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## **Competition Commission South Africa**

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**Your Reference:** 2017MAY0001

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## **WESTERN CAPE METRORAIL SUBMISSION IN RESPONSE TO THE SECOND REQUEST FOR INFORMATION: RE: MARKET INQUIRY INTO PUBLIC PASSENGER TRANSPORT**

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### **A. INTRODUCTON:**

Western Cape 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

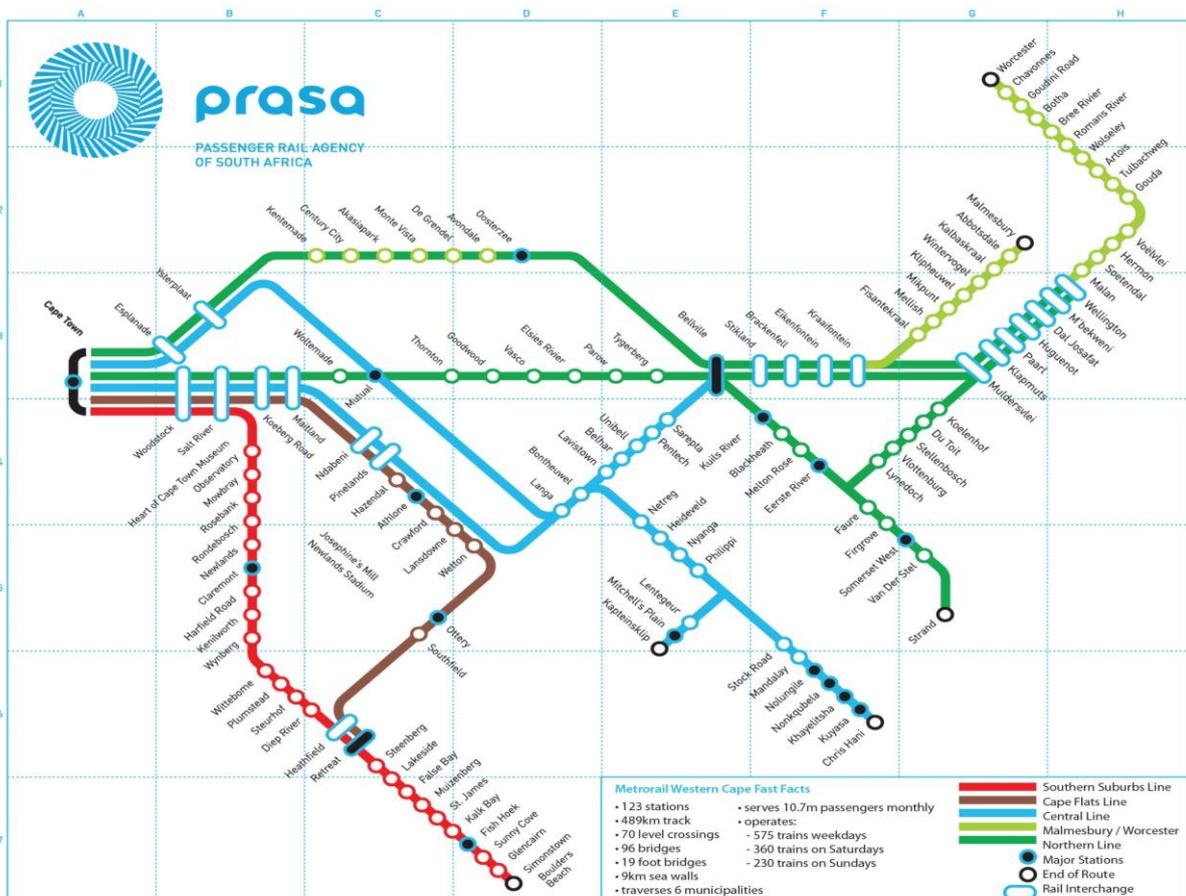
therefore a second response to the request for information. It is envisaged that this submission will enhance the information already submitted by PRASA to the Commission.

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 WC Metrorail.



**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 Train delays, cancelations and overcrowding are currently at its lowest, arguably contributing to the severe peak period traffic congestion on the roads.

9.2 The other challenges experienced by the Western Cape Metrorail are as follows:

9.2.1 Unprecedented and sustained level of vandalism, theft of rail assets, burning of trains and crime (robberies and assaults) against commuters and Metrorail employee's/service providers are detrimentally impacting on the passenger rail system in the Western Cape.

In January 2018, the Central Corridor was forced to be closed for about 3 months as a direct result of criminal activities. The assets were destroyed beyond short term repairs which will only be fully repaired by September 2018. In the meantime, the system is operating under manual authorization for safe operations, incurring additional delays.

9.2.2 In addition to vandalism of plain trailer and motor coaches including cable theft, aged rolling stock is regularly in for repairs and more frequent maintenance. Trains sometimes fail in operations, further impacting on unexpected train cancelations and delays.

9.2.3 The poor condition of the infrastructure is attributed to decades of underinvestment, deferred maintenance theft, vandalism and acts of sabotage.

9.2.4 As the system is very old, most of the replacement components for trains and infrastructure (permanent way, overhead tension equipment and signals) cannot be purchased "off the shelf" but must be custom-built in the workshop.

9.2.5 Many socio-economic issues impact on the network and service. Some Informal dwellings encroach and its wet waste is disposed onto the rail reserve of the exposed 489km rail system. Some pedestrians walking across the open rail system results in train fatalities and injuries.

9.2.6 Customer complaints are exponentially increased as a result of frustration, excessive delays, train cancelations and delays.

9.2.7 High number of level crossings resulting in level crossing accident

9.2.8 Organised crime including copper syndicates

#### **OTHER EMERGING ISSUES: COMMUTER EXPERIENCES**

**13. What are the underlying factors that have resulted in a decline in the number of commuters using Metrorail? And what are the remedial actions have been taken or likely to be taken in the future to endure the commuters continue to use passenger rail service?**

The following are the factors that have an impact on the number of passengers using Metrorail:

- 13.1 Vandalism
- 13.2 Availability of Trains
- 13.3 Infrastructure
- 13.4 Encroachment
- 13.5 Level Crossings

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

14.1 With regard to Vandalism, WC Metrorailo has done the following:

- Implemented a joint venture with the local authority's law enforcement department and the Province of the Western Cape (100 traffic enforcement officers) for a period of 12 months to combat non-ferrous metal theft;
- Enforcement and prosecution of listed criminal activities in terms of the Criminal Matters Amendment Act – offenders now charged as damage of essential infrastructure rather than malicious damage to property;
- Additional security measures such as increased armed guards, night patrols with night vision equipment and armoured vehicle in high risk areas, drone surveillance and forensic capability yielded positive results. Since March 2018 a total number of 95 offenders arrested – sixty are awaiting trial after PRASA successfully opposed bail; and

- Procuring the construction of a 30km walling programme (Bonteheuwel – Lavistown, Bonteheuwel – Nyanga and Nyanga – Philippi stations). Construction is expected to be completed in 18 months.

#### 14.2 On availability of Trains, Metrorail WC is

- Increasing the rate of coach recovery by augmenting the use of local ad hoc contractors;
- Increasing the internal workshop capabilities and augmented with external local service providers for the repair of rotating machines;
- Accelerating the procurement of mission critical spares, materials, components and rotating machines contract;
- Appointing local General Overhaul contractors to recover wrecked coaches lost to train burnings; and
- Increasing the number of staff required due to shortages and limited capacity at head office.

#### 14.3 On Infrastructure, Metrorail WC is:

- Replacing damaged and worn out rails has become urgent to return the state of the infrastructure to an acceptable standard and avoid line closures through the imposition of Prohibition Directives by the Rail Safety Regulator. Finalizing the national open line rails supply contract by the end of September 2018 to enable the regional rail order of 10 km of rails per annum for the next 5 years to ensure that the network is returned to an acceptable level;
- Rehabilitating the conventional signalling system;
- Currently migrating communication cables from copper to fibre;
- Continuing with target hardening and hardening and vandal proofing of critical equipment;
- Replacing at least 2.5km of poor condition rails; and
- Improving the performance of substations and relay rooms.

#### 14.4 On dealing with Encroachment WC Metrorail is:

- Engaging the City of Cape Town to relocate informal dwellers within the rail reserve to another location.

14.5 With regard to Level Crossings, Metrorail is:

- Partnering with the City of Cape Town to eliminate Buttskop Road Level crossing. A short term solution is expected to be implemented by the City of Cape Town, subject to land issues between SANRAL and City being resolved;
- Ongoing maintenance of level crossing booms and equipment; and
- Level crossing awareness campaigns are conducted on a regular basis.

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

The number of commuters using Metrorail in the WC 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 174 934 932 passengers;
- In the 2015/16 FY there were 163 002 997 passengers;
- In the 2016/17 FY there were 127 745 294 passengers; and
- In the 2017/18 FY there were 76 633 977 passengers.

## **CONCLUSION:**

The WC 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 Richard Walker**

**Western Cape Regional Manager**