

THE METERED TAXI IN SOUTH AFRICAN CITIES

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ABSTRACT

The Department of Transport is leading the development of a strategy aimed at improving the quality of metered taxis in South African cities and at the same time increasing their usage by residents and visitors.

A discussion paper has been prepared and circulated to other spheres of government, as well as to relevant agencies such as the SA Bureau of Standards. The next steps will be to :

- reach consensus with those spheres and agencies, and
- begin consultations with the metered taxi industry
- prepare draft regulations and publish these for general public comment.

This paper must not therefore be taken as being in any way a statement of government policy or strategy, but rather an indication of some of the main issues which have been identified and which will be the subject of consultation.

The 2010 FIFA World Cup clearly indicates that there a degree of urgency, since visitors can be expected to make extensive use of the metered taxi.

BACKGROUND

The Public Transport Strategy and Action Plan [1] (PTSAP) approved by Cabinet in March 2007 summarises the metered taxi problem thus:

"The relative absence of metered taxis, particularly "cruising taxis", in South African cities represents a major gap in the public transport system, particularly in view of the coming FIFA World Cup."

The aim is to overcome this identified 'relative absence of metered taxis', by expanding supply and increasing usage in a balanced and orderly way.

Other problems have been identified by some provinces, notably in the area of quality standards, and enforcement both of those standards and the permit/licensing system. Action is being taken in those provinces to impose more effective controls.

The strategy will accordingly address matters of both quantity and quality. It will incorporate those initiatives already under way at provincial level.

SCOPE

Priority : Urban Areas

The small vehicle will almost certainly have an important part to play in the provision of public transport in rural areas, especially as a shared-ride demand-responsive service.

This is, however, quite different from the role of the metered taxi in urban areas, and will be more appropriately dealt with in strategies for the development of rural transport. This strategy will accordingly confine itself in the first instance to consideration of the metered taxi in urban areas

The Metered Taxi in IRPTNs

The PTSAP refers to the metered taxi in two contexts :

- that of the 'commercial' services as they can be seen on the streets of our cities
- that of a feeder and distribution service to Integrated Rapid Passenger Transport Networks (IRPTNs) at times of low demand.

A preliminary analysis of the second of these has been undertaken. It suggests that :

- the role of the metered taxi in IRPTNs is more appropriately dealt with as part of the development of IRPTNs themselves; but that in any case
- successful participation of the metered taxi in IRPTNs is likely to be dependent upon the development of more professional commercial metered taxi services.

The strategy will therefore deal only with the metered taxi in its normal commercial role.

STRATEGIC AIMS

Vision

The following has been suggested :

'A metered taxi operation in South Africa's cities offering a consistently high standard of service in terms of availability, comfort, safety and security, with fares and fees that encourage widespread and regular use by the population as a whole.'

Objectives

The metered taxi will continue to provide personalised transport through the use as now of small vehicles pre-booked or hired off a rank, but with :

- substantially more than now in each area
- higher standards of both vehicle and driver
- the ability to be hailed in the street
- significantly expanded ranking capacity at appropriate locations, including public transport interchanges
- at least a proportion of vehicles providing full accessibility for passengers with special needs
- a marketing and communications programme designed to encourage widespread use
- a central booking/despatch system to make it easy for the public to phone for a metered taxi, and to minimise response times.

THE METERED TAXI

It is widely accepted that there are three levels of metered taxi :

- luxury or executive
- standard
- economy

To illustrate the point, current initiatives of both Gauteng and the Western Cape identify these three levels, and both are introducing measures to enable the user to distinguish between them. Both provinces are implementing differential tariffs for each of the three categories.

This is entirely in line with current policy in respect of the metered taxi. The National Land Transport Bill [2] (NLTB) includes the following provision :

"66(4) The Minister or MEC may make regulations providing for—
(a) a grading system for metered taxis".

The three categories or grades may be broadly described as follows

Executive

This grade is clearly identifiable. It uses high-quality saloon cars. It stands for hire at ranks at places such as airports and multi-star hotels. The owners of these private ranks very often specify that only this grade of taxi may stand at their ranks. It usually has a substantial business clientele.

There are some problems. Other taxi owners suggest that many such 'taxis' are really private hire cars, even though they pick up at places like hotel ranks. If this is so, the situation must be regularised - laws and regulations must be obeyed even by the executive taxi. But generally, this category does not appear to cause problems.

Standard

This is the grade usually meant when the term 'metered taxi' is used by the public. It is fully legal in that it has a metered taxi operating licence, and it has a working taximeter. The vehicles are usually - though by no means always - reasonably new. The Standard taxi may stand for hire at ranks, but it usually also has a substantial trade stemming from telephone bookings, often by business users whose companies hold an account with the taxi operator.

Economy

The term 'Economy taxi' is used in this paper to describe a service which has responded to the needs of a particular market to offer a form of personalised (though often shared) urban transport.

One characteristic of the Economy taxi is that it currently is often not legal in that it does not have a valid permit or Operating Licence. There may be other illegalities such as, for example, the use of a meter which is not properly calibrated or where the seal has been broken.

However, the Economy taxi clearly meets a demand.

DEVELOPING THE STANDARD GRADE TAXI

There are compelling reasons for suggesting that a strategy for the increase in the use of the metered taxi can be effective only if it concentrates on just one grade. It seems clear that this must be the Standard grade.

The national strategy will therefore be to expand and promote the Standard grade so that it becomes the recognised metered taxi.

However, the three-grade structure is what currently exists, and it must therefore be accommodated in the strategy.

Provinces will be able to implement their own strategy for the other two grades. They may also, where a motivation can be sustained, make changes to certain of the national requirements for the Standard grade.

The national strategy will accordingly seek to provide for the different grades as follows :

Executive

- Ensure that it meets at least the minimum standards required of the Standard grade, otherwise allow it to find its own market
- Provide for provinces to make regulations for this grade to meet local conditions

Standard

- Set national standards through regulation, while allowing provinces to vary the national regulations where those variations do not compromise the national strategy
- Encourage an increase in numbers through the purchase of additional new vehicles, and the replacement of existing vehicles by new ones, using the negotiated finance package
- Develop the market through the promotional campaign and the centralised booking/despatch system.

Economy

- Provide for provinces to make regulations for this grade to meet local conditions
- Encourage upgrading to Standard grade, with the incentive of then being able to be part of the promotional campaign and the centralised booking/despatch system.

THE ROAMING TAXI

The NLTB defines the metered taxi as one which "is available for hire by hailing while roaming, by telephone or otherwise". The term 'roaming taxi' will thus be used in this paper

It is not wholly clear why the practice of roaming has not been adopted in South African cities. However, as far back as 2000, the National Land Transport Transition Act 2000 [3] (NLTTA) defined a metered taxi as one which is 'available for hire by hailing, by telephone [or] may stand for hire at a rank '. As noted above, that definition has been carried forward into the NLTB. So there has been and is no legal bar from the national transport legislation - indeed, the ability to be 'hailed' is specifically catered for.

It is also possible that South Africa has simply never adopted the practice because of the limited number of taxis, a situation which it is intended will be rectified by the new strategy for the development of the metered taxi.

The key almost certainly lies in the density of taxis per square kilometre. Once a taxi service reaches a certain density, drivers will take the opportunity to look for customers away from ranks, and users will become accustomed to them being available to hail on the street.

There may be environmental objections to the roaming taxi. The argument may be that running empty kilometres results in unnecessary carbon emissions. Similar arguments may be adduced (for and against) in respect of the 'waste' of fuel, especially in the light of the 'peak' oil debate.

These arguments may perhaps be countered by the likelihood that an expanded metered taxi service will result in fewer private cars being used to, from and in city centres.

TAXI RANKS

An increase in the number of metered taxis will inevitably result in a need for additional rank space. Most South African cities have only very limited ranks and spaces at those ranks. It is vital that the city authorities be fully committed to the need for an expansion. If this is not the case, the whole metered taxi strategy runs the risk of failure.

In the case of very busy ranks with only limited standing capacity, there will be a need for an overflow rank from which taxis can be called forward. This will require the implementation of an operational control of some kind (it may be linked to the central despatch office described later).

There must also be adequate provision at public transport interchanges for ranking space for the metered taxi (especially the Standard grade taxi.) In this context, 'public transport interchange' means any point at which passengers change modes. It is particularly significant at the major interchanges with either rail or BRT lines, but given the personalised nature of the metered taxi, there may be a need also at much smaller points of interchange.

QUALITY REGULATION

The PTSAP suggests that the Department of Transport should offer guidelines to other spheres of government. On the matter of quality it says this :

"The guidelines should offer advice on such matters as :

- minimum age of vehicle
- identification as a metered taxi (colour, decals, identifying number, etc)
- minimum specifications for obtaining licence
- specific standards for metered taxis over and above those of the standard roadworthy test
- testing of drivers, including checks on criminal records, but with special emphasis on local knowledge
- issuing of a special drivers permit/licence over and above the Professional Drivers Permit
- periodic re-testing of both vehicles and drivers; and
- circumstances in which the planning authority might advise the OLB [Operating Licensing Board] that an OL [Operating Licence] should be withdrawn."

The intention of the Department is to incorporate most of these matters into the regulations for the Standard grade taxi.

QUANTITY REGULATION

All permit-based activities have to find a balance between the extremes of restrictive quantity regulation on the one hand and free markets on the other. The metered taxi is no exception.

The taxi owner must be able to make a reasonable return on investment, and the driver must be able to earn an acceptable income without having to work excessive hours. At the same time, customers must be able to find the taxi easy to use because it is generally readily available for hire.

To ensure a process of orderly expansion:

- the main operating criteria of metered taxi operations must be measured at regular intervals
- there must be ongoing market research into usage and customer satisfaction levels.

TARIFF STRUCTURE AND FEES

The NLTB says this :

"The Minister or MEC, in consultation with the relevant planning authority, may determine a fare structure for metered taxi services and the MEC must publish such fare structure in the Provincial Gazette."

This clause relates only to a fare *structure*, not to the fares or charges themselves. The suggestion has therefore been made that the fare structure model should be a national competency while the development and regular update of tariffs should be the responsibility of Provincial Governments.

The Department of Transport will consider the development of a cost model to incorporate, *inter alia* :

- capital costs and financing charges
- fixed costs and overheads
- running costs such as fuel and maintenance
- personnel costs.

The results will be issued from time to time in the form of guidelines.

THE TAXI METER

The NLTB defines the metered taxi thus :

"metered taxi service" means a public transport service operated by means of a motor vehicle contemplated in section 66 which—

(c) is equipped with a sealed meter, in good working order, for the purpose of determining the fare payable, that is calibrated for such fare or complies with any other requirements applicable to such meters;"

And in the body of the Bill it is stipulated that

"66. In the absence of requirements published in terms of the Trade Metrology Act, 1973 (Act No. 77 of 1973), the Minister must set standards for sealed meters for metered taxis in accordance with standards set by the South African Bureau of Standards in terms of the Standards Act, 1993 (Act No. 29 of 1993)."

The Department is liaising closely with the SA Bureau of Standards and other bodies, especially in respect of the provisions of Trade Metrology Act, 1973.

ENFORCEMENT

The problems and requirements of enforcement of legislation and regulations in respect of the metered taxi is in some respects similar to that of other modes of public transport, or indeed of the road user in general.

There are, however, some special requirements in the case of the metered taxi. They relate to the personal nature of the service and thus the need to ensure that quality standards remain high, the unique nature of the taxi meter (and the way in which it can be abused), and other such matters.

International experience appears largely to be that enforcement of both quality standards and the permit system is best handled by a specialised metered taxi inspectorate. The strategy will recommend an enforcement programme based on international best practice.

FINANCING

If the metered taxi is to become an everyday form of transport, its numbers must be greatly expanded.

This can only happen if finance is readily available. Finance houses are currently wary of providing finance for metered taxis, and this tendency has been strengthened by the responsibilities placed on them by the National Credit Act.

The Department of Transport will liaise with finance houses and government small business organisations to encourage the ready availability of vehicle finance, using the development strategy as a catalyst.

CENTRAL BOOKING AND DESPATCH SYSTEM

The private sector will be encouraged to implement and promote a central booking/despatch system (to supplement but not replace existing company-operated booking systems).

This will allow the whole of the taxi fleet in an area to be used to the optimum, and thus minimise response times and dead legs.

The advantage to a user (both the resident and the visitor) is that there will be just one number to memorise in order to be able to make bookings in the area where the hire is required. It is even possible to envisage just one number for the whole of South Africa.

Suitable and tested software is available internationally.

MARKETING AND COMMUNICATION PROGRAMME

If new owners are to be encouraged to enter the metered taxi arena, it is essential that the market should be stimulated so that the new entrants are not simply competing for the same customers as the present operators.

The strategy envisages a government-backed (but possibly private sector-sponsored) promotional campaign for the first three years of the new strategy, to :

- explain the strategy to the public and encourage new customers to use the metered taxi
- describe clearly how the central booking/despatch system works, and encourage its use
- advise against the use of any 'metered taxi' that does not have the prescribed markings.

FIFA WORLD CUP 2010

The metered taxi will play a crucial role in providing for WC2010 visitors.

The Department of Transport is separately considering the role the metered taxi will play and the actions needed to ensure that this happens. However, it is important that actions taken in respect of 2010 assist the longer-term moves, and that there is no conflict between the two sets of actions.

It can be said with confidence that the 2010 event will act as a catalyst for engendering change and improvements in the provision of metered taxi services.

References

Public Transport Strategy and Action Plan, Department of Transport, March 2007

National Land Transport Bill [B51D-2008]

National Land Transport Transition Act 2000 [Act 22 of 2000]