

TRANSPORT FIRST PAPER

The Scope of the Transport Industry in the Western Cape

FUTURELEAD INNOVATIVE MANAGEMENT SOLUTIONS

EXECUTIVE SUMMARY

Introduction

The review undertaken and outlined in this paper has focused primarily on the passenger and freight transport components of the broad sector. As a first step, a literature review of key policy issues on national, provincial and local level has been undertaken forming the resource base of this paper.

Economic trends

Nationally, passenger land transport contributes 60% of total transport output and freight about 40% (2002). Key trends and policies increasing the pressure on the road network, includes:

- Over the past decade there has been a significant shift from rail freight to road freight, due to a decline in rail service efficiency and challenges with inter-mode changes, associated with rail.
- A dramatic growth in exports over the last decade, due to globalisation and our (South African) political transformation (democracy), opening new markets.
- An increase in the export volume of manufactured products over primary produce, increasing from 5% to 20% of total exports.
- Government's policy aimed at ensuring economic opportunity for all citizens, coupled with its policy to provide basic personal mobility for all, driving the demand for personal mobility, particularly public transport requirements.

These and other (global, economic and social) trends will need to be taken into consideration in the strategy formulation of a micro-economic transport development strategy for the province.

Provincial economy

In a provincial context, the economy has a gross domestic product of 150bn, of which the following sectors are most prominent: Finance and real estate; Manufacturing; Services; and Trade and catering. Key manufacturing industries include: Paper, printing and publishing; Textiles and clothing; and Agricultural processing (food and beverages). The transport, storage and communications sector¹ increased its share in real output² growth significantly from 8% in 1995 to 11% in 2002. The sectorial growth reflected was primarily due to high growth in the communications sub-sector, rather than the transport sub-sector. Key sectors with high growth prospects that need to inform transport policy, in accordance with their respective transport requirements, include: Tourism; Information technology; Health and medical (services and equipment); Film and media. In addition, key niche growth industries identified include: Fashion clothing; Jewelry; wine; Biotechnology; Boat building/repairs; natural gas and call centres.

¹ Sector reflected in terms of Standard Industrial classification (SIC), the format on which Stats SA information is collated

² Output reflects the value of final goods and services, measured by Gross Domestic/Geographic Product GDP or GGP

Policy framework

The paper introduces the key components of the national and provincial policy frameworks and legislation shaping the transport dispensation, including: The South African Constitution; The Reconstruction and Development Programme framework; The National White Paper on Transport (1996); Western Cape Provincial White Paper on Transport (1997); and Moving South Africa (1998). Within this context and in order to achieve the goals set out in the national White Paper on transport, priority areas of challenge are identified, i.e.:

- Improved investment in transport infrastructure, including road, rail and bus
- Revision of the subsidy system and consideration of alternative means of delivery and payment.
- Restructuring of the NDoT, particularly in light of a shortage of senior personnel across all divisions and sections.

National transport context

The paper notes a range of prominent national transport initiatives impacting on the provincial transport dispensation, including:

- The Moving South Africa (MSA) action agenda that has identified prioritised customer groupings, namely, the poor rural and urban stranded and survival categories, selected tourist passengers and exporters of value added manufactured products.
- The Taxi Re-capitalisation Project, scheduled for implementation in 2005/2006 financial year.
- The implementation of a revised bus contracting dispensation based on competitive tendering.
- Rail transformation, which includes the merger of Metro Rail and the South African Rail Commuter Corporation and the establishment of a transitional regulatory authority.
- Maritime transport policy, which includes the potential privatisation of cargo handling facilities.

In addition, the paper highlights the wide range of agencies that currently operate within the transport dispensation, under the auspices of the NDoT. In this context it became apparent that there were potentially policy implications in terms of inter-agency co-ordination.

Provincial transport context

In accordance with the framework outlined in the Western Cape Provincial White Paper on Transport of 1997, in April 2002, the province re-established the Department of Transport and Public Works with three main branches: public transport, transport infrastructure and public works/property management. The Provincial Five Year Strategic Delivery Plan highlights the following eight key requirements for achieving its vision and transport objectives:

- Safety, Security and Enforcement of Public Transport
- Consultation and Communication (between all stakeholders, users and providers)
- Institutional Co-operation (between National, Provincial and local government)
- Sustainable passenger rail services (safe and affordable, with adequate feeder services)
- Transformation of the Minibus Taxi Industry (addressing competition, routes, violence and compliance)
- Transformation of scheduled public transport services (emphasis on planning and co-ordination)

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- Tourist, Courtesy, Staff and Metered Taxi Services (Addressing user requirements)
- Funding of Public Transport (sustainable sources of funding at all levels, including user charges and PPP structures)

The Western Cape Provincial budget for 2005/6 has specifically allocated R276million to address the backlogs in the provincial road network. In addition, a fuel levy has been accepted at the provincial level and now awaits the approval of national treasury, intended for the sustainable increase in spending on roads and associated infrastructure. Of key importance, is aligning and co-ordinating the provincial transport powers and functions with the needs of the Cape Town Metro that represents 66% of the population of the Western Cape. The City of Cape Town is addressing the key transportation problems of the Metro as identified in their IDP, which include congestion, disproportionate increases in road commuter traffic and generally inadequate public transport service provision.

Public transport

In respect of public transport the key challenges identified in the review and highlighted in the provincial five-year strategic plan a towards ensuring a sustainable and effective public transport system, include:

- The necessity of addressing **safety and security** issues pertaining to public transport, particularly at modal interchanges, mini-bus taxis, trains and road safety on long journeys.
- The establishment, scheduling and administration of **integrated and dedicated passenger transport services** facilitating ease of mode change. Although this has as been a stated objective of the provincial department for years, the review indicated that progress has been limited, and accordingly it remains a priority to be addressed.
- A continued need for **stakeholder participation** and greater involvement of users in decisions on the type and form of public transport. In this context the concept of a social transport charter was noted, along with the need to provide a viable alternative to the use of private cars and ensure that it ultimately is affordable in serving the needs of both the metro and the outlying rural communities.
- Effectively addressing the various challenges posed by the **minibus taxi industry** by relevant authority remains a major factor debilitating the safe and efficient movement of people in the province.

The main review findings pertaining to components of the public transport system are summarised as follows:

- The scheduled **bus services** in the Province, particularly in the Metro, have declined dramatically over the past decade in terms of the extent (coverage) of routes, frequency and quality of service. This has been largely due to the impact of poor service levels coupled with increased competition from mini-bus taxis, providing a convenient alternative. Accordingly, declining passenger numbers has impacted on profitability and the ability of the bus service to sustain routes and service levels. The contracting arrangements for the provision of scheduled bus services remains a problem in terms of finding a resolution to the issue of bus vs. mini-bus taxi subsidization, coupled with the challenge of providing scheduled services in off-peak times and/or on unprofitable routes. It is envisaged that the mini-bus taxi recapitalisation process will partly address the challenge of competition and equitable distribution of public sector support to the respective service providers (scheduled bus & mini-bus taxi).

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- It is noted that there have been efforts made to improve the ***Metro rail service*** to attract customers back into trains. Unfortunately, these efforts are continually undermined by incidents of crime and violence reinforcing the perception that trains are dangerous. This, coupled with increasing challenges to maintain a sustainable service in the light of problems such as cable theft, are undermining the efforts being made to improve rail services. Clearly the decline in the patronage of passenger rail systems must be curtailed through the elimination of anti-social behaviour, crime and theft inflicted on passengers and rail assets.
- Key challenges for ***long distance transport*** noted during the review included: Addressing the infrastructure needs of the interchange facilities for the mass budget-bus services, predominantly from the poorer township communities; and, the establishment of a major interchange facility to where passengers can interchange with all long-distance bus services and other transport modes (Air & rail). The review noted that there are currently plans being considered to establish an interchange within close proximity to the airport, to facilitate distribution of arriving tourists.
- The review noted that the ***metered taxi operator*** tariff structures are unaffordable for locals, suiting only the needs of tourists. It was noted that in other centres around the world these services effectively fill the gaps in the local public transport market dispensation. It is proposed that these opportunities are explored, but a key requirement will be to address the local market perception of excessive metered charges.
- The review highlighted that ***air passenger transport*** currently constrains the ability of the Western Cape to capitalize further on the tourism market, particularly from Europe. This being mainly due to a shortage of flights to South Africa during peak demands, particularly directly into Cape Town.
- The emergence of ***privately operated tour, charter, courtesy and shuttle services*** has been significant due to inadequacies in public transport.

The review highlighted the following major ***infrastructure initiatives*** being activated and/or planned in the province: Klipfontein Corridor Project; Koeberg interchange upgrade; Northern growth axis (incl. Parklands/Blaauwberg linkages, Marine Drive, Potsdam interchange); N1 and N2 Corridors (road upgrades); Atlantis commuter rail (Parklands City link); Port access (Link to Duncan dock); and, access to Film Studio. In terms of local government mandates the review noted that various District transport plans have identified and are being integrated into the overall provincial transport planning processes. In addition, there are plans to transfer (“upvolve”) components of the provincial network to National Roads (e.g. N7 from Wingfield to Trunk road 11).

Freight transport

With respect to freight transport the review noted and highlighted the following:

Freight transport characteristics have changed dramatically over the past few decades, with road becoming the preferred mode over rail. This has resulted in the main provincial roads being subject to dramatically increased loading and traffic. The report notes that a key concern is the deterioration of road infrastructure caused by this increase in freight haulage, particularly in terms of overloading. In this context equitable appropriates (National transfers) are required to maintain and upgrade the network infrastructure, coupled with effective law enforcement to protect the infrastructure network from overloading.

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- **Ports** productivity, as a measure of efficiency, in South Africa and specifically Cape Town is well below international benchmarks and national targets. This low productivity translates into service bottlenecks, delays and high unit charges. Cape Town, as is the case with other ports, requires substantial investment in physical infrastructure (e.g. container terminal constraints), logistic capacity, and specialist management expertise to enhance performance. In addition, an emerging challenge for the port will be to effectively accommodate and address the requirements of the emerging oil and gas industry.
- **Rail freight:** Spoornet (rail) has lost general freight volumes to the road freight sector, predominantly reflecting higher value commodities. The main reasons for the loss of market are founded in the condition of the asset base, inadequate skills (technical and management capacity), poor operational performance (i.e. service and reliability) and an absence of customer/market orientation within Spoornet.

Conclusion

The key challenges and issues that emerged from the review that should inform a provincial transport policy are summarised as follows:

- The urgent need to improve **passenger commuter services** both within the metro as in rural areas, to ensure greater efficiency of movement and reduce constraints on mobility.
- Applying dedicated attention to the **determination of logistics costs** in order to identify measures required for reducing the transport cost component of conducting business in South Africa across the board and in all sectors of the economy.
- Improving **roads infrastructure** to meet the demands of the growing Western Cape economy, as well as to address socio-economic needs in less affluent communities (e.g., Decisions on transport infrastructure investment or expenditure within the Province need to be made on the basis of multiple criterion evaluation, to balance and meet conflicting policy goals and objectives. A comprehensive management information system, based on indicators and models that enable demand to be quantified, and which makes available requisite data to planners, is required in order to promote an integrated transport management approach).
- Ensuring that there are adequate mechanisms available to resolve problems in transport, e.g., the establishment of effective **Transport Authority**³ throughout the province, and the systematic co-ordination of transport responsibilities between different stakeholders at national, provincial and local government levels.

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³ The Provincial DoT is proposing to establish a single Transport Authority representing all stakeholders, rather than a number based on District representation.

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- Attachment III:** Provincial Budget perspective (2005/6)
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- Attachment V:** Estimate of business input spend on transport per sector in the Western Cape, based on applying national input/output ratios.

GLOSSARY OF TERMS

- Capital:** Human-made resources e.g. machine, factories, offices
- Depreciation of the Rand:** When market forces lower the value of the currency from one rate to another
- Economic growth:** A rise in the value of goods and services produced in the country and/or province
- Economic trends:** Changes in economic parameters over time (e.g. output & employment)
- Economically active population:** Members of the population in their economically active years (i.e. the age group 15-64 years)
- Exchange rate:** The price of the Rand in terms of other currencies (the price of a good as been traded for another good)
- GDP:** Gross domestic product or service measures the value of final goods and services produced in a country (province) at a specific period
- GGP:** Gross geographic product measures the value of final goods and services produced in a region in a specific period
- Informal sector:** Business activity not registered for taxation or any other official purpose
- Output:** Value of final goods and services, usually measured by GDP/GGP
- Sector (economic):** Consists of establishments engaged in the same or closely related economic activity
- Sub-sector (economic):** Comprises a sub-set of a sector, consisting of establishments engaged in the same or closely related economic activity
- Turnover:** Total value of sales/production, i.e. including costs of intermediary and primary inputs
- Value added:** Value added to intermediary products by employment of primary inputs and measured in terms of their remuneration (wages, rent, interest, profit)

1. INTRODUCTION

The Western Cape Provincial Department of Economic Affairs and Tourism is developing a microeconomic development strategy for the transport sector in the Western Cape.

The objective of this first report is to undertake a literature review of available documentation, particularly pertaining to policy on the sector at a national, provincial and local level to gain insights into the key issues facing the sector. It is envisaged that this first report will provide a base on which the second part of the study could build, focusing on the priorities identified and engaging with key stakeholders and role players in the transport industry. The ultimate objective of the second report would be to consider the stakeholder views, identify interventions and make recommendations towards addressing the key challenges and/or opportunities facing the industry. Accordingly, this first report has principally been informed through desk analysis, encompassing a literature review with limited stakeholder and/or role player interaction.

2. CONTEXT

2.1. Scope

According to the Standard Industrial Classification (SIC) applied in South Africa, transport forms part of the transport and storage industry, which typically includes the following sub-divisions:

- Land transport:
 - Rail (Inter-urban, commuter & urban)⁴

⁴ Defined as follows: Inter-urban - travel between urban centres; commuter – travel from home to work (suburbs to centre); urban – travel within an urban area

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- Bus and coach passenger lines (Urban, sub-urban and inter-urban), including school buses, safaris and sightseeing bus tours
- Taxis and mini-bus taxis
- Other passenger transport including the renting of motor cars with drivers
- Freight transport by road
- Transport via pipelines
- Water transport
- Air transport
- Support services, including cargo handling, storage and warehousing
- Maintenance and operation of airports, harbours, roads and toll roads
- Travel agents

In accordance with the terms of reference this report focuses purely on transport aspects encompassing the following components:

- Passenger transport (Road, rail and air)
- Freight transport (Ports, road rail & air)

2.2. Provincial economy

The provincial economy has a gross domestic product (GDP) currently estimated to be over 150 billion. With reference to the sectoral contributions, per sector indicated in the table below, the major economic sectors include: Finance and real estate; Manufacturing; Services; Trade and catering; and, Transport and communication.

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Western Cape provincial economic sectors	GDP contribution (R millions)
Agriculture, forestry and fishing	8 597
Mining and quarrying	317
Manufacturing	29 161
Electricity and water	2 292
Construction	5 735
Trade & catering	21 514
Transport, communication	15 046
Finance, real estate	40 683
Services	22 182

Source: StatsSA: Gross Domestic Product, annual estimates, 1995–2002 (Nov. 2003)

Manufacturing, the largest economic sector, comprises the sub-sectors as depicted in the table below:

Manufacturing sub-sectors	GDP contribution (R millions)
Food	2 689
Beverages and tobacco	1 763
Textiles and clothing	4 209
Leather and footwear	890
Wood and furniture	1 646
Paper, printing and publishing	4 460
Chemicals, petroleum and pharmaceuticals	3 154
Rubber, plastic and other non-metallic minerals*	2 636
Metal and steel**	3 387
Machinery (non-electric)	797
Electronic and electrical products	1 313
Transport equipment	1 777
Other	440

Source: StatsSA: Gross Domestic Product, annual estimates, 1995–2002 (Nov. 2003)

Over the past few years, the province has experienced a high rate of growth (over 3%) in comparison to other provinces and an economic up-turn in a number of key industries. The economic sectors experiencing the highest long term growth over the past decade include: manufacturing, trade and catering (including tourism), finance and real estate.

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The City of Cape Town (Metro Area) comprises 75% of the provincial economy (in terms of Gross Domestic Product) and contributes almost 11% of South Africa's economy, producing over R86 billion in goods and services in 2002.

The sectors displaying prospects for high rates of growth in the province in the future include: Trade and catering (including Tourism); Manufacturing (especially beverages, electrical machinery and plastics); Transport and Communications and Construction. In this context, the following sectors and niche industries have been identified with the greatest growth potential over the next five years⁵:

- Sectors: Tourism, Education and Training, Information and Technology, Health and Medical services and Equipment and Film and Media.
- Niche industries: Fashion clothing, Jewelry, Wine, Biotechnology, Boat building/Ship repairs, Natural Gas and Call Centres.

Currently, growth is being experienced in the communications (call centres), tourism and financial services sectors, while export based industries, such as agriculture and textiles, have been contracting.

The City of Cape Town identifies key competitiveness factors for economic growth and development, including the need for infrastructure investment, with transport infrastructure being a prominent factor (City of Cape Town: 2002). In addition, growing Cape Town's exports is also highlighted as key to increasing economic growth. In this context, concern about the efficiency and capacity of the port to handle exports passing through is of particular concern, particularly in relation to the time sensitive perishable agricultural-related product categories. (City of Cape Town: 2002)

2.3. Overall transport perspective

From 1995 to 2002 it was estimated that real output growth of the transport, storage and communication sector averaged an annual rate of 7.8% compared to a real growth in total provincial output of only 3% for the same

⁵ Industry growth prospects drawn from FutureLead economic outlook (unpublished), based partly on City of Cape Town and Wesgrow publications

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period. This resulted in the sector increasing its share in provincial output significantly from 8% in 1995 to 11% in 2002 (Stats SA, November 2003⁶).

The provincial trend in the transport, storage and communication sector is in line with national trends in this sector, recording a real growth rate of almost 7% per annum since 1995, and increasing the national share of the sector since 1995, also from 8% in 1995 to 11% in 2002. Therefore an analysis of national trends in the sector might shed some light on trends in the provincial sector (Stats SA, November 2002). Some characteristics of the sector are summarised below:

- Transport and storage contributed 53% to total sector output in 2002, on its own contributing some 6% towards real national output⁷;
- Due to the aggregation of the transport into the sectoral classification of transport, storage and communication it is at times erroneously assumed that the growth in this sector reflects transport growth⁸. Of the sub-sectors, the communications sub-sector has, since 1995, recorded record levels of growth, i.e. an average real growth rate of 15% per annum compared to the under-average growth experienced by the transport and storage sub-sector of about 2.4% per annum, since 1995. The high growth of the communication sub-sector could, in turn, be ascribed to the explosive growth in the mobile telecommunications industry since 1995. Similarly, the Western Cape has experienced strong growth in call centres, probably contributing further to the high growth in the transport, storage and communications sector. This growth being due to growth in the telecommunications sub-sector, rather than the transport sub sector.

In terms of the respective sub-sectors within the transport sector, the following national observations can be made:

⁶ 2002 are last official provincial statistics from StasSA. Statistics upto 2004 require access to the provincial Quantec database, but we understand that these are largely based on the official statistical ratios.

⁷ Out put refers to economic output – total value added (For detailed definition, refer to glossary of terms)

⁸ StatsSA provide only the group statistics at a provincial level, as SIC group the whole sector.

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- It is estimated that land transport made the largest contribution of the four sub-sectors, contributing 50% towards sector output in 2002 and even more towards employment, namely 60%⁹. It is estimated that *land freight* (road and rail) contributed about 40% towards total land transport output in 2002 with *passenger transport* (land, rail and for leisure/commuting purposes) contributing the larger 60%.
- The total volume of freight transported by land (railway or road) grew at a slow annual rate of 1.8% per annum from 1997 to 2003. Road transport by private enterprises grew at a slightly higher rate of 2.6% annum in the same period, increasing its market share in total land freight transport from 70% in 1997 to 77% of total goods transported in 2003¹⁰. In the same period the volume of goods transported by Transnet decreased by 0.3% per annum since 1997, diminishing rail transport's share in total land freight volumes since 1997 (Stats SA, December 2003). This indicates an increased pressure on the national roads system of South Africa;
- Water and air transport jointly contributed about 25% towards total sector output in 2002, but made a much smaller contribution towards employment of a mere 10%;
- Transport support services (cargo handling, storage etc.) contributed the remaining 25% towards the total transport sector output and employed about 29% of workers employed by the sector.

With reference to appendix III, an analysis of the provinces business sector input spend on transport by sector (calculated by applying national ratios), the following points are noted:

- The total income of the transport sector in the Western Cape is estimated at R 14bn in 2002 (based on national ratios, transport produced about 58% of the total output of the transport and communication sector, reflecting a total output in the order of R 25bn (refer to table).

⁹ Out put refers to economic output – total value added (For detailed definition, refer to glossary of terms)

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- Of this income, an estimated R 7.4bn (51%) was purchased by the business sector (refer to table) and the balance was either “exported” or spent by private households. This estimate correlates well with the national percentages of the input/output table calculations of total spending on transport services, namely 52% by companies, 15% “exported” and 33% spent by households.
- Tourism is not split out as a sub sector on the table¹¹. However, national tourism spending on transport is estimated at 29.4% of total tourism expenditure (on coach, rail, domestic flights and car rentals) (SA Tourism, 2003). Applying this ratio and assuming tourism accounts for about 5% of provincial GDP, spending on transport through tourism could have accounted for R 4.2bn in 2002 (Grant Thornton et al: 2003).

2.4. Economic trends impacting on transport

With the changes in the political context over the past decade, South Africa has opened to the world and is now exposed to patterns occurring in the larger global economy. This exposure has created massive changes in South Africa’s trade patterns and the nature of the goods being traded. In the last ten years, the volume of exported manufactured products has surged from 5% to 20% of exports, while gold and other primary products have fallen from 65% to 45% of exports in the same time period (Stats SA, December 2003).

It is felt that these trends are set to continue, with the rate of growth in exports likely to continue to outstrip the growth in imports, having substantial implications for South Africa’s transport systems. For example, bulk commodities require different technologies and different transport systems to non-bulk products. The South African economy has also undergone substantial changes with a policy emphasis shift on sector growth

¹⁰ Volumes pertains to the physical cubic volumes

¹¹ Tourism could not be split out into a sub-sector, due to it being comprised of components of a number of sectors within the national sectorial classifications.

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manufacturing-led exports, growth in tourism, which are both transport-intensive sectors. The governments' social goals are also driving the transport infrastructure needs, with investment into basic services requiring supporting and connecting transport infrastructure and services. In addition, the government has emphasised the expansion of economic opportunity to all citizens, beyond the privileged elite, placing increasing demands on the transport sector to provide for basic personal mobility for all.

In addition to changes in the SA economy and in the social environment, trends in the global transport industry itself are having a significant impact on South Africa's transport system. Obviously the ability to affect such trends generally falls outside the influence of the national or provincial government or operators, but should be understood. These global transport trends include the following:

- ❑ Liberalisation and Deregulation of markets reflected in open sky agreements and reduced reliance on government transport operating subsidies.
- ❑ Globalisation of Customers and Carriers, resulting in transport operators consolidating globally to meet the increased customers demand through alliances, joint ventures or outright acquisitions.
- ❑ Intense Competition in Maritime Transport, driving industry consolidation and demand for bigger ships and handling infrastructure.
- ❑ The Rise of Information Technology has enabled "just-in-time" manufacturing processes to be adopted, increasing the demand for high-precision transport and logistics.
- ❑ Increasing Awareness of Externality issues such as safety and environmental consequences, placing new demands for safer and cleaner modes of and approaches to transport.
- ❑ Increasing Global Manufacturing from multiple sources around the world, creating demand for flexible and integrated transport services that deliver to multiple foreign locations.

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In a provincial context, the liberalisation and deregulation of markets has had a major impact on the export industry, particularly in terms of agricultural based produce. For example, the wine and fruit industries have experienced the opening up of a number of new markets, but also greater competition of other developing countries (e.g. South America). This has translated into significant growth in these industries over the past decade, which is currently being curtailed by both intensifying competition and the relative strength of the Rand.

The province has also experienced widespread adoption of "just-in-time" manufacturing processes to address the increasing demand for high-precision transport and logistics. In a recent survey conducted by FutureLead of manufacturing industries in the Drakenstein region the leading firms were all adopting a just-in-time manufacturing and management processes, with industry consulting experts introducing a number of just-in-time solutions (FutureLead interview notes; unpublished). Accordingly, this is reflected in the transport and logistics industries applying leading edge logistics technologies to differentiate themselves in the market. In the Western Cape the fresh produce transport industry has also been impacted by the advances in specialised cold chain logistics, ensuring maintenance of the chain from farm to consumer.

In summary, all of the above South African economic and social, as well as global trends, will need to be taken into consideration in the formulation of a microeconomic development strategy for the transport sector in the Western Cape.

3. POLICY FRAMEWORK

Key national and provincial policies that have and are shaping the public transport dispensation are briefly introduced below:

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- ❑ **The Constitution, 1996 (Act 108 of 1996):** The Constitution introduced fundamental changes in the roles, functions, and responsibilities of government. The enactment of the Constitution was followed by the devolution of legislation assigning public transport matters to the provinces.
- ❑ **The Reconstruction and Development Programme (RDP):** An early blueprint for development and redressing past inequity, the RDP focused on basic needs, including public transport.
- ❑ **National White Paper on Transport 1996:** This was the first overarching policy document produced by the National Department of Transport. Aimed at a comprehensive reform of transport throughout South Africa, it dealt specifically with the transformation of the minibus-taxi industry and introduced the intention for transport plans to direct the management and supply of public transport services and facilities.
- ❑ **National Land Transport Transition Act, no 22 of 2000 (NLTTA):** The main aim of the Act is to provide for the transformation and restructuring of the national land transport system of the Republic; and to provide for incidental matters. The Act puts an emphasis on a demand driven approach, where services are provided based on the available demand as opposed to available supply. Furthermore, the Act also puts an emphasis on giving priority to public transport. In addition, the Act allows for the regulation of public transport services, provision of safety and law enforcement. Co-ordination between the three spheres of government in terms of transport information systems and planning matters is encouraged. The Act also allows for the formation of Transport Authorities by the planning authorities and the provincial licensing boards that deals with operating license matters at provincial level.
- ❑ **Western Cape Provincial White Paper on Transport 1997:** Policy statements within the Western Cape's White Paper extend and endorse those expressed in the National White Paper. The White Paper also emphasised the Province's intention to give priority to public transport over other modes of transport.

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- **Moving South Africa 1998:** In a significant initiative, the National Department of Transport published this guiding document, which, while not reflecting official policy, gave greater clarity to South Africa's need to provide improved public transport. Extensive studies confirmed that there remains a critical lack of affordable access to transport, and that the current public transport system is ineffective and inefficient. The three key areas of focus with regard to public transport suggested by Moving South Africa are high volume corridors, sustainable operation and improved operation.

The White Paper on National Transport Policy (1996) outlines the vision for the South African transport system as one that aims to: *“Provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.”* Quote, National Department of Transport web-site (www.gov.transport.gov.za). Similarly, the stated mission is: *“To provide an integrated, well-managed, viable and sustainable transport infrastructure meeting national and regional goals into the 21st century, in order to establish a coherent base to promote accessibility and the safe, reliable, effective and efficient movement of people, goods and services.”* Quote, National Department of Transport web-site (www.gov.transport.gov.za).

Major goals set out by the White paper (1996) and confirmed in more recent papers and communiqués include:

- To promote the use of public transport over private transport.
- To ensure that public transport services address user needs, including those of commuters, scholars, tourists and the disabled.

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- ❑ To promote and implement a system of regulated competition for tendered public transport routes.
- ❑ To assist and economically empower disadvantaged operators to participate meaningfully in the public land passenger transport system.
- ❑ To ensure that operations become more economically viable, requiring the minimum financial support.
- ❑ To promote safe and secure, reliable and sustainable public transport.

The National Department of Transport (NDoT) highlights the following priority areas of challenge:

- ❑ Low investment in transport infrastructure, citing that since 2001, only R4bn per annum was invested in transport infrastructure (including road, rail and buses), while the current maintenance backlog for commuter rail alone is estimated to be in the region of R15bn. Rail passenger transport is considered nationally a key priority due to low service standards, and under-funding particularly in terms of security and infrastructure. In a provincial context under funding (budget constraint) has been the driver of the provincial infrastructure backlog.
- ❑ The need for revision of the subsidy system and consideration of alternative means of delivery and payment. In this context, the National DoT also aims to develop a business case for the increasing public sector investment in the public transport system.
- ❑ The need for ensuring a wider forum is applied to ensure that the transport requirements for the Soccer World Cup 2010 are an integral part of the overall planning system for a better public service in South Africa.
- ❑ Restructuring of NDoT, particularly in light of a shortage of senior personnel across all divisions and sections. The NDoT states that this under-capacity of skills hampers the ability of the department to focus on

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its key role as a development-centered department. Furthermore, it contends that the skills shortages impede effective oversight and control of the numerous transport agencies that it is meant to administer.

4. NATIONAL TRANSPORT CONTEXT

4.1. Key national initiatives

Drawing from "Moving South Africa (1999)" and the White Paper of Transport and various other papers, important national transport initiatives identified are summarised as follows:

- **The Moving South Africa (MSA) Action Agenda:** The MSA Action Agenda is based on the draft transport strategy for 2020 and the principles founded in the White Paper on National Transport Policy. Accordingly, the MSA Action Agenda is the National Department of Transport's (NDoT) 20-year strategic framework for the transport sector. Fundamental principals in the approach include a focus on the needs of transport customers in the decision-making process and consideration for the 'externality costs". In this context, it has emerged that prioritised customer groups are the poor rural and urban "stranded and survival" categories, selected tourist passengers and the exporters of value-added manufactured products.
- **The Taxi Recapitalisation Project (TRP):** In August 1996, the National Minister of Transport announced a process for formalising and legalising *bona fide* illegal operators through basic compliance and registration of associations. Subsequently, these processes have become the responsibility of the various provinces. In 1999 the NDoT initiated the Taxi Recapitalisation Project (TRP) to support the process and address the safety challenges posed by the ageing mini-bus fleet. The programme also seeks to ensure the sustainability of the industry as a business, as well as ensure its formalisation and effective regulation. The programme has

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been approved by Cabinet and is currently scheduled to be implemented from the beginning of the 2005/2006 Financial Year, unfolding over a period of seven (7) years at an estimated cost of R7, 7 billion (Engineering News, 03/12/04).

- **Bus contracts:** Nationally, approximately 10% of all subsidised bus services are operating on competitive tendering systems. The National Department is currently undertaking a process of designing tenders for public transport services in key areas, which should result in almost 20% of subsidised bus services nationally being operated on the competitive tendering system. It should be noted that the historical delays in replacing the interim contracting arrangements have impeded investment in the industry. It is also understood that pilot projects have been implemented in the North West enabling taxi operators to submit bids by means of a tender process to provide services on stipulated routes (Engineering News, 03/12/04).

- **Rail transformation, concessions and consolidation:** The process was initiated with a conference on concessioning in 1996, resulting in a discussion document being published. Thereafter a process of investigating the viability of concessioning options was embarked upon with the view to initiating a pilot project in 1997. The first phase of a two-phase passenger rail consolidation plan involving the merger of Metrorail and the South African Rail Commuter Corporation (SARCC) has been implemented, along with the formation of an interdepartmental team comprising all key entities, chaired by the Department of Transport. A transitional regulatory authority (TRA) to exercise some regulatory oversight functions is being established along with a new rail economic regulator dispensation.

- **The maritime transport policy:** In terms of a maritime transport policy it is understood that the DoT plans to present a comprehensive strategy at the South African maritime conference in March 2005. It is envisaged

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that this would include strategies with regard to the possible privatisation of cargo handling facilities, which would have implications for Cape Town.

- **Other National Projects:** Other National projects in the transport context include the Arrive Alive campaign and the Mobility with safety, the national bicycle programme, Shova Kalula.

4.2. National Agencies

The national transport dispensation and governance structures encompass a wide range of National Agencies involved in aspects of the transport dispensation. These agencies have diverse powers, functions and roles. The key agencies under the auspices of the National Department of Transport are listed and briefly introduced in Attachment I. These agencies generally have functional autonomy, but are guided through governance structures that ensure policy is informed and guided by government, effectively operating under the auspices of the national department of Transport. Accordingly, responsibility for the overall co-ordination of the agencies resides with the National Department of transport.

In a provincial context some key agencies are noted in terms of their roles and interaction with the province:

- The South African Rail Commuter Corporation is the statutory agent responsible for providing effective and efficient rail commuter services in the province and Metro. Accordingly this agency plays a key role in the provision of a major component of the provincial and metro public transport dispensation. Increasingly the Transitional Regulatory Authority (TRA) being formed will also start to exercise some regulatory oversight functions along with the new rail economic regulator dispensation that is emerging.
- The South African National Roads Agency (SANRAL/ NRA) is responsible for the maintenance and development of the national road network in the

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Western Cape, (e.g. Components of the N1, N2, and N7). There is currently an initiative to explore the agency having additional components of the provincial road networks declared as national roads. In the Western Cape there are currently discussions on “upvolving” responsibility of a greater portion of the N7 to the National agency¹². The agency is also responsible for the oversight of the toll road plazas namely, the Huguenot tunnel, the Tzitzikama plaza (Note: Chapmans Peak toll road falls under provincial jurisdiction).

- The Urban Transport Fund has been utilised by the province for provincial urban transport projects, such as the extension of the Khayelitsha commuter rail line and the Mabopane station. It is understood that consideration is currently being given to funding of the Atlantis line and a commuter interchange to serve Parklands on the Northern Metro axis.
- The Airports Company of South Africa Ltd. (ACSA) is currently undertaking an upgrading of the Cape Town international facility in terms of the provision of airport services, retail activities within terminals and property activities. In this regard, plans are being tabled for a major commercial/retail development on the airport property that will have implications for transport infrastructure provision. In addition, interaction with the province and Metro with regard to a public transport system between the airport and City is being discussed between the Airports Company, the province and City
- The National Transport Information (NaTIS) is a system continually accessed by both the province and City, on a daily basis in undertaking their transport functions, particularly in terms of transport strategy and planning.
- The Road Traffic Management Corporation (RTMC) responsible for vehicle registration, traffic information systems, public communication and traffic and law enforcement. The RTMC established under a shareholder committee consisting of the national Minister of Transport, the provincial

¹² Considering a section of N7, Wingfield to Trunk Road 11 (near Garies), currently under the auspice of province

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Transport MEC's and the South African Local Government Association. As law enforcement is a provincial function and competency, the Provincial Department of Transport works closely with the agency giving effect to the policies. There are some issues in this regard between the National, provincial and District dispensations, as for example: In terms of overloading the province protects the roads on National behalf, undertaking the law enforcement at their cost (within the national framework), while income derived from fines goes to the local municipality.

5. PROVINCIAL TRANSPORT CONTEXT

In the Western Cape Provincial budget (2005/6) which focuses on growth, the departments of transport and public works have been allocated R1.7 billion, with R276 million being specifically set aside for addressing the backlogs in the provincial road network (MEC Finance- Business Report March 2005). A detailed breakdown of the provincial transport budget (2005/6) is provided in attachment III, providing details on the budget allocations between functions and allocations in terms of infrastructure priorities. (Refer to attachment III). It should be noted that the provincial transport budget has increased from less than R 350million to R1.7bn over the past five years. Department officials claim that now the budget is at a level that they can start effectively addressing the infrastructure backlogs¹³. In addition, a fuel levy has been accepted at the provincial level and now awaits the approval of national treasury, intended for the sustainable increase in spending on roads and associated infrastructure (MEC Finance- Business Report March 2005). The fuel levy proposals indicate levels between 10 cents and 50 cents/liter are being considered¹⁴.

¹³Noted in a work session with department officials, 04/05/05

¹⁴ In light of the recent fuel process it is probable that a levy would be introduced at the low end (10%)

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In accordance with the framework outlined in the Western Cape Provincial White Paper on Transport of 1997, in April 2002 the province re-established the Department of Transport and Public Works with three main branches: public transport, transport infrastructure and public works/property management. In 2002 the Provincial Department of Transport and Public Works developed a provincial vision for public transport and a five-year strategic delivery plan, providing direction and impetus to the transformation and improvement of the transport sector¹⁵.

The provincial transport vision being, *"An integrated, accessible, well managed and maintained transport system throughout the Western Cape, which is recognised as making efficient use of resources and being socially just, in a way that advances broader developmental aims and objectives"*. The provincial transport mission being, *"The delivery of an integrated, accessible, safe, reliable, affordable and sustainable transport system and quality infrastructure provision through socially just, developmental and empowering processes, to improve the quality of life for all."* (Quote, Provincial White Paper)

In addition, both the Provincial White Paper and the Strategic Delivery Plan stress the importance of public transport and that it should be given highest priority.

The Provincial Five Year Strategic Delivery Plan highlights the following eight key requirements for achieving the overall stated vision:

- ❑ Safety, Security and Enforcement of Public Transport
- ❑ Consultation and Communication (between all stakeholders, users and providers)
- ❑ Institutional Co-operation (between National, Provincial and local government)

¹⁵ The 2002 five-year plan is currently being succeeded by the 2005 five-year plan

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- ❑ Sustainable passenger rail services (safe and affordable, with adequate feeder services)
- ❑ Transformation of the Minibus Taxi Industry (addressing competition, routes, violence and compliance)
- ❑ Transformation of scheduled public transport services (emphasis on planning and co-ordination)
- ❑ Tourist, Courtesy, Staff and Metered Taxi Services (Addressing user requirements)
- ❑ Funding of Public Transport (sustainable sources of funding at all levels, including user charges and PPP structures)

Source: (PAWC- Five-year strategic plans, 2002 & 2005)

In its 2005/6 budget the Provincial Department of Transport and Public Works regard the following as the key external demands and challenges facing the provincial transport sector:

- ❑ The increased demand placed on transport infrastructure due to the immigration of families and individuals from neighbouring provinces and other countries;
- ❑ The under-performing public transport system, which requires a major overhaul in order to improve the access and mobility of the poor and become a realistic alternative to private transport;
- ❑ Limited resources to invest in transport infrastructure to address backlogs and emerging requirements, which demand exploring un-tapped resources and efficiency improvements;
- ❑ Intergovernmental co-ordination and relations, presenting both challenges and opportunities;
- ❑ Scarcity of skills and capacity in key technical areas, especially among Previously Disadvantaged Individuals (PDI's), also creating challenges to BEE requirements;

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- Stimulation of economic development through transport infrastructure and service delivery and introducing labour intensive methods of infrastructure delivery; and,
- World Cup 2010 transport requirements, specifically in terms of infrastructure and public transport requirements.

(Source: Provincial budget 2005/6, Vote 10, budget decisions, p664)

The province has also committed itself to promoting black economic empowerment and skills development through initiatives noted in the Provincial five-year Strategic Delivery Plan (2005) and Transport budget, Vote 10 (2005/6), such as:

- The implementation of the Department of Transport employment equity plan, particularly in terms of new appointments.
- Targeting the majority of the maintenance and construction projects undertaken by the province with the Expanded Public Works Programme, complying with the requirements of skill transfer and maximisation of work opportunities. For example it is planned that the Bredasdorp – Gansbaai road upgrade project will focus on creating work opportunities and facilitating BEE, with a total project budget allocated of R195 million
- Provincial commitment to black (BEE) and women economic empowerment is stated as a key objective within the provincial strategy and budget, specifically through the implementation of a revised and improved Preferential Procurement Plan – in accordance with the provincial Preferential Procurement guidelines and directives.
- The empowerment initiatives are being implemented as part of the community based programmes aimed to fulfill the goals of the iKapa Elihulumayo initiative, and include: The Technical Student Experimental Training programme; The Empowerment Impact Assessment; and The Corridor Development Programmes.
- The training and skilling of staff, particularly at the lower levels, through programmes such as the Learnerships with the Construction Education Training Authority.

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- ❑ Increasing the number of Learnerships on the Contractor development Programme (currently 10 emerging contractors).
- ❑ The empowerment of the mini-bus/taxi industry to promote BEE through training to support the envisaged tendering process for public transport contracts.
- ❑ A contract Mentorship Facility linked to training sessions on procurement, aimed at supporting emerging contractors to tender and contract effectively.
- ❑ A structured finance facilitation agreement, between established banks and the department, provides a guarantee financing support programme for a limited number of contractors who have been awarded contracts by the department.
- ❑ Support of the Expanded Public Works programme through the roll out of building and preventative maintenance programmes, to focus on increased labour-based and skills transfer methodologies.

The local authorities (District municipalities and municipalities), including the City of Cape Town also subscribe to and support these BEE and skills development programmes, along with their own commitments to employment equity and preferential procurement and empowerment.

The Cape Town Metropolitan Area is provided with the basic elements of a formal public transport system consisting of passenger, rail and bus systems and augmented by an (informal) minibus-taxi system. The formal services are being subsidised through contracting arrangements with Metrorail and bus services, e.g. Golden Arrow.

The existing public transport system does not address either the commuter and/or inner-city public transport needs adequately. The City Metropolitan Area, has a population of about 3 million people - 66% of the population of the Western Cape, residing in an urban area comprising less than 2% of the total area of the Province, and translating to a population density of 1 200

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persons per square km. In addition, it was estimated in 2002 that the Metro provided an estimated 1,15 million, or 61%, of the jobs in the formal economic sector, and accounts for 51% of the income generated within the Province (City of Cape Town IDP, 2004). The spatial separation of work and residence places has resulted in many commuters traveling large distances between home and work resulting in implications in terms of both time and cost (refer to Attachment IV, summarizing transport components of the StatsSA household survey on travel times and a FutureLead survey on travel costs). It is estimated that the Cape Metro area houses some 37% of the population but contains over 80% of all jobs, resulting in high levels of congestion on all access corridors to the Cape Town city centre. Over the past 10 years, daily commuting traffic has increased by an average of approximately 50 per cent (City of Cape Town IDP, 2004). Disparities exist in respect of spatial structure and residential planning, many which generally pertains to historic development based on political decisions and that has been perpetuated by economic realities. This distortion places particular challenges on the Metro transport requirements. The review identified a number of initiatives that have and are being undertaken to address these challenges, such the Philippi development/transport corridors (Lansdowne corridor and more recently the Klipfontein corridor project), the upgrading of the Claremont intermodal interchange (rail & taxi facilities), and discouraging the use of private cars through the introduction of parking meter controls (enforcement through privatisation) etc. The initiatives to facilitate a move from private cars to public transport are constrained until there is a viable public transport option that is perceived as being reliable and safe. Key trends in the City daily transport service noted in the City IDP include:

- A decline in Rail usage of 10% from 1997-2000, despite significant increases in population (779 715 in 1997 to 698 907 in 2000).
- An increase in bus users of 42% from 1997 –2000, predominantly reflecting growth in distribution on the township to City routes, while other routes were rationalised (119 187 in 2002 to 187 935 in 2003).

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- An increase in mini bus taxi of 20% from 1997-2000, largely reflecting the growth in the township populations (270 607 in 2002 to 325 598 in 2003).
- A large number of people, especially in poor areas, walking long distances to bus stops, stations or access to public transport, to change modes several times, pay multiple fares, while without safe facilities and/or environment.
- Experiencing longer peak traffic patterns (morning, noon and evening), resulting in longer traveling times with increasing and aggravating congestion.

(Source: Cape Town City – IDP, 2004)

The City has been working on approaches to address the challenges of congestion for the past decade and has resolved to support the joint initiative and the development of the Mobility Strategy. Key projects outlined as priorities in the IDP include:

- *Mobility Strategy:Phase 1: Cape Town CBD – Klipfontein Road – Khayelitsha Corridor*
- *Facilitate the establishment of a public transport entity to ensure the integration of operators, as well as involvement of the private sector and to work towards the establishment of a Transport Authority*
- *Enable and support job creation through Vukuhambe and public works initiatives*
- *Upgrading and improving road linkages in townships, informal settlements and deprived areas by prioritizing public transport and Non-Motorized Transport links.*
- *Upgrading and improving public transport facilities and related infrastructure, e.g. (Smartening Programme for existing Taxi and bus facilities).*
- *Implementation of low cost mobility initiatives in the form of cycle and pedestrian facilities and linkage to public spaces and prepare for the Velo Mondial Conference in 2006, which Cape Town is the host.*

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- *Roll out of CCTV surveillance network in areas of need, prioritizing public transport and Non-Motorized Transport infrastructure and services.*
 - *Dedicated communication and Marketing Programme*
- (Quote: City of Cape Town IDP, 2004)*

In addition, the Western Cape and Cape Town specifically have introduced dedicated Rail Police to curtail the crime experienced on the Metro rail services and at the modal interchanges (stations).

The implementation status of the above mentioned initiatives will require assessment as part of the MEDS formulation.

With respect to fostering effective communication between the National, provincial and local government (district, municipal and City) transport practitioners there are a number of key committees, namely:

- MINCOM: Committee of transport Ministers (MEC's) representing the provinces.
- PROVCOM: Committee representing the "political" stakeholders from districts within the province, such as Mayors, Councilors.
- COTO: Committee of Transport Officials from the provinces and chaired by the Minister (MEC), with a number of sub-committees in functional areas.

6. PUBLIC TRANSPORT

6.1. Safety and security

Key challenge is to address safety and security issues pertaining to public transport, particularly at modal interchanges, mini-bus taxis, trains and road safety on long journeys. The Department of Transport 2004 household travel survey indicates that mini-bus taxi commuters have a high level of dissatisfaction with safety (67% of commuters) and poor roadworthiness

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(59% of commuters). Importantly, more than 50% of mini-bus taxi commuters surveyed were totally dissatisfied; crowding and driver behaviour. The delays in the re-capitalisation process have also resulted in the government extending the period for mini-bus taxi compliance with the full spectrum of safety regulations by at least four years (Business day: 28/11/03). It is evidenced that the province has made significant steps to address these challenges over the past few years, such as:

- Initiating a process of soliciting co-operation with public transport operators, local authorities and the SAPS on developing and agreeing to joint strategies to ensure the protection of passengers from crime and violence on trains, buses, minibuses, metered taxis, tourism transport vehicles and at interchanges. It is understood that a joint management structure has been established involving the Department of Transport and Public Works, the Department of Community Safety and South African Police Services, together with each appropriate local structure for this purpose. In the case of passenger rail, the province has strived to facilitate the required support and commitment from the South African Rail Commuter Corporation and Metrorail
- Developing capacity through soliciting the appropriate resources, including human resources, surveillance equipment and other facilities.
- Supporting the introduction of crime prevention officers with mandates and/or functions to police public transport, for example, the introduction of a visible presence of station and train guards, and the municipal police under the auspices of City Improvement Partnership.
- Ongoing liaison and negotiation with taxi associations and operators, resolving the areas of contention pertaining to issues such as routes, licensing, capitalisation, competition and subsidisation.
- In terms of infrastructure requirements to address safety and security, a number of initiatives were noted in the literature review, including: The upgrading of taxi ranks (terminuses), some rolling stock upgrading by Metrorail, the securing of stations and terminuses and the planned role-

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out of the taxi-capitalisation programme by national Government (scheduled for 2005).

- Establishment of public transport safety officers – evidence of plans, but unclear on progress.

6.2. Scheduling of services (dedicated & integrated)

The establishment, scheduling and administration of integrated passenger transport services facilitating ease of mode change has been a stated objective of the provincial department, since the drafting of the five-year plan. The review indicated that progress in this regard has been limited, with the current focus on addressing the critical issues within the respective modes. This remains a major challenge that will need to be addressed to ensure a sustainable and effective public transport system.

In the provincial and particularly the Cape Metropolitan area, rail is an important component of the public transport system, arguably the backbone. Administration, management, operations and funding are currently in part a responsibility of national government through the SA Rail Commuter Corporation, with the operation of the suburban rail services outsourced to Metrorail. The formalisation of the minibus-taxi industry remains in terms of the recommendation of the National Land Transport Transition Act a key area of responsibility and activity under the Province, with the re-capitalisation of the minibuses a national programme.

Continued co-operation between national bodies and the province and/or greater devolution of operational and delivery responsibilities to the province will be critical to enable the establishment of a dedicated, scheduled and integrated public transport dispensation.

It is understood that the current subsidy system is to be revised. Although commuter taxi services are not currently subsidized, taxis are used by about

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68% of current commuters. It is uncertain whether more commuters will use bus and rail services if the latter were more efficient. The revision of the public transport subsidy system that is underway will also underpin the merger of Metrorail, Shosholoza Meyl and the SARCC. This merged entity will reside under the DoT, allowing Spoornet to concentrate on the core business of freight logistics.

At a local level (district) there are initiatives to address the public transport services, specifically through focusing on the scheduling of services. For example within the Breede River district there is an initiative to address the provision and scheduling of public transport within Worcester and Ceres (Winelands District IDP, 2004).

6.3. Stakeholder participation

The five-year strategic plan highlighted the need for greater involvement of users to be involved in decisions on the type and form of public transport, which directly affects them. In this context, the concept of a social transport charter was noted. Historically, public transport in the Province has been largely operated through national government agencies and the private sector with limited direct involvement from the Province and/or local authorities within the Province. For example, rail-based public transport being the responsibility of the South African Rail Commuter Corporation and bus and taxi operations the domain of the private sector with limited influence though contracting mechanisms. At an operational level in accordance with the National Land Transport Act (2000) the regulation of the bus and taxi industry in terms of the operating licenses should be informed and undertaken by the respective municipalities. In addition, in terms of the National Land Transport Transition Act (2000), the Province and local government structures have an obligation to consult with stakeholders in order to plan for appropriate public transport systems to address their needs, guided by the needs and preferences of the users.

The review suggested that there was a need for continued and more focused efforts to engage stakeholders in developing and communicating an integrated and scheduled public transport system.

It is contended that the formal scheduled services (rail and bus) do not address the requirements, being largely geared to routes and peak times where passenger loads can be assured, leaving non-peak requirements and lesser-used routes without regular services. It is widely accepted that there are high levels of user dissatisfaction specifically indicating the lack of adherence and/or operations in accordance with fixed routes and/or timetable, as acknowledged in the provincial five-year strategic plan (2002). The IDP's in rural municipalities highlighted as priorities the absence or lack of adequate public transport systems. This was confirmed in a recent LED survey conducted in the Drakenstein municipality amongst key stakeholders, highlighting the lack of public transport as an obstacle to local economic development. In most places where rail services exist they provide predominantly for long distance movements between major towns/destinations.

Ultimately the public transport system must serve the needs not only of the metro, but also provide an affordable service to the outlying rural communities. In the context of the metro the system must provide a viable alternative to the use of private cars.

6.4. Minibus taxis

The minibus-taxi industry developed dramatically from the mid-1980s nationally, with the Western Cape's growth taking place predominantly in the 1990's. The provincial mini-bus fleet is estimated to be in excess of 10 000-minibus vehicles, excluding the internal township "chories" (WC Five-year strategic delivery plan (2002), delivery plan 9). A structural problem with

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the mini-bus taxi industry is that it has largely evolved to suit the needs of operators and minibus taxi owners and their associations, rather than the passengers. Accordingly, the services offered focus on high-volume lucrative routes and times of the day when income can be maximised. In addition, the industry is over traded resulting in intense competition, based on control of routes and rights rather than a service and cost based customer choice. This competition for custom is a major contributor to the mini-bus taxi violence that has periodically surfaced in the province, which creates fear and disruption for passengers. As recently as March 2005 this violent competition for custom has been dramatically evidenced in the shootings that have occurred in efforts to secure new lucrative routes around the Cape Gate development.

In addition, significant portions of the minibus taxi services operate in direct competition with scheduled bus and rail public transport services. It is argued by operators that the "subsidised" rail and bus services are eroding the viability of these services, impeding investment into vehicles (maintenance), forcing traffic violations (overloading, speeding etc.) and contributing to service level decline.

The informal nature of the industry resulting in relatively loose associations, has made it difficult for the industry to effectively self regulate and/or government to consult in terms of compliance and industry transformation. In addition, the majority of mini-bus taxis are not owner driven, but rather drivers are employed on employment practices that result in unacceptable and dangerous driving habits to earn a living.

Attempts to regulate and control the mini-bus taxi industry in terms of licensing and permits have been problematic. It is unrealistic to expect an Operating Licensing entity to grant approval of applications on a basis of market requirements. Accordingly licenses have been granted on the basis of compliance to specifications (e.g. Vehicle & driver fitness) resulting in

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permits being issued in already over-traded markets. Similarly the granting of permits for a specific route draws the authorities into the turf battles between associations and operators.

There have been a number of initiatives to address the challenges facing the mini-bus taxi industry, including the following noted during the review:

- Implementation of improved processes for applications of Operating Licenses, coupled with the "Be Legal" awareness campaign.
- The mobilisation of funds for capacity building, training and economic empowerment to the industry, currently being incorporated in the mini-bus taxi recapitalisation initiative.
- Initiatives to address the permit issues, particularly enabling the provincial administration of operating licenses on a route-based approach.
- The National Department of Transport and the Department of Trade and Industry's planned minibus taxi recapitalisation process, scheduled for initiation this year (2005). It should be noted that the review exposed widespread concern that the capitalisation process required total buy-in from all operators. There is a concern that this total buy in may not be achieved, and that the initiative could ultimately be compromised. The Minister announced at the end of last year that the previous project had been discarded and that a new programme would be implemented in 2005/6 over a seven-year period. This programme will enable mini-bus taxi operators to now buy any vehicles of their choice that conformed to a new set of standards, with once-off scrapping allowance of R50 000 per vehicle (Engineering News, 03/12/04). It is also understood that there is currently a socio-economic review being undertaken of the taxi recapitalisation project. The review encompasses an audit of the industry and skills and an assessment of the possible impact of the recapitalisation implementation, specifically in terms of potential job losses and the socio-economic consequences thereof¹⁶.

¹⁶ The socio-economic review project is been undertaken by consultants, Kuthale Projects.

6.5. Bus services

The scheduled bus services in the Province, particularly in the Metro, have declined dramatically over the past decade in terms of the extent (coverage) of routes, frequency and quality of service. This has been largely due to the impact of the increased competition from mini-bus taxis, which have provided a convenient alternative. Accordingly, declining passenger numbers has impacted on profitability and the ability of the bus service to sustain routes and service levels. The age and condition of the fleet of buses has also been an area of concern, with replacement and maintenance being neglected, arguably due to the decline in profitability. In addition, the enforcement of vehicle fitness (roadworthiness) has historically been inadequately applied in the Province, resulting in public transport operators providing illegal and not roadworthy vehicles. This applies to both mini-bus taxis and scheduled buses, as evidenced with a number of news media articles over the past few years highlighting the lack of licensing and/or maintenance of scheduled buses and mini-bus taxis.

The scheduled bus services currently offered in the Cape Metropolitan Area, are provided on a contract basis by a private sector service provider, Golden Arrow. There has been a process to establish interim arrangements on a sound-contracting basis, to ensure the service (user) requirements are adequately addressed and the formats for subsidy payments are adequately specified¹⁷. It is understood that this process was impeded through legal action by the service provider, Golden Arrow, on the grounds of non-compliance with the National Land Transport Act. There has historically been widespread frustration with the industry operating in a vacuum because of an inability to resolve the contracting framework (Business Day: 08/04/ 03).

¹⁷ Problems have been experienced with regard to: Routes being curtailed based on the contractors commercial consideration, while not adequately reflecting the service requirements; and, with regard to substantiation of subsidy claims (pertaining to pricing formats and passenger numbers).

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It should be noted that recently a BEE group, Hosken Consolidated Investments, acquired the entire shareholding of the Golden Arrow bus company and it is understood has secured the continuation of contracts across the Cape Peninsula, Cape Flats and unified City of Cape Town, transporting an average of 180 000 people per day (Hosken company profile, 2005). It is understood that the contract operates on a recoverable discount system based on clip cards operated in collaboration with a government-administered fund. The company has also invested in 40 MAN explorer vehicles over the past year (Golden Arrow web; www.gabs.co.za).

There have been ongoing tensions between the scheduled bus services and the mini-bus taxi operators. The mini-bus taxi operators view the scheduled bus service as unfair competition due to the effective subsidy the bus service provider receives. This competition has been accompanied by sporadic violence and intimidation, particularly during the impasse with Golden Arrow a few years ago resulting in bus drivers being targeted. The incidence of fraud and corruption against Golden Arrow management pertaining to contract claims brought the service contract issue to a head.

The contracting arrangements for the provision of scheduled bus services remains a challenge in terms of finding a resolution to the issue of bus vs. mini-bus taxi subsidization, coupled with the challenge of providing scheduled services in off-peak times and/or on unprofitable routes. It is envisaged that the mini-bus taxi recapitalisation process will partly address the challenge of competition and equitable distribution of public sector support to the respective service providers (scheduled bus & mini-bus taxi).

It is understood that the Province is currently establishing about 20 negotiated local area and corridor contracts replacing the historical Interim Contracting dispensation. In addition, further contracts are to be considered to address the district municipal areas. A review of the IDP's from a number

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of the district municipalities highlighted the rural transport challenges and the need for scheduled transport services in this regard.

Other key initiatives noted in the review of public transport service provision include the following:

- Fostering greater compliance to road safety and traffic rules
- Initiatives towards establishing an integrated public transport management system across the province, incorporating the metro and outlying districts.

6.6. Passenger rail

The South African Rail Commuter Corporation (Sarcc) transports about two million people daily from 374 stations with 4500 coaches, applying a total asset value of R5 billion (SARCC annual report, 2002/3).

The legacy of the rail system being owned by the SA Rail Commuter Corporation and being operated under contract to the SA Rail Commuter Corporation by Metrorail has impeded the Provinces' ability to effectively integrate the commuter rail system within the overall public transport dispensation. The recent consolidation involving Metrorail and the SARCC should alleviate some of these challenges. Undoubtedly, the problems experienced within the rail service of safety and security on trains has led to a significant loss of patronage to road-based public transport, particularly to private cars in the more affluent communities (e.g. Southern Suburbs line) and mini-bus taxis in the less affluent communities (e.g. Cape flats lines). In this regard it is interesting to note that in 1982 about 45 million passengers traveled on the long-distance rail network per annum and by 2001 this had dropped to 4.2 million pa (Business Day, 23/03/01). In this context, it is interesting to note that of the R 29.7bn total spend on transport by tourists (domestic and foreign) in 2003 only R 0.75bn was the estimated spend on rail (2.5%) (Strategy Partners; 2004). In addition, the capital replacement

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and operating costs, particularly in terms of maintenance as a result of vandalism and cable theft have resulted in the loss of valuable assets. Currently the SARCC is overhauling, improving and/or modernising about 380 coaches a year, with a significant portion as a result of vandalism (Engineering News: 22/11/04). This has also increased the need for increased security not only to protect the users, but also the rolling stock and rail infrastructure.

SARCC long-distances services are estimated to have transported about 500 000 luxury-class passengers in 2003¹⁸. The SRCC especially targeting the blue train services among high-income travelers. The long distance trains currently operate at 90% capacity and (given current capacity is maintained) this market segment is expected to remain relatively constant in future.

Statistics provided by the SA Rail Commuter Company indicate that the Western Cape passenger journeys (million passenger units – per individual one-way trip), has stabilised around 155 million passengers. There have been significant efforts made to improve the Metro rail service to attract customers back into trains. Unfortunately, these efforts are continually undermined by incidents of crime and violence reinforcing the perception that trains are dangerous. This, coupled with increasing challenges to maintain a sustainable service in the light of problems such as cable theft, are undermining the efforts being made to improve rail services. Clearly the decline in the patronage of passenger rail systems must be curtailed through the elimination of anti-social behaviour, crime and theft inflicted on passengers and rail assets.

There are a number of initiatives underway to facilitate the integration of feeder services, to enable the interchange between road-based and rail-based public transport. (For example the upgrading of the rail, bus and mini-bus taxi terminus and interchange facilities in Claremont.) It is envisaged

¹⁸ This market segment size is a rough estimate based on SARCC passenger number statistics

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that the principles of intermodal change facilitation could extend to the introduction of integrated and exchangeable fare structures enabling the concept “through ticketing” to create more seamless travel.

6.7. Long distance road public transport

Long distance road public transport incorporates the inter-provincial services and the services connecting major centres within the province. The key components of these services are introduced below:

- **Inter-provincial services:** These services are between major centres within different provinces, such as between Cape Town and Johannesburg. These services are predominantly offered by private sector long distance luxury scheduled bus operators, linking the major metropolitan areas in South Africa (e.g. Greyhound & Translux). These services generally operate from the central city locations within the Metro area facilitating interchange with the rail network. There have been plans to relocate these interchanges to Philippi integrated with the Lansdowne corridor or more recently to a site in proximity to the airport. In addition, there are budget-bus (e.g. Blueline bus service) and mini-bus taxi services for a high volume weekend and holiday trade linking the “old homeland” areas such as centres in the Ciskei and Eastern Cape (e.g. Bisho & Umtata). These services address the needs of the predominantly poorer township communities within the province enable them to return for family gathering, ancestral lands and funerals. The budget -level buses use informal interchange facilities within the townships and on the outskirts of major towns. These interchanges are relatively informal and characterised by overcrowding and a lack of amenities (e.g. Langa/Epping and Khayelitsha Site C).
- **Intra-provincial services:** These services are between major centres within the Province, such as between Cape Town and George/Springbok.

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Long distance luxury scheduled bus services and minibus taxis offer these services.

- ❑ **Inter district:** There are intermediate services offered between towns in neighbouring districts, such as between Grabouw and Hawston/Hermanus. These services are predominantly provided by minibus taxis with local bus services being chartered for special events and holidays, particularly to resorts for club and church events.

The services provided by budget-buses and mini-bus taxis are not effectively regulated with vehicles in un-roadworthy conditions. The long distance rail passenger service has contracted servicing only niche markets along the Cape Town to Johannesburg/Pretoria line, with limited travel between major towns such as Paarl and Beaufort West.

Key challenges for long distance transport noted during the review include the following:

- ❑ Addressing the infrastructure needs of the interchange facilities for the mass budget-bus services, predominantly from the poorer township communities.
- ❑ Consideration for a major interchange facility to where passengers can interchange with all long-distance bus services and other transport modes (Air & rail). Currently it is understood that there are plans to consider a site with close proximity to the airport to facilitate tourists arriving at Cape Town airport and wishing to travel to other provinces and/or scenic routes (e.g. Garden Route & Agulhas Route).

6.8. Metered taxis

The metered taxi services currently are concentrated around the Metro, catering mainly for the overseas tourist market. They are regarded as being expensive in Rand terms and so are hardly used by locals. In this context they focus on the tourist and business niche markets and do not effectively

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complement the public transport system, as is the case in most city centers around the world. It is understood that despite the increases in the number of tourists visiting the Province and particularly the Metro the industry has seemingly not experienced growth accordingly. It was also noted that relatively few additional permits have been granted to prospective operators over the past few years. The growth has taken place in shuttle services being offered by major hotels and guided tour services. It has been suggested that the guided tourist services are also applying their vehicles to undertake traditional taxi type services to key destinations such as the airport – informal shuttle services. In theory these “informal shuttle services” are provided in contradiction to the industry regulations under the guise of providing either a tourist or courtesy services.

In conclusion, the metered taxi operators need to be encouraged to structure their offer to not only suit the needs of tourists, but to enable them to effectively fill the gaps in the local public transport market dispensation. A key requirement will be to address the excessive current metered charges in Rand terms.

6.9. Air passenger transport

South Africa has over 500 000 aircraft flights per annum, transporting over 21 million passengers. After Johannesburg, Cape Town international airport has the most number of flights and passengers, with aircraft movements exceeding 60,000 in 2004 (ACSA – website, 2005). South African Airways dominates the market, followed by BA domestic, kulula.com (15%); Nationwide (10%) and Sun Air¹⁹. Recently there has also been entry by budget airlines such as 1Time and kulula.com on the market.

¹⁹ Market share based on figures obtained from an internal Strategy Partners (FutureLead Associate firm) study of the airline industry (unpublished)

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Air traffic has shown tremendous growth over the past few years, due to both increased tourism (international & local) and business travel. ACSA projections see the total number of passengers at Cape Town International increasing from 5 million in 2003, to 6.5 million by the year 2004, and to 14 million by 2015 (ACSA – website, 2005).

A key constraint on South Africa's, and specifically Cape Town's, ability to capitalise further on the tourism market, particularly from Europe is restrictions in terms of flight numbers to and from the country. This constraint is a result of the bi-lateral agreements, which provide airline allocations (quotas). Currently SAA hold more allocations than they service, due the airline not being able to secure appropriate landing slots/allocations at major European airports, specifically Heathrow. Obviously, SAA is acting in its best interests, but the lack of seats available on international flights, particularly in terms of persons wishing to visit SA, is impeding the tourist industry and broader economy. It is understood that at a national level there is ongoing debate on these issues.

6.10. Other services (Tour, charter & courtesy services)

In the context of the importance of the tourism in the country, and more particularly the Western Cape, the tour coach/bus industry is vital to the economy. The tourism and hospitality industries are the major users of the tour, charter and courtesy services.

It is estimated that the tourism industry spending on all modes of transport was R27.7bn in 2003, comprising foreign tourists' spend of R10.9bn and 18.8bn on domestic tourism. A breakdown of the spending on charter coaches, Sheffield tours (national & regional) and car rentals is provided in the table overleaf.

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The scheduled regional industry tour/coach is relatively structured and organised with a representative body that ensures standards are maintained, particularly in terms of vehicle quality (maintenance) and service levels. Four large company groupings are active in this segment of the market in the Western Cape, namely the state-subsidised Autonet (Translux); Intercape, Greyhound and Luxliner. It is estimated that the larger companies represent almost 98% of the total market segment, with about 20 smaller intra-regional groups contributing the rest.

Transport type	Tourism industry spend (domestic & foreign) in bn Rands	Percentage by transport type
Chartered coaches	1.1bn	8.3%
National scheduled tours	1.0bn	7.5%
Regional scheduled tours	0.8bn	6.0%
Car rentals	10.4bn	78.2%

Source: Strategy Partners paper, The transport market that is "contracted out" in South Africa, with market sizes derived from passenger numbers, industry estimates from listed market players (annual) turnover figures and an internal study of coach operators.

On the other hand charter services are of an *ad hoc* nature and are offered by a variety of coach/bus and minibus owners, predominantly to provide groups with transport needs to and from sporting, recreational, social and business activities. The major chartered coach operations in the province are provided by Unitrans's MegaCoach and Mega Bus (R215m turnover in 2003) & Elwierda. In addition, there are a number of medium size operators also active in the province (about 15) and it is estimated that these operators contributed about 80% towards the total market²⁰.

²⁰ Estimates based on annual reports (Unitrans, Autonet), coupled with an internal survey by Strategy Partners (FutureLead associate firm) of coach operations in the province

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Courtesy services are provided by organisations and companies as a convenience to ensure personnel travel safely, generally to and from work. Generally these services are provided at no charge, however there is a trend for companies to reflect the cost as a salary perk. The application of courtesy services has increased dramatically over the past decade due to the lack of appropriately scheduled services (e.g. Metrorail discontinuing services) and concerns about exposure to crime during transit to and from work on other forms of public transport and at modal interchanges.

In conclusion, these services provide an important alternative, particularly to the business community, due to the lack of accessible safe and adequate scheduled public transport alternatives.

6.11. Road infrastructure initiatives

During the review the following major infrastructure initiatives and/or projects were identified:

- **Koeberg interchange:** It is understood that preparation work has been done for the upgrading of the Koeberg interchange. Although this interchange is regarded as one of the most pressing priorities in terms of city fringe congestion the cost estimates have curtailed all proposals to date. It is understood that the department is currently budgeting for this work and that the upgrade is again on the table.
- **Blouberg City access:** Development along this axis has been dramatic, placing major pressures on the existing road network. It is understood that the City and Province are considering alternative approaches to addressing the challenge. One consideration noted was the introduction of a rail system from a point in Milnerton, through Paarden Eiland into the City along existing rail servitudes. Media reports also exposed a private sector initiative being considered to introduce a water ferry shuttle from Blouberg to the City, but rough seas and capital mobilisation seem to be major obstacles.

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- **N1 Corridor Transit System:** It is understood that this project was initiated by the Province with participation of all key stakeholder groups, including the City, the Airports Company and developers along the corridor. The project aims to provide a public transport facility between the Northern areas, the City (Metro), the Airport, and linking commercial developments along the N1 corridor and within the City CBD. It is envisaged that such a public transport system would alleviate road congestion, particularly in terms of the interface with the City.
- **N2 Corridor Transit Lanes:** It is understood that the project involves the extension of the minibus taxi (MBT) lanes on the N2 from its current termination point at the M5, with a logical continuation towards the airport. It aims to improve the bus services making this form of passenger travel more attractive and thereby reducing the use of private cars and congestion accordingly. Currently the dedicated lanes increase the congestion flows at the point of termination as mini-bus taxis then cut across the traffic flow to get into faster flowing lanes, including the inside service lane. Other opportunities to introduce dedicated bus lanes are also being explored along the Sir Lowry and Klipfontein roads, with lanes already demarcated along some sections.
- **Toll roads:** The South African National Roads Agency (Sanral), mandated to develop and maintain the primary network, indicates that toll roads will form an integral part of investment into both new roads and road rehabilitation. The review noted that there are currently two additional toll roads being mentioned for Western Province, comprising:
 - The N1 – N2 Wineland toll highway, a connection between the N1 and N2.
 - The R300 toll (Two Oceans) highway, linking Blaauberg, Strand and Melkbosstrand on the West Coast with Westlake and Muizenberg on the False bay Coast comprising of 61km of highway.
 - It should be noted that Chapman’s Peak currently operates under provincial administration.

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- **Bus Stop Demarcation Project:** It is understood that the first phase of a project to identify the need to improve scheduled service bus stops has been completed in conjunction with the broader public transport restructuring initiative. Status on the implementation phases has not been established.
- **District initiatives:** The district IDP's noted a number of priority initiatives and projects pertaining to rural road infrastructure, such as:
 - The proposed new road to Agulhas to promote tourism and the linkage of marginalised rural communities. This initiative forms part of a broader tourism initiative to develop the Agulhas/Bredasdorp area as a premier tourist destination.
 - Linked to this development it is understood that approval is being sort (possibly granted) for upgrading the Bredasdorp Heidelberg road to a sealed surface to promote tourism in the region, specifically linking the De Hoop reserve and the historical pont crossing.
 - In the Central Karoo District the following priorities were highlighted and noted as initiatives in the pipeline: Upgrading of the Beaufort West, Kwa- Mandlenkosi bus route; The upgrading (sealed surfacing) of the road to Merweville; The upgrading of the Laingsburg main road. It is understood that this forms part of the overall N1 upgrade currently in progress.
 - Alternative alignment/upgrading of the Mossel Bay – Plettenberg Bay N2 route due to its important tourism role. It is understood that concerns about the economic impacts of town by-passes coupled with environmental concerns have to date impeded on this initiative being finalised. In addition, it was noted that the upgrading of the Touws River Bridge on the N2 was seen as a priority.
- **City of Cape Town initiatives:** During the review process the following key initiatives were noted within the context of the City of Cape Town:
 - The Inner-city Transport Project considering the feasibility of quality bus and light rail options to move people around within the City. The

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high capital costs associated with the initiative have to date curtailed it moving towards implementation.

- Rapid bus transit (RBT) system entailing a dedicated bus route from Khayelitsha to Mowbray, along with improved cycling and pedestrian paths. The Klipfontein Road corridor forms part of this overall initiative being undertaken jointly between the Department of Transport and Public Works and the City of Cape Town.

Sophisticated economic planning models inform decision making on infrastructure (road) investment, maintenance and construction. In the province an economic/financial system is applied (DTIMS)²¹, while at the City decisions are made in terms of the ME2 planning model. Both these modeling approaches consider variables reflecting for example, the state (condition), use (traffic carried), age (life expectancy), costs (operational, maintenance and replacement) and can even accommodate externality cost such as those related to congestion and accidents.

7. FREIGHT TRANSPORT

The review work focused on components of the freight transport industry that were relevant within the provincial context. Accordingly the report focuses on road freight transport with only limited content pertaining to maritime and airfreight. The discussion on maritime transport is focused on the port issues pertaining to the handling of freight.

The National Department of Transport is currently drafting a strategic framework towards “streamlining the National Freight Logistics System”. The strategy being developed builds on the foundation laid by Moving South Africa in 1998 and the policy framework provided by the 1996 White Paper

²¹ DTIMS is a “Datum Total Infrastructure Management System”

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on Transport. The draft report highlights the following trend and challenges in terms of freight transport:

- ❑ The challenges posed by globalization and the need for South Africa to improve its competitive position in the face of reducing international trade barriers.
- ❑ The unresponsive supply chain environment, which is characterised by a lack of flexibility to changing customer demands and encourages logistic costs to escalate. It is interesting to note that the cost of transport logistics accounts for 14.7% of GDP²², which is a third greater than the equivalent costs of major competitors.
- ❑ The freight industry structure is identified as a central contributor to industry constraints, in part due to monopoly control within certain modes (e.g. rail impeding on incentives to reduce costs and increase efficiencies) and poorly defined institutional relationships.
- ❑ The importance of the two most critical national corridors linking manufacturing and trading centres are highlighted, stressing opportunities for government to enhance performance to infrastructure investments. In this context the Gauteng – Cape Town corridor was cited as a key component.
- ❑ In terms of strategic options the draft report suggests that an option focused on enhanced competition, improved regulation and structural change along with greater customer orientation is preferable – termed the “high-road option”.
- ❑ The report highlights that ports, rail and secondary roads are poorly invested in and indicates that “R160 billion is required for capital expenditure over the next 15 years.” It suggests that this could be reduced through enhanced efficiency in service delivery and through public-private sector (PPP) participation.

(Source: NFLS draft report, 2005)

²² Source: CSIR, The first logistics survey for SA (2004)

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The Cape Town – Johannesburg corridor accounts for over 19 million tons of goods, of which 10% is export orientated and about 85% transported by road. The port provides the critical West Coast pole of the East-West axis. A key component of the port activity is the emphasis on perishable agricultural exports, which places increased demands on performance. A concern noted in the review relates to the lack of rail performance resulting in excessive road freight traffic and capacity limitations on the corridor infrastructure.

7.1. Land freight transport

Land transport characteristics have changed dramatically over the past few decades. Traditionally rail was the preferred mode of transport for the conveyance of goods. Over time road transport has become the preferred mode. This trend had taken place due to a number of factors, including:

- The lack of level playing fields between the transport modes, pertaining specifically to the recovery of the cost of infrastructure provision, management, operation, and maintenance costs. Simply, it is argued that road transport is indirectly subsidised as the full costs pertaining to infrastructure development, management, operation and maintenance are not fully recovered through user charges.
- Road transport provides greater flexibility, particularly in terms of a door to door reach, limiting the modal changes required. Rail transport is confined to operating on fixed tracks (routes) often necessitating modal changes.
- It is evidenced that poor operational performance and a lack of customer /service orientation has also historically impacted on the ability of rail to retain market share. General perceptions pertaining to lack of adherence to time frames and service ethics were noted during the review.

The National White paper on National transport Policy clearly states that the “Government will strive to level the playing fields to enable fair competition

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between the various modes” (Quote: White Paper on National Transport Policy, 1996).

From a provincial perspective a key concern is the deterioration of road infrastructure caused by land freight haulage, particularly in terms of overloading. In this context, effective law enforcement is essential to protect the road infrastructure and ensure equitable competition within the road freight industry. The review noted a general perception that despite the increased efforts made by the provincial traffic authorities to address the problem of overloading it remained a common practice, in part due to the intensely competitive nature of the industry.

7.2. Ports

Cape Town has one of seven ports in South Africa and handles high volumes of container and high value commodities/products. In addition, the province has Saldanha Bay, which has a primary export product orientation (Iron ore & Saldanha Steel related products). Currently Coega, a new port is being developed in the Eastern Cape, with the intention of handling large vessels and containers. Once established the impact on the flows through Cape Town are not expected to be significant, as Coega is to generate its own freight flows, largely through new investment in local industries it attracts, and in light of the ports also respectively serving different hinterlands.

The port is operated by SA Port Operations (SAPO) a division of Transnet. The National Ports Authority (NPA) a division of Transnet provides landlord functions to SAPO and as such is responsible for the infrastructure planning, including the proposed extensions to the container berth in Cape Town. In 2002 the ports collectively handled 162 million tons of cargo, with Cape Town handling just under 8 million tons (NPA- Statistics web; www.npa.co.za).

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Ports productivity in South Africa as a measure of efficiency is very low compared to international benchmarks (NFLS Draft report, 2005). This is evidenced by the container handling rate at Cape Town being less than 17 per hour and, with the SA National Ports target of 20 per hour against an international benchmark recommended of over 25 per hour (Cape Times, 28/04/05)²³. Cape Town, as is the case with other ports requires substantial investment in infrastructure to address both historical shortfalls and CAPEX to address market demand. Within the current dispensation it is difficult for port management to respond directly to market needs in terms of functions and responsibilities established in the NPA legislation. Port operations are also lacking in port and logistic specialist management expertise impeding on performance, exasperated by container terminal constraints. Key implications of these inefficiencies manifest in delays with truck queuing for hours outside the terminals and high costs of service charges (e.g. Cost comparisons reflect a cost of R 2 500 to unload a container in Cape Town against R 500 in Bristol UK²⁴).

It is understood that the NPA have earmarked expenditure of R12bn over the next five years, but Durban Container terminal and Richards Bay Coal Terminals seem to reflect greater priority over Cape Town (NPA-Development Framework – 2003). The first R2 billion has already been allocated for the container terminals (Engineering News: 14/03/05). The NPA has undertaken preliminary planning work towards the expansion of the Cape Town container facility (refer to NPA – Development Framework – Cape Town, 2003). The review could establish no clarity on time lines with regard to the expansion of Cape Town’s Container terminal. The Cape Town Port and container logistics are also impeded by the lack of adequate container storage capacity at the point of application.

²³ Japan currently achieves a container handling rate of 47 per hour

²⁴ Source: Cape Times, 28/04/05

7.3. Rail freight

The South African rail network operated by Spoornet carries over 180 million tons of cargo annually. Mining cargo, predominantly primary product (ore) accounts for about 122 million tons, with the balance constituting 57 million tons of general freight. (Spoornet Business Plan, 2003/2004). Spoornet (rail) has lost general freight volumes to the road freight sector, predominantly reflecting higher value commodities (NFLS Draft Report, 2005). The main reasons for the loss of market are founded in the condition of the asset base and lack of performance and market orientation within Spoornet operating in rail monopoly type structure. The reliability of rail was shown in the results of a CSIR rail customer survey to be the most important challenge facing the rail freight sector in South Africa (NFLS- Draft Report, 2005). In addition, the skill levels of Spoornet employees were found to be lower than those of their international counterparts (NFLS –Draft report, 2005).

The Department of Transport ascribes the problem to “a lack of point-to-point infrastructure, as well as out-dated managerial and operational systems”. A few pilot projects have been identified by DoT as starting points to review the causes and consequences of the bottlenecks along the logistics chain and to prescribe remedies. Currently, the Gauteng-KZN corridor has been identified as an important pilot project; where after attention will shift to the Cape Town-Beit Bridge and the Gauteng/TransKalahari corridors.

The provincial situation is a reflection of the National picture, largely due to Spoornet operations being national. A local economic development survey and stakeholder interviews with business leaders, conducted by FutureLead in the Drakenstein Municipality, confirmed the perceptions of dissatisfaction with rail operations, particularly in terms of the lack of reliability of critical importance in the case of perishable products. (FutureLead - Unpublished survey 2004).

7.4. Road freight

About 647 million tons of road freight are moved annually in South Africa, with about 29% in terms of tonnage moved by operators for reward and the balance reflecting in-house movements (internal movements within companies, subsidiaries & organization - SA Year book, 2003).

It has been estimated that between 70% and 80% of freight in South Africa is moved by Road due to the perceived flexibility of road over rail transport. The road freight industry is extremely competitive. Interviews conducted with a number of firms operating at a national level in the road freight industry indicated that margins and profitability had been eroded in the sector over the past few years (FutureLead – Unpublished survey, 2004). As a result of intense competition the operators are adopting performance improvement enhancements, such as:

- Technologies to monitor driving performance to minimise fuel and maintenance costs.
- Scheduling technologies to optimise fleet utilisation.

The performance of the sector is solid, with a number of major freight operators being based in the Province, with many based in rural municipalities, such as the Paarl, Wellington and Ceres. Other than intense competition, key challenges facing the industry include the following:

- Lack of sufficient law enforcement to ensure market equity, preventing overloading and non-compliance with safety regulations.
- A shortage of skilled drivers within the province, noted by industry leaders a major constraint (FutureLead – Unpublished survey, 2004)
- Concerns pertaining to social issues that impact on resources in the sector, including the prevalence of AIDS.

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- Competitive and employment pressures forcing drivers to work extended hours resulting in fatigue and accidents (Statistics indicate increases in the fatality rates).

From a provincial context a key concern is the overburdening of the road network and the financial consequences thereof. Clearly efforts need to be made to:

- Lobby at a National level for the required structural changes that are needed to achieve relative equity between the transport modes (Rail and Road) in line with the National objectives and policy outlined earlier.
- Improve provincial law enforcement to prevent illegal/unsafe transport practices, particularly overloading.

Obviously, the proposed introduction of a provincial fuel levy could have an impact on the industry. However, analysis on the implications of the fuel levy by Stellenbosch University indicate that these impacts are likely to be relatively inconsequential (US – Fuel levy report, 2003).

7.5. Airfreight

The South African freight airport network consists of three core airports (Johannesburg, Cape Town and Durban), with seven regional airports (Bloemfontein, East London, George, Kimberly, Pilansberg, Port Elizabeth and Upington). These facilities collectively handle over 500 000 aircraft flights, moving about 455 thousand tons of airfreight, annually. The majority of the airfreight is moved by scheduled passenger services (80%-90%), with the balance by airfreight services. Johannesburg is becoming a major cargo hub in Africa handling over 230 thousand tons of cargo. Cape Town in contrast only handles about 54 thousand tons annually.

A key challenge in the South African airfreight industry pertains to the configuration of the passenger airlines, with a cargo passenger split of 20/80

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against international norms of closer to 50/50 (NFTS-Draft Report, 2005). Obviously this lack of dedicated freight space on passenger flights places pressure on the airfreight industry, intensifying competition for space. High value products and high value perishables account for the majority of airfreight, such as diamonds. In the provincial context high value /perishable agricultural products (cut fresh flowers and niche fruits markets, e.g. table grapes, (within market windows), high value automotive/machine parts and pharmaceutical products are dominant. The Provincial air freight movements are generally to Johannesburg or to European destinations (e.g. cut flower markets).

8. KEY TRANSPORT REQUIREMENTS

8.1. Socio economic requirements

As has been evidenced in earlier sections of this paper from a socio-economic perspective the key requirements of a transport dispensation in the Western Cape, principally revolve around the requirement for an affordable, integrated and scheduled public transport systems, both in rural and urban contexts. The key requirements emerging, incorporating the following:

- Rural context, public transport infrastructure (e.g. bus and mini-bus/taxi) comprising scheduled services on routes linking rural communities, particularly the poor, to socio services and amenities in the rural centres (e.g. schools, medical facilities, retail facilities, etc.).
- Urban context, providing public transport infrastructure to re-dress the inequitable distribution of economic activities and social services in the context of the spatial patterns of residential areas (e.g. Township poor being physically distanced from the Urban centers). As evidenced earlier in this paper this spatial pattern imposes long traveling distances and at proportionately high costs on the City's poor, which is exasperated by the fragmented public transport system. Accordingly, the requirements are for an affordable and safe integrated public transport dispensation comprising efficient application of modes (e.g. Trains (MetroRail), buses, mini-

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bus/taxi, pedestrian) and inter-modal linkages connecting communities to the centres providing social amenities and commercial and industrial requirements. In this context, the City of Cape Town has noted that the lack of transport infrastructure linking these communities, due to inadequate public transport as key challenges facing the City.

8.2. Economic (sectoral) requirements

With reference to the sectors and/or sub-sectors in the provincial and City economies identified as having high growth prospects in sub-section 2.2 the following sectors, sub-sectors and/or niche industries are expected to contribute to economic growth over the next five years:

- Tourism (including hospitality and catering); Financial services (insurance and banking); Information technology; Communications (call centres); Oil and gas; Construction (including transport infrastructure).
- Export orientated sectors/industries Agriculture (including niche fynbos products); Agri-business (including beverages -Wine).
- Specialist niche industries in Health (i.e. Medical services) and Film and Media (i.e. Provincial film studio initiative); Fashion clothing; Jewelry; Biotechnology; and Call Centres.

In addition, the Small and Medium and Micro Enterprise sector (SMME) plays an important role in the provincial economy, and expected to continue to display significant growth (e.g. Tourism, trade, catering and textiles). This growth also is being supported by national and provincial policy, particularly in terms of Black Economic Empowerment (BEE).

For illustrative purposes the table below lists some key economic sectors, sub-sectors and/or niche industries, highlighting important transport aspects that are and/or could be a constraint to economic development.

Sectors, sub-sectors and/or niche industries	Key transport related constraint(s)
Tourism	<ul style="list-style-type: none"> ❑ The need for a safe, reliable public transport system (comprising all modes e.g., rail, bus, coach, mini-bus/taxi, car rental) with efficient inter-modal changes. ❑ The need for more flights (seats) to be available for tourists to come to the Cape, particularly from Europe.
Oil and gas	<ul style="list-style-type: none"> ❑ The need to improve ports efficiencies, productivity and competitiveness of the port, particularly in terms of infrastructure and port service (training of workforce required)²⁵. ❑ Rehabilitate berth for a base for Oil & Gas industry²⁶
Communications (Call centres)	<ul style="list-style-type: none"> ❑ The need for safe and reliable transport to move staff to and from work on a 24/7 basis.
Hospitality and catering	<ul style="list-style-type: none"> ❑ The need for safe and reliable transport to move customers to hospitality/catering venues over extended hours (particularly at night) and staff to and from work on a 24/7 basis.
Export/import based production/manufacturing	<ul style="list-style-type: none"> ❑ The need for efficient and effective transport infrastructure to move product, to import and export product. ❑ The key constraints being the inefficient rail services, ports services and air freight capacity availability.
SMME and BEE	<ul style="list-style-type: none"> ❑ The need for safe and reliable transport to move product, inputs, goods, required for SMME's without own transport capacity (vehicles). ❑ The need for safe and reliable transport to enable customers to access SMME premises.

In conclusion, clearly transport has an important role to play in enabling the Western Cape economy to perform to its inherent economic potential. In developing economic strategies over the past five years both the Province and City have identified transport provision (services and infrastructure) as a key competitiveness factor. For example, in producing its economic trends and prospects in 2001 the City of Town identified four

²⁵ Source: H . Jonker, “Offshore Oil and gas report to NPA”, section 7.3

Port operations

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competitiveness factors of which the need for infrastructure investment is highlighted, with transport infrastructure being a prominent factor (City of Cape Town: 2001).

9. CONCLUSION AND WAY FORWARD

The objective of this report was to access documentation on the transport industry, in order to contribute towards informing the development of a micro economic development strategy. It is primarily a synthesis of documentation on the industry, focused on a literature and desktop review of policy and key projects/programmes.

The purpose of this first report is therefore to lead into part 2 of the study, which would involve interaction with stakeholders and key role players in the transport industry. This stakeholder interaction will focus on confirming the review findings and gaining insights into stakeholders' views on microeconomic constraints to the transport industry in the province.

A number of key challenges and issues have emerged from the study, summarised as follows:

- The urgent need to improve **passenger commuter services** both within the metro as in rural areas to ensure greater efficiency of movement and reduce constraints on mobility.

- Applying dedicated attention to the **determination of logistics costs** in order to identify measures required for reducing the transport cost component of conducting business in South Africa across the board and in all sectors of the economy.

²⁶ Offshore oil and Gas report suggests the rehabilitation of A-Berth in the Port of Cape Town

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- Improving **roads infrastructure** to meet the demands of the growing Western Cape economy, as well as to address socio-economic needs in less affluent communities (e.g. Decisions on transport infrastructure investment or expenditure within the Province need to be made on the basis of multiple criterion evaluation, to balance and meet conflicting policy goals and objectives. A comprehensive management information system, based on indicators and models that enable demand to be quantified, and which makes available requisite data to planners, is required in order to promote an integrated transport management approach).

- Ensuring that there are adequate mechanisms available to resolve problems in transport, e.g. the establishment of effective **Transport Authority**²⁷ throughout the province, and the systematic co-ordination of transport responsibilities between different stakeholders at national, provincial and local government levels.

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²⁷ The Provincial DoT is proposing to establish a single Transport Authority representing all stakeholders, rather than a number based on District representation.

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Attachment I:

Agencies under the auspices of the National Department of Transport

The NoDT agencies comprise the following entities:

- ❑ **South African Rail Commuter Corporation:** The South African Rail Commuter Corporation is a statutory agent which aims to provide effective and efficient rail commuter services under concession agreements. As noted previously, the “merger” of Metrorail and the South African Rail Commuter Corporation (SARCC) has been implemented, along with the formation of an interdepartmental team comprising all key entities chaired by the Department of Transport.
- ❑ **Transitional Regulatory Authority (TRA):** A Transitional Regulatory Authority (TRA) is being formed to exercise some regulatory oversight functions being established, along with a new rail economic regulator dispensation.
- ❑ **Urban Transport Fund:** The fund is utilised for urban transport projects, the major project being the extension of the Khayelitsha commuter rail line and the Mabopane station.
- ❑ **South African National Roads Agency (SANRAL/ NRA):** The purpose of this Agency is to maintain and develop South Africa's national road network, including the oversight of the toll roads encompassing the plazas that are in the Western Cape namely, the Huguenot tunnel, the Tzitzikama plaza (Note: Chapmans Peak toll road falls under provincial jurisdiction).
- ❑ **Road Accident Fund:** The Road Accident Fund compensates victims of motor vehicle accidents, based on terms and conditions provided for in various Acts. The Fund receives a dedicated Road Accident Fund levy, which is imposed on petrol and diesel.
- ❑ **Cross –Border Road Transport Agency:** The Agency regulates the cross-border public, freight and road market. It facilitates the

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establishment of cooperative and consultative relationships and structures between public and private sector institutions with an interest in cross-border road transport. The Agency is self-sustaining through a cross-border levy.

- ❑ **Air Traffic and Navigation Services Company Ltd.:** Air Traffic and Navigation Services Company is responsible for safe, orderly and expeditious air traffic and navigational and associated services in its area of control. It provides extensive air traffic information services and related aeronautical support services in the major airspace and at 21 airports throughout South Africa. The Company does not receive government transfers and derives its funding from its operations.
- ❑ **South African Maritime Safety Authority:** The Maritime Safety Authority aims to ensure the safety of life and property at sea, prevent oil pollution by ships, and promote South Africa as a maritime nation.
- ❑ **South African Civil Aviation Authority (CAA):** Its core activities relate to aviation safety oversight of operations, aircraft, personnel, airports and airspace. The Authority receives transfers as subsidies and user charges for ministerial directives on aircraft accident investigations. These transfers are projected to decline over the medium term. The Authority receives most of its revenue from industry user fees and levies. The Authority targets a ratio of 60% of total budget from Government and industry user fees, and 40% from levies.
- ❑ **Airports Company of South Africa Ltd. (ACSA):** The Airports Company of South Africa's main operational activities are in three areas, namely; Providing airport services, retail activities within terminals and property activities, including the development of airport infrastructure (including retail, office premises & car parking facilities).
- ❑ **National Transport Information (NaTIS):** NaTIS is a system used by all the offices and/or appointed agents to execute the content of the National Road Traffic Act, 1996 (Act No 93 of 1996). About 2000 users in South Africa utilise NaTIS on a daily basis.

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- **Road Traffic Management Corporation:** Road Traffic Management Corporation (RTMC) is responsible for vehicle registration, traffic information systems, public communication and traffic law enforcement. The RTMC established under a shareholder committee consisting of the national Minister of Transport, the provincial Transport MEC's and the South African Local Government Association.

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Attachment II:

Meeting note: Cape Chamber of Commerce and Industry, 17 March 2005.

1. The Transport Committee of the Cape Chamber of Commerce and Industry has identified a number of key issues regarded as priorities with regards to the safe and efficient movement of people and goods in the Province.
2. The Chamber is engaged in on-going interaction with and representations to **Metro Rail** due to a number of passenger safety incidents being brought to their attention by membership. It appears to the Chamber as if responsibility is not being taken by Metro Rail for passenger safety as clearly decided by the Cape High Court, as well as the Court of Appeal in a recent judgement regarding jurisdiction over and responsibility for passenger safety. The Chamber has raised the accountability of Metro Rail as an institution within the national and provincial Departments of Transport and Transnet, as a fundamental concern.

The Chamber regards the passenger safety aspect, together with the general overall unsatisfactory rail commuter service within the Cape Metro and environs, as a key priority in terms of the role of the transport sector as a cross cutting industry. The impact of a dysfunctional rail commuter service on the economy of the Western Cape is regarded as major.

3. The Chamber has supported the introduction of the proposed **fuel levy** within the Western Cape, on condition that a moratorium is placed on the establishment of toll roads in the Province, and that the income derived from such levy is ring fenced in order that expenditure from such income can be allocated to transport priorities specifically, such as for example road upgrading and maintenance.
4. The functioning of the **Road Transportation Licensing Board** is regarded as unsatisfactory. A response is awaited on representations submitted to the MEC for Transport raising concerns regarding aspects such as
 - Delays experienced with permits for tour operator bus companies focusing on the international tourist market, as well as limitations imposed in respect of national routes that may be serviced
 - Conditions under which minibus taxi permits are issued

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5. Other general transport issues that have also been attended to by the Chamber include
 - Establishing a forum for all stakeholders operating and utilising the Cape Town port in order to resolve some bottlenecks experience with the movement of goods
 - Exorbitant license fees for freight operators
 - Attempting to resolve the general ineffectiveness of taxi services within the CBD as well as the operation of metered taxis within the Metro, specifically in respect to the tourism sector

6. Lastly, the Chamber feels strongly that from a Transport strategy point of view, there should be a focus on mechanisms required to resolve problems in transport. The Chamber has supported the establishment of a **Metro Transport Authority** by the City of Cape Town. The intention is that this body will act as a co-ordinating mechanism and manage the aspect of jurisdiction between Provincial and City responsibilities.

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Attachment III:

Provincial Budget perspective (2005/6)

1. Programme summary

The table below shows the budget or estimated expenditure for transport Vote 10 per programme (R million)

	Audited expenditure			Provisional expenditure	Budgeted expenditure
	2001/2	2002/3	2003/4	2004/5	2005/6
Programme					
Administration	19 401	21 742	27 817	38 449	48 330
Public works	227 795	268 998	349 859	286 435	284 680
Roads infrastructure	426 946	597 890	526 758	652 839	928 984
Public transport	19 664	45 999	115 328	116 355	211 127
Traffic management	123 030	136 240	158 034	189 628	184 843
Community based programme	2 176	10 868	38 412	56 894	54 048
Total	819 012	1 081 737	1 216 208	1 340 600	1 712 012

Note; 2005/6 National conditional grant, Provincial infrastructure (PIG) – R 88 757 000

2. Roads infrastructure

The maintenance budget of R514 516 million reflects a significant increase over the past two years, namely, increased by 76.5% over 2003/4 and 16.2% over 2004/5. The budget will be allocated as follows:

3. Maintenance budget allocation

	Allocation R' 000
Routine maintenance of gravel roads	66 600
Routine maintenance of surfaced roads	179 221
Regravelling	112 683
Reseal	119 943
Bridge maintenance	28 569
Transfer to municipalities	7 500
Total	514 516

4. Construction budget allocation

The construction budget of R325 029 million reflects an increase of 149.9% over 2004/5, and is aimed at addressing the key backlogs in infrastructure in the Province. The following projects have been allocated funds in accordance with the budget:

The Granger Bay link in City of Cape Town	Infrastructure support for film studio in C. Town
Potsdam interchange on the N7	Safety improvements on TR33/01 (Mosselbay)
Rehabilitation of MR201 between Paarl and N2	Rehabilitation of Wellington to Hermon
Rehabilitation of N7 (Citrusdal and Piketberg)	Rehabilitation of Riebeeck West to Moorresburg
Viljoenshoop road	Rehabilitation of Riebeeck Kasteel to Hermon
Hemel en Aarde intersection (Hermanus)	Rehabilitation of White bridge N2 (Knysna)
Upgrading Elandsbay to Lamberts bay link	Rehabilitation of George-Outeniqua Pass
Upgrading Gansbaai to Bredasdorp link	Lynedock I/S
Rehabilitation of the N1 and N2	Repair of slopes in Huis River Pass
Reconstruction of Pniel to Simondium	Upgrading Stelenbosch arterial

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Attachment IV:

1. Time taken by households to reach key destinations by any means/mode of transport (on foot, taxi, bus, train and/or own transport)

Transport to nearest:	Number of responses (N' 1000)						Total
	0-14 minutes	15-29 minutes	30-44 minutes	45-59 minutes	> 60 minutes	Unspecified	
Pre- primary school	620	315	101	15			1 060
Primary school	2 273	1 700	593	124	108	10	4 108
Secondary school	1 276	1 355	745	159	166	13	2 952
Welfare office	362	832	692	291	399	38	2 613
Clinic	385	512	269	79	105		1 359
Hospital	1 664	4 197	3 556	1 352	1 672	105	12 546
Food market	6 911	3 278	1 388	421	523	25	12 546
Post office	3 437	4 825	2 465	752	956	111	12 546

Note: For all values of 10 000 or lower the sample size is too small for reliable estimates

Due to rounding numbers do not necessarily add up to totals

Source: Statistics SA, General household survey, July 2003, section 10 (transport p0318)

2. Illustration of cost and time estimates of commuters from residential areas ('townships') to the City CBD

To CBD from	Rail (Metro) in R per return trip (3 rd class)			Connecting taxi Rand per trip	Time estimate Sample average
	Daily	Weekly	Monthly		
Khayelitsha	<u>5-50</u>	<u>27-00</u>	<u>90-00</u>	<u>6-00</u>	1 hour 40minutes
Nyanga	<u>4-20</u>	<u>20-00</u>	<u>70-00</u>	<u>5-50</u>	1hour 15minutes
Michell Pain	<u>5.50</u>	<u>27-00</u>	<u>90-00</u>	<u>3-50</u>	1hour 30 minutes
Kuilsriver	<u>5-50</u>	<u>27-00</u>	<u>90-00</u>	<u>5-00</u>	1hour 20 minutes

Note: 1st class prices for rail are about 50 –55% higher than 3rd class prices quoted (e.g. monthly R70 vs. R128; R90 vs. R197)

Source: Metro rail ticket office and informal survey conducted of users (sample N 17)

Attachment V:

Estimate of business input spend on transport per sector in the Western Cape, based on applying national input/output ratios.

