

NEW MINIBUS-TAXI INITIATIVES IN THE CITY OF CAPE TOWN

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ABSTRACT

The City of Cape Town's Urban Mobility Directorate is implementing a new range of innovative initiatives aiming to formalise, improve and integrate minibus-taxi services into its Integrated Public Transport Network (IPTN). The implementation of previous minibus-taxi industry transition initiatives undertaken by the City were the building blocks to the advancement of minibus-taxi transformation strategies, which this paper intends to expand on. While some of these ideas and concepts have been presented previously, they have since been developed further and are now rapidly advancing, which includes the implementation of MyCiTi Metro South East Corridor (Phase 2A), connecting the Claremont/Wynberg area to the suburbs in the Metro South East of Cape Town. This paper provides a review of the progress made on a range of minibus-taxi reform initiatives the City is implementing and will further provide context as to how they aim to improve and formalise the MBT industry, by amongst other, integrating the operators into a bus rapid transit (BRT) system. It is worth noting that some of the initiatives discussed have not commenced or are in progress, meaning that the end result has not yet materialised. Reflecting on the City of Cape Town's Industry Transition processes, it provides for an excellent opportunity to involve current MBT operators as partners in ensuring an improved public transportation network for all.

1. INTRODUCTION

With a population of close to 4.9 million people, the City of Cape Town, as a municipality has made significant progress in its efforts to continuously improve the public transportation network within its area of jurisdiction, where previous land use planning was largely based around the Apartheid principles of isolation and segregation according to race. Progressing into the 29th year of South Africa's democracy, government entities have developed various strategies aimed at ensuring economic hubs are easily accessible by addressing the Apartheid remnants of segregation. Additionally, due to an ever-increasing population, movement in and around cities have become consumed by congestion and Local Government is gearing efforts to improve this, making way for effective and efficient economic activity.

In the Cape Town context, the local government entity termed the City of Cape Town, is at the forefront of urban mobility in the city, actively seeking to develop and integrate sustainable transport systems into its urban infrastructure. Its role in public transport (PT) provision is centered around bus rapid transit (BRT) services, known as MyCiTi (Plano & Behrens, 2022). The City has embraced the principles of the Integrated Public Transport Network (IPTN) as prescribed by the National Department of Transport (NDoT) in 2007, which sets out to address the mobility challenges with the aim of creating a more inclusive

City for all by 2032 (Schalekamp & Klopp, 2018). A core principle of the IPTN suggests that considerable effort be placed on the investment and improvement of the minibus-taxi (MBT) industry, who are a major player in transporting passengers throughout the city. In fact, according to the 2020 National Householder Transport Survey, MBTs provide roughly 83% of the road-based public transport passenger demand (Stats SA, 2020). MBTs are a mode of public transport, where vehicle owners and drivers operate a demand responsive service and determining fare price, while the City plays an active role in the route identification based on regulatory processes and the concomitant provision of operating licenses (OL). All vehicle owners belong to an association which must be in support of an application for an operating license before the commencement of operations (Plano & Behrens, 2022). While one can appreciate the merit in being a self-regulated form of transport, the harsh realities bring to light the many complexities with the current business structure. Limited off-peak service availability [due to lower demand], poor vehicle maintenance practices, reckless driving and competition with the subsidised bus and rail services are just a few of the shortcomings with the current MBT industry (Schalekamp & Klopp, 2018). This coupled with the notion that drivers earn an income based on the number of passengers transported daily, culminate itself in a number of issues, ultimately putting the passenger at a disadvantage and deprived of improved public transport. Subsequently the City's Urban Mobility Directorate has been implementing a range of innovative initiatives aimed at formalising, improving and integrating minibus-taxi services. The desired outcome would see paratransit and scheduled services co-existing in a feeder-trunk relationship.

With MyCiTi BRT services being a mechanism to achieving a level of reform in the public transport arena, the City undertook the implementation of the first phase of the programme between 2010 – 2015, with the aim of filling the gaps triggered by ailing or absent rail services, as well as to incorporate both MBT and scheduled bus operations. The approach of the IPTN at the time called for a complete replacement of MBTs with BRT trunk and feeder systems and income or employment losses would be absorbed into the MyCiTi business structure. Post-implementation, it was deduced that the implementation had not gone according to plan, noting the challenges experienced with absorbing employment losses into MyCiTi, along with unanticipated, exorbitant operational costs and the passenger preference for minibus-taxis (Schalekamp & Klopp, 2018). The MyCiTi service only operates in a pre-determined area within Cape Town, leaving the majority of passengers without access to improved public transport, ultimately having to continue travelling via MBT or by an alternative means of transport.

As momentum increasingly builds on the second phase of the MyCiTi rollout, emphasis has been placed on the many lessons learned in the first phase implementation. The City's approach has thus shifted from the provision of solely BRT services, to what is now being termed Integrated Rapid Transit (IRT) services which embraces the MBT industry as part of its roll-out plans (Schalekamp, 2017). MyCiTi Phase 2A incorporates a fresh perspective on the establishment and ownership of Vehicle Operating Companies (VOCs), complimentary feeder service networks and transfer incentives benefiting both the operator and the passenger, along with the proposed establishment of association-based shareholding companies (ABSC) to oversee the feeder service operations. The Industry Transition Business Plan and the City's Compensation Policy (to be amended) also incorporates a compensation approach based on impact on existing services (Urban Mobility Directorate, City of Cape Town, 2022). Coupled with these MyCiTi Phase 2A reform and empowerment initiatives, the City also intends on expanding its Transport Operating Company (TOC) model, aimed at MBT reform by rationalising supply through a shared operational model.

Reflecting on public transport reform in Cape Town, this paper will discuss the various initiatives and strategies employed by the City of Cape Town aimed at transforming the MBT industry. This paper will also dive into the benefits and drawbacks of these various PT initiatives and assess their implications for public transport in the city. The following section introduces the concepts of the Phase 2A Business Plan and provides a brief analysis of the study area, before expanding on the details of the various PT reform initiatives.

1.1 MyCiTi Phase 1

The 12-year contract period for the first Phase of the MyCiTi rollout along the Blaauwberg-Atlantis Corridor, extending into the inner city of Cape Town (City of Cape Town, 2010), is nearing its end of term. The rollout was aimed at addressing the lack of rail service accessibility and the heavily congested road-based system (City of Cape Town, 2010). Much has been noted around the valuable lessons stemming from the first phase rollout, while anticipation has been building around the MyCiTi Phase 1 next steps as the contracts reach full term in 2025.

Although this paper looks at the various initiatives aimed at improving and transforming the MBT Industry, this section of the paper aims at providing a high-level update on some of the key differences the City is working towards in what is being termed, Phase 1 Stage 2, to address some of the lessons learned from the MyCiTi Phase 1 rollout.

The City of Cape Town will be required to tender, as per S41 of the NLTA, stating that the contract duration be set for 12-years. 2025 marks the end of the 12-year period and the City has been strategizing on the way forward. As a result, a preliminary set of key differences are being considered in the Phase 1 Stage 2 contracting model.

A major lesson learned in Phase 1 was that the complete replacement approach was not practical and gave rise to many MBTs operating illegally. MBTs have the ability to respond to demand because passengers still preferred to travel via MBT and as a result, these vehicles continued to operate illegally, alongside the MyCiTi service. It is for this reason that the new contracting model will make way for the contracting of concession services, otherwise known as feeder services. The final difference in contracting conditions for Phase 1 Stage 2, as for purposes of this paper, is related to operator payments. In Phase 1 operators were paid according to their ability to meet contractual requirements, which failed to take into account the performance aspect. In Stage 2, operators will be able to earn incentives based on both performance and the ability to meet contractual obligations. Upon the availability of the tender, further information and details on the contractual arrangements will be conveyed.

2. MyCiTi PHASE 2A BACKGROUND AND STUDY AREA

The Industry Transition Business Plan (ITBP) of 2022 details the way in which the City's Urban Mobility Directorate envisions implementing a high-capacity IRT system, to the Metro-southeast, linking Khayelitsha and Mitchells Plain to Wynberg and Claremont (Urban Mobility Directorate, City of Cape Town, 2022). The rollout of Phase 2A intends to address reliability, service quality and universal accessibility of public transport on the trunk and direct routes. By the introduction of MyCiTi in these areas, a degree of passenger transfer is projected to take place where passengers currently commuting via MBT or bus start shifting modes to the MyCiTi service, resulting in passenger reductions on the current transport modes. The ITBP is clear in noting that the implementation of the

MyCiTi will be done so incrementally. Considering the same approach, the MBT services on routes aligning to that of MyCiTi are planned to be incrementally and partially replaced. The bus service currently operating on the future route alignments are however expected to be incorporated and replaced by MyCiTi. Although MyCiTi is intended to only focus on the provision of trunk and direct route services, the plan speaks to the continuation of MBTs being the sole providers of feeder services to those trunk and direct routes. This is contrary to what took place in Phase 1, where great difficulty was realised in having MyCiTi buses provide these feeder services, mainly due to the large vehicle size. The price point, comfort and relative speed are just some of the factors MyCiTi hopes will bring about the competitive edge over MBTs (Urban Mobility Directorate, City of Cape Town, 2022). A hybridised IRT service where MyCiTi and MBTs operate alongside each other is the ultimate goal of Phase 2a.

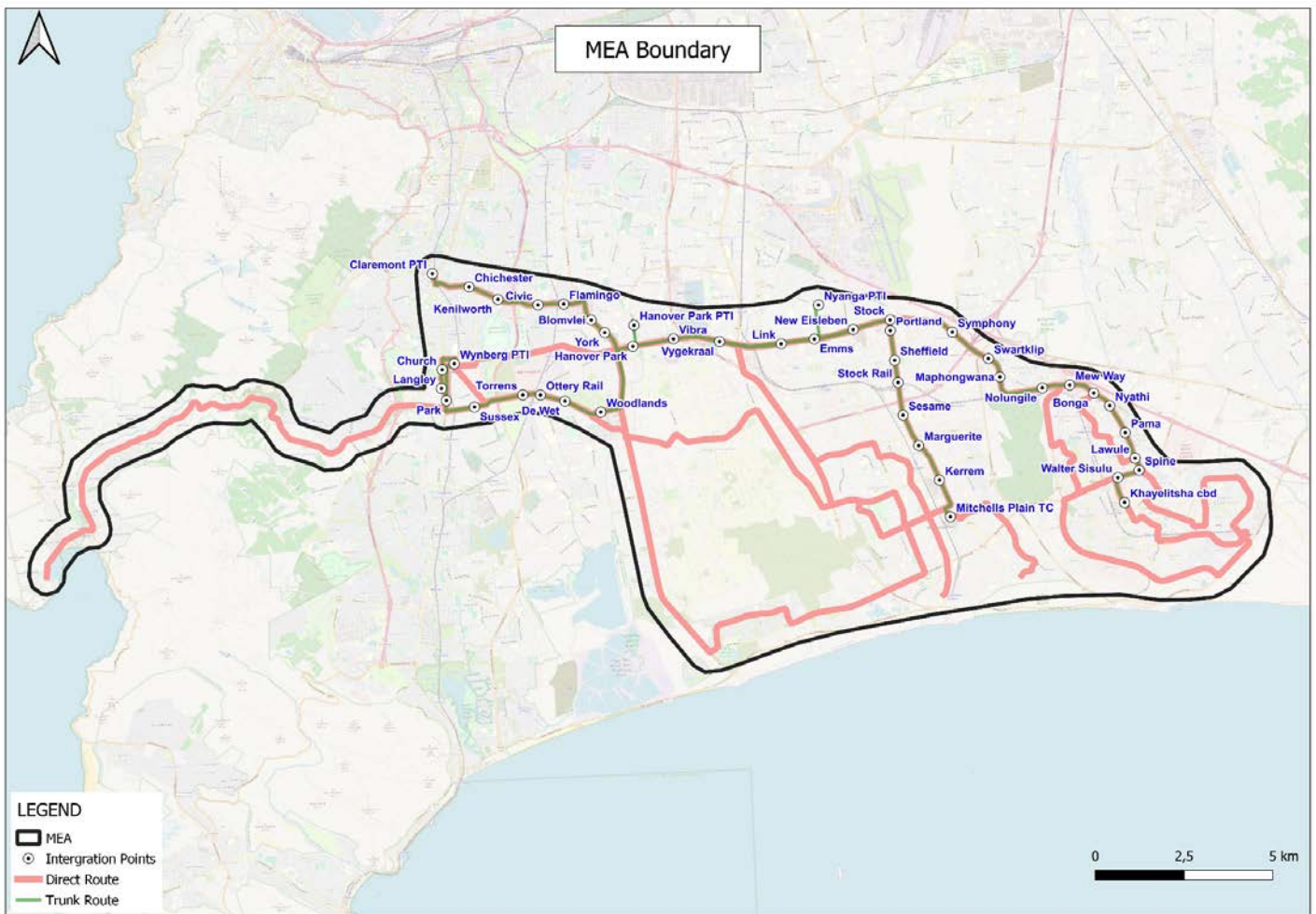


Figure 1: MyCiTi Phase 2A MEA, trunk and direct routes (Urban Mobility Directorate, City of Cape Town, 2022)

The MyCiTi Expansion Area (MEA) is the geographical study area where MyCiTi intends to implement its services. Figure 1 provides a closer view into the planned MyCiTi trunk and direct routes. This area encapsulates the legal MBT and bus operators who could be impacted during the rollout period.

The Phase 2A initiatives set out to empower and improve the MBT industry operating within the MEA, include the provision of feeder services to the MyCiTi trunk and direct routes. These operations will be on an incentivised basis. The MBT industry are also set to

be involved in the provision of MyCiTi services, where Operating License (OL) holders via their respective Regions, form VOCs with the aim of operating MyCiTi services contracted by the City. Where there are negative effects on the businesses of MBT operators, the City has developed an impacted-based compensation plan aimed at addressing these negative effects in a fair and non-disruptive manner (Urban Mobility Directorate, City of Cape Town, 2022). The following section will introduce the City’s industry engagement approach, after which the three MBT initiatives will be introduced and implementation progress discussed, respectively.

3. MINIBUS TAXI INITIATIVES

The City’s approach to industry engagements is in line with the incremental approach of the ITBP. Industry engagement is seen as a critical component to the success of Phase 2A. Without the buy-in, cooperation and involvement of the current bus or MBT operators in the current area, implementation efforts could be viewed as futile. Industry engagements are currently underway and the incremental approach has allowed for a closer monitoring of risks and mitigation measures, while at the same time allowing for the City to gradually explain the proposed Phase 2A concepts (Urban Mobility Directorate, City of Cape Town, 2022). This approach fostered the relationship between government and the MBT industry and allowed for valuable collaboration between the two parties. Industry’s involvement in engagements is on a purely voluntary basis in order to avoid situations of discontent within associations. Another important component of ensuring that these engagements kept on the trajectory of reform, was ensuring that empowerment was captured in the essence of these discussions. Upliftment in terms of skills development, co-ownership and access to business opportunities collectively is what the City intends to achieve in terms of empowerment.

Considerable progress has been made in engaging with the potentially impacted MBT industry. The engagements were divided into three stages, further explained in Figure 2.



Figure 2: MyCiTi Phase 2A industry engagement stages

3.1 Vehicle Operating Company (VOC) Formation

Another of the Phase 2A MBT initiatives, involves the establishment of two MBT-based VOCs in accordance with the City's long term network plan. This avoids having to establish VOCs according to the narrowly defined route networks affected by the incremental implementation approach. The City strategized on an approach to VOC shareholding and the approach landed on, as described in the ITBP, stipulates that an OL holder with origin points or return rights that fall within the MEA, will be eligible to acquire shares in one of the VOCs. This is irrespective whether or not MyCiTi has impacted their business. By following this route of business establishment, capacitated VOCs have the potential to meet the minimum economies of scale, created on an inclusive basis as well as work towards a strengthened transport network as opposed to addressing individual route networks (Urban Mobility Directorate, City of Cape Town, 2022).

The idea is for shares to be held by regional-based shareholding companies (RBSCs) in which the individual member will have the opportunity to acquire shares. Individual operators can only participate through their respective RBSCs and will not be entitled to hold shares directly. Upon establishment of these VOCs, a negotiated contract could be entered into with the City for the provision of MyCiTi services for a period of up to 12 years. The envisaged approach is summarised below and depicted in Figure 3.

- OL holders affiliated to Regions within the MEA, will form a RBSC.
- The purpose of the RBSC is to house and manage shares.
- OL holders will hold shares directly in the RBSC.
- It is envisaged that approximately 5 RBSCs would hold shares in either one of the 2 VOCs.
- RBSCs could have well over 1000 shareholders.



Figure 3: VOC Shareholding structure

The MBT-based VOCs will have a range of capitalization measures in place to ensure they have the necessary financing for optimum business performance. The instruments explored by the City include the possibility of equity funding by shareholding, loans from impact compensation beneficiaries and loans secured by means of the long-term VOC contract. The City will act as a constant guide through this process, supported by a host of professionals supporting them through this process (Urban Mobility Directorate, City of Cape Town, 2022).

Before the City enters into a contract with these VOCs, it is imperative that the necessary governance, management and technical capacity to deliver in accordance with the provisions and durations of the contract are adhered to. The VOC will therefore be responsible for appointing the necessary executive management with the necessary competencies and skills, as well as an independent non-executive who could advise the company's human resources in terms of executive management appointments. The ITBP suggests that the City is seeking enhanced competition in the MBT industry and will achieve this by ensuring that the VOC arrangements exclude companies with 33% of the scheduled bus services in the City (Urban Mobility Directorate, City of Cape Town, 2022). Additionally, to aid the development and capacity to improve MBT operations by participating more broadly in the public transport value chain, the City has administered strict rules when it comes to the transferability of shares to an established scheduled service bus operator. RBSCs who acquire a stake in the VOC, will not be permitted to sell, cede or transfer shares to another entity outside of another MBT-based RBSC. Transfers such as these will only be allowed after permission has been granted by the City, ensuring that the empowerment and capacitation benefits remain within the realm of the MBT Industry.

As noted above, the City will be facilitating the establishment of these companies and will therefore also oversee the appointment of two interim professional teams to guide the VOCs on registering the company as a legal entity, providing advisory corporate governance and legal support, assist in the preparation of detailed costing proposals and equipping them with the necessary knowledge and skills prior to contract negotiations with the City, as well as managing the selection training and development of VOC management and technical staff.

As per Figure 2, the City is currently conducting its third round of industry engagements with mandated representatives from each MBT Region. Discussions have progressed to a point where Regions have earmarked who they prefer forming a VOC with. The Consultation Forum has thus advanced in such a manner that the City meets separately with each VOC grouping, comprising of 2 or more Regions. These VOC groupings were sparked by proposals from the City, in which the number of OLs and associations were analyzed per region, giving rise to four potential options for VOC groupings. It was the City's intention to ensure that these proposals did not act as hinderances to the current business status quo, any potential political dynamics, racial connotation, historical areas of influence and the dynamics of current regions and associations. The Industry were given time to lobby and decide which grouping would best suit the requirements of the company and the City was subsequently informed which Regions had decided to partner with each other to form VOCs. Reflecting on the dynamics of the MBT environment, the City saw this as a milestone achievement in that Industry members were collaborating on a greater good for the future of IRT and their livelihoods. One could owe this achievement to the path the City walked with the Industry to this point along with the incremental engagement approach which premised itself on ensuring complex concepts were clearly workshopped and understood at a grass roots level.

The City is aiming to establish these two VOCs by the 30th June 2023, after which they will enter into a contract negotiation stage with the City's Contract Management Department.

3.2 Incentivised Feeder Services

The provision of feeder services to the MyCiTi trunk and direct routes by MBTs can almost be seen as a continuation of operations, noting that they are already providing a large percentage of the public transport in the MEA currently. A key concept to the approach of Phase 2A is hybridisation where the IRT system is designed to include both BRT and MBT transport modes that complement each other. Feeder services in Phase 2A are a key component in making the MyCiTi service viable, as MBTs are planned to ensure that passengers are transported to and from the trunk and direct routes which will require a considerable amount of integration between the two transport modes (Urban Mobility Directorate, City of Cape Town, 2022). This could include integration on an infrastructural level where interchanges, bus stops and MBT drop-off and pick-up points will need to be operationally effective. A level of integration will also need to be considered on an operational level to avoid having passengers stranded if one mode of transport is unable to provide for the demand at the time. This is particularly relevant in off-peak instances where it may not be viable for a MBT to transport a handful of passengers. The approach to the provision of feeder services should therefore be one that prioritises the integration of these transport modes while at the same time making sure that the level of service is enhanced and financially viable (Urban Mobility Directorate, City of Cape Town, 2022).

While it is expected that feeder services will operate independently to that of MyCiTi, a level of cohesion still needs to exist in terms of the overall service standards of MBTs. The City is therefore considering minimum standards of safety, security and comfort which each feeder vehicle and driver will need to meet. Possible options for these requirements have been considered by the City, including the installation of standard tracking equipment used to monitor driver behaviour, ensuring that drivers of feeder vehicles are in possession of the appropriate documentation. Because MyCiTi has been a leader in Universal Accessibility (UA) for passengers with special needs, hearing and visual impairments, it will be critical for feeder vehicles to comply to these standards as well, even if a limited number of UA vehicles are deployed (Urban Mobility Directorate, City of Cape Town, 2022).

Included in the plan for feeder services provision are mechanisms the City has considered to encourage passenger transfers from MBT feeder vehicles to MyCiTi. This mechanism in Phase 2A is referred to as the Feeder incentive approach, allowing operators, drivers and passengers to earn an incentive when transferring between the two transport modes (Urban Mobility Directorate, City of Cape Town, 2022). The objective is for all three parties to benefit from this incentive once it can be confirmed that a passenger has indeed transferred from a participating feeder vehicle to MyCiTi. With the City's expectation to conclude the full Phase 2A rollout by 2027/8, it is anticipated that passenger transfers will gradually increase in conjunction with the MyCiTi offering. As discussed, certain minimum criteria will need to be met by MBT operators and drivers for participation in the incentive scheme to be possible. The City intends to keep things simple in this regard to avoid operators being subjected to additional costs. Drivers and operators may however be required to attend training on the incentive scheme, tracking equipment and payment technology if considering participation in feeder service provision.

The City acknowledges the importance each party plays in the success of transport systems and has hence considered this incentive approach where the key role-players are

the ultimate beneficiaries. Operators are planned to have a direct stake in the scheme because they are the ultimate source of service continuity, noting that they essentially own the vehicle. Additionally, drivers are also beneficiaries of the incentive scheme as the City notes their importance in the overall service operation. Practical challenges have been highlighted in the ITBP around the payment of the incentive to drivers, indicating that a large portion of them may not have access to a bank account. Challenges around driver retention rates provides for another element of complexity (Urban Mobility Directorate, City of Cape Town, 2022). Two solutions to these challenges mentioned have been considered. The first being an approach where drivers are paid directly by a contracted company who can make cell phone-based payments, eliminating the need for a bank account. The second solution could involve the formation of an association-based company who would manage the payments of incentives to both operators and drivers. Not forgetting the passenger who is also a beneficiary of the transfer incentive scheme, should see a reduction in fare price when making use of a participating feeder service. Of course, the fare reduction for a transferring passenger will need to be high enough to promote a shift in modal choice.

The MyCiTi feeder incentive scheme was designed with the intent to naturally generate behavioural change in passenger choice. It also intends on motivating MBT operators and drivers to prioritise feeding MyCiTi services, by the increased source of income. As the service matures and become more attractive, so will the revenue increase of MBT businesses.

3.3 Impact-Based Compensation for MBT Services on MyCiTi Trunk and Direct Routes

It is estimated that with the introduction of MyCiTi in the Metro-Southeast, passengers preference in terms of transport mode is expected to change, shifting from the current MBT and bus services to the MyCiTi service, resulting in a reduction in passenger numbers along certain routes. In order to account for these losses in passengers, the City has considered an impact compensation approach targeted at those operators whose livelihoods are impacted. A thorough evaluation of the exact degree of capacity replacement will need to be undertaken and will be dependent on a number of factors (Urban Mobility Directorate, City of Cape Town, 2022). Some of these factors will include the available budget for compensation to materialise, as well as a clear view of the level of MyCiTi operation required for the service to be competitive and viable.

During the Phase 1 MyCiTi implementation, a full replacement of MBTs was undertaken and compensation was paid out to operators in a lump sum. Compensation was calculated on an OL basis for each route, where the average legitimate profit was calculated, along with a net present formula that calculated the loss of profit over a period of time (Urban Mobility Directorate, City of Cape Town, 2022). The lessons learned in this instance were centred around passenger preference in transport mode, as well as overlooking those operators who would have experienced a partial impact on their business. Phase 2A builds on these lessons learned and now envisions a hybrid service structure where the compensation approach takes into account any fiscal constraints and is premised on the complimentary alignment of MBT services to that of MyCiTi.

The compensation approach in Phase 2A is largely based on the monitoring of passengers who have made a long-term modal switch from MBTs to MyCiTi services and the operator groups who experience this reduction in passengers will be compensated accordingly. Determining the value of impact compensation is an ongoing discussion within the City as to determine how best to monitor the counting of passengers on the respective transport

modes. The current thinking considers using the fare system information to quantify the passengers who previously travelled by MBT, along with surveys. A 3-month period has been considered a reasonable time frame in which an operator can deduce whether or not a passenger has made a long-term modal switch, although this is still a proposal the City will need to address with the impacted MBT operators (Urban Mobility Directorate, City of Cape Town, 2022). The City envisages that an impact compensation agreement will be entered into, where OL holders, in line with the degree of impact, will be required to surrender an agreed number of OLs, set to be reduced on an incremental basis.

Contrary to Phase 1, the Phase 2A approach to compensation could see periodic payments being made to the affected operators, ensuring that the full duration of the Impact Compensation Agreement is complied with (Urban Mobility Directorate, City of Cape Town, 2022). While operators may receive an initial lump sum payment upon the relinquishment of a license, the full value of the OL or the remaining balance will be escalated by CPI and paid over a specific time period. This approach, of periodic payments, is what the City is currently proposing and will have to be workshopped and finalised through further engagements with the MBT Industry. With that being said, the City has developed a pre list criteria, aiding in the identification and eligibility of MBT operators who are negatively affected. Some of the predetermining criteria include operators being in possession of a valid operating license and route authority that aligns to the planned MyCiTi routes, the impacted operator would need to have been operating on that particular route on a continuous basis or at least 180 days prior to the rollout of MyCiTi, operators would also need to engage with the City once a substantial reduction in revenue has been suffered. The City acknowledges that additional work will be required to regularise transport services on routes aligned to the planned MyCiTi implementation, in order to successfully achieve a compensation approach that fair, non-discriminatory and legitimately implemented.

3.4 Taxi Operating Company Model (TOC)

In accordance with the objectives of the IPTN to transform the MBT industry, the City of Cape Town trialled a one-year pilot programme aimed at improving the business models and operations of MBT associations, by the establishment of Transport Operating Companies with scheduled service in the step towards formalisation and improved transport services (Saddier et al., 2019). The envisaged outcome of this initiative could see TOCs contracting with the City for future transport services requirements. The TOC model is underpinned by three-steps towards improvement in the following areas, rationalising supply, automating operations and recapitalising the fleet. The pilot incorporated three MBT associations in the south-eastern suburb of Mitchells Plain. 7th Avenue and Districts Minibus Taxi Association (7th Ave) was the first association who agreed to participate in this pilot project initiated by the City, to provide transport services along their specified routes. The City identified gaps in their MBT service provision, whereby drivers would follow a “fill-and-go” system (Saddier et al., 2019). This means that drivers would wait at the taxi rank or pick up points for a full load of passengers before commencing the commute. The implementation of this TOC model, saw professional teams working alongside the role players in the MBT environment to establish a company with the aim of achieving organisational and operational change, towards a scheduled service benefiting both the public and the association.

The Urban Mobility Directorate at the City made it possible for the establishment of this TOC on the 10th of January 2019 and 7th Ave started operating MBT services according to a pre-determined timetable, driver rosters and duty sheets, abandoning their old ways of

operations (Saddier et al., 2019). Firstly, drivers shifted to a fixed income rather than a commission-based income, eliminating competition in terms of passenger numbers on vehicles which often lead to overloading. Secondly, route itineraries were formalised which allowed for the introduction of new route variants on existing routes assigned to the association. Thirdly, an operations plan was developed with the assistance of a transport planner, introducing duty sheets and timetables into the environment which drivers needed to adhere to. Dispatchers and monitors were placed at the taxi rank to aid in ensuring that drivers were following the process, as well as ambassadors who guided passengers on the new form of operations.

As a result, the 7th Ave TOC achieved, as an unintended consequence, a scheduled passenger transport service, confirmed by a before-and-after opinion survey of passengers. This survey, conducted by the City of Cape Town's Urban Mobility Directorate, recorded improvements relating to passenger waiting time, road safety, vehicle comfort, conduct of the crew and pick-up and drop off locations. The TOC was also able to transport an estimated 9000 passengers per day while still achieving a significant reduction, around 45%, in fuel consumption.

The TOC Model demonstrated that it is a relevant and practical approach to the formalisation of the MBT industry, while also meeting the conditions in the Public Transport Network Grant (PTNG) Framework. The City plans to continue with the implementation of the TOC Model with additional associations, provided that the necessary government support is made provision for to aid in the set-up costs and fleet capitalisation of the TOC.

4. GENERAL REFLECTIONS AND CONCLUSION

This paper explored various initiatives the City of Cape Town are implementing in pursuit of a complementary hybrid PT network in Cape Town, with IPTN planning being centred around integration and accessibility, with the aim of bringing about reform in the MBT industry. The City's efforts to improve MBT business structures and operations should be commended in that, as a means of public transport, MBTs service Cape Town residents from all walks of life, aiding economic activity and growth (Schalekamp & Behrens, 2013). The City of Cape Town, as the local sphere of government, has the duty to ensure that initiatives aimed at improving public transport as a whole, are funded for cautiously and with maximum benefit. This paper has reviewed some of those benefits, noting what the TOC Model achieved by means of government support. Road safety and improved passenger waiting times were just a few of the positive outcomes.

The MyCiTi Phase 2A initiatives have reinforced that operators lie at the core of public transport services (Schalekamp & Behrens, 2013). Ensuring that the MBT industry are well engaged and support the City in the advancement of these initiatives, has proved to be an important component of the implementation strategies. The MyCiTi Phase 2A initiatives also set out to achieve a range of benefits for industry, including the formation of two MBT-based VOCs, who are guaranteed MyCiTi contracts, once negotiated. The MyCiTi Phase 2A rollout will focus on routes within the MEA and plan to have the service implemented by 2027. For those MBT operators who do not operate their business in the MEA have a long time to wait until government assistance reaches them. Initiatives, like the TOC Model, that require lower transition and operational costs allow for impact to be felt much quicker, shortening the waiting time. It also reduces the risk on government, generally because the costs are lower to implemented smaller scale initiatives (Plano & Behrens, 2022).

The current progress made on MyCiTi and the TOC Model have both shown that they are relevant mechanisms to formalisation in the industry, with improvements being highlighted. At the time of writing, many of the initiatives discussed were in too early of a stage to identify whether they have met the Key Performance Indicators (KPI) they set out to achieve. Monitoring the impacts of these initiatives on an ongoing basis will be a key undertaking for those involved, ensuring that the MBT industry and passengers are at the forefront of transformation and reform and that the City are performing in line with the objectives of the IPTN.

5. ACKNOWLEDGEMENTS

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