

**Attention: Ms Michelle Pienaar
George Herald**

Thank you very much for enquiry as outlined in your email dated 11 June 2019. I will respond seriatim to the questions raised therein.

1. In terms of the National Land Transport Act (Act no.5 of 2009) ("NLTA"), a charter service is a public transport service operated by road involving the hire of a vehicle and a driver for a journey at a charge arranged beforehand with an operator. Neither the operator nor the driver may charge the passengers individual fares and the person hiring the service has the right to decide the route, date and time of travel. Passengers should also be conveyed to a common destination. In other words, it should be a homogenous group i.e. a church group attending a funeral in Knysna. Fares must be pre-booked. This type of operating licence cannot be relinquished by operators as part of the George Integrated Public Transport Network in turn for compensation.
2. Given that there is no requirement for a municipality to provide for charter services in its Integrated Transport Plan, it is basically regarded as off-plan services. For this reason, the Provincial Regulatory Entity (PRE's) is not required to refer such applications to municipalities for directions. In September 2014, the National Department of Transport issued an operational practice note to PRE's in respect of operating licences for charter services. In the practice note the National Department of Transport indicates that there is no basis to regulate market entry in the case of charter services on an economic basis. Furthermore, free-market competition should be encouraged provided that the regulatory entity is comfortable that the authority will not be abused to provide other forms of public transport services. Paragraph 6 of the same document provides that where a charter operating licence is issued, the regulatory entity must exercise its discretion and issue the operating licence for the period that it considers appropriate, but not

more than seven years. In terms of section 52 of the NLTA, the maximum validity period of an operating licence is seven years.

3. A major consideration for the Western Cape PRE is whether or not the service will be abused. It is common practice for operators to provide other forms of public transport services (in particular minibus-taxi type services) under the guise of charter service operating licence. This is in contravention of the objectives of the NLTA and operating licence conditions. It is therefore vitally important to determine if the applicant is a bona fide charter operator or whether the intention is to provide other forms of public transport services. For this reason, the Western Cape PRE has developed a policy on charter services. In the case of new entrant to the market (an applicant applying for his / her first charter service operating licence), the operating licence is issued for a two-year period. This is seen as a probation period to determine if the operator is serious about providing pre-booked charter services. If following the probation period there is conclusive evidence that the authority has not been abused, the operating licence may be issued for a five year period. One of the indicators used by the PRE to determine if the authority has been abused is the survey results contained in the Integrated Transport Plan. This allows the PRE to gauge whether a vehicle linked to a dedicated charter operating licence has been observed at minibus-taxi ranks or other public transport facilities. In terms of the charter policy, where an existing charter operator applies for additional operating licences (expansion of business), the new operating licence can be granted for a five-year period.
4. We can confirm that a charter operating licence has been granted to [the director in question]. The operating licence was granted for a five-year period but has not yet been uplifted. [the director in question] is a member of George Huurmotor Vereniging. It is important to note that [the director in question] is an existing charter operator. He has been providing charter services since 2006 when his first charter operating licence was granted. He is currently the holder of two operating licences conferring authority to provide charter services. A third operating licence authorising charter services lapsed on 31 October 2018 because he did not apply timeously for the renewal thereof. It is not uncommon for operators to lodge "late renewal" applications. This is essentially a new application in lieu of a lapsed operating licence. [The director in question] is therefore an existing operator of charter services.
5. We also want to point out that [the director in question] is not the only registered taxi operator that have been granted authority to provide charter services neither

is he the only operator to be granted a validity period of five years. Since 2018, the PRE has granted authority to 15 registered minibus-taxi operators to provide charter services. A number of these operating licences were granted for a five-year period because the applicants were deemed to be bona fide / existing charter operators. Operators applying for authority to provide charter services for the first time, were issued operating licences for a two-year period.

Kind Regards

Mark Skriker

Chairperson

Western Cape Provincial Regulatory Entity

Date: