CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

# FARES POLICY FOR CONTRACTED, ROAD-BASED PUBLIC TRANSPORT (POLICY NUMBER 21144K)

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**SPC03/05/15**

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# CITY OF CAPE TOWN FARES POLICY FOR CONTRACTED, ROAD-BASED PUBLIC TRANSPORT

**(TO BE DEVELOPED INTO A MULTI-MODAL INTEGRATED FARES POLICY IN FUTURE UPDATES)**

**UPDATED NOVEMBER 2014**

## TRANSPORT FOR CAPE TOWN

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**DEFINITIONS**

Within the context of this Fares Policy, the following definitions apply:

| TERM / WORD | DEFINITION |
|---|---|
| **AFC** | Automated Fare Collection system as defined in the National Land Transport Act No 5 of 2009 Regulations. A Smartcard must be used as the main payment medium. (see also definition of *payment medium*) |
| **Boarding Fare** | A boarding fare will be charged when checking in to the fare system and the distance-based component (being the fare for the journey up to the final point minus the boarding fare applicable to the relevant fare) will be charged when checking out. The fare at which the boarding fare or the distance-based fare will be charged will be the lowest fare applicable, in the following order: first the Travel Package Fare, then non-Travel Package (EMV) fare (depending on whether there are sufficient travel points or credit available). |
| **Boarding Window** | Where the customer checks in on a bus or at a station within 2 hours of the first time that he / she checked in first on a given day (referred to as the 2 hour boarding window). |
| **BRT (Bus Rapid Transit)** | A high capacity road based public transport system utilising buses of varying sizes and capacities characterised by high frequency of vehicles and exclusive use lanes which may or may not be physically separated from other traffic lanes. Bus Rapid Transit systems consist of high capacity trunk routes as well as feeder routes. |
| **Check in/out** | To check in or check out is the terminology used to describe the act of entering or leaving the transport system and either by validating a smartcard on a card validator machine or by use of a paper ticket. Using a smartcard such as the myconnect card to enter or exit the system is also referred to as tapping in or out as the card is often tapped against the validator equipment although physical contact is not necessary as the validator equipment can detect a card in close proximity to the validator. |
| **Contracting Authority** | Authority assigned to a Provincial Government by the Minister of Transport or to a Local Government by a Provincial MEC for transport to develop, negotiate and enter into contracts including subsidised contracts with public transport operators in terms of the National Land Transport Act, No 5 of 2009. |
| **Electronic Purse** | Portion of the data storage facility on the smartcard (EMV) wherein cash can be loaded electronically for use to purchase cash fares or anything else at a retail outlet that supports the use of this functionality of the card (see also definition of *smartcard)*. |
| **Fare** | The price of conveyance or passage of a person travelling on a public transport vehicle. |
| **Fare Box Recovery Ratio** | The fare box recovery ratio of a passenger transportation system is the fraction of operating expenses which are met by the fares paid by passengers. It is calculated by dividing the system's total fare revenue by its total operating expenses. Fare box recovery ratios are normally represented as a percentage with 100% representing a balance between operating cost and revenue. |
| **Fare Evasion Penalty Fare** | The fare to be charged where there is prima facie proof that a passenger has intentionally evaded or attempted to evade paying a fare.<br>• An example is where a passenger jumps over an access gate or a station fence, or intentionally tailgates. An example of tailgating is where a passenger enters a gate together with another passenger in such a manner that the second passenger does not pay a fare.<br>• Where more than one passenger acts in this way with a common purpose, they may all to be charged the Penalty Fare.<br>• Despite having been charged a Penalty Fare, the relevant passengers may also be prosecuted.<br>• The Fare Evasion Penalty Fare applies where the passenger is found to have evaded or attempted to evade the fare on a Non-Premium Route. (see also definition of *penalty* and *Non-Premium Route*) |
| **Fuel price** | The price of low sulphur (50ppm) diesel in Cape Town, as defined in the |

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| | associated tariffs as applicable per financial year. |
| **Interim or Starter Service** | A public transport service that is run on a temporary basis and may or may not be replaced by a permanent service and may operate under a temporary or experimental fare system and design until the permanent service commences operation or the temporary service is terminated. |
| **IRT (Integrated Rapid Transit)** | A public transport system that is integrated with other public transport systems and that conveys passengers rapidly and at higher speeds by using a degree of segregation from other traffic either by exclusive use lanes in the case of road based public transport or by restricted access per ways in the case of rail transport. Rapid transit systems are characterised by high capacity and high frequency of vehicles / trains and are predominantly used in urban areas where higher spatial densities provide a greater demand for public transport. |
| **IRT Full Fare System** | The IRT service using a full fare management system, namely an AFC system including technology, software and back office capacity required to administer a distance-based fare. Public to be notified of the start of the IRT Full Fare System through a notice in the press. (see also definition of *IRT*) |
| **Journey** | One or more One Way trips (see also definition of *one way* and *trip*), connected through permitted closed and open transfers (see also definition of *transfer*). A permitted closed transfer is a permitted transfer made at a station between different routes served by a station and where the passenger does not leave the station before transferring). A permitted open transfer is a transfer that complies with the following two conditions:<br>1. Where the customer checks in on a bus or at a station within a specific time period (as defined in the fare business rules document as amended from time to time) of having checked out elsewhere in the system.<br>2. Where the customer checks in on a bus or at a station within a specific time period (as defined in the fare business rules as amended from time to time) of the first time that he / she checked in first on a given day (referred to as the boarding window). (See also definition of *check in/out* and *boarding window*).<br><br>If a passenger checks in to a subsequent bus / station within 2 hours of first checking into the system, and there is less than 45 minutes between such checking out and checking in again, then the journey is considered a single journey and distance is calculated on the total journey distance and not as separate trips, even when the transfers occur outside a station. |
| **Manual ticketing system** | A service using a ticketing system involving manual inspection of tickets with few or no electronic components. This will be implemented should the AFC system or a part thereof, not be operational at any time. |
| **Maximum Loading Capacity** | The maximum loading capacity of a public transport vehicle or system is the theoretical maximum number of passengers that can be accommodated on the vehicle or system and includes both seated and standing passengers. |
| **MyCiTi** | The official brand name of the City of Cape Town contracted, road-based public transport system consisting of Bus Rapid Transit (BRT) on trunk routes and supported by a feeder and distribution network on other routes and utilizes a variety of vehicle and facility types (see also definition of *BRT*). The MyCiTi system is characterised by high quality services an automated fare collection system utilising smartcard technology and is operated by means of vehicle operator contracts developed and administered by the City (see also definition of *smartcard*). |
| **Myconnect smartcard issuing fee.** | The fee to be charged to any passenger to whom a Myconnect smartcard is issued. (a) On request, the City may redeem the issuing fee where the passenger returns the smartcard, provided that the card has been used on the MyCiTi system. (b) Issued subject to MyCiTi Rules and Terms & Conditions made available together with the Smartcard, or on the City website, including terms and conditions regarding the redemption of the issuing fee - which conditions may be varied on notice to the passengers; (c) The smartcard issuing fee may, for marketing purposes, be waived when and where applicable as authorised by the |

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| | Commissioner: Transport for Cape Town in consultation with the City of Cape Town Chief Financial Officer. |
| **Non-Motorised Transport (NMT)** | Transportation of people or goods that does not involve the use of motorised technology. Examples of NMT are walking and cycling amongst others. |
| **Non-Premium Service** | Any service other than a Premium Service (see also definition of *premium service*) |
| **Notice in the press** | A notice placed in two newspapers generally circulating in Cape Town prior to the relevant information that is to be published. As per City of Cape Communications Strategy. |
| **Off-peak periods** | All periods of operation of the service, other than peak periods (see also definition of *peak period*) |
| **One way** | One Journey or trip either in a forward or a return direction only. |
| **Payment Medium** | The means by which payment is made or payment information is conveyed e.g. by paper ticket or smartcard etc. |
| **Peak Period** | The period as defined in the official published timetable (as amended from time to time) and relates to the peak demand of travel during the morning and evening peak periods. This period may be amended by a notice in the press. |
| **Penalty** | A punishment or sanction imposed by law or an authority for a crime or an offence. |
| **Policy** | A plan, course of action or guiding principle of a government or business, intended to influence and determine decisions, actions, and other matters. |
| **Premium Service** | A service designed on a specific route for a specific trip purpose. A premium service generally offers a higher level of service than a non-premium service. |
| **Redundancy conditions** | A condition which occurs when a necessary part of the AFC system is not operating as planned, such as when the system for loading cash on the card is down, or when the electricity supply is interrupted and the uninterrupted power supply (provided as backup) fails, or where the electricity supply is interrupted for an extended period resulting in the power in the uninterrupted power supply being depleted. |
| **Ridership** | In public transport terms, patronage or ridership is a type of forecasting or statistic for studying the average quantity of passengers ("patrons") carried per certain time period in a mode of a public transport system. The concept should not be confused with the maximum loading capacity of one particular vehicle or the whole public transport system. (See also definition of *maximum loading capacity*). The gathered or predicted ridership data is usually used in transport planning to align a route and determine the kind of vehicles should be employed. |
| **Seamless travel** | Travel from origin to destination, which attempts to improve the ease of transfer between modes. (see also definition of *transfer*) |
| **Smartcard** | A contactless card (including the myconnect card), a bank issued payment instrument, complying with Europay/ MasterCard/ Visa (EMV) specifications and conforming to the requirements of the National Department of Transport data structure, as prescribed in the Regulations (see also definitions of *the regulations*). A user can use the Smartcard in two ways: (a) as an electronic purse, with value to be loaded as required, regarding which the user must pay load fees to the issuing bank (which load fees are deducted from value loaded and which load fees are payable in addition to the fees above), with fares being paid from this purse by checking in / or out of the MyCiTi system (see also definition of *electronic purse*); and (b) to load and use a travel package issued by the City (see also definition of *travel package*). |
| **Tariff** | A Municipal Tariff means a tariff (price) for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff. |
| **The Regulations** | Refers to the Regulations relating to integrated fare systems published in the Government Gazette on 17 June 2011 in terms of the National Land Transport Act, No 5 of 2009. |
| **Transfer** | A transfer occurs when a passenger changes from one public transport vehicle to another during the course of a journey. A transfer can occur between different vehicles within the same mode where different routes cross or converge (i.e. |

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|---|---|
| | change trains at a station or change between a BRT trunk bus and a feeder) or between different modes such as from a road based public transport vehicle to a train via a public transport interchange facility. A transfer also occurs between non-motorised and public transport. |
| **Transfer Period** | A permitted closed transfer is a permitted transfer made at a station between different routes served by such station. A permitted open transfer is a transfer that complies with the following two conditions: (a) where the customer checks in on a bus or at a station within 45 minutes of having checked out elsewhere in the system; and (b) where the customer checks in on a bus or at a station within 2 hours of the first time that he / she checked in first on a given day (referred to as the 2 hour boarding window). |
| **Travel Demand Management** | The concept of managing travel behaviour in favour of more efficient transport modes is known as Travel Demand Management (TDM). The concept of TDM in Cape Town is not new, as a Travel Demand Management Strategy was developed in 2006. This strategy proposed interventions to diminish car orientated behaviour, and subsequently several pilot programmes were introduced. The following six focus areas were proposed:<br>1. Promote Higher Vehicle Occupancies.<br>2. Implement Park-and-Ride facilities.<br>3. Roll out programmes for large employers to encourage alternative transport options (Travel Smart programme).<br>4. Develop supporting Policies and Tax incentives.<br>5. Market TDM and Public Transport.<br>6. Develop a Congestion Pricing Strategy and focus on ITS applications to inform drivers. |
| **Travel/Mover Package** | Travel/Mover Packages are a transit product that offer prepaid discounted payment options and give added benefits such as covering the bank load fees and enabling the discounted Travel Fare to be charged compared to cash fares. Travel/Mover Packages load points equivalent to the rand value. Savings are provided on purchases of Travel/Mover Packages compared to loading cash without purchasing a Travel/Mover Package. Travel/Mover Packages are offered at a significant level of discount, through various Travel Fares. This is intended to encourage bulk purchase and frequent use of the system as well as the purchasing of the Travel/Mover Packages as opposed to loading cash. The costs of the various Travel/Mover Packages are defined in the associated tariffs as applicable per financial year. |
| **Trip** | Travel from one point to another per mode of travel. A single journey may be made up of multiple trips for example in a home to work public transport journey a traveller may walk to a taxi or feeder bus stop (one walking trip), catch a taxi or feeder bus to a BRT station (one taxi or feeder bus trip), travel by BRT to a taxi or feeder bus stop (one BRT trip), catch a taxi or feeder bus to an approximate final destination (an additional taxi or feeder bus trip) and walk the rest of the way to the final destination (additional walking trip). This typical journey would therefore consist of 5 trips. |

**ACRONYMS**

| ACRONYM | MEANING |
|---|---|
| ACSA | Airports Company of South Africa |
| AFC | Automated Fare Collection |
| BRT | Bus rapid transit |
| CITP | Comprehensive Integrated Transport Plan |
| CPI | Consumer Price Index |
| CTSDF | Cape Town Spatial Development Framework |
| DoRA | Division of Revenue Act (5 of 2012) |
| EMV | Europay / MasterCard / Visa |
| IDP | Integrated Development Plan |
| IPTN | Integrated Public Transport Network |
| IRPTN | Integrated Rapid Public Transport Network |
| IRT | Integrated Rapid Transit |
| KPI | Key Performance Indicator |
| KPI | Key Performance Indicator |
| MEC | Member of the Executive Council |
| MFMA | Municipal Finance Management Act (56 of 2003) |
| MSA | Municipal Systems Act (32 of 2000) |
| NLTA | National Land Transport Act (5 of 2009) |
| NMT | Non-Motorised Transport |
| NMT | Non-motorised Transport |
| PC | Portfolio Committee |
| PGWC | Provincial Government of the Western Cape |
| PLTF | Provincial Land Transport Framework |
| PTIG | Public Transport Infrastructure Grant |
| PTNO | Public Transport Network Operations |
| PTNOG | Public Transport Network Operations Grant |
| PTOG | Public Transport Operations Grant |
| TDM | Travel Demand Management |
| TCT | Transport for Cape Town |
| VOCs | Vehicle Operating Companies |

# 1 PROBLEM STATEMENT

With the development and implementation of the MyCiTi Integrated Rapid Transit (IRT) project underway, the need to establish a formal Fares Policy that governs the City of Cape Town's fare-related decisions is vital. Within the Cape Town Metropolitan area there are different public transport modes that are operated by different entities and each with its own fare design, policy regimes and differing subsidy levels. The taxi industry serves an important role in the public transport environment but it is unscheduled and receives no operating subsidy. In a truly integrated public transport environment these modes should ideally be interoperable in order to provide for seamless travel by commuters. A key element of interoperability between modes is the establishment of an integrated fares and ticketing system which would be guided by principles set in an integrated Fares Policy amongst others and would ideally be administered by a single entity responsible for all public transport modes.

With the establishment of the Transport for Cape Town transport authority in October 2012, and its vision for a fully integrated and multimodal public transport system in Cape Town, it is considered imperative that a policy foundation is established prior to the incorporation of additional modes into the fare system and design. In light of this the City has applied for re-assignment of the Contracting Authority function for contracted, road-based public transport in terms of the National Land Transport Act (NLTA) No 5 of 2009.

A challenge for the MyCiTi system, as one of the framework conditions of the Public Transport Network Operations Grant (PTNOG) as part of the Division of Revenue Act, No 2 of 2013, is that "*From the start of operations, IRPTN/IPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any [PTOG] contributions. These direct operational costs consist of fuel, labour, operator administration and vehicle maintenance"*.

A Fares Policy should establish the principles and goals that will underlie and guide TCT's fare related decisions (i.e., decisions regarding developing or adjusting the fare design and pricing levels). In addition, all such decisions should also be made in accordance with National, Provincial and Local Government enabling legislation (e.g., NLTA, MFMA and MSA) and policy frameworks for public transport.

Three fundamental parameters are related to decisions taken about fares namely, fare policy, fare strategy and design and fare structure and levels. These three primary parameters of a fare system are closely interrelated. The policy generally sets the direction for the specific strategy and design (but technology choices can also affect the design selected). A Fares Policy, in the general sense, applies to all aspects of fare design development, pricing, and the selection of fare collection and payment methods.

Figure 1 below illustrates typically the role of a Fares Policy in the process towards the establishment of tariffs for public transport.

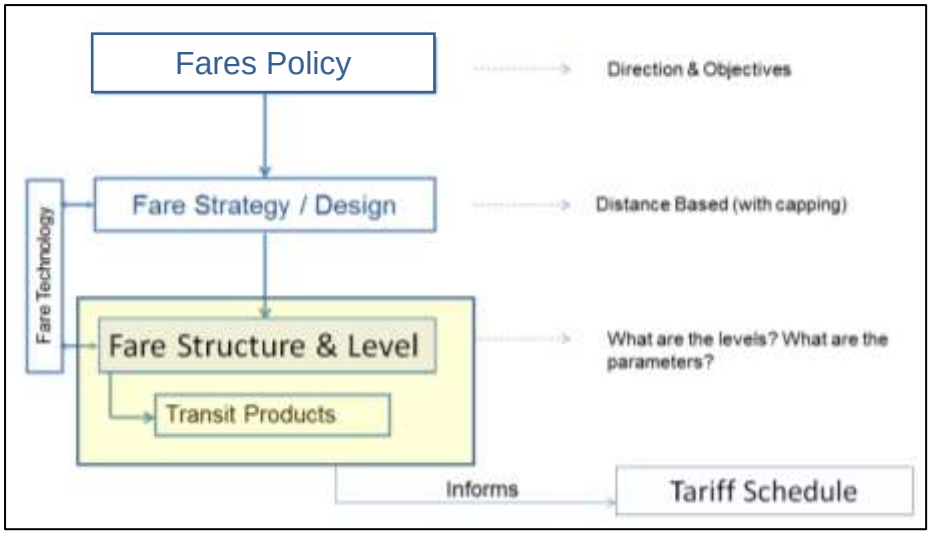


Figure 1 – guiding framework for the setting of tariffs

# 2 LEGAL BASIS AND POLICY CONTEXT

## 2.1 Legal Basis

The following legal requirements are taken into consideration:

### 2.1.1 National Land Transport Act (NLTA) No. 5 of 2009 Provisions

The National Land Transport Act (NLTA) No. 5 of 2009 provides guidelines in respect of a number of aspects affecting fare systems. The City of Cape Town has prepared this policy document in response to the following:

**Section 11. The responsibilities of the three spheres of government**

(c) The municipal sphere of government is responsible for-

*(xx) introducing, establishing or assisting in or encouraging and facilitating the establishment of integrated ticketing systems, the managing thereof including through-ticketing and determining measures for the regulation and control of revenue-sharing among operators involved in those systems;*

*(xxiii) in the case of gross cost contracts for subsidised services, determining fare structures and fare levels and periodically adjusting fares after publishing the proposed adjustment for public comment;*

*(xxiv) determining concessionary fares for special categories of passengers in the prescribed*[1] *manner;*

Other provisions of the NLTA that need to be kept in mind, and which may affect future revisions of this policy document include:

**Section 5. Functions of Minister:**

*(5) The Minister may, after consultation with the MECs, by notice in the Gazette, set standards for interoperability between fare collection and ticketing systems.*

[1] There is currently no regulation that prescribes concessionary fares for special categories of passengers. Such regulations may be required before concessions regarding the listed types of passengers are specified.

**Section 8. Regulations by Minister:**

(1) The Minister may, after consultation with the MECs, make regulations relating to–

*(b) requirements for integrated fare systems, comprising fare structures, levels and technology, to ensure compatibility between such systems;*

*(k) electronic fare collection and ticketing systems and the control of such systems by the provinces or municipalities either alone or in partnership with operators;*

This document is prepared with due regard to the regulations , namely the "NLTA (No. 5 of 2009) Regulations relating to Integrated Fare Systems, 2011, which came into operation on the date of their publication in the Gazette on 17 June 2011.

**Section 28. Public transport user charges:**

(1) Subject to the Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007), a municipality, which has established a Municipal Land Transport Fund under section 27 of the NLTA *(i.e., a requirement for municipalities establishing integrated public transport networks)* may impose user charges…

**Section 90. Offences and penalties:**

(1) A person is guilty of an offence—

*(k) if, where the person is conveyed as a passenger in the course of public transport, he or she—*

*(i) fails to pay the fare due for the journey when payment is requested by the driver or conductor;*

### 2.1.2 Municipal Finance Management Act No 56 of 2003 (MFMA) and Municipal Systems Act No 32 of 2000 (MSA) Requirements

Section 74 of the MSA and Section 62(1) (f) of the MFMA require the City to adopt and implement a tariff policy. The Fares Policy guides the setting of tariffs relating to fares for public transport and should therefore be considered as a budget related policy.

### 2.1.3 Division of Revenue Act (DoRA) No 10 of 2014

**Duties of receiving officer in respect of Schedule 5 or 7 allocations**

**12.** (1) The receiving officer of a Schedule 5 or 7 allocation must ensure compliance with the relevant framework.

The Public Transport Infrastructure Grant (PTIG) and the Public Transport Network Operations Grant (PTNOG), as contained in Schedule 5B of the DoRA, are conditional grants to municipalities and must be administered in accordance with a Gazetted Framework. The Division of Revenue Bill of 2014 sets out conditions for PTIG and PTNOG allocations. With regards to the PTNOG Framework, the conditions most relevant to road-based public transport fares and their development are as follows:

- *Integrated public transport solutions should incorporate (among other things):*
  *i) integration between different public transport services; and*
  *ii) fare integration between different services.*
- *"From the start of operations, IRPTN/IPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operational costs consist of fuel, labour, operator administration and vehicle maintenance"*

The allocation criterion most relevant to road-based public transport fares and their development is that:

- *"The grant can be used in each Phase and Sub-Phase of the introduction of services to fund up to 70 per cent of any deficit relating to operating costs (but not direct operating costs) for two years after the municipal financial year in which operations start. Thereafter the grant can fund up to 50 per cent"*

## 2.2 Policy Context for Public Transport

In setting out this Fares Policy, the following current national, provincial and local government policy frameworks for public transport were also taken into consideration:

### 2.2.1 White Paper on National Transport Policy

The 1996 White Paper on National Transport Policy supports the principle of user charging (set out in the National Land Transport Transition Act of 2000), whereby users should pay for all or most of the costs of the service they use. This user charging principle must be applied wherever appropriate and possible, but this should be within the limits of affordability.

***National Policy and Strategic Objectives***

The City should consider and balance the following national strategic objectives when setting and collecting fares:

*Operational*

- "To ensure that transport modes are integrated in respect of scheduling, routes and *ticketing systems*"
- "To ensure that operations become economically viable, requiring the minimum financial support"

*Customer-based*

- "To ensure that public transport is affordable, with commuters spending less than about 10 per cent of disposable income on transport"
- "To ensure that passenger transport services address user needs, including those of commuters, pensioners, the aged, scholars, the disabled..."

Note. The first customer-based strategic objective applies specifically to the issue of affordability of fare levels in general and the second to the issue of concessionary fares provision for Special Category Passengers. Concessionary fares are covered later under section 12.2.1 of this policy.

### 2.2.2 White Paper on Western Cape Provincial Transport Policy

The 1997 White Paper on Western Cape Transport Policy specifies strategic objectives, based on the above-mentioned National strategic objectives, which the City should also take into consideration when setting and collecting fares, i.e.,

- "Respond to specific user requirements and needs, including the young, the old, women, the disabled, as well as other special categories of users."
- "Improve user choice by encouraging the provision of viable and *affordable* public transport services."

### 2.2.3 Western Cape Provincial Land Transport Framework

One of the key elements of the Public Transport Strategy for the Western Cape set out in the 2011/12 – 2015/16 Western Cape Provincial Land Transport Framework (PLTF) is that:

"A viable, competitive, safe and *affordable* multimodal public transport system must be achieved and managed by equipped municipal authorities."

*Recommendations for Integrated Rapid Public Transit Network (IRPTN) in the Cape Metropolitan Area*

In order to ensure that efficient public transport networks are in place in the Cape Town functional region, the PLTF ascertains that an *integrated ticketing system*, among other things, needs to be put in place in the long term.

### 2.2.4 City of Cape Town Comprehensive Integrated Transport Plan – 2013 to 2018

#### 2.2.4.1 TCT's Vision of One

The City established TCT in order to achieve its vision for transport and to deliver integrated, intermodal and interoperable transport and its related network for Cape Town. The City's vision for transport is the "Transport Vision of 1". The Transport Vision of 1 is, among others, one ticket and timetable. This means, for Cape Town, one integrated timetable and ticketing system for all public transport that provides for convenient and seamless travel within the transport system. Ticketing systems are currently disparate and uncoordinated, with every public transport mode making use of its own revenue collection system.

#### 2.2.4.2 TCT's Challenge: To Drive Down the Cost of the User Access Priority

TCT's core challenge is to provide a transport system and to take responsibility for everything moving on it in a way that addresses the User Access Priority of a wide range of users equitably, economically and sustainably. In order to do this, TCT must recognise the plethora of different User Access Priorities and calculate their cost as accurately as possible. The cost of each User Access Priority will differ markedly depending on the user. For example public transport users from lower income groups are severely affected by the percentage of their household income that travel costs consume. Having done so, TCT will then identify a series of investments that drive down the cost of those User Access Priorities.

The top investment priority for TCT will be addressing the percentage of household income spent by lower income groups on access Currently, estimates suggest that this is somewhere between 45% and 70%. By contrast, the international standard is between 5% and 10%. TCT regards the reduction of Cape Town's percentage to closer to international standards as a key objective for its activities. As a first step to meeting this objective, TCT will undertake a study to ascertain the percentage accurately so that TCT has a clear understanding of the scale of its challenge. The objective of reducing this high percentage of household income being spent on access is inevitably a long term one. Nevertheless TCT regards substantial progress on this objective as essential if Cape Town is to leave behind the legacy of apartheid and truly become an Opportunity City. Becoming an Opportunity City is one of the five strategic pillars ("the Five Pillars") identified in the Integrated Development Plan for 2012 – 2017.

In addition, critical to driving down the User Access Priorities that relate to social, economic and environmental costs, is the establishment of an integrated timetable and an electronic EMV ticket across all modes.

#### 2.2.4.3 Transport Needs Assessment

A Transport Needs Assessment was carried out for the CITP, and fare-related needs, among other needs, were identified under the following categories and/or frameworks:

***Costing and Financial Management of Transport***

Some of the needs that were identified for costing and financial management of transport included:

- To extend the Automated Fare Collection (AFC) system to all public transport modes. Care should be taken that this takes into account the requirements of all categories of passenger, especially affordability for lower income users.
- The Municipal Land Transport Fund that has been established under the NLTA must be utilised to cross-subsidise the appropriate mode of transport for different segments of the transport market

***Cape Town Spatial Development Framework***

The fare-related directives that were identified from the Cape Town Spatial Development Framework (CTSDF) and their interpretation included:

| **Directives from Chapter 4: Spatial Development Framework** | **Interpretation of directives** |
|---|---|
| To attract land use intensification to key transport corridors and a hierarchy of nodes | • Need to develop a TOD strategy that directs strategic investment on the integrated public transport network<br>• Need to directly influence the improvement of the rail service in order to attract development to identified TOD zones<br>• Focus regulatory instruments, such as the parking policy and transport impact assessments, to stimulate higher densities and mixed land use |
| To reduce the travel distance and time of, especially the poorer users | • Reduce average travel distance for the low income users of transport<br>• Need to develop a TOD strategy that directs strategic investment on the integrated public transport network |
| For integration between all modes of transport, especially scheduled services | |
| For integrated ticketing across modes | |
| For targeted subsidies to vulnerable users | |
| To correct the legacy of spatial segregation | |

***Sustainability framework and Sustainable Transport***

Transport fare-related needs were also identified in the context of the sustainability framework, which aims to reduce the impact of the transport system on the Environmental, Social and Economic functioning of the City. These needs are interpreted in terms of the framework of the one of the five pillars of the IDP (i.e. Caring City) as follows:

- To determine the subsidy level that can sustain social and economic development.
- To develop a pricing mechanism that covers all modes and elements in the integrated transport system.
- To formulate measures to improve the affordability of public transport to lower income users and the indigent.

The foregoing transport needs are reflected on, from an environmental, social and economic perspective. The key overarching themes that are affecting the sustainability of transport in Cape Town from a fare-related point of view include:

- *Environmental problem* - Urban sprawl and inefficient land use
- *Economic Problem* - Poor public transport cost recovery
- *Social Problem* - Unaffordable transport for the poor

TCT, need to address the abovementioned interrelated problems in a meaningful and incremental fashion, in conjunction with all relevant stakeholders, Government Departments and role-players. The objectives in this context, are framed around general sustainability, economic, environment a social objectives.

- *Environmental Objective* - To support the shift toward a more compact resource-efficient city and improve the sustainability of Cape Town's urban form.
- *Economic Objective* – To ensure that Cape Town's transport system is cost efficient
- *Social Objective* – To study and address the social impacts of transport in Cape Town including safety, inequality, poverty and accessibility

Many guidelines and standards exist within the context of sustainable transport. A comprehensive process will need to be engaged to identify what transport standards are relevant to Cape Town, what the ideal standards would be and how to incrementally strive toward achieving the priority guidelines and standards. The guidelines and standards would pertain to, among other things, affordability and public transport operating cost recovery.

***Public Transport Operational Strategy***

The Public Transport Operational Strategy for the City of Cape Town is informed by the social, economic and environmental needs for a sustainable transport network. The needs that have been identified that relate to public transport fares include:

- The public transport system must be economically viable, but within the context of social and environmental equity
- Land development must be attracted to existing high order public transport infrastructure to maximise ridership, while reducing trip distances, energy consumption, and viability
- The subsidy must be affordable to the broader community in order to sustain social and economic development
- Subsidies should be targeted to reduce household expenditure on transport to acceptable levels
- A pricing mechanism should be developed that covers all modes and elements in the integrated transport system

#### 2.2.4.4 Integrated Public Transport Network

One of the integrated Public Transport Network (IPTN) design targets (2013) provided in the CITP regarding affordability is that 90% pay < 10% of income.

#### 2.2.4.5 Travel Demand Management Strategy

According the Travel Demand Management Strategy contained in the CITP, a fare-related Travel Demand Management (TDM) measure that can be considered in Cape Town is public transport subsidies for companies or developments which actively support public transport usage. In addition, one of the initiatives identified in the strategy that should be investigated as a micro user intervention is ticket differentiation. Pricing differentiation is considered as a tool to guide demand.

One of the proposed TDM measures for the period 2013 – 2018 to be implemented (as part of a comprehensive package) in order to address the barriers that hamper users from switching to public transport is that:

- Financial incentives such as the concept of free tickets and subscriptions linked to lifecycle shocks should be considered. Examples include the distribution of free public transport tickets to people that moved to Cape Town, people who graduated, etc. and be incorporated in the fare policy going forward. This could help to change perception of public transport in particular in areas where public transport has been improved.

#### 2.2.4.6 Key fare-related and affordability issues

Key fare-related and affordability issues identified by the CITP are as follows:

- 47% of the local population lives at or below an income of R3200 (Source: StatsSA 2011 census), are reliant on a quality public transport system for active participation in what the City offers and transport cost is a major burden on household finances;
- Lower income users show a tendency to buy daily tickets as individual cash flows allows. This practice has implications for higher cost EMV card technology; and

- For areas that are currently dependent on, and often captive, to public transport, appropriate strategies and implementation frameworks are required to improve the quality and availability of public transport, at a low cost to users, for social and other benefits.

#### 2.2.4.7 Summary and conclusion

The principal idea behind what has been mentioned above is that users should pay for the cost of the services that they use. It is therefore imperative to minimise the cost of passenger kilometres. A key enabler of a sustainable and financially viable public transport service is sufficient population densities and a mix of land use types within close proximity to the service. If public transport services in a corridor are operating at or near capacity in both directions the cost to revenue ratio becomes optimised. As the ridership levels of a subsidised public transport service increase so does the revenue while the operating costs remain relatively static and it becomes possible to reduce fares and resultant cost to the users whilst maintaining viability of the service.

The importance of densification of transport corridors is highlighted in the approved Spatial Development Framework and Densification Policy of the City and is a key focus area of the 2013 – 2018 review of the CITP.

The City must adopt a proactive role in enabling densification of transport corridors which will lead to bi-directional demand for public transport, increased ridership, optimised cost to revenue ratios and ultimately greater possibility of reduced costs to the user.

### 2.2.5 City of Cape Town Integrated Development Plan – 2012 to 2017, 2014/15 Review

The development and implementation of an integrated multi-modal public transport system within the City of Cape Town cuts across many of the strategic focus areas and objectives contained in the Integrated Development Plan (IDP) of the City. Similarly the Fares Policy relating to such a transport system is therefore aligned to the same strategic focus areas and objectives. This alignment is summarised as follows:

**Strategic focus area 1 – The opportunity city**

**Objective 1.1**: Create an enabling environment to attract investment that generates economic growth and job creation.

Programme 1.1(g): City Development Strategy implementation

**Objective 1.2**: Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development.

Programme 1.2(b): Maintenance of infrastructure

**Objective 1.4**: Ensure mobility through the implementation of an effective public transport system

Programme 1.4(a): Public transport programme

Programme 1.4(b): Rail service improvement and upgrade programme

Programme 1.4(c): Bus rapid transit (BRT) programme

Programme 1.4(d): Travel demand management programme

Programme 1.4(e): Intelligent transport systems programme

Programme 1.4(f): Institutional reform programme

**Strategic focus area 2 – The safe city**

**Objective 2.2**: Resource departments in pursuit of optimum operational functionality

**Strategic focus area 3 – The caring city**

**Objective 3.2**: Ensure increased access to innovative human settlements for those who need it

Programme 3.2(e): Densification programme

**Strategic focus area 5 – The well-run city**

**Objective 5.1**: Ensure a transparent government, and work towards eradicating corruption.

Programme 5.1(a): Transparent government (oversight) programme

**Objective 5.3**: Ensure financial prudence, with clean audits by the Auditor-General

Programme 5.3(a): Financial management programme

### 2.2.6 Policy Directives

There are a number of potential constraints that may affect and influence fare-related decision making and the setting of fare levels by the City.

The following potential policy constraints or directives are identified:

- **Legal constraints** – According to one of the Public Transport Infrastructure Grant (PTIG) Framework conditions, from the start of operations, IRPTN/IPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operational costs consist of fuel, labour, operator administration and vehicle maintenance.
- **Funding-related constraints** – A lack of sufficient capital or operating funds. Household affordability levels.
- **Service or operational requirements** – The need to address multi-jurisdictional issues.
- **Council resolutions / directives** – The Cape Town City Council may make a decision to cap its operational subsidy contribution at a defined maximum ratio.

# 3 PURPOSE OF POLICY

The purpose of this policy is to establish the goal(s), objectives and principles underlying and guiding the TCT's fare-related decisions (i.e., decisions regarding developing or adjusting the fare design, levels and tariffs).

This policy also provides the guiding principles for the establishment of a by-law, which amongst other aspects of the public transport system, would address the enforcement of the Fares Policy.

The policy is, therefore, an overarching framework document or guiding document that must be referred to in all fare-related decision-making. In addition, all such decisions should also be made in accordance with the above-mentioned National, Provincial and the Local Government enabling legislation (i.e., NLTA, MFMA, MSA etc.) and policy frameworks for public transport. Note. This policy is consistent and compliant with the existing legislative and policy requirements and directives.

# 4 SCOPE OF POLICY

The objectives and principles of this policy encompass all public transport modes administered by the City. The fare design and fare system initially developed for the MyCiTi system will be applied to all contracted and road-based public transport systems administered by the City, dependant on a budget for the service and being agreed upon by Council. This is defined in the associated tariffs as applicable per financial year.

In terms of the greater public transport systems in the City it is intended that:

- the fare system be expanded in future to include all public transport modes administered by the City
- a uniform fare design be developed for all public transport modes within the City (i.e., BRT, other contracted bus services, commuter rail, dial-a-ride etc.).

This is in order to provide a co-ordinated public transport system in a multi-agency/operator environment.

Also, it is anticipated that the Fares Policy document will be amended and expanded periodically to include the inter-agency issues associated with fare integration and the universal smartcard fare collection system. It should be noted that implementing fare integration and a universal fare collection system for the whole city carries with it extensive requirements, from both a technical and institutional perspective. The planning and development of such a system must address a range of complex issues.

For more information regarding the range of issues and requirements that must be considered and addressed in order to establish metro-wide fare integration please see *Chapter 12, Policy Review and Updating Process.*

The policy forms part of a suite of documents relating to public transport fares and contains the overarching framework for the other documents in the suite that are of a more technical nature. This suite of documents contains the following inter-related documents:

- Fares Policy
- Fare Business Rules
- Fare system technical documents
- Tariff Schedule
- By-Law

Figure 2 below illustrates the relationship between this suite of documents

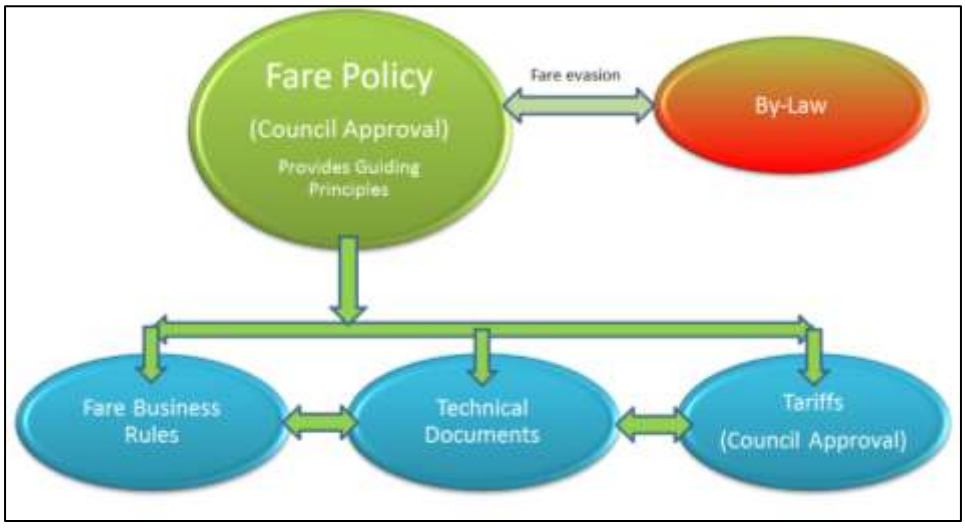


Figure 2 – Relationship between Fares Policy and other related technical documents

# 5 POLICY PRINCIPLES

The principles set out below have been established to guide the City in setting and collecting fares. The fare design and system should therefore be designed to achieve the following:

- Minimise the need for an operational subsidy required for the public transport systems, whilst concurrently supporting the social and economic developmental objectives of the City, such as providing an effective, affordable and accessible public transport service for all in the City,

including low income passengers. It must also be noted that a condition of the Public Transport Infrastructure Grant (PTIG), states that *"from the start of operations, IRPTN/IPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operational costs consist of fuel, labour, operator administration and vehicle maintenance".*

- Find the optimum balance between the need to establish fares that are comparable with those charged by modes replaced by the IRT system and the need to ensure financial sustainability of the system. This is an important consideration to be taken into account in the initial establishment of a new fare design and system. The key elements to be considered in determining this balance are cost, revenue and subsidy implications. Costs are primarily affected by operational costs of the service which in turn is affected by the level of service provided. Revenue is affected by the number of users and the fares charged. The operating subsidy provided by both the City and National Government is capped. The key variables in determining the optimum balance mentioned above are therefore:
    - Quality
    - Level of service
    - Passenger volumes
    - Fare levels.
- Provide the City with a tool for Travel Demand Management (TDM), which attempts to attract current private car users into the public transport system and to help spread the demand for travel during the peak periods. This is in line with the City's Travel Demand Management Strategy set out in the Integrated Transport Plan of 2013 – 2018 (updated 2014).
- Facilitate seamless travel between modes and public transport providers throughout the city.

# 6 POLICY GOAL

The overall intent of this policy is to support the City of Cape Town's vision for transport, as outlined in the Comprehensive Integrated transport Plan (CITP), which is the "Transport Vision of 1". The Transport Vision of 1 is:

- One Plan;
- One Network;
- One Management System;
- One Contracting Authority;
- One Ticket and Timetable;
- One Unified Enforcement System;
- One Unified Structure; and
- One Brand

This policy is also required to establish the goal(s), objectives and principles underlying and guiding the TCT's fare-related decisions (i.e., decisions regarding developing or adjusting the fare design, fare levels and tariffs). The policy is therefore an overarching framework document or guiding document that must be referred to in all fare-related decision-making. Further to this the policy provides the guiding principles for the establishment of a By-Law for the enforcement of the policy.

# 7 POLICY OBJECTIVES

This policy is based on internal technical documents as well as a review of policies of other local and international transit authorities and agencies. In order to achieve the goal of this policy and realise the vision for transport as highlighted in the CITP a set of objectives has been developed that focus on customer related objectives, financial objectives and institutional objectives. These objectives are described as follows:

## 7.1 Customer-related:

- ***Maximize social equity.***
  - Ensure equivalent levels of mobility for equivalent fares; and
  - Ensure that those passengers most in need of the service – and with the least ability to pay – are not adversely affected by the fare design (or a future change in it).
- ***Optimise affordability.*** Attract users to the system by implementing a fares system that achieves the optimum balance between operational viability and user affordability.
- ***Increase ease of use.*** Ensure convenience in using the system.
- ***Reduce complexity.*** Make the fares system (policy, pricing and equipment and technology) simple and easily understood and used by customers.
- ***Increase fare options.*** Improve the ability of customers to choose a fare option that best meets their needs.
-

## 7.2 Financial:

- ***Reduce fare collection costs.*** Reduce costs of selling prepaid fare media and the cost of collecting and counting fare box revenues etc.
- ***Increase ridership.*** Attract users to the public transport system by implementing a fare system that achieves the optimum balance between operational viability and user affordability.
- ***Increase revenue.*** Increase revenue by increasing ridership and associated ticket sales by achieving the optimum balance between operational viability and user affordability.
- ***Reduce fare abuse/ evasion; improve revenue control.***
  - Increase revenue by making it difficult for passengers to underpay the fare or not pay the fare at all; and
  - Support increase in revenue and the City's accountability by improving revenue controls and security features to reduce fraud, theft, and the mishandling of fare revenue.

## 7.3 Institutional:

- ***Maximise ease of implementation.***
  - Reduce difficulty in introducing the fare system (in terms of complexity of the fare design and equipment/ technology and acceptance by the general public and elected officials); and
  - Ensure that the fare system is flexible and robust and adaptable to future fare increases, technology upgrades, etc.
- ***Achieve fare box recovery ratio goal or requirement.*** Achieve an acceptable level of cost-effectiveness as measured by the fare box recovery ratio (passenger revenue ÷ operating costs).
- ***Improve multi-modal integration and metro connectivity.*** Promote integration and connections between different modes in the system (BRT, other bus services, rail, park-and-ride, dial-a-ride, NMT etc.) and different public transport providers in the city – to promote seamless public transport travel.
- ***Support the CITP, IDP, CTSDF and other related corporate plans and strategies***

Appropriate evaluation criteria have been established to facilitate the assessment of each policy objective under consideration. **Appendix A** presents the set of evaluation criteria and evaluation measures for the individual policy objectives. The Fare Tariffs must be assessed against these criteria before submission to Council for approval.

# 8 FARE DESIGN

The developed MyCiTi fare design set out below is compatible with the Fares Policy objectives discussed previously and is to be applied to all contracted, road based public transport administered by the City. Future adjustments to the fare design must be developed and evaluated subject to the stated Fares Policy objectives.

The fare design is described in terms of four basic elements:

- fare strategy
- fare technology
- fare levels
- design exceptions.

## 8.1 Fare Strategy

The fare strategy is described in terms of four basic elements: the fare structure, discount and bonus strategies, the transfer pricing and policy and other supplementary services.

### 8.1.1 Fare Structure

The fare structure to be applied to contracted, road-based public transport administered by the City is characterised by the following:

#### 8.1.1.1 Distance Based Fares

The most suitable fare structure (that accomplishes the objectives of the policy) for contracted, road-based public transport is regarded as distance-based pricing capped at a defined maximum fare as approved by Council. The fare will be fixed at a constant level for a specific travel distance band. The total fare cost for a particular journey will be the price charged for the distance band into which the journey falls, regardless of the transfers made. The distance based fare structure is illustrated diagrammatically in Figure 3 below. For example as can be seen in Figure 3 below a total one way journey of 80km will cost R15 if a travel package (see 8.1.3.1) is used based on the 2012/2013 tariffs. It should be noted that this is for example purposes only and current actual values are contained in the associated annual tariffs as applicable per financial year.

#### 8.1.1.2 Stepped Function

The distanced based fare structure incorporates a stepped function in which the fares increase with an associated distance band.

#### 8.1.1.3 Increasing Distance Bands

The band distances increase as the fare increases until the defined maximum fare and is reached.

#### 8.1.1.4 Boarding / Minimum Fare

The first distance band and fare is also used as the boarding fare. The minimum fare (also known as the boarding fare) will purchase the first travel distance and as the travel distance increases, the fare charged also increases in price bands until the maximum fare is reached. From then on, there is no further charge for additional travel distance.

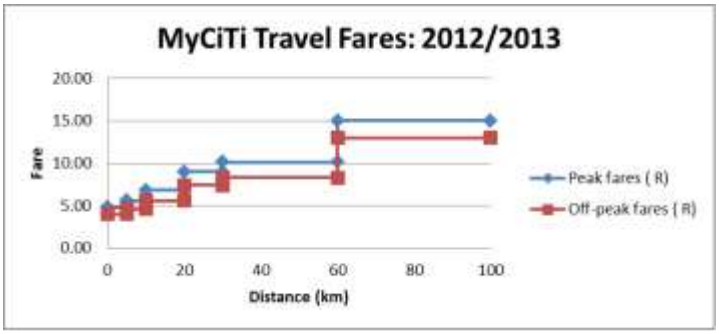


Figure 3 - Diagrammatic illustration of distance based fare structure. **NOTE that this figure is for illustration purposes only and values represented in this figure are relevant to the MyCiTi system for the 2012/13 financial year only.**

#### 8.1.1.5 Time based Fare Level Differentials

Different fare levels will be available depending on whether:

- Travel begins in the peak or off-peak period.
- A travel package has been bought or not, thereby providing passengers with discounts (see section 8.1.3).

The value of fare differentials for varying times of day are defined in the associated tariffs as applicable per financial year.

#### 8.1.1.6 Premium Service Fares

Premium services will include a premium charge (charged as a flat fare) in addition to the normal distance-based fare applicable to the whole journey travelled.

#### 8.1.1.7 One Trip Manual Ticket

The one-trip manual ticket will not require the purchase of a smartcard. This payment option is intended for one-time or occasional users (i.e., infrequent riders without a smartcard who wish to make a single journey).

The transfer properties of the one trip manual ticket are dependent on the technological capabilities of the fare collection and ticketing system and are detailed in the associated fare business rules document as amended from time to time. The one trip manual ticket is charged as a flat fare.

#### 8.1.1.8 Redundancy Manual Tickets

These are applicable only under redundancy conditions. The defined free transfer period will not apply during redundancy conditions. Redundancy travel tickets are charged as a flat fare.

#### 8.1.1.9 Transit Products

The City may develop new transit products from time to time which provide a tool to make travel more attractive by packaging or combining various fares for certain travel conditions. In developing these transit products, flexibility to charge a combination of the fares in a single transit product, and to test the uptake of various transit products is beneficial, including testing products based on different principles, such as trip and time.The travel packages as described in section 8.1.3.1 below are termed as transit products. Other examples of transit products are described as follows:

- Premium tariffs applicable to trips beginning or ending at the MyCiTi Airport Station may be waived in the case where an appropriate transit product has been loaded on the smartcard, such as the ACSA/Airport Transit Product. This is aimed at encouraging increased patronage on the Airport service and therefore the Premium is waived through a transit product. This transit product proposes that the premium is waived for a predetermined period from the time the ACSA/Airport Transit Product is activated.

- Combining proposed tariffs could provide the same or better value to passengers which are in effect providing lower fares for a similar service. The associated tariffs as applicable per financial year makes provision for this combining of tariffs, based on an estimated or assumed number of uses by passengers of a specific group or category.

### 8.1.2 Transfer pricing and policy

Transfers will be free of charge when transferring from one bus to another within the system administered by the City and within a defined time period as stipulated in the associated fare business rules document.

Also, a boarding fare will not be charged when transferring from one bus to another within the defined free boarding window (and defined transfer period) within the system administered by the City. It is anticipated that the defined free boarding window will be a significant added benefit to passengers, and will provide simple and seamless transfers between different road-based services. This is not applicable to the one trip manual ticket option. The detail regarding transfer pricing is documented within the associated fare business rules document. The fare for the whole journey is based on the time the passenger enters the system for the first time on that journey.

### 8.1.3 Discount or bonus strategies

Discounts will be offered depending on time of travel (peak or off-peak defined in the tariff for the given year) and the type of travel product loaded on the EMV smartcard. Peak and off-peak differentials are intended to encourage customers to travel in the off-peak rather than at peak so as to flatten the peak requirements and reduce peak fleet requirements, improve total system operations and reduce operational costs.

The initial off-peak fare level, when the MyCiTi system was introduced, was based on the criterion of ensuring that the off-peak fare levels compared with the fares on the existing road-based public transport system for long distances, as long distance trips usually begin in the off-peak period.

Savings are provided on purchases of Travel Packages, known as MyCiTi Mover packages compared to loading cash without purchasing a travel package (referred to as the standard fare). MyCiTi Mover packages are offered at a significant level of discount, through various travel fares. This is intended to encourage bulk purchase and frequent use of the system as well as purchasing the MyCiTi Mover packages, which funds flow immediately to the City (vs. load of money, which flows to the accepting Bank). The various travel packages are defined in the associated tariffs as applicable per financial year.

Note. The discounted travel fares, as part of MyCiTi Mover packages, will be lower than the standard fares. Distance based fares for travel without MyCiTi Mover packages are also defined in the associated tariffs as applicable per financial year.

#### 8.1.3.1 Fares with Travel Packages

These fares are applicable when one or more MyCiTi Mover package is loaded on the smartcard and are subject to conditions set out in the fare business rules document as amended from time to time. As with standard fares, Mover fares are fares in bands of distance for trips that begin in the peak, and lower fares for trips beginning in the off-peak period, using the unit “travel points”.

It is important to take note of the MyCiTi Mover package discount relative to the use of cash loaded for standard fares. MyCiTi Mover packages will carry lower fares per trip than trips paid for with cash loaded on the EMV portion of the smartcard i.e. standard fare (refer to section 8.2.1 and the definitions).

The specific levels for the peak and off-peak fares (with MyCiTi Mover package) are defined in the associated tariffs as applicable per financial year.

#### 8.1.3.2 Fares without Travel Packages

Standard fares are charged when cash is available on the EMV portion of the smartcard and when no Mover package has been loaded onto the card, or there are insufficient points in the Mover package to cover the applicable fare. Different fares are applicable in the peak and off-peak. The off-peak cash fares are lower than the peak fares.

Fares for premium services are higher than fares for non-premium services. For example, the service between the Civic Centre and the Airport is currently a premium service and therefore attracts a higher charge, i.e., a premium (additional amount) in addition to the normal distance-based portion. It is considered a premium service because of the higher level of service and the different purpose of travel.

The specific levels for the peak and off-peak standard fares are defined in the associated tariffs as applicable per financial year.

### 8.1.4 Associated Supplementary Services

#### 8.1.4.1 Fare payment exemptions

For administration, inspection, security, planning and service delivery reasons, passengers as described in the fare business rules and the associated tariffs as applicable per financial year, will be exempted from paying transport tariffs, or pay at a reduced rate.

**Note.** The City may, as and when necessary, for marketing purposes, run free travel days and/or issue complementary tickets. In such cases no fare will be charged for a given service.

#### 8.1.4.2 Fare evasion penalties and non-closure fares

Any party found to be evading payment of fares or aiding or abetting in the evasion of the required fare payment may be:

- Charged either one of the fare evasion penalties set out in the associated tariffs as applicable per financial year;
- Charged with a fine (which is to be defined and enforced by a City bylaw); and/or arrested or served with summons as per applicable legislation.

It is the responsibility of a passenger to check in and out when entering the system. Failure to check in and/or out will result in the non-closure fare set out in the associated tariffs being charged (as applicable per financial year).

In addition fare evaders may face prosecution and penalties as set out in any law.

#### 8.1.4.3 Event and related service fees

##### 8.1.4.3.1 Extended hours for any existing service

The City may, in support of an event, agree to extend the hours of an existing service beyond the operating times as defined in the published timetable subject to the additional fees as described in the fare business. The value of the various categories of additional fees charged for extended services is defined in the associated tariffs as applicable per financial year.

##### 8.1.4.3.2 Event and related services

These fees are payable for events and other services per hire as described in the fare business rules. The value of the various categories of additional fees charged for events and related services are defined in the associated tariffs as applicable per financial year.

Event and related services must be managed so that they do not negatively impact on the normal day to day operations of the system.

#### 8.1.4.4 MyCiTi parking tariffs

The MyCiTi Station Management Contract provides for parking management in the vicinity of selected MyCiTi stations and stops – as stated in the 2012 MyCiTi Business Plan approved by Council October 2012.

The parking tariffs as defined in the associated tariffs as applicable per financial year are charged in the following circumstances and conditions:

a) In areas identified through feasibility studies and public participation exercises (e.g. obtaining comment from affected Sub-Council);
b) In compliance with the City of Cape Town Parking Policy ; and
c) It could be managed by IRT Operations / MyCiTi through the IRT Station Management Contract, subject to the agreement of the Transport Department. Alternatively, the standard parking tariffs may be made applicable, potentially managed by a standard parking management service provider.

Note. Incentives are to be investigated and provided to encourage more private car users onto the public transport system. In light of this, discounted fares may be provided regarding Park and Ride facilities linked to public transport services administered by the City. The methodology for the calculation of this discount is under investigation and may be included in future versions of this policy, the fare rules and tariff documents. A penalty fee will be chargeable in cases of attempts to evade the parking fees. The parking evasion penalty fee is defined in the associated tariffs as applicable per financial year.

## 8.2 Fare Technology

The IRT Full Fare System is an automated fare collection system (AFC) system that employs smartcard technology as well as manual tickets. The AFC system complies with the requirements contemplated in the National Land Transport Act (Act No. 5 of 2009) Regulations relating to Integrated Fare Systems.

The smartcard based AFC system is flexible and capable of handling interim flat fares, the distance-based fare system, the time-based differentiation (peak and off-peak differentials), new electronic payment options, discounted fares and special fares etc. and applies to all contracted, road-based public transport administered by the City.

Initially, the smartcard based AFC system applies only to contracted, road-based public transport administered by the City but it will be expanded in future to include all transport modes within the City, and be the long-term basis for an integrated metro transport payment system, and is expected to be issued for parking charges and other transport related services.

The smartcard based fare collection system is primarily intended to provide:

- ***Passengers with increased fare payment convenience.***

  Note. To pay for contracted, road-based public transport fares administered by the City, passengers will require a smartcard which is an EMV compliant contactless microprocessor equipped chip card ('tap & go'). Passengers have to purchase this card after which value or transit products can be loaded for continuous future use. The smartcard issuing fee may, for marketing purposes or to remove the potential barrier to the system for poorer residents of the city, be waived when and where applicable as authorised by the Commissioner: Transport for Cape Town in consultation with the City of Cape Town Chief Financial Officer.

- ***A framework for metro-wide multimodal or multiagency fare integration.***
  Note. The City plans to extend the smartcard fare system to the commuter rail system (Metrorail), parking authorities and other transport operators with the intention of enabling passengers to use one common fare medium (the smartcard) to travel across the various modes throughout the city, and to pay for transit related services. The development of this 'seamless metro-wide' Fares Policy is in support this.

- ***Opportunities for seamless metro-wide travel (and transfers) – on transit (i.e., contracted, road-based public transport administered by the City, other bus, rail) and other modes – through metro-wide payment/fare integration.***
- ***Rapid Boarding***
- ***Enhanced system security (cashless system) with tracking of conduct related to fare evasion.***
- ***Real time demand monitoring, enabling rapid changes to provision of services, as required.***

Future revisions of this policy and the associated tariffs will expand on requirements for the addition of other modes into the integrated transport system and ultimately this policy will cover all modes of transport, and potentially other transport-related services.

### 8.2.1 Standard Payment Options

The standard payment options that will be made available include the following:

#### 8.2.1.1 Europay-MasterCard-Visa (EMV) compliant smartcards

EMV compliant smartcards (such as myconnect cards) may have money loaded onto them (which could be used to pay for transit-related fares or for goods and services at retailers) or a transit product such as a Mover travel package. The once-off myconnect smartcard issuing fee is defined in the associated tariffs as applicable per financial year. The smartcard issuing fee may, for marketing purposes, be waived when and where applicable as authorised by the Commissioner: Transport for Cape Town in consultation with the City of Cape Town Chief Financial Officer.

The following can be loaded onto such smartcards:

a) **Money, linked to standard fares or purchasing of goods** – bank load fees will apply, and thus will be deducted from the money loaded.
b) **MyCiTi Mover packages**, i.e., prepaid discounted payment options – benefits include covering the bank load fees and enabling the discounted Travel Fare to be charged compared to standard fares.

The MyCiTi Mover packages, including the percentage discounts for these prepaid options, are defined in the associated tariffs as applicable per financial year.

### 8.2.2 Fare collection and validation strategies

The manner in which fares for contracted, road-based public transport administered by the City will be paid and inspected is as follows:

#### 8.2.2.1 Pre-board Validation

A passenger checks in when entering a trunk station and checks out when exiting it. The fare collection approach involves:

- The fare gates equipped to read the EMV smartcards that automatically identify the validity of the card and deduct the proper fare value from the stored value on the card.
- Both entry and exit control.

#### 8.2.2.2 On-board Validation

A passenger checks in when entering a vehicle from a kerbside stop and checks out when exiting the vehicle at an open stop or at a gate in a closed station. This fare collection approach involves a ticket and smartcard processing unit.

Note. Passengers pay a boarding fare when checking in to the fare system and the distance-based component (being the fare for the journey up to that point minus the boarding fare applicable to the relevant fare) on checking out. The value of the boarding fare is defined in the associated tariffs as applicable per financial year and the mechanisms for fare collection are defined in the fare business rules document.

In addition, fares can be paid using single trip tickets, which are priced higher than fares paid with the smartcard to encourage use of the smartcard, and the loading of higher amounts that reduce the time passengers queue at kiosks, and reduce the cost of the system due to reduced need for kiosk staff.

## 8.3 Pricing levels

This policy provides a guiding framework for setting tariffs, and the associated tariffs as applicable per financial year define the actual pricing levels.

The essential principle in providing this framework is to achieve an optimum balance between cost recovery and passenger affordability. Key considerations in this regard can be summarised as follows:

- Reward / discount for regular users by providing bulk discounts
- Higher charges for single trips.
- Provide peak and off-peak fare differentials.
    - Higher peak period fares encourage behaviour changes, which flattens peak demand and has a positive impact on fleet utilisation.
    - Lower off-peak fares align with times when passengers living further from work opportunities commence their trips.

Mechanisms affecting fare levels, such as mid-level fares for the shoulders of the peak (to reduce the expected actual “peak” demand immediately before and after the peak periods), and changing the peak period time and the fare differential between peak and off- peak are used to encourage peak spreading and optimum service usage.

### 8.3.1 Impact of Fuel Price Increase on Determining Fare Levels

Three categories of fare levels are used to account for significant fuel price increases, namely Fare Levels One, Two and Three. Fare Level One is the base fare level and is determined annually by considering system cost recovery and affordability, assuming a given fuel price as at 1 July of the next financial year and applies to a range of potential fuel price increases that may occur during such financial year, as reflected in the associated tariffs as applicable per financial year. Should there be significant change in the projected fuel price after the submission of the draft tariffs the tariffs must be adjusted accordingly prior to final Council approval in May of a particular financial year.

The standard procedure for determining MyCiTi fare levels two and three is based on significant changes in fuel prices within the financial year to which the tariff applies. The fuel price levels driving the changes between fare levels one-to-two, two-to-three (and the reverse) are defined in the terms and conditions of associated tariffs as applicable per financial year.

Automatic fuel price-linked increases within a financial year only apply after various conditions are met, as set out in the conditions forming part of the associated tariffs as applicable per financial year. This mechanism was first approved by Council in January 2012.

## 8.4 Fare design exceptions

Starter and/or interim services may be excluded from the fare design, levels and business rules described above. Appropriate experimental fare designs, levels and rules may be developed and temporarily employed, as and when necessary, for these services.

# 9 CHANGE PROCESS

Annual adjustments are made to fare levels considering system cost recovery and affordability. Projected increases in vehicle operating cost rates, in terms of the escalation provisions in the Council approved contracts with Vehicle Operating Companies (VOC), will be used as the basis for increases in tariffs which can be adjusted by Council decision in terms of affordability. If adjusted downwards from this level alternative sources of funding must have been secured. Fares may be adjusted upwards of the projected VOC annual escalation if it is found that the level of comparable fares for other road based public transport applicable to the relevant year is higher than the City fares for contracted road-based public transport after the increase calculated using the VOC escalation, and/or if adjustment is required for sustainability of the system. This is to off-set sub-economic fares as per the VOC contracts where applicable. Increases in fares for comparable road-based public transport are normally announced in January of each year. The analysis of comparable fares will therefore not be possible until new fares for these services have been announced for a particular year. The analysis of these fares and the outcome thereof will need to be incorporated, if required, into the new associated tariffs for a particular financial year taking cognisance of the due budget approval processes.

Adjustments to or changes in fare levels during a particular financial year may be made by the City based on the pre-approved fare levels. When making adjustments to fares during a particular financial year, the City will consider significant changes in fuel price. Fares will be adjusted between Fare levels One, Two and Three only when there are significant changes in the fuel price. For more information with regard to this, please see *Section 8.3.1, Impact of Fuel Price increase on determining fare levels.*

## 9.1 Standard Procedure for Notifying the Public of Fare Changes

Once the fare change(s) have been approved by Council the City of Cape Town approved communications policy will be followed in terms of notifying the public.

# 10 POLICY REVIEW AND UPDATING PROCESS

It is anticipated that this policy will require review at least once every five years and updating at least every two years. A **review** of the policy requires a holistic assessment of the policy including the goals, objectives and principles as may be required to ensure re-alignment with other corporate plans and strategies such as the CITP and IDP which also follow 5 year review cycles. Within the 5 year review cycle operational or technical circumstance may arise which would necessitate the **updating** of the whole or part of the policy.

## 10.1 Policy Review Process

This Fares Policy is open to periodic review by the City. It should be noted that the City of Cape Town IRT System was in its first stage of roll out at the time of preparation of the first version of this Fares Policy.

The initial MyCiTi services and distance-based IRT Full Fare System tariffs have been run on a pilot basis during the financial year 2012/13 and are likely to require significant adjustment during future budgetary processes, based on an assessment of the initial services and tariffs and their impacts. Thus it is anticipated that operational considerations may warrant changes to elements of this Fares Policy in future, most particularly in respect of the fare design and levels.

The City will review this Fares Policy at least once every five years, in conjunction with, or following the review of the TCT's CITP, as the Fares Policy should support any policy changes emanating from an CITP review. The Fares Policy will however be updated annually as described below.

## 10.2 Policy Updating Process

Whilst every attempt has been made to ensure that this policy is robust no precedent existed within the South African Local Government context from which to draw during the development of the first draft of this policy and an evolving public transport landscape may require it to be reviewed or updated within a relatively short time period.

The City will update this Fares Policy once a year and publish the updated version of the policy together with the associated tariffs each year for public comment. If there are significant changes to the system or a new mode is incorporated into the transport and fare system the implications of these circumstances will be incorporated into annual updates of the policy. The following matters are being assessed for further inclusion in future updates of this Fares Policy.

### 10.2.1 Concessionary fares

The City of Cape Town is presently assessing the impacts of concessionary fares for Special Category Passengers (i.e., scholars, customers with disabilities, pensioners and indigents) as well as for park and ride facility users for its full IRT system. The results thereof will be included in future updates of this Fares Policy.

### 10.2.2 Fare integration and a universal fare collection system

Further Fares Policy decisions should be made to support fare integration and a universal smartcard fare collection system in the city. It should be noted that true metro-wide fare integration would entail all agencies in the City adopting a common Fares Policy. In the meantime a partially integrated system could be implemented in a shorter timeframe by each transport provider adopting technology to charge fares using the smartcard system as prescribed by the National Department of Transport.

Transport for Cape Town will be responsible for future reviews and updates of this policy. The ranges of issues and requirements that must be considered and addressed in order to establish metro-wide fare integration could include the following:

- ***Establishment of an Integrated Multimodal or Multiagency Payment System***

It should be noted that establishing an integrated multiagency payment system for the whole city, in particular an integrated/universal smartcard fare collection system, is invariably a complicated undertaking for the following reasons:

  - Implementing a multiagency payment system will require fundamental changes from the way each individual agency operates and manages fare collection on its own
  - Complex partnership agreements must be developed to address responsibilities, ownership, and allocation of costs and revenues
  - All participating agencies must come to agreement on revenue management policies and procedures etc.

All these interagency technical and institutional issues associated with the implementation of an integrated/universal smartcard fare collection system need to be addressed. Several supporting programmes and policies must also be developed (e.g., creation of a metro policy of free and seamless transfers between transit services (e.g., MyCiTi bus, other bus operations and rail etc.).

- ***Development of an Interagency Fares Policy Agreement***

There may also be a need to develop and execute an interagency Fares Policy agreement (and possibly also developing a uniform fare design agreement to provide a more co-ordinated transit system in a multi-agency environment). The development and administration of this will form part of the mandate of the Transport for Cape Town Transport Authority. The administration of all public

transport by the Transport Authority will facilitate integration of modes as one ticketing system and fare collection strategy would exist for all public transport modes.

The above requirements will be included, as they are met, in future updates of this Policy.

# 11 POLICY IMPLEMENTATION PLAN

An implementation plan has been developed for this Fares Policy to ensure that a systematic approach is taken to the introduction of the policy and, in turn, to secure effective working practices. The implementation plan is outlined in **Appendix B**.

# 12 REFERENCES


- Integrated Rapid Transit System, Fare Policy Technical Document 2010
- 2012 – 2013 MyCiTi Fares Report
- Alameda-Contra Costa (AC) Transit District, USA (2011) - Fare Policy: Fares, Fare Structure, and Fare Increases
- City of Johannesburg (2011) - Approval of Amendments to the Fare Structure and Fare Levels of the Rea Vaya BRT for the period 1 July 2011 to 30 June 2012, *Approved Rea Vaya Fare Policy chapter*
- Division of Revenue Act (Act No 10) of 2014.
- Division of Revenue Bill 2014.
- Georgia Regional Transportation Authority (GRTA) (2003) – Regional Fare Policy White Paper
- Hampton Roads Transit (HRT) (2009) – HRT Fare Policy
- Integrated Development Plan (IDP) for the City of Cape Town 2012 – 2017, 2014/2015 Review
- Comprehensive Integrated Transport Plan (CITP) for the City of Cape Town 2013 – 2018 (updated 2014)
- Lane Transit District (LTD) (undated) – LTD Fare Policy
- Municipal Systems Act (Act 32 of 2000)
- Municipal Finance Management Act (Act 56 of 2003)
- National Land Transport Act (Act No. 5 of 2009)
- National Land Transport Act (Act 5 No. of 2009), Regulations relating to Integrated Fare Systems
- Provincial Government of Western Cape (2006) - Draft Report on Fare Structure, Levels and Policy, *Fare Policy chapter*
- Regional Fare Policy White Paper of 2003, Georgia Regional Transportation Authority (GRTA)
- Transport Research Board (2003) – Fare Policies, Structures and Technologies: Update, Transport Research Board, Washington, D.C.
- Transport Research Board (2007) – Elements Needed to Create High Ridership Transit Systems, Transport Research Board, Washington, D.C.
- Votran (undated) - Votran Fare Policy
- Western Cape Provincial Land Transport Framework of 2011/12 – 2015/16
- White Paper on National Transport Policy of 1996
- White Paper on Western Cape Provincial Transport Policy of 1997

## Appendix A: Evaluation Criteria and Measures for Fares Policy Objectives

| Policy Objective | Evaluation criteria | Evaluation measures |
|---|---|---|
| **Customer-related** | | |
| Optimise Affordability | In ridership – or minimise ridership loss. | Predicted change in total ridership |
| Maximise social equity | Ability to ensure equal levels of mobility for equivalent costs (fares) | Predicted trip shares and average fare paid by key market groups |
| Increase ease of use | Convenience/ ease of use | Qualitative assessment of system usage requirements; availability of prepaid options |
| Increase fare options | Number and type of fare options available | Qualitative assessment of the nature and variety of options |
| Reduce complexity | Ease of understanding | Qualitative assessment of the simplicity of the fare design |
| **Financial** | | |
| Increase revenue | Impact on fare revenue | Predicted change in fare revenue |
| Reduce fare collection costs | Ability to minimise administrative and operational costs associated with a fare strategy; includes effect on staffing requirements, equipment, facilities, materials, and supplies. | Estimated change in fare collection costs |
| Increase Ridership | Increase in number of daily passengers using the system. | Assessment of AFC data on passenger volumes recorded on the system. |
| Reduce fare abuse/ evasion; improve revenue control | Ability to minimise fare abuse/ evasion by riders;<br>ability to improve revenue accountability/ security and reduce employee theft | Assessment of ease of abuse or evasion possible with a particular strategy;<br>Assessment of security features and monitoring capabilities |
| **Institutional** | | |
| Improve modal and citywide connectivity | Related to actual pricing of options and transfer policy | Assessment of compatibility of fare media and equipment flexibility; cost to make multimodal/ citywide trips |
| Maximise ease of implementation | Difficulty the agency can expect to face in implementing new fare design or pricing change | Qualitative assessment of the level of effort required by various departments/ agencies |
| Achieve fare box recovery ratio goal or requirement | Related to actual pricing of options | Predicted change in revenue |
| Support the CITP, IDP, CTSDF and other related corporate plans and strategies | Ensure alignment of Fares Policy Objectives with corporate objectives. | Annual policy update to include re-assessment of policy objectives against current corporate objectives. |
| | | |

Source: GRTA (2003)

## Appendix B: City of Cape Town Fares Policy for Contracted, Road-Based Public Transport – Implementation Plan

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| **Co-ordination of implementation** | | | | |
| Transport Fares Policy to be co-ordinated by Planning Department under Transport for Cape Town (TCT) | • Internal co-ordination required for input into review and update of policy between Systems Planning & Modelling and Business Development Sections. | • Internal meetings convened within TCT Planning Department for input to policy | Systems Planning & Modelling Unit | Ongoing as part of policy review and update process |
| | • Policy implementation after adoption by relevant TCT Departments | • Contract Operations Department to inform and train Vehicle Operating Companies and Station Operations/Management Contractors in policy implementation and compliance<br>• Automatic Fare Collection Section to inform and train Automatic Fare Collection Contractors in policy implementation and compliance | Contract Operations Department and Automatic Fare Collection Section | Post Policy adoption |
| **Engaging staff** | | | | |
| Internally, the Contract Operations Department are directly affected by Fares Policy adoption and implementation | • Policy implementation after adoption by Contract Operations Department | • Contract Operations Department to inform and train Vehicle Operating Companies and Station Operations/Management Contractors in policy implementation and compliance.<br>• Automatic Fare Collection Section to inform and train Automatic Fare Collection Contractors in policy | Contract Operations Department and Automatic Fare Collection Section | Post Policy adoption |

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| | | implementation and compliance | | |
| The most influential staff involved in the implementation of this Fares Policy are the Systems Planning & Modelling and Business Development Sections (under the TCT Planning Department) | • Developing or adjusting fare design and fare levels | • Identify issues through interviews with management/staff representing the following functions: administration, operations, finance, revenue management/accounting, planning, analysis, marketing/communications , and customer services;<br>• Identify problem areas and opportunities for improvement in current fare design;<br>• Consider Fares Policy principles, goals, and constraints as well as other policy statements, in addition to considering ridership and revenue trends etc.;<br>• Develop and evaluate alternative fare design scenarios (i.e. combinations of fare strategies, payment methods, and pricing levels of each fare design element) based on | Systems Planning & Modelling Unit | • Post Policy adoption<br>• On-going as part of policy review and update process |

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| | | ridership and/or revenue impacts and qualitative criteria (based on Fares Policy objectives) (please see Appendix A); and<br>• Select fare design modifications based on the above evaluation that best address the TCT's Fares Policy goals and needs.<br>• Update or Review Fares Policy as required. | | |
| **Involving service users** | | | | |
| • Vehicle Operating Companies (VOCs), station operations, Automated Fare Collection (AFC) and ticket sales personnel need to be informed of Fares Policy and implementation requirements. | • Policy and associated tariffs implementation will effect revenue and payment agreements with Vehicle Operating Companies. | • The Fares Policy and associated tariffs to be communicated to all relevant role players involved in the operations of the Public Transport System. | Contract Operations Department and Automatic Fare Collection Section | Post Policy adoption |
| • Fares Policy to be communicated to users via various media and available for public comment prior to adoption by Council of reviewed policy (see also communication below). | • Public comment / objections may influence future revisions. | • Public communication to be effected through various media on all aspects relating to Fare Tariffs and Policy. Reviewed Fares Policy to follow Public Participation process as part of budget policy approval process. | Systems Planning & Modelling Unit / Finance Department | Ongoing as part of policy review and update process |

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| • Fares Policy review and/or updates resulting from inclusion of new modes or change in fare levels will require involvement of VOCs, Fare Collection Contractors and system users. | • Updated or Reviewed Fares Policy and associated tariffs to be communicated to all relevant role players involved in system operations | • Public communication to be effected through various media on all aspects relating to Fare Tariffs and Policy. Reviewed Fares Policy to follow Public Participation process as part of budget policy approval process. | Systems Planning & Modelling Unit / Finance Department | Ongoing as part of policy review and update process |
| **Communication**<br>▪ Key messages need to be communicated to the different stakeholders<br>▪ Best means of communicating the messages needs to be identified | • Relevant Planning sections (e.g. Systems Planning & Modelling, Business Development etc.) need to be aware of full Fares Policy contents.<br>• This Fares Policy should be referred to in all fare-related decision-making. | • Systems Planning & Modelling officials to circulate Updated or Reviewed Fares Policy document to relevant TCT management/staff after Reviewed Fares Policy Approval by Council. | Systems Planning & Modelling Unit | Ongoing as part of policy review and update process |
| | • A comprehensive public outreach effort is necessary to ensure that the Fares Policy reflects the needs and desires of the community. | • **Prior to Reviewed Fares Policy Approval** by Council, there is need for a comprehensive public involvement effort consisting of notifying the public as well as soliciting feedback regarding the reviewed Fares Policy. The Public Participation process is to address the public outreach effort.<br>• Reviewed Fares Policy Document is to be made available to the public at | • Finance Department<br>• Systems Planning & Modelling Unit<br>• Ward and sub-councillors also play an important role in public engagement | Ongoing as part of policy review and update process |

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| | | Libraries and Sub Council offices as well as on the City's website<br>• With regards to soliciting public comment, Systems Planning & Modelling staff will document, consider and incorporate all comments and suggestions submitted during the public participation process. The public will be allowed to submit their written comments via post, email and fax and can also phone in.<br>• **After Reviewed Fares Policy Approval** the following actions may be taken as part of an on-going public outreach effort:<br>Public notice procedures, i.e., media release; advertisement of Reviewed Fares Policy in local newspapers, via social media (Facebook and Twitter), on the MyCiTi website and the City of Cape Town website; and posting notices on public display boards at stations or libraries etc. | • Customer relations, marketing and communication personnel for MyCiTi<br>• The City's Integrated Strategic Communication and Branding Department | • Post Policy adoption<br>• On-going public outreach effort |

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| **Training**<br>▪ Identification of training needs related to this policy | • There is need for on-going public out-reach and education to ensure smooth transition. | • The public is to be educated on an on-going basis as to how fare-related decisions are made in accordance to the Fares Policy. | • Customer relations, marketing and communication personnel for MyCiTi<br>• The City's Integrated Strategic Communication and Branding Department | • Post Policy adoption<br>• On-going public outreach effort |
| **Resources** | | | | |
| ▪ Establishing financial impacts of any changes | • As the Full IRT Fare System is implemented, the requirements of the fare system budget may increase. | Assessment of potential budget impact and incorporation into future budgetary requirements. | Business Development unit | Ongoing |
| ▪ Identifying other resources required to enable the implementation of the policy e.g. new documentation, increased staffing | • Increased staffing as a result of the implementation of the Full IRT Fare System is not anticipated as this system will be fully automated | Assessment of additional staff requirements. | Business Development unit, AFC Unit | Ongoing |

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| **Securing and sustaining change** | | | | |
| ▪ Identification of likely barriers to change and realistic ways to overcome | The likely barriers to policy implementation and the on-going success of the policy need to be identified during policy review. These have been outlined in Chapter 8 of this Fares Policy document under Policy Directives. | N/A | Systems Planning & Modelling Unit and Business Development | N/A |
| **Evaluation** | | | | |
| ▪ Identification of main changes in practice that should be seen from the policy | ▪ Developing or adjusting fare design and fare levels | ▪ When developing or adjusting fare design and fare levels, in future, there is a need to consider Fares Policy principles, goals, and constraints as well as other policy statements, in addition to considering ridership and revenue trends etc. | Systems Planning & Modelling Unit and Business Development | Post Policy adoption |
| ▪ Ways to evaluated these changes | ▪ Evaluating and demonstrating the benefits of new policy is essential to promote the achievements of those involved and justify changes that have been made. | ▪ Evaluate alternative fare design scenarios (i.e. combinations of fare strategies, payment methods, and pricing levels of each fare design element) based on ridership and/or revenue impacts and qualitative criteria (based on | Systems Planning & Modelling Unit | Post Policy adoption |

| KEY TASKS | ISSUES IDENTIFIED | ACTION TAKEN/PLANNED | LEAD | TIMESCALE |
|---|---|---|---|---|
| | | Fares Policy objectives) (please see Appendix A). | | |
| ▪ Ways of feeding lessons learned from implementation of this policy into the City of Cape Town | ▪ A need to submit an Information Report on Lessons Learned to Management Committee for noting. | Log lessons learned and compile report. | Systems Planning & Modelling Unit | Post Policy adoption |