



a world class African city



Johannesburg case study

UNEP Conference, Nairobi Kenya

Chris Ngcobo

Transport Transformation Unit

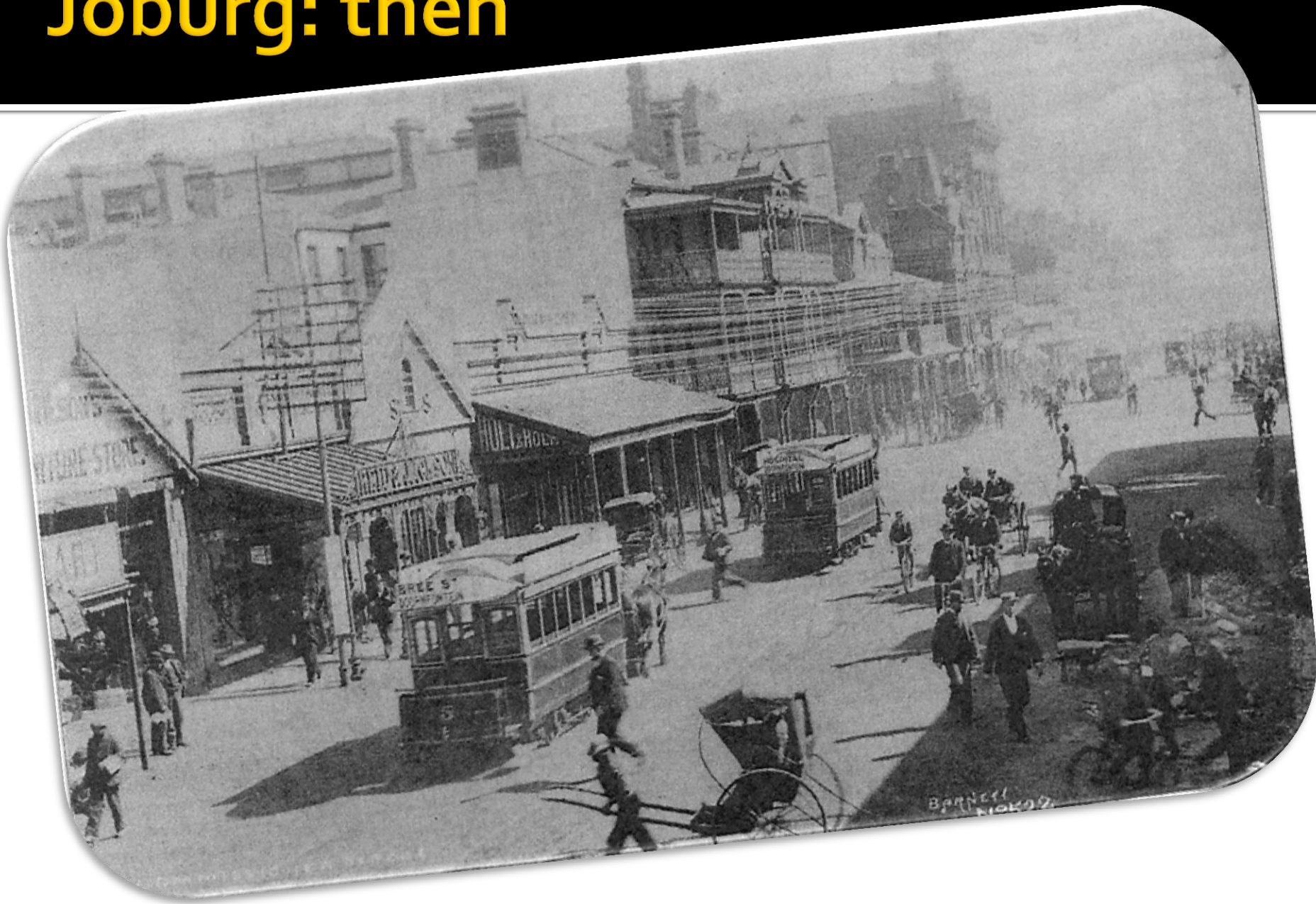
City of Johannesburg Metropolitan Municipality

30 May 2016

Agenda

- High level overview
 - Background to City of Joburg
 - Public transport initiatives
 - Rea Vaya BRT System
- Transformation of informal sector/previously disadvantaged operators
 - City approach
 - Key experiences from existing operational phases (Phase 1A and 1B)
 - Lessons and conclusions

Joburg: then



Joburg: now

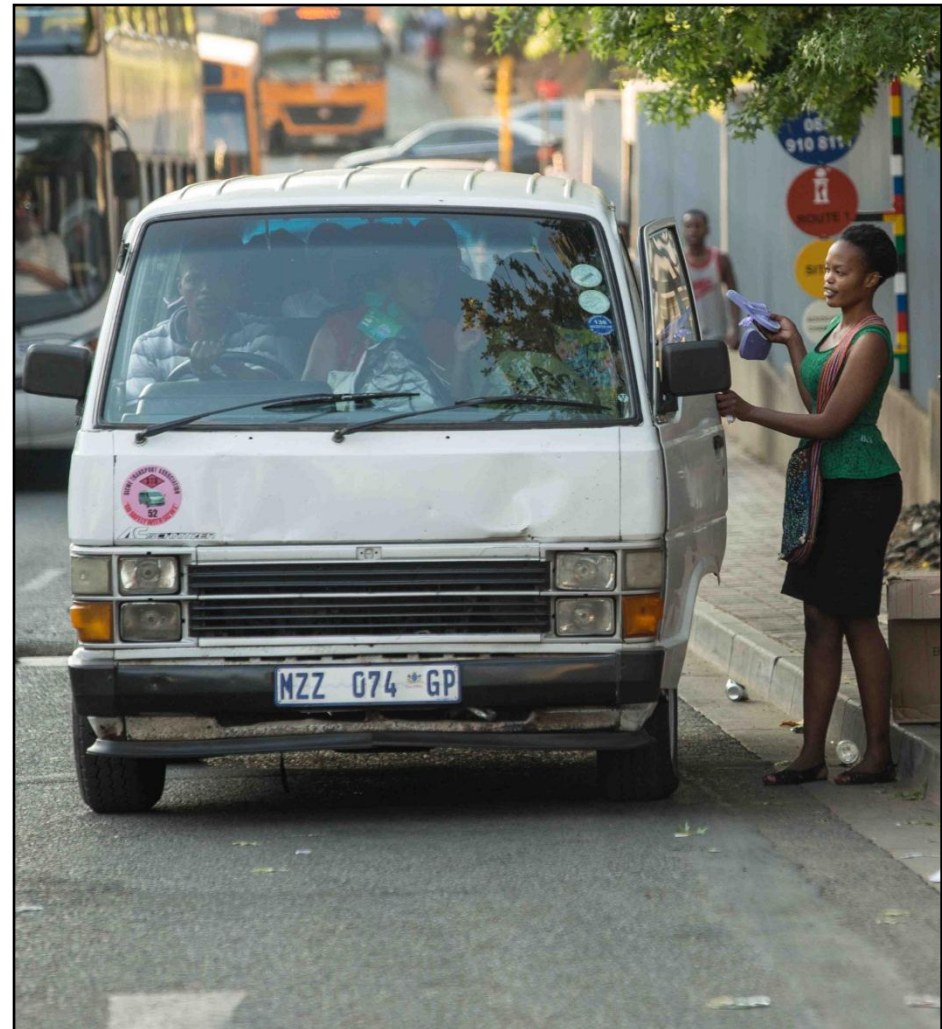


Brief overview of Joburg

- Population: 4.4 million
- Population growth rate: 3.4%
- Land mass: 1 645 km²
- Population density: 2695/km²
- Household number: 1 434 856
- Household size: 3 persons per household

- Growth rate: 3.3% in 2011
- Unemployment: 23% of economically active people in 2010 but if those who have stopped looking for work are included, the number grows to >30%
- 67.4% of households live on less than R3200 per month with a large percentage of poor household's income going towards transport
- Gini co-efficient: 0.63,- highest in world

- Carbon emissions: 56% is contribution of Joburg to national carbon emissions, 13% highest carbon emitting City in the world and Transport has the highest demand for energy (67%)



State of Transport

HISTORICAL LEGACY

- Insufficient investment in transport in Cities:
 - Road network: 80% of road network has pavement structure of over 20 years
 - Rail rolling stock: average age 35 years, no infrastructure upgrade for 20 years
 - Metrobus: No bus less than 8 years old
 - Taxi recapitalisation not achieved desired numbers
 - Public transport facilities: vary from informal to formal – stops, stations, interchanges.

BUT IT IS CHANGING

- Gautrain:
 - 90 km high speed train linking airport to old and new CBDs of Joburg and Pretoria
- Rea Vaya Bus Rapid Transit
 - 47 kms of trunk route operational linking CBD and Soweto
 - Planning for further 16km in next two years
- Gauteng Freeway Improvement Scheme
 - R32 billion project aimed to upgrade national road network around Joburg
 - Paid through tolls but generated significant controversy and resistance – leading to lower toll revenue than planned

Implementing public transport



Implementing our objective: Making public transport, walking and cycling the mode of choice



Infrastructural changes

- Rea Vaya BRT
- Cycle lanes
- Public transport lanes
- Wider sidewalks
- Public transport facilities: Interchanges, ranks, stations and stops



Operational changes

- Rea Vaya bus services
- Metrobus restructuring and recapitalisation
- Park and rides
- Bike share schemes



Behavioural change

- Eco-mobility Festival
- Freedom Rides
- Ride sharing
- Corporate travel plans
- Open streets

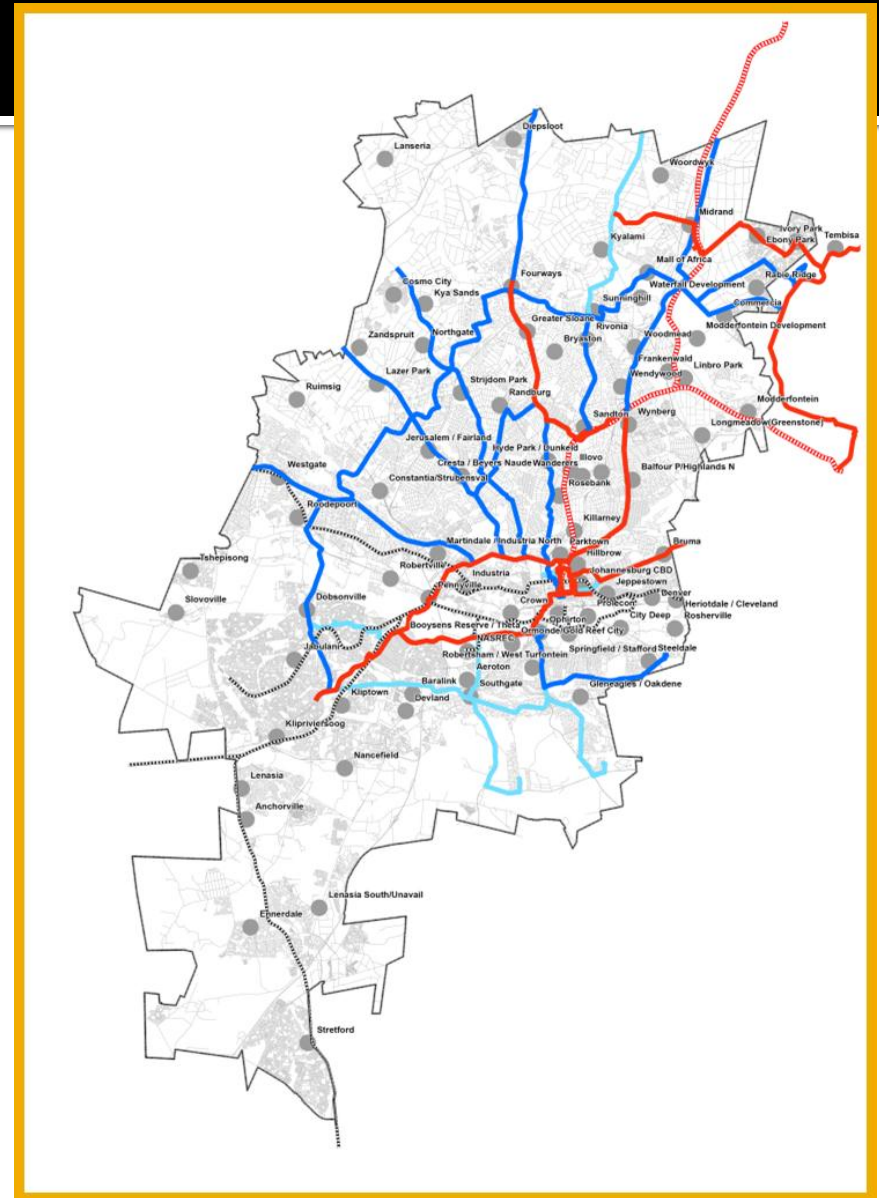
Our public transport vision

- Our vision is for a prosperous and sustainable integrated public transport sector where trains, buses and mini bus taxis providing the following services:
 - Scheduled services
 - Non-scheduled services
 - Last mile services (e.g. metered taxis)
 - Learner services
- These services will be supported by:
 - Public transport dedicated lanes, ranks, interchanges, stations, stops
 - Good streets for walking and cycling
 - Good information to passengers and communication with them.



Implementing our public transport vision

- The City has developed a Strategic Integrated Public Transport Network Plan to make sure that every resident can be within 1 km of public transport
- This will either be:
 - Rail (PRASA, Gautrain)
 - BRT
 - Bus (Rea Vaya, PUTCO or Metrobus)
 - Mini bus taxi
- Increasingly all under the Rea Vaya brand of quality transport.



Rea Vaya Overview



Why did the City decide on bus rapid transit?

AT THE TIME....

- Had potential to address number of City imperatives and objectives including provision of affordable quality public transport, urban restructuring, BBBEE, catalyse public transport transformation and reduce air pollution and green house gas emissions
- Provided opportunity to deliver within relatively short time frames – and in time for 2010 Soccer World Cup
- City was impressed by experience in South America particularly in respect of transformation of experienced operators
- Price sounded compelling and affordable at the time
- Could be retrofitted on existing road system and no need for reserved servitudes

MEET THE FOLLOWING SHORT TERM OBJECTIVES OF CITY

- Efficient, reliable and frequent public transport services
- Affordable fares
- Safe and secure
- Accessible
- Decrease in traffic congestion, energy consumption and vehicle emissions
- Enhanced urban environment
- Job creation and income generating opportunities

Medium and long term benefits envisaged:

- Containment of urban sprawl and TOD
- Promotion of social cohesion
- Economic development around BRT

Rea Vaya Bus Rapid Transit (BRT) objectives

- Fast, safe, reliable and affordable public transport
- Public transport transformation - including of mini bus taxi industry to prosperous transport businesses
- Spatial restructuring
- Broad based black economic transformation
- Mitigate against climate change and reduce air pollution with 'clean buses'
- Promote livable and competitive city

Rea Vaya means
"We are going"



Rea Vaya: Key facts

50 000 average
passenger trips
per day

PHASE 1A

- 25k of trunk route (dedicated) for 18 m articulated buses
- 3 complementary and 5 feeder routes using 13 m buses and covering 75.8 km
- 30 Rea Vaya stations service passengers
- 143 Euro 1V buses
- Over 6000 short term employment opportunities, 830 permanent employment
- 585 taxis taken off competing routes
- Carries 7.7% of Soweto's public transport market

PHASE 1B

- Operationalised in October 2013
- 18km of dedicated trunk route
- 2 complementary and 5 feeder routes
- 17 more stations
- 134 Euro IV buses

Phase 1C: Under construction

- To be introduced in 2018
- 16 km of dedicated trunk route
- Stations and interchanges:
 - 4 interchanges
 - 12 closed stations
 - 5 open stations

Transformation and empowerment of mini bus taxi industry



Introduction

- The City is committed to the transformation of ALL public transport to prosperous transport businesses – we call this “broad based black economic empowerment” in SA
- We have developed our model over the years but we are doing this through negotiating with affected operators so that they can:
 - Become shareholders in the bus or vehicle operating companies
 - Continue to operate their mini bus taxis without unfair competition on certain routes (and to certain performance standards)
 - Convert their mini bus taxis to use dual fuel (diesel and biogas) thus reducing air pollution and carbon emissions
 - Get opportunities in the management and maintenance of Public Transport Facilities
 - Get opportunities in other public transport value chain activities – wifi in vehicles, out door advertising
 - Secure decent jobs for drivers and other workers in the public transport sector (marshals, maintenance, cooking mamas)
 - Be training and capacitated for new roles e.g. as Board members of Bus or Vehicle operating companies.

Our transformation commitment to affected operators

FOR AFFECTED OPERATORS

- Shareholder in the Bus or Public Transport Operator Company in exchange for scrapping/sale of vehicle, handing in of OLS and paying equity (amount to be determined)
- Empowerment premium and profit from Company which is not less than they would have been earning from your taxi business

FOR DRIVERS

- Employment neutral
- All jobs “lost” from the current public transport operators will be replaced with new decent jobs in either:
 - In Bus/Vehicle Operating Company as drivers, fuellers, dispatchers, etc.
 - In Station Management as cleaners, security, station ambassadors.

Affected operators are operator that have been operating the route before the introduction of BRT/new contracted services

Role of Bus/Vehicle Operating Company

WHAT DOES THE BOC DO?

- Runs the bus services
- Maintains the buses
- Is given access to depot of City free of charge – but must maintain the depot
- Trains and employs drivers
- Cleans and secures buses

WHO RUNS THE BOC

- The shareholders own the company
- The shareholders from the mini bus taxi industry nominates Board members
- The Board includes members from the affected mini bus taxi industry
- The Board decides on who will manage the company (CEO, CFO etc)
- The Board oversees the company and make sure it does what it needs to do to be make profits for the shareholders.

Process of engagement and negotiations

- The City has a policy which sets out how the engagement and negotiations with operators should happen including:
 - Need for different phases:
 - Engagement: For relationship building, information sharing and determining who will sit at the table and how
 - Negotiation: Negotiation of binding agreements
 - Handover: Removal of vehicles, election of board etc.
 - Need for independent technical support and chairperson/facilitator as well as capacitation of affected operators
 - Need for parties to be held accountable and get proper mandates

Focus of negotiation phase

- How the contract between the City and the Bus Operating Company to be formed will work and how much will the company be paid for services - fee per km (Bus Operating Company Agreement)
- How the taxi industry and would surrender their vehicles and their licenses in exchange for shareholding in a Bus Operating Company (Participation Framework Agreement)
- How previous taxi drivers and others from affected operators would be employed by the new company (Employment Framework Agreement)
- Value chain opportunities (Value Chain Framework Agreement) –which is still to be concluded.
- Hand over arrangements (Negotiation Closure Agreement)

Examples of agreements negotiated: 1

BOCA

- 12 year Bus Operating Contract agreed
- Buses owned by City for five years, transferred to BOC after five years, pending performance
- Penalty regime
- Access to the depot, management of on board ITS equipment

FEE PER KM

- The BOC is paid a fee per km for all actual km's travelled.
- Guaranteed minimum number of mms to be paid for
- Profit margin
- Escalation provisions

Examples of agreements negotiated: 2

VALUE CHAIN FRAMEWORK AGREEMENT

- Ring fenced tenders for cleaning and security at stations
- Preferential status wifi, park and rides
- Obligation of BOC to also employ from database of employees provided by affected operators

PARTICIPATION AGREEMENTS

- Mini bus taxis and PUTCO buses removed from the route and:
 - Mini bus taxis either sold or scrapped and their operating licenses are being cancelled.
 - Operators of these taxis have been paid compensation for loss of income in the interim before BOC formed.
- Nominated drivers of affected mini bus taxis were employed after being put through a driver empowerment programme

Lessons and conclusions

PROCESS

- Process is very time intensive: need to use the process to grow the representatives at the table
- Affected operators struggle to appreciate the difference between income this month and long term wealth
- Need to give options to operators to become shareholders in a BOC and remain mini bus taxi operators

OUTCOME

- Our experience has been that an Independent Board and management team guarantees more efficient BOC and thus greater returns for shareholders
- In an growth restrained environment, difficult for taxi operators to enter new markets but they have done so including property and farming