Western Cape Government

Executive Summary Report

1. Project Description & Strategic Case

Project Name	Shayela Smart Programme
Location	City of Cape Town
Sector	Social
Department	Department of Mobility
Project Owner	Deidre Ribbonaar
Project Manager	Deidre Ribbonaar

1.1 Project Scope

The Shayela Smart Project delivers a coordinated package of infrastructure, systems and institutional interventions to stabilise and improve the minibus taxi sector. The scope includes establishing Remote Holding Areas and Strategic Stop-and-Go facilities at priority interchanges; implementing driver registration, training and monitoring systems; strengthening regulatory and operational management; and enabling data-driven planning, commercialisation opportunities and future public transport integration, including electronic ticketing and fleet upgrades.

1.2 Justification

Shayela Smart is an integrated, systems-based programme led by the Western Cape Government, the City of Cape Town and the South African National Taxi Council Western Cape (SANTACO WC) to stabilise, strengthen and modernise the province's minibus taxi (MBT) sector. As the dominant public transport mode, responsible for the majority of work trips and central to the provincial economy, the MBT system is indispensable but faces persistent operational, safety and regulatory challenges. Shayela Smart responds to these issues through a coordinated package of interventions, including driver registration and accredited training, province wide vehicle monitoring, unified branding, improved regulatory systems and the establishment of Remote Holding Areas (RHAs) and Strategic Stop-and-Go (SS&G) facilities to reduce congestion at priority Public Transport Interchanges (PTIs). Collectively, these measures lay the foundation for long-term formalisation, future electronic ticketing, improved fleet management and more reliable, customer-focused public transport, while strengthening the broader mobility ecosystem through a deliberate systems-thinking approach. The strategic case for the programme is strong. With rail services having collapsed, demand for taxis has increased sharply, creating significant pressure on PTIs and exposing gaps in compliance, enforcement and passenger safety. The economic costs of system instability have been made clear, the 2023 stay-away alone resulted in an estimated R5 billion loss to the Western Cape economy, highlighting the urgency of a structured, collaborative and mission-oriented reform programme. Shayela Smart aligns with major transport planning instruments, including the Provincial Land Transport Framework, the Comprehensive Integrated Transport Plan, the Integrated Public Transport Network, the Operating Licence Plan, and the Multi-Year Financial Operational Plan. This policy integration ensures coherence across spheres of government and supports efficient implementation, particularly in communities affected by historical spatial inequalities. The programme's feasibility has been endorsed through the Western Cape Infrastructure Framework 2050 (WCIF 2050) Panoptic Evaluation, which found strong alignment with principles of infrastructure innovation, spatial justice, resilience and transversal governance. Phase 1 is implementation-ready, with defined sites, established intergovernmental structures and active engagement with taxi associations and local communities. Financial requirements include approximately R94 million in initial infrastructure investment and stabilised annual costs of around R135 million, supported by a mix of public funding, commercialisation opportunities and potential Public-Private Partnership (PPP) arrangements. Revenue-generation potential at RHAs and SS&Gs, through retail services, data platforms, renewable-energy installations and digital offerings, further strengthens long-term sustainability and enables more regenerative infrastructure value chains. Shayela Smart provides a pragmatic, mission-oriented, WCIF, and WCIS aligned pathway to transforming public transport in the Western Cape. By embedding the WCIF 2050

Panoptic Principles of innovation for equitable development, resilient and regenerative infrastructure ecosystems, spatial justice centred value creation, and transversal governance, the programme anchors mobility reform in long-term public value. Its systems-thinking foundation recognises how commuters, operators, infrastructure and regulation interconnect, ensuring improvements in one area strengthen the entire mobility system. The programme is now positioned for investor engagement, market sounding and procurement preparation, offering a meaningful opportunity to support safer, more reliable mobility and a more inclusive, opportunity-enabling provincial economy.

1.3 Sector Specific Analysis

- **Inadequate transportation infrastructure**

  A central driver of the project. Congested PTIs, lack of holding space, unmanaged stopping and limited operational infrastructure significantly constrain the minibus taxi system. Shayela Smart directly responds to this gap.
- **Technology & Regulatory features**

  The sector requires improved regulatory capability supported by technology. Shayela Smart integrates **digital monitoring, compliance systems and data-driven oversight** to modernise regulation without heavy legislative reform.
- **Governance and Compliance Risk**

  Fragmented governance, limited enforcement capacity and weak compliance have historically destabilised the sector. Shayela Smart directly mitigates these risks through structured governance, clearer roles, and enhanced monitoring.
- **Operational instability and disruption risk**
- **Safety and roadworthiness challenges**
- **Overtrading and route congestion**
- **Informality and limited professionalisation**
- **Dependence on a single dominant mode following rail decline**

1.4 Market Size And Demand Analysis

1.4.1 Total Addressable Market (TAM)

- **Population served by a transport corridor**
  Shayela Smart does not serve a single linear transport corridor in the traditional sense. Instead, it serves multiple high-demand public transport corridors through key Public Transport Interchanges (PTIs) that aggregate commuter flows from across the metropolitan area and, over time, the broader Western Cape. The project therefore affects large commuter populations moving along multiple taxi corridors, making population served a relevant indicator of scale and complexity, even though impacts are node-based rather than corridor-specific.
- **Data sources**
  - **Geographic**
    it serves multiple high-demand public transport corridors through key Public Transport Interchanges (PTIs) that aggregate commuter flows from across the metropolitan area and, over time, the broader Western Cape.

1.4.2 Served Available Market (SAM)

- **Location**
- **Which of the following criteria is being used to support this analysis in terms of Segmentation?**
  - **Income**
    Income is a key lens, as the project predominantly serves **low- to middle-income commuters** who rely on the minibus taxi sector for daily access to work, education and services. This significantly increases scale and complexity due to the social and economic sensitivity of the user base.
  - **Region**
    Regional segmentation is central. The project operates across:

    - Metropolitan areas (initially the City of Cape Town), and
    - **Non-metro / provincial regions** (future phases).

- **Service level**
  Different **levels of service quality, reliability and infrastructure provision** exist across routes and interchanges. Shayela Smart addresses these disparities incrementally, but service level is not the primary segmentation driver—it is an outcome variable.

- **Travel Purpose & Network Role**
  Additional segmentation implicitly used includes: Travel purpose (work trips dominate), Network function (high-pressure PTIs vs secondary nodes), Peak vs off-peak demand patterns.

1.4.3 Demand Forecasting

2. Project Status & Implementation

2.1 Regulatory & Environmental Approvals

2.1.1 National Level

- Department of Forestry, Fisheries and the Environment (DFFE): Responsible for environmental management, conservation, and protection in South Africa
- National Transport Policy Frameworks
- National Climate Change Frameworks
- Public Finance Management Act (PFMA) / Municipal Finance Management Act (MFMA)
- Environmental Management Frameworks (EMFs): Strategic planning tools for land-use and environmental management decisions
- National Treasury

2.1.2 Provincial and Local Levels

- City of Cape Town
- Provincial Transport Authorities / Regulatory Functions
- Municipal Environmental Health Services
- Municipal By-laws (Traffic, Informal Trading, Public Places, Noise)
- Municipalities: Play a role in environmental management, especially in land-use planning and development applications
- Department of Infrastructure (DOI)
- Provincial Treasury, Western Cape
- Panoptic Evaluation Structures (WCIF 2050)

2.1.3 Other Relevant Entities

- Environmental Assessment Practitioners Association of South Africa (EAPASA): Voluntary certification body for Environmental Assessment Practitioners
- Community-Based and Taxi Industry Structures

2.2 Identify Key Stakeholders

2.2.1 Government

- Department Of Infrastructure
- Provincial Treasury
- Local Government
- Department of Mobility
- Western Cape Government

- Private Sector
- City of Cape Town – Local planning, building plan approval
- Provincial Regulatory Authority (Transport)
- Taxi Industry Structures (SANTACO WC & Associations)
- Municipal Traffic Departments

2.2.2 State-Owned Entities

2.2.3 Private Sector

- Construction Companies
- Engineering Firms
- **Technology and ICT providers**
  vehicle tracking, monitoring platforms, data systems
- **Retail and service operators**
  concessions at RHAs and SS&G facilities
- **Renewable energy providers**
  solar PV, EV charging, energy management
- **Facilities management companies**
  cleaning, security, maintenance
- **Training providers**
  accredited driver and industry training programmes

2.2.4 Civil Society

- Civil society organizations advocating for community needs
- **Communities and Commuters**
  Shayela Smart directly affects daily mobility, safety, access to work and services, and long-term spatial inclusion for current and future users of public transport.

2.2.5 Other Stakeholders

3. Governance, Policy & Enabling environment

3.1 Legal and Regulatory Framework

3.2 Governance policies

- Relevant Integrated Development Plans (IDPs)
- Western Cape Infrastructure Framework 2050 (WCIF 2050); Western Cape Infrastructure Strategy (WCIS)
- Provincial Land Transport Framework (PLTF)
- Comprehensive Integrated Transport Plan (CITP)
- Integrated Public Transport Network (IPTN)
- Operating Licence Plan (OLP)
- Multi-Year Financial Operational Plan (MYFIN)

3.3 Investment Needs

3.3.1 Infrastructure Development

- Roads, bridges, and public transport systems.
- Renewable energy installations and grid improvements.
- Digital and Operational Infrastructure

3.3.2 Human Settlements

- Mixed-use urban development.

- Transit-Oriented Support Functions (improving mobility access between residential areas and economic nodes)

3.3.3 Healthcare

- Indirect Health Access Benefits

3.3.4 Education

- Indirect Education Access Benefits

3.3.5 Green Economy

- Renewable energy (solar, wind, bioenergy).
- Low-Carbon and Resource-Efficient Mobility

3.3.6 SMME and Entrepreneurship Support

- Access to finance and market linkages.
- Skills development and mentorship programs.
- Enterprise Participation through Inclusive Procurement

3.3.7 Tourism and Cultural Investment

- Indirect Support to Tourism Mobility

3.4 Policy Incentives

3.3.1 Sector-Focused Incentives

- Green Economy: Incentives for renewable energy, water efficiency, and waste-to-energy projects.
- Technology and Innovation: Support for ICT hubs, fintech, and digital startups.
- Inclusive Infrastructure Development
- Gender-Responsive Procurement
- Youth Empowerment
- Public-Private Partnerships (PPP)
- Economic Inclusion

3.3.2 Investment Ecosystem Support

- Municipal Investment Readiness Programme: Helps municipalities prepare for and attract investment.
- Sector IQ: Provides data-driven insights to guide investment decisions.
- Western Cape Infrastructure Pipeline / DOI support
- Provincial Treasury PPP and project preparation support
- WCIF 2050 Panoptic Evaluation framework
- Development finance institution (DFI) technical assistance

3.3.3 Business Support and Facilitation

- Site selection assistance
- Regulatory guidance
- Market intelligence
- Access to government incentives
- Investment Summits: Hosted by the Premier to connect investors with opportunities and funding partners
- PPP and concession advisory support
- Procurement facilitation
- Stakeholder coordination

3.3.4 National Incentives Accessible in the Western Cape Via the Department of Trade, Industry and Competition (DTIC)

- Indirect DTIC Alignment (Not Incentive-Based) [around inclusive economic participation, formalisation of informal sectors, SMME participation through procurement and concessions]

3.3.5 Investment Summits: Hosted by the Premier to connect investors with opportunities and funding partners

4. Financial requirements & Funding strategies

4.1 Cost-Effectiveness Analysis (CEA)

4.2 Cost-Benefit Analysis (CBA)

4.3 Risk Evaluation

Risk Category	Likelihood	Impact Severity	Risk Score	Timeframe
Policy and Strategic Risk	2	4	8	Planning and Operation – Highest exposure during planning and scaling; monitored throughout operations.
Institutional and Governance Risk	3	4	12	Planning, Implementation and Operation – Governance risk spans the full project lifecycle, with heightened exposure during implementation and scaling.
Technical	3	4	12	Planning, Implementation and Operation – Governance risk spans the full project lifecycle, with heightened exposure during implementation and scaling.
Financial	3	4	12	Planning, Construction and Operation – Highest exposure during budgeting and procurement, with ongoing exposure during operations.
Operational Risk	4	4	16	Implementation and Operation – Highest during early implementation and peak operational periods; continues throughout operations.
Environmental	2	3	6	Planning and Construction – Primary exposure during site selection and construction; lower ongoing exposure during operations.
Social	3	4	12	Planning, Implementation and Operation – Social risk is present throughout the project lifecycle, with heightened sensitivity during early implementation and operational changes.

4.4 Economic Multipliers

Sector / Scenario	GDP Impact	Employment Impact	Key Drivers	Notes
Direct Economic Effects	Moderate to High	Moderate (Short-Term) to High (Operationally Sustained)	Capital expenditure on construction (RHAs & SS&G)	Most effective in stimulating broad growth
Indirect Economic Effects	Moderate (Short- to Medium-Term), with Long-Term Reinforcement	Moderate	Procurement of construction materials & equipment /Demand for ICT, comms & data services	High demand for materials and labor

Induced effect (concentrated in the tertiary and social sector)	Moderate and Long Term	Moderate	Household spending of wages earned from construction, operations and supply-chain activities	Indirect impact via consumption

4.5 Macro-Economic Benefits

5. Financial requirements & Funding strategies

5.1 Project Guestimate

Estimated Cost	R 1.16B

5.2 Total Project cost breakdown

5.2.1 Capital Expenditure (CAPEX)

Description	Estimated Cost (ZAR)	Notes
Land Acquisition & Site Prep	R 0	
Design & Engineering	R 0	
Construction & Civil Works	R 0	
Equipment & Materials	R 0	
Utility Connections	R 0	
Contingency	R 0	

5.2.2 Development Costs

Description	Estimated Cost (ZAR)	Notes
Feasibility Studies	R 0	
Legal & Regulatory Compliance	R 0	
Stakeholder Engagement	R 0	
Project Management	R 0	

5.2.3 Operational Expenditure (OPEX)

Description	Estimated Cost (ZAR)	Notes
Staffing & Operations	R 0	
Maintenance & Repairs	R 0	
Utilities & Consumables	R 0	
Insurance & Monitoring	R 0	

5.2.4 Financing Costs

Description	Estimated Cost (ZAR)	Notes
Interest During Construction	R 0	
Financial Fees	R 0	

5.2.5 Lifecycle & Decommissioning

Description	Estimated Cost (ZAR)	Notes
Asset Replacement	R 0	
Decommissioning	R 0	

5.2.6 Inflation & Escalation

Description	Estimated Cost (ZAR)	Notes
Adjustments based on Treasury guidelines	R 0	

5.3 Funding sources

Funding Strategy Guide for Infrastructure Projects

5.4 Revenue Model

5.4 Innovative financing mechanisms

Innovative Financing Mechanisms for Infrastructure Projects

6. Project feasibility, approvals & infrastructure planning

6.1 Technical Feasibility

The Shayela Smart Project is technically feasible, as it is based on well-established infrastructure typologies and proven digital systems that can be deployed incrementally within existing public transport environments. The construction of Remote Holding Areas and Strategic Stop-and-Go facilities involves standard civil works, traffic engineering and utilities provision, while vehicle monitoring and operational management rely on mature, interoperable technologies. Implementation within live Public Transport Interchanges is manageable through phased rollout, site-specific design, and piloting, reducing technical risk and supporting adaptive refinement during delivery.

6.2 Master plan integration

The Shayela Smart Project demonstrates strong master plan integration, as it is embedded within existing provincial and municipal transport and spatial planning frameworks. The programme aligns with the Provincial Land Transport Framework, the City's Comprehensive Integrated Transport Plan and the Integrated Public Transport Network by focusing on optimising existing public transport interchanges rather than introducing parallel systems. Its site-based interventions complement broader land-use, mobility and congestion-management objectives, ensuring that infrastructure investments reinforce long-term spatial planning, network efficiency and integrated, multi-modal transport development across the Western Cape.

6.3 Alternative Evaluation

The Shayela Smart Project's alternative evaluation confirms that the selected approach is technically preferable to higher-cost or less adaptable options. Alternatives such as large-scale road expansion, new rail investment, or stand-alone enforcement measures were assessed and found to be either capital-intensive, slow to implement, or insufficient to address operational challenges in the minibus taxi system. In contrast, the chosen solution focuses on targeted, modular infrastructure and systems upgrades within existing networks, enabling rapid deployment, scalability, and technical adaptability while minimising disruption and implementation risk.

6.4 Infrastructure Planning Prioritization

The infrastructure plan for the Shayela Smart Project is technically feasible and appropriately scaled, focusing on targeted interventions that optimise existing public transport infrastructure. The plan prioritises the development of Remote Holding Areas and Strategic Stop-and-Go facilities at high-demand Public Transport Interchanges.
Document(s):
1. MD project assessment_Panoptic Principles v2 2025090258

7. Delivery Mechanism & procurement strategy

7.1 WCG Sector Priorities

Outcomes	Social	Energy & Water	Economic	Technology	Ecological
Infrastructure investment drives spatial transformation and improves spatial resilience	Short Term 1-5 YRS	Short Term 1-5 YRS	Short Term 1-5 YRS		Short Term 1-5 YRS
Mobility systems and transportation corridors provide safe and efficient connectivity to opportunities, services, and facilities	Short Term 1-5 YRS		Short Term 1-5 YRS	Short Term 1-5 YRS	

7.2 Community Participation

7.2.1 Monitor & Evaluate

- **Closure and Scale-Up Phase**
  consolidating learning and enabling replication

7.3 Procurement methods

- **Procurement Strategy**

  The procurement strategy for the Shayela Smart Project is designed to support phased delivery, flexibility and value for money within a complex, multi-stakeholder environment. It combines standard public-sector procurement mechanisms with the option for targeted, concession-style arrangements for site-based commercial components. Infrastructure works, digital systems and operational services may be procured separately or bundled, depending on scale and risk allocation. The strategy emphasises competitive tendering, local participation, compliance with preferential procurement regulations, and risk-sharing aligned to each delivery phase.

- **Bidding Process**

  The bidding process for the Shayela Smart Project is structured to ensure transparency, competitiveness and proportionality to project scale and risk. Open, competitive bidding will be used for core infrastructure, systems and operational components, with clear evaluation criteria covering technical capability, value for money, compliance and delivery experience. Where appropriate, staggered or phased bid processes may be applied to align with rollout sequencing. Market sounding will inform bid packaging, ensuring realistic participation, risk allocation and strong bidder response.

- **Supplier Selection**

Supplier selection for the Shayela Smart Project is based on a balanced assessment of technical competence, relevant experience, financial capacity and value for money. Preference is given to suppliers with proven capability in operating within live urban transport environments and delivering modular, scalable solutions. Evaluation criteria incorporate compliance with regulatory requirements, local content and Broad-Based Black Economic Empowerment objectives. Where applicable, suppliers' ability to manage risk, collaborate across stakeholders and support long-term operations and maintenance is prioritised to ensure sustainable delivery outcomes.

7.4 Risk sharing mechanisms

The risk sharing strategy for the Shayela Smart Project is designed to allocate risks to the parties best able to manage them, in line with public-sector value-for-money principles. Strategic, policy and regulatory risks remain with government, while construction and delivery risks are transferred to contractors through fixed-scope contracts. Operational and performance-related risks are managed through clear service-level agreements and monitoring systems, with scope for shared risk in commercial components under concession-style arrangements. This balanced approach limits public exposure while incentivising efficient delivery and long-term performance.

8. Special (eg. gender) procurement actions and social impact

8.1 Social Benefits

8.2 Sustainability And Environmental Compliance