

# GAUTENG EDUCATION TRANSPORT SERVICES



COMPETITION COMMISSION ORAL SUBMISSION

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## **1. SUMMARY BACKGROUND**

Gauteng Education Transport Services is formerly known as Scholar Transport Services.

This is a non-subsidized industry and a non-contracted service to people of Gauteng.

From 1990, individual operators discovered the leaner transport market opportunities and everyone operated freely without proper coordination. The then Department of Transport Road and Works (DPTRW) under the Directorate of the Taxis recognized the operation and GETS (GAUTENG EDUCATION TRANSPORT SERVICES) was formed.

Through our engagement with the Department of Transport, the then DPTRW saw it fit to make funding available, the funding made it possible to develop a Strategic document. Here, the operational budget was formulated.

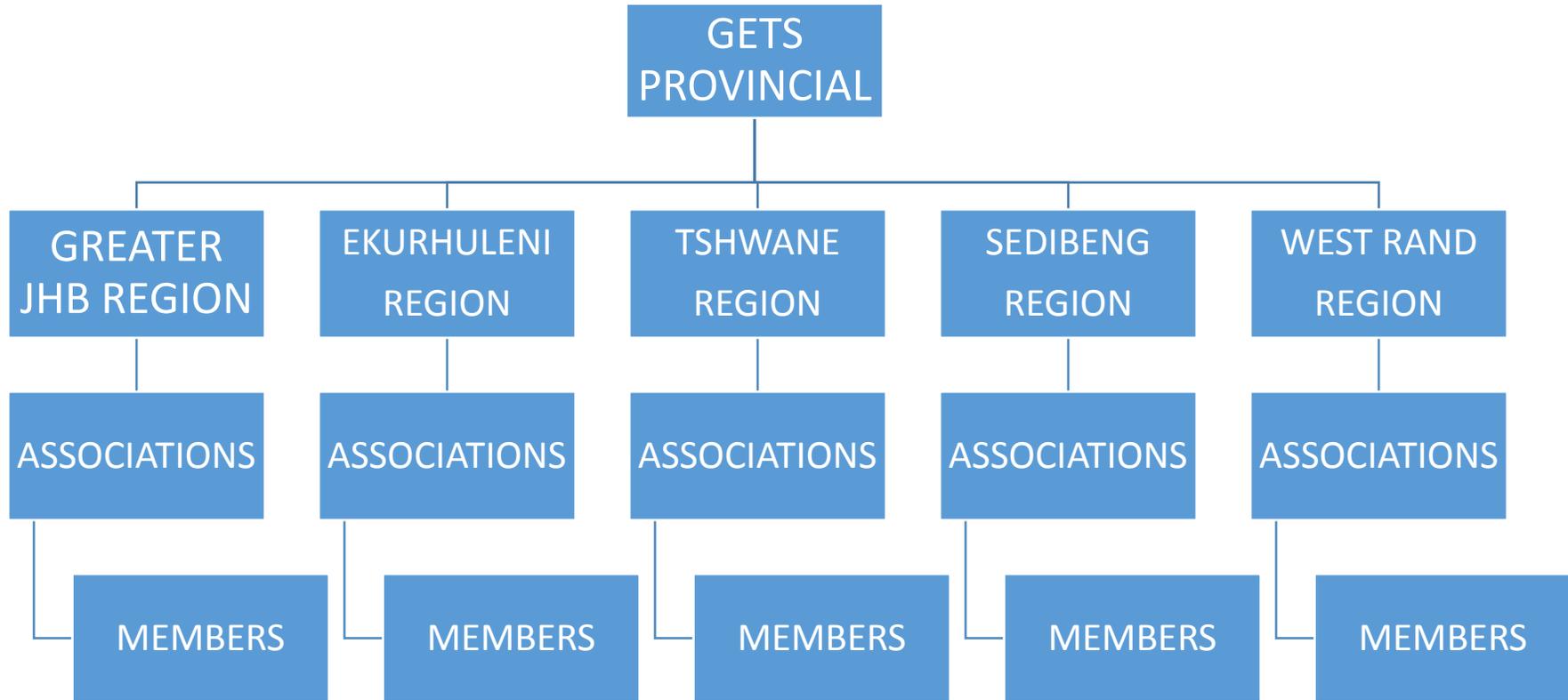
In March 2007, all 5 Regional council structures and Associational executive councils were formalized through democratically elections.

In June 2007, a Provincial council structure was formalized through democratically elections. Gauteng Education Transport Services a provincial structure that caters for all Educational transport services in the Gauteng province. Gauteng Education Transport Services has members in all 5 provinces in Gauteng, namely:

1. Greater Johannesburg region.
2. Ekurhuleni region
3. Tshwane region
4. Sedibeng region and
5. West Rand region

All these regions have Regional Executive councils, Association Executive councils.

# 1. ORGANOGRAM



## 2. STRATEGY

GAUTENG EDUCATION TRANSPORT SERVICES strategic frame work includes the following:

### 1. Vision

Authentic delivery of quality Education transport services.

### 2. Mission

To dedicate ourselves as an organization

To improve and deliver a quality Education transport services to the people Gauteng province.

### 3. Slogan

Transporting our future with their future mind.

### Strategic Objective

### Strategic Functional Priorities

- Comply with Legislation
  - Support Formalisation
  - Establish Industry Structure
  - Train People
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- Develop Working Relationships
  - Ensure Safety
  - Grow Industry
  - Deliver Services
  - Improve Affordability

## 1. OPERATIONS

We operate in all 5 Regions in Gauteng province, namely:

1. Greater Johannesburg
2. Ekurhuleni
3. Tshwane
4. West Rand and
5. Sedibeng

We operate from Nurseries (Crèches) up to Tertiary.

In Urban areas, Informal settlements including Rural and Farmsteads.

## 2. KIND OF SERVICE

It is a unique service.

It is a scheduled service

It is door to door service, which means:

We Pick up at home and Drop off at school and back again.

## 3. MODES OF TRANSPORT

We use the following types of vehicles:

1. Midi bus
2. Mini bus
3. Sedans and
4. LDV's (Of which has been faced out by NLTA) **NB**: Members are been discouraged to use LDV's

## **SUBJECT MATTER AS PER STATEMENT OF ISSUES**

### **A. Licensing, Routes allocation and Entry regulations**

#### **Association route's overlap with the routes of other associations**

In our case as Educational transport services, we do not have multiple associations in one area. We only have one association per area. What only happens is that our associations from different place work hand in hand. Some of our members from certain area may transport learners to a certain school in a certain area, where there is an association that operates that area and is affiliated to the Regional council.

What we do as associations, we inform that particular association in the area concerned that we have member/s from a different association/s from different area ferrying learners to a certain school in their area. We do supply all the information of operator/s concerned to our other sister association. And that happens vice versa.

It is easy for members of other associations to identify members from certain areas because our vehicles have a sticker that identifies them where do they come from and that they are affiliated to the Regional council.

All associations that are affiliated to a Regional council have mutual agreement, on how we work hand in hand with members of another association that comes from other areas. The conflict amongst the operators is avoided due to communication from the Associational council and Regional council.

The challenges that we encounter in our operation provincially as a structure is that of operators that we classify them as illegal operators because they are not registered with the Department of Transport or even our affiliated associations. Those illegal operators are even not charging the same fares as we do. Due to their illegal pricing. We cannot say these is a healthy competitive pricing. They are uncontrollable and learners are even not safe in some of their vehicles.

Still complaining about illegal operators, there are taxi type services that infiltrate our operation. They are doing dual operation while their operating licenses are route based operation. Some of their taxis ferry learners and rush back to their position to ferry their usual customers

National Land Transport Act Amendment bill state as follows: **50.1: No person may operate a road-based public transport service, unless he/she is the holder of the operating license or permit, subject to section 47,48 and 49, used for the vehicle concerned in terms of this Act.** But in Gauteng province people do that while ferrying the future leaders and future nations of this country.

Amendment of Section 39 of Act 5 of 2009: **Before rationalizing public transports services in terms of sub section (1), the planning authority must consult the relevant regulatory entities and take steps to apply law enforcement measures to reduce or prevent operation of illegal services on a particular route, and where appropriate, take measures under section 78 to cancel operating licenses or permit that are not in use on that route.** But these is not happening, only infiltration of illegal operators is taking place randomly.

Amendment of Section 67 of Act 5 of 2009: **Before granting an application for an operating license authorizing charter service, the relevant regulatory entity must be satisfied that- (a). There will be a need for the charter service or services applied for by the operator that cannot be supplied by any other type of public transport service already being provided.** In these case, Educational transport service operating license has got charter service. The shuttle operators are given charter service and they intern infiltrate our industry. We therefore call them illegal operators and that may cause conflicts when time goes on.

Chapter 6 of National Land Transport Act 5 of 2009: Section 49.2: Rationalization of minibus taxi type services: **The holder of a permit or operating license for vehicle authorizing minibus taxi type service, who has not yet done so may apply in the prescribe manner for recapitalization of the vehicle and may choose either to leave the industry or buy a new vehicle that complies.** In our case as Education Transport, we are not subsidized, there's no governmental recapitalization. But when we apply for operating licenses, we are told that our vehicle that are older than 2006 are not complying and we will not be able to get operating licenses. New vehicles is a requirement in the taxi industry. These show that some governmental officials don't understand or can't differentiate between modes of public transport. These is really a frustration to our members.

Our Regional TOLAB is divided into two, namely: Registration and Monitoring and Licensing Board. The Licensing Board never engaged us as Education Transport in terms of vehicles that are older than 2006. It was just a surprise when our members went there to apply for operating licenses. Even now our members are reluctant to go and apply for operating licenses due to fact that our vehicles are older than 2006.

### **Process followed by the association when new routes and new developments are identified**

In the past, our routes were determined by the learners one transport. We were required to describe the routes that we travel. Specify all the left and right turns, names of the street. Every year our routes kept changing due to the fact that our contract with the parents runs for a year only. We were supposed to amend our operating license yearly, but that couldn't happen.

Since all the Regions in Gauteng province have been given powers to issue operating license, there are lot of changes. For example: all associations are now registered formally with the Department of Transport and each ab every association is registered under Regulatory Administrative System. Associations are allocated with their routes. Provisional certificates are issued.

In this new dispensation, operating licenses allows us to ferry learners to all schools around the Region. Yes we still have to write down the route description around the area of operation. Whenever there is a new route or a new development area, that route will be automatically covered.

Amendment of Section 1 of Act 5 of 2009: Association means a group of operators who has been formed not for gain, whose object is to promote the interest of their members and whose funds are to be applied in promoting those interests. The requirements for any operator to be a member of the association are to pay a stipulated amount of **joining fee** and a monthly contribution. The operator must have a vehicle or intend to buy one. The operator must register with the Department of Transport.

## **Transport Planning**

Any municipality has been given powers to plan for its own integrated transport network. I believe there is no municipality that can plan without doing any transport survey in its area. The results of the survey will determine all aspects that need to be followed.

National Land Transport Act, Chapter 2. Intermodal planning committees: 15.1. **Every municipality that is establishing an Integrated public transport network or has significant passenger rail service in its area must established an intermodal committee consisting of the prescribed technical officials and prescribed representatives of state-owned rail operators, other public transport mode, users and organized business.** We as Educational transport operators were not even contacted or consulted if the municipality has done its survey about public transport services.

If that was done, we at this present moment will be part and parcel of the Intermodal planning committee as the NLTA requires. No consultation was done and this shows that if the survey was done, it was an incomplete survey. It shows that the objective of this Act will not be fully achieved. This takes me back to Section15.2 of Act 5 of 2009. **The function of the intermodal planning committee is to co-ordinate public transport between the modes in order to achieve the objects of this Act.** The Transport planning authority must know all of its stakeholders and consult. All the Transport departmental must consult the relevant stakeholders all the time not when they do things that favours them. Just to acquire our signatures on their attendance registers.

## **Transformation**

### **1. Operations**

The Government must empower and assist disadvantaged operators of all modes to participate meaning fully in the public transport.

### **2. Customer based services**

All public transport services must address user needs.

Public transport must be safe, affordable, reliable and sustainable to all.

### 3. **Planning and regulatory**

Government must provide appropriate institutional structures

Formalize all public transport operators

### 4. **Funding**

Sustainable and dedicated funding must be provided for infrastructures, operators and Law enforcement.

### 5. **Spatial**

Encourage more efficient urban land structures.

Promote public transport

## **Implementation of Integrated Rapid Public Transport Network**

National Land Transport Act 5 of 2009 defines **integrated public transport network** as follows: **It is a system in a particular are that integrates public transport service between modes, with through-ticketing and other appropriate mechanisms to provide users of the system with optimal solution to be able to travel from their origins to destination in a seamless manner.**

The challenges that we are encountering as Education transport is that we are not included in the integration of public transport. Maybe there is confusion when it comes to the definition of a Minibus taxi type services. When one looks into all the documents that talk about transport integration, one only finds that the following modes are mentioned specifically thus: Rail, Bus and Taxis. The Government in South Africa recognizes only state-owned transport and mini bus taxis as the only public transport in the country. But what is written in black and white on every paper talks of **modes of public transport or all modes.**

National Land Transport Act 5 of 2009 defines **Minibus taxi-type service** as follows: **An unscheduled public transport service operated on a specific route or routes, or where applicable, within a particular area by means of a motor car, minibus or midi-bus.** In our case as Educational transport, we are a **scheduled service that uses minibus, midi bus and motor car.** That is why I'm saying there is a confusion because even at our Licensing Board when we as Education transport service apply for an operating licenses, we are told that our vehicles don't qualify for operating licenses only a Quantum qualifies or vehicle that is not older than 2006. That's recapitalization, which was done for taxi industry not us.

Yes, we are using taxi-type vehicles but the taxi industry doesn't represent us and it will not and we will not represent it too. This confusion gives us problem, our members are now unable to apply or renew their operating licenses. Our operation is unique as we said before. Our passengers are from crèche to university and their staff members (teachers, lectures). When integration of public transport is rolled out, we as Education transport operators loses some income due to learners from grade 6 and those at colleges and universities start using bus rapid transport. That is a challenge to our industry.

The aim of integrating public transport is to implement high quality networks of car competitive public transport services that are fully integrated, and are managed and regulated by a capable municipal transport development. Then one asks himself or herself, how can Education transport service be competitive with other modes that are fully integrated?

The three spheres of government must revisit the Integrated Transport Plan and include **all** transport modes that are not included. For now in South Africa, public transport integration is only for governmental transport entities. Government is the only the role player and the beneficiary. The taxi industry is there to boost the government to enrich itself when the implementation of this plan is completed in 2030 or 2055.

White paper: Strategic policy: Is to provide universal, centralized information for all modes of public transport to assist public transport users and ensure that public transport is integrated in respect of information, scheduling, routing and integrated ticketing. This strategic policy says 'all modes'. Unless all this nice written words on the papers don't have to mean anything to operators who are excluded. One of the Integrated Public Transport Network 3 pillars state it categorically that **maximum inclusion of incumbent affected operators through first round of negotiated contract.** Our operators are affected by these transport integration, but we were not consulted and not part of the first negotiation on

implementation of Integrated Public Transport Network. How will the government or the municipality know that we exist if proper survey in public transport was not done?

### **Transformation in the public transport**

Transformation should encompass all public transport services in South Africa, not only modes that are state owned entities and the taxi industry. When the department issues Educational (scholar) operating licenses, NLTA, section 72.1.d. stated it clearly that the vehicles should be mark so that they can be differentiated from other modes, but that is not done. Maybe the other issue that is of concern is that Education (scholar) transport service is controlled or managed by two departments, namely: Department of Transport and Department of Education. As long as transport duties from the Department of Education are not taken to the Department of Transport, no transformation in education transport will take place. Each and every Department has its own way of operating. To us, this tells us that the Departments are competing amongst themselves.

Each and every municipality must have database for all associations registered to operate in all areas so that they can be able to control the operations. When we talk about transformation, we don't only consider busses contracted to the Government only. There should be transformation in all spheres of Education transport service including us the non-subsidized operators.

Our operators mind set needs to be changed. Our operation made them to be self-centered due to the fact that they are used to get money individually and compete amongst themselves. In these regard we tried to ensure that they must form cooperatives so that they can start competing with the other entities as a group. But many of them had that mind set of saying now people want to steal our money because they will not be getting money as they wish. Training in all business aspects is needed. We will strive to improve the life of our members by transforming our industry as we can.

We are encouraging our associations to buy many squad cars as the can. We are in a verge of patrolling or controlling our industry so that any person who wants to operate must comply and be a member of an association. We are not planning any war against illegal operators, but protecting the little that we have. By protecting our industry mentally and physically, people will start respecting us.

### **The impact of the BRT implementation on the renewal of Education operating licenses**

This issue has been already attended to in this presentation under subject matter, Licensing, Route allocation and Entry requirement and under Integrated public Transport Network. As we have said that a moratorium has been passed without being informed by the Licensing authority that Education transport services must apply for operating licenses with a new car like Quantum, at first it was a vehicle that is not older than 2006. The Department forgot that recapitalization was agreed upon between the taxi industry and the Government.

By the time we were being issued with permits, some of our members went for recapitalization and they were told that we don't qualify for recapitalization. One must bear in mind that, what was agreed upon in that process suited the Government and Taxi industry according to their income not us. If we are told by the governmental officials that we must go for recapitalization, there should be some formal negotiation to start with and a memorandum of understanding must be signed by us and the government.

### **Access to finance for Education Transport services**

When it comes to financial assistance from the major banks, our operators do not qualify due to the lower income. Most of our operators transport learners from historically disadvantaged areas and our fares are so low to accommodate all our customers. There were companies that were willing to sell vehicles to our operators through bank finances; unfortunately banks didn't approve our applications.

Our operators will always strive to see to it that a girl or boy child goes to school every day, it doesn't matter what type of a vehicle is used by safety and reliable transport will be the order of the day until the Government realizes that we are ferrying the future population of this wonderful country of us.

### **Access to infrastructure and terminal facilities.**

In Education transport service this is a major challenge. Amendment of Section 11 of Act 5 of 2009: (xiv) Ensuring that there is provision for the needs [special] targeted categories of passenger in planning and providing public transport infrastructure, facilities and service to meet their needs, in so far as possible by the system provided for mainstream public transport. Our operators ferry learners to different schools in different areas. When we arrive at our destinations being schools, there is a problem that is encountered by our operators.

One will find that there is no place where we can park our vehicles, no toilets to be used. Some schools do allow our operators to use their facilities some don't. There are no specific areas that are there for us to use. To us this is not an accessible transport to all people as defined by the Act 5 of 2009. It is the responsibility of the planning authority to see to it that there are facilities to be used when issuing operating licenses to the operators. There are by-laws that need to be adhered to, as long as there is no law enforcement by the planning authority nothing will be taken into consideration. No one will care.

### **Commuter experiences**

In terms of our operation, it is a scheduled operation. We need to drop learners at different schools at a stipulated time. We have to make sure that they attend their entire lesson on time. We collect learners from different households. Each and every child has been given a time of when he/she will be fetched. People might complain that some children are fetched earlier; the reason is that we fetch learners from different households and drop them at different schools that start at a particular time.

The other factor of fetching them earlier is that a certain number of children must reach certain load in a vehicle. There is a factor of distance too. You cannot transport six children in a minibus while their fares don't cater for the travelling distance because fares are far low to that of AA ratings.

Our commuters don't walk any distance, we pick them at their gates and drop them at the schools gate in the morning and do the same in the afternoon when the school is out. One must bear in mind that there is no vehicle that is 100% roadworthy, there will be some breakdowns in the operation and time delays will be there. There will be a way to see to it that learners go to school when breakdowns or accidents happened. Alternative transport will be arranged.

**THANK YOU**