

**AN ASSESSMENT OF THE EXTENT TO WHICH THE CITY OF JOHANNESBURG'S REA VAYA BUS RAPID  
TRANSIT SYSTEM IS ACHIEVING ITS INTENDED SOCIO-ECONOMIC AND POLITICAL OBJECTIVES**

Submitted by:

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Dominic Ntokozo Mjyako

March 2021

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**Dedication**

I dedicate this work to my late parents, whose hopes and dreams remain an important source of my inspiration, and to the residents of the City of Johannesburg, from whom I have learnt so much and amongst whom I found a sense of belonging.

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## List of abbreviations

AFC	Automated Fare Collection
ANC	African National Congress
BOCs	Bus Operating Companies
BOCA	Bus Operating Company Agreement
BRT	Bus Rapid Transit
CDM	Clean Development Mechanism
COF	Corridors of Freedom
CEO	Chief Executive Officer
Cllr	Councillor
CoJ	City of Johannesburg
DA	Democratic Alliance
DORA	Division of Revenue Act 1 of 2018
EISD	Environment and Infrastructure Services
GLU	Government of Local Unity
ICT	Information and Communications Technology
IDP	Integrated Development Planning/Plan
IPTN	Integrated Public Transport Network
ITP	Integrated Transport Plan
ITS	Intelligent Transport System
JCTA	Johannesburg Community Taxi Association
JRA	Johannesburg Roads Agency
JDA	Johannesburg Development Agency
JMPD	Johannesburg Metropolitan Police Department
KPAs	Key Performance Areas
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
MMC	Member of Mayoral Committee
MOE	Municipal Owned Entity
MOU	Memorandum of Understanding
NDP	National Development Plan
NGO	non-governmental organizations
NDoT	National Department of Transport
NLTA	National Land Transport Act, 5 of 2009
NPM	New Public Management
NSFAS	National Student Financial Aid Scheme
PDIA	Problem-Driven Iterative Adaptation
PTNG	Public Transport Network Grant
SAR	Security Access Restrictions
SDF	Spatial Development Framework: 2040
SANTACO	South African National Taxi Council
SABS	South African Bureau of Standards
SATC	Southern African Transport Conference
SPTN	Strategic Public Transport Network
TETA	Transport Education training Authority
ToD	Transit-oriented Development
TMT	Transport Management Team

## **1. Introduction**

### **1.1 Background to the study**

Since its establishment in 1886, following the discovery of gold, the city of Johannesburg has seen remarkable growth, developing from a small mining town to one of the youngest of the world's major cities (Campbell, 2019). In 2019, the Mid-year Population Estimate Report published by Statistics South Africa (Stats SA) places Gauteng as the most populous province in the country, with approximately 15,2 million people or 25,8% of the total population (Stats SA, 2019). In Johannesburg, this figure is placed at 5.4 million people living in the city, a figure which continues to increase due to the influx of migrants seeking political asylum and economic opportunities, despite the unemployment rate placed at 32.7% in the first quarter of 2020 (Nemavunda & Lomahoza, 2020). In 2015, the World Bank noted that South Africa remains the most unequal country with a Gini-coefficient score of 0.63 (World Bank, 2015). In Johannesburg, this score is placed at 0.62 ((Nemavunda & Lomahoza, 2020)).

As the country's leading industrial and financial metropolis and the most advanced commercial city in Africa, Johannesburg has over 500 suburbs and townships (Campbell, 2019) and as is the case with most South African cities, owing to the legacy of apartheid, land-use patterns continue to sprawl out and remain socially divided (Metropolis, 2013). As the country's economic hub, Johannesburg requires an efficient public transport system to support post-apartheid social, economic, and political objectives. These objectives are intrinsically linked to the enjoyment of rights enshrined in the Bill of Rights<sup>1</sup> in the South African Constitution.

This research paper explores how, at the most basic level, public transport facilitates access to, and/or the enjoyment of basic human rights, and how the delivery of reliable and affordable public transport enhances economic growth and spatial transformation.

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<sup>1</sup> Chapter 2 of the Constitution of the Republic of South Africa, 1996.

## **1.2 Problem statement**

Despite continuous investment by the City of Johannesburg in the Rea Vaya Bus Rapid Transit (BRT) system since 2009, the extent to which this form of public transport is achieving its intended social, economic, and political objectives is uncertain.

## **1.3 Relevance of the research**

This research is relevant in that it contributes to an identified knowledge gap at several levels. Firstly, it provides a perspective on the model used to transform and incorporate the minibus taxi industry into the mainstream economy. While there have been numerous studies on the strategies to formalize and accommodate the minibus taxi industry into the mainstream economy, the City of Johannesburg's BRT project is one of the first practical examples of this being attempted. To achieve this, the paper explores the systematic process of implementing the BRT system in Johannesburg.

Secondly, the relevance of this research is supported by its pragmatic approach in collecting, collating, and analysing information about the critical factors that have a fundamental impact on the implementation of mega projects such as the Rea Vaya BRT. As such, the paper explores the ideological motivation behind policy choices; the coordination of decision-making among different departments and spheres of government; the role of leadership; governance and management systems and processes; as well as the stakeholder engagement processes.

Thirdly, the study will contribute to an identified knowledge gap that relates to whether or not the socio-economic conditions of a developing country such as South Africa are suitable for a BRT system that is partly intended to address apartheid spatial planning, as it being implemented by the City of Johannesburg. Lastly, the relevance of the research lies in its intended contribution to the understanding of the importance of doing an evaluation of a mega project such as the BRT. The outcomes of this research will therefore contribute significantly to both policy considerations and professional practice in both public transport and spatial planning sectors in the City of Johannesburg and other South African cities.

## **1.4 The research questions**

The study will respond to the following primary question:

To what extent is the City of Johannesburg's BRT system achieving its intended socio-economic and political objectives?

To answer this question, the following secondary questions will also be answered:

- How was the Rea Vaya BRT conceptualized and implemented?
- What are the socio-economic and political objectives that the Rea Vaya BRT system intends to achieve?
- How effective are the City's planning, monitoring and evaluation systems in relation to the BRT system?
- What are the ideological influences on the City's development policy choices?
- Who are the critical stakeholders of the City's development policies, what are their roles, and how are they benefiting?
- What are the linkages between Rea Vaya and spatial transformation in Johannesburg?
- Is the continuous investment in the BRT system by the City of Johannesburg justifiable?

### **1.5 The hypothesis**

A critical analysis of the ideological orientation of policy makers; organizational interdependences; the role of political and administrative leadership; stakeholder engagement; financial management; as well as monitoring and evaluation systems and outcomes, is essential in determining the extent to which the City of Johannesburg's BRT project is achieving its intended socio-economic and political objectives.

### **1.6 Research methodology**

The research question is addressed both as an analytical narrative and through process tracing which includes the historical background and significant milestones in the implementation of the BRT project. This approach is necessary as the implementation of the BRT is ongoing, with Phase 1A and 1B having been operational for just over ten years, and Phase 1C expected to be launched in the middle of 2021. There is also a substantial reliance on the critical theory as a foundation for this study. Ratshitanga (2019) explains that critical theory is compelling in terms of how it guides the process inquiry because it makes a clear connection between theory and action. The research methodology used is a combination of descriptive research, which includes a literature review and both qualitative and quantitative data analysis.

The qualitative approach involves interviews with relevant individuals who, in one way or another, have played a role in the conceptualization and/or implementation of the BRT

system, those who have been involved in policy-making processes in general as well as those who have played critical roles in spatial planning in the City of Johannesburg. These individuals include current and former City officials, individuals connected with the minibus taxi and the property development industries, as well as current and former political office-bearers. The quantitative data relates to BRT passenger numbers, customer satisfaction surveys as well as the financial data. It is hoped that this multiple data-collection strategy will strengthen the credibility of the research outcome.

The mixed research methodology was selected to align with the author's pragmatic approach to the study. Elizabeth, *et al* (2016) explain that "rather than taking a position on the nature of knowledge itself, pragmatism is turned to the selection of methodological tools that are most purposive in solving a knowledge problem". This paper, accordingly, subscribes to an epistemological viewpoint "based on the fundamental assumption that it is not possible to separate the outside world from the individual's ideas, language, symbols, and perceptions of that world" (*ibid.*). Accordingly, the researcher acknowledges that the subject matter of this research resonates with his personal experience as a resident and employee of the City of Johannesburg as well as an occasional user of the BRT system. This acknowledgement explains the use of multiple information-gathering strategies, which included observing, asking, and examining materials. Furthermore, by being conscious of his closeness to the research topic, the researcher has taken necessary steps to avoid confirmation bias and to ensure that information gathered is objective and credible.

Written approval was obtained from the City to access relevant research material and to conduct interviews with consenting individuals. Most interviews were recorded and transcribed. Additional information was obtained through e-mails and text message exchanges. A list of individuals that were interviewed and/or contacted via e-mail and text messages is contained in Appendix A.

### **1.7 The quantitative research**

This method of research entails an analysis of data contained in the City's policy documents, departmental presentations and reports, including the Mayoral Committee and Council reports. The policy documents and reports that were used include the following:

- Bus Rapid Transit Planning Guide, June 2007
- Joburg 2040: Growth and Development Strategy
- Rea Vaya Scoping Study, November 2006

- Rea Vaya/BRT, Transforming the Face of Public Transport, End-of-Term Report: 2006 – 2011
- Spatial Development Framework 2040, 2016
- Inner City BRT Station Precinct Analysis: Main Report – Market Research Findings and Overarching Recommendations
- Corridors of Freedom: Re-stitching our City to create a new future
- Strategic Integrated Transport Plan Framework
- Public Transport Transformation and Empowerment Policy
- City of Johannesburg Transport Governance Framework
- City of Johannesburg Monitoring and Evaluation Framework
- Inclusionary Housing Incentives, Regulations and Mechanisms

As this paper is essentially about development policy implementation, the literature review explores the theoretical foundations of key concepts in answering the research question; analysing the critical factors related to leadership; ideological motivations and political considerations; stakeholder engagements and participation; institutional arrangements as well as public sector planning, monitoring and evaluation systems and processes of Rea Vaya. Some of the linkages between theory and practice are also demonstrated in the literature review.

The scope of study is limited to the City of Johannesburg's BRT project from its conceptualization in 2002 through the launch of Phase 1A in 2009 and until the end of 2019.

## 1.8 Chapter outline

The paper is designed to follow a logical sequence aimed at outlining the relevant historical background, building an argument from differing data sources and answering the research question with as much clarity and detail as reasonably possible. The structure of the paper provides the sequence for the testing of the hypothesis. The outline of this paper is as follows:

- **Chapter 1:** Introduction
- **Chapter 2:** Public transport in the City of Johannesburg: Context and Mandate
- **Chapter 3:** Conceptualization and implementation of Rea Vaya BRT
- **Chapter 4:** Literature review
- **Chapter 5:** Research interviews and findings
- **Chapter 6:** Filling in the knowledge gaps
- **Chapter 7:** Conclusion

## **2. Public transport in the City of Johannesburg: Context and mandate**

### **2.1 The Transport Department**

After the Local Government Elections in March 2000, Councillor (Cllr) Amos Masondo was elected as the first Executive Mayor of Johannesburg, which had become a unicity (Moosajee, 2019). Johannesburg had previously consisted of various independent Metropolitan Councils (ibid.). The City at that time did not have a Transport Department in the form that currently exists (Stanway, 2019). As a result, one of the first decisions that Masondo took, was to divide the then Development Planning, Transportation and Environment Management Department into three stand-alone departments, namely, Development Planning; Transport; and Environment and Infrastructure Services (EISD) (Moosajee, 2019). Masondo also appointed Cllr Moosajee as MMC for Transport and Bob Stanway was an Acting Executive Director of the department at that time (ibid.).

The National Land Transport Act, 5 of 2009 (NLTA) which is overseen by the National Department of Transport (NDoT), provides for institutional arrangements for land transport<sup>2</sup>. The NLTA also clarifies the concurrent roles and responsibilities of the three spheres of government in public transport regulation such that the National government oversees transversal alignment with national transport policies while the Provincial authorities have jurisdiction over licensing ((Charman, *et al* 2020). Local government has jurisdiction of all road users within its domain since most roads are municipal property (ibid.). Accordingly, transport service delivery at the local government level involves the implementation of effective and efficient infrastructure, systems, and management of operations (Harrison, *et al* 2014). The term "infrastructure" refers to roads, pedestrian and cycling facilities, intersection controls and safe vehicles, while transport systems include policies, service standards and management tools to guide decision-making and subsequent monitoring and evaluation (ibid.). Transport operations are day-to-day actions aimed at ensuring that systems put in place are implemented (ibid.). Given the need to understand the requirements of transport users and to match these to safe, effective and efficient infrastructure and systems designs, transport delivery is by its nature a multi-disciplinary function that includes disciplines such as engineering, town planning, sociology, economics, psychology, and information and communications technology (ibid.).

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<sup>2</sup> Chapter 2 of the National Land Transport Act, 5 of 2009.

The effective harmonisation of these diverse disciplines requires strong leadership to successfully co-ordinate multi-disciplinary teams to implement effective and efficient transport infrastructure, systems and operations (ibid.). Since 1996, the South African transport policy has been deliberately biased towards the delivery of public transport over private transport (Johannesburg, 2013). Municipalities are also legally mandated to formulate Integrated Transport Plans (ITPs) through which transport service delivery must take place (ibid.). As tools for guiding transport service delivery, ITPs are especially powerful as they are inclusive of community participation in the approval process (ibid.). The first ITP of the City of Johannesburg was formulated in 2003 (ibid.). It was the first in South Africa to be approved by both the provincial and national spheres of government (Moosajee, 2019). Despite its weaknesses, which included the lack of measurable transport policy targets, the lack of energy management considerations, and poor linkages between rail-based and road-based transport services, one major achievement of the ITP was the establishment of a Strategic Public Transport Network (SPTN) connecting several strategic nodes in the City. This subsequently became the foundation for the implementation of the BRT network (Johannesburg, 2013).

The service delivery agenda for the City of Johannesburg's Transport Department, according to the department's 2019/2020 financial year mid-year performance progress report, comprises 24 Key Performance Indicators (KPIs). Table 1 below shows the Department's performance summary of seven KPIs and targets including variances that are relevant to Rea Vaya.

**Table 1: Performance summary of seven of 24 KPIs and Targets for 2018/19.**

#	IDP Programme	2 <sup>nd</sup> Quarter Target	2 <sup>nd</sup> Quarter Actual	Status	Variance (if any)	Comments
1.	<b>Rea Vaya passenger trips</b>	45 900	46 886	▲	-	-
2.	<b>Vaya infrastructure rollout</b>	Construction in progress	Construction in progress	▲	-	-
3.	<b>Bus procurement</b>	0	0	▲	-	-
4.	<b>Rea Vaya Intelligent Transport System (ITS) rollout</b>	Implementation in progress	The Rea Vaya phase 1C (a) ICT (Information and Communications Technology) commissioning and installations at stations and depot is in progress. Automated Fare Collection (ACF) system procurement in progress	▼	Work on AFC not yet commenced	AFC procurement process underway
5.	<b>Bus Company formation</b>	Negotiations in progress	Compensation offer accepted by the taxi industry. Next stage is conclusion of BOCA (Bus Operating Company Agreement)	▲	-	-
6.	<b>Public transport operator's capacitation</b>	Project preparations completed	Discussions with TETA (Transport Education training Authority) still in progress for a programme on capacitation and incubation of the taxi industry	▼	Engagements with TETA not yet finalised	Engagements with TETA taking longer than anticipated. It is anticipated that these engagements will be finalised in the next quarter, including signing of MOU and commencement with implementation of capacitation programme
7.	<b>IPTN plan and Bus Operating Contract for Greater Soweto and South</b>	Project preparations completed	IPTN report submitted to the Mayoral Committee. Final stabilisation plan in place. Province initiated process to go out on tender	▼	Project preparations for BOCA not completed	Project preparations (engagements with affected operators) not concluded as the province took a decision to go out on public tender instead of negotiated contract, impacting on original target

Source: CoJ Transport Department 2019/2020 Mid-Year Performance Progress Report

The Transport Department's performance and the approved delivery agenda are aligned to the City's strategic priorities and programmes (CoJ Transport Department 2019/2020 Mid-Year Performance Progress Report). The delivery agenda is geared towards improved mobility on roads, quality of life of the City's residents, and enhanced economic growth and job creation (ibid.). The Department's service level standards are developed at the

beginning of the financial year and are regularly monitored (ibid.). These service level standards entail the provision of quality Rea Vaya services, adherence to turnaround times for the processing of Security Access Restrictions (SAR) and commenting to Gauteng Province on applications by operators for licenses, all of which are central to the mandate of the Transport Department. The most recent progress report, at the time of this research, regarding the service level standards is reflected in Table 2 below.

**Table 2: Transport Department Service Level Standards.**

Core service	Service level standard	Status quo
Rea Vaya Bus timetable	<b>95% adherence to daily bus schedule</b>	Target met 97% adherence to daily bus schedule.
Rea Vaya Station waiting time peak (trunk route) on a working day	<b>10 minutes maximum</b>	Target met 3 to 4 minutes waiting time during peak
Rea Vaya Station waiting time off-peak (trunk route) on a working day	<b>30 minutes maximum</b>	Target met 15-30 minutes waiting time
Rea Vaya Feeder bus peak waiting time on a working day	<b>15 minutes maximum</b>	Target met 10-15 minutes waiting time
Rea Vaya Feeder bus off-peak waiting time on a working day	<b>30 minutes maximum</b>	Target met 20-30 minutes waiting time
Safety of commuters	<b>100% compliance to safety and security of commuters</b>	Target met 100% compliance to safety and security of commuters.
	<b>Enforcing of bus seating-standing in line with applicable regulations</b>	Target met Enforcement of seating standards is ongoing. All buses have clear seating signage indicating bus seating and standing regulations.
Comments on permit applications / concurrencies	<b>21 days turnaround time</b>	<b>Target not met</b> There were 659 applications received in this quarter and 422 have been processed. 6 857 applications are from the backlog. The process of addressing the backlog is ongoing.
Access Restriction Applications (SAR)	<b>90 days turnaround time from receipt of application</b>	Target met Applications received were processed within turnaround times.

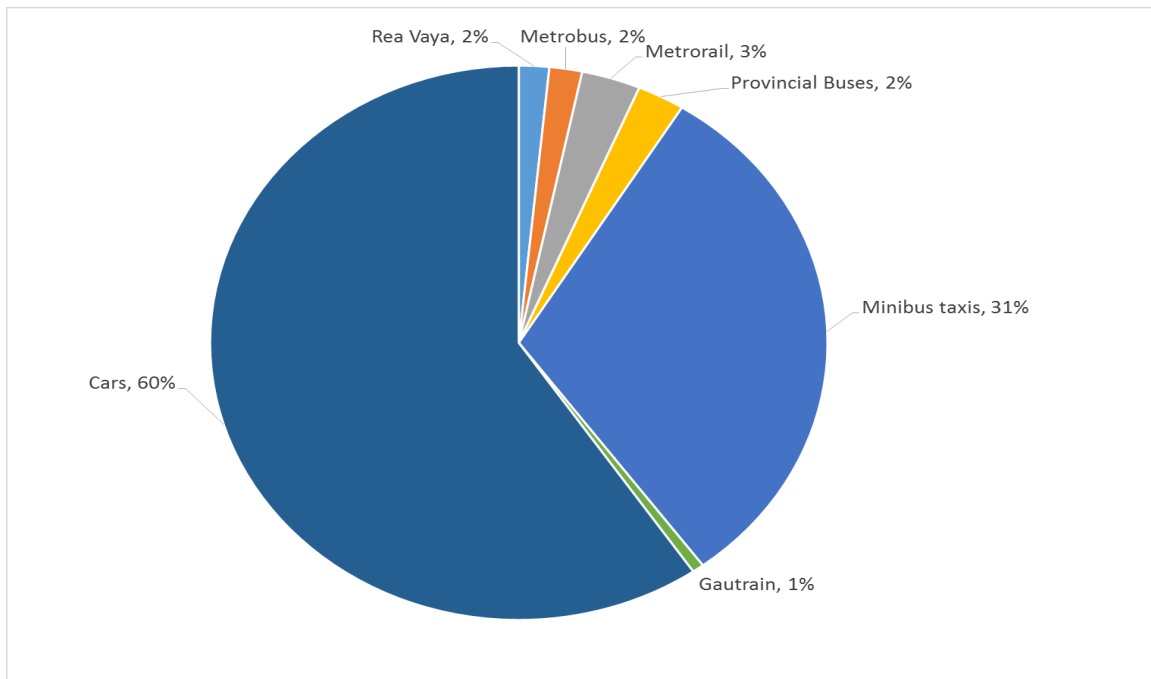
Source: CoJ Transport Department 2019/2020 Mid-Year Performance Progress Report.

## 2.2 Political context and mandate

To understand the issues that relate to public transport in Johannesburg, it is important to first understand the socio-political context within which the City evolved. This context is intrinsically linked to apartheid spatial policies as well as the barrier of access to basic human rights to the majority of the City's residents. In the foreword to James Sey's book, *The People Shall Move!: A People's History of Public Transport*, Rehana Moosajee mentions that apartheid was intended to deliberately ensure the separation of people along racial lines in every facet of life, including the way in which they moved from one place to another (Sey, 2008). Because of the history of racial segregation, the majority of South Africans who live in cities are still required to travel long distances on a daily basis from their places of residence to the city centres to access economic opportunities (ibid.). The minibus taxi industry in Johannesburg emerged as an organic entrepreneurial response to apartheid spatial injustice, providing a means of mobility for township residents (Charman, et al 2020).

Network and spatial configuration inefficiencies in Johannesburg lead to congestion levels that impose 68 percent more travel time in the peak hours (Johannesburg, 2020). At the same time, public transport services are rendered at speeds of just 12 km/h (ibid.). Figure 1 below shows that traffic growth has mostly been a result of low-capacity vehicles such as cars (60 percent) and minibus taxis (31 percent). Accordingly, the post-apartheid socio-economic and political objectives, mentioned in Chapter 1, had to be supported by efficient, affordable, and sustainable public transport systems (Sey, 2008). Delivery of such transport systems necessitates the establishment of public sector institutions with a clear mandate and sufficient capacity (ibid.). According to Frans Minnaar (2010), public sector institutions exist to fulfil a specific, narrowly defined mandate, the source of which is government policy.

**Figure 1: City of Johannesburg transport overview.**



Source: *Integrated Public Transport Network and the role of Metrobus: Presentation at the Metrobus Board Induction Workshop, 14 May 2020*

As the transport planning authority in the City of Johannesburg, the Transport Department has an extensive legislative mandate in terms of the NLTA (Johannesburg, 2013). In addition to planning, the NLTA further provides options for cities to take on extra responsibilities such as those currently being carried out by the Gauteng Provincial Government. These include the subsidised bus services function and the issuing of operating licences to public transport operators (ibid.).

The City has acknowledged, as one of its major challenges, the implementation of high-quality integrated transport plans that move speedily towards a more coherent passenger transport network design (ibid.). Public transport is viewed as a priority area with the potential to change the way in which a city such as Johannesburg can develop and operate efficiently to the benefit of its residents (Hetherington, 2011). This is confirmed by the 20 Year Review: South Africa 1994 to 2014, which states that providing effective public transport systems may be the single most important intervention to support environmental, economic and social sustainability in the country (South Africa. Department of Planning, Monitoring and Evaluation, 2014).

The many challenges confronting cities in post-apartheid democratic South Africa have necessitated intervention policies and programmes aimed at multiple objectives (Department of Planning, Monitoring and Evaluation, 2018). Among the first of these intervention policies was the White Paper on Housing, published at the end of apartheid in 1994, which declared that government strives for the establishment of viable, socially and economically integrated communities, situated in areas allowing convenient access to economic opportunities and social amenities (Department of Housing, 1994). The City of Johannesburg is in the process of implementing the Spatial Development Framework: 2040 (SDF), a policy that sets out the guiding vision and delineates a concrete strategy for the realization of spatial transformation and justice (Johannesburg, 2016). One such strategy is the promotion of Transit-oriented Development (ToD) (ibid.). The other critical intervention policy is the Public Transport Transformation and Empowerment Policy of 2019. Chapter 7 deals with this policy in detail. The City also has the Inclusionary Housing Incentives, Regulations and Mechanisms, a policy framework which was approved by Council on 21 February 2019 and which outlines the requirements, incentives, regulations and mechanisms for implementing inclusionary housing in the City of Johannesburg.

There is an acknowledgement that government policy to decentralize public transport management to municipalities will succeed if there is a simultaneous strengthening of institutions and alignment of legislation, policy, and practice (Johannesburg, 2011a). The work of the City's Transport Department demands extensive cooperative working with national and provincial departments as well as other departments and Municipal Owned Entities (MOEs) in the City of Johannesburg (ibid.). Even though there are occasional disagreements relating to some transversal service delivery and administrative issues, these intergovernmental and interdepartmental relationships have been reasonably well maintained through the political leadership, a variety of regular project-related forums, and formal city structures (Seftel, 2019). While the NLTA provides clarity on the particular roles and mandates, the maintenance of the aforementioned intergovernmental and interdepartmental relationships remains critical for the implementation of policies such as the SPTN, which has been adopted as a guiding framework for the spatial allocation of the City's capital budget (CoJ Transport Department Presentation to the MMC: Integrated Public Transport Network [IPTN], June 2019).

### **3. Conceptualization and implementation of Rea Vaya BRT**

#### **3.1 Background**

The former Executive Mayor, Amos Masondo, was very clear about what he wanted to accomplish during his term of office (Moosajee, 2019). His immediate priority was to ensure that the City was prepared for the hosting of the Soccer World Cup in 2010 (ibid.). The selection of South Africa to host the 2010 FIFA World Cup brought about major changes that included an increase in available funding and a determination to leave a significant public transport legacy (Standish, *et al* 2012). The other significant factor in this regard was a concerted campaign by international non-governmental organizations (NGOs) for the City to forge ahead with developing the SPTN into a fully-fledged BRT system (Standish, *et al*; 2012). This was generally accepted as attainable in time for the World Cup deadline (ibid.). During the World Cup, the BRT system in Johannesburg, which had been branded Rea Vaya ("we are moving"), was indeed critical for linking Ellis Park stadium, Soccer City and Soweto, while even more important was the route coming through the Johannesburg Central Business District (CBD) (Moosajee, 2019).

It is noteworthy to clarify that since its inception, the BRT system has been implemented and maintained under the leadership of four different Executive Mayors in the City of Johannesburg, the first being Councillor Amos Masondo in 2000, secondly, Councillor Parks Tau in 2011, both from the African National Congress (ANC) political party. In 2016, the City was led in a coalition government by Councillor, Herman Mashaba from the Democratic Alliance in coalition with six parties. Mayor Mashaba resigned in 2019 and Councillor Geoff Makhubo of the ANC took over and remains the current Executive Mayor of the City.

#### **3.2 Conceptualizing the BRT**

As mentioned above, the City of Johannesburg produced the first Integrated Transport Plan (ITP) in the country, covering the period 2003 to 2008 (ibid.). The Strategic Public Transport Network (SPTN), which was contained in the ITP, was meant to be the main plan for public transport and many of the routes outlined therein materialised into Rea Vaya transport routes (ibid.). This, accordingly, makes it clear that even from its conceptualization; Rea Vaya was not merely a response to the demands of the World Cup. It was a well-thought-out project to transform the City of Johannesburg (ibid.). With the SPTN in place, resulting in the prioritization of public transport, the City introduced Metrobus trips from Soweto to Sunninghill and Sandton in October 2005 as part of the Transport Month 2005 programme (ibid.).

Metrobus is an abbreviated version of the Metropolitan Bus Company (Pty) Ltd, an entity established in 2000 and wholly owned by the City of Johannesburg<sup>3</sup>. The introduction of the Metrobus route from Soweto to Sunninghill was unsuccessfully challenged in court by Public Utility Transport Corporation (Pty) Ltd (Putco). Putco is South Africa's oldest and largest privately owned bus company, founded in 1945;<sup>4</sup> Putco has run subsidised bus operations for more than six decades. The basis of the challenge was that Putco claimed exclusive rights to operate the route in question (ibid.). When Moosajee was appointed as the MMC for transport in 2006, she held separate meetings with various stakeholders in the public transport sector to gain an understanding of how they had been working with the City administration and how they could work together going forward (ibid.). At these meetings, taxi operator representatives demanded that the City remove Metrobus from Soweto, issuing threats as they argued that the City was "taking food from their mouths" (ibid.).

In June 2006 and at the Southern African Transport Conference (SATC), Moosajee met Todd Littman from the Victoria Policy Institute, and Lloyd Wright from an NGO called Viva Cities (ibid.). These individuals were consultants who had been invited as keynote speakers at the conference and were promoting the concept of a BRT system (ibid.). At this conference, Moosajee was made aware of a presentation on the BRT in Bogota, Colombia. Against that background, a decision was made to undertake a study tour to Bogota (ibid.). Participants included the City's political leadership, officials as well as bus and taxi industry representatives (ibid.). This study focused on determining whether there was sufficient passenger demand to justify a full BRT in Johannesburg (Johannesburg, 2011a). In implementing Rea Vaya, the Transport Department enjoyed strong support from other City departments, especially the EISD, Finance, and Economic Development departments, the Johannesburg Roads Agency (JRA) as well as the Johannesburg Development Agency (JDA) (Stanway, 2019). Masondo led from the front and maintained that the BRT was going to change the face of the City of Johannesburg (ibid.).

The NDoT was also in support of projects such as the BRT, particularly after the department's new Public Transport Strategy and Action Plan were approved by Cabinet, thereby enabling the funding and building of BRT systems in the country's biggest cities

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<sup>3</sup> <https://www.mbus.co.za/index.php>.

<sup>4</sup> <https://www.putco.co.za/index.php>.

(Johannesburg, 2011a). The City of Johannesburg also approved the BRT project as its choice of transport mode in corridors requiring a mass transit solution, and as a solution to the problems of the growing use of private vehicles, congestion, poor mobility as well as accessibility between the different parts of the city (ibid.). The vision conveyed in the NDoTs Public Transport Action Plan, which was also incorporated in the Rea Vaya Scoping Study, was to develop a system that placed over 85 percent of the City's population within 1 km of an integrated rapid public transport network trunk or feeder route (Johannesburg, 2011b).

### **3.3 The socio-economic and political objectives of Rea Vaya BRT**

The overall objective of the Rea Vaya BRT project is to improve the quality of life of residents of the City of Johannesburg through the provision of a high quality and affordable public transport system (Johannesburg. Transport Department, 2006). According to Lisa Seftel (2019), the primary socio-economic and political objectives of Rea Vaya included the following:

- Providing safe, reliable, affordable and convenient public transport.
- Achieving Black Economic Empowerment and broad-based transformation in the public transport sector.
- Job creation.
- Restructuring public transport in order to incorporate the minibus taxi industry.
- Contributing towards spatial transformation; and
- Ensuring a cleaner environment.

Addressing spatial inequality has colloquially been referred to as “stitching the city together” or “bringing Soweto and Johannesburg CBD closer together” (Seftel, 2019). Job creation, not only during the construction period, but also in relation to operations, has remained one of the most important goals of the BRT (ibid.). The reference to ensuring a cleaner environment relates to combating congestion, pollution and greenhouse gases by purchasing and using eco-friendly buses that run on low-sulphur diesel and utilise the most advanced pollution reduction equipment (Johannesburg, 2011b).

According to Bob Stanway (2019), the main goal of Rea Vaya has been misconstrued, with a perception that the project aimed to get people out of private vehicles and put them onto buses. This, he emphasises, was never the objective (ibid.). The objective was to give dignity to those people who have no choice but to use public transport (ibid.). This view is echoed by Edward Mosenyi (2019) who highlighted that people's dignity in terms of their

travel has been restored through the BRT in that Rea Vaya ensures pensioners and vulnerable people living with disabilities have access to safe and reliable public transport.

### **3.4 The implementation**

According to Rea Vaya/BRT – Transforming the face of public transport, End of Term Report: 2006-2011 (Johannesburg, 2011b) an operational plan for Phase 1A was developed in 2007. It incorporated the SPTN flagship corridors that were articulated in the 2003 Integrated Transport Plan (Johannesburg, 2011a). The first part of Phase 1, denominated Phase 1A, was successfully built and brought into operation in stages between 31 August 2009 and February 2011 (ibid.). Phase 1B became operational in the second half of 2013 (ibid.). The Mayoral Committee approved Rea Vaya Phase 1C proposal reports on 2 May 2013 after a sustainability study was conducted to establish whether the BRT was the most sustainable mass public transport mode in the City, as well as ways of improving its sustainability (ibid.).

The Rea Vaya BRT system is a private-public partnership between the City of Johannesburg and members of affected public transport operators, most of whom are the minibus taxi operators (Standish, *et al*; 2012). The affected minibus taxi operators, as well as bus operators, became shareholders in the project, through two Bus Operating Companies (BOC) that were established exclusively to provide bus transportation services for the carriage of passengers using the Rea Vaya BRT system (Seftel, 2019). The two BOCs are Piotrans (Pty) Ltd for Phase 1A and Litsamaiso (Pty) Ltd for Phase 1B (ibid.). This arrangement was the result of extensive negotiations, concluding with several innovative agreements such as setting up a BOC; covering compensation for loss of income in respect of operators affected by the project; employment opportunities for drivers and other employees of affected operators, to name a few (ibid.).

In Phases 1A and B, only those operators directly affected by the project, and who withdrew competing taxis from the BRT routes could own shares in the BOC (Moosajee, 2019). According to a list given to the researcher by Maseko (2019), about 482 taxi owners agreed to remove over 890 vehicles from the affected routes to become shareholders in the BOCs. Table 3 and Table 4 show taxi associations who operated on affected routes and who were engaged by the City on the BRT project. Table 5 shows the affected bus companies. The shares that Metrobus would have received for removing its buses from the affected routes were distributed proportionally among the Phase 1B TOICs (Maseko, 2019). The agreement

between the City and the affected taxi operators included the cancellation of operating licences.

**Table 3: Rea Vaya BRT Phase 1A list of affected taxi associations.**

Association	Number of taxis on the affected route	Number of taxis Removed	Number of taxis Remaining	Number of Shareholders
BARACITY	13	13	0	11
DIEPMEADOW	60	60	0	38
DORLJOTA	10	10	0	10
JSSTA	5	5	0	5
MDN	92	92	0	54
NANDUWE	79	79	0	51
NOORDGESIS	9	9	0	9
WATA	130	130	0	58
FARADAY	6	0	6	0
STS	181	180	1	72
<b>TOTAL</b>	<b>585</b>	<b>578</b>	<b>7</b>	<b>308</b>

Source: Untitled and undated document obtained from Maseko (2019)

**Table 4: Rea Vaya BRT Phase 1B list of affected taxi associations.**

Association	Number of Taxis on the affected route	Number of taxis Removed	Number of taxis Remaining	Number of Shareholders
BARA-MEADOW	26	26	0	19
BOSMONT	11	11	0	7
DORLJOTA	51	51	0	31
JCTA	55	50	5	19
JITTA	22	22	0	18
NANDUWE	10	10	0	10
NOORDGESIG	19	19	0	12
PHEFENI WESCOL	59	59	0	33
RIVERLEA	10	10	0	5
STS	54	54	0	20
FARADAY	52	0	52	20
WATA	5	0	5	0
<b>TOTAL</b>	<b>374</b>	<b>312</b>	<b>62</b>	<b>174</b>

Source: Untitled and undated document obtained from Maseko (2019)

**Table 5: Rea Vaya BRT Phase 1B affected bus companies:**

Company	Number of buses on the affected route	Number of buses removed	Number of buses remaining
<b>PUTCO</b>	18	18	0
<b>METROBUS</b>	5	5	0
<b>TOTAL</b>	<b>23</b>	<b>23</b>	<b>0</b>

Source: Untitled and undated document obtained from Maseko (2019)

Lisa Seftel (2019) pointed out that what happened after the supposed cancellation of their operating licences was that alleged drug dealers, who needed to launder their ill-gotten money, paid some taxi associations so that they could take the space of people who had left to join Rea Vaya. This happened even when the City had paid for those spaces to be cancelled and for the associations to be trimmed down because of their members having joined Rea Vaya (Seftel, 2019). When changes took place in the leadership structures of the taxi associations in question, the alleged drug dealers used the opportunity to come in and join the associations (ibid.). During that period, instead of charging a R15 000 membership fee, the taxi associations charged R50 000, which the alleged drug dealers paid to become members of the associations (ibid.). This led to an increase in the number of minibus taxis operating on the same routes as the BRT, effectively undermining the whole process of the City paying compensation to reduce the number of taxis operating on designated BRT routes (ibid.).

Chris Ngcobo (2020) who specifically mentioned the involvement of the Johannesburg Community Taxi Association (JCTA) confirmed the above allegations of underhanded deals in Phase 1B. Ngcobo (2020) estimates that at least half of the minibus taxes that scrapped were replaced illegally and in violation of the agreement. This has been possible due to poor law enforcement in general as well as capacity and operational weaknesses on the part of the Johannesburg Metropolitan Police Department (JMPD) (Ngcobo, 2020). Both Rodney Rammuda (2020) and Nelson Rikhotso (2020), the technical advisers to the minibus taxi industry on the BRT, pleaded ignorance to these allegations. Rikhotso (2020) explained that he doubted that such allegations were true because the systems and processes that regulate the licensing of the taxi industry are very weak in that there are many taxis that operate without operating licences. As such, it is doubtful that anyone would find it appealing to buy an operating licence when they can operate without the operating licence and get away with it (ibid.). This alleged sale of operating licences involving JCTA

remains a subject of an ongoing investigation by the City's Group Forensic Investigating Services (GFIS)<sup>5</sup>.

This particular issue highlights the complex nature of the relationship between the state and the minibus taxi industry, in that on one hand the state supports the modernisation of the industry and its continued monopolisation of the intra-city transport, while on the other hand it seeks to reduce the high-risk driving and associated road accidents to which minibuses contribute (Charman *et al*, 2020). The reality is that despite formal regulation of the minibus taxi industry, many of its operations are informal, illegal and criminal, with power vested in a mafia-styled business model that benefits the leaders, the fleet owners and a financial-industrial complex of corporate interests such as the manufacturers of minibus taxis and their components, as well as the credit providers to taxi operators (*ibid.*).

Perhaps the most important aspect of the implementation of Rea Vaya is that it brought into being, a wide range of job opportunities that did not exist before, both during the construction phase of the project as well as in the operation of the BRT system (Standish, *et al*; 2012)). It must also be mentioned that no jobs have been lost in the minibus taxi industry because of the implementation of Rea Vaya (Seftel, 2019). Instead, in many cases, informal jobs in the minibus taxi industry have been replaced by formal jobs in the BOC with properly regulated conditions of employment and improved working conditions, such as shorter hours (*ibid.*). Employment by the City at Rea Vaya stations includes positions such as Station Ambassadors, Station Marshals and Cashiers (*ibid.*). Individuals previously employed by service providers contracted by the City for security and cleaning have since been insourced and are now permanent employees of the City. The BOCs also created employment for drivers, dispatchers, controllers, bus washers and administration assistants (Standish, *et al*; 2012).

Among the notable challenges that continues to frustrate the implementation of Rea Vaya BRT are those that relate to Information Technology System (IT System). Lisa Seftel (2019) stated that the necessary IT System has remained quite difficult to implement, resulting in

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<sup>5</sup> This is according to the e-mail exchanges between Cllr Susan Stewart of Ward 82; MMC for Transport, Cllr Nonhlanhla Makhuba; officials from the City's Transport Department, which included the researcher of this paper; as well as officials from the Gauteng Provincial Department of Roads and Transport, 07 March 2018 – 12 March 2018.

several operational challenges. The implementation of the IT System is the responsibility of the JDA (Seftel, 2019). Seftel does not know whether the difficulty in implementing the IT System is a question of will, a question of the technology, or stems from the lack of a clear implementation plan (ibid.).

Seftel (2019) also pointed out that Transport officials had difficulties in overcoming issues related to the design and names of the stations, design of the buses, layout of the seating, colours of the seating and, most importantly, the type of buses. Seftel recalled that during the implementation phase of the BRT, her team worked under extreme pressure from various stakeholders, but they were assured by the Executive Mayor and the MMC that they were protected (ibid.). Masondo insisted to be kept informed about the state of progress and would have meetings with role players, even after hours and over weekends (ibid.).

### **3.5 Performance monitoring of the BRT Bus Operating Companies**

As mentioned above, two Bus Operating Companies (BOCs), Piotrans (Pty) Ltd (Registration Number: 2009/007720/07), which was originally registered as Clidet No. 957 (Pty) Ltd, and Litsamaiso (Pty) Ltd (Registration Number: 2013/146129/07) were established to run BRT operations in the City of Johannesburg. The relationship between the City of Johannesburg and each BOC is regulated by the Bus Operating Company Agreement (BOCA).<sup>6</sup> According to paragraph 15.1 of the BOCA, if the BOC fails to meet the service levels as set out in the Agreement, the City shall be entitled to impose the penalties in accordance with the fine point systems set out in Schedule 5 of the BOCA. The BOCA also provides that penalties for deviating from the set standards of operation contained in Schedule 5 will be applied by the City according to a demerit points system. Paragraph 15.2 empowers the City to evaluate monthly performance of the BOCs ("Monthly Evaluation Period") and rate the quality of service provided by the BOC for each Monthly Evaluation Period in accordance with the Point Grading System. Table 3 below depicts how the general performance of the BOC is evaluated as well as the number of points that determine the Performance Bonus due and payable to the BOC.

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<sup>6</sup> In this current context, BOCA refers collectively to Ancillary Agreement signed 20 August 2010; Ancillary Agreement 23 August 2010; Ancillary Agreement Annexure D, signed 23 August 2010; Eighth Addendum to BOC Main Agreement, signed 23 August 2010; BOCA, Signed 29 June 2015; as well as the BOCA Schedules.

**Table 3: BOC Point Grading and Bonus Pool**

Point Grading System	
Rating	Description
<b>Excellent</b>	Less than 10 points
<b>Good</b>	11 – 20 points
<b>Average</b>	21 – 30 points
<b>Poor</b>	31 – 40 points
<b>Extremely Poor</b>	More than 41 points

Source: *Bus Operating Company Agreements*

According to sub-paragraph 15.2.4 of the BOCA, achieving a rating of “Poor” and/or “Extremely Poor” by a BOC shall constitute a Material Breach of the Agreement and thus entitle the City to cancel the BOCA if, during the period of two consecutive quarters:

- After the City has informed the BOC of its consistent Poor or Extremely Poor rating during the Quarterly Meeting between the City representatives and the BOC; and
- After the BOC has been afforded the opportunity to remedy this breach, and the BOC is evaluated as Poor or Extremely Poor, the City shall be entitled to cancel the Agreement without further notice as contemplated in clause 60 (breach clause) of the Agreement. However, the BOCA does make provisions for the City to incentivise the BOCs to encourage them to provide services in a manner that increases patronage. In this regard, the City and the BOCs may enter into good faith negotiations and agree on a patronage incentive scheme.

Despite the observable poor performance on numerous occasions on the part of at least one of the BOCs, according to both Busi Kota (2020) and Sindiswa Mondli (2020), the City has never invoked sub-paragraph 15.2.4 of the BOCA. One can only conclude that it would be politically undesirable and operationally impractical to cancel the BOCA on grounds of poor performance in terms of sub-paragraph 15.2.4.

### **3.5 Spatial integration through BRT and Transit-oriented Corridors**

The process of seeking to gain an understanding of the political, social and economic objectives of the BRT system in the City of Johannesburg also necessitates an analysis of how the principles of sustainable urban transformation have been successfully infused in the

implementation of Rea Vaya. Sustainable Urban Transformation places emphasis on understanding cities as a source of possibilities for promoting active collaboration among diverse stakeholders and integrating different perspectives and bodies of knowledge and expertise.<sup>7</sup> This paper seeks to demonstrate how this collaboration has been apparent when it comes to Rea Vaya BRT. According to the Rea Vaya End of Term Report: 2006-2011 (Johannesburg, 2011b), Masondo, stated in his foreword that as a catalyst for land use transformation, Rea Vaya had already begun to change Johannesburg's apartheid spatial legacy and that for the first time Rea Vaya was bringing the inner city, as well as neighbouring townships and suburbs, closer together. Masondo continued by stating that Rea Vaya routes and stations create corridors and nodes around which greater economic and residential development can happen (ibid.). Recent literature confirms that the introduction of Rea Vaya routes into the townships and the establishment of related infrastructure is having a profound development impact on local transport services and organic spatial transformation (Charman *et al*, 2020).

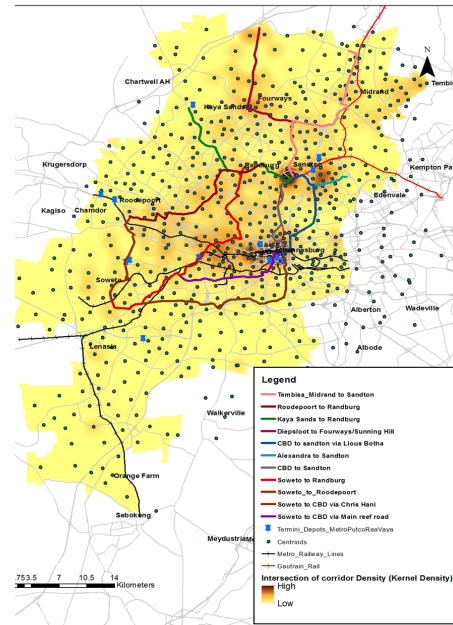
Since 2003, the City of Johannesburg has made a concerted effort to develop transport and land-use plans that support the spatial restructuring and integration of the city (Johannesburg, 2016). The SDF promotes investments in mass public transport systems to ensure spatial transformation and inclusive access to the City. Its purpose is to attract new developments around public transport infrastructure, especially higher density residential uses (ibid.). The SDF initially focused on the two flagship corridors in the SPTN as priority areas to attract new and denser development (ibid.). In subsequent updates, the SDF focused on the Phase 1 Rea Vaya BRT corridors as the defining development corridors and nodes (Johannesburg, 2006). In 2013/14, revisions were made to incorporate Rea Vaya Phase 1C, by building a trunk route between the CBD and Alexandra along Louis Botha Avenue instead of the originally planned route between the CBD and Sandton along Oxford Road (ibid.).

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<sup>7</sup> <http://www.elsevier.com/locate/elsevier> : last visited on 06 May 2019.

**Figure 3: IPTN Primary corridors and the entire network of clusters.**

- 1 Roodepoort to CBD
- 2 Soweto to CBD via Chris Hani Road
- 3 Soweto to CBD via Soweto Highway
- 4 CBD to Sandton
- 5 Alexandra to Sandton
- 6 Soweto to Roodepoort
- 7 Soweto to Randburg
- 8 Roodepoort to Randburg
- 9 Tembisa to Sandton
- 10 Kaya Sands to Randburg
- 11 Diepsloot to Fourways and Sandton
- 12 CBD to Sandton via Louis Botha Avenue



Source: *Integrated Public Transport Network and the role of Metrobus: Presentation at the Metrobus Board Induction Workshop, 14 May 2020*

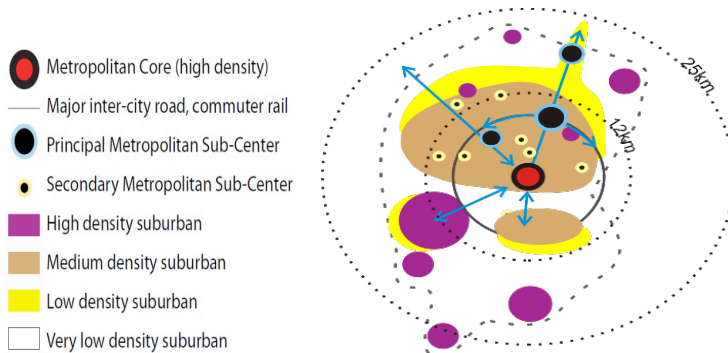
Figure 3 above shows the IPTN as an anchor network (12 corridors) meant to serve as the backbone, supported by secondary services without which the anchor network would not function optimally (Johannesburg, 2020). The IPTN ought to be the Transport Department's ultimate objective, which can only be implemented corridor by corridor, including the associated "catchment areas", over a significant period (ibid.). According to the Transport Department, the horizon year is 2025, but realistically, the IPTN can only be fully implemented by 2040 or even beyond (ibid.). This is due to the sheer magnitude of infrastructure investment decisions that have to be made, the operational planning as well as transformation initiatives that are being undertaken and the budgets required in the short, medium and long term (Dwango, 2020). According to the NLTA, an IPTN is a "system in a particular area with integrated transport services between modes, with through-ticketing and other appropriate mechanisms to provide users of the system with the optimal solutions to be able to travel from their origins to destinations in a seamless manner".

In order to clarify the linkages between Rea Vaya BRT and spatial transformation in Johannesburg and to illuminate the vision of achieving social integration and creating access to economic opportunities, it is important to reflect in detail on the Transit-oriented

Development (ToD). The City formally adopted ToD as a planning strategy in 2008 and by so doing, the focus shifted to providing ToD incentives and packaging development opportunities in ToD precincts (Johannesburg, 2016). The SDF is supported by the Growth Management Strategy, development strategies, the density policy, and the Capital Investment Framework (Johannesburg, 2016.). At a more detailed level, the SDF also includes Regional SDFs and Precinct Plans as well as Urban Development Frameworks (UDFs) (ibid.). The UDFs have been developed for the Gautrain, Rea Vaya and the Metrorail precincts as well as for marginalised areas of the City (ibid.). In addition, on 27 February 2020, the Johannesburg Municipal Council approved the Nodal Review Policy 2019/20 (Johannesburg, 2020b).

This policy states that since the early 2000s, the City's strategy for urban growth management can broadly be described as one of "compaction" which entails the promotion of higher density, mixed-use development in well-located parts of the City to mitigate outward sprawl (spreading the footprint of the city) (ibid.). According to the Nodal Review Policy, compact development allows people to live close to where they work and go to school, makes public transit such as BRT viable, reduces the cost of providing infrastructure and other services, reduces pressure on the natural environment, and through agglomeration and clustering, and promotes economic growth (ibid.). Figure 2 below shows Johannesburg's urban form, which is sprawling, low-density and polycentric (City of Johannesburg, 2016).

**Figure 4: The Johannesburg reality: inverted polycentricity.**

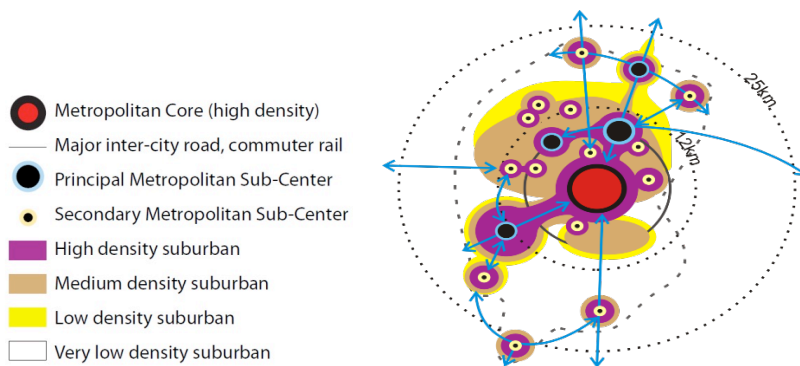


Source: CoJ Transit-Orientated Development (TOD) Corridors Presentation (18/10/2017)

Accordingly, the desired outcome from policy interventions is an efficient city-wide public transport system that is located predominantly along high-density, mixed land use corridors

(ibid.). The provision of sustainable transport services that are efficient and inclusive is thus inextricably linked to the need for spatial change and related transport corridors (ibid.). The Joburg 2040: Growth and Development Strategy (Johannesburg, 2011a) also emphasises spatial restructuring as a key to a better-functioning City. It states that equitable access—bringing people closer to jobs, markets, social networks, and other opportunities—requires improved mobility as well as integration through mixed settlements and the creation of spaces and places that encourage interaction (ibid.). During his tenure as Executive Mayor, Parks Tau, named the City’s ToD programme the “Corridors of Freedom” (ibid.). Figure 5 below shows how, through a series of key transformation strategies, the City of Johannesburg can be transformed into a compact polycentric city.

**Figure 5: Future Joburg Model: Compact Polycentric.**



Source: CoJ Transit-Orientated Development (TOD) Corridors Presentation (18/10/2017)

From a transport perspective and according to the Joburg 2040: Growth and Development Strategy (ibid.), the numerous benefits of promoting transit-oriented development, density in corridors and nodes, and mixed-use developments at nodes in the corridors include the following:

- “A mixture of land uses along a corridor, instead of zones of mono-functional land uses, means that there are not only boarding’s at the start of public transport routes, and alighting’s at the end of routes, but rather both ons and offs for the full length of the route. This “ridership turnover” is a key driver of lowering the cost per passenger carried in public transport. Revenue modelling in Rea Vaya Phase 1A indicated this as the most significant variable in better financial performance. If each seat was occupied twice on each trunk, peak period bus trip, instead of the current estimated 1.1 times, Rea Vaya’s annual revenue would increase by 50 percent.

- *A mixture of land uses along a corridor also means that the public transport route can pick up passengers in both directions of the route. In Rea Vaya Phase 1A, as of 2011, only 13 percent of the daily passengers are travelling in the minor or reverse direction of the route. If routes had more even two-way activity, revenue would also increase significantly. For example, if the 13 percent increased to 50 percent, then Phase 1A revenue would increase by 20 percent.*
- *In general, higher numbers of passengers per bus km mean better revenue/ cost ratios.*
- *It becomes feasible to run services at high frequencies in the corridor because of demand being concentrated there. This means better service for passengers. This in turn leads to higher ridership.*
- *Lengthy feeder and distribution services are minimised because of the proximities created by the concentration of activity in the corridors.*
- *The modes of walking and cycling, for either feeder routes to public transport stops and stations, or as the main mode for the shorter and convenience trips in the corridor, can play a far greater role in a denser corridor because of shorter average trip distances" (Johannesburg, 2011a).*

#### **4. Literature review**

This literature review focuses on theoretical concepts primarily linked to the central theme of this paper. Its scope includes an analysis of ideological and other strategic considerations in policy development and implementation, governance systems and processes as well as the role of individuals and organizations in the pursuit of predetermined developmental objectives.

##### **4.1 Institutional arrangements and interdependences**

According to Brian Levy (2014), "development is quintessentially about interdependence, and this interdependence is governed by institutions". In addressing the research question, this paper reflects on the interdependence between different spheres of government, different departments and entities of the City as well as between the City and other external stakeholders, such as the minibus taxi industry in the implementation of the Rea Vaya BRT project. In relation to dealing with diverse stakeholders and entrenched organizational cultures, Levy (2014) advocates a "with-the-grain" approach to development policy, which he explains as meaning that "successful reforms need to be aligned with [a country's] political and institutional realities. In relation to any specific reform, an incentive-compatible approach commences by enquiring, who might be the critical mass of stakeholders who have standing and have a stake in the proposed arrangements – and so are in a position to support and protect such arrangements in the face of opposition" (Levy, 2014). Without these stakeholders, no one will be available to defend reforms in the face of the ever-present incentives to renege in search of private advantage (ibid.). Levy (2014) explains that while government formulates development strategy at multiple levels, at the most important level are those ways in which prevailing institutional and political arrangements shape incentives and constraints. It is also at this high level that the strategic decision is taken as to which of these arrangements should be accepted as given and which should be the focus of efforts at reform (ibid.). However, prior to embarking on a critical stakeholder mobilization campaign and proceeding to align reforms with political and institutional realities, there must be a clear understanding of the ideological predispositions of the political leadership in power (Minnaar, 2010).

This ought to be the approach because public policy cannot be separated from ideology, especially on the less "technical" levels of policy formulation (ibid.). It is generally accepted that the policies government departments are expected to implement, reflect a specific ideological inclination, which determines the nature, scope, and extent of what is ultimately

delivered to communities (ibid.). It is for this reason that this paper deals with current and historical socio-political factors, the institutional arrangements as well as systems and processes that are used to translate policies into strategies which can in turn be expressed as measurable performance indicators and targets and cascaded down throughout the institutional hierarchy for implementation purposes (ibid.). It can be argued that ideological considerations ensure that no strategy, or activity or project in which an institution engages, is everlasting (ibid.). Minnaar (2010) argues that there is always a break-even point, a stage at which a project loses impact. "Possible reasons for this decline in productivity include changing needs and expectations of the community, changing technologies, changes in political leadership and with its revisions in the policy mandate, changing settlement patterns and or migration patterns" (Minnaar, 2010).

#### **4.2 Historical public transport challenges and policy options**

Regarding historical and ideological factors that have shaped and continue to shape public transport policies in the City of Johannesburg, Sey (2008) points out that in the past more reliable, comfortable and expensive transport resources were devoted to a minority White segment of the urban population, and the Black majority were forced to make do with fewer and poorly maintained buses, trains and taxis. In addition, people were deliberately and systematically separated along racial lines even on public transport systems (ibid.). Subsidization of bus passengers was introduced around 1952 for the sole objective of ensuring the supply of labour from the outlying townships to the City's industrial and business centres (Sey, 2008). Charman, *et al* (2020) point out that as a response to the inadequate services of state controlled public transport in South Africa, minibus taxis provided a complementary and ultimately competitive service.

Today, the minibus taxi industry is generally accepted to be the leading public transport mode in the City of Johannesburg. Official records show there are 32 short-distance taxi associations controlling at least 1 013 different routes (counting both directions), operated from at least 450 different starting points (Johannesburg, 2011b). There are also substantial long-distance taxi operations to and from the City that operate about 100 different destinations, including across the borders to neighbouring countries (ibid.). Relaxation of the regulations relating to taxi services initiated a rapid growth of the minibus-taxi industry to its present significance (Say, 2008). This industry has captured around 70 percent of the commuter market share in the past three decades (ibid.). Even with such dominance, the minibus-taxi industry remains inadequate to address public transport challenges in the City

and satisfy commuters' needs (ibid.). One such challenge is the lack of direct transport to and from places where people want to travel (ibid.).

In order to address these challenges and facilitate movement around the greater Johannesburg area, the City of Johannesburg adopted an urban development policy to create a compact city and limit urban sprawl, while establishing a fully integrated public transport system that responds to the needs of commuters (ibid.). Rea Vaya thus became the principal intervention to support this policy (ibid.). The City of Johannesburg was the first South African city to take on the challenge of implementing a BRT system (Harrison & Rubin, 2018). Other metropolitan areas across the country have since followed suit and implemented the BRT system to transform public transportation within urban areas (ibid.).

### **4.3 Theoretical analysis of key concepts**

The National Development Plan (NDP) has identified human mobility as a key dimension of human capability (South Africa, 2012). Transportation plays a key role in relation to the economy, environmental sustainability, spatial transformation, global connectivity, state capability, social cohesion, and health (Harrison *et al*, 2014). There has been a growing realisation that efficient, reliable, and inclusive public transportation is a crucial driver of social and economic transformation for the urban poor to achieve increased access to economic opportunities (ibid.).

The Peer-Review-Training Workshop on the City of Johannesburg's BRT system in 2013, involved collating general information on Rea Vaya BRT with a particular focus on key issues such as background, objectives, features, implementation, financing, stakeholder involvement, performance, impacts and challenges (Metropolis, 2013). During this Workshop a range of questions regarding the system's future improvement were explored. These questions concerned a wide array of issues, which included those relating to infrastructure, operation and maintenance, ITS standards, contractual issues entailed in outsourcing of services to private companies, integration of land-use, transport planning, and environmental and cultural sustainability (ibid.).

The Peer Review process was accompanied by applying the "Circles of Sustainability" approach to explain important issues that affect the success of Rea Vaya (ibid.). This method identified weak points where the objectives pursued by Rea Vaya are taking strain

(ibid.). The challenging areas identified were decreasing the costs of the overall service and decreasing carbon emissions (ibid.). The main finding was that the City of Johannesburg is on the right path because Rea Vaya has and can have a major impact on accessibility, land-use planning and the economy (ibid.). Furthermore, the BRT system in the City of Johannesburg is viewed as an integral part of urban innovation. Urban innovation is said to necessitate new and creative ways of improving urban services within an existing or declining resource envelope (Harrison & Rubin, 2018). It is ordinarily spoken of in the context of “adaptive governance” (ibid.).

Harrison and Rubin (2018) explain that a common use of the term “urban innovation” “...relates to commercially profitable technological innovations that also improve the quality of the urban experience”. While urban innovation may be technologically enabled, it often includes new forms of social practice, institutional organization, or regulatory framing (ibid.). This explanation resonates with the BRT system. The Rutgers Business School defines urban innovation “as a break from common practice to develop long-lasting transformations in communities, neighbourhoods and cities” (Robinson, 2015). This is evident in the analysis of the social impact of Rea Vaya on the communities that are serviced by the system.

Over and above other interventions, there can hardly be any sustainable contestation of the affirmation that long-lasting transformations require committed, courageous, dynamic and decisive leadership. In 2000, under the leadership of Maseko, the City seem to have adopted New Public Management (NPM) approach in forming the institutional arrangements of the government by creating 13 municipal entities and 12 departments. NPM is said to involve employing professional management at the head of a public institution “as the Chief Executive Officer; separating policy from execution; introducing rigorous systems of performance management; developing long-term strategic visions; and ensuring flexibility to implement these visions by introducing ‘management objectives” (Harrison & Rubin, 2018).

A criticism of NPM is that it weakens the capacity for innovation by leaving the executive leadership of local government isolated at the top of an administrative hierarchy and thereby losing touch with important stakeholders that, as Levy (2014) argues, ensures the protection of the project against opposition. The most crippling effect of NPM is said to be its introduction of performance management systems that incentivises compliance to

existing conceptions of good practice rather than encouraging efforts to invent the next round of good practice through rewards (Harrison & Rubin, 2018). Over the past few years there has however, been a change in thinking regarding public administration, such that instead of emphasising the importance of a competitive and entrepreneurial urban leadership, the new approach underlines ways in which knowledge, skills, creative capacity, experiences and resources of multiple actors can combine to produce innovative responses to urban problems (ibid.). Harrison and Rubin's (2018) view is that partnership between co-dependent role players forms a central driver of innovation. They observe: "Although leadership is important for initiating and authorising innovative endeavours, and competition motivates actors to strive for change, collaboration drives the formulation, realisation and diffusion of innovations" (ibid.). This way of thinking emphasises the point of view that governance networks are more effective in the production of innovation than well-managed bureaucratic hierarchies (ibid.).

#### **4.4 Performance management**

The above analysis logically leads to an interrogation of strategic performance management systems and processes in the public sector. According to Minnaar (2010), "strategic management provides the instruments to link the organisation to its clients in an integrated planning exercise, thus creating an open response system incorporating the actual needs of the community in government's planning methodologies". Minnaar (2010) explains, "[p]erformance management provides the methodologies required to gear the organisation towards service delivery priorities identified during the strategic planning phase of the process". The government sector organisation does not seek to enhance profits (ibid.) it seeks sustainable development, which is basically the promotion of general welfare in a sustainable manner (ibid.). Minnaar (2010) further explains that in government, performance management methodology is dependent on quantified performance indicators to measure not only success or failure, but more particularly the degree of success or failure. This, accordingly, means that even if one accepts that the Constitution indirectly sets the standard for the achievement of Rea Vaya's socio-economic and political objectives, there must be quantifiable performance indicators in order to assess the performance of the system.

#### 4.5 Development as freedom and as a human rights issue

With human rights having become a significant part of the literature on development (Sen, 1999), and as mentioned in Chapter 1, it is appropriate to rely on the Bill of Rights as a tool for analysing the extent to which Rea Vaya is achieving its intended social, economic, and political objectives. While the Constitution does not define transport as a right, the enjoyment of other basic rights entrenched in the Constitution is fundamentally dependent on transport delivery (Harrison, *et al*; 2014). The right to human dignity<sup>8</sup>; the right to freedom of movement<sup>9</sup>, the right to have access to healthcare services<sup>10</sup> and the right to a basic education<sup>11</sup> are some basic rights whose enjoyment is impossible under non-conducive public transport service delivery (*ibid.*).

According to Iain Currie & Johan de Waal (2013), the recognition of the fundamental interconnection between human rights and the basic social conditions in which people live has encouraged the inclusion of socio-economic rights in modern constitutions such as that of the Republic of South Africa. Currie and de Waal (2013) continue by pointing out that this inclusion of socio-economic rights as being fully justiciable rights is an important component of the Constitution's transformative vision. One of the most significant objectives of the transformation intended by the South African Constitution is to ensure the realization of the fundamental socio-economic rights for people who are disadvantaged by their social and economic circumstances to "become more capable of enjoying life of dignity, freedom and equality"<sup>12</sup> (Currie & de Waal: 2013). The United States Supreme Court explained that when rights are said to be fully justiciable, it refers to a fundamental principle that the courts should decide only cases involving a "real, earnest, and vital controversy"<sup>13</sup> between the parties involved and not entertain merely "hypothetical" cases, or cases that are only of academic interest (*ibid.*). In this instance, Moosajee points out that if one looks particularly at the Phase 1B route of the Rea Vaya BRT, one will notice that it is very much, and very consciously, an education and healthcare route (Moosajee, 2019). This route links Soweto with the University of Johannesburg campuses in Auckland Park and in Doornfontein; the

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<sup>8</sup> Section 10 of the Constitution of the Republic of South, 1996

<sup>9</sup> *Ibid.* Section 21(1).

<sup>10</sup> *Ibid.* Section 27(1)(a).

<sup>11</sup> *Ibid.* Section 29(1)(a).

<sup>12</sup> *Road Accident Fund v Mdeyide* 2011 (2) SA 26 (CC) [125] (dissenting judgement of Froneman J).

<sup>13</sup> *Ashwander v Tennessee Valley Authority* 297 US 288 (1936) (Brandeis J).

University of the Witwatersrand, Johannesburg (Wits University); Helen Joseph, Rahima Moosa, Charlotte Maxeke and Milpark hospitals (ibid.).

If one adopts Amartya Sen's thinking, both Rea Vaya BRT System and the Corridors of Freedom can correctly be referred to as development projects that are aimed at advancing substantive freedoms (Sen, 1999). According to Sen (1999), freedoms depend on other determinants such as facilities for education and health care as well as political and civil rights. Sen argues that development requires the removal of major sources of unfreedom, which include poor economic opportunities as well as systematic social deprivation (ibid.). In the context of a developing country like South Africa, there must be a strong emphasis on the need for public policy initiatives to create social opportunities (ibid.). Institutional arrangements for economic opportunities are inevitably also influenced by the exercising of people's freedoms (ibid.). The development process must accordingly be investigated, as this paper seeks to do, in inclusive terms that integrate economic, social and political considerations (ibid.). According to Parks Tau (2020), the Freedom Charter<sup>14</sup> also articulates this idea of development as freedom.

#### **4.7 Problem-Driven Iterative Adaptation (PDIA)**

The purpose of a literature review under this theme is to reflect on whether successful implementation of the BRT has increased the levels of the City of Johannesburg's capabilities to transform public transport as well as spatial planning. This process inevitably necessitates an analysis of whether or not the implementation of Rea Vaya is a matter of a "cut-and-paste" approach that does not sufficiently take into consideration the unique socio-economic and political circumstances of the City of Johannesburg as well as prevailing institutional arrangements. According to Andrews, *et al* (2017) in *Building State Capability: Evidence, Analysis, Action*, development practitioners spend much time and effort debating and acting on three Ps: policies, programmes and projects.

Andrews, *et al* (2017) argue that the three Ps might actually be of secondary importance such that whether a policy, programme, or project produces the desired outcomes might

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<sup>14</sup> <https://www.sahistory.org.za/article/congress-people-and-freedom-charter>. The Freedom Charter is a political programme that was officially adopted by the Congress of the People on the 26 June 1955 in Kliptown, Soweto, South Africa.

depend on how well it is implemented (*ibid.*). In other words, the real determinant of performance is not the three Ps but capability for implementation (*ibid.*). Recent studies have also demonstrated that even when different governments have adopted the exact same policy, outcomes across countries range from complete failure to perfection (*ibid.*). Andrews, *et al* (2017) are of the view that implementation failures hold many countries back from realizing their own stated development goals and that many governments lack the capability to overcome repeated implementation failures even after years of reforms designed to strengthen state capability. Their hypothesis is based on the conviction that in order to build capability, development practitioners should focus on solving problems rather than importing solutions (Andrews, *et al*; 2017).

Their theory is that “capability cannot simply be imported; the contextually workable wheel has to be reinvented by those who will use it” (*ibid.*). This theory stems from a belief that success builds capability and not vice versa (*ibid.*). Andrews, *et al* (2017) contend that institutions, organizations, and state capability are the result of success, involving the consolidation and reification of successful practices. In this regard, their approach purports to produce success by solving pressing problems faced by society in ways that can be consolidated into organizations and institutions (*ibid.*). This approach begins with the problem-driven iterative adaptation (PDIA): “a process of nominating local problems, authorizing and pushing positive deviations and innovation to solve such problems, iterating with feedback to identify solutions, and the eventual diffusion of solutions through horizontal and interlinked non-organizational networks” (*ibid.*).

The PDIA methodology is an iterative approach which helps development practitioners break down problems with which they are confronted into their root causes, identify entry points for intervention, search for possible solutions, take action, reflect upon what they have learned, adapt and then act again. It is a dynamic process with tight feedback loops that allows policy implementers and/or public administrators to construct their own solutions that are suited to their specific local context (*ibid.*). Andrews, *et al* (2017) point out that what systems look like (their form) and what they can actually do (their function) are often conflated, such that the claim or hope is, in effect, that good form will produce good function. Their argument is that on the contrary, success (effective functioning) stems less from “good institutions” (form) but that success builds good institutions (*ibid.*).

The point of the above analysis is therefore to reflect on whether or not Rea Vaya BRT is a case of “isomorphic mimicry”, in that its conceptualization and implementation might have been motivated by an assumption that, because the BRT system was seen to be working in Bogota, Colombia, it would also work in Johannesburg. Andrews, *et al* (2017) explain that, within the context of development policy, “isomorphic mimicry is the tendency of governments to mimic other governments’ successes, replicating processes, systems, and even products of the ‘best practice’ examples”. They point out that this mimicry often conflates form and function thereby leading to a situation where “looks like” substitutes for “does” in that governments look capable following the mimicry but are not actually more capable. The central argument is that isomorphic mimicry is a key “technique of successful failure” that proliferates capability traps in development (*ibid.*).

## **5. Research Interviews and findings**

The research interviews were conversational in nature and the questions were open-ended questions. The main objective of the interviews as to answer the research question by gaining an understanding of the relevant factors from the perspective of the key role players who have practical experience with the Rea Vaya BRT system as well as the Corridors of Freedom programme.

### **5.1 Identifying and critically assessing the Rea Vaya objectives**

According to Tau (2020), the Rea Vaya BRT was intended to achieve several objectives of which two are key. The first key objective relates to moving people with speed, in a reliable, safe and the cost-effective manner (Tau, 2020). This informed the construction of dedicated lanes for the BRT to avoid congestion (ibid.). The impact would then be the ability of township residents to access opportunities and improve the quality of their lives (ibid.). The second key objective involved using the BRT as a pioneering project for the empowerment of minibus taxi operators actively involved in public transportation and who provide the bulk of public transport in Johannesburg (ibid.). This is the reason why the BRT in Johannesburg is primarily owned by the taxi industry (ibid.). The other objective was to create a public transport system that encourages private car users to use public transport as a means to reduce greenhouse gas emissions (ibid.). The City's leadership also saw the BRT as a catalyst for urban transformation (ibid.).

Tau (2020) stated that the key question was: "How does [the BRT] contribute, because public infrastructure investment is a contributor, to urban renewal? And how then can we use the [BRT] stations along the way as catalysts also for urban transformation?". Tau (2020) pointed out that this was about the evolution of a policy process that involved making such critical considerations. As policy makers, Tau and his team arrived at the Corridors of Freedom programme firstly, by setting the objective of spatial transformation, which meant ensuring that "we confront apartheid at its heart" (ibid.) Mathang (2020) pointed out that the BRT was primarily conceptualized to meet the demand for decent public transport from the commuters themselves. Its objectives, according to Mathang, included addressing the problem of overloading in the trains; getting people off the private vehicles to public transport to reduce the carbon footprint and save the environment; contributing towards social integration by having the rich and the poor using the same public transport system; and ensuring spatial transformation. Tau's suggestion is that in assessing whether the above-mentioned objectives are being achieved one should look at the impact on an individual,

the family, the community as well as the City itself (Tau, 2020). He stated that the more people prosper in the City and live optimally in terms of access to urban opportunities and spend less time travelling in their cars or by means of public transport, the more they are able to contribute towards social and economic growth (ibid.). Nevertheless, Tau also pointed out that he is not ideologically attached to the BRT and that the most efficient way of urban mobility is the train system (ibid.).

Seftel's (2019) view was that an analysis of both internal and external factors would help determine whether Rea Vaya is achieving its intended objectives. She explained that there were instances where an objective was achieved at one stage of a project, only to be undermined at another stage. When referring to a collective set of objectives that complemented each other, the Rea Vaya objectives have been satisfactorily achieved. As to which objectives she considered to be the most important that are yet to be satisfactorily achieved, Seftel's explanation was that with regard to those people who were able to be in the catchment area of Rea Vaya, there is no doubt that it is more affordable, safer, faster, more reliable, and more convenient. However, there remains a significant number of passengers who either must walk long distances or catch another mode of transport to get to Rea Vaya (ibid.). For such passengers, issues of safety, speed, reliability, and convenience regarding public transport remain a concern (ibid.).

According to Moosajee (2019), when the concept of the BRT was assessed against the pillars of the City's Growth and Development Strategy 2040, the BRT met five of the six pillars relating to economic growth, positive environmental impact, and most importantly, dealing with the legacy of apartheid spatial planning. From the perspective of the taxi industry, Motshwane's view is that the industry was informed by the City that the BRT was a deliberate intervention intended to bring communities closer to reliable public transport and improve the urban experience of the residents and the lives of public transport operators (Motshwane, 2019). Asked for his views on the benefits of the BRT, Motshwane's response was that social benefits include the fact that previously marginalised communities now have access to a better public transport system. Economic benefits relate to jobs that have been created and a steady income for the former taxi operators (ibid.) The political benefits of Rea Vaya is the realisation of progressive policies of the democratic state (ibid.).

The point of departure for Moosajee (2019) is that Rea Vaya is indeed achieving its intended socio-economic and political objectives. Moosajee strongly maintains that the BRT project

is achieving more than what was initially envisioned. Seftel (2019) however, was cautiously optimistic about the successes of the BRT system in the City of Johannesburg. Her view was that mega catalytic projects with bold targets means that sometimes not all objectives are executed well. She maintained that Rea Vaya has, to an extent, met most of its intended objectives and is on its way to meeting them all in the future (ibid.).

Xakaza's view was that the BRT system is working (Xakaza, 2020). However, Xakaza argued that the BRT, as a development policy initiative, does not make economic sense (ibid.). For him, it is just an alternative mode of transport that enables township residents to travel quicker and comfortably, and to spend their cash outside of the township economy, as was the case under apartheid (ibid.). According to Xakaza (2020), it should not be made easy for township residents to travel out of the townships in search of economic opportunities. Economic opportunities should rather be created in the townships (ibid.). Investing in the township economy would have been a better policy option than the BRT which is in essence re-enforcing the objectives of apartheid spatial design (ibid.).

## **5.2 Social integration**

It is in relation to spatial transformation and social integration that one refers to “stitching the city” (Mathang, 2020). Seftel (2019) referred to a notion of social cohesion, which she also explained to mean putting both the rich, the poor as well as people of different races on the same mode of transport. Moosajee (2019) stated that she experiences social integration regularly when she witnesses the mingling of people from different ages, races, and social backgrounds, who use Rea Vaya Phase 1B, which passes through the hospitals and universities. She also reflected on how she “would often see people in wheelchairs, people with guide dogs, mothers pushing prams, and the elderly people getting onto the [Rea Vaya buses]” (ibid.). She stated that the key question political leaders in the City of Johannesburg asked themselves regarding the desired socio-political impact of the BRT was: “Could we create a transport system that begins to knit people together such that what people cannot do in terms of social cohesion in other ways, can they do it through sharing public transport?” (ibid.). This, according to Moosajee, is surely a user experience that must ultimately confirm that the investment in Rea Vaya was worth it (ibid.). Similarly, Motshwane (2019) believes the BRT has created a platform for previously segregated communities to interact.

### **5.3 The Corridors of Freedom Programme**

#### **5.3.1 The City's objectives and initial implementation**

The City began its implementation of the Corridors of Freedom (COF) programme by purchasing properties that were situated on the demarcated areas (Johannesburg, 2016). Moteane (2018) advised that these properties were to be demolished to make way for the new high-density mixed-use developments. According to Mathang (2020), in 2013, the City's Development Planning Department was allocated an annual budget of R600 million to buy and develop land in accordance with the ToD policy objectives. During the study tour in Bogota, City officials that included Mathang, learnt that the municipality had to buy large portions of land and where there were buildings, those building had to be demolished for mixed-use development (Mathang, 2020). Other than the Empire-Perth and Louis Botha Corridors, there is no real implementation of the COF (Moteane, 2018). This is largely because, after the 2016 Local Government elections, the new administration under the coalition government led by the Democratic Alliance (DA) and Executive Mayor Herman Mashaba, the COF programme was de-emphasised in favour of the rejuvenation of the inner-city by reducing budget allocations to items linked to the COF (ibid.).

Herman Pienaar's view is that transformation should be viewed over the short, medium, and long term (Pienaar, 2020). The long-term objective is spatial transformation and more integrated higher density development that reflects ToD principles along the BRT corridors (ibid.). The impact of such transformation will only show over a long-term period (20 - 30 years) when the built form reorganizes around the stations (ibid.). Accordingly, the COF Strategic Area Frameworks and the subsequent precinct design frameworks provided the vision and interventions required for the intended transformation (ibid.). The transformation is also dependant on consistent investment from the City to create the required infrastructure capacity and public facilities associated with the COF proposals (ibid.). To this end, detailed infrastructure plans and area-based programs were incorporated in the City's capital budget (ibid.). The consistent investment in the COF programs by the City over several years would result in the transformation of key precincts in the corridors, especially concerning social facilities like clinics, parks, community centres, cycle lanes, and walking spaces (ibid.).

Bob Stanway's recollection is that officials from the City's Development Planning Department became very involved in trying to incentivise high-density and regeneration along with Rea Vaya corridors (Stanway, 2019). This is somewhat contrasted by Moosajee

(2019) who believes it unfortunate that the City departments have not come to the party when it comes to ensuring that there are high-density mixed-use developments along the Rea Vaya routes, something that would ensure sustainable economic empowerment and growth. Moosajee's view is that the City wanted to give the market a notion of stability and a sense of "this is our public transport corridor; this is where we are investing" (ibid.). The idea was to have other City departments coming on board to join in the public transport investment project that had been created (ibid.). The goal was clear, and it was that the City must begin to densify transport corridors and bring more mixed-use developments onto transport corridors, and that by virtue of the station infrastructure being fairly aesthetic, it would give a clear sign to the markets that this is a transport plan and these are the corridors in which to invest and develop social amenities and housing options. (ibid.).

### **5.3.2 The impact of political transition**

Amartya Sen (1999) has been a great source of influence in the way the City, under Tau's leadership, conceptualised the overall development trajectory (Tau, 2020). The concept of the COF demonstrates an understanding that "freedom is just beyond right to vote, the right to hold public representatives to account...It is inherently about also about the social and economic well-being of people. It is about their ability to express and access economic opportunity, social opportunity...and so on" (ibid.). Regarding the impact of the political transition from the term of office of Masondo to Tau and to Mashaba on the implementation of the COF, Tau's view was that political orientation remains an important factor in policy making and this is sometimes downplayed South Africa (ibid.). The position adopted by the DA-led administration was reflective of different policy perspectives on development, transformation, and urbanism (ibid.). Tau (2020) suggested that it was parochial to de-emphasize the COF and only focus on the inner-city regeneration. The inner-city renewal has always been a critical part of the City's development plans in any event (ibid.)

According to Silimela (2020), there was a degree of policy coherence and continuity in the transition from Masondo to Tau. The SPTN routes, which eventually became BRT routes, were conceptualized as development corridors along strong movement and desire lines, and there was recognition of the importance of the transport and land-use planning nexus (Silimela, 2020). Tau's tenure was characterized by a maturation of this idea as well as a strong and visible political championship that also garnered international support (ibid.). Silimela points out that under Mashaba, there was policy confusion and uncertainty on this matter of the COF (ibid.). Initially, the Mashaba administration was in support of the concept

(but not the name); however, as it became clearer that the COF was about densification and inclusion, there was strong push back within the DA (ibid.). Further, the Mashaba administration also undid some of the building blocks of COF – such as dedicated capital investment (ibid.). This led to the COF losing ground on the progress made in prior years (ibid.).

Pienaar's view is that the whole process of ToD implementation got disrupted (Pienaar, 2020). ToD is based on a multi-layer components that work together to provide additional benefits and sustainable outcomes (ibid.). If certain parts are not completed over time or are set aside, then the outcome is compromised (ibid.). According to Pienaar (2020), the fact that there was a comprehensive and strategic vision for the COF programme that drilled down to a project level, enabled the City to prioritize the key building blocks for the transformation process and the establishment of ToD principles.

According to André Coetzee (2020), the Mashaba administration was very much in favour of the BRT and regretted that there were so many delays in the roll out of Phase 1C. In relation to the COF, Coetzee stated that the Mashaba administration generally supported the policy of Transit-oriented Development as a development principle (Coetzee, 2020). The challenge with the COF was that the plans had not been met with the budget required to implement them, and the City bought land along the corridors without ensuring that there was proper access to bulk infrastructure to support development (ibid.). Coetzee's position is that the capital budget of Development Planning Department as well as that of the relevant City's entities was not properly aligned to the plans for the COF (ibid.). Before Mashaba's resignation, the City adopted the Nodal Review, which would supplement the SDF and, to some extent, replace the COF but provide guidance about which areas should be prioritised for development (ibid.). The next step would have been to align the capital budget to the Nodal Review over the three-year period, but Mashaba resigned in November 2019 (ibid.).

Mothoagae (2020) stated that plans are now underway to resuscitate the implementation of the COF following Mashaba's resignation which resulted in the City being governed by the ANC-led Government of Local Unity (GLU) with Councillor Geoff Makhubo as Executive Mayor. Makhubo previously served in Tau's administration as the MMC for Finance.

### **5.3.3 Private property developers**

According to Silimela (2020), the feedback from private property developers on the COF programme was varied, but established developers appreciated the value of density and the link to a well-functioning mass transit system. There were also important insights gained from developers on incentives and density bonuses (ibid.). The biggest pushback was received from resident associations' in areas identified for densification - along Empire-Perth and areas such as Dunkeld (ibid.) However, constant engagement between the City officials and residents was starting to yield a positive way forward (ibid.).

Themba Xakaza stated that for private developers, investing in the COF yielded no realistic prospects of earning returns that would justify investment (Xakaza, 2020). According to Xakaza (2020) the City's urban designers and planners put together glossy and colourful documents that lacked the buy-in of those with cash to invest. Xakaza (2020) suggested that the noble objective of spatial transformation is not what drives private developers to invest in a particular area. He compared financial institutions that provide funding for development to a "Chisa Nyama" (a slang word for an informal restaurant in South African townships where meat is barbequed and sold), stating that a "Chisa Nyama" is not there to address social problems associated with hunger, it's there to make a profit (Xakaza, 2020). As such, private property developers and financiers are not primarily interested in addressing apartheid spatial planning. Another risk for investors is that the COF programme is situated in high-risk areas with dilapidating infrastructure and general decay (Xakaza, 2020). In addition, the uptake of development on the Empire-Perth Corridor was driven solely by the National Student Financial Aid Scheme (NSFAS) (ibid.). Private developers on this corridor built properties on basis of the guarantees in the form of upfront payments by NSFAS for student accommodation, and this is how the COF in this area gives a perception that the programme is working (ibid.). Xakaza's view was that the City did not back its development policy objectives with the necessary capital budget allocations, but wrongly and naively assumed that the private sector would jump in and invest (ibid.).

### **5.4 Safety, reliability, affordability and convenience**

Stanway (2019) asserted that the original idea behind the BRT was to provide access to safe, reliable and affordable transport for people who needed it. Regarding safety and reliability, Moosajee (2019) pointed to the university students who are now able to use libraries after hours because they can rely on Rea Vaya to get home. These students feel safe when using

public transport because they can walk out of the university into a well-lit and secure Rea Vaya station (ibid.).

### **5.5 Transformation and empowerment of the minibus taxi industry**

The economic objective to create stability in the minibus taxi industry through the BRT has been achieved, according to Seftel (2019). Regarding the empowerment of the taxi operators, Motshwane (2019) said “The day we scrapped our taxis and became shareholders; it was like the sun was rising from the west. It was a new dawn for all of us. As a result, we were able to manage our credit better, our economics much better, we are now much more creditworthy.” Politically, prior to Rea Vaya, there had been no relationship between the affected taxi industry and the “political powers” (ibid.). Rea Vaya brought the government and the taxi industry together and that is why a joint delegation travelled to Bogota to learn how to implement the system (ibid.).

Unfortunately, the local bus manufacturing industry in South Africa failed to benefit from the procurement of buses for Rea Vaya Phase 1A and 1B (Seftel, 2019). The financing for buses was obtained from foreign financial institutions as opposed to local ones (ibid.). According to Bob Stanway (2019), there were two main reasons for this. The first was because the country has a very small bus manufacturing industry, and South African manufacturers had never built buses with the type of technical performance standards required for the BRT system (ibid.). The second reason was that foreign export credit agencies provided low interest rates for the purchasing of buses because they were supporting their own local manufacturers (ibid.). The lesson from this experience was that financial institutions from countries that have huge manufacturing industries are incentivised by their governments when they make funding available to potential customers in order to promote the sale of their products (ibid.). The preference was to have South African manufactured buses and South African funding, but these were not available (ibid.).

According to Ben Maseko (2019), in the beginning it was difficult to achieve a common understanding among different stakeholders regarding the exact nature of the economic benefits of Rea Vaya. What exacerbated the fears of some individuals was the perception that they would lose their sources of income because of the BRT (ibid.). These individuals included the taxi drivers, those working as informal traders around the taxi ranks, the marshals and others who earned a living indirectly through the taxi industry (ibid.). The concerns were mostly about job opportunities as well as the question of whether the BRT

benefits would be greater than those that existed prior to the BRT project (ibid.). When Phase 1A was finally launched, its legitimacy was contested, and some people lost their lives (ibid.). But, according to Maseko, the City has forged ahead with the BRT project as it was seen as transformational in relation to the previously disadvantaged groups (ibid.).

According to Edward Mosenyi (2019), the BRT project is contributing to the economy in the following ways:

- It is affordable compared to other public transport modes and people are not spending 10 percent of their monthly salaries on travel, as is the case with other modes of public transport.
- The building of infrastructure that includes roadways, stations and interchanges enhances the City's ability to attract foreign direct investment.
- As a result of the dedicated lanes, Rea Vaya users arrive at their destinations on time, thus becoming productive and contributing to the economy.
- Rea Vaya has directly employed a significant number of people. There are more than 300 individuals working on both Phase 1A and 1B.

For Mosenyi (2019), the reason why local financial institutions were not prepared to invest in Rea Vaya is due to the fact that the cost-benefit analysis would demonstrate that local companies would not be able to break even, let alone make profits. In short, Mosenyi's view is that private sector investors are unlikely to obtain a return on investment from public transport projects, and BRT systems are dependent on government subsidies to succeed (ibid.).

Seftel (2019) explained the economic empowerment objective of Rea Vaya by stating that the approach was that for any taxi operator operating on a planned Rea Vaya route (meaning that Rea Vaya would replace his or her business), there would be an opportunity—and indeed a right—to become a shareholder in the BOC. This would mean operators would not be worse off financially because of the BRT. That was at the heart of the transformational promise (ibid.). Seftel's conclusion is that three promises were made to the minibuss taxi industry in this regard:

- Firstly, that they will not be worse off financially. According to Seftel this promise is being kept in that former taxi operators who opted to join Rea Vaya are now financially secure and no longer have to worry about the many challenges of running taxi businesses.

- Secondly, operators are empowered with the capacity to run a successful bus operating company. Seftel is of the view that it remains to be seen whether these former taxi operators could eventually build a profitable company. She believes this has not happened yet as a result of the internal squabbles and mismanagement that continue to besiege the Phase 1A and 1B BOCs.
- Lastly, that the BRT will open up other business opportunities for the former taxi operators. Seftel considered this to have been a false promise that has not, and could not, materialise. She acknowledged that there were individuals such as Motshwane who have undertaken some consulting or advisory work and have indeed earned some money. However, Seftel stated that the idea that former taxi operators, who are now part of Rea Vaya, would become expert consultants capable of going into Africa to assist in the implementation of BRTs, is not feasible. She based this view on the fact that a country such as Nigeria, for instance, started its BRT at the same time as South Africa and has a different model, therefore cannot be advised by former South African taxi operators.

According to Rikhotso (2020), the former taxi operators who are now part of Rea Vaya, are indeed better off than they were before joining the BRT. He believes that they could have been much better off had they taken the opportunity to grow and become significant players in the public transport sector, especially the bus sector (Rikhotso, 2020). Unfortunately, only few operators are genuinely interested in the success of the Bus Operating Companies (BOCs) (ibid.). Most of them just see the BOCs as milking cows (ibid.). Rammabuda (2020) stated that the answer to the question about the empowerment of former taxi operators cannot be a simple yes or no. This is because some of the former taxi operators have said that they are worse off while others have admitted to being empowered through their participation in the BRT (ibid.).

Rammabuda (2020) argued that paying compensation to taxi operators is not a true form of empowerment. The City should have also provided the taxi industry with construction opportunities (ibid.). He asserted that this can be done through Joint Ventures (JVs) with established construction companies (ibid.). True empowerment would also include the participation of the taxi industry in providing security during the construction phases of the BRT (ibid.). According to Mathang (2020), the fact that the BRT system is owned by former taxi operators for the benefit of society at large constitutes true empowerment.

The reason why people feel that they are not better off is that the compensation was paid as a lump sum and was not invested but squandered (Rikhotso, 2020) This has resulted in a desperate quest by some shareholders to be employed by the BOCs which inevitably led to interference of the management of the companies (ibid.). According to Rikhotso (2020), this makes it extremely difficult to manage a BOC and it brings about instability around the management and the operations of the companies. It may also result in a situation where these companies (the BOCs) are unable to bid for new contracts, when the current contracts expire, as required by the National Land Transport Act. In the end, both Rikhotso (2020) and Rammabuda (2020) are of the view that the Rea Vaya BRT is working and is achieving its intended objective of empowering minibus taxi operators. They both expressed their belief that each subsequent phase of the project represents an improvement from the previous phase. Their view was that there is room for improvement in how compensation is paid to taxi operators and in building relationships between the City and the taxi industry, because at times the City appears to be dismissive and condescending (Rikhosto, 2020 and Rammabuda, 2020).

It is reasonable to state that had the transformation of the public transport sector as well as the empowerment of the minibus taxi operators not been included as the key objectives of Rea Vaya, the taxi industry would not have supported the BRT system in Johannesburg. The City's Transport Transformation and Empowerment Policy of 2018 constitute evidence that crucial lessons have indeed been learnt, by both the political and administrative leadership of the City. The Transport Transformation and Empowerment Policy is included in this paper as Appendix B. This policy is a critical point of reference in answering the research question regarding some of the key objectives of Rea Vaya BRT. Furthermore, a successful launch and implementation of Phase 1C towards the end of 2021, will also be a yardstick to determine firstly, the extent to which lessons learnt from Phases 1A and 1B are currently being incorporated, secondly, the levels of capability of the City's Transport Department, and thirdly, the effectiveness of the Transport Transformation and Empowerment Policy.

## **5.6 Environmental benefits**

During the interview, Bob Stanway (2019) indicated that there were work streams or resource documents containing a little-known part of the BRT project – the environmental aspect. According to Stanway, Rea Vaya BRT was the single biggest environmentally positive project that Johannesburg has ever introduced. Stanway (2019) mentioned that moving from Euro3

“Skadonk” buses to Euro5 “proper” buses as well as the Euro5 diesel buses resulted in significant financial savings. The City also managed to register the Rea Vaya project as a Clean Development Mechanism (CDM) project with the United Nations (ibid.). According to Stanway (2019), the City could sell CDM credits to countries and companies that were trying to offset their carbon emissions. Registered CDM projects must fulfil the two objectives required by the Kyoto Protocol, namely greenhouse gas emission reductions and contribute to sustainable development in the host country (Sutter & Parreño, 2007).

### **5.7 Vested interests of key stakeholders**

Both the support and opposition to Rea Vaya depended on the vested interests of different key stakeholders. Seftel (2019) pointed out to lingering questions about the taxi industry elites having made backroom deals in relation to BRT negotiations and monies being paid to buy influence. While Seftel (2019) does not believe there were deals of this nature, she is aware of the rumours. According to Seftel (2019), during the Phase 1A and 1B negotiations, there was a small group of influential elites in the taxi industry who referred to themselves as “the leadership of the leadership” or “the core group”. She particularly mentioned a former Greater Johannesburg Regional Secretary of SANTACO (South African National Taxi Council), whom she says was bitter about the fact that he was not part of the “core group” during the negotiations for Phase 1A.

During the Phase 1C negotiations, this former SANTACO Regional Secretary would talk about the “core group” and him being part of it, because he thought that those who were part of it would be getting extra payments from the City (ibid.). Seftel also mentioned that during the process of trying to bring the taxi industry on board, there was a lot of informality and the study tours to South America helped to cement relationships between the leadership of the minibus taxi industry and the City (ibid.). However, there were also hardliners and gatekeepers who, in pursuit of their narrow interests, slowed down the negotiation processes and made it difficult to reach an agreement (ibid.).

According to Stanway (2019), there was what he initially interpreted as undue interference by the NDoT in the City’s public transport plans. The NDoT had employed overseas consultants who lacked knowledge of public transport but who were able to convince the NDoT that it needed to implement these Integrated Rapid Public Transport Networks which then led to a Cabinet decision to support the rushed implementation of the BRT (ibid.). A big roadshow was spearheaded by the NDoT and its consultants (ibid.). The City officials were

perplexed because they thought they were making some progress by changing the focus from private cars to public transport (ibid.). During that period, nobody was prioritising public transport on existing road infrastructure (ibid.). However, after properly investigating the NDoTs proposed approach, Stanway and Moosajee, while in Bogota, concluded that it was actually a very good idea, but that it would only apply to those strategic public transport corridors that had already been approved (ibid.).

Stanway was concerned about the perception of financial wrongdoing and made sure his team knew where every cent came from, and auditors would verify how the budget had been spent (ibid.). During the early stages of the BRT project, Stanway appointed an accounting company, SNG Grant Thornton as advisers, and provided working space for its representatives in the Transport Department's offices (ibid.). Stanway ensured that the goods being procured were of a high quality and standard and complied with the South African Bureau of Standards (SABS). He further ensured that tenders went through the correct processes (ibid.). Relevant professionals scrutinized every transaction and process (ibid.).

Stanway is proud that his team survived the first three years of the BRT project without any accusations of impropriety being levelled against them (ibid.). He emphatically recommended using professionals to monitor all processes involving big infrastructure projects in the City because, in his opinion, it does not cost too much money and it does not take anybody else's time (ibid.). According to Stanway, consistent monitoring of the implementation processes of mega projects ensures that such projects are not derailed by vested interests (ibid.).

### **5.8 Leadership and relationship-building**

According to Seftel (2019), building a relationship with the taxi industry that is based on mutual trust was a "big job". Her observation is that the minibus taxi industry was not particularly excited about the BRT project because government had previously promised many things to the industry such as the establishment and funding of cooperatives, and taxi recapitalization, and they had been disappointed. Accordingly, building trust between stakeholders required much engagement with those in leadership positions and rested on Masondo's charisma and reputation; Moosajee; and to some extent, the administrative leadership of the City (ibid.). According to Mathang (2020), Stanway was an amazing man

whose leadership, technical expertise, ethical conduct, and professionalism played a pivotal role in ensuring successful planning and implementation of the BRT system in the City of Johannesburg. Mathang (2020) also attributed the successful implementation of Rea Vaya to the leadership of the taxi industry, who despite their initial opposition to the project, allowed themselves to be persuaded. "Leadership is about persuasion. There were deaths. Those that were collaborating with government were shot. But in the end we managed to have a partnership with them." (Mathang, 2020).

## **6. Filling in the knowledge gaps**

### **6.1. The planning process**

According to Moosajee (2019), Stanway was pedantic when it came to planning. He ensured that thorough technical planning processes were established. Unfortunately, coordination failures between key stakeholders such as City, provincial, national departments as well as the entities concerned, prevented the City of Johannesburg from implement monitoring and evaluation processes to properly assess the impact of Rea Vaya and how the City could leverage the investment and make necessary adjustments (ibid.). This resulted in unnecessary and costly duplication of projects and bus routes (ibid.). Moosajee's recommendation is that the City should go back to the drawing board and reassesses plans for the integration of systems such as Automated Fare Collection (AFC), reallocation of routes, and the participation of private investors in the public transport sector (ibid.).

Stanway (2019) recalled that as part of the planning process during the first three years of the BRT project, the Transport Department had one work stream. The individuals that were involved looked at what should be monitored and evaluated in terms of key performance indicators (ibid.). The NDoT came up with the whole set of performance indicators and the National Treasury conceived Key Performance Areas (KPAs) that were used to achieve a more standardized way of monitoring BRTs in terms of unit standards (ibid.). Stanway admitted that he was personally never involved in the monitoring and evaluation as his team's job was to "get the show on the road by the end of 2009", which they managed to do successfully (ibid.).

### **6.2. To do an evaluation or not to do an evaluation: A theoretical analysis**

One of the fundamental questions that ought to be asked when attempting to address a knowledge gap in the current context, is whether an evaluation of the Rea Vaya BRT system would have produced critical information about the extent to which the system is achieving its intended objectives. Minnaar (2010) explains that performance evaluation is undertaken at predetermined, regular intervals to determine and assess the performance of the executing institution, its sub-organisations and the individuals responsible for delivery, all for official reporting purposes. According to the City of Johannesburg's Monitoring and Evaluation (M&E) Framework, the purpose of an evaluation is to inform senior decision-makers as well as other relevant stakeholders about the extent to which an intervention should be continued or not, and if any potential adjustments are required (Johannesburg,

2018). Chikwema (2019) stated that the City's M&E Framework provides for results-based management for major interventions such as the Rea Vaya BRT project. It stipulates that a formative or internal evaluation must be undertaken soon after an intervention has been initiated (ibid.). This formative evaluation must assess whether an intervention has been well conceptualized, and whether it is being implemented in the right way as per the plan (ibid.). Typically, this evaluation would be done in the first two years of the intervention (ibid.). Chikwema's view is that ideally, the City should have conducted an evaluation of Phase 1A two years after the commencement of the intervention around the World Cup period (ibid.).

A mid-term evaluation of Rea Vaya should have investigated whether the system was operating optimally (ibid.). According to Chikwema, the City of Johannesburg runs five-year Integrated Development Planning (IDP) cycles, and a summative evaluation has to be carried out at the end of the term, which would indicate that "this is what we had planned at the beginning of the IDP cycle, this is what we implemented, and answering questions on have we been making progress, have we been achieving our targets or not?" (ibid.). A summative evaluation allows for changes to be made in the next IDP cycle (ibid.). This is where serious considerations are taken into account, including whether or not there is a need to invest more money in the project (ibid.). Chikwema (2019) stated that officials from the Transport Department have given several reasons for their failure to conduct an evaluation of the BRT system. One such reason has been that the performance targets set for the BRT were input and output targets as opposed to impact and outcomes targets, which are the objectives of an evaluation (ibid.).

Another reason for the failure to carry out an evaluation of the BRT—one usually cited by Transport Department officials, according to Chikwema—is that an intervention such as the Rea Vaya BRT system is designed to have an impact in the longer term (ibid.). Accordingly, the lack of resources renders it pointless and unfeasible to conduct an evaluation in the short to medium term (ibid.). Chikwema maintained that this argument lacks substance because if there really were a genuine intention to evaluate Rea Vaya, the City would have made the resources available, especially because the M&E Framework provides for the pooling of resources in order to evaluate mega projects such as the Rea Vaya BRT (ibid.). If the objective was to provide residents with safe, reliable and affordable public transport, it is necessary to scientifically establish how safe this system has been, what has been the cost of its implementation, and how comparable it is to other modes of transport (ibid.).

Dwango (2020) indeed argued that it would be a pointless and costly exercise to evaluate the BRT when its intended objectives can only be achieved in the long term, and that the past 10 years are not enough to assess the project's impact. According to Dwango (2020), the BRT system is meant to operate and can only realise its full potential if it is assessed within the framework of the Integrated Public Transport Network (IPTN) of which it is an integral part, and not in isolation. Other external factors that have a direct bearing on the impact and performance assessment of the BRT system include traffic law enforcement, functionality of traffic lights at intersections where Rea Vaya buses travel, infrastructure vandalism and trade union activism within the BOCs (ibid.). Dwango (2020) stated that all these factors, as well as the full implementation of the IPTN, needs to be ironed out before there can be talk of a BRT evaluation, otherwise such an evaluation will deliver unreliable outcomes. Besides, Dwango argued, some studies have been carried out on the impact of the BRT system by the NDoT as well as by independent researchers (ibid.). These studies suggest that the BRT system is functioning as expected and is meeting its intended objectives (ibid.).

Dwango (2020) insisted that relevant data is collected daily through the bus monitoring systems, which depict the challenges as well as the performance of Rea Vaya. Customer Satisfaction Surveys are also conducted annually (ibid.). The impact, successes and challenges of Rea Vaya are well known, and an evaluation is therefore unnecessary, at least at this stage (ibid.). Above all, Dwango (2020) maintained that the BRT is a developmental policy choice whose continued implementation does not depend on the evaluation of the existing Rea Vaya Phases. What would be uncovered by an evaluation is already known and/or can be determined by relying on the systems and processes currently in place, such as the Customer Satisfaction Surveys, data from the bus operation monitoring systems and the financial records (ibid.).

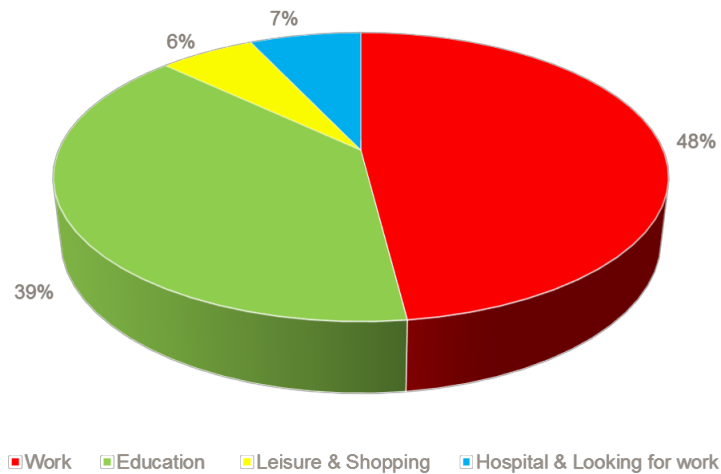
### **6.3. Customer Satisfaction**

Information about the nature of Rea Vaya passengers, their reasons for using the system as well as their levels of satisfaction constitute a crucial part of any analysis of the subject matter of this paper. The Transport Department conducts annual surveys to establish commuter attitudes regarding the services offered (Motsa, 2020). The survey questionnaire usually includes two open-ended questions, allowing participants to provide detailed information about their experiences with the Rea Vaya BRT system (ibid.). Customer

Satisfaction Survey Reports are presented to the Transport Management Team (TMT), which is made up of senior managers of the City's Transport Department (ibid.).

According to Motsa, these reports offer nothing new to the TMT (ibid.). As an example, Motsa mentions that since the insourcing of cleaners and security guards by the City, Rea Vaya stations are always dirty, and security has been compromised (ibid.). In the past, passengers would commend the Department on the cleanliness of the stations, and he would not be surprised if negative feedback was received from passengers in the Customer Satisfaction Survey for 2019/20/ (ibid.). These issues, as well as a host of other challenges relating to Rea Vaya are already well known to Transport Department management and so do not need to be included in the Customer Satisfaction Survey for future remediation (ibid.).

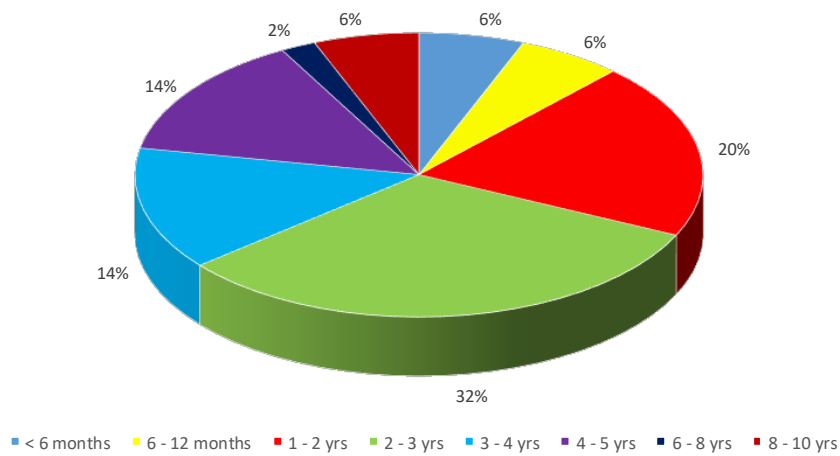
**Figure 7: Purpose of using Rea Vaya.**



Source: Customer Satisfaction Survey 2018/19

5100 passengers were interviewed at all Rea Vaya stations and bus stops (Rea Vaya Customer Satisfaction Survey Report 2018/19). The survey sessions were conducted at peak morning periods, during lunch hours and also in the evenings from Monday to Sunday (ibid.). Figure 1 shows that almost half (48 percent) of Rea Vaya commuters use the system to commute to work. This is followed by learners and university students at 39 percent. The survey sample represents 10 percent of total passenger numbers and is spread proportionally across the routes (Rea Vaya Customer Satisfaction Survey Report 2018/19).

**Figure 8: Duration of having been a Rea Vaya commuter.**



Source: Rea Vaya Customer Satisfaction Survey 2018/19

In recent years, long-standing users of Rea Vaya have been refusing to participate in the surveys because they feel the issues they raise are not taken seriously by the TMT (Motsa, 2020). Motsa (2020) stated that because of such refusal to participate, the City does not benefit from data that will show particular trends over a long period. This limits the Department's ability to implement sustainable interventions that can improve the service and thus customer experience (ibid.).

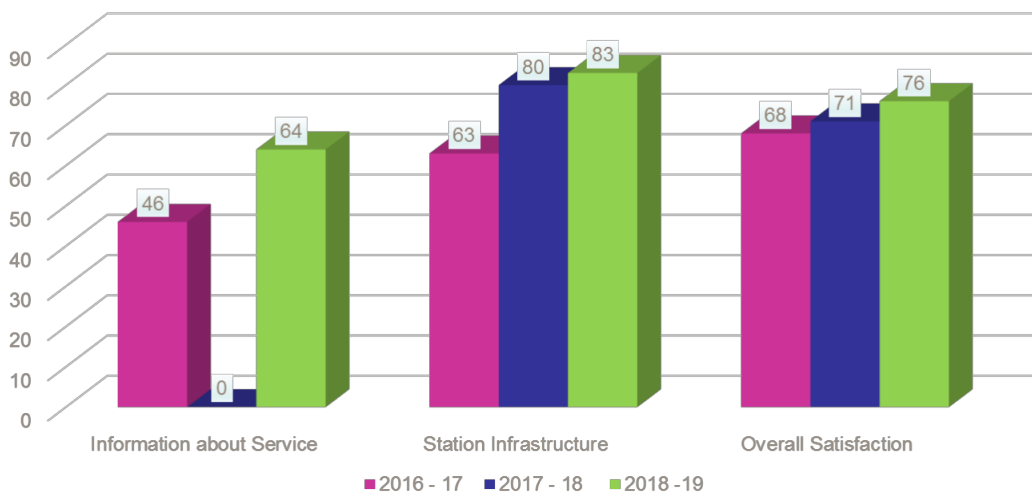
#### 6.4. The latest Customer Satisfaction Survey: 2018/19

**Figure 9: Passenger ratings: Walking distance, travel time and safety**



Source: Rea Vaya Customer Satisfaction Survey 2018/19

**Figure 10: Passenger ratings of services: Information, infrastructure and overall satisfaction**



Source: Rea Vaya Customer Satisfaction Survey 2018/19

The findings of the 2018/19 Customer Satisfaction Survey—the most recent in relation to this research paper—are as follows:

- Only 25 percent of participants in the survey follow Rea Vaya on social media and gave it a favourable satisfaction rate of 70 percent.
- 78 percent of participants say they have never received any information at the station about the latest service news. This relates to information inside the station via posters, pamphlets, drivers and/or station staff.
- 54 percent of participants in the survey comprise of the youth, which has a certain impact on results. This can be attributed to the high number of participants who prefer social media as a medium of communication. Yet only 36 percent follow Rea Vaya on social media (593 passengers).
- 32 percent of participants in the survey have used the bus service for 2 - 3 years. Only 6 percent of the passengers have been using the service for 8 - 10 years. Passengers who have been using the service for longer did not want to participate in the survey because they felt nothing changed after they completed previous surveys.

Two recommendations that have been included in the 2018/19 Customer Satisfaction Survey stand out and are as follows:



- The surveys should be conducted electronically by sending links on social media, text messages and using tablets/iPads. This will make the data more accurate as there will be no need for manual data capturing, which is susceptible to human error.
- The surveys should be conducted in a manner and at a time convenient to passengers.

With regard to Universal Access for people with disabilities, there has been no negative feedback received through the regular surveys, however, there have been several complaints issued about ineffective wheelchair ramps and unhelpful bus drivers (Motsa, 2020). According to Motsa, Customer Satisfaction Surveys are designed to inform operational decisions as opposed to policy decisions (ibid.). Accordingly, as demonstrated in paragraph 6.2 above, an evaluation study can provide a scientific basis for policy options.

#### **6.5. Financial management**

According to Kota (2020), the City spends approximately R54 million per month on Rea Vaya Phase 1A and B operations; however, the current Automated Fare Collection system is outdated and ineffective to mitigate theft and corruption (ibid.). Regarding revenue-related cash losses, Kota estimated that this is over R95 million since the inception of the current AFC in July 2013. She believes there are further losses that the Transport Department is unable to quantify and account for, owing to the inefficiencies of its systems (ibid.). She offered as examples, revenue losses caused by buses running empty (scheduling ineffectiveness) as well as the malfunctioning of the AFC ticket operating system from time to time, which extends to the inadequacy of the Information Technology Systems.

**Table 4: Cash losses at Rea Vaya stations: 01 July 2013 to 29 February 2020.**

 <b>CITY OF JOBURG - TRANSPORT DEPARTMENT</b> <b>TRANSPORT - FINANCE</b> <b>STATION CASH LOSSES: 01 JULY 2013 TO 29 FEBRUARY 2020</b> 	
Annual Balances	Amount
Opening balance 01 July 2013	R 94,167.00
Add: 2013/14 Financial Year losses	R 7,429,963.00
<b>Closing balance as at 30 June 2014</b>	<b>R 7,524,130.00</b>
Opening balance 01 July 2014	R 7,524,130.00
Add: 2014/15 Financial Year losses	R 8,139,888.00
<b>Closing balance as at 30 June 2015</b>	<b>R 15,664,018.00</b>
Opening balance 01 July 2016	R 15,664,018.00
Add: 2015/16 Financial Year losses	R 31,193,865.00
<b>Closing balance as at 30 June 2016</b>	<b>R 46,857,883.00</b>
Opening balance 01 July 2017	R 46,857,883.00
Add: 2016/17 Financial Year losses	R 24,943,815.00
<b>Closing balance as at 30 June 2017</b>	<b>R 71,801,698.00</b>
Opening balance 01 July 2018	R 71,801,698.00
Add: 2017/18 Financial Year losses	R 15,141,426.62
<b>Closing balance as at 30 June 2018</b>	<b>R 86,943,124.62</b>
Opening balance 01 July 2019	R 86,943,124.62
Add: 2018/19 Financial Year losses	R 8,032,472.93
<b>Closing balance as at 30 June 2019</b>	<b>R 94,975,597.55</b>
Opening balance 01 July 2019	R 94,975,597.55
Add: 2019/20 Financial Year losses	R 959,632.25
<b>Closing balance as at 29 February 2020</b>	<b>R 95,935,229.80</b>
^ - Current Financial Year	

Source: City of Johannesburg Transport Department

## **7. Conclusion**

In exploring the extent to which the City of Johannesburg's Rea Vaya BRT is achieving its intended socio-political and economic objectives, this paper has demonstrated that, courageous and visionary leadership, institutional coordination, and a well-executed multi-stakeholder engagement process, are essential factors for the successful implementation of a complex catalytic project that maximises spatial transformation and enhances commuter mobility for economic growth. This paper narrows the knowledge gap by using a pragmatic approach as a key research methodology, in illustrating the practical accounts of key decision-makers and role players, complemented by key policy documents, in the realisation of the Rea Vaya BRT project. The research also provides a fresh perspective by the City to incorporate the minibus taxi industry into the mainstream economy. The conflicting views that exist on the extent to which such objectives are being achieved can perhaps be attributed to the critical need for an official evaluation study of the Rea Vaya BRT System.

This paper has also demonstrated that despite the existence of some of the challenges regarding the BRT, the City's residents are indeed enjoying a safe, reliable, and efficient public transport system. The system has generated sustainable jobs, business opportunities and also provides decisive policy direction to private property developers to invest in the Corridors of Freedom while contributing to the City's efforts to mitigate apartheid spatial planning. More so, the BRT project has provided an inclusive space for South Africans from diverse backgrounds to socially integrate. Lastly, in applying the PDIA as a tool of analysis, it can reasonably be concluded that Rea Vaya BRT is not a case of "isomorphic mimicry" but rather a genuine intervention that has taken into account the unique context as well as the prevailing institutional arrangements, while contributing to building state capability especially in the Transport and Development Planning Departments of the City of Johannesburg.

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## **Appendix A: List of individuals that were interviewed and/or contacted via e-mail and text messages**

- **Mr Bob Stanway:** Former Acting Executive Director of the City of Johannesburg's Transport Department under whose stewardship Rea Vaya was conceptualized.
- **Ms Lisa Seffel:** Former Executive Director of the City's Transport Department who oversaw the BRT launch as well as its operations during the period 2009 - 2019.
- **Ms Rehana Moosajee:** Former Councillor and Member of the Mayoral Committee (MMC) for Transport in the City of Johannesburg.
- **Mr. Edward Mosenyi:** Director responsible for Management Support in the Department of Transport, City of Johannesburg. His duties include drafting the Department's Business Plan and performance reports.
- **Ms. Daisy Dwango:** Director for Transport Planning in the City's Transport Department, responsible for the formulation and implementation of the Integrated Transport Plan.
- **Dr. Salatial Chikwema:** Former Acting Head of the City's Group Strategy and Policy Research (GSPCR), a unit responsible for monitoring and evaluation in the City.
- **Mr. Eric Motshwane:** Former leader in the mini-bus taxi industry who chose to participate in Rea Vaya BRT Phase 1A.
- **Mr. Ben Maseko:** Deputy Director: Business Development in the Transport Department and member of the City's negotiation team with the taxi industry in relation to Rea Vaya Phase 1C. He has been involved with the BRT project since 2008.
- **Mr. Itumeleng Motsa:** Operational Manager: Service Promotion, responsible for the Rea Vaya BRT Annual Customer Satisfaction Surveys.
- **Ms. Busisiwe Kota:** Deputy Director: Revenue. She manages and oversees the BRT system's expenditure and revenue collection process.
- **Ms. Sindiswa Mondli:** Deputy Director: Expenditure. She is responsible for budget planning, coordinating, and monitoring in the City's Transport Department.
- **Mr. Monyake Moteane:** Former Specialist: City Transformation in the Development Planning Department.
- **Ms. Amolemo Mothoagae:** Executive Director: Development Planning Department, City of Johannesburg.
- **Ms. Yondela Silimela:** Former Executive Director: Development Planning Department, City of Johannesburg.
- **Mr. Nelson Pienaar:** Former Director: City Transformation and Spatial Planning, Development Planning Department, City of Johannesburg.

- **Mr. Andre Coetzee:** Former Director and Policy Adviser to the former Executive Mayor Herman Mashaba.
- **Mr. Ruby Mathang:** Former MMC for Development Planning as well as Economic Development in the City of Johannesburg.
- **Mr. Parks Tau:** Former Executive Mayor of the City of Johannesburg and current Deputy Minister of Cooperative Governance and Traditional Affairs.
- **Mr. Temba Xakaza:** Former Land Use Officer in the Development Planning Department, City of Johannesburg, and current Real Estate Development Manager in the private sector.
- **Mr. Rodney Rammuda:** Independent Technical Adviser who was contracted to assist the taxi industry in their negotiations with the City regarding the BRT.
- **Mr. Nelson Rikhotso:** Independent Technical Adviser, contracted to assist the taxi industry in their negotiations with the City regarding the BRT. He is also a Chief Executive Officer (CEO) of Litsamaiso (Pty) Ltd, a Rea Vaya BRT Phase 1B bus operating company.
- **Mr. Chris Ngcobo:** Former Chief of the Johannesburg Metropolitan Police Department (JMPD) and current Security Advisor and Director responsible for empowerment and transformation of the minibus taxi industry. He leads the City's team that is negotiating with the taxi industry in relation to Rea Vaya Phase 1C.

## **Appendix B: Extracts from the City of Johannesburg Public Transport Transformation and Empowerment Policy**

### **1. PURPOSE AND SCOPE**

The purpose of this policy is to set out the principles and procedures that the City of Johannesburg Metropolitan Municipality (City) will follow when transforming and empowering public transport operators and services. These services include Rea Vaya BRT, Metrobus and minibus taxis services as well as the operation and management of public transport facilities.

This policy will replace the BOC Company Formation Policy approved in 2012 and the Mayoral Committee report on public transport facilities approved in 2014.

### **2. BACKGROUND**

The Transport Department in the City has been pioneering approaches to the transformation of the public transport sector in general and the empowerment of the minibus taxi sector in particular. The majority of the initiatives have revolved around the introduction of Bus Rapid Transit (BRT) or Rea Vaya BRT in Johannesburg.

Since the decision was first made in 2006 to introduce the Rea Vaya BRT, the context has changed, and sufficient time has now elapsed for an evaluation and reconsideration of the initial goals and the extent to which they have been achieved.

This revised policy proposes new strategies and approaches to achieve transformation and empowerment in the public transport sector in respect of:

- Negotiation and transformation processes.
- Bus operating company formation.
- Financial compensation and empowerment of both operators and drivers; and
- Value chain opportunities through Bus Operating Companies

The previous BOC Formation Policy included provisions for affected operators to access value chain opportunities such as security and cleaning at Rea Vaya stations on a preferential basis. A Mayoral Committee report also agreed to pilot similar value chain

opportunities in small or medium sized public transport facilities which are owned by the City and occupied by a single taxi association.

However, the City has received confirmation from a legal opinion that no provision in legislation exists for giving affected taxi operators a preference when the City procures these services. The only preferences that various legislation including the Constitution, Broad Based Black Economic Empowerment Act and the Preferential Procurement Policy Framework Act and Regulations provide for are in respect of black women, black people with disabilities, black youth, black people living in rural areas and black unemployed.

These value chain opportunities from the side of the City are thus no longer available. Due regard should also be taken of the City's decision in 2017 to insource security and cleaning including in public transport facilities.

The document is structured as follows:

- Definition of key terms and concepts.
- Objectives of transformation and empowerment.
- Negotiation process and structures.
- Bus operating company formation process.
- Empowerment through financial compensation.
- Empowerment through capacitation and training.
- Empowerment through enablement of accessing value chain opportunities through bus operating companies; and
- Empowerment through employment opportunities.

### 3. DEFINITIONS AND KEY CONCEPTS

This section sets out the definitions of key concepts which will be referred to in the policy.

Concept	Abrv	Definition or explanation
Affected operator	AO	An operator who has been affected by the introduction of new public transport services linked to an Integrated Public Transport Network Plan.

Broad based black economic empowerment	BBBEE	A national policy to promote the economic empowerment of previously disadvantaged individuals.
Bus/Vehicle Operating Company	BOC/ VOC	The entity that will enter into a bus operating contract with the City for the provision of bus services
Bus/Vehicle Operating Company Agreement	BOCA	The contract drawn up by the City for signature by itself and the BOC setting out inter alia the terms and conditions upon which the City requires public transport services to be operated, the vehicles to be acquired, secured and maintained, the use or lease of City property, and related matters.
Bus Rapid Transit	BRT	A high-performance bus system where some of the buses are on dedicated lanes to improve speed, safety and reliability.
Eligible operator	EO	An affected Operator who meets the verification criteria set by the City in order to prove that they are legally compliant, bona fide operators of current public transport services on an affected route and who are therefore eligible to become shareholders in the BOC under consideration.
Enterprise Development		A strategy for promoting economic growth and reducing poverty by building SMMEs.
Financial compensation		An amount of money granted to identified affected operators as compensation for the loss of economic rights as result of the introduction of an

		IPTN or other approved transformation process approved by the City.
Integrated Public Transport Network Plan		A public transport plan which seeks to integrate different modes and is approved by the Mayoral Committee. It can include rail, bus, minibus, midi bus and demand responsive services.
BOC Management Plan		The plan approved by the board of the BOC setting out the procedures and policies to be applied to the management and operation of the BOC, to be submitted by the BOC to the City as a condition precedent to the BOCA for the City's approval.
Negotiated Contract		A contract concluded between the City and the operators operating within the area in which the City intends on introducing the NEQ IPTN in terms of S. 41(1) of the National Land Transport Act no. 5 of 2009 (NLTA).
Operator	PAO's	Operators who are possibly affected by the introduction of new public transport services linked to an Integrated Public Transport Network Plan and whose affectedness will be determined during the process of transformation
Party/Parties		The bodies who are parties to the negotiations.
Previously disadvantaged Operators		Means 'black people' as defined in section 1 of the BBBEE Act 53 of 2003 which means Africans, Indians and Coloureds (a) who are citizens of the Republic of South Africa by birth or descent or (b) who became citizens of

		the Republic of South Africa by naturalisation (i) before 27 April 1994 or (ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date
Supplier development		Is the process of working with certain suppliers to improve their performance for organisation, leading to improvements in total added value from supplier in question in terms of BBEE rating, product or service offering, business processes and performance delivery lead times and delivery.
Taxi operated investment company	TOIC	An investment vehicle set up by taxi associations and/or individual taxi operators for purposes of participating in a transformation process.
Transformation process		A process of engagement, consultation and/or negotiation between the City and operators for the purposes of transforming the public transport system of the City including the introduction of an IPTN, which process has to be approved by the Municipal Council, being the executive and legislative arm of the City.
Value chain		Investment opportunities for previously disadvantaged public transport operators arising out of the implementation of public transport transformation including the introduction of BRT.

#### **4. LEGAL FRAMEWORK**

This section sets out the framework and key legal provisions that the City is required to be in compliance with as it implements this policy of transformation and empowerment

Key provisions are set out below.

##### **4.1 National Land Transport Act (NLTA) and the National Land Transport Regulations on Contracting for Public Transport Services (Contracting Regulations)**

The NLTA sets out how planning, implementation, licensing, integration and management of public transport should happen. Amongst other things it sets out the terms and conditions where contracts can be negotiated in the interests of economic empowerment of previously disadvantaged individuals (section 41 of the NTLA) and government can move from existing contractual arrangements to favour and enable new entrants into bus contracting (Section 46 of the NLTA).

##### **4.2 Municipal Finance Management Act (MFMA) and the Municipal Asset Transfer Regulations (MATR)**

- Section 14 of the MFMA read with the Municipal Asset Transfer Regulations (MATR) which regulate the disposal and/or transfer of the City's capital assets. Section 14 and the MATR sets out the procedure which the Transport Department would need to adhere to prior to disposing and/or transferring its capital assets in line with the transformation process.
- Section 33 of the MFMA which regulates the conclusion by the City of contracts having future budgetary implications and sets out the procedure to be followed by the Transport Department prior to concluding such a contract.
- The provisions of section 48 and section 50 of the MFMA regarding the necessary approvals and procedure to be followed prior to the City issuing any form of security in favour of any person in connection with the IPTN.

##### **4.3 Division of Revenue Act (2018) (DORA)**

The DORA regulates the use by the City of the Public Transport Network Grant (PTNG). In respect of this grant, financial compensation can't be paid to previously disadvantaged operators who have lost economic rights as a result of the introduction of an IPTN, without independent verification of such loss, which needs to be approved by the NDOT.

## 5. GOALS AND OBJECTIVES

Our goal is creating and ensuring a reliable, safe and affordable public transport to City residents as part of bettering their lives and building a well-functioning City. The City aims to transform, empower and capacitate individuals from the public transport industry firstly because it will serve this goal and secondly because economic empowerment is critical to economic growth and public safety in the City.

This policy distinguishes between transformation and empowerment objectives. These are set out below.

Our transformation objectives are to ensure that the minibus taxi industry plays a meaningful role in providing quality public transport including through:

- (a) Being able to scrap or sell old unsafe vehicles and either recapitalise these with safer vehicles or become shareholders in restructured public transport services including the BRT system.
- (b) Being able to offer quality, reliable public transport which is affordable to passenger and sustainable for them on routes that are commercially viable or through scheduled or performance-based contracts with the state.
- (c) The state providing safe and accessible public transport facilities such as ranks, interchanges and holding areas which can increase passenger numbers, speed and attractiveness of this mode of transport; and
- (d) The state taking effective action against criminality and lack of safety of road users.

Our empowerment objectives are to provide minibus taxi operators with opportunities to grow and build sustainable businesses in the transport and other sectors because:

- (a) Some are exchanging the economic right of an operating license with that of a shareholding in a new bus operating company and the state has committed that they should not be worse off than if they had continued with their current business for the duration of seven years by doing this.
- (b) By providing these opportunities, they will be in a better position to contribute to a safe and reliable public transport system, contributing to building the economy and addressing unemployment and poverty.

There are four key components to delivering our empowerment objectives namely:

- (a) **Financial compensation.**
- (b) **Training and capacitation** of minibus taxi drivers and operators.
- (c) **Enabling value chain opportunities** through the bus operating companies; and
- (d) **Preferential employment opportunities** for drivers and other personnel coming from the minibus taxi industry.

In delivering on our empowerment objectives, we are mindful of the fact that the minibus taxi industry was disadvantaged due to our apartheid history.

In the implementation of this policy, the City will align with the following values:

- (a) *Affordability and value for money:* The City must be able to afford providing public transport services and the passengers must be able to afford the fares.
- (b) *Quality:* Public transport services must be safe, reliable and convenient.
- (c) *Legality:* The process must be compliant with the Constitution, transport and municipal finance legislation and in line with government policies.
- (d) *Credible and legitimate process:* The process must be inclusive and have the support of all spheres of government and key stakeholders; and
- (e) *Good governance and zero tolerance of fraud and corruption:* The process needs to be fair and transparent.

*In the next sections we set out how the objectives will be given effect to.*

## **6. PROCESSES AND STRUCTURES OF NEGOTIATION AND TRANSFORMATION**

To achieve the objective of public transportation transformation and empowerment, the process can significantly impact on the outcome. The playing field needs to be levelled through the way in which processes are structured, high levels of communication to all parties and stakeholders is critical, there is independent facilitation or chairperson and transparent dispute resolution mechanisms. In this section, guidelines are proposed in this regard.

### **6.1. Transformation phases**

The following is a guideline as to the key phases and outputs that can be expected from each phase in respect of public transport transformation with specific reference to a negotiated contract in terms of Section 41 of the NLTA. However, the same phases can be followed but modified with due regard to the specific nature of the transformation process.

Phase	Key outputs
Engagement phase	<ul style="list-style-type: none"> <li>• Information sharing</li> <li>• Building understanding</li> <li>• Setting up negotiations and negotiation teams</li> </ul>
Pre-negotiation's phase	<ul style="list-style-type: none"> <li>• Determine which operators/routes are affected and thus which operators are eligible to become part of the transformation process including becoming shareholders</li> <li>• Registration of affected operators</li> <li>• Agreement on negotiation modalities through the signing of a Negotiation Framework Agreement.</li> </ul>
Negotiations	<p>Formal negotiations between mandated negotiation teams wherein the following can be agreed:</p> <ul style="list-style-type: none"> <li>• How affected operators participate and become eligible operators for purposes of transformation</li> <li>• Bus/Vehicle Operating Company Agreement including the fee per km to be paid</li> <li>• Bus/Vehicle Operating Company Formation Agreement</li> <li>• Empowerment including Compensation Agreement • Employment Framework agreement</li> </ul>
BOC/VOC formation and preparation for operationalization	<ul style="list-style-type: none"> <li>• Training and orientation of prospective shareholders, drivers and others eligible to be employed</li> <li>• Fulfilment of requirements of Companies Act and other legislation</li> <li>• Establishment of relevant shareholding structures</li> <li>• Employment of staff</li> <li>• Disposal of vehicles and provision of compensation as agreed in the negotiations.</li> </ul>

Before the start of any negotiation or transformation process, the Mayoral Committee must agree on the parameters of the negotiation mandate of the City officials as well as how a

mandate can be amended including the establishment of a Mayoral Committee Mandating Sub-Committee, if necessary.

#### 6.2. Transformation structures and related modalities

At the onset of a transformation process which involves negotiations the parties should reach agreement on a negotiation plan to ensure that the process is structured and there are clear rules and processes.

The negotiation plan should set out:

- (a) The structure of the negotiations including terms of reference and composition of working groups and plenary meetings.
- (b) The size of the negotiation teams which should be of a workable size and based on the concept of 'proportional representation'.
- (c) Need and nature of independent facilitation, secretariat and translation services.
- (d) The code of conduct to be followed during the negotiations including such as issues as being well prepared, treating each other with respect, timeous securing of mandates.
- (e) The role of consultants, technical support, advisors and observers and related issues such as attendance and speaking rights.
- (f) Confidentiality, speaking to the media and related matters.
- (g) Training and capacity building.
- (h) Processes for caucusing and mandating by all the Parties Mechanisms of communication to affected operators.
- (i) Arrival and attendance.
- (j) Decision making and dispute resolution including issues such as what constitutes
- (k) sufficient consensus.
- (l) Minute taking and recording of agreements.
- (m) Logistical issues such as meeting venues, cell phone use; distribution of documents; and
- (n) Time limits of the negotiation process and what shall occur if the time limits are not met.

The negotiation plan must be approved by the Mayoral Committee before being signed with other parties.

6.3. Support for previously disadvantaged operators

To ensure that previously disadvantaged operators are able to participate on a level playing field the City is committed to provide the following support, the details of which should be agreed to per transformation process and approved by the Mayoral Committee:

Type of support	Extent
Access to City resources	Reasonable access to venues, and related resources such as telephone, internet access and photocopying that will facilitate communication and consultation with the City and between operators.
Communication	Regular newsletters that are accessible to operators and drivers to keep them informed about what is being negotiated/transformed and the progress in this regard.
Technical support	<p>The City should arrange technical support of the operator's choice through the following process:</p> <ul style="list-style-type: none"> <li>• Transport Department to develop terms of reference for technical support which shall include rates as prescribed by the Department of Public Service and Administration (DPSA) for consultants Mandated representatives of operators to identify service providers who are willing to execute the terms of reference at the prescribed rates and provide a written motivation of such service providers which shall include that the process was fair and the proposed service providers have the support of their executive structures;</li> <li>• The City shall not be obliged to appoint any service provider who is not, in the City's opinion, properly qualified to provide the technical support required.</li> <li>• City to procure the services of this service provider in compliance with the MFMA on terms and conditions which include payment per</li> </ul>

	<p>milestone (for consultant's work) and per hours for meetings attended and there must be documentation on each and every item of work.</p> <ul style="list-style-type: none"> <li>• Transport Department to also appoint a firm from the audit or legal panel to quality assurance each invoice including copies of internal minutes and internal consultant reports that the City would not have access to and recommend that the City pays.</li> <li>• GRAS to include in their annual internal audit, an audit of the technical support.</li> <li>• In the event that operators are not able to reach consensus on technical support or there are disputes in respect of the appointment of technical support, the City reserves the right to go out on an open tender on behalf of operators for technical support</li> </ul>
<p>Allowances for transformation processes</p>	<p>Payment of allowances to compensate for the time away from operator's businesses and travel in attending meetings and related processes as follows:</p> <ul style="list-style-type: none"> <li>• Only duly mandated representatives are eligible to receive allowances after the relevant leadership of such operators have made a public commitment to the transformation process.</li> <li>• The Transport Department to only pay representatives who have been approved in writing by the executive of the relevant structures</li> <li>• The number of allowances plus other relevant details such as a 'cap' must be agreed by the Mayoral Committee for every transformation process or phase after consultation with the operators.</li> <li>• Payment of allowances must conform to payment and taxation requirements of the City.</li> </ul>

Information sharing workshops and events	Input and logistic support for a reasonable number of information sharing workshops or events such as study tours
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#### 6.4. Independent facilitation and dispute resolution

The City is committed to provide reasonable independent facilitation in respect of the different processes or phases. This facilitation can be for:

- Chairing and facilitation processes including pre-negotiations and negotiations; and
- Facilitate resolution of disputes between and within the various parties.

The role of the independent facilitator shall be including but not limited to the following:

- (a) Chairing of meetings.
- (b) Determine and have the authority to decide on matters of process.
- (c) Facilitate problem solving on issues where appropriate.
- (d) Agenda setting.
- (e) Dispute resolution by mediation or other mechanisms as may be agreed by the parties.
- (f) Provision of secretariat services; and
- (g) Provision of translation services.

In respect of dispute resolution:

- (a) Arbitration should be a last resort and must be agreed by the parties.
- (b) From the City side a decision to embark upon arbitration must be made by the Mayoral Committee; and
- (c) Notwithstanding the above, the parties may also by agreement use other outside assistance to break deadlocks.

The following are the processes and conditions in respect of the procurement of independent facilitation:

- (a) The City will provide a pro forma term of reference for independent facilitation, which the parties may adapt by agreement.
- (b) Facilitators and related services (such as secretariat or translation services as agreed with the parties) to be appointed through a company or consortium which includes panel of different facilitators and can provide secretariat and translation services.

- (c) The Transport Department to procure the company or consortium through an open tender process in line with the City's Supply Chain Management system.
- (d) The terms of reference of the above tender to include that the company or consortium must provide a range of CVs and the City together with Mandated Representatives to identify service providers of their choice for a particular negotiation/transformation period, matter or plan.

## **7. BUS/VEHICLE OPERATING COMPANY FORMATION**

Bus operating company formation refers to the formation of a new bus or vehicle operating company by the shareholders or prospective shareholders when an IPTN is introduced.

This policy makes provision for three different options for bus operating company formation as follows:

- A: The BOC/VOC is a product of the negotiation process as is required by Section 41 of the NLTA and affected operators become shareholders in the BOC/VOC
- B: The BOC/VOC exists or is set up to tender for a public transport contract through Section 42 of the NTLA. The empowerment and bus operating company formation processes are separated
- C: The BOC/VOC is a product of the negotiation process as is required by Section 41 of the NLTA but affected operators are all provided with financial compensation and have a choice to become shareholders and contribute an agreed amount of equity.

It is possible to start with one plan and shift to another plan depending on the progress of negotiations. Any decision about a plan or the shift to another plan shall be made by the Mayoral Committee.

## **8. FINANCIAL COMPENSATION FOR EMPOWERMENT**

The goal of financial compensation is to empower affected operators by compensating them for the loss of economic rights inherent in their Operating Licences and minibus taxi business. Below the rationale, categories of financial compensation and terms of conditions is set out.

### 8.1 Rationale for paying financial compensation when introducing IPTN's

The City will pay financial compensation to affected operators for the following reasons:

- (a) To compensate the affected operators for relinquishing an economic right which is reflected in a seven-year operating license granted to the affected operator pursuant to the provisions of the NLTA. It is assumed that the operating license will be held for a further seven years as is required by the NLTA.
- (b) To compensate the affected operators for agreeing not to operate in competition with the Rea Vaya BRT. The affected operators will be required to sign a restraint of trade agreement with the City which will be used by the City to protect its interest.

In addition, this financial compensation will assist operators to become sustainable and prosperous businesses including by acquiring equity in the BOC and/or investing in other income generating activities.

Financial compensation is complemented by both training and capacity building proposals included in this policy as well eligible operators receiving a scrapping allowance through the taxi recapitalisation process.

It is possible to separate the payment of compensation from the establishment of a bus operating company. The City can conclude on a compensation amount to all who agree to relinquish their economic rights of a seven-year license and then embark on a separate process of bus operating company formation.

### 8.3 Terms and conditions in terms of paying financial compensation

The mechanisms and parameters for the disbursement of such funds will be the subject of negotiations only with the previously disadvantaged targeted beneficiaries.

The settlement agreement is reinforced by a Restraint of Trade Agreement. For tax purposes it is recognised that this compensation, regardless of whether it is paid as a lump sum or as a series of payments, is seen as a capital gain in the hands of the affected operator.

The conditions for paying compensation are as follows:

- (a) An agreement regulating the payment of compensation must be signed by mandated representatives of affected operators and approved by the Mayoral Committee.
- (b) The operator who is to be paid, has a vehicle with an operating license. No claim will be considered for vehicles with no operating licenses or operating licenses not linked

to any vehicle. However, the City can facilitate a process to enable operators to be regularised.

- (c) The vehicle of the operator must be disposed of through the National Department of Transport's Taxi Recapitalisation Programme or sold. If the vehicle is sold, payment will be made only when all relevant documents have been submitted to/by the original owners, irrespective of the transaction concluded between the seller and the new owner.
- (d) The associated operating licences are relinquished and cancelled.
- (e) The affected operator has signed a Restraint of Trade agreeing not to operate in competition with the Rea Vaya for a period of 7 years from the effective date of a vehicle or bus operating contract agreement and further undertaking not to apply for a new operating license for any routes which are part of the IPTN of the City; and
- (f) The affected operator has signed that this is a full and final settlement and will not claim any further funds.

Financial compensation) can be paid out by the City in terms of a number of different payment plans including as a lump sum, monthly or periodic payments as agreed between the City and the affected operators.

In the event that the operator does not adhere to the terms and conditions of the ROT, the City shall stop his/her payments in terms of the payment plan and institute punitive proceedings.

#### 8.4 Process in respect of determining the amount of compensation to be paid

At the time of drafting of this policy, the only source of funds for financial compensation is the national Public Transport Network Grant (PTNG). The conditions of this grant indicate that "verified data on operator revenue and profitability and draft agreements for the compensation of existing economic rights of affected operators must be provided to DoT prior to concluding agreements on compensation for economic rights".

Thus, the amount to be paid has to be based on the existing economic rights determined by the amount of profit an operator is currently getting and/or could reasonably get in the next seven years (which is the maximum length of an operating license) if he/she did not become a shareholder of the BOC or was affected by the introduction of an IPTN.

The amounts to be paid thus needs to be decided after:

- Investigation and information gathering – by operators and their Technical Support.
- Verification of information – by City and/or Independent party; and
- Negotiation – with City and operators negotiation teams.

Tax must be the responsibility of the operator and should not be factored in the calculations of the amount.

#### 8.5 Approval by the Mayoral Committee and Council

On the basis of this policy, the Mayoral Committee will recommend to Council for approval on a transformation process or phase by phase or process basis:

- (a) The precise criteria for the allocation of financial compensation.
- (b) The previously disadvantaged targeted beneficiaries of such funds.
- (c) The amount and payment plan; and
- (d) Any other provisions and conditions.

### **9. EDUCATION, TRAINING AND CAPACITATION FOR EMPOWERMENT**

Education, training and capacitation is the second leg of empowerment which aims to:

- (a) Empower negotiators to be able to participate meaningfully in the negotiation processes.
- (b) Empower minibus taxi leadership to be pro-active partners in the transformation processes including in respect of operating their minibus taxi businesses more sustainably and providing better services to commuters; and
- (c) Equip operators including those that have received financial compensation to grow their business or new businesses including to supply the Bus Operating Companies or take advantage of value chain opportunities on an equal footing with other businesses.

The following training and capacitation empowerment initiatives can be funded and arranged by the City and offered to operators:

- (a) Education or training at accredited or recognised secondary and tertiary institutions.
- (b) Internships and learnerships.
- (c) Incubation programmes.
- (d) Programmes to upskill drivers to be able to apply for formal jobs in the transport sector including driving of buses.

- (e) Enabling behavioural change for drivers and taxi owners including in respect of customer care, financial self-management and conflict resolution; and
- (f) Mediation and facilitation services in instances of conflict to inter alia model new ways of addressing conflict and resolve intractable and recurring deep-seated conflicts.

## **10. ENABLING VALUE CHAIN OPPORTUNITIES IN BOCS**

The third leg of empowerment is creating opportunities for affected operators to benefit from 'value chain' opportunities in the Bus Operating Company.

In respect of BOC/VOCs where a bus or vehicle operating company agreement exists with the City, the City will require these Companies to set up supplier development programmes in the BOCA. The City can do this by adding clauses in the BOCA requiring the BOC to make this undertaking in the Management Plan which is a suspensive condition to hand over the BOC. The City can also monitor supplier development and penalise BOC's that do not do so.

Supplier development can be in respect of bus maintenance, cleaning and security of the depot and buses, provision of tyres and other vehicle parts, provision of fuel and lubricants and services such as accounting, auditing and legal.

## **11. PREFERENTIAL EMPLOYMENT OPPORTUNITIES**

Drivers and other workers or independent contractors of affected operators should have an opportunity to be employed as:

- Bus drivers, cleaners or maintenance workers in the BOC/VOC; and
- Station staff in the SSMA.

How workers and/or contractors of affected operators are provided this opportunity should be included in an agreement signed by the Parties after Mayoral Committee approval. The following are guidelines for issues to be included in such an agreement:

- (a) A database should be set up by affected operators according to agreed criteria as to who can be included in such a database.
- (b) Those on the database should have an opportunity to receiving training as set out in the above section

- (c) The training should enable the workers on the database to be able to complete for employment positions in the BOC or City through fair and transparent recruitment processes. There should be no entitlement for employment.
- (d) The City and the BOC should agree targets on numbers or percentages of workers from the database to be employed and if necessary, include such targets in an Employment Equity Plan.
- (e) The City can require the BOC in the Management Plan to set certain targets.
- (f) These targets can be different from or in addition to the statutory Employment Equity targets such as race, gender and disability.
- (g) Consideration should also be given to where the person lives in relation to his place of work. This is to both target local residents as well as being able to address reasonable demands for transport to work, once employed.

In the interest of clarity, there will be no entitlement to employment for workers and independent contractors of affected operators. All employment should happen through open and transparent recruitment policies, but the City shall endeavour to provide capacity building that will make it more likely for candidates from affected operators to be successful in their applications for employment.

## **12. REVIEW AND IMPLEMENTATION OF THE POLICY**

This policy should be reviewed periodically and can be amended by Mayoral Committee resolution. The policy can also be complemented with more detailed guidelines which should be presented to the City Manager and MMC for Transport to ensure concurrence with the policy.