

Department  
of Transport

# **PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRANSPORT**

**20 FEBRUARY 2008**



# OBJECTIVES OF TRP

- To recapitalise the unsafe and aged taxi fleet
- To regulate the taxi industry
- To provide empowerment opportunities to the taxi industry

# TRP PROCESS

## TENDER PROCESS

- Tender Process terminated due to:
  - Unaffordability of vehicles
  - Monopoly by manufacturers
  - Scrapping allowance determined by purchase price of new vehicles
  - Seating capacity restricted flexibility and choice to meet demand on specific routes



## REVISED TRP APPROACH

- Focus of development of safety specifications
- Allow all manufacturers to compete fairly
- Fixed Scrapping Allowance
- SABS certification in line with regulations
- Branding and Colour Coding
- Scrapping of OTV

# PROGRESS

- Published Safety Regulations
  - Government Gazette 27999 - 2 September 2005
  - Government Gazette 29195 - 4 September 2006 – Amended safety Regulations
- Publish colour coding
  - Government Gazette 29194 - 19 January 2006

# SAFETY REQUIREMENTS



- Roof Height – 1.9m
- No jockey seats allowed
- Seat belts for all seats
- Maximum speed limit (100km)
- Type II brake system
- Rollover Bars
- Commercial 8 ply rated tyres
- Reflective warning markings
- Minimum seat size of 400mm

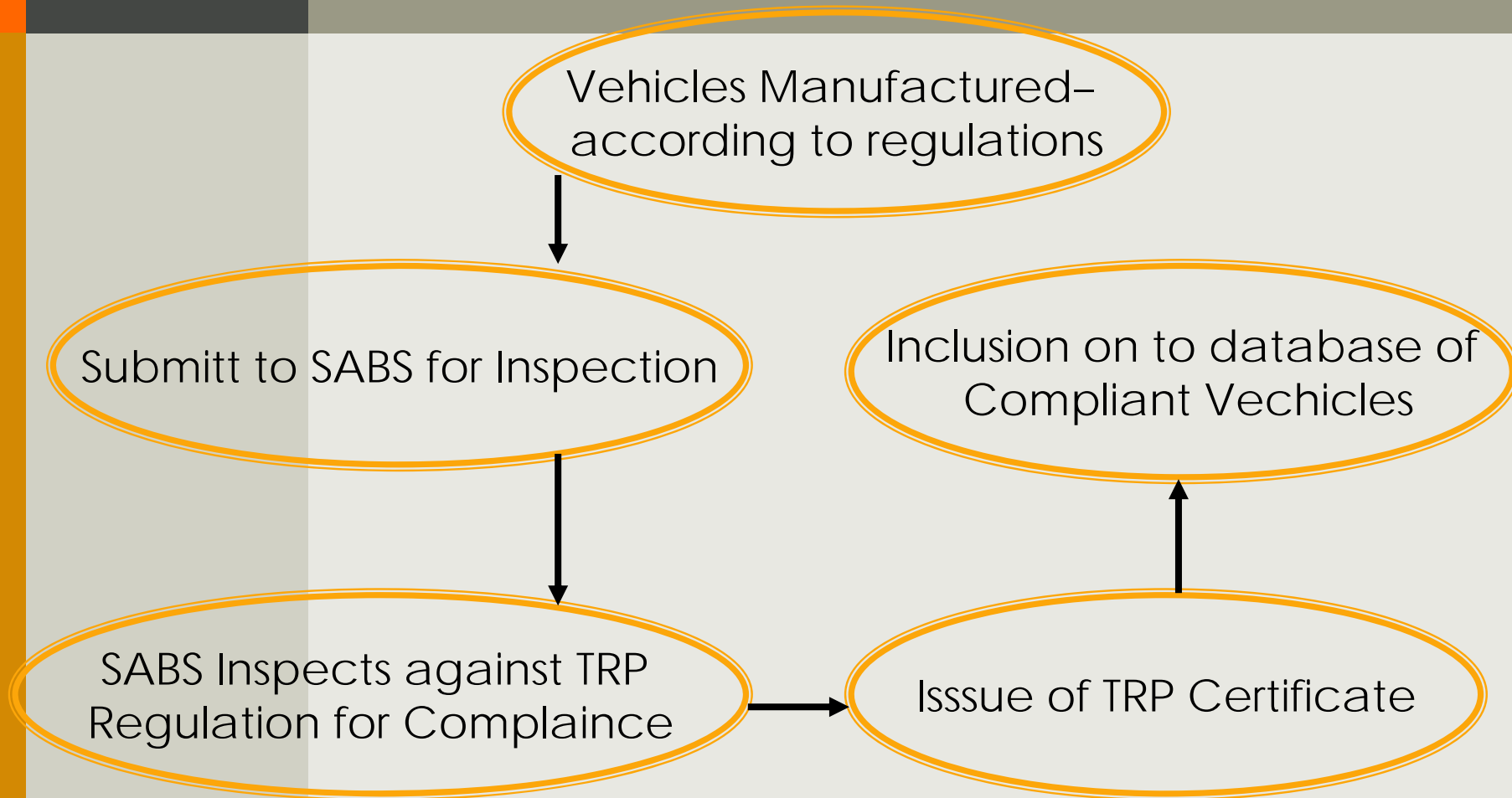


# COLOUR CODING SPECIFICATIONS

- Vehicle Colour – White
- Side and rear stickers depicting the South African Flag
- Sticker in front depicting the Provincial Coat of Arms and route number
- Registration number on the roof of vehicle



# SABS CERTIFICATION PROCESS

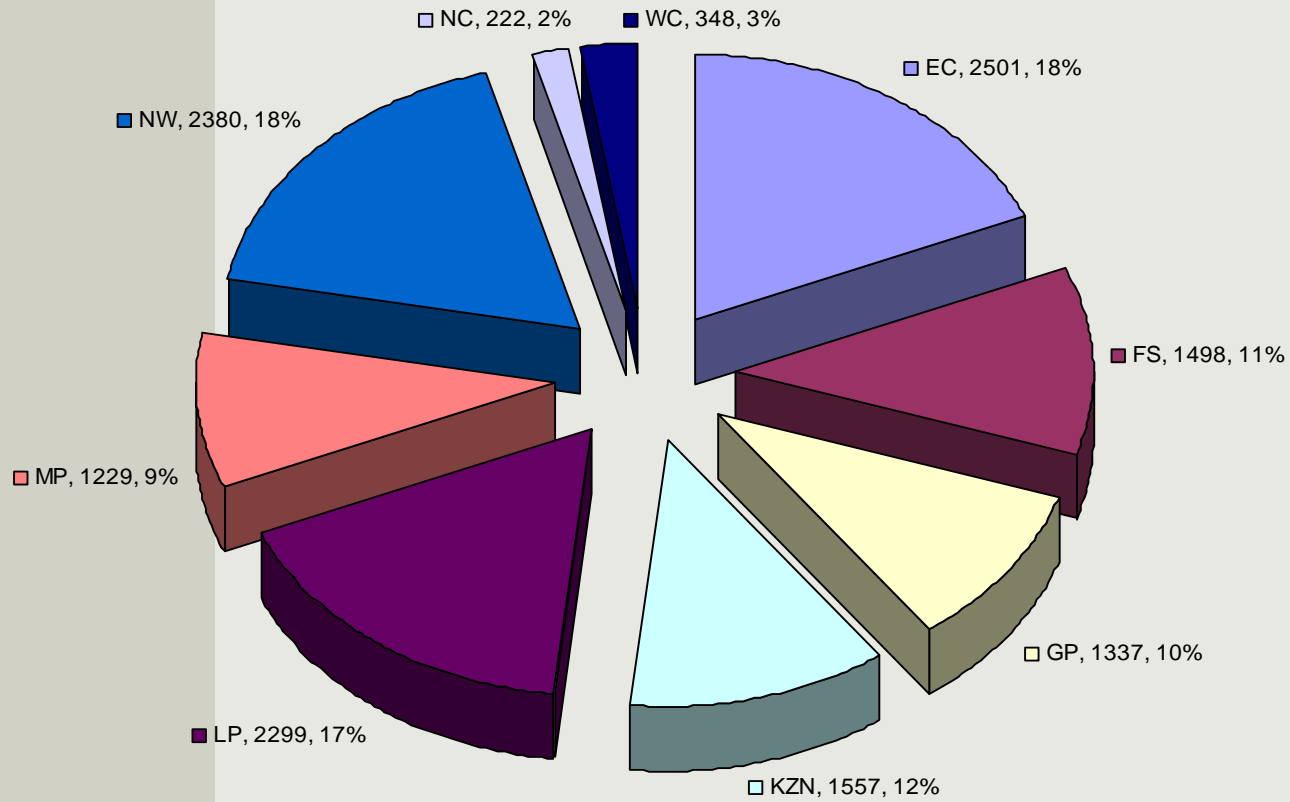


# SCRAPPING STATUS

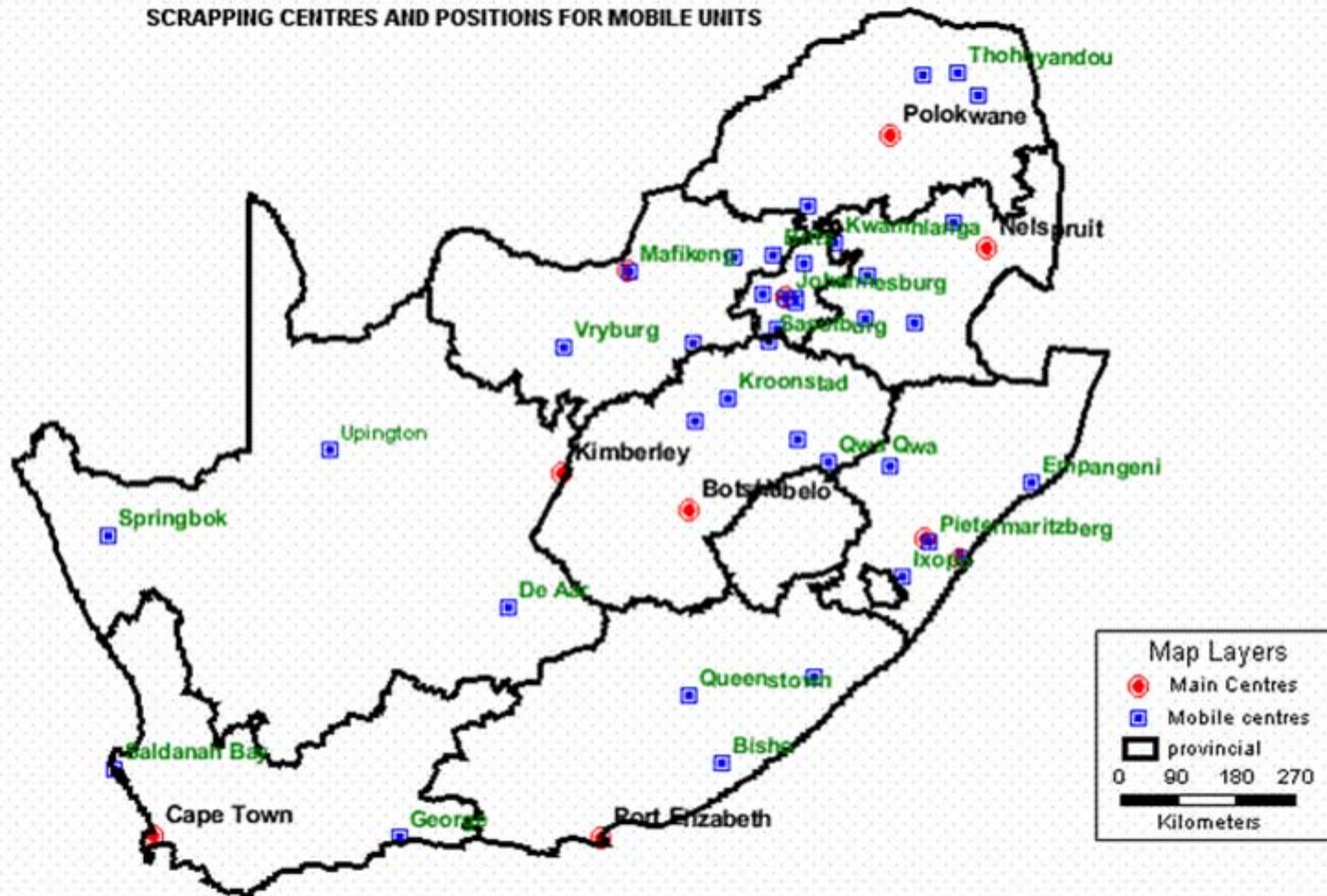
- Taxi Scrapping Administrator appointed – October 2006 to perform the Scrapping Function
- 9 Provincial Scrapping Sites and 10 Mobile service units
- Budget over 7 year period R5.5 Billion
- 23, 777 applications for scrapping had been submitted to the TSA
- Of these applications, 13, 371 OTVs were scrapped and paid R668 550 million scrapping allowance.
- Of the scrapping applications approved, only 283 have exited the industry



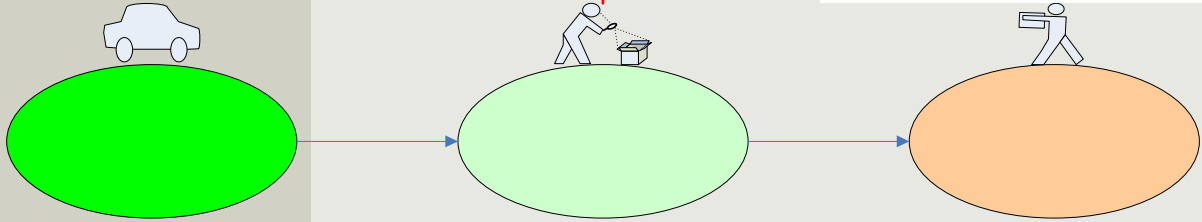
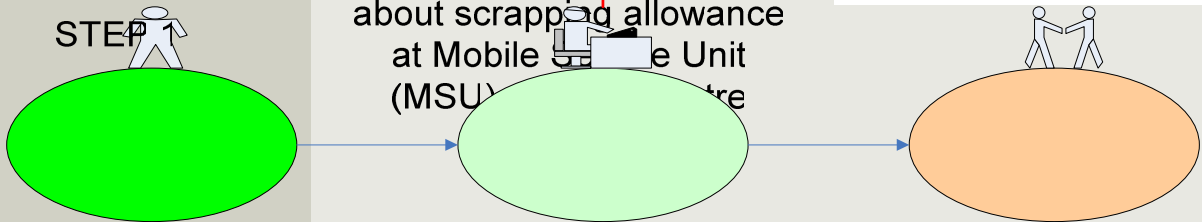
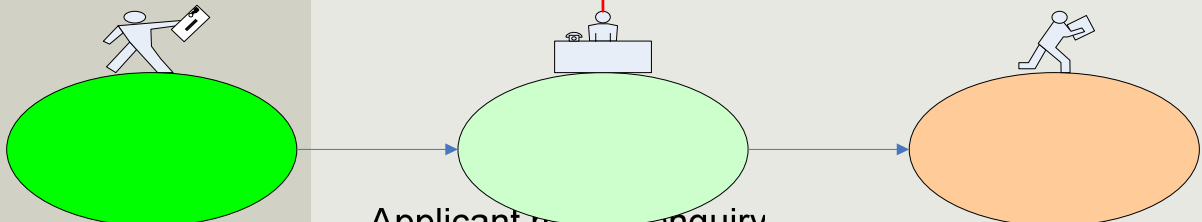
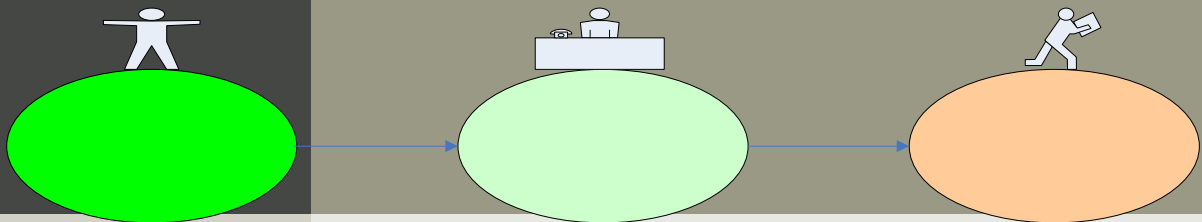
# SCRAPPING STATS



# LOCATION OF SCRAPPING SITES



# SCRAPPING PROCESS FLOW



Applicant makes enquiry about scrapping allowance at Mobile Service Unit (MSU) Centre

TSA official informs applicant of procedure and minimum documents required and provides

Applicant completes application form and produces supporting documents at MSU

TSA official verifies that documents are complete, and captures



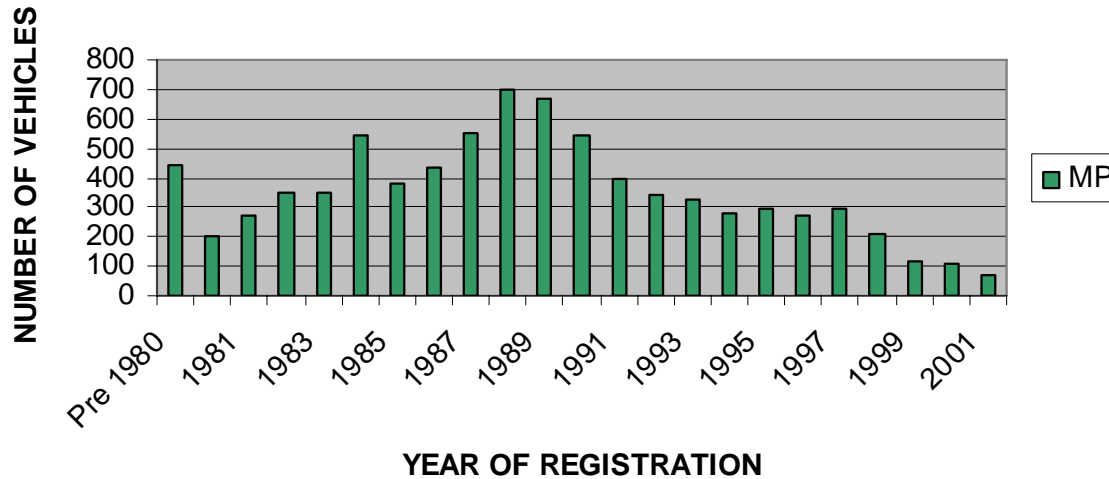
# SCRAPPING – AGE PROFILE

TABLE OF AGE PROFILE OF TAXI VEHICLES

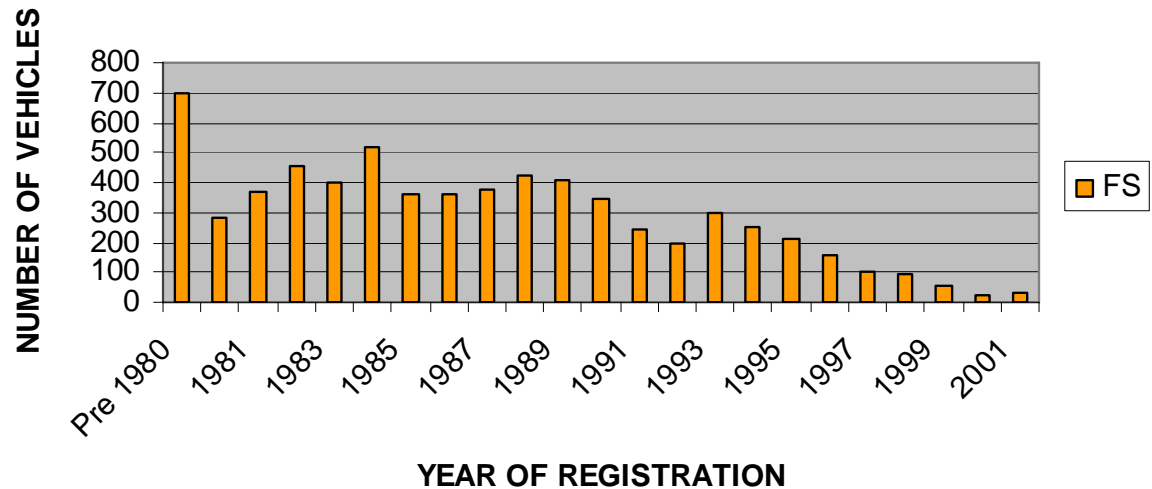
[Age profile scrapping.xls](#)

# SCRAPPING – AGE PROFILE

## AGE PROFILE - MP

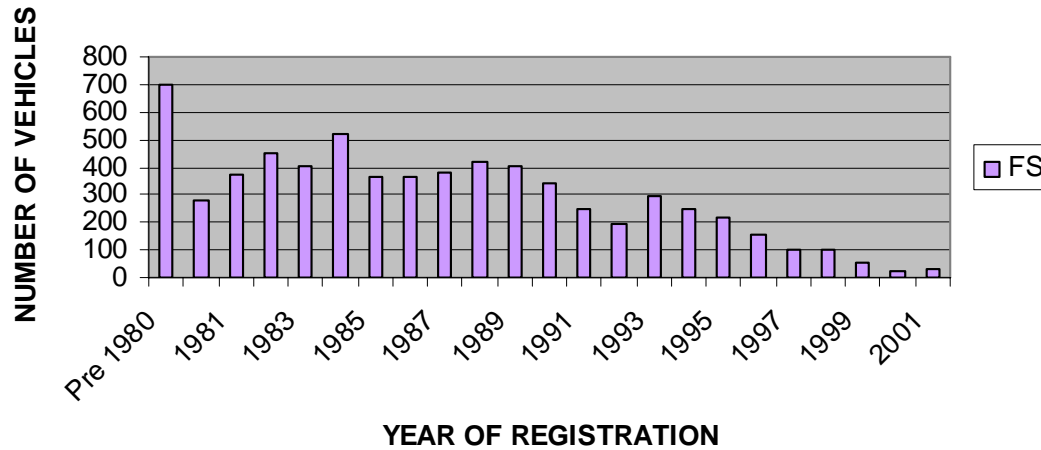


## AGE PROFILE - FS

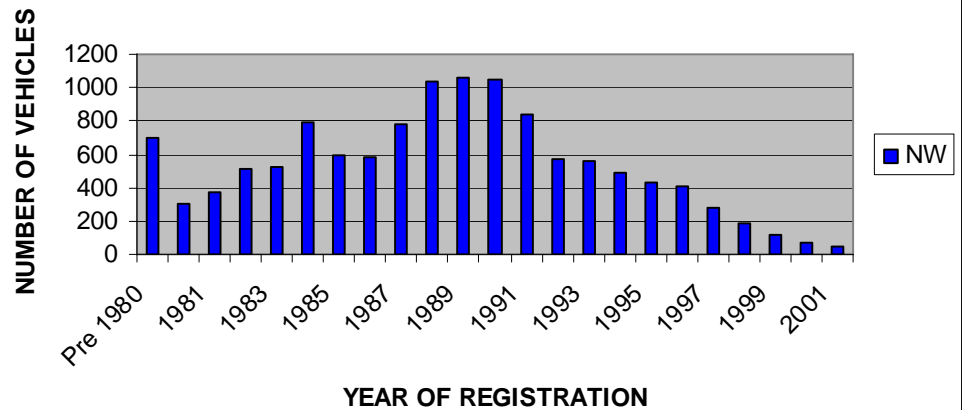


# SCRAPPING – AGE PROFILE

## AGE PROFILE - FS

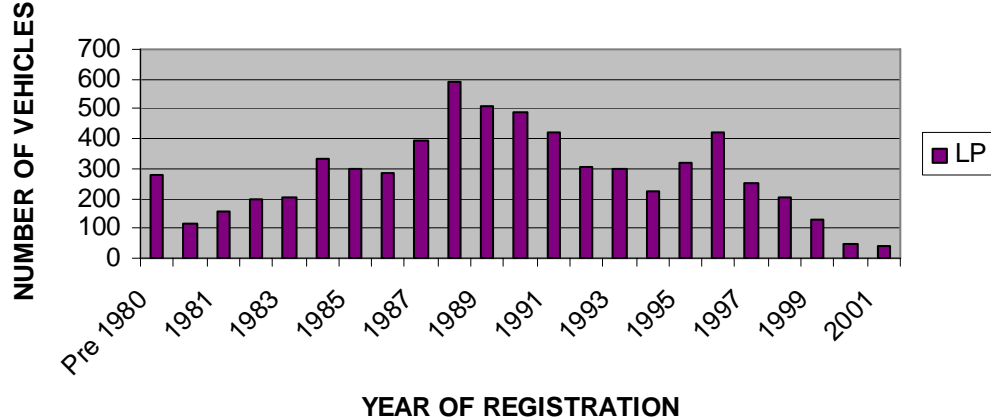


## AGE PROFILE - NW

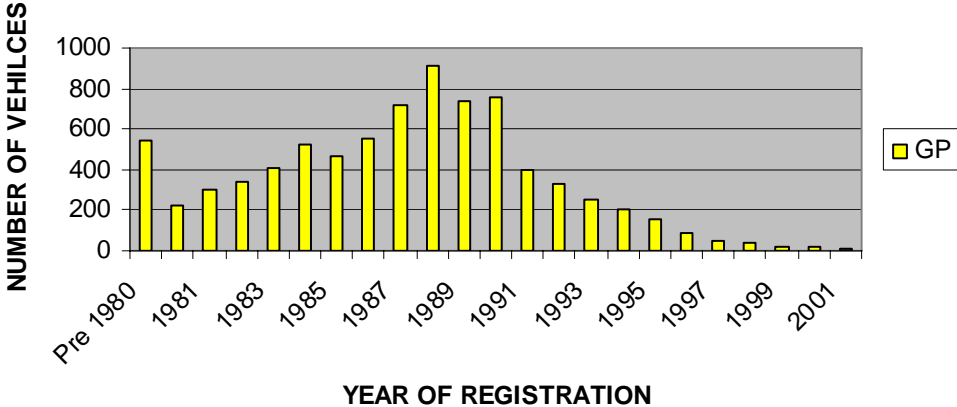


# SCRAPPING – AGE PROFILE

**AGE PROFILE - LP**

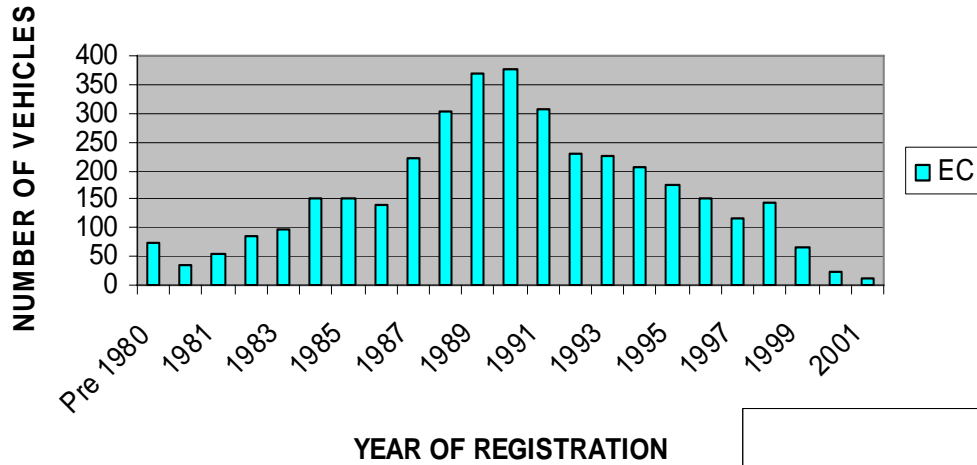


**AGE PROFILE - GP**

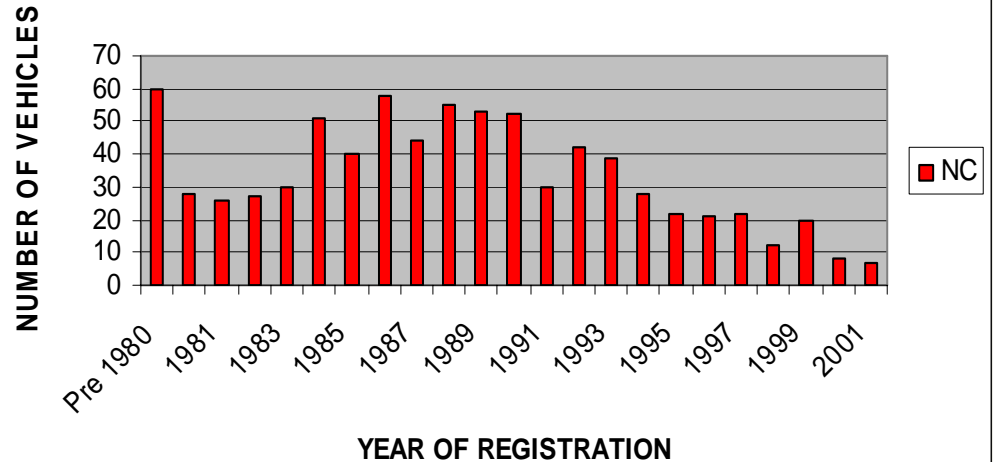


# SCRAPPING – AGE PROFILE

## AGE PROFILE - EC

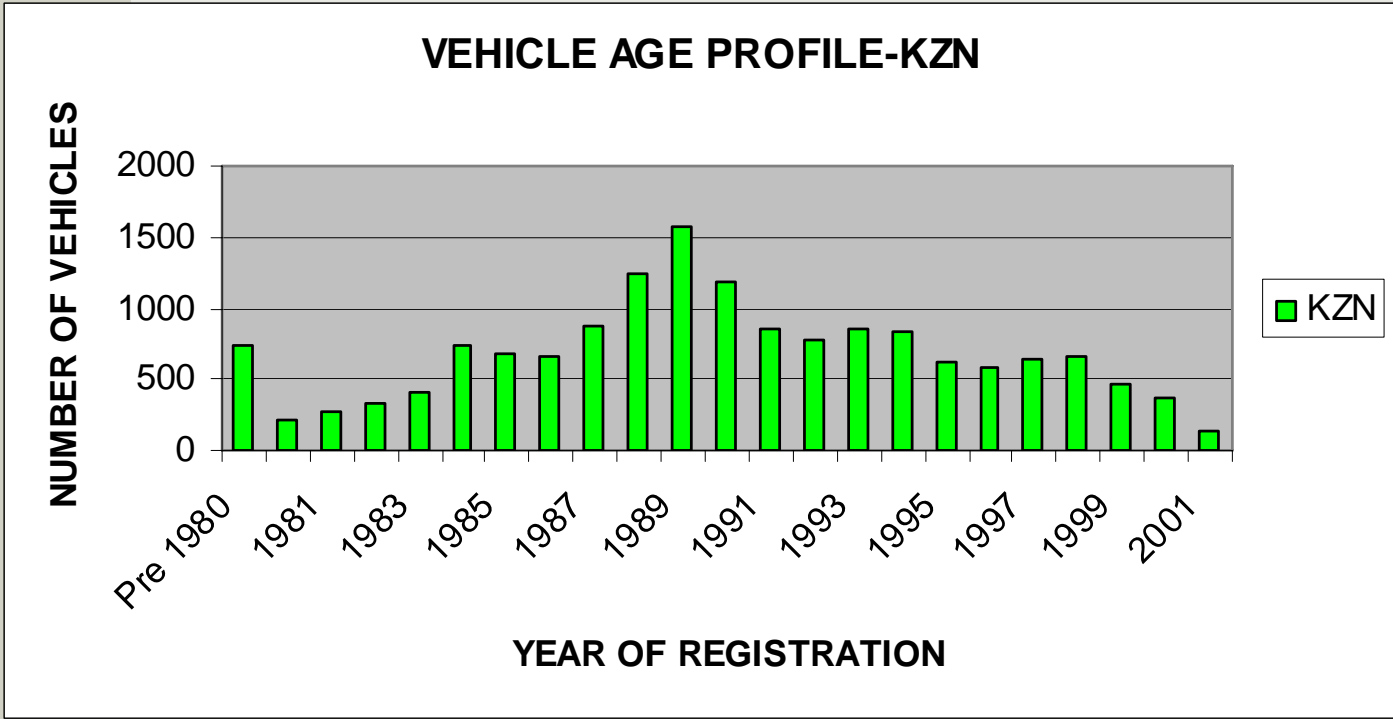


## AGE PROFILE - NC





# SCRAPPING – AGE PROFILE



# NTV SUPPLY

- Availability of TRP compliant NTV problematic due to change from 2005 to 2006 vehicle safety specifications
- Currently NTV in operation after scrapping – 5000
- Slowness attributed to the change over from 2005 to the 2006 specifications
- Engagement with manufacturers revealed that production and imports will start to increase due to the certainty of the safety specifications
- 16 Mini bus models and 8 Midi bus models are fully compliant
- List of compliant vehicles in following slide.

# TRP COMPLIANT VEHICLES

CATEGORY	NAME	MODEL	SEATING
Mini bus	TOYOTA	Quantum 4D4	14
Mini bus	TOYOTA	Quantum 4D4	14
Mini bus	TOYOTA	Quantum VVT-1	14
Mini bus	TOYOTA	Quantum VVT-1	14
Mini bus	TOYOTA	Quantum	14
Mini bus	NISSAN (Tshwane wheels)	Interstar	15
Mini bus	NISSAN (Tshwane Wheels)	Interstar	16
Mini bus	NISSAN (Angelo Kater)	Interstar	15
Mini bus	FIAT	Ducato	16
Mini bus	FOTON	2.2 Petrol	13
Mini bus	FORCE MOTORS	Traveller	15
Mini bus	IVECO	Daily 35S15V12	16
Mini bus	POLARSUN (Kempster Sedgwick)	Ingwe 2.2	13

# TRP COMPLIANT VEHICLES

CATEGORY	NAME	MODEL	SEATING
Mini bus	VW	Krafter	16
Mini bus	MERC BENZ (Mr Coach)	Sprinter 308 CDI	16
Mini bus	NISSAN (Centurion Bus Manufacturers)	Interstar	16
Midi bus	FIAT	Vetrato 2.3 LWB/HR	19
Midi bus	IVECO (Iveco SA)	Daily 50C15V15	22
Midi bus	IVECO (Angelo Kater)	Daily 50C15V15	22
Midi bus	MERC BENZ (Mr Coach)	Sprinter 416 CDI	22
Midi bus	MERC BENZ (Angelo Kater)	Sprinter 518 CDI	22
Midi bus	IVECO (Iveco SA)	Daily 50C15V15	22
Midi bus	TATA	SFC 713/38 Ubuntu	22
Midi bus	TATA	LP 713 S/38	33
	<b>MINI BUS= 16 Models</b>	<b>MIDI BUS= 8 Models</b>	

# KZN COURT CASE

## **Details:**

- Kwazulu-Natal Transport Alliance lodged a court action contesting the deadline for conversion of permits - 31st August 2005.
- The High Court ruled on the matter on the 5th November 2007 in favour of the Applicant

## **Ruling:**

- Government was requested to set a new date in terms of Section 32(2) of the National Land Transport Transition Act (NLTTA), 22 of 2000

## **Intervention:**

- The Department to conduct an audit on all OLB's to determine the capacity, systems, backlog on SLP and BLP
- Determine Funding Requirements

## **Implications**

- Impact on Scrapping process
- Funding constraints for capacity requirements

# CONVERSION STATS

	Applications		Verifications		Capturing		Board Hearing		Upliftment	
	Application Received	No of Permits for Conversion	Not Verified	Verified	Not Captured	Captured	Not Approved	Approved (Issued)	Not Uplifted	Uplifted
Column No	0	1	2	3	4	5	6	7	8	9
Sum		(2+3)		(4+5)		(6+7)		(8+9)		
Eastern Cape	10,037	9,816	30	9,786	34	9,752	276	9,476	2,403	7,073
Free State	6,793	6,763	0	6,763	0	6,763	181	6,582	1,999	4,583
Gauteng	28,000	43,158	16,346	26,812	7,850	18,962	492	18,470	11,355	7,115
Kwa-Zulu Natal	10,827	14,723	0	14,723	694	14,029	3,199	10,830	4,351	6,479
Limpopo	12,155	12,155	1,055	11,100	0	11,100	0	11,100	1,322	9,778
Mpumalanga	7,878	9,664	330	9,334	0	9,334	178	9,156	3,793	5,363
North West	13,572	10,609	184	10,425	214	10,211	2,099	8,112	291	7,821
Northern Cape	1,168	1,168	0	1,168	0	1,168	0	1,168	266	902
Western Cape	8,097	8,097	0	8,097	0	8,097	515	7,582	515	7,067
										21
<b>Total</b>	<b>98,527</b>	<b>116,153</b>	<b>17,945</b>	<b>98,208</b>	<b>8,792</b>	<b>89,416</b>	<b>6,940</b>	<b>82,476</b>	<b>26,295</b>	<b>56,181</b>

# CHALLENGES

- Funding Challenges – Demand exceeded expectation
- Internal capacity
- Law enforcement
- Limited scrapping sites
- Manufactures supply rate vs demand
- Fraud and corruption at Scrapping Administrator – Mpumalanga
- Conversion process delays
- Interpretations of the different pieces of legislations and Minmec decisions by OLB's
- Limited access to Land Transport Permit system
- TRP awarness

# INTERVENTIONS

- Engage Treasury
- Shifting of funds
- Establishment of panel of experts
- Implementation of law enforcement strategy
- Scrapping according to Age profile
- Slow down Scrapping process for alignment to BRT process
- Enhance integration of OLAS and Scrap Taxi system
- Investigation of Fraud and Corruption allegations
- Turn around Strategy for OLB's
- Robust Communication Strategy



# OLBs AND 22 SEATER

- Scrapping OTV and replacing with 22 seater vehicles OL not issues
- NLTTA restrictive – OL issued for replacement vehicle if seating capacity is not more than 15% (NLTTA focus on previous TRP approach)
- Against the policy of moving taxi industry to bigger vehicles
- INTERVENTION
- Department set guidelines for OLBs in September 2007 to deal with this issue
- Department is currently auditing operators participating in TRP and affected by this practice.
- OLBs being workshopped on how to deal with this matter

# IDENTIFIED INTERVENTIONS TO IMPROVE OLB PERFORMANCE

- DoT to fast-track, streamline and standardize OLB processes.
- DoT to increase funding and capacitation of OLBs.
- Chairpersons of OLBs to conclude a Performance Agreement with MECs.
- Government to finalise decision on the lifting of moratorium.
- The NTV certification process and entrance into the market to be reviewed.

# IDENTIFIED INTERVENTIONS TO REGULATE THE TAXI INDUSTRY

- Review of the inconsistency between National and Provincial legislation and regulations
- Revist the operating conditions attached to OL
- Investigate and regulate the management and control of public transport facilities
- Define the role of Taxi Associations, Provincial Taxi Councils and SANTACO
- Development of fare and tariff regime models
- Compliance to SARS, BCEA, Skills development legislation
- Monitoring the implementation of the Sectoral Determination in the Taxi Industry in conjunction with DOL
- Law enforcement strategy developed

# IDENTIFIED INTERVENTIONS TRAINING IN THE TAXI INDUSTRY

- Training of the following have commenced:
  - Professional driving
  - Customer Care
  - Generic Business administration
  - Vehicle maintenance and repairs
- Bus and coach driver training to be extended to the taxi industry to ensure integration into the BRT system and 2010

# TRP COMMUNICATIONS

Integrated Marketing Communications Programme began in July 2007:

- adverts flighted on SABC and ETV
- radio adverts (3 X 11 official languages)
- Print adverts placed in various print media
- Outdoor Billboards placed

## **Challenges:**

- High awareness of the TRP programme but lack of details
- High need for info on latest status of TRP and law enforcement

## **Interventions:**

Education-based campaign that ensures operators are empowered to take advantage of opportunities presented by TRP – e.g. Workshops, seminars, taxi rank activations

Stronger Stakeholders co-ordination

# FINANCIAL VIABILITY MODEL

- The Taxi Recapitalization Viability Model calculates the profitability of a single taxi on a route.
- The objective of the model is to provide the taxi with a decision making tool
- The initial findings is that:
  - larger vehicles are more profitable on longer distances (inter-city routes eg. Joburg-Tshwane)
  - smaller vehicles are profitable over shorter distances
- Negotiating with financiers and National Credit Regulator to consider a reduced rate of interest for taxi operators
  
- Model is being tested by Industry
  
- Financial Viability Model

[FINANCIAL VIABILITY MODEL.xls](#)

# 2008/09 Roll out

## The 2008/09 roll out will be based on:

- Age Profile of the oldest taxis in the system.
- Unroadworthy vehicles in the system
- Payment of the scrapping allowance to the NTV financiers.
- Initiation of the TRP regulatory aspects by splitting the R570m allocation into: R404, 700m for scrapping and R163,300m for regulation.
- Streamlining and standardization of the OLBs processes.
- Reviewing the NTV certification process.
  
- NB: 8000 OTVs targeted for scrapping in 2008/09

# Scrapping Targets for 2008/09

## TARGETS FOR 2008/09

Site Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Gauteng Sites	80	80	80	80	80	80	80	80	80	80	80	80	960
KwaZulu-Natal Site	80	80	80	80	80	80	80	80	80	80	80	80	960
North West Site	80	80	80	80	80	80	80	80	80	80	80	80	960
Limpopo Site	80	80	80	80	80	80	80	80	80	80	80	80	960
Mpumalanga Site	80	80	80	80	80	80	80	80	80	80	80	80	960
Free State Site	80	80	80	80	80	80	80	80	80	80	80	80	960
Eastern Cape Site	80	80	80	80	80	80	80	80	80	80	80	80	960
Western Cape Site	90	90	90	90	85	85	85	85	85	85	85	85	1040
Northern Cape Site	20	20	20	20	20	20	20	20	20	20	20	20	240

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# ROLE OF TAXI INDUSTRY FOR 2010

- FIFA requirement that event must not disrupt normal public transport services
- Spare capacity will be deployed mainly for intra-city services:
  - Service transport hubs
  - Airport service
  - Shuttle service for Park and Ride facilities
  - Hotels
  - Fan parks and PVS
- Accreditation criteria being developed
- TRP compliant vehicles to provide services
- Currently developing operational plan for taxis for 2010

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**THANK YOU!**