it’s not highly regarded as bus for the wealthy, or those who are the middle class that can afford but also to assist in terms of taking those that cannot afford to give them and affordable system. To be able to go to work. So that’s what, how we divide our corridor. Also assisted by the main item which is high number because it needs to make, at the end of the day, it has to be a business. Fare collection systems, uhh we are still in the process of trying to look at what is affordable. Not looking for a Rolls Royce, that is expensive, that is expensive and uhh difficult to maintain. Modes, uhm I will also take you to that, then the universal access we have just discussed. Current status of implementation in Mangaung, uhh this is Mangaung, uhh, Mangaung has got Masabolone Thaba Nchu, uhh now there is amalgamation which Naledi, part of Naledi for instance are included to be part of Mangaung. Now we have got the first eight phases which I will take you through where we have to look where can we start, at the end of the day we need to have a starting point and over time, as I have indicated that we, we opted for the incremental approach and then over time we go to where there is numbers, where there is demand and also where there is currently no service at all, so that we are able to, to balance the two. This is the population extent and distribution in Mangaung. Uhh it also shows you the Botshabelo and Thaba Nchu and also it shows the areas of highest population density. Which is in this case, it's not the, it's not the CBD area. It's the outskirts where as I have indicated, uhh people with lower income that go to work in, in the CBD. So that’s where we have started in terms of our implementation. Now as I have indicated the background, uhh, our IPTN started in 2014 where the first operational plan was, was done, uhh reviewed
and service done, to verify passenger numbers and then it was submitted and approved by council. The city wide IPTN which will demand the ultimate integrated public transport modes, services to be contracted as part of the system and other stakeholders, has been finalised. Uhh my colleague will add to it to say that the surveys have been completed for the city wide, but we are in the process of finalising the data in terms of understanding what does the data specify. The go live, which is we are looking at the, we are not operation, in operation as yet, we are looking to go live in this, in the financial of 2019, 2020 financial year. The infrastructure we, we are happy to point out that we have appointed a panel to in the process of our infrastructure so to meet the go live date. Uhh we are currently in negotiations with the taxi industry where we have and MOA with them, the taxi industry in Mangaung we have an advantage where we don’t have as many conflicts, we don’t have conflicts because you have got uhm three Taxi Associations, you have got the Bloemfontein which is GBTA, uhh Bloemfontein, Greater Bloemfontein Taxi Association which is, it functions solely in Bloemfontein, then you have got Tasla which functions in Thaba Nchu, then we have got Botshabelo, therefore there is no, there is no overlap in terms of the, in terms of our negotiations, there is no contradicting between the taxi, the taxi industry but we, at the, at the moment we are still in Bloemfontein but we are engaging all of them in our, in our negations where we have JTC, joint tradal committee meetings with them on a monthly basis where we discuss our plans and our way of going forward. We are currently in a, a process of doing a Section 78, where it will determine whether this currently is still a unit, whether should we go outside to make it an entity or should we make it a department. Because of the nature of BRT, IPTN and around the country
an entity does not look feasible because we all know all around the country they, they are not sustainable, but we are waiting for that investigation to give us guidance in terms of where we must go. But what we have seen throughout the country in terms of other cities and a separate entity will not be feasible, but we not, we don't want to pre-empt we will wait for the investigations to conclude and then we will, we will report back to council in terms of what has the investigation outcome has been. At the process of negotiations we can fast-track the negotiations, they are a lengthy process. So there is a SPV which stands for special purpose vehicle, it's, at the end of the negotiations there is a VOCA, which is a vehicle operating company but in the process of, now we are not there yet, there has to be an entity that is, functions as that vehicle operating company that procures busses on behalf of the taxi industry. So we are in the process of establishing that uhh entity so that in the meantime that we are still in the process of concluding the, the vehicle operating company, we must be able to procure busses, we must be able to go live in the 2019, 20 financial year. So we are in a process of doing that. Full IPTN network I will take you through that. The City currently we have about 8 phases, uhh in the next slides I will take you to the, the 8 phases. We are currently now implementing phase 1 and phase 2, uhh, they have been approved by council. The ... [inaudible] is planned for phase 1 is, has also been approved by council. IPTN implementation plan which is a 20 year plan, uhm, is, is being finalised, it will be finalised by next month which is November 2018. Uhm phase 1 the operational plan I think it has been shared with the Commission the, phase 1 operation plan. Uhh the business plan is, has been completed and approved by the City in October last year. This plan in its current state represents the five
year approach detailing from uhh from year 1 to year 3. The financials in terms of the operational plan, we don’t have, I think because we have shared it previously with the Commission now if the Commission does not have, we will happily to provide with everything else. Here are the phases of the City. Where there is phase 1, our phase 1 you will see it, it starts there, but it does not, you see it, it ends at the CBD but it starts at the bottom here, at Rodlands, where our high numbers determine that we should start there and we are also going to do a phase 2 shortly after phase 1, and the phase 3 will be at the CBD and then phase 4, uhm Brandwagte, and then phase 5, it also around ...[inaudible] but also we have taken note that phase 8 poses high numbers because it's people form Botshabelo and Thaba Nchu, but now that one will be more like an express because the distance, between the distance between the two which is around 59k, 59 kilometers. This is the, the first plan in terms of what we are looking to implement from phase 1 to phase 8 for the City, as I have stated initially that we are looking to do it in an incremental approach because truth be told we cannot afford to do it once off because currently as this is a grant project which is the grant provided by National Department of Transport, as a small municipality we get a portion so therefore we, it's advisable to us and safer for us to do it the way we can afford, not looking in terms of Rolls Royce and, and doing everything at once because at the end of the day we still need to compensate the taxi industry because we are trying to remove the taxi industry and take them to busses which is safer, reliable and its scheduled services for which, which will also accommodate everyone else. The routes, uhm, once passenger demand increases along the feeders and complimentary routes, the implementation of a trunk route can be considered to ensure acceptable ...
[inaudible] times, so therefore what we would do, we don’t just choose a route, we, we are guided by high numbers and uhh we then plan infrastructure and the verification process we have to do, uhh in agreement with the taxi industry, we are not forcing it to them, we say let’s agree. We verify, this is the number of taxis here, this is the uhm, we have to agree. That’s how I will put it, uhh stations and stops, uhh the station to be implemented along the ... [inaudible] routes. Uhh also there, we, we are not going to build a Rolls Royce stations, we build what is affordable, what is uhh, needed instead of having a big stations and then they are not functional or white elephants. Stops are being implemented as well along the truck and complimentary feeders to assist where in certain areas you don’t have high numbers but it does not mean those people must just stand at somewhere, so we are going to build also stops, so that at least the bus does not stop uhh anywhere, we are trying to create a schedule service. The bus depot currently, is to provide shelter and maintenance to the busses and we are at a stage now I think, stage 3, where we are doing the designs. Uhm we have gone out to public participation for the bus depot so that the affected people if there is any, are able to give comments. We are in a period now where we are waiting from the Department, Department of Environmental Affairs, the provincial one, to approve or not to approve before we then commence with construction. ITS, ITS is an intelligent transport system. It is one of the expensive items that we are trying to go for something that is affordable to the City as I have mentioned before what drives us is also the budget. Uhh the network phasing for phase 1 and 2, now it goes into detail as I currently mentioned that we are busy with phase 1 and phase 2 in terms of planning, now, here we stipulate the number of stations in this phase which is
we have got four stations, two per location, uhh station or uncontrolled access where it might be stops or small station, we have got 18. Stops we have got 16, two per location, uhm the service type, it is mixture I think. We are not going to have a dedicated lane as I have mentioned that we cannot afford to have a dedicated lane. Not just finances, are the main issue, the infrastructure, like in terms of your road. Your road reserve in Mangaung is very small. Therefore if we are then going to go for a Roll Royce where you have a dedicated lane that means we must first do a land acquisition which is going to be lengthy process and an expensive exercise. Therefore we opted to go for a mixed lane. Where its normal travel, that’s why I said we don’t call it BRT because we are not rapid, but we, it’s integrated, that’s why we opted for that. The infrastructure length I think it’s about 6.5 kilometres the town route, and then the complimentary routes, the complimentary routes are, they go along the town, it's around 27.2 kilometres and infrastructure costs at the bottom is plus or minus 240 million.

This is the continuation of, this is the second one, now which is our phase 2. Uhh it goes in detail as well in terms of the two stations which is per location and then the station that have uncontrolled access which is 8, 32 stops, as you can see here. Now this is the coverage for phase 1 and phase 2. Uhh at the bottom here it then shows you the population in the CBD phase 1 and phase 2.

Number of dwelling units, uhm within the 500 routes. Now it, here we are trying to show why this area, if you look at the, the numbers then at the bottom it shows you why we then have opted to start here. Current progress, operational planners, we have been approved by council as I have stated. Site for the depot, has also been approved by council, we are currently waiting for provincial Environmental Affairs for their processes. The industry, then we
signed in 2016 in agreement to say we, we work together. Study tours with the taxi industry, uhm have been undertaken, to also them, so that it does not come as a, we are telling them what to do, they must go elsewhere, as well to see how does it work from other cities. So that study tour was conducted and from that we, we are quite happy in terms of the understanding and we continue to engage and the City has also appointed their, their advisors in terms of we don’t only have advisors but they also have advisors in terms of what we discuss with them, they understand and they go through it properly. Uhh the committee, the studying committee, the ready for the studying committee it is advisable because we have got different directorates within the municipality, so the studying committee it consists of HOD’s the decision makers within the City, to guide us and to, so that when we want decisions for next, for instance from your infrastructure, they are there to make decisions immediately. We don’t call someone who is going to go back and then, the decision time, then is long. The formation of SPV as I have indicated, because the negotiations are ongoing, so we don’t want delays in terms of we don’t want to wait for the negotiations to be concluded, the SPV is there to, to act on behalf of the operating company in terms of procuring busses and managing when we go live. Uhh the infrastructure roll out continues as we, as I have indicated that we have got a panel of contractors so that as we get funding we roll out infrastructure in terms of we are ahead of planning so we continue as we get funding then we appoint contractors so that we fast track our infrastructure. Refinement of routes and service, now is also is continuous. Full ICT. Full City IPT and other development, it will be concluded uhh in November. Here these were the options uhh we had to look at in terms of deciding, we didn’t just wanted to
decide a services that is expensive, that is not inclusive, uhm we then had to look at ways in terms of is it affordable, how are we planning to fit into what we are doing, are we going to use busses only, are, in our, in our first plan we then decided look it's easy to say, let's have busses running on the town and then to feed on the channel then we use the current taxis, so therefore that relations it's, it's, it proves our integration, it's not, we are taking the taxis out. At the bottom there it tells you uhm, one of the reasons then we have to choose between these scenarios, it's cost, uhh your AFC equipment which is those tickets and everything that goes along the stations and the busses so your ICT, your control centres, your monitoring equipment, they play a role in terms of cost, so therefore our decisions are not solely based on just deciding about busses we have to look at other costs as well trying to manage that is it affordable and how do we then integrate and plan ahead. Challenges, sorry, uhm, as I have mentioned in terms of the, the challenges in terms of infrastructure, challenges in terms of funding, planning and design information availability, availability on information to compile IPTN, not as much information is available which means that time and money have to be spent in gathering the same information because uhm, Mangaung as a metro is still a small municipality and I think it was not a metro for quite a long time, therefore there is still that gap in terms of information. They high cost of gathering information which means service may have to be phased as well which might affect the time it takes to compile, because look to do service is expensive, so also we have to do and incremental approach in whatever we do because we have to balance in terms of costs. Uhm changes in guidelines for development of CITPs, in the introduction of IPTNs no clear guidelines were provided, only clear descriptions
for infrastructure to be funded by the grant. Requirements or focus on full BRTs no incremental systems to be grown into BRTs. Process of development, ITP and system were somewhat disregarded leading to limited integration of modes. As I have indicated Mangaung it’s still a small metro so the integration it’s still not there yet. But we are in a process of trying as much as we can to have that integration. Recently in 2016 changes in guidelines for call for integration and use of BRT in total transport as well as funding for City contracts service solutions. Now under-funding uhh it’s one of the challenges. Limited funding ... [inaudible] leads to severe costs cutting, extensions of implementation and timeframes, because as I have mentioned we, we only get a portion of what is shared by other cities. Therefore we have to look at what we have and then do an incremental approach. You might find that it takes even longer to finish because of that incremental approach but it is guarded by costs. Uhh under-governance is a challenge. Lack of effective guidance protocols. Structures to guide IPTN, however in Mangaung this problem was that it wasn’t resolved because we have, now we are establish a unit which is, it is solely focussed on IPTN, you don’t have other comments, it has to be a unit and also we are going to that Section 78 where we then have to determine whether should it be an entity, should it be a Department, instead of a unit which is also, we have limited Human Resources. I think it is one of the reasons we couldn’t make it in the last time, because everyone had gone to other meetings, not time, therefore we had to reschedule because we did not want to undermine uhm the Commission. Capacity building, uhh, under-capacity building look the available capacity resources, budget allocation well we are trying our best in terms of capacity building. As much as currently we use service providers, we try by our best in
terms of whatever the service provider is doing, the skills is transferred internally. So therefore we minimise the use of service providers. And then the appointment of individuals that have knowledge of the development and implementation of public transport are costly. The allocation of budget towards salaries are kept at a minimum so that we don’t have huge numbers of people internally and then we pay salaries from the grant but in terms of results, we are still lacking, so we are still trying to balance that but at the, at the same time, it has its negative effects because now when we all have meetings we still feel we, we are struggling to be everywhere at the same time because we are still a small unit. The future of BRT in Mangaung, okay, on this one, we, we are trying to provide an integrated public transport that may in the future be aligned with what province in the Free State is doing in terms of the train services so that it's not a system that is outside there alone. But trying to integrate in terms of what is the province policy plan and what are we in terms of that plan. So we are trying by all means to integrate that. Uhh the modes from part of the total system needs to comply with the minimum standards set for the system as a whole, irrespective of modes which is your bus, your taxi, your metered taxi or rail. Systems still over time will provide integrated ticketing system, in the future because currently there is no integration in terms of you can have a ticket for the bus, and when you get off the bus, then you use another form of payment, let’s say on a metered taxi or a train, so over time it will be integrated where we currently in discus, in discussion and planning with NDOT in terms of how do we then integrate that system of you use one form of payment instead of having different forms of payment. Uhh important, all modes need to be integrated and provide scheduled services. Currently taxi industry is not scheduled so you
wait for long you wait less and then the route is not then identified because it turns here or it turns there, so we are trying to by all means to, to, to have a scheduled service. This is unique to metros with lower total population. But substation economic activity like for instance Mangaung, we are similar to Rustenburg, the same challenges, it's not a really a big city, uhh Rustenburg is still a local municipality, we are a metro, and not to speak badly of them but they have opted for a Rolls Royce and we have learned through that that we are not going to afford a Rolls Royce rather, we go for an incremental approach and what we can afford. Uhh that is all regarding what we wanted to present to the Commission about our progress to date and then my proposal then is that the questions that were sent to the City, then it be on, uhh, discussion because most of the items are not applicable to us as yet. Any questions on the presentations or should we go to the questions that were posed to the City because some of the items they crosscut that's why I wanted to start with our formal presentation?

CHAIRMAN: No thank you very much, uhh for the presentation. I think in the interest of time, uhh let's go straight to our questions.

MR GODONGOANA: Alright thank you very much.

CHAIRMAN: Uhh Mr Lesofe and Mr Ngobeni, who is going to start.

MR LESOFE: Mr Ngobeni will go first Chair.

MR NGOBENI: Thank you Chair and good afternoon Mr Godongoana and Miss Ndlovu. I think let's just start with the uhh, the BRT, uhh and I am just
going to follow how you have done your presentation. I think what we, you know maybe just to try and understand, if one takes phase 1 which I understand to be you know starting at Chief Moroka up until the University, could you just share with the panel which taxi associations you engaged with, your know for that particular route?

**MR GODONGOANA:** Currently regarding phase, uhh like, phase 1, let’s say from phase 1 to phase 8, if you, phase 7 actually, they are in Bloemfontein all of them. So therefore the very affected association is GBTA which is Greater Bloemfontein Taxi Association. But we are not as yet excluding the rest. In terms of in our meetings, uhm they have selected uhm leadership from, from all three associations to be part of our meetings and then there is also their regional Chairperson, uhh and provincial, it's provincial Chairperson, in terms of when we discuss we, we discuss with them first. And then when we do verification process then it is only then we are going to focus on the affected GBTA and we are also in the process of just as an addition, because there is also bus lines which is contracted by Province, we are in a process of signing an MOA with them. To say we would like you to be part of our meetings because at the end of the day you are affected. Regardless of how the taxi industry feels you are affected therefore we, we are in a process of signing that MOA so that they can be part of our discussions.

**MR NGOBENI:** Now the MOA with the associations, uhh you have indicated that I think it was signed in 2016, uhh before we get to the MOA what type of discussions have you had uhh, let’s take the GBTA for an example. Uhh in terms of the roll out uhh in those phases. Let’s, let’s take phase 1 and phase 2, I understand phase 2 is, you know from the Central Business District, you know
to the informal settlements. What sort of discussions have you had in terms of uhh how you are going to deal with them?

**MR GODONGOANA:** Currently what we have shared with them is the operational plan, uhh we are currently in discussion in terms of look, we, we it's and incremental approach, we are not going to phase all the taxi, the taxis out, because we cannot afford to and then that's why we have shared then the operational plan and where we are going to start in terms of our phase 1, phase 2 and from there they are aware in terms of, we are not at the stage of negotiating in terms of finances.

**MR NGOBENI:** Okay.

**MR GODONGOANA:** But we are in discussion in our GETC meetings and our technical meetings, in terms of look, this is where we are planning to, to go, this is uhm in terms of surveys, when we did surveys, your on-board surveys where you have to identify a taxi in terms of the route. They have agreed in terms of this is the actual route. Because in identifying routes we cannot come and say impose a route, because what would then happen we might have a trunk here and they might still work here because they are not affected. So therefore we have identified a route, uhh we then, on-board service, they were aware in agreement and the results of, of those surveys they are in agreement in terms of the actual numbers and the route, where, we have disagreements in terms of the stops because on your on-board service it highlights, the results will highlight to you where the higher numbers of people got off, got on then for us it's viable to then where we see there is high numbers there, we put a station, so therefore we agree, disagreed in terms of them to say look here it's a viable
area, we then based on, based on the surveys we have showed them why we opted for this area so therefore in that area we are in agreement.

**MR NGOBENI:** Okay so what you have discussed so far is the routes.

**MR GODONGOANA:** Yes.

5 **MR NGOBENI:** That they are currently operating on. Which are going to be affected by the system that you have discussed with them?

**MR GODONGOANA:** Yes.

**MR NGOBENI:** And what about the compensation model or are you not, you are not there yet, what is it that you have discussed? You have only discussed the routes that are going to be affected by this system, what else have you discussed with them?

**MS NDLOVU:** If I may come in, uhm just to add on also, uhm with the taxi industry we have, we have come, you call it a marriage, we are like joking that it's a marriage between the City and, and the taxi industry, we have had them on-board since the start, uhm and we have gone through the operational plan with them in terms of planning, where the routes are going to, to run and uhm which associations will be affected. Uhm we have also outlined uhm the whole process that’s going, that we are going to go through from the planning to the implementation. Meaning it's the planning of routes, uhm as well as negotiating. We currently have a negotiate, we haven’t gotten to the process of negotiating because the process so far has been the collection of data and Ntate has mentioned that we went through the on-board surveys which we undertook with the agreement of the taxi industry using their own fleet, we
placed cameras in them and within 7 days they, they operate as normal and we
gathered information on where they stopped and how much money from that
they make every week and we are able to calculate the yearly earnings and so
forth. So currently the taxi industry has agreed, has uhm agreed in terms of
they do agree with the data has been collected as a reflection of uhm what do
you call, I think with the parameters of the data collection on the, on their
businesses, they have agreed on that, but we are yet to get into the process of
negotiating now the compensation. Uhm of how much we are going to buy out
or what's, how we are going to phase out even the buying out, uhh of the, of the
taxi into the system.

**MR NGOBENI:** Okay yes that clarifies it. And in terms of their licenses uhh we
understand in other provinces that uhh they are being required to relinquish
their licenses in order to become part of the system, what are you doing, how
are you dealing with the situation in the City?

**MS NDLOVU:** Yes the, the arrangement is the, uhm the compensation or the
buying out is to buy out the operational licence, meaning once you, they, they
give in the licence and we, we provide the buyout, they are not operate on that
route, uhm anymore, uhm, we haven't yet, it is one of the process that we are
going through is also verifying their fleet, uhm and once we have that
verification then we will be able to know on phase 1 which is Maphisa, Moroko,
Chief Moroko to the CBD, we will be able to know which operators uhm in
GBTA are going to be bought out, are going to surrender their licences, and of
course it is surrendering with, with negotiations, it's not a forceful surrender, it's,
it's a negotiation where we are going to sit and we are going to provide them a
number and they will probably come back to us and say no we don't like your
numbers, we want this numbers and you know a back and forth kind of a negotiating. Uhm so we are going to go through that and once they surrender those licenses and then they can operate in the VOCA, the major shareholders in the VOCA where they now operate uhh transport services on, on the identified routes.

**MR NGOBENI:** Okay and if one looks at your slide 19 where you, you know you deal with the coverage of phase 1 and phase 2, uhh, do you think that the routes proposed there would be able to uhh you know sustain the business in terms of if one looks at the numbers I see you have given uhh you know the population and, and the dwelling units there, so the question is in terms of your own studies, uhh do you think that you will be able to sustain you know the business on that particular route?

**MR GODONGOANA:** To answer you directly yes.

**MR NGOBENI:** And, and also given the fact that sorry, just to add, given the fact that you have indicated that uhh I think right at the beginning the stability of the BRT you know system in smaller cities?

**MR GODONGOANA:** Look the, the straightforward answer to you yes, bearing in mind that uhm you, here we have highlighted the trunk route, where our busses will go. And then there is still feeders that have to feed into our trunk so the agreement is that the taxis will feed, you will remember it is only one association affected so that it makes it easier to negotiate and to say, you don’t compete with us, you feed into, into that trunk route so that the numbers therefore we carry that. In terms of uhm, we can manage it, yes, that’s the
whole, the straight forward answer is yes, uhh with the supporting uhh taxi services in terms of feeding into it, it also makes it even more viable.

**MS NDLOVU:** Can I also ... [intervened].

**MR NGOBENI:** Yes.

**MS NDLOVU:** Can I just also add to that? Uhh one of the aspects of IPTN is land use planning, uhm and one of the ways that we can make sure that BRT or IPTN is, it gets sustainable or remains sustainable is how you plan your spatial integration, and in terms of Mangaung, part of the, the route, that phase 1 goes into is actually part of, it's actually, is in a, in a, what do you, a corridor, a development corridor, it's located in a development corridor but also in terms of that it is also located in an integration zone, so the number currently also a number of land use uhm initiatives that we, we are looking into and we have to look into in order to make sure that when a bus moves from the end of the route to the beginning of the route, it doesn't just do one trip and it comes back uhm empty, but we have also, we are also trying to locate our, our stops and stations in places where there is a lot of uhm, land use activity, so that uhm once a person is done with their shopping or with their working, they have easy access to, to transport, so our land use uhm, strategy also aims at ensuring that there is sustainability in our system in that, there is money made or there is, there is the service in both directions at all times.

**MR NGOBENI:** Okay and in terms of when you uhm, you are planning to go live, I see you indicate that uhh this should be somewhere between 2019 and 2020. Uhh but then what confuses me and maybe if you can just clarify is that you then indicate that in terms of the infrastructure currently you have a panel of
uhh you call them a panel of contractors, uhh and the questions is uhh you know whether you have appointed and whether work has already started in terms of the building of the infrastructure in order to make sure that you meet, uuh your own deadline of 2019, to 2020.

5 **MR GODONGOANA**: Okay regarding the appointments of panel, the easiest uhh, let me start with the appointment first, we have appointed but now because of the value of, of there is this new law in terms of Health and Safety, when a project is above 40 million, then there is an application that we have to do and it takes about 30 days, now we have appointed contractors, uhh they are in the process, I think they are in that waiting period in terms of within that space of 30 days, because the value of those projects are above 40 million, so therefore once that time has lapsed or they have given, they have got feedback within time then they start. Uhh in terms of uhh going live, I will be honest and say internally we, we are, we are looking at that, reason being uhm this is, we are currently entering our second quarter and we have not, uhh yet started with construction, the reality is that at the end of the financial year we might not be completed in terms of our construction, so therefore we have to really look internal in terms of is that realistic or not, of which in this case, uhm it might not be realistic, that’s the honest truth in terms of I will not try to say to you to you that financial, we will go live on that particular date. Remember not only, in terms of going live it is not only infrastructure that is affected. Your bus procurement, which in terms of, we currently behind by five months. So therefore it also pushes our go live date out. That’s the reality, uhh I will not sit before you and try to tell you lies, but those are the internal things that we are currently looking at in terms of we are revising our program to, to say are we
realistic or not. So therefore we are still in that process of reviewing internal processes in terms of if we are five months behind, when is the suitable time to say the busses will be here, that’s one. Our construction is it in line with our buss arrivals, is it not in line, so we are in that process of identifying how far out we will go so that we are able to say we have revised our program this is the realistic timeline.

**MR NGOBENI:** And also you have not, you know you have not yet started uh discussion around compensation as well with the taxi operators and you know maybe the bus operators who may be operating on, on the same routes as well and that might also uhh it might also extend uhh you know the period as well.

**MR GODONGOANA:** With the interest of the taxi industry which, which is an opinion, that they are eager to start, so therefore in terms of negotiations, I would assume that it not be really long, because uhh, well they have agreed in terms of the process of when we are doing on-board surveys, therefore it, it takes us to, to one area where we agree. Then the only thing that is left in terms of verifying the taxis that are there, that are affected and once we agree in terms of the cost it might speed the process, in terms of busses, uhh, also an opinion, because the current contract with the province states that one of the conditions states that where IPTN will operate they will have to move, so as much as they are affected, so there is no competition because we will not be operating because they also funded by National Department of Transport as we also funded by them so, you, you cannot fund two companies to operate in the same area whereas the other one can carry the numbers. So therefore with that in mind, I am of the view it will not play a big role in terms of delays.
MR NGOBENI: And you know just to understand the, we have also heard you
know through evidence in Bloemfontein when we there that uhm, there is this
taxi rank facility which remains unused. And you know I heard you this, you
know this morning when you were trying to explain and they you mentioned
something around an incremental approach in, you know in terms of how you
are facing in, you know some of these services, I mean could that be linked to
what you have discussed, what you have described as an incremental approach
and, and that would explain why the facility is not being used? Or is it being
used currently?

MR GODONGOANA: Uhh I will respond, still an opinion, because the, uhh
remember the challenge with is that we, as I have said, integration still plays a
huge role in terms of delays, uhh the taxi rank is handled at a different
department of which the, they were in negotiations with the taxi industry, in
terms of leasing out to them, so I don’t know the conditions of the, the actual
conditions of uhh the nitty gritties in terms of that contract. But what I am aware
of is that council approved to say it must be listed so that it can be used. Yes it
has not been used for the quite a longest time. And, you get different answers
in terms of why it has not been used but we have attended a session where
service providers are appointed by the taxi industry to share uhm, the, the ideas
regarding that because we are also affected in terms of we have got a station
that we have to construct there, so we have to give views and opinions how it
can best work for all of us. Because one of the, uhh the I would say
agreements in terms of those nitty gritties is that they allocate a portion so that
we can build a station there. So as, they are going to bring long distance, it's
long distance taxis, then they are able to utilise the bus service, so in terms of it
being a white elephant it has been resolved but in terms of how, I am not able to
give you those details. That will be the honest truth.

**MR NGOBENI:** Okay and uhh in terms of uhh you know the powers that you
know just to, you know just to go back quickly to the questions which were sent
to you know to the municipality, on the question of assignment, I see, you know
as, as part of your answers there is an indication that they are no limiting factors
for the powers to devolve from the province to, to the MREs, uhh you know and
then you say, uhh you know you are in the process of applying for, you know for
the transfer of those functions. If you can just explain to the panel, where we
are with the process.

**MR GODONGOANA:** Currently uhh we have I think, was it last week that
meeting where we started to have a meeting with Province trying to share with
them what we are implementing, how far, and the status quo. Uhh we have not
applied in terms of must it be now or at, at a later stage because we looked
internally, Human Resources was one, budgeting and we are still in the process
of a Section 78, that might guide us in term of show we do and entire
department, or should it be an, an entity, therefore that can only be truly
answered after that Section 78 process to be, to be quite honest because the
Section 78 process is also looking at human resource budgeting everything that
might say go establish and entity, where all these, then all these functions can
therefore be part of that. Or you do a department, assuming and also apply for
the same functions, so therefore the Section 78 I think would give us an
indication how to move on and we will be able to give you answer once that
process has been concluded.
MR NGOBENI: Okay thank you Chair.

CHAIRMAN: Thank you Mr Ngobeni, Mr Lesofe?

MR LESOFE: Thank you Chair, uhm I am going to be very brief but I think some of my questions would require us to, to uhm, uhm start from the beginning, uhm just to understand uhm, in terms of how was uhh, Mangaung identified as one of the cities for the implementation of, of BRT? What was the basis for, for identifying Mangaung?

MS NDLOVU: Uhh that's a, ...[laughing] uhm, I think in, in, in any, in any transport uhm, matter, one of the bases, just the basis of why Mangaung would partake in, in such a project would be, there is need for a betterment of the transport system. There is a need for a betterment of the way our transport and our taxis operate. We know that, uhm as, Ntate Godongoana has, has indicated earlier, certain individuals are not able to use public transport, uhh people on wheelchairs really struggle uhm to get space in in taxis, uhm the elderly, uhh a lot of times cannot walk to the stops, so there is a, there is and taxis, they usually like saying ...[laughing] but it's on the side, that taxi drivers are like born from the same ...[laughing] parents, so we know the behaviour or taxi drivers is, sometimes is a bit risky, so there, there is a, there is a holistic view of how just a taxi, the transport, not just the taxi but the transport system needs to be improved and uhh Mangaung sees the implementation of IPTN especially with the matter of integrating the busses with the taxis, having a similar transport system in the City, that I think, those are the bases as to why Mangaung should or is partaking in, in this process.
MR GODONGOANA: And just also to add, I will take you back to 2010, uhh where you find most cities that were hosting games were not, there was no necessarily a previous study done, I think they were identified because there is a stadium there is going to be a match there, well they must implement. Uhh that’s how the Rolls Royce came into play in most cities, I think the City also was also in that package in terms because they were also hosting one of the games. And then afterwards I think, as I have mentioned it started in 2014, uhh there were initiatives before, but they were not successful and then from there now in the start of 2014, that’s when we then started in terms of okay now, it’s no longer 2010 but it must be now uhh we must look inside and say why this service and then we look at our challenges in terms of your, your scheduled transport system, uhh your scheduled transport system has got benefits, it accommodates everyone and there are challenges with the taxi industry they are in control, they park everywhere, they stop everywhere. I think after 2010 it’s only then City started to reflect whether how do we then move forward, so that’s why we then, we ended up learning from other cities to say look how it was done it’s not going to work for us because first of all the budget is no longer the same so therefore we, we are getting a small piece of the pie, as compared to other cities and we had to relook in terms of if we want to achieve this then we have to, go to an extent where we can afford, that’s how then we, we reintrospected and the we started this different, the incremental approach.

MR LESOFE: Thanks I think your, your uhm your evidence is consistent with the evidence of other people who have responded to this question that uhm, uhh the 2010 World Cup uhm played an important role especially when it comes to the identification of, of cities that implemented the, the BRT uhh system.
Uhm hence the, the uhh, when the system was initially uhm implemented to borrow from your, your terminology, the Rolls Royce approach was, was followed uhm so that, that's fair right, you agree with, with that?

**MR GODONGOANA:** Sorry, sorry, uhm, do I agree with how it was initially?

**MR LESOFE:** Yes, yes, yes. Not that you support how it was implemented but the circumstances that led to the implementation? So what I am saying is that uhh, the 2010 World Cup that is uhh after South Africa successfully uh submitted a bid for, for the 2010 World Cup, it appears that uhh the urgent need for, for the implementation of the BRT system was as a result, that's one of the key factors that actually led to uhm different cities uhm working towards introducing BRT?

**MR GODONGOANA:** As an opinion I fully agree. Uhh that would be my personally uhh approach to say, that was the result of that because initially we didn’t have an organised transport system. You only had uhh contracted busses to say from A to B where therefore, I fully support that once that 2010 bid was successful then they realised in terms of the organised bus system was not there in South Africa so I think, I do agree that it played a role and also on the part of uhh aligning in terms of controlling your, your transport system. So I agree, I fully support and agree with that, with that, and uhm to add more, I don’t know what led to uhh, the form Minister Jeff Gadebe to say to call the industry, the taxi industry to say you will be the sole beneficiaries of this BRT. Because you are the mostly affected people, it may, it may be triggered by the 2010 I don’t know but I, I do agree.
MR LESOFE: Thanks. Uhh you, you before I even get there, uhm and the, the, so the initial mandate, I accept that Free State is not implementing or will not implement a BRT system because your, your needs are, are different from say the needs of commuters in Gauteng and the Western Cape. Uhm but the initial mandate was that uhm every City that was identified uhm must or should implement a BRT system. Is that correct?

MS NDLOVU: I would say, I will say yes, uhm that is why you have Rea Vaya, uhh, you that’s why you have My City, uhh the initial, the initial uhm, idea was the BRT, but now there is a realisation that uhm a BRT is not doing so well. And also uhm certain areas, George for example and Mangaung, also, they don’t, they are not as big cities as, as Joburg which, Joburg or Tshwane or Cape Town which are also, which also have their own struggles regardless of their size, so because of that, there is now a move to move to a more city, individual city uhh plan. Yes.

MR LESOFE: Ja actually maybe that’s the approach that should have been followed from the onset. We heard earlier from the City of Joburg that there wasn’t sufficient time for planning, especially in, in Gauteng, for instance she says they just conducted a scoping study. No any other detailed studies were conducted. So had there been enough time, uhh for planning purposes, uhm the picture would probably be different.

MR GODONGOANA: Yes I fully agree, uhh with that and also currently versus then another challenge is a pot of gold, different then I think the mandate was that uhh implement because there is a target. Currently now with the financial challenges it’s not the same. Uhh if I were to mention to say if we are to look
now Mangaung vis a viz, Joburg or the budget, if you were to compare a billion to 200 million there is a, there is a huge difference, so therefore your implementation plan cannot be the same, your, your targets, achieving your targets cannot be the same, so therefore you end up achieving less because you have got less money because you have to strategize in terms of how you split that small money. So then it was easier for those cities because the budget was there, the target was set, so even though there were no investigations prior, but for implementation it was a bit easier yes.

**MR LESOFE:** Thank you, uhm so one of the corridors that you, you mentioned is a corridor 8, uhm which uhh will focus on Botshabelo and Thaba Nchu, uhm I just want to understand uhh, uhm why have you included this corridor. And I am asking this because you already have a IBL uhm servicing those areas, and uhm the provinces evidence is that uhm it is happy with the services that are provided by IBL. Now if you were now to uhm, uhh implement uhh this new system on corridor 8, wouldn't that be uhh some form of duplication? And to extend that, uhm, uhh, you will be the only operator on the corridor, wouldn’t essentially that uhh mean that you are just uhm replacing an efficient uhm operator with probably an equally efficient operator but that operator will still be the current operator because it would be an affected operator and thus it would not be left out?

**MR GODONGOANA:** Okay to, to respond it's not only IBL that is affected.

**MR LESOFE:** I beg your pardon, I should also include the taxi operators as well. I beg your pardon.
MR GODONGOANA: Taxis yes. Uhh and universal accessibility also plays a part, current IBL busses are not accessible to elderly people with uhh needs in terms of a wheelchair specifically because there is no space. Uhh and, and I do believe that what then happens is that uhm the City eventually in replacing all, it assumes the, the grant from, from National because now, National cannot fund the City and fund IBL. For the same route, it creates competition, among the two as get finance from the same pot. Uhh, it's controlled service I think also trying to monopolise your transport system because currently there it is only one company that is operating. And it, it is excluding a lot of role-players which is your taxi industry which is your Thaba Nchu Taxi Association is affected, your Botshabelo Association is affected therefore if you put them in one area, at least now it is no longer a competition, and one is influenced but they work together and then you provide a service that then meets the needs of the City, in terms of your accessibility, in terms of everything else that goes with what the City is trying to achieve. That would be my answer to that Sir.

MR LESOFE: Alright, so this then has some form of a transformative uhh aspect, I, I ... [intervened].

MR GODONGOANA: Yes.

MR LESOFE: Okay. Uhm but also because I should point out to you that we, we uhm there are concerns about the you know, the current contracts held by various bus operators including IBL, because these contracts have been in place for, for many years uhm and you are quite right the service as a barrier to entry, not only a barrier to entry that affects uhm the taxi industry but even other potential small bus operators, uhm so would your, once you, you implement
corridor 8, would you take such factors into account, because essentially uhm, what this would mean if you would still have IBL, you know being the dominant service provider, you would essentially be terminating the long term uhh contract that we may have concerns with and replacing it with another 12 year contract. Essentially this may be seen as a, a perpetuating uhh you know the current, you know, problem?

MR GODONGOANA: I agree with you. Uhm bear in mind that one of the I think core statements in terms of negotiating, you negotiate with the affected, uhh the potential affected, it's difficult to identify, because currently you, you are not, as at the current, let's say if we were to sit on the table now and say who is affected currently, it's a difficult one to say the potential, these are potentially affected but they are not, they are not operating, because what then makes it difficult is because there is money involved. Now, for us to be able to negotiate we have to go to Province as the current holders of permits and contracts to say, in this route we have got interest as a city, now why affected, who have you contracted here? They will say IBL, okay, taxi industry how are we affected in this route? The taxi industry we have got long, long routes from Botshabelo to Bloemfontein, and then we will do a survey because at the end of the day we cannot word of mouth in terms of how are you affected, we have to quantify how affected are you. Vis a viz IBL also, and we have to get data to say how affected are you. Therefore it eliminates those that which is our potent ions but currently they are not operating in that particular route. We have met potentially affected people in terms from your school contracts, your other small associations which are not recognised now by, by the, GBTA is the only association in Bloemfontein, which is recognised. Now you have got people,
you get different views that these people who are in leadership in GBTA but after elections when they lost they break away and formed an association which is not recognised but they say they are affected. So now on the table who do you sit with, do you sit with everyone, or do you, how do you then identify affectedness. You can only go to a point where a permit has to be the one talking to and saying you as an individual are from the association you are affected because your permit states that you work here. And you find that that association that was a break away, the permits that they have are from GBTA because they were initially members of GBTA, so how do you then differentiate between the two? So the potentially affected is a tricky one, because at the end of the day we have to go to permits. There is another scenario where someone has a permit but does not have a taxi, he rents it out, who do you negotiate with? The permit holder of the taxi there? So those are scenarios that we have to, that we have to look into. In, in fair, in all fairness, it is difficult to identify people that are affected without permits.

**MR LESOFE:** Yes alright thanks. Uhm you mentioned that uhh, there are study tours that have taken place, uhh and uhm, that these tours uhm as part of these tours you visited other cities. Which specific cities did you visit?

**MS NDLOVU:** We went to Tshwane, uhm we went to, we were here in, no we are not in Joburg now, ...[laughing] we came to Tshwane, we met with the City of Joburg, we met, we went to George, we went to Cape Town. Uhm in Joburg we met the City, in Tshwane we met the, we were not able to meet with the City but we met with the operators, uhm the taxi industry people. In George also, as well as in Cape Town. We met, uhh in fact in George we met with the taxi
operators, or the operators, affected by IPTN, or BRT. And in Cape Town we met the City as well as the vehicle operating company.

**MR LESOFE:** And everyone talks about Bogota, you didn’t go to Bogota?

**MS NDLOVU:** [laughing]

**MR LESOFE:** Or you haven’t gone as yet.

**MS NDLOVU:** Not yet.

**MR GODONGOANA:** No not yet, I think it would be fair that there is enough cities that have implemented within the country. And uhh we will be reinventing the wheel if we go to Bogota. Whereas there are cities within South Africa that have gone there, established and we, there is a lot, quite a lot to learn. For us to go the incremental approach it was based on what we have seen in South Africa already, so I don’t see a reason for Bogota.

**MR LESOFE:** Thanks you are probably the first City that there is a, it doesn’t see the reason to visit Bogota ...[laughing] uhm and just uhh as I understand the purpose of this study tours was to uhm learn from the experiences of those who have implemented uhm including operators, that why you, your visits also included operators, uhm what would you say are the key lessons, uhm to be learned from the experiences of operators to put it, to put the question differently what did the, the operators share with you? Positive, negative experiences of course.

**MS NDLOVU:** ...[laughing] I think one of the, one of the biggest uhm if I may go ahead first, one of the biggest lessons we, we have picked up from how cities have implemented with the taxi industry is you cannot do it without the taxi
industry. Meaning from the word go you have to get the taxi industry on board and fully explain to them the intentions, and plan with them on how the system is going to be implemented and I think that's, that is essentially the, ...[laughing] maybe for, maybe for me I will say is the biggest lesson and the most important is to do it with the taxi industry because if you do it without them or even if you, if I may call the affected operators, if you do it without them there is very little that you can achieve.

**MR GODONGOANA:** And, and also what we have learned as we have mentioned, my colleague mentioned that we call it marriage. There is no perfect marriage that is what we have identified in our study tours, uhh which has made it quite easy in terms of you, you don't solely copy what has been implemented, you look at how is it in your own city, for an example in the City of Cape Town there are complaints in terms of it's forced onto them, uhh different cities have different views. Uhm, from operators you, you get to meet with people like City of Joburg where they have stated it has made their lives better, unfortunately it's like fingers. There is different levels, so some that had initially had more taxis you find them at higher positions which their life was better for them. So when they communicate they would say, for me it has taught me, I went back to school and study about business, I am at a better position, uhh it's, very rare to get to meet with people complaining on, on a formal meeting to say look it has not worked for me, but you hear on the streets where people informally talk to say, this thing is not working. And there are still taxis here even driving on the, on the dedicated lane, so therefore it tells you there are areas where it didn’t go well. So we are trying by all means to avoid that, having discussions, also in Bloemfontein, take note, there is small cars, they
call it Amaphela or those small cars where they also transport people. So the moment you take them, or you exclude them you are running at a risk of competing with them. Because they are accessible, they are easy to get, they bring you closer to your door, so therefore you are not just negotiating with taxi industry you have to take into account those small operating vehicles. So that’s what we are trying also to do also to say, let’s look into that because some cities suffer a lot because you have got busses, you have got small cars running parallel. Taxis are not there but there is still those small vehicles operating as taxis.

10 **MR LESOFE:** Thanks you mentioned earlier that uhm the City appointed uhh, has appointed advisors for the uhm, for the operators right, uhh, are these the same advisors that were used in other cities?

**MS NDLOVU:** Yes in some, in some cities I cannot recall currently ... [intervened].

15 **MR GODONGOANA:** Tshwane, uhh yes it is unfortunately that process is a process where the taxi industry has to work with people that they are comfortable to work with. And, and you cannot force, remember when we were building relationships there are certain things you cannot force onto them otherwise when they say they are out, then you are stuck. So we had to work with people that they have worked with them before, they are comfortable, unfortunately it’s those same uhh advisors. Uhh, initially we have had all the news that we have had but we have got better relations, we communicate, uhh well there are advisors that I can give ...[intervened].

**MS NDLOVU:** Can I ... [intervened].
MR LESOFE: But what ... [intervened].

MS NDLOVU: Can I also, but sometimes also you find it's uhm, I think there is very little skill in the poor, uhm, so far in the history of IPTN, uhh it's not everyone who has been ...[inaudible] it's, it's a selective because of their specialities, that have been involved in an African experience. You find that one consultancy has, consults with Mangaung, and consults with Tshwane, or consults with Mbombela, because they have become, sort of experts and in this current project, I think that's why you get duplication of very few people doing, uhh rounds in a number of cities.

MR LESOFE: And what kind of technical expertise do they bring?

MR GODONGOANA: Uhm the technical expertise of the advisors to firstly advise the taxi industry what IPT entails. And secondly they are the bridging gap between us because currently we work with service provides that means we have got advisors so therefor it becomes an unlevel ground when you go to a meeting with the taxi industry, they don’t have advisors but we had advisors that are specialists on the field, so therefore we try to balance the field to say, they must understand to a certain degree what is it that we are trying to bring to the table. From, from, getting them to understand about operation plan, getting them to understand when we go to negotiating what we will negotiating on, getting them to understand in terms of us paying for an operational license, that means you can no longer work here. So they are the bridging gap between us and the taxi industry, they have to listen to challenges posed by the taxi industry, concerns raised by the taxi industry so therefore when we meet it's going to be difficult to meet everyone in the taxi industry, there has to be the
leadership. The leadership must carry the mandate from the rest of the members. Now also it’s going to be difficult for us to meet with the entire leadership, there has to be a selection so there has to be proved they manage the space, so therefore that’s why they play that critical role in, in terms of being advisors, in terms of how do they formulate also those steps.

**MR LESOFE:** And given that the, from your evidence the pool is small are your technical advisors different from their technical advisors. In other words is it not the same people who advise both of you?

**MR GODONGOANA:** No, in a sense that that would be a conflict of interest if we are going to use the same advisors. Because remember they have to represent them fairly and we also need to be represented fairly in terms of as a City when we do compensation, it must be value for money for the city as well as from them as business people. It must be value for money, so therefore we cannot use the same advisors, because from our side, we use a service provider in terms of your design, and from your design to your implementation, because we don’t want to create a gap now in-between, within ourselves in term of having to defend advisors within. So therefore our service, our advisors are different from theirs but they do meet regularly where to, be on the same page.

**MR LESOFE:** And how were their service providers appointed?

**MR GODONGOANA:** Our services providers or?

**MR LESOFE:** Their, the operators service providers.

**MR GODONGOANA:** Which is the advisors?

**MR LESOFE:** The advisors yes. I beg your pardon, the advisors.
MR GODONGOANA: Uhh currently what we then did as a City, you have to do, because they had specific, the taxi industry, they know what they, who they want to work with, it becomes impossible then to, to say you, you go out on tender because the success will be that might not be the people they want to work with, then what, you are stuck. Then we as a City, had engagement with them to say look, it's either we do a tripod agreement which is our service provider, us and your preferred advisors, because at the end of the day, it, it's at our cost, so therefore we have to be, we have to have that tripod agreement in terms of what is expected of you, what is expected of us, what is expected of our service provider so that your function is to advise the, the taxi industry. So we ended up going for that approach of, of appointing them in that tripod agreement. Uhh currently the, the, the agreement that was fully functional in terms of payments, and they had to be appointed to our service provider because uhh it's impossible ... [intervened].

MR LESOFE: Perhaps just to, to make, to make things easy for you, and to make you feel at ease, what I am trying to test here is whether the operators were involved in, in that process?

MR GODONGOANA: In the process of finding the service provider?

MR LESOFE: Yes. Yes in the process of identifying service providers. In others words what I am trying to test here is that the City did not impose ... [intervened].

MR GODONGOANA: Oh alright.
MR LESOFE:  The service providers. I am less interested in the technicalities in terms of procurement processes that were followed.

MR GODONGOANA:  They were very much involved. We did not just uhh impose and advisor, they, they want to look for an advisor that, bear in mind that, they also sit at National level in terms of associations. So they went to look for an advisor that they have worked with before, so therefore they were involved, we did not impose advisors onto them in terms of what must happen, how must that happen. So they were involved.

MR LESOFE:  Thank you, thank you very much.

CHAIRMAN:  Thank you Mr Lesofe, Mr Madiriza?

MR MADIRIZA:  Thank you Chair, just a very couple of, a couple of maybe clarity questions, I think emanating from the discussions in Bloemfontein, they were quite uhm a lot of interactions whether was their moratorium or not, we just want maybe your, your version. Uhh was there ever a moratorium in the City of Mangaung? For the operating licence for minibus taxis?

MR GODONGOANA:  To, to respond that function still does not lie with the, with the City, it is still at Provincial level so to give you a direct answer, it's going to be impossible because that function was not within the City, because currently the licensing function does not lie with the City, it lies with Province.

MR MADIRIZA:  Maybe let me rephrase. Our understanding of the NLTA is that the municipality gives directives uhh to the PRE in terms of whether there is a need for a service. Uhm, so I think what we are trying to test from what other cities do, they can say, we, there is no need for any service, so the council
takes a resolution that they won’t be any issuances of uhm operating licenses, so we understand the link between the planning authority and the pre. So I think what we are trying test is has there ever been a council resolution saying there is no need for uhm minibus taxis uhh in Mangaung?

5 **MS NDLOVU:** Uhm can I, I think from, from both our perspectives or from the IPTN perspective, there is no knowledge unfortunately uhm, I don’t know if it is allowable for, for us to go back and, and find that out for you but uhm for, from where we are sitting right now there is no knowledge of any council resolution to that, because the City has not, the City has a, a transport unit but it has not done much or participated much in the public transport planning. Uhm ...

[interveden].

**MR MANDIRIZA:** Yes I can, I can have a follow up question. So currently if someone uhm applies for an operating license they go to Pre ... [intervened].

**MS NDLOVU:** To Province.

15 **MR MANDIRIZA:** To the Province, the Province in terms of the Act they are supposed to come to the municipality, where the municipality is supposed to issue a directive whether there is a need for that particular service. So, so the question is what currently, how are you dealing with that’s specific applications if they come, or you know if that request comes from the pre? For new operating licenses?

**MR GODONGOANA:** Uhh to answer you, uhm, the reason it is a bit tricky for us to respond is that currently the unit was, established for solely implementing IPTN, that’s why she says that, the transport, the transport planning unit was
there, it's there but different from this. That’s why now we are currently, we currently have a Section 78 to, to identify the gaps. So therefore that’s why we are saying we, she is has the question that, can we, can we get a follow up because at this stage we don’t have that particular information, how it has been done? What we then do, we go and investigate to say, In previous applications how has the City responded and we will be able to say no, the City has responded in this way or they have, there is a role they have played, uhh can we get back to you in terms of that., but, because currently we, there is that gap in terms of information.

**MR MANDIRIZA:** Oh no thank you thank you I think we can make that follow up. Then just clarity in terms of how you intend to implement your uhm you IPTN, uhh is the municipality thinking of buying busses and then lease them to the vehicle operating companies, just explain the model how you intend to do, because we understand cities operate uhh differently like City of Joburg and there were two phases, it is a different approaches, we just want to get a sense of how you have done, how you are thinking of, of doing it.

**MR GODONGOANA:** Mangaung is trying to avoid to procure busses because what we have learned from City of Cape Town, to get them off your books is a difficulty. So that’s why it is, there is a, currently we have the SPV, the special, when I presented I spoke of an SPV, the SPV currently because we have not established a vehicle operating company as yet, but it, the functions are the same because it will be the same directors, then they will then apply for funding or finances to procure busses. Not from the City’s side. But if that fails then it might be an option for the City to procure but at this stage we are trying to avoid procuring busses.
**MS NDLOVU:** But, but also the taxi industry has indicated that they would like to own, buy and own the busses. Uhm because I think for them they see it as an asset, uhm so they would like to acquire that asset uhm but we are still in talks and negation about how it is going to be.

**MR MANDIRIZA:** But I think from, from your study tours, I think that approach also has, is on, is on limitations, I, you know for instance, one of the issues that was raised I think in one, by one of the cities was that this SPV like we are calling it, it will not have any experience in operate, in operating a bus company. So I think you know their only leverage is the contract that the City is going to give them to operate and they would use that to borrow funding to procure busses. And it's for a certain , a certain number but have you, have you considered that possibility that the City might actually end up uhh though not preferably, actual procuring the busses.

**MR GODONGOANA:** Uhh to be quite honest to a certain degree we had looked at that, and we, we are in a process with our advisors to say, what are the shortfalls of an SPV, so that if we then take a decision, we are fully informed. Uhh, the advantages of having an SPV in terms of whether the negations are prolonged because of ... [inaudible] of finances but we continue to have the, the interim service. That’s, that’s the advantage but the disadvantages in terms of experience, in terms of anything else and the cost, might play against us. So therefore we are still in the process of, our advisors having to look at the pros and cons in terms of which is a, which is a preferred one. Because procuring busses also has got negative impacts in terms of, of the City’s books. So therefore we will wait for that process in terms of they give any advice to say, this is the route we are taking and these are the reasons why
we are taking this route, then we will be better off then to be able to respond to you to say, this is why we chose this route and we will back it up because of why, now to say we will look at it, we are at a 50/50 so it's going to be difficult to give you a straight answer.

5  MR MANDIRIZA: Ja, now why I am raising this question I think is, is because from the submissions we received I think from the taxi industry, uhh it seems as if uhm you know there is, there is not so much interaction between the municipality and the taxi industry, based on what they have submitted to us, I think we had NTA and we also had SANTACO, because we are asking about the specifics, whether they are aware of how, uhh this BRT is going to be rolled on and I think they were very unease, they could not, you know answer specific questions in terms of how it was going to be operationalised. For instance if you talk about the SPV, borrowing money to buy busses, it's going to be a very long process in terms of how that is done, how it is going to be financed uhh and the like, but, but from your perspective, how has been the interactions with the affected operators and their associations?

MR GODONGOANA: Uhh what I would like also to clarity, it is SANTACO is the umbrella, now I, they need also in terms of their own reporting to report back to their, because the Regional Chair forms part of our meetings, I think that's SANTACO Regional Chairperson, forms part of those meetings. Uhm so I would assume SANTACO is aware of what we are proposing because they are represented in our meetings. GBTA which is the local and Botshabelo and Thaba Nchu also are locals, uhh we have, we held meetings every month to, in terms of discussion planning, operational and currently the, I think two months back they invited us to a workshop where they invited DBSA, in term of DBSA
presenting on how funding works. So therefore the intention I would assume based on that invitation and that presentation they are looking in terms of applying for, or borrowing money from DBSA in terms of procuring busses, because DBSA presented in terms of how, how does it work and what needs to follow and we were invited by the taxi industry, it was not a workshop uhh held by us but we were invited by them.

**MR MANDIRIZA:** No thank you can I, I want to take you back to the World Cup issue, so, we understand 2006 South Africa won the bid to host the World Cup and there was that need and I think most of the cities were identified, I just want to check, so in 2010 what form of transport was used uhh you know to move uhm you know all these soccer fans that came to Bloem because why I am asking now we are in 2018, eight years later and we are still trying, talking about the BRT uhh having been necessitated partly due to the 2010 World Cup, I just want to get a sense of, of the timing and the timeframes so that, what ja.

**MR GODONGOANA:** I would be lying to you to say I am aware of what has been used, uhh at that particular time, I am, I am not aware in terms of how, whether they were contracted or but there was no IPTN at the time in Mangaung. Because when was the first?

**MS NDLOVU:** 2014.

**MR GODONGOANA:** It started in 2014 in terms of having service providers to plan and move with, with BRT, IPTN not BRT, but in terms of previously, I would be lying if I would give assumptions or, or thinking this is what happened or what has not happened, I am, there is still that gap in terms of what has happened previously, I am not aware.
MR MANDIRIZA: Uhh you can talk in your private capacity since you are a resident of Mangaung? Just from your observation. Uhh what was happening in 2010? If you were there. Unless if you are not there then I think it is fine ... [laughing]

MS NDLOVU: [laughing]

MR GODONGOANA: No I was not there ... [laughing]

MS NDLOVU: [laughing]

MR MANDIRIZA: You were not there okay.

MS NDLOVU: I think it would be fair, and also it would depend on how much of a fan you were of soccer. But it is really difficult uhh to, to try to remember, that far.

MR MANDIRIZA: Mmmm.

MS NDLUVO: Because we were not, not involved in transport.

MR MANDIRIZA: Because there is, there is of course uhm some, some reports that indicate that there, you know there was money available after the bigger cities managed to roll out for the 2010, then I think all the secondary cities I think maybe you were not in Metro at that time. Then ended up rolling out, but I think, I think it’s fine. Then the other thing is the universal uhh, UA, the UA, accessibility that you mentioned as, as one of the motivations for BRT, uhm so is it not possible to have a certain type of a bus that can still operate in using the existing infrastructure that is able to accommodate the elderly and all these
other special you know the people with special needs rather than uh you know than calling it an integrated public transport system or a BRT.

MR GODONGOANA: Uhm UA, first of all is the condition in the grant, that your busses or whatever you do must be, must accommodate everyone, then the next step is you go back to your infrastructure, does your infrastructure accommodate everyone? Your, your sidewalk, your, your roads, uhm your stations. Your busses, the current existing busses, and uhh since we considering using taxis as feeders uhh in our next phase we cannot use the same taxis because currently those taxis are not accessible to everyone. So therefore the UA element, it, it impacts your infrastructure, partly because uhm you need to create a sidewalk which is your, your, if unfortunately I don't have a picture, currently there are in areas where it is so steep or you are just following the, the ground level, which is, for someone who is in a wheelchair cannot operate, and then there has to be a stop there, what then. So it is mitigating between what is it that you have currently vis a viz, being, compliant to the grant. So therefore your infrastructure, our infrastructure ends up being affected so, it is not just busses alone and also looking in terms of how is your current infrastructure, if you have identified uhh that particular route, you have to assess is that particular infrastructure up to good standard? Uhh from your roads to your road reserve where people will walk uhh, where people currently, we have to accommodate people that are usually impaired, and currently there is, our existing facility does not accommodate that. Therefore that means that you have to look at your infrastructure and then accommodate that. Then they must be aware where there is a bus station. So UA ends up being the centre of infrastructure. Because of our current existing infrastructure.
MR MANDIRIZA: Ja no thanks I think we have the discussion I think when, when we meet with National Treasury, because so one of the criticism which I think to some extent uhm I think uhm that people also share is that, uhh so there was a decision made first and then you now try and fit the infrastructure because even with the UA you are not going to meet, you are not going to cater for everyone’s needs because the people come from different directions, otherwise we end up having every infrastructure from my home if I have so special needs, I have to have a UA, a bus that complies with that, so I think but there is a discussion in terms of whether, especially for smaller cities, that’s where the debate is. Uhm you know but ja.

MR GODONGOANA: I think that would be helpful because for smaller cities it’s an expensive exercise. Bearing in mind that in smaller cities, your, your infrastructure which is your pipe, water system and everything, are not underneath the road, on the sidewalk. Therefore your sidewalk is already limited. Some areas we don’t even meet the three meters, uhh in locations, you are encroaching, so therefore, now having to comply, with universal access, you end up having to do a lot of services which means you are spending your money on fixing an existing problem rather than implementing something that is new.

MR MANDIRIZA: Okay thank you Chair.

CHAIRMAN: Miss Nontombana?

MS NONTOMBANA: I want to follow up on the, uhm, the question that was raised earlier, regarding the sustainability of uhh the BRT, so uhm you have said that Mangaung is a small city and it is also reflected in terms of the, the
numbers right. Uhm but it is not only about the numbers it is also about the infrastructure that would have to be put in place, we have heard from others uhm other cities in particular that have already implemented the BRT or the IPTN that uh over and above the, the capital subsidy that you would need, you would also need to have an operational subsidy to, to run the BRT and I am trying to find out, so there is an issue with the numbers uhh being low but also just in terms of running the BRT how is the city thinking about that, because there is infrastructure investment that you cannot escape even if you are implementing incrementally. There is also operation, running operational costs that you cannot run away from even if you are implementing on a smaller scale, uhh and this is the lesson that we have uhh we have heard from the, from the other cities, and also another thing, is that uhm even if you were to perhaps consider revenue that will be generated from uhm the collection of fares, even that from the other cities, we are aware that that doesn't come up even to half for most of the cities. To cover the costs that are required in order to run the BRT. So I would like you to elaborate a bit in terms of uhh your reasons for saying that you see, the implementation in Mangaung to be sustainable.

MR GONDONGA: To, to answer you straight and forward this whole IPTN, BRT is not financially sustainable. There is no city that has broken even, now with that in mind it would be careless of the City if we go for an expensive model, that means we are creating a bigger gap in terms of, of, of, even though we know we are not going to break even, but the more expensive we go that gap becomes even bigger, so therefore that's why we then look in terms of implement small as much, to minimise your, your gap, it's quite straightforward that it is not sustainable but now the plan is to try to minimise. Because at the
end of the day we must provide a service, because the transport functions of
the City, it requires us to provide a service, so therefore, currently we have gone
to all other cities, there is no city that is self-sustainable, uhh what we are then
trying to do, dedicated uhh bus lanes, problem number one for us, road, our
road reserve is small that means you have to acquire land. That’s an expensive
process. Dedicated lanes, expensive process, stations, expensive process, so
therefore the more we look at that particular area, it widens the gap, and if we
are receiving a small portion of the budget, therefore it becomes impossible to
even look at that area, so we are trying, based on what we are receiving, to
minimise the shortfall. There is going to be a shortfall. Unfortunately there is
going to be one, so it is not self-sustainable. But the better way to do it is to try
to minimise that shortfall.

**MS NDLOVU:** But also, but also in doing so as I have indicated earlier, also
looking at the land use patterns in the cities, we have to correct that, uhm, make
sure that there is constant or, the vast distances that people have to travel, that
the busses also have to travel, we make sure that they are minimised, so that’s
how we are going to approach it in terms of land use. Also in terms of the, the
bus sizes that we start with and also that’s why we are, as Mangaung we are
finding it quiet important also to include uhh the taxi industry as feeders uhh into
the system, because there are certain routes that the taxi, a taxi can easily
manoeuvre and which would be even more expensive if we operate a bus on.
So those are the measures that we as the City are implementing in order to
bring down the cost of operations.
**MS NONTOMBANA:** The other uhh question I had was with regards to the service that we have done, uhm whether they, and also following up from what you were just saying now about special planning, and making sure that there is uhm coordination in terms of how you implement the BRT, and I would like to find out whether those surveys are telling you anything with regards to how the population is likely to develop over time. And I am asking this because if, if you plan is to introduce a service incrementally, but then the need is there, uhm, what would be the way of, implementing the BRT but also managing how the, what the reality is in terms of the, the developments of the population but also in terms of the demand, where the demand is.

**MS NDLOVU:** Uhm as the City, uhh we have done a number of surveys but in terms of development uhh and movement of people I think the land use model or land use survey and the household travel survey would give us an indication, a good indication as to where development is, in which direction it's gearing to and where people travel to and want to travel to. So in terms of the household travel survey uhh it's only recently been uhh completed and we are busy analysing that data so uhm currently I cannot share much about, much about the details of it, besides the fact that with my consultations we have found out that it, it does uhm, it does indicate that the modal split or how people travel is as we expected with the busses or the taxis being sharing the, the most. In terms of development, also we look, we are looking at the City’s own plans or where, where the City is looking at where it wants to move development. For instance currently in Mangaung we have what we call seven land parcels, where we are going to develop uhm mixed use uhm and also mixed housing
typologies so we are aligning our transport system with developments that are currently uh taking place.

**CHAIRMAN:** Just one or two questions from my side, uh and this is really a follow up from uh the initial question that was asked by uh Mr Lesofe, uh and followed up by Mr Madiriza, as well as Miss Nontombana, uh, and from what uh I sense from your question, I mean from your answer to the question, uh your answer is predicated on uh the fact that uh the principle of universal access uh is one of the primary drivers of the rollout of BRT within, within the City. Uhm, now have you done studies, this is my first question, have you done studies of uh the nature of the demand uh emanating from uh, for instance you mentioned the elderly and people with uh disabilities, so have you done studies of the patterns and the nature of uh the demand uh emanating from, from those groups? That is my first question. Uhm the second question is we understood from the presentations from various stakeholders uh within the City, various stakeholders who are involved in the transport ecosystem, uh including of course the Provincial Department of Transport, we also heard an independent academic from the university of the Free State also giving representation and we also had commuter groups uh giving presentations. I think the sense that we got was that the nature of uh travel, uh within the City, Mangaung, is almost similar to, to the pattern that you see in other cities, uh in that these cities essentially are peak cities. Uhm, and of course uh, uh interventions such as these ones are in the main geared at addressing uh, that demand. Of course they will still be providing and off-peak, and off-peak service but uh the main issues, uh are around peak hour travel. Uhm or the main demand is peak, peak hour travel. Uhm so
my second question is, have you done studies that uhm, which indicate that the
groups that you say are the primary drivers of the rollout of the model being the
elderly and people with disabilities, in terms of the percentage that they
constitute, uhm in that peak hour traffic, so that because if your model is
premised on you want to say it is premised on uhm then it has to talk to uhm, a
demand dynamics uhh within, within the City?

**MR GODONGOANA:** Alright, to, to respond to your question one, we are in a
process of, of, we have had engagements with disability group one, within
Mangaung, uhh unfortunately one of the member that we were working closely
from that uhh disability group passed away. Uhh I think two months back or
three, now, the, before I dwell further in terms of the studies, the, the UA
component first is a, we have to comply because it is one of the conditions of
the grant that we are using for BRT.

**CHAIRMAN:** I understand that but have you done transport planning demand
assessment?

**MR GODONGOANA:** Now going a step further in terms of now we have to
assess in terms of what is our current infrastructure before even we go in terms
of we have to identify is our infrastructure on its own currently existing, how far
is it UA compliant, is not UA compliant. Two, then from our stakeholder
engagement, that’s when we do a study to say, your numbers, our numbers as
Mangaung in terms of how many elderly, uhh how many, uhh people with uhh,
let’s say wheelchairs, how many uhh visually impaired people that will need to
be uhm accommodated. The biggest challenge with the UA investigation is that
you cannot use the, your investigation cannot be using the current existing
transport structure because they are not using it because they are already affected. Because your current existing transport structure does not accommodate them. So that’s why we are in the first approach was to go and engage with them on like for instance there is a disability home where we have to go and engage how do you move. Where we had to have, uhh discussions to say from where they currently situated it is part of the trunk. There is a disability home on this side within 500 meters there is an elderly home, but it's within the trunk. Not taking into consideration those that are in locations that they can't even move, they have to hire cars to go to town, we haven't gone to that status yet. We, on phase one, currently we still having discussions with a few. Now to, to have those discussions we had to first complete our operational plan first to say this is what we have looked at, review our currently existing infrastructure, it is not compliant, so we are planning to make it compliant how? In Thaba Nchu we have done and NMT which is non-motorised transport which is your sidewalks basically. Close to a school of the visually impaired because they are struggling to walk there, from the school to go home there is no pathway, there was an old pathway, but now they have to go holding hand, using the person that is visually, better visually impaired than the other ones in the centre to guide them. So our study was to say as much as we are not there yet, we, we, let’s start looking at addressing these issues in, bearing in mind that we are doing an incremental approach. Our incremental approach is just by funds. We, we cannot do everything because we cannot afford, so we have to look at building a trunk, building and NMT that accommodates where we are going to eventually go, having taken into consideration that what is our NMT look like, can they walk, can they not walk. Our bus system when they arrive,
they have to accommodate that, so at the present moment there, in terms of
studies specifically for, for UA, have not been concluded. We have held
engagements, uhh with disability groups, to say, what are your challenges, we
are, we are not at that stage to say, there is 50% of the people affected or there
is 20% or 10%. But we have had engagements to say what are your current
critical challenges, they cannot move at all. So with the limited uhh, funds we
have, we say let’s try to minimise one, while everything else is going at a slow
pace, but where we, because now, in terms of our infrastructure, we are doing
infrastructure vis a vie other investigations to say, we, we have identified this
problem, the, the investigation will prove that we, we are quite sure of that
because when we hold those, those discussions with them, if you then say to
this person must go to the doctor, the person cannot, so therefore your
infrastructure has to talk to that, your investigations then therefore will improve
that, to, to say what you have done, is, is what was needed. Also, the
Department of Transport is saying whatever you implement has to be
universally accessible. So, now we have got a challenge to say even though
we have not done the studies, if we are implementing infrastructure that
particular infrastructure has to be compiled to accommodate, whether that
person does, there is only one person in that particular area for an example,
since we haven’t gone in terms of the studies. That person must be
accommodated. They have changed in terms of, it, it must not be an option, it
must happen. So it is one of those guns they, they strictly monitor in terms of
do we implement universal accessibility. So your straight answer, we haven’t
gone to the stages of completing the, the surveys for the affected disability
groups.
MS NDLOVU: But uhh can I also, we haven’t, we haven’t but uhm in our household travel survey, it did touch on the disability. Uhh in trying to find out from the people who are, who are surveyed, uhh, what are the challenges, if there are challenges, uhm involved disability, uhh and the like, so there is an element in our household travel survey that touched on disability and traveling, uhm I would have loved to share the information with you as to from the survey what percentage we are seeing currently but as I indicated uhm we are still in the process of analysing that data but it will probably be soon available, just as an indication.

CHAIRMAN: So then uhm if I am following your presentation correctly then, your BRT model, is not uhm premised on uhh mass transportation? Uhh of, of commuters, uhh to the CBD if I had to take phase one. But it is rather premised on meeting the mobility needs, of people who have some uhm, uhh mobility impairments, would that be a fair summation of uhm what you are presenting to us?

MR GODONGOANA: Because our on-board surveys were based on the current form of transport that is currently in existent which is your taxi industry. And the, the busses. Taking those two, uhh in terms of numbers, to say what is it that how many people are you transporting from this area to the CBD, so that, it’s, it’s that’s there. Now secondly, the condition is that a lot of people that do not form part of, of, of what you have surveyed is the elder, is the disability people, visually impaired because there are cases where people, they can’t even go to the doctor because a taxi to, to board a taxi if you have got a wheelchair, you pay for two. Where you are going to sit, where your wheelchair is going to sit, or instance they just pass you because there is no space or you
are going to delay them, so those are the comments that you get to receive. So that's why then uhh ... [inaudible] to enforce that to say, whatever you implement whether it is based on your, your surveys, it must include universal access. So it's based on the surveys in terms of your mass movement, taking into consideration the challenges that a very few people that uhh, that must also be accommodated because of these challenges they can't, they raise cases to, to the City, to National Department to say, my grandmother passed away, we couldn't go to the doctor because there is no taxi to take her to even accommodate her to the doctor, so then end duty said, if we implementing, your review infrastructure is it accessible. If it is not, you make it accessible. That's infrastructure alone, numbers then, that's when we then choose routes. Our routes are based on numbers. To say from here to the CBD what are the numbers, will it make, will it be, will it make money? That's what, that what we look at in terms of is it, you cannot the less profitable survey, on your survey to say here there is very few people moving, here there is a lot of people moving so that is based on that but taking into consideration those that are not part of that universal, that uhh, that investigation.

**CHAIRMAN:** Are you then suggesting that another rational for your model is that the current uhm public transport service uhh in these routes that you have identified is, is inefficient? Is that what, what you are saying? Otherwise what is the rational?

**MS NDLOVU:** The rational is, is to provide a, a safe reliable uhm universally accessible transport system. Uhh the current system or the current transport system as we have it, uhm one of the components of it is that sometimes we get to a bus stop or a taxi stop, you are not sure as to when you are going to get a
taxi or a bus. Uhm, it's, it's you cannot, you cannot reliably plan your, your movement because you are not sure as to when you are going to get a taxi, the exact time that you are going to get a taxi. It's, it's, uhh some of the times the, the distances that people travel to in order to access public transport, they are vast distances and the, what we are working on now is that within a kilometre, a person should be able to access some form of public transport facility within a kilometre of uhm a residence. So it's, and it's safety as well, safety of, uhm, the fleet that is used currently and that's what, that's the rationale behind why, why we are trying to implement this bus service that we want it to be a safe mode of transport, we wanted to be able to accommodate the people that have not been accommodated in the current transport system, which is the visually impaired, someone who cannot walk, uhm, even pregnant women and children. So it is to accommodate everyone, and provide safety and efficiency.

CHAIRMAN: Ja uhh just the last question on this because we have run out of time. Uhm almost all the stakeholder's uhm within your City, including the Province, are saying you don’t need this BRT model. I just want, maybe let me stop there and just get, everybody is saying you don’t need this, including your own commuters, in the City.

MR GODONGOANA: To, to respond that, I do believe that it's based on personal opinions to say we don’t need a certain service. For an example to, for us to cut down in terms of what is it, after investigations we have done, our surveys, and, and as my colleague counted the rationale behind IPTN or busses in terms of, it’s not just mass movement, in terms of your safety, reliability, efficient, affordable, inclusive, so if you count all those and then you look at it in terms of the existing services that are in place, then you then look
back and say you do require certain, a service of that nature. Reason being in
terms of inclusivity let's look at current, current existing bus services, it is run by
a company, one company, there are complaints about, by the taxi industry, by
other bus operators to say this has been monopolised, so therefore it is not
inclusive. If you look at the taxi industry, on its own, in terms of reliability,
safety, uhh, uhh, inclusivity, it's not. Because a person with, in a wheelchair, a
taxi does not want to, to give a journey to that particular person because they
want to save time, there is not enough space. In terms of safety, the driver
behaviour of taxis has been a complaint almost every day, everywhere, so then
the safety component, so I don’t know the rationale behind to say we don't need
that particular service whereas currently there are services that are not meeting
all these, all these items we are, we have listed. I beg to differ uhh because if
you then count what the service will provide vis a vie what is currently there, we
have discussed in terms of the busses, currently the bus, no person on a
wheelchair can be able to board IBL. I will tel you why, first from your station,
that particular station does not accommodate a wheelchair. How will that
person board a bus without someone having to carry that person from that
particular wheelchair to the bus? Without, now if there is no one willing to carry
that person that means the bus must leave that person. So there is no
inclusivity. So, that’s why I continue to say, it is based on, on personal opinions
and preference to say, the taxi industry one, we have engaged and to make
them see why we are opting for this services and including them, IBL also we
are in a, at the current stage we engage them informally because we have not
signed the MOA. And they understand the purpose of IPT. Uhh we have done
public participation uhh on the first one, where we made a mistake, we had
done it during the weekdays, where a lot of people were at work. We have learned from that to say no, we are not including everyone, then let us move it to a weekend where people are not at work, we engage properly to say, what are your current challenges, people have complained about taxis, people have complained about busses. So therefore our approach is including everyone in terms of how do we then move forward in terms of what we have just listed.

**CHAIRMAN:** Ja thank you very much uhh Mr Godongoana and Miss Ndlovu, we have run out of time. We have come to the end of our interview. We would like to uhh thank you for coming all the way uhh from Bloem and I think you have given us I think one of the most detailed uhh presentations about the BRT model within the City. Thank you very much.

**MR GODONGOANA:** Thank you so much.

**MS NDLOVU:** Thank you.

**CHAIRMAN:** You are excused.

**RECORDING ENDED.**