

# PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

## WRITTEN REPLY

FRIDAY, 30 MAY 2025

### 2. Mr B N Herron to ask Mr I M Sileku, Minister of Mobility:

With reference to the National Land Transport Act, 2009 (Act 5 of 2009) (NLTA), which established the Provincial Regulatory Entity (PRE) for the approval and distribution of e-hailing licences at provincial level:

(1) (a) Since 2021, how many operating licences for e-hailing vehicles have been issued by each municipality, particularly larger municipalities such as the City of Cape, in the province,

(b) what are the relevant criteria for obtaining these operating licences,

(c)(i) how many e-hailing licences have been declined by the Province and (ii) what were the reasons for these rejections in terms of section 57 of the NLTA,

(d) how many operating licences were (i) approved by the Province following an objection from municipalities and (ii) rejected by the Province following an objection from municipalities,

(e)(i) what was the quota per municipality in the province for the issuing of these licences year-on-year between 2021/22 and 2024/25, (ii) what is the target for 2025/26 and (iii) what is the rationale for these quotas and

(f)(i) how many licence holders of e-hailing licences have multiple permits that were granted and (ii) what is the breakdown by (aa) company, (bb) individual and (cc) enterprise;

(2) whether these permits are allowed to be sold or hired out; if so, what is the policy that guides the sale or hire of these permits?

## Response

- 1(a) It is important for me to point out that in terms of the National Land Transport Act (Act no.5 of 2009) ("NLTA"), an e-hailing service is seen as a sub-category of a metered taxi service. The definition of a metered taxi service as enshrined in section 1 of the NLTA stipulates that the vehicle is available for hire while roaming by telephone or otherwise. This includes the electronic hailing of vehicles. There are currently **5646 valid operating licences** authorising the provision of metered taxi services. All of these operating licences can be used to provide e-hailing services.

This position will change once the National Land Transport Amendment Act ("NLTA") (Act no.23 of 2023) comes into operation. The NLTA creates a separate passenger category for e-hailing services. Please note that the NLTA was signed into power by the State President on 11 June 2024 but is has not yet commenced. It will only come into operation once the Second National Land Transport Regulations (dealing mainly with e-hailing services) are promulgated.

It is also important to clarify the roles of the different spheres of government in respect of the planning and regulation of e-hailing and other public transport services. The Western Cape Provincial Regulatory Entity ("PRE") has a statutory mandate to monitor and oversee public transport in the province and to receive and decide on applications relating to operating licences for intra-provincial transport services. However, municipal public transport planning is an exclusive local government responsibility/function as listed in part B or Schedule 4 and 5 of the Constitution.

In terms of section 36 of the NLTA, each planning authority must produce an Integrated Transport Plan ("ITP") for its area. The ITP sets out the policies of the municipality in respect of public transport services. As part of the production of the ITP, the municipality must design the routes to be operated by non-contracted services and indicate the demand for such services. The ITP must be updated annually to respond to changes in the demand and supply of public transport services. The PRE and all other state departments are bound by the provisions of ITP's.

Land transport planning must be integrated with the land development and land use planning processes, and the integrated transport plan must be accommodated in and form an essential part of the Integrated

Development Plan. The municipality cannot be divested of this ultimate responsibility.

**Annexure A** shows the number of metered taxi /e-hailing operating licences granted and issued by the PRE per municipal areas for the selected years (since 2021). Please note that some of these operating licences were not uplifted due to certain required documents not being submitted. This resulted in the lapsing of the approvals.

Calendar year	Total operating licences approved
2021	224
2022	315
2023	3882
2024	228
2025	38
<b>Total</b>	<b>4687</b>

- 1(b) The PRE must refer an application requesting authority to provide metered taxi/ e-hailing services to the relevant municipality for directions based on its ITP (see section 55(1) of the NLTA). Where there is a need for the service, the municipality must direct the PRE to grant the application and make recommendations on conditions that should be attached to the operating licence. However, where the public transport requirements on a particular route or in a particular area are already adequately served by existing public transport services of a similar nature, standard or quality, the municipality must direct the PRE to refuse the application.

The PRE, in disposing of such an application, must act in accordance with the relevant Integrated Transport Plan and directions of the municipality and must not grant an operating licence contrary to the directions of the Integrated Transport Plan and the municipality. Where the municipality (in its capacity as planning authority) has failed to respond to the request, the PRE may dispose of the application without any input from the municipality by considering the matters mentioned in section 57 of the NLTA.

The most important requirement is therefore the need for the proposed service as shown in the ITP or based on inquiries or investigations carried out by the municipality. In terms of the Minimum Requirements for the Production of Integrated Transport Plans, the municipality must include in its ITP a transport needs assessment. This should include present and future transport demand estimation, determined by extrapolation from current trends, modelling, and/or other estimations. The City of Cape Town has for example developed a metered taxi demand model to calculate the number of

metered taxis required to accommodate passenger demand. As part of this process, information from e-hailing companies was incorporated into the model. It should be noted that overtrading has been identified as one of the main reasons for conflict and instability in the public transport industry.

An applicant using a residential base (in other words operating from his/her house or another residential dwelling) is normally only allowed by municipalities to apply for one operating licence unless the applicant is in possession of a regulation departure for the said residential base or a formal lease agreement for the use of a commercial property that accompanies the application.

The PRE is also required to consider:

- Whether the vehicle or type of vehicle by means of which the service is to be operated, is suitable for that purpose;
- Whether the vehicle has a current roadworthy certificate, which was issued for the vehicle not earlier than the prescribed point in time, or a duly certified copy of such a certificate, as well as proof that the vehicle is properly licensed and has a national information system model number allocated to it;
- Whether the vehicle is properly marked in terms of the regulations;
- The existence of any relevant bylaw, regulation, prohibition, limitation or restriction;
- whether the applicant has any previous conviction for an offence relevant to the operation of public transport services, or of a prescribed type;
- the ability of the applicant to operate the service for which the operating licence is sought, in a manner satisfactory to the public;
- Whether the applicant is tax compliant;
- Whether the applicant has signed a statement to the effect that he or she or it will comply with labour laws in respect of drivers and other staff, as well as sectoral determinations of the Department of Labour;
- recommendations or documents duly submitted with the application by the applicant or any other interested party.

c(i) A total of **8752** applications requesting authority to provide metered taxi services were refused by the PRE since 2021.

c(ii) it is expedient to note that during February 2021 the City of Cape Town imposed a moratorium on all new applications for metered taxi operating licences. This moratorium did not apply to new applications made in lieu of lapsed operating licences. This is commonly referred to as "late renewals". The moratorium was only lifted during January 2023 whereafter the City of

Cape Town started supporting new applications commensurate to demand as per the metered taxi demand assessment.

Prior to the lifting of the moratorium, the City of Cape Town shared with the PRE the criteria it would apply in assessing new applications for metered taxi operating licences and provided the PRE with a list of peremptory documents that should be submitted together with the applications. In most cases, the City Town would provisionally support the applications subject to certain express conditions (that the peremptory documents are submitted to the PRE before the operating licence is granted/uplifted). In terms of section 62 of the NLTA, an operating licence may only be issued if the applicant has submitted any other proof, information or document as prescribed or required by the relevant entity. In some cases, operators were not able to submit the required documents.

In response to the City of Cape Town lifting the moratorium and agreeing to support a certain number of new applications to create a more equitable balance between the demand and supply of metered taxi services, the Western Cape PRE received well in excess of 12 000 applications. Applications are still being received despite the PRE advising applicants that the City of Cape Town will not support further new applications until the metered taxi demand model has been updated. Legally, the PRE cannot refuse to accept such applications.

A total of **8306 (95%)** of the **8752** applications were refused by the PRE based on the directive from the municipality to refuse same. The PRE was directed to refuse the applications given that the public transport requirements on the route/area were already adequately served by existing public transport services of similar nature, standard or quality. This was done in accordance with section 55(3) of the NLTA. A further **83** applications were refused based on a directive from the affected municipality that the proposed service was inconsistent with the transportation plans for the area. The remaining applications (**363**) were refused because the applicant either could not submit the required supporting documentation or the demand for services was already adequately served by existing operating licence holders at that point in time.

- d(i) A total of **272** applications were approved by the PRE despite a directive from the municipality to refuse same. We have to point out that **138** of these applications were late renewal applications. In other words, these are new applications submitted in lieu of lapsed operating licences. In such cases, the operator forms part of the existing capacity and did not apply for the renewal of the operating licence timeously. The municipality was not aware

of this. Most of the remaining **134** applications that were approved contrary to the directions of the municipality were cases where missing documents were submitted to the PRE after the applications were referred to the municipality for directions. These applications were refused by the municipality because certain requisite documents were not submitted. As mentioned, section 62 of the NLTA provides for the PRE to request additional information.

- d(ii) A total of **8389** out of **8752** applications were refused in line with a directive from the municipality to refuse the application. The remaining applications were refused as a result of the applicant either not being able to submit the required documentation or because the demand for services was already adequately served at the time the application was lodged (as per the demand assessment).
- e(i) There are no quotas in place per municipal area. As mentioned, the demand is established by the municipality as part of the production of the Integrated Transport Plan. The ITP must be updated every year to establish the balance between the demand and supply of metered taxi/e-hailing and other public transport services. To date, only the City of Cape Town has completed a comprehensive demand analysis. Stellenbosch Municipality has also indicated that they will follow a similar process.

During 2022 the City of Cape Town started a process to assess the demand for metered taxi services within its boundaries. This process was concluded by the end of December 2022 and allowed the City of Cape Town to confirm the need for some 6000 metered taxis to accommodate passenger demand within the City of Cape Town's boundaries. The PRE advised at the time that there were 2646 existing metered taxi operating licences registered in the Public Transport Regulation system ("PTRS"). This included all sub-categories of the metered taxi mode viz rank, base and e-hailing services. This equated to a shortfall of 3354 legal metered taxis, including 711 non-renewed operating licences. These spaces have subsequently been filled resulting in a more equitable balance between metered taxi demand and supply. The City of Cape Town is busy updating the demand model and the results are expected to be available later this year.

- e(ii) There are no targets in place for municipal areas. The municipality must establish the demand for metered taxi/e-hailing services as part of the update of the Integrated Transport Plan. The PRE will provide each municipality with a report on the number of exiting operating licences for that area. This will allow the municipality to establish the balance between demand and supply and to indicate to the PRE how many operating licence

applications will be supported. The demand for services is never in a state of equilibrium and the assessment of demand must happen at regular intervals.

e(iii) There are no quotas in place per municipal area. It is however vitally important for municipalities to create a demand-driven system based on plans. The balance between supply and demand should be equitable. Overtrading and the indiscriminate issuance of operating licences can lead to destructive competition within and between modes, conflict and ultimately a loss of lives.

f(i) A report generated from the Public Transport Regulation System shows that **729** operating licence holders hold more than one operating licence conferring authority to provide metered taxi services.

f(ii) The report further shows the following breakdown per category:

Category	Total licences	% licences
f(ii)(aa) Company	217	4%
f(ii)(bb) Individual	5289	94%
f(ii)(cc) Enterprise	140	2%
Total	5646	

- 2 In terms of section 77 of the NLTA, the authority conferred by an operating licence or permit may not be ceded or otherwise alienated by the holder or be hired out by the holder or be hired by any other person. No person may be party to such a cession or alienation and any transaction concluded in contravention of the section is invalid and has no legal force.

The rationale behind this legal provision is the fact that the operating licence holder has been vetted by the PRE. This includes consideration of previous convictions relevant to the operation of a public transport service and to determine if the person is fit and proper to provide the service. If the operating license is ceded or hired out to another person, they may not have been vetted by the PRE and this poses a safety risk to the public.

An operating licence provides the holder with the requisite authority to transport people for reward. It is therefore seen as part of the transport business hence the decision by government to compensate holders for the expropriation of operating licences as part of the Integrated Rapid Transit and Integrated Public Transport Network projects.

Where an operating licence or permit was issued by a regulatory entity, the holder may apply for the transfer thereof, following, for example, the sale of

a business. The same applies to an executor wishing to transfer an operating licence or permit from a deceased or insolvent estate. A person applying to take transfer of an operating licence or permit must have the written consent of the current holder of the operating licence or permit, or of that holder's executor (see section 58 of the NLTA).

**MINISTER OF MOBILITY**  
**DATE:**

**ANNEXURE A****OPERATING LICENCES APPROVED PER MUNICIPAL AREA SINCE 2021**

<b>Municipality / Planning Authority</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>TOTAL</b>
City of Cape Town	212	299	3827	209	25	4572
Hessequa	5	2	1	1	0	9
Swartland	1	0	0	0	0	1
Garden Route	3	3	0	0	0	6
West Coast	1	0	0	0	0	1
Stellenbosch	1	0	12	0	0	13
Bitou	1	0	0	0	0	1
George	0	4	1	1	0	6
Overstrand	0	1	2	2	1	6
Knysna	0	2	20	1	2	25
Mossel Bay	0	3	16	10	9	38
Kannaland	0	1	1	0	0	2
Oudtshoorn	0	0	2	4	1	7
<b>TOTAL</b>	<b>224</b>	<b>315</b>	<b>3882</b>	<b>228</b>	<b>38</b>	<b>4687</b>