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Our Reference: Ms Jennifer Joni

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GAUTENG METRORAIL SUBMISSION IN RESPONSE TO THE SECOND REQUEST FOR INFORMATION: RE: MARKET INQUIRY INTO PUBLIC PASSENGER TRANSPORT

A. INTRODUCTON:

Gauteng Metrorail received an invitation from the Competition Commission in connection with their planned Public Hearings that will be held by the Commission in all the Provinces. The invitation contained a request for a submission on issues related to the Market Inquiry.

PRASA Rail made a submission to the Commission on or about February 2018 which was a response to the first request for information in connection with the Inquiry. This submission is therefore a second response to the request for information. It is envisaged that this submission will enhance the information already submitted by PRASA to the Commission.

Directors K Kweyama (Chairperson), L Zide (Acting Group CEO)
S Ntsaluba, I Wessie, J Schreiner, N Alli, D Tshepe,
M Matlala

Acting Company Secretary
N Motaung

In this submission we have retained the numbering of the questions in the invitation letter for ease of reference and to illustrate at a glance the questions that we are responding to. PRASA Corporate office will be responding to the bulk of the questions in the letter, as most of the issues reside with that office.

B. RESPONSES:

LICENCING, ROUTE ALLOCATION AND ENTRY REGULATION

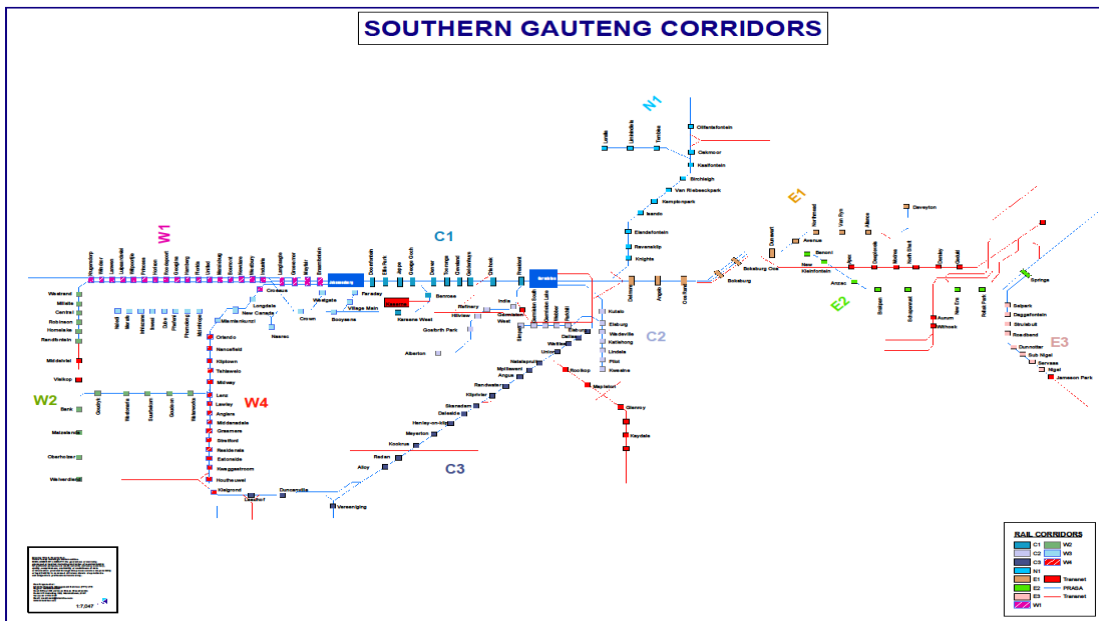
8. Indicate all the routes serviced by Gauteng Metrorail.

The Gauteng Region of Metrorail operates sixteen rail corridors. Six (6) corridors around the Tshwane area (North Gauteng) and ten (10) on the Witwatersrand, commonly known as South Gauteng. The sixteen corridors are supported by 149 active train stations. There are additional 87 stations classified as halt stations because they do not have ticketing facilities. This brings the total number of stations to 236 geographically distributed as per the table below:

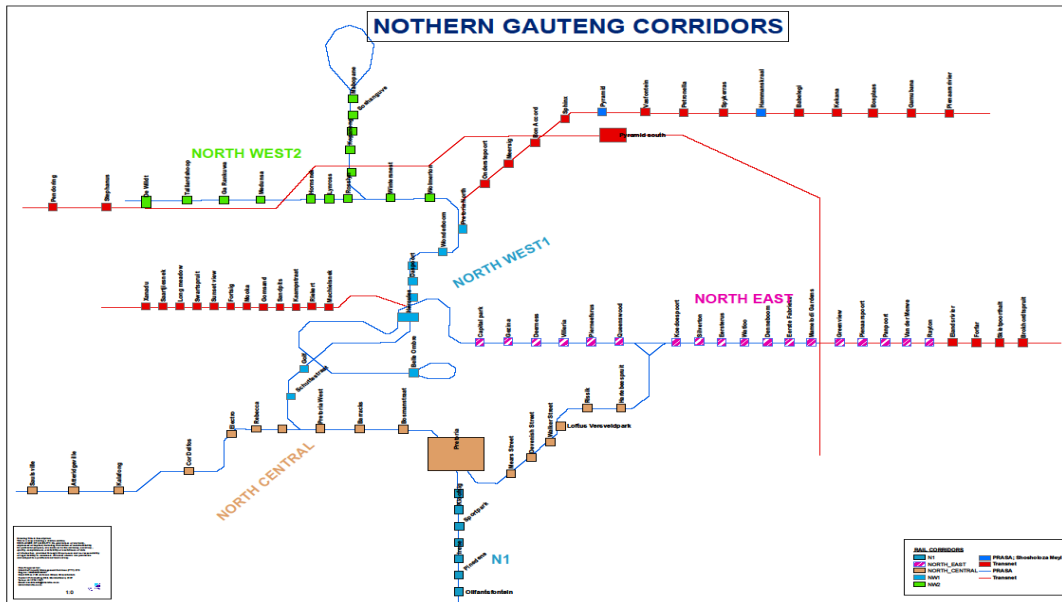
GAUTENG METRORAIL STATION PORTFOLIO			
Station Category	Gauteng South	Gauteng North	Total
Supercore	10	4	14
Core	33	11	44
Intermediate	34	8	42
Small	35	14	49
Halt	58	29	87
Total	170	66	236

The rail network in Gauteng is dense and complex, especially on the south, over a span of 3500km.

The layout below depicts the routes and stations of South Gauteng.



The layout below depicts the routes and stations of North Gauteng corridor.



9. Provide a brief explanation of any challenges experienced by Metrorail in the provision of services on the routes currently serviced by Metrorail.

9.1 Unreliable rolling stock

The current rolling stock of Metrorail is beyond its life cycle. Consequently, there is shortage of readily available components. The frequency of failures of trains in service is high. This affects availability of trains, high levels of train trip cancellations that are hovering around 11% against a set target of 5%. This results in running fewer trains leading to overcrowding.

The failures of the rolling stock are also due to commuter behaviour and the criminal elements within the rail system. Copper theft and vandalism immensely affect rolling stock reliability where trains are stripped of cables in the staging yards.

Metrorail is in the process of rolling out new rolling stock through Gibela. Twenty (20) new trains were delivered from Brazil and the rest of the fleet is being produced locally at the new factory in Nigel on the East Rand.

9.2 Unreliable infrastructure

The infrastructure encapsulates electrical network (for traction and support energy), signalling system and the peer way is also old. Of significance is the frequent failure of the signal system. The frequent failure of the signal affects a reliable train service. A re-signalling programme project on routes where Metrorail is operating to increase service reliability has commenced.

9.3 Open rail system

Metrorail is operating an open rail system that exposes the train service to disruptions. The disruptions manifest in a form of:

- 9.3.1 Encroachments into the rail reserve;
- 9.3.2 Train run overs;
- 9.3.3 Robbery of commuters and staff on stations and on-board the trains;
- 9.3.4 Vandalism of trains, infrastructure and stations; and
- 9.3.5 Fare evasion that that exacerbate overcrowding.

PRASA group is in the process of implementing a fencing project to close the system.

9.4 Increased fare evasion and significant loss of market share

The unreliable train service that are caused by the factors named above factors has led to a situation where the confidence level of commuters significantly dropped where they do not see value to pay for the train service but have instead opted to evade paying their fares. This is bypassing the manual access control system and accessing the train service through platform ends.

Factors mentioned above have led to loss of confidence in the rail service and opted for other modes of commuter transport. The market share has significantly dropped as also evidenced by fewer train trips.

14. What are the potential solutions to the inefficiencies resulting from the provision of passenger rail services in Gauteng, issues relating to long waiting times, unreliability of the service, to mention but a few.

14.1 The solutions are precisely the programmes that Metrorail has embarked on and these are:

14.1.1 Renewing the rolling stock through acquisition of new trains;

14.1.2 Installing a new and modern signal system;

14.1.3 Closing the rail system through fencing;

14.1.4 Working closely with the Rapid Rail Police and the communities to combat crime. Sign corridor based Social Compacts that will include other stakeholders; and

14.1.5 Finding alternative methods to fast track these interventions.

15. Indicate the total number of commuters using Metrorail in Gauteng for the period 2014to 2017.

The number of commuters using Metrorail in the Gauteng region is as presented in the Metrorail main submission. The summary of those figures is as follows;

- In the 2014/15 Financial Year (FY) there were 252 807 231 passengers;
- In the 2015/16 FY there were 197 743 040 passengers;
- In the 2016/17 FY there were 164 871 194 passengers; and
- In the 2017/18 FY there were 122 611 395 passengers.

CONCLUSION:

The Gauteng Regional Office of Metrorail would like to thank the Commission for the opportunity to make this submission and also to participate at the public hearings.



Yours faithfully,

Mr Goodman

Gauteng Regional Manager