

**MARKET INQUIRY INTO THE
LAND BASED PUBLIC PASSENGER
TRANSPORT SECTOR.**

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MONDAY 13th AUGUST 2018

15

VENUE:

(Port Elizabeth)

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Session 1b

MR FOBOSI: ... so if you know that you [indistinct] country, why then do you get involved in such cases of, you know, switching each other and what not?

5 And then in order to avoid you know, this problem of unnecessary competition and conflict between taxi owners, so that is between legal and illegal taxi operators. I think there should be a clear guidelines on how roads are allocated, and I think taxi owners can play, you know, a taxi association rather can play an important regard in this regard, since roads are allocated in accordance with the
10 registration of taxis to PREs and taxi associations. 0725384889;az

So we should play a role on how, you know, taxis operate, you know, and how, you know, they get granted operating licenses. And therefore, there should be consultations between PREs and the associations on how to go about allocating routes, because the feeling that I got from some taxi owners is
15 that there is no consultations between PREs and taxi owners on how some people are given operating licences. So therefore, there should be consultation between the two and also, there should be greater attention to the registration of all minibus taxis as a way of regulating all minibus transport operators and association. All of them should be registered.

20 And also, I think as part of an agenda to transform the industry, government must very much improve customer care, that is the department of transport should have been involved in [indistinct], and influence driver behaviour and assist that industry through skills development because that is

one issue that has been very much critical point of the taxi operators that there is no training. The skills development is lacking in the industry.

And I think there needs to be monitoring taxi ranks in order to ensure that taxis are operating legally and in good conditions. So taxis should be operating
5 legally and very much in good conditions, so there should be no illegal operators. And therefore, all illegal operators I think should be taken off the road. That is what I think. And also, there should be more public hearings, just like this one, on how the department of labour can better enforce labour conditions in the industry because I think this is a critical issue because every
10 time I have a conversation with the representative from the department of labour, they seem to give me an idea that it is very hard to go there and enforce these conditions.

These guys they do not want to participate. They do not want to engage with us. They are very reluctant. Some drivers even though they want to but
15 they are scared of their owners. So I think there should be more public hearings and also, [indistinct] owners and drivers participating in those hearings so that they engage in how they want things to be done. And lastly, I think and most importantly, government should commission a full analysis of the taxi violence, which is the problem across the country and as such, a decisive and necessary
20 action plan taken to address the larger working conditions in the industry, not only issuing operating licences but also the larger working conditions should be addressed. So government should not only focus on licenses. So therefore, there should be working together between department of transport, labour, and other departments on how to improve the working conditions. Thank you.

CHAIRPERSON: Thank you very much, Mr Fobosi, for a very detailed and a very helpful presentation. I am told that you have time constraints until half past 10. So that does not give us any opportunity, I guess, for [intervenes]

MR FOBOSI: If we can leave at quarter to or 11.

5 **CHAIRPERSON**: Thank you. Thank you very much. Mr Ngobenii.

MR NGOBENI: Thank you, Chair, and good morning, Mr Fobosi. I think just a quick couple of questions. On the question of formalisation, you make an argument that through some of your engagements with the operators, it appears to you that taxi owners, some taxi owners are disagreeing on how the industry
10 should be formalised, whilst there is another group that is completely rejecting the formalisation and they want to be left out. On those operators that are disagreeing on how the industry should be formalised, I just want to get some sense from you on whether they have shared with you some of the suggestions that they have in terms of how the industry should be formalised, because it
15 appears to me that we are not going to get away from this because government is still talking about formalisation. So in respect of those that are saying and those that are disagreeing in terms of how it should be formalised, were you given some sense or ideas on what they have in mind as a formalisation for the industry?

20 **MR FOBOSI**: Thank you. You know, some of them, they were against the formalisation process because they see it, they saw it rather, as a top down process which does not engage with them. So hence they felt like you know what, formalisation [indistinct] what not, just leave us alone and one, I remember one recommending that maybe one thing that we can do as taxi

drivers, and these were the taxi drivers I spoke to, we can just form your cooperatives as I was speaking to right now, and then government can recognised that [mechanical failure 00:12:01 to 00:12:13:01] in which the formalisation process was happening. So they were not very much against of
5 the whole formalisation process, but the nature in which it was happening, the nature in which it was happening as a top down process, not engaging with them. So they recommended that government should perhaps engage with them, speak to them on how they can take part in this formalisation process.

MR NGOBENI: And this formalisation was muted [? 00:13:56] as you argue in
10 your slide, slide 10, through that NLTA and there is currently a review of the 1996 white paper. And if you have read the white paper, I just want to find out if you have read it—and if you have not, it is okay—did you think, did you get a sense that government is trying to address some of the issues that the industry has raised since the recommendations of the NTTT NLTA? That is if you have
15 read the current review of the 1996 white paper.

MR FOBOSI: Well, I have not but I can just give a comment to that. Through speaking to a representative from the department of transport, they very much did engage with me, speak to that. We are focused to ensuring that we address some of the performance problems in the industry because we see that there
20 have been problems over the years and in the current years with some of the people being killed, as recently was the case in Durban. So we are focused in [? 00:15:57] addressing these problems in a white paper you will see, so I still need to have a look at that.

MR NGOBENI: Thank you, and on the TRP, on the taxi recapitalisation program, and you have indicated this morning that it is currently under review by the department of transport, the question that I have is what are the current issues that they have identified, seeing that you are also writing on the subject.

5 What are the current issues that they have identified that they are seeking to review and they want to address, which they have identified as failures after having reviewed the entire program?

MR FOBOSI: You know, one issue that I can speak to, because I could not get the full report because we had a formal interview with Mr Ngobeni from the
10 department, one issue that I can speak to is the issue of the fact that the taxi owners felt that the scrapping allowance was not enough, and the scrapping allowance at the time was 50,000. So and I think apparently, it was increased to about 95,000 or something if I am not mistaken. So that was a recommendation from the review that the scrapping allowance should be increased because it
15 was not enough for the taxi to actually submit their taxis to be scrapped and that they buy new ones.

So hence, I still need to get a full report and details of how many taxis have been scrapped throughout the country, and then I could get a sense of the impact of the problem.

20 **MR NGOBENI:** And lastly, if you the scrapping allowance is increased, one of the concerns that we have had through various submissions in other provinces, is that the, you know, if it is increased, the manufacturers of these taxis may increase prices and as a result, they money may just end up with the manufacturers. What is your view on that?

MR FOBOSI: You know, this is one issues that taxis, taxi owners and taxi drivers have very much complained about, that there is a high cost of finance and insurance premiums. Of course, if that scrapping allowance is increased, it might have a difference in how, in the [indistinct 00:20:44] taxis that are
5 currently unroadworthy. In [indistinct], we felt that the taxi, the allowance is too little for them to afford to submit their taxis for scrapping. And so I think it can have a difference to some extent in addressing the problems of unroadworthy taxis, because as I spoke about the issue of working conditions, and that issue is very much central to making sure that all the passengers are travelling with
10 taxis that are in good conditions. You cannot have passengers travelling in taxis that have got [indistinct 00:22:24] and taxis being [indistinct] out and what not.

So this is not, it is a condition that our taxi operators should then consider going forward with the scrapping allowance increased and also, negotiating that there are taxi [indistinct] and insurances to not increase the premiums that
15 much. There is one issue that I will actually speak to, the SA Finance [Indistinct] when I meet them next week, the issue of financing the taxi industry. So, yes, the increase of the scrapping allowance can have an impact to some extent.

MR NGOBENI: Thank you, Chair.

CHAIRPERSON: Thank you, Mr Ngobeneni. Mr Lesofe.

20 **MR LESOFE:** Thank you very much, Mr Fobosi. Your presentation does not extend or include BRT, and I think this is largely because your PhD studies do not cover that aspect but I thought I should just check with you if you have any views on the sustainability and suitability of the BRT system. You may be aware of the current debate in the industry on this, and this debate emanates largely

because the system appears to be struggling in that it is failing to increase ridership and also to reduce cost. Instead, costs are increasing. There are also concerns that the fair revenue generated for the system is substantially low. So questions have been asked about whether the system is sustainable. I just
5 wanted to check if you have any thoughts and views on this.

MR FOBOSI: Well, really, the issue of BRTs, this is one thing that I do, I think about and I do some research on that, even though it is not the focus of my PhD because I want to get a sense of the participation of the taxi operators in the BRT. And some of them that I speak to in Jo'burg—because that is where I
10 collect my data—they seem to have indicated that you know what, these BRTs, some of us we do not take part in that. We do not participate. We feel left out. We feel that these BRT is there to disturb our [indistinct 00:27:35] and therefore, we do not want to take part in that. We just want government to make sure that supports our business. So I do think that BRT, for example, is very much active
15 in Gauteng. I do think that it is playing an important role in the public transport sector in the province in the sense that it is the most reliable transport for most people across the country. The A Re yeng [? 00:28:50], for example, in Pretoria is one of the most reliable transports, public transport system, but so long as your taxi owners they are engaged with on how this process is unfolding and in
20 how they are going to participate in that process, the issue is [indistinct 00:29:32] about the participation of this [indistinct] in that process to make sure that they do not feel left out and they feel part of all the negotiations within the public transport sector.

MR LESOFE: And in one of your slides, you talk about the formation of co-operatives and you give an example, using a model that used in the United States. Is that similar to the BRT model?

5 **MR FOBOSI**: Not similar as such because there is a co-operative that is formed and then the state recognises that as an entity for the department– for the taxi industry to formalise, to provide funding. It is not similar as such to the BRT one.

MR LESOFE: And I assume with the US model, operators still use taxis?

MR FOBOSI: Yes, correct.

10 **MR LESOFE**: And not necessarily busses.

MR FOBOSI: Yes.

MR LESOFE: Alright. Thank you, Chair.

15 **MR FOBOSI**: So hence I indicated that perhaps more research can be done in that regard to see if it can be something that can happen in the country across all the cities because as you see, that example is in a city in Denvir, which is in Colorado. So maybe more research can be done in that regard within the country and see how we can resolve this problem of taxi violence in the industry.

MR LESOFE: Thank you very much indeed.

20 **CHAIRPERSON**: Thank you very much, Mr Lesofe. Ms Nontombana.

MS NONTOMBANA: So, Mr Fobosi, the question I have is with regards to what you seem to suggest in your paper, which is moving towards formalisation,

and the question I have is whether there is no possibility of a middle ground of some sort because we have heard in previous submissions that there are efficiencies that you get through the informal nature of the taxi industry versus formalisation, and so taking that away would probably be changing what works
5 within the taxi industry. So is there a possibility of the middle ground in terms of formalisation versus the informal nature of the industry?

And then secondly, you also raise issues about enforcement, and so if you are moving towards formalisation, are you going to be able to address the same issues that you raise regarding enforcement of what is required in a more
10 formal setting?

And then, also another question I had is, is there something that can be implemented fairly quickly, I mean, if one requires the transformation of the industry, and for you to transform the industry, you require the formalisation but then there are all these challenges. What then do you do in order to make
15 sure that you then implement this or whether there are transitional arrangements perhaps that should be considered in terms of making sure that the industry moves somehow towards what would work better for the industry.
Thanks.

MR FOBOS: Okay, thank you. You know, as I indicated when I started,
20 [indistinct 00:35:33] the industry continues to be very much structurally situated within the informal sector or economy and is marked by your [indistinct] processes of formalisation and informalisation [? 00:35:59]. So while there is formalisation happening from the state, there is informalisation [sic] happening and of course, some of the people have indicated that through this

formalisation process, the government seems to be wanting to take their business. So they want to be left alone, which I have [indistinct] indicated.

So yes, I do think that through the formalisation process this can really change to the industry, and the issue of enforcement of sectoral determination
5 is key to that formalisation process because formalisation does not only involve your phasing out of all taxis. It also involves your department of labour being enforcing the sectoral [indistinct 00:37:30], changing the labour conditions or the working conditions within the industry. So it does not only involve the changing of taxis, bringing new taxis and what not, but it also involve all the labour issues
10 within the industry. If they are no good working conditions then the industry is informal if there are no contracts with the industry.

So hence, I indicated that through the formalisation process, maybe just maybe, the department of transport and the department of labour should have been involved [indistinct] because the department of labour is involved in
15 ensuring that it uses its labour inspectors to go and enforce those labour conditions in the industry and therefore, how does the department of labour participate with the or work together rather, with the department of transport of going there to the taxi ranks to enforce the labour conditions?

So formalisation process does not only speak to the issues of phasing
20 out of taxis, of old taxis, registration of transport operators. It also speak to the issues of working conditions and this is one issue really that needs to be addressed by the departments that are involved in that regard. So that is what I think. It is really, the formalisation process does not [indistinct 00:39:51] is

important in addressing the problems. So I do not think there is a middle ground to some extent.

CHAIRPERSON: I would just like to thank [? 00:40:17] Mr Fobosi on the role of local government as planning authorities because in your presentation you have
5 talked about the role the provincial regulatory entities and you have also made some recommendations about how that system of provincial regulatory entities could be improved in order to bring about [indistinct] presentations between the provincial regulatory entities as well as taxi associations. I would just like to get your views on local government in particular, and also [indistinct] on the
10 important role that local government occupies in the public transport [indistinct] as training authorities.

MR FOBOSI: You know they play a very important role in [indistinct] or the implementation of the public transport plans within the city, for example, Jo'burg or what not. I know that City of Jo'burg is your integrated transport plans for a
15 city. So in coming up with those plans for the public transport, I think local government can very much engage with the minibus taxi industry, operators or stakeholders in on how they can be involved within the transformation of the city.

[Indistinct 00:44:20] in Jo'burg, this industry plays a very big role in the
20 transportation of all people, and I think it is mostly used by about 73% of people to go to work or employment and the other people are using your busses, your trailers. So I do think that local government can play a big role in ensuring that all the implementation of public transport plans integrate the taxi operators, all, for example, that is [indistinct 00:45:33] for these people, are the taxi ranks

operating in good conditions, and go there to monitor the conditions at the taxi ranks. Are the taxis operating legally? And are they all registered? So go there to monitor the situation in the taxi ranks. So implement all the policies that amount [00:46:12] to address the problems of public transport in the city.

5 **CHAIRPERSON**: Then just one last question from me; you have pointed out that, quite correctly, that the minibus taxi industry is structurally located in the informal economy, and there is system in place of public regulation of the industry and alongside that, the framework of public regulation, the industry itself also has a system of self-regulation. So there are all sorts of self-
10 regulatory mechanisms within the industry.

And so once you take on, on the fact that on the one hand, we have this public regulation of the industry and on the other hand, we have these mechanisms, the self-regulatory mechanisms which obtain in the industry, once you take on the interface between these two systems of regulation, are they
15 compatible? Are they incompatible? Is the tension between public [? 00:49:08] as well as the self-regulation [indistinct] in the industry? And how can we ensure that there is some kind of integration between these two systems of regulation, which obtain in the industry?

MR FOBOSI: You know, in actual fact that is still the case as you correctly
20 point out, Chair. You have your self-regulation happening in the industry with some taxi owners or operators as it were, to say that you know, we know how to run our business. We do not want to be told. We do not want this government to be involved in how we run our business. So I do think that maybe the taxi operators themselves should very much engage, open up to the engagement

on the regulation of the industry or formalisation that is, on how– if the state intends to bring [indistinct] change into the industry because as I pointed out really, on the issue of subsidies, which is what they mostly complain about rather, that cannot happen in the nature of which the industry is informal, is
 5 informal and unregulated.

So it can only happen when the industry perhaps if formalised and regulated, and [indistinct 00:52:10] an accounting system, as I have indicated. So then while there is self-regulation happening and there is public regulation from government or from the general public–because regulation happens on all
 10 levels–so there is a need for all the stakeholders involved in the industry to sit down and say, “Okay, how do we move this industry around? How [indistinct] change? How do you participate as taxi owners, as taxi drivers, how do you participate in ensuring that there is change in our industry?”

Because I am sure these guys are not happy with people dying on some
 15 days, for example, in your recent Durban as I indicated or in Umtata recently, here in [indistinct 00:53:46]. I am sure they are not happy with that. I think it is out to them really to also very much engage on how to bring about change in the industry while they do self-regulate the operations in the industry. So really, I do not think the state is out there to control how things are done in the industry
 20 but to really bring [indistinct] a change in the industry, which was very much now [? 00:54:43] recognised during the apartheid government.

So the state is trying to build up a change. So it is also up to the stakeholders–the taxi owners, the drivers–to also take part in that regulation or formalisation process to bring about change.

CHAIRPERSON: Thank you. Thank you very much, Mr Fobasi. I think we have come to the end of our questions. We will ... Thank you. Thank you very much. I think we have found your presentation quite helpful and I think it will shape our thoughts as we ponder through these very complex issues in the industry.

5 Thank you very much. You are excused. We now take a presentation from SANCO if they are ready, if they are here and if they are ready. Good morning, warm welcome, and thank you very much for coming. There should be a piece of paper in front of you, and you may take the oath or the affirmation. You may go ahead. You may take the oath or the affirmation as you wish.

10 **MS JAWA**: I hereby solemnly declare that whatever I am about to say here is the truth and only the truth.

NOMONDE JAWA (Affirmation)

CHAIRPERSON: Thank you. If you could also state your name for the record.

MS JAWA: My name is Nomonde Jawa. I am from SANCO.

15 **CHAIRPERSON**: Thank you very much, Ms Jawa. You can take us through your submission. Afterwards, we will put some questions to you.

MS JAWA: Okay, the public transport in the Nelson Mandela Metro. Major public in the Nelson Mandela Bay municipality consist of the following: busses, minibus taxi, the rail passenger, meter taxi, and uber. We will start with the
20 busses.

Busses operate demarcated routes and transport commuters from place of residence to place of work opportunities. Bus services covers most areas in the Nelson Mandela Metro. Some of the routes are shared with the minibus

taxi. I must indicate though I think it is not there, there are also private busses, which operate at the universities, private bus that got contract with the universities and our Go Bus is the only company in the Nelson Mandela being used privately that offers commuter service for the public, and the company is
5 getting subsidy from the government.

The bus company determines what fare will be. No consultation with the commuters. Our Go Bus gives discount to senior citizen when boarding the bus between 9 a.m. and 16:00 in the afternoon when only when they produce their ID documents.

10 Minibus taxis operate in the Nelson Mandela Bay municipality and long distance between area of residential and work places. There are more than five taxi associations with demarcated routes in the Nelson Mandela Metro. Some taxis link commuters to the taxis to transport them to destinations. Also in the township there are taxis that operate between townships. Taxi fares are
15 determined by taxi associations, and commuters are not consulted.

The rail passenger service operates between Uitenhage and Port Elizabeth. Few communities have access to these services due to location of the rail line away from communities. Only those nearer to the station are able to access these services. They operate during peak hour in the morning and
20 afternoon, which is it could be— it is between 5:20 to 8:30 in the morning and resume again between 14:00, 14:30 until the peak hour at 5 p.m. during the peak hour until people are out of their areas of work.

Meter taxi transport system is mostly found in the airport and inner city and train station near the harbour. It is not totally operational in the public

transport locally. They only rely on contacts from advertising vouchers and also, mostly they are used by tourists.

Uber–this is another public transport system that is commonly used by commuters, communities and is receiving support from communities and it is
5 growing also.

The public transport system, IPT, operated for a short period, and these services were terminated. During the termination, the communities were not consulted. That was after the World Cup, after 2010. They started– they operated for a very short period. We believe that there were [? 01:08:42]
10 challenges, conflict faced by the system between the Nelson Mandela Bay municipality and the taxi association. There were, before the termination, there were five primary co-operatives and secondary co-operatives at Nelson Mandela public transport forum, and also the last memorandum of understanding signed in 2010, May 18 had time– the memorandum itself of
15 understanding, had time frames and what was to be done in three- to five-year term.

Indicated were duties, tasks, expectation, and implementation of the plan because there was a plan how this IPTS it is going to be implemented in the Nelson Mandela Metro. Question that arises: where conflicts resolved by the
20 parties? Are they able to reach consensus on challenges? And how far are they with the infrastructure, which was also a challenge at the time.

A few months ago, we saw the launch of the IPTS services in the northern areas. In 2010, there was an undertaking that negotiations will be done to resolve the conflict with the taxi association. How far are those [indistinct]

negotiations now, because of the launch— because in the launch, the mayor [? 01:11:14] of Nelson Mandela Metro indicated [indistinct] to negotiate with taxi association. This to us was clear that the IPTS, the memorandum of understanding which was then signed, it is clear that whatever was agreed, that
5 there will be negotiations to engage the taxi industry in order to reach consensus was never done. We believe that, that is why it is now going to be done as the mayor has indicated in his relaunch of the IPTS.

What are the current challenges in the IPTS? What mechanism put in place for the full operation of IPTS in the Nelson Mandela Metro and
10 timeframes, that is what you want, that currently the operations system is only in the northern [? 01:13:33] areas and in the townships, there is no IPTS that is operating. And we need to look at 3.3, 3.5, 4.1, and 4.2 of the memorandum of understanding because there was a memorandum of understanding that was signed, and it had guidelines what was to be done.

15 And a positive side of the RT bus rapid transit: it is commuter friendly, reduces [indistinct] energy. The beautiful thing about BRT is that it has a potential to reduce the number of private cars, provided that there are free parking areas for cars and bicycles at pick-up and drop-off places because currently, I believe there is a challenge of land [? 01:15:35] when it comes to the
20 parking in the Nelson Mandela.

The commuters need a safe, accessible, reliable, efficient, and affordable public transport. The current public transport for the commuters, it is not safe, it is not affordable, and it is difficult to access because it is far from the people.

Negative sides: it affects badly on business close to the RT during implementation. You will see when there is infrastructure, the business around that area, they have difficulties to get their customers because of the access of the road. And the RT tends to depend on the government support in terms of security and police. This implies that tax payers have to bear the cost because if it relies on the government, therefore tax payers will be then, will also have to suffer.

Challenges: subsidy received by Algoa Bus where commuters do not get discount; open competition in the bus industry for subsidised roads; lack of facilities for commuters at bus stop. There are no bus stop. You just stand along the roadside. There are no bus stop at all. There are just posts. And subsidy for scholars, we expect that as scholars, they should be subsidised, scholars, when they travel with the public transport. They cannot pay the same amount that is paid by elders, elderly people and also by workers.

Public transport does not cover areas, all areas in the Nelson, in the metro. No sidewalks in the township to support people walking to the taxi or bus stop. Challenge for disable people and wheelchair-bound commuters. Availability of information in the taxi route, about routes et cetera, and in the train station service. The lack of planning and limited effective stakeholder's participation.

Proposals: establishment of task team. Task team to meet monthly for the purpose of implementation and monitoring. Effective community engagement. Technical skilled [indistinct 01:21:23] should be retrained to service these busses. To relook the existing plan for IPTS for the purpose of

implementation. Public transport to have their own maintenance and workshop where all public transport will be serviced because currently, I believe they do not have garages. They do not have workshop. They use private companies, and also this will also make the public transport sustainable.

5 To prioritise the training of women and youth for the purpose of employment. We believe that women and youth should be considered but because what we learned in the past in the IPTS, when the busses were operational before they were terminated, the people that you employed there, they were not, they did not cover women and youth and the disabled people.

10 And also the other thing wat we noticed was that there was an understanding or an agreement that the [indistinct 01:23:50] collectors and those that are washing the taxis, they will be employ– they will be trained as security and as cleaners but when there was implementation, not, they were not employed as securities and cleaners. Some were employed but mostly, people
15 were taken from townships and, in the northern areas, and employed.

 And the other thing that I believe that when there is an agreement, we should stick to that agreement and not change from that agreement. I think I made my presentation. It is very small. I could see it is very short. I could see that I am allocated to speak for an hour. Unfortunately, as you saw, I represent
20 the community. We do not want to talk too much. We believe in doing things, not talking. Thank you.

CHAIRPERSON: Thank you. Thank you very much, Ms Jawa, for presentation. I think some of the issues will come through in the questions that we will put to you. Mr Lesofe.

MR LESOFE: Thank you, Chair, and good morning, Ms Jawa. I just have a few questions, and my first set of questions will just be in relation to Algoa Bus. You mentioned that this is the only company that provides commuter bus services and has or receives subsidies from government. Are you able to identify some
5 of the key routes that are services by this company?

MS JAWA: I will try to identify the few. They are servicing Zweedi, Khoshgele, [Indistinct 01:27:46], Loreng [?], Blazenspark [?], Claripark [?], Khabeka, St Albyn's, and Summer Strand, New Park, and Green [Indistinct], [Indistinct 01:28:20] area, and I think those are the few that I can remember.

10 **MR LESOFE:** Thank you. And are there any rural areas that are serviced by Algoa Bus?

MS JAWA: I believe that [indistinct] this is urban area and Algoa Bus services only also, their service, the service that they are rendering is also [indistinct 01:29:08]. They get hired to go to the East London, Glenstein, [indistinct], East
15 London, Glenstein and in the outskirts of Port Elizabeth. For long distance they get hired for those, they do those which is outside of the urban area, which is Port Elizabeth.

MR LESOFE: Okay. So what I am trying to understand here is that I am given that Algoa receives subsidies from government. Do rural communities also
20 benefit from their subsidy system? In other words, in addition to providing services to the areas that you have listed—I assume those would also include townships—but do they also cover some of the rural areas? In other words, does the subsidy system also benefit rural communities?

MS JAWA: What I know is that one, Algoa Bus Company operates in the Nelson Mandela Metro only, not in the outskirts of Nelson Mandela Metro. They operate within. And the other thing, when you talk of subsidy that I want to raise is that before we used to get coupons at Algoa Bus Company, and we were
5 getting, commuters were getting 10% discount when they buying that coupon but they ended their coupon system and commuters pay on daily basis. Now they are not getting that subsidy anymore.

And also the other thing, there is a school that Algoa Bus is sponsoring, which is in [indistinct]—I think it is Ethembeni—they are sponsoring that school
10 everything that their— that is how they are ploughing back to the community.

MR LESOFE: Thank you. And you said most of their routes are shared, that is Algoa's routes, are shared with taxi operators. In other words, they compete with taxis on most of their routes. Are there any routes where it is just Algoa that operates and therefore, commuter choice is just limited to bus services?

15 **MS JAWA:** What is currently happening, the taxis, they do not have in the township a taxi that is from Summer Strand. It is from the township to Summer Strand. The bus has a bus that is from township to Summer Strand. The taxis they take you from township to town, and from town you will have to take another taxi. That is what I indicated in the, to say they take you to another taxi
20 which is going to act as a feeder to your destination. And there are areas like Loreng, Algoa Bus, there are no transport there. It is the Algoa Bus. They are scarce because that area it is outside those areas that are outside its busses that are operating in those areas.

MR LESOFE: And in areas where Algoa Bus competes with taxis, generally, how would you describe their competition in terms of price?

MS JAWA: In terms of price, Algoa Bus is lesser than the taxi but because the bus had, they have got timeframe– they have got their schedules–the busses
5 have got schedules–taxis do not have schedules, now people, those they are, people that take busses on daily busses, they are full during the peak the hours but there are those that also take a taxis but competition wise, during the peak hour, the busses are making business.

MR LESOFE: Okay. I think you have partly answered the question because my
10 next question would have been between the busses and taxis, which mode of transport is the most preferred mode? In other words, which mode is largely preferred by commuters and you know, factors that commuters take into account when they choose between taxis and busses.

MS JAWA: The preferred, people will prefer to travel with a bus. The taxi
15 challenge is that you must wait in the taxi for the taxi to be filled before it can move yet with a bus, the bus if it is supposed to be at the bus stop at quarter past seven, it does not have to wait. Quarter past seven, when it finish loading it moves. So that is the challenge that it is having.

MR LESOFE: Okay. And has it always been Algoa Bus that offers commuter
20 bus services or there were other bus services that received subsidies? Has it always been Algoa that receives subsidies from government and therefore provides commuter, subsidised commuter bus services?

MS JAWA: Algoa Bus has been the only company that provides such services in the [indistinct]. Before it was Tram Ways. Tram Ways then become Algoa

Bus. So that is the company that has been receiving subsidy from the government because it is the only company that has been transporting commuters. The others, the other private companies, they do not transport commuters. They work as I indicated. They get hired to transport school kids
5 from when there is a need.

MR LESOFE: Thank you. And in terms of the services that are provided by Algoa Bus, from a commuter perspective, are there any concerns in relation to that, maybe in terms of quality, safety, and factors such as those?

MS JAWA: Currently, Algoa Bus has new busses and they are comfortable
10 busses. I do not think there is a challenge with their busses. They have bought new busses and they have got new busses and are comfortable.

MR LESOFE: And in terms of accessibility, are there areas that these busses cannot access?

MS JAWA: I think the areas maybe there are unable to access is the new
15 areas, because every now and then in the Nelson Mandela Metro, there is a new area because currently, we have got people that are at [Indistinct 01:41:45] route. As soon [indistinct] maybe there is already transport there but I am not sure, but when that area, there is infrastructure in that area, they do provide services. The only challenge it becomes the infrastructure.

20 **MR LESOFE**: Thank you, Chair.

CHAIRPERSON: Mr Ngobeni.

MR NGOBENI: Thank you, Chair. Good morning, Ms Jawa. I think just to understand, you have raised a concern that taxi associations, they do not

necessarily consult communities when they increase their fares. The question is has this issue been taken to various associations and if you have, what has been their response to the concern?

MS JAWA: It has not been taken in a meeting or forum [? 01:43:23] but when
5 we see that there, when we hear the collector saying there is an increase or the
when we see the paper that is written and put on their window, and then you
challenge it. They then apologise. And when you go to confront them, they
[indistinct 01:43:59] and then they apologise. That is all they do; they apologise.

MR NGOBENI: Thank you. And you then mention as a challenge, and I may
10 have missed this in your submission, that public transport does not cover all
areas in the metro.

MS JAWA: As I have indicated that because of infrastructure, there are areas
that they are not able to cover because of infrastructure, the new, especially in
the new areas. As in, when there are houses that are built, they build those
15 houses without first building the infrastructure. By the time they build the
infrastructure, there are already houses in that area. So that it becomes a
challenge to the people that are allocated in that area. And the first people that
will be able to transport people to that area will be the taxis. The taxis then take
the risk and transport the people even though there is no infrastructure.

20 **MR NGOBENI:** Then lastly, Chair, you mentioned when you started that in
terms of busses that there is a private bus operation operating from the
university. Just to get an indication which operator is that?

MS JAWA: [Indistinct 01:46:38] Transport is transporting student from the
student residence within the Nelson Mandela Metro.

MR NGOBENI: Thank you, Chair.

MR MANDIRIZA: Okay, thank you, Chair. I just have one, two questions. I think the first one is I just want to get an indication of the price differences between the Algoa and the minibus taxis. You said Algoa is cheaper. You can just pick
5 one route and just give us a sense of the price difference. That is the first question.

The second one, is SANCO involved in any public transport forums in the metro? And the last question, does SANCO support the implementation of the BRT?

10 **MS JAWA**: Okay. The first one, I think the difference is not that much. In some routes, there is a difference of R1, in some of the routes like your Uitenhage route because then the busses also travel to Uitenhage and the taxis they transport people to Uitenhage. And there the [indistinct], there is a, I believe there is a R5 or R4.50 from Uitenhage to PE and the bus is cheaper than the
15 taxi. And locally, it is between R1 and R1.50 difference.

And I have made oath and I do not want to lie and my chairperson is here. My chairperson is here from SANCO. We indicate [indistinct] involved in that forum. I do not want to say yes only to find that we are not involved and I have lied. And I am not going to answer that one.

20 **CHAIRPERSON**: But will the chairperson be able to answer that question?

MS JAWA: Yes, yes. And on the implementation of the BRT, we support the implementation of the BRT because I indicated that it is safe, it is accessible, and also it is affordable. Currently, the public transport that we are having, it is too expensive and we are unable to access it in reality [? 01:51:16].

CHAIRPERSON: Can you please then, if the chairperson is here, if you can just please assist us with [intervenes]. Ja, you can come to the table. Thank you very much. If you– you may take the oath or the affirmation. There is a piece of paper on the table.

5 **MR MANI:** I Mxolisi Mani solemnly affirms that the evidence that I shall give, shall be the truth, the whole truth, nothing but the truth.

MXOLISI MANI (affirmed)

CHAIRPERSON: Thank you, Mr Mani. If you could just please assist us with the question that was posed by my colleague, Mr Mandiriza as to whether
10 SANCO is involved in any public transport forums within the city.

MR MANI: Our own engagement is not formalised per se as we speak right now but most of the time, we just engage taxi [indistinct] on a number of issues that affects our community. So in a sense, we do not have formal engagement, including the municipality. We do not have any formal relations as we speak
15 right now.

CHAIRPERSON: Thank you.

MS NONTOMBANA: My question, Mrs Jawa, is really to follow up on something you said in your presentation regarding the discounts that were initially implemented by Algoa of 10% but they were then removed. So I would
20 like to just find out when that is, when were they implemented and when were they removed?

MS JAWA: The discount of 10% has always been there when there was this coupon system but when they remove the coupon system, that is when they had to do away with the 10% discount.

MS NONTOMBANA: Do you remember the years?

5 **MS JAWA:** I think it is three years ago. Ja, I think it is three years ago.

MS NONTOMBANA: Okay, and then how did the introduction of the— sorry, the 10% discount, how did it affect affordability for commuters because you seem to suggest that it would be useful to have that still implemented or still in place.

10 **MS JAWA:** It affected because when you buy a ticket on daily basis you pay more. When you buy a weekly coupon you pay less. You are saving a lot because the coupon is not equal to the daily payments. It is far less.

MS NONTOMBANA: And was this taken up with Algoa regarding the reasons why it was removed?

15 **MS JAWA:** Yes, it was. What happened is that Algoa just indicated that to curb, to curb robberies, they are going to take it out to curb robberies, but that impacted badly on the commuters.

MS NONTOMBANA: Okay. Thank you.

20 **CHAIRPERSON:** If you can just clarify just in terms of the market share split between the minibus taxi industry as well as Algoa within the city, roughly in percentage terms, which of the two services carry the majority of commuters, just rough percentages in terms of the market share split.

MS JAWA: I do not want to lie. I will say ... maybe they too close to each other. They are very close. They are very close, taxis and busses industry. They are

very close to each other. There is not that much difference because taxis run throughout the day and the busses they are also running throughout the day but there is a time during the day when there is off-peak of busses. Few busses are running, and while those few busses are running, taxis are running.

5 And then during the peak from two o'clock, the busses go out again in full force until 10 p.m., so that is why I am saying they are very close with each other because in the morning peak hour, busses are very full, are always full and there is standing in the busses. And then in the afternoon, the busses also, they also, the busses also have that advantage of transporting school children,
10 which there are busses that demarcated. They are just picking school children and very few people that are working in those areas, they are also transported by the busses.

CHAIRPERSON: You have mentioned some of the routes which are serviced by Algoa Bay, and you also indicated that obviously, Algoa Bay is the only
15 provider of subsidised commuter bus services within the city. Is it possible to split the Algoa Bay contracts or the routes that are currently being serviced by Algoa Bay to more than one bus operator in the event that the contract were to go out on tender for instance, or were to be negotiated differently.

MS JAWA: One, there is one thing that I do not want. If this thing it is going to
20 affect the employment of workers in Algoa Bus, I will not support it and I will not say it but if it will not affect that workers at Algoa Bus Company who are involved driving, riding those roads, I would prefer that the private bus companies are also part of a joint venture with Algoa Bus, operating the same routes rather than operating on special [indistinct 02:03:31], because some of

the private bus companies in the Nelson Mandela, they wait for special [indistinct] in order to generate income, a rate for special [indistinct].

And also if they could be in the Nelson Mandela Metro because there is already a crew of drivers. There could be a joint venture with all those busses, not specifically to have one bus company but all those busses to be in a joint
5 venture and operate the same routes without affecting the job of those drivers.

CHAIRPERSON: And if you could just—I think you did mention it—just clarify what is it that seems to be attracting at least some commuters to utilise minibus taxis, notwithstanding what you said is the lower fares provided by the
10 subsidised commuter bus operator. What specifically attracts commuters to minibus taxis?

MS JAWA: What attracts commuters to minibus taxis is that one, minibus taxis are faster than the busses. They arrive, like they do not have many stops. When it is full, then it goes straight to the area where it is going, unlike the bus. It has
15 to stop in many bus stops. The minibus taxis only, if it is going from [indistinct] to town during the peak hour, if it is from [indistinct] to town, it will only stop when it arrives in town, unlike the bus. The bus will first have to go and collect people in different— maybe in 10 stops before it can move smoothly. That is the only thing I think that makes people to choose to use the taxi bus.

20 **CHAIRPERSON:** And is the current schedule of Algoa Bay, is it responsive to the commuting needs?

MS JAWA: I believe it is because there are— I believe it is because the peak hour there are busses. Maybe you can get three busses that are going to town during the peak hour, one after the other during the peak hour from Algoa Bus.

CHAIRPERSON: And you have also said that the rail passenger service that operates between Uitenhage and Port Elizabeth, you have said that due to location of the railway line, there are challenges in terms of access by communities to that service. Can you please just shed more light on what
5 exactly is the nature of this challenge relating to access?

MS JAWA: Being unable, one, number one, the rail passenger, one, is safe. That is number one. It is safe and two, it is affordable. It is cheaper than the bus. It is cheaper than the taxi. Now the location where it is, it is far from the people. You, for instance, I am going to talk about the station in Swartkops.
10 There is a station in Swartkops in the township. I stay in Zwide. In order for me to go there, I must take two taxis. I want to travel by train because it is cheaper but I am unable to access because it is far and they have made no arrangements to have feeders to take people to the train station.

You just see how you get to the train station or if you, like the people that
15 are staying Kwazakele and are using train, they have to walk long distance. They have to walk long distance to the train station. And even here in town, the train station is right here at the down station. People have to come from Summer Strand, Summer Strand this side. You will see during the day, from [indistinct], you will see people walking from Summer Strand. They are catching
20 the train. They are working in Summer Strand. They are catching the train but they have to walk a long distance because they do not have money to pay the taxi that will take them to the train station.

CHAIRPERSON: Is there anything, Mr Mani, that you would like to add?

MR MANI: No, apparently, I think one of our purposes, I am sure Mr [Indistinct 02:12:46] managed to capture. The challenge around the issue of the transformation of the public transport, I think that it high time that also all stakeholders that are involved, they ought to have some sort of separate
 5 engagement and have a clear [indistinct] in terms of [indistinct] submissions, you know, because it is also going to automatically [indistinct] when we approach public hearings, at least we approach them with a clear view of all those people that are affected because some of the issues [indistinct] challenge at some point.

10 If you look in terms of the [indistinct 02:13:52] that relates to hikes in terms of prices in the industry, must consumers they are not aware what are the reason for those hikes. You end up now having a challenge whereby ordinary people will be challenging the [indistinct] or the ordinary people will be challenging the bus transportation system, simply because we are not on the
 15 same passing level in terms of the issues that affects the industry self.

So I will say it is something that also we need to encourage that stakeholders must have some kind of session and engagement going forward so that we have a clear [indistinct] visionary transport system that is going to cater for everybody around here, which is going to be inclusively for ordinary
 20 commuters to be able to have input on what ought to happen. Not only to wait for public hearings of competition commission in this [indistinct] nature whilst you are sitting with a backlog of challenges. So I am saying that is something that also like to put on the table going forward so that also the commission can allow and have a space of engagement to be done all stakeholders.

CHAIRPERSON: Thank you. Thank you very much. Just one last point to clarify. Are there present bus operators who are operating from the city on an unsubsidised basis or is that service non-existent?

5 **MS JAWA:** Currently, there is only one bus company that is operating and getting subsidy, Algoa bus. The others they are not operating. They operate on contract basis with different institutions.

CHAIRPERSON: So they do not operate in the— they do not provide a public commuting services?

MS JAWA: No, they do not.

10 **CHAIRPERSON:** For the public.

MS JAWA: No.

CHAIRPERSON: Alright. Thank you. Thank you very much, Ms Jawa and Mr Mani. We would like to very much for your presentation as well as for your time. We really appreciate it. We will now take a short break and we will be back at
15 quarter past 12.

HEARING ADJOURNS

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Session 2

CHAIRPERSON: Welcome back. Oh, you can hear? I will leave both. Welcome back. We will now receive the next presentation. Welcome, Lady and Gentlemen. If you can please— there should be a piece of paper in front of you.

5 You may take the oath or affirmation.

MR ADDULLAH I, Rethar AbdullahIndistinct], swear that the evidence that I shall give, shall be the truth, the whole truth and nothing but the truth. So help me God.

CHAIRPERSON: Thank you very much.

10 **MS MALGAS**: I, Carmen Malgas [?] swear that the evidence that I shall give, shall be the whole truth, the whole truth and nothing but the truth. So help me God.

CHAIRPERSON: Thank you.

15 **MR MATTHEWS**: I, Vince Matthews [?], swear that I will— that the evidence I will give, shall be the truth and nothing but the truth. So help me God.

CHAIRPERSON: Thank you very much. I am not sure who is going to start. Oh, the lady is going to start. If you could start by introducing your organisation, your position within the organisation, and how long have you held your current position. Then you can take us through your presentation.

20 **MS MALGAS**: My name is Carmen Malgas. I have been a Uber driver for just about a year and two months now, and I operate within the Port Elizabeth area, as well as I also do Taxify as well that I have applied for. So we are partners and drives here representing ourselves for the Uber and Taxify.

MR MATTHEWS: I am Vince Matthews. I am a Taxify and Uber driver for the past 18 months, and ja, I am here to represent myself.

MR ABDULLAH: My name is Rethar [Indistinct] Abdullah. I [indistinct] the meter cab industry prior to Uber, and I am an Uber driver for [indistinct –
5 background noise] as well. We also busy with an association [indistinct] processes. We are just waiting for our things from the lawyers but [indistinct] represent the Easter Cape [Indistinct] Association. Thank you.

CHAIRPERSON: Thank you. You can now take us through the issues that you would like to raise.

10 **MS MALGAS:** Some of the issues that we would like to highlight today is obviously issues that we as drivers as well as partners are experiencing out in the industry. The number one thing that we are having big problems with [indistinct] is obviously, our permits being issued by the department of transport. At the moment, in Jo'burg and Cape Town, we are sitting with a process that all
15 permits and things are being granted under the E-hailing service category because of the [indistinct – mechanical failure 00:04:43].

Unfortunately, here in Port Elizabeth we have been struggling for the past– for a year or more with regard to getting our permits and things sorted, and this is all [indistinct] that the department of transport is indicating to us that
20 they are stopping permits and putting a moratorium on it because the municipality which dictates if they can approve or not approve, are asking them to cancel this based on the fact that, of the ITPS bus systems and that they are doing surveys and everything.

What I have done is I have actually contacted a few of the councillors in the municipality and requested feedback on this but the councillors indicated to me that they are not aware that there is a moratorium that has been put on place. So then I asked them so if the councillors and the politicians are not
5 aware what is happening with regards to the ITPS and the development of the ITPS, and the people that are living in your communities that are trying to make a living through following the legal processes, what do we do from there?

We are not experiencing proper feedback. We are not getting communication through the proper channels. All that we are hearing is that
10 there is a hold on all permits. On the radio the other day, Algoa FM, they announced that all permits from the department of transport has been put on hold for over a year. What do we do because we want to follow the legal processes?

We are not getting communication. All that we get constantly is, "I am
15 sorry." We have been put on hold by yet, Jo'burg and Cape Town is being granted permits for E-hailing to operate and not meter taxis cab permits, they are granted E-hailing permits already. Why is it that Port Elizabeth always have to be the last one to follow the rules and regulations? All we are asking for if there is problems or anything like that with regards to permits, why can we not
20 come together as a body, as an association or different stakeholders from all backgrounds, community based, as well as partners and drivers in everything, even meter taxi cabs and taxis, come together and find a common ground of how we can work together.

We are all here to make money for ourselves and to feed our families. A lot of us is doing the whole E-hailing thing because we cannot find work out there, unfortunately. I have been looking for a job now for the past two years. This is my backup plan until I find a legal job, a proper job that can feed my
5 family. So what do we do?

Do we sit back and wait for, unfortunately for the department of transport and the municipality to come to terms with this? The ITPS, like the lady mentioned earlier on, was put on hold from 2010 up and to now. They only brought it back now only in the northern areas. The busses specifically run until
10 10 o'clock in the evening. What we do is we do not just operate in your normal ranks or anything like that.

We pick up people from a door-to-door service at the end of the day. People contact us in the mornings, you know, they go online. They order a app to take them to the bus stops, the taxi ranks, and everything because it is too
15 dangerous for them to walk early hours of the morning to the different ranks or anything.

They get robbed. I mean, sometimes the police actually contact some of us that are close by to different areas to come and pick up commuters that are waiting or stuck there because they cannot walk to their homes or to the
20 different areas because they are going to get mugged. They are going to get robbed or anything. So how do we find a common ground with DOT, with the municipality and all the other stakeholders involved with regards to this bill to work together in unity so we can start really making the city's transportation efficient at the end of the day?

That is what we need to look at over here. As much as what we have issues and problems and grievances, how are we going to work it? The lady mentioned that a lot of youth is not being given opportunities and jobs and things like that, a lot of females I find in the transport industry are not out there.

5 We are not being given opportunities fairly. Sorry, we are not being given opportunities fairly. Unfortunately, a lot of the industry is male dominated but there is nothing we can do about it. The only thing that we can do about it is see how we can push from there and work together.

We are trying to establish an association where we can get things
10 regulated and that is unfortunately how we have to work, with lawyers and things. Sorry, I think something is wrong with the mics.

CHAIRPERSON: Ja, in the interest of time, I think you may continue but maybe try to hold it not too far, but a little bit away from [intervenes]

MS MALGAS: Okay.

15 **CHAIRPERSON:** Ja.

MS MALGAS: Okay. The other issue that I also need to highlight is that obviously, E-hailing does not conform to any ranks or areas that we actually park in. We need to look at how we are obviously using the app. The app is based on a [indistinct – microphone disturbance 00:12:14] system ... the app is
20 obviously based on an electronic system where the consumer or the commuter requests and then they get picked up from a door-to-door system, which is easier for them, and we find that a lot of people actually utilise this app when it is very early in the morning, when they have sick people and emergencies to get to hospitals because let us be honest, sometimes people cannot wait for an

ambulance to get to them. They need to move early in the mornings or early hours of the morning.

The system allows us to choose our own working time, which actually makes us more widely available, you know. So we have a 24-hour service at
5 the end of the day. So these are all things that we need to actually concentrate on and work on. We cannot be actually confined to any rank specifically. How do you say to a person that they need to [indistinct – microphone disturbance 00:13:48] ...

CHAIRPERSON: There is something wrong.

10 **MS MALGAS:** How do we indicate to a person once they have actually ordered an Uber through the app or a Taxify through the app, that they actually need to then move to the closest rank when it is early hours of the morning, late at night, or even when it is in case of emergency to a closer rank? So you cannot really be confined to actual ranks or anything like that.

15 We actually place ourselves strategically throughout the whole of the city. Then when the request comes through you, you accept the request and you move to the closest person that is there at the end of the day. We also need to look at how do we regulate the commission structures from the different apps out there. Currently, there is about two to three different apps that are trying to
20 break into Port Elizabeth, that are ready unfortunately, out there in Jo'burg and in Cape Town, and they have launched and everything.

And each and every one of them, if you look at their commission structures, are different. We need to make sure that for a person that is a driver as well as a partner to benefit at the end of the day, we need to look at how do

we keep that at one spot so they do not try and outdo the other one; that we have one structure in order to get the commission across the board the same. I mean, one company charges 25%. One of the other companies currently wants to charge 14% that are trying to break into the market right now. They are
5 playing up the different apps amongst each other, which at the end of the day, I mean, we just want to work.

We do not actually worry about it. We just want regulation to come into place so we have that under control, not that the one is higher than the other at the end of the day. We need to make sure that we are not being done in, that
10 we constantly have control with regards to that, and that we have other issues from a worker's point of view also under control.

That is why we are pushing to have the association out there at the end of the day. But where the association will come in then at the end of the day is to try and help us regulate all of these items with the department and the
15 municipality and all of the stakeholders in place as well.

CHAIRPERSON: Please, if you can just hold— it looks like your mic went off.

MS MALGAS: Is that better?

CHAIRPERSON: Just try and talk into it.

MS MALGAS: One, two, one, two.

20 [Sorting out problems with microphone]

CHAIRPERSON: Just in the interest of time, maybe we need to share mics. Just in the interest of time. Yes, sorry about that. You may continue, Ms Malgas.

MS MALGAS: Okay. With regards to regulation and association, that is where we need the department of transport to come and assist us. We are just, you know, your normal Joes on the street. We do not know what the actual laws and things confine. We can maybe try and get attorneys and things like that to help
 5 us but the department needs to in some way take responsibility that we are moving forward as a community. We have unfortunately technology that is out there that can assist us to have better transport systems and everything.

We cannot just concentrate just on one thing if the law states the following. I am so happy that the E-hailing bill is in the process of being passed
 10 and everything, but at the end of the day, we need to diversify ourselves as well. We need to make sure that obviously, things change, periods change. We need to work together and be open to change as well. Currently, we are finding that when we go in and we enquire for permits with regards to Uber and Taxify, we get shut down immediately.

15 They say straight out there is no such thing. It is a meter taxi cab and they do not want Uber or Taxify operating unfortunately in any of the cities but yet, Jo'burg and Cape Town and Durban's permits are being granted on E-hailing. Why is it that the department is constantly shutting us down with regards to different processes in our city? We do not want to fight. We want to
 20 work in unisons, together, and work as a holistic community at the end of the day.

Why are we fighting under each other at the end of the day? I have meter cab taxi drivers phoning me in the evenings if they are not working, "Can you help us? Somebody is tuck. Can you come and help us, please? We need so

many and so many cars." I go gracefully because at the end of the day, I am helping a fellow colleague in the same industry as me at the end of the day.

The community at large can also tell you they request, we go pick up, no fun and games, no arguments or anything. It is a door-to-door service that we
5 need to deliver. People are getting sick. People are getting ill. People are struggling with transport because the busses do not ride until after a certain time: eight o'clock all the busses stop unless you are the different factories that has arranged with the bus companies to operate on those times when their shifts are running or the hospitals that are doing that. They pre-arrange with
10 Algoa Bus Company for their busses to be there because their staff comes out at seven o'clock in the evening, at 10 o'clock in the evening, they start at six. So those bus companies only operate for those specific people.

What about the people that are working all other industries, places like the lady mentioned, Lorain, Sherwood, Walker Drive. Unfortunately, Kwadwesi,
15 the new extensions, Westley, all of that, they do not even have proper roads where you can ride. If you do not know those areas well, they will not go there. They will not operate there. There is normal rank taxis and so on but they operate until six, seven o'clock. Then they do not work after that. So if you do not plan yourself properly, you will have no way to get there.

20 That is where the people come and they utilise Uber and Taxify at the end of the day to get home safely so they do not struggle. When the taxi strikes and things like that are on, we are in danger as well because they actually at the end of day threaten to throw our cars and stuff broken. So now we also have to stop working because at the end of the day, we have to consider the

fuel prices as well. Do our vehicles get damaged because all of these things are going on at the end of the day? The fuel increases are killing us and our profit margins, if you have looked at it, has decreased by over 30% because of the proper fuel hikes that are constantly out there. We are probably going to get
5 another fuel hike now again. What do we do then?

Then we are looking at easily another, and our prices have not gone up. That has stayed. Uber has only incorporated now a price increase of a small margin now, but it is not a huge margin. We are still looking at a 30% decrease in our profits. What do we do? How do we work with the department? How do we
10 work with the government? How do we work with the municipality as a whole?

And that is why I am hoping this commission can come together and guide us with regards to this because we are sitting with so many unanswered questions at the end of the day. So many problems rather than things are happening. I mean, I have just drafted a petition, asking the municipality to
15 address the situation as to why our permits is not being granted, because the department of transport is saying the municipality. The municipality is saying it is the department of transport. Who do we believe? Who do we listen to? Are they using each other as escape goats at the end of the day? Why is nobody coming to forth and the table and saying, "This is the actual problem and the
20 issues that we are having out there?"

And I would like to thank you for the opportunity that you have given us to actually raise our different grievances and items on this platform today. I do not know if my colleagues have anything else to add.

CHAIRPERSON: Thank you, Ms Malgas. Mr Matthews, anything that you would like to add?

MR MATTHEWS: No.

CHAIRPERSON: I think we will have to share mics. Mr Ngobeni.

5 **MR NGOBENI:** Thank you, Chair, and good morning, Ms Malgas. I think I just want to understand the status in terms of permits, and the question is are you saying that there is currently a situation where the municipality is saying that they are not going to be issuing operating licences to, you know, under an E-hailing category or are you saying that here is a moratorium and they are saying
10 that they are not issuing licences at all, operating licences at all, be it, you know, E-hailing, meter taxi or minibus taxis.

I just want to understand what is the current status. Are they saying that they are not prepared to give you an E-hailing operating licence under what is referred to as in other provinces under a meter taxi category or are you saying
15 that there is just a moratorium and they are not issuing any operating licences.

MS MALGAS: Okay, the original applications that we did was obviously under meter taxi cabs. When we applied, they said to us that it is the moratorium, which was a year ago. When I went recently to and reapply for my thing, because they sent us letters to say that no permits will be granted, so I went to
20 reapply again.

Then they indicated to me that unfortunately, the municipality has asked them to put a stop on all meter cab taxis because they have now been going through the whole process of actually doing the whole survey for over a year. The survey has taken them so far a year and plus and they still have not come

to a consensus. They have not even looked at the E-hailing section with regards to, into the bill at all. They are just saying no to all meter cab taxis.

MR NGOBENI: And [intervenes]

MS MALGAS: They were not even using E-hailing [indistinct].

5 **CHAIRPERSON:** What he actually means is that we have a situation where, to an extent that there are operators, so maybe you can tell us how are they operating? How are your colleagues operating? Are there people who have allocated licences before and it is just a question that a year ago then this moratorium was introduced?

10 **MS MALGAS:** There are people that are actively using their permits and everything. They have either bought somebody's car with a permit or they have been issued permits before the time or they have rank taxis on the road basically. So they have been granted permits but the rest of us that has just applied, the new permit, the new requesters have just been stopped.

15 **MR NGOBENI:** And from government, what they are actually saying is that the, you know, from government's perspective, what they are actually saying is they are now conducting some survey to determine, if I understand you correct, to determine whether or not [intervenes]

MS MALGAS: The feasibility of it, ja. What is happening is, let me put it to you
20 the exact words that the lady constantly tell us, is they can only take on applications, right. They have to then go to the planning committee, which is the municipality in retrospect. The municipality has the right to decline or approve. So there the committee decides. If the municipality says no, they say no. If the municipality says yes, now, the municipality has been saying according to them,

they cannot because there is too many illegal meter cab taxis and taxis and things like that on the road, which in my understanding is people are coming to the department to try and do the right thing, follow the process and everything, and the illegal things needs to be policed by the department of transport and the
5 municipality. That has got nothing to do with us that actually are following the process to get the permits and go through the whole hearings and everything. But they are now stopping us based on that and the ITPS and the survey that they are doing.

MR NGOBENI: And has there been any indication from government as to how
10 long this is going to take?

MS MALGAS: I have asked that question on two occasions already, sir, and they keep on telling me as long as the municipality takes, it will take. That is the response that you get every time. There is no timeline. There is no structure. There is no common ground where they say okay, we are going to call an
15 informal committee or put together stakeholders in order to push the process or anything forward like that.

There is just no communication with regards to how long the survey is going to take, who is doing the survey, who is in charge of things or even me going to them to find out how we can assist as well. But just nothing. They just
20 say, "Sorry, you just have to wait." Sorry, he just wants to ...

MR ABDULLAH: Sorry, if I can just come in there. I myself, I do have permits for my vehicles. I have been operating in the meter cab industry five [indistinct – microphone disturbance] but in order for me to get the permits, I had to prove that I had business, like I had business for the vehicles. They would not just

issue the permits. So likewise, there is business with the E-hailing apps. So obviously for them to motivate, motivation is there because there is business. So we do not see why they should deny the application. We are just looking for assistance obviously [indistinct]

5 **CHAIRPERSON:** And other than the challenges, you know, government challenges in terms of permits, what other challenges are you facing as operators of E-hailing services in this province?

MS MALGAS: Okay, we have a variety of challenges and obviously, one of them is obviously the different commission structures that the companies are coming out for. We are also looking at, you know, proper work ethic between 10 partners and drivers and obviously, the responsibility being given. You know, the E-hailing companies are trying not to take responsibility for somebody actually working for them.

Those are also a scenario that we have to look at. We are employees of 15 somebody but nobody wants to take the responsibility that we are actually employed by the company because we are working for them under the act, but they are not indicating that we are actually employed by them.

This is the whole thing that Uber is facing currently in London where they actually got kicked out from there, as well as some of the European countries, 20 because they say that the people are not employed by them. They actually just say that you are paying us a commission to utilise the app at the end of the day. Yes, we are paying a commission to utilise the app and to be active on the app so we can have steady and consecutive trips and things like that, which is normally the case and everything. I mean, we average about, myself, I average

between a hundred to a hundred and seventy trips per week, you know, which is quite a bit at the end of the day, instead of standing still and waiting for people to come to you or people to contact you with regards to a rank system and everything. There is constantly work coming in. So I know I am being
5 guaranteed work. That is just one of the issues that we are sitting with.

The other issues that we are also sitting with obviously is the matter of safety. We are being targeted around every corner and I have actually had various appointments with SAPS to sit down with them to find out how we can work together because when we work in, like, the different townships and things
10 like that in Port Elizabeth, the guys always find or try to find it easy, to try and target us to rob us and you know, try– it is quick money for them because we obviously do accept cash as well. They try and get the money and our phones. That is the first thing that they go for and everything and at the end of the day, especially when it comes to late hours at night and early hours of the morning,
15 that is when they try and target us most of the time.

Those are all safety concerns, safety issues that we need to work with. That is why we have gone to SAPS and SAPS has indicated that they want to sit with us and work very closely with the, with the different clusters and everything but that is just some of the issues that we have. There are a variety
20 of others and I do not want to take the commission's total time up to highlight all of those unfortunate issues and stuff. That is why we want to do the whole association and get it structured so we can work properly and get all drivers and partners to be a part of that association.

MR MATTHEWS: On the fare issue, about four and half years ago before Uber and Taxify, meter taxis was regulated at around R10 a kilometre. With the introduction of Uber, Uber came in at R7 a kilometre, and since the introduction of Uber four and a half years ago, we had about 17 fuel price increases in the
 5 past four and a half years, and those are, those fuel price increases are fuel price increases that we have absorbed. And it is posing a big problem for a lot of guys now, and that is why we are asking for the commission to have a look at having E-hailing regulated.

With regulation, it will regulate the fare, which is at the moment with the
 10 E-hailing companies, Uber and Taxify, they do not own the cars. So they do not have the overheads that we have, and not owning the asset, they can manipulate price and unfortunately, this is what is happening at the moment. We are subjected to rules and regulations from Uber and Taxify which we have no control over. Fuel price increases we have no control over. So with
 15 regulation, we hope to have, to get some structure and get the guys to start earning a decent salary.

And even with the introduction of the Minimum Wage Bill, some guys do not even make minimum wage going Uber and Taxify, especially mid-week. And then where the commission is concerned, with the regulation, we need
 20 some guidance to, how the companies are going to, how are you going to impose the regulation regarding commission? At the moment, the companies just charge whatever they please.

MR NGOBENI: Thank you. And maybe just to get clarity. Ms Malgas, you indicated, just to try and understand, when you were making submissions on

commissions, you indicate that I think there is a 14% that you indicated. Is that from one of the two, Uber or Taxify, or is this a new entrant into the market?

MS MALGAS: The 14% is actually new entry into the market, which is Mashaba. They are trying to break into the Port Elizabeth market at the moment, and they have come to point that they indicated 14%. Taxify is 15% and Uber is 25% of the total, of your total trip fee basically. What they have also brought in now, Uber has brought in a tier structure for drivers. So if you are a loyal driver and you do a certain amount of trips, you have done over 5,000 trips and you have got a very high rating [indistinct] with regards to clients and everything, then they drop the commission rate to about say 22.5% or 20% total commission.

MR NGOBENI: Thank you, Chair.

CHAIRPERSON: Mr Lesofe.

MR LESOFE: Thank you, Chair. Just a follow up question on the rate per kilometre, that is the fare structure that Uber uses, are you able to cover your operational costs, taking into account the 25% commission?

MR MATTHEWS: Yes, we can but at a very small margin, depending on the vehicle you drive. At the moment, our profit margin, depending on the vehicle, is between R1.10 to not even R1.90 per kilometre, which is very small. Before Uber and Taxify, the meter taxi industry was regulated at R10 a kilometre. Now we are sitting at R7 a kilometre almost five years later, and at the fuel price that we are currently sitting at, it is, it just does not make sense to us.

MR LESOFE: And would you agree that, that is not sustainable over time?

MR MATTHEWS: Unfortunately, it is not sustainable and with the current fuel price, if we should get another fuel price increase, I am not sure how a lot of the guys are surviving, especially guys who do not drive for themselves.

MR LESOFE: Are there any Uber partners who have stopped their operations?

5 **MR MATTHEWS**: Yes, there is. The exact amount I will not be able to give you but guys are just getting out and what is happening, without regulation, Uber go through such a lot of guys getting on the platform every week. Currently, Uber PE, they have two driver assessors and they guys go through 20 new drivers they assess per week. So if one guy goes through 20 new drivers a week,
10 between two guys it is 40 a week. It is a 160 for the month, 160 new drivers that is ready to get on the platform every week.

So two to three months if the guys see they are not making money, it is not sustainable, Uber has created a pool of drivers that they can feed their own platform and without regulation unfortunately, it is going to keep going on, and
15 we need the department of transport. We need the municipality. We need all stakeholders to get together and have the industry regulated so that it can benefit everybody and not just a certain few.

MR LESOFE: Thank you, Chair.

CHAIRPERSON: Thank you. Thank you, Mr Lesofe. Mr Mandiriza.

20 **MR MANDIRIZA**: Thank you. I just want to get clarity questions. How did Uber recruit you? And did they make any promises in terms of assistance in the application process for operating licences?

MS MALGAS: Basically, what Uber does, they advertise through various social media platforms, which is anything from Gumtree, Facebook, as well as their own website and everything about that. They did place at once stage ads in the newspaper and everything. If you want to earn obviously money and they have
5 not made any direct promises to us. That is not what they do. What they actually doing is they indicate to you that it is an income base for you to earn extra money or a living but it is not a fulltime thing. That is what they really do indicate to us.

It is some way to just make that extra money to feed your family but at
10 the end of the day, there unfortunately is people out there that is using it for a fulltime basis because there is not unfortunately work out there. So people are doing this on a permanent basis to get income and unfortunately, we have no choice but to use it as an income basis because I mean, cost of living is high.

Everything is high at the moment. If we do not work, what are we going
15 to do? We are going to being still unemployed and look at our government unfortunately for assistance and things like that, which is not going to be there. We need to look after ourselves at the end of the day. We utilise this as a platform to make that money and to get out there.

MR MANDIRIZA: But with respect to operating licences, was there any
20 assistance or any promise made?

MS MALGAS: No, unfortunately, all they say is that you need to go to the department of transport and then request for a meter taxi permit and then you have to apply through them. They have not indicated or offer any assistance at all, not Uber or Taxify.

MR MANDIRIZA: So there is no Uber or Taxify offices in Port Elizabeth?

MS MALGAS: There are offices but unfortunately, those offices are only to help people with regards to getting information with regards to getting, how to fix different things on Uber or if you have problems with clients, clients leave stuff
5 in your car, and that is it. And if there is any other problems, they will send it over to head office, and then head office will contact you, which takes a while unfortunately. And they are not open on weekends or past a certain time during the day.

MR MANDIRIZA: So as far as you know, for people who, I think you have said
10 here, during the moratorium because I see Uber launched two years or so in PE and I think according to my recollection, maybe it was launched during, when we already had a moratorium in place for meter taxi operators. How are the current, the Uber drivers that were not part of the meter taxi business, how are they currently operating? Are they using an application form or a receipt or ...

MS MALGAS: They are trying to get an application receipt and I think that is
15 where the fight between Uber and the department is also coming into place, because according to the department, you are not allowed to even operate with a receipt but yet Uber and Taxify then are allowing you to operate with a receipt. So that actually stem from two years back already in Port Elizabeth. The
20 moratorium only came into place last year around June side that it came into place.

So at the end of the day, I mean, that is something that the department needs to discuss with the company but now obviously, we are being put on hold

and we cannot get our permits because of the in-fighting between the two at the moment.

MR MANDIRIZA: So in a case where a vehicle is impounded, does Uber or Taxify assist the driver partners in– let us say it is a traffic violation. Maybe
5 someone is operating illegally. Do you get any assistance from, since they have allowed you to operate on their platform?

MS MALGAS: Look, I know in Cape Town and in Jo'burg they have paid for the impound fees, Uber, but we have not have that case in Port Elizabeth where
10 a vehicle was impounded or anything like that. So they have not actually indicated whether they will be assisting or anything. Taxify unfortunately does not assist at all with regards to impound fees or anything like that. I know in Cape Town, they do actually reimburse the partner, the driver partners.

MR MANDIRIZA: Then I think from your own experience, do you think there is capacity for more E-hailing or drivers to operate in PE, for instance?

15 **MS MALGAS:** Look, at the moment, if we have to look at it, with Taxify coming into place, a lot of people that are not Uber has actually joined Taxify as well. We actually need to look and at some point, calling a limit because we are [indistinct] fluctuate market to such an extent that there is too many. The people that are actively working in the whole systems or the E-hailing systems right
20 now, the driver partners that are active, let them be, you know, and then control it from there and then see how it goes on a yearly basis instead of just flooding the market because you think there is high demand or a low demand.

There is some cases that during the week, if you do not work yourself properly or you do not check your times or how to fluctuate in-between times,

that you can [indistinct] to make R500, and that is bad on a day-to-day basis. If you want to see money, unfortunately, on the Uber and Taxify apps, you need to make sure that you obviously, your target should be a R1,000 a day. If your target is a R1,000 a day, you then need to say, "Okay, for a R1,000 a day, I use
 5 a tank of petrol," and everything. So you need to now aim a little bit more than a R1,000 so that you have a tank of petrol the following day as well, which can fluctuate easily between R500 to 7, R800 for a tank of petrol. So now you need to make sure that you have a tank of petrol for the following day as well, but the R1,000 you need to make sure that you have in your pocket because then you
 10 are not making money. You are not working smartly on the app.

MR MANDIRIZA: So if you compare when you joined and now, is it getting difficult to make your target or is it basically the same?

MS MALGAS: It is actually very difficult to make a target. If I look at when I joined last year versus now, like I indicated, my profit margin has dropped
 15 between 30 to 40% already at the end of the day. Where I used to make easily a good sum of money I week, I am struggling to even reach half of that amount now

MR MANDIRIZA: So I think from an outsider, is that not maybe indicative that maybe the moratorium that the municipality and the pre have put in place,
 20 maybe to some extent it might be justified because maybe the lower margins they are not suggestive of a saturated market, for instance.

MS MALGAS: I can understand if it is justified when they have actually got some structure and things like that in place, indicating what E-hailers are out there, what meter cabs are out there but currently, all they saying to us the

whole time is that they are still doing a survey. They are not giving any feedback with regards to the survey or anything that they have done, you know.

It is out there at the moment. Maybe because also your profit margins are dropping because of fuel prices, because you maintenance increase. Like, 5 Uber has not increased their prices for four years. Ja, since it started. They only just increased their prices because we were indicating to them that we are tired of having the same prices and we were just arguing and fighting with them [indistinct]. That is why the increase now, but not also to a huge extent.

They increased it by a small margin at the end of the day but the fuel 10 price is still continuously being high at the end of the day. So the most expensive things that we are look at, at the moment, unfortunately, is the constant fuel price increases that is hitting us hard; the maintenance and things like that that is obviously also increasing—everything is going up with regards to our cars and making sure that they are in tip-top shape because obviously, we 15 need to make sure. We carry passengers. We want to make sure our tires, our cars are being serviced on a regular basis. Our brakes and everything is working. The car is constantly being [indistinct].

Those are all standards that they have put out for us that we need to adhere to. If something is wrong with your car, they take you off the platform 20 instantly. If you were in an accident or somebody has complained that your car is dirty inside or anything like that, you get taken out. So you have all those costs that are running costs that you constantly make sure that it is being maintained.

So those are all things. With regards to the moratorium and everything being out there, the moratorium I can understand if they actually said okay, they have got so many illegal vehicles, they got some many vehicles, [indistinct] guys who are trying to get new vehicles for themselves or that the people have permits already and they are renewing constantly. But they are not coming forth and communicating with us or giving us a platform to even speak to them at all.

MR MANDIRIZA: I think I indicate I think in your response that you have an expectation that E-hailing services and meter taxis in terms of the moratorium that they should be looked at separately. Do you think from your own experience that there is a distinction between the E-hailing as a service and the meter taxis as a service from a planning authorities perspective? If I am a municipality, I am look at E-hailing and meter taxi. Should I when I do my demand or estimates, should I look at them separately or they should form part of the same kind of service?

MS MALGAS: Look, at the end of the day, it depends on the vehicle category because obviously, your vehicle cannot be older than five years. So a lot of the meter cabs that are out there currently, their vehicles are older than that. Some of them do bring in new vehicles but they do not bring it in as often as possible. So vehicle quality obviously that is something that needs to be kept in mind.

There are unfortunately, I do not want to take bread out of somebody else's mouth if their vehicle is older than five years and they have been in the system or operating and working for long periods of time. I do not think that is fair, so but in the same sense, the newer guys that are operating with regards to E-hailing and everything, should not be construed just as you know, a meter

cab or E-hailing or anything. If they want to operate on both platforms or both things, should they not be given an opportunity as well?

MR MANDIRIZA: Okay, thank you, Chair.

MS NONTOMBANA: Okay, thank you. I just want to get a sense of whether
5 you know the fleet of Uber and Taxify drivers in PE from when it was launched and now. Do you have any idea?

MS MALGAS: Look, it fluctuates quite often. At the moment, if I am not mistaken, I stand to be corrected, there is plus minus say 350 Uber drivers and partners and things operating within Port Elizabeth. With regards to Taxify, I
10 cannot really answer but Vince will be able to answer.

MR MATTHEWS: With Taxify, when Taxify first launched, they wanted 120 cars. With the first round of consultation, 136 guys signed up. Taxify at the moment is running, I am not, I cannot give you the exact amount of active cars but it is just over 260 Taxify cars in PE at the moment.

15 **MS NONTOMBANA**: Okay. And then one of the things that we heard is that because a lot of the E-hailing drivers facing financial constraints, some of them have had their cars repossesses. Are you also experiencing the same trend with the increase in the numbers but also in terms of whether they remain on the system or they then get removed because they cannot deal with the
20 financial constraints that they have.

MR MATTHEWS: Look that is happening to quite a number of people. What is going on if they still do have their platform active, they can either choose do they want to go and drive for somebody or do they want to see how they can work to get back on the platform with their own vehicle? Ideally, the best

scenario would be to drive for yourself because your profit margins you see higher than actually driving for somebody at the end of the day.

But what do you do if you cannot afford or cannot get a bank to actually approve you for a vehicle or to get financing or anything like that? You do not
5 have a choice but to then drive for somebody and then try and save that money up and then try and get your vehicle but then you are sitting with a problem at the end of the day. Do you get an Uber slot? Do you get a Taxify slot? Currently, Taxify still has open spots available but Uber has cut all slots off. They are not taking any new vehicles or anything like that. So if you do buy a vehicle and you
10 are only operating on Uber, there is no guarantee that you are going to get a slot.

Uber has their own mechanism of granting people slots. They look at how many years you are running, if you— how often have you been working and all of those things as well. They do grant to drivers opportunity—there are so
15 money slots that are open, we want to give it to old drivers—but there is no guarantee if you do buy your own vehicle.

MS NONTOMBANA: And then in terms of compliance with regards to having operating licenses, do you have a sense of the percentage of drivers for both Uber and Taxify that operating with or without licences?

20 **MR MATTHEWS:** Unfortunately not. The only people that would be able to answer that is the apps themselves because obviously, all those documents and things get loaded onto their systems and they will be able to determine who actually have operating licences and who is operating with receipts.

MS NONTOMBANA: And then the last question I have is something you raised in your presentation regarding the unfair opportunities for women in transport, and I am not sure whether you were speaking generally or you were speaking specifically in relation to your experience as an Uber driver. So I wanted you to
5 just elaborate on what you meant by that.

MR MALGAS: Okay. I am speaking basically from an experience from, as a woman driver, Uber driver. You know, when people see you as a female and you are coming to fetch them, they are like so shocked. Unfortunately, we do not have a choice. I cannot sit at home, twiddling my thumbs, waiting for
10 something to happen or anything like that. If I need to make a salary, an income, or earn a living, that is unfortunately– I have a driver’s licence. Why should I not use that as an opportunity, you know?

I also have found that even with regards to any other modes of transport, even with the bus companies, you see a very small margin of female drivers out
15 there. The margin is not very big and the opportunity is not really being given. As much as what the males are unfortunately the breadwinners in the family, there is some cases that the females are also the breadwinners in the family, and we need to be given opportunity as well.

We do not just sit back. We also want to be uplifted. We also want to be
20 owners of transport in different transport and areas and things like that and I mean, the only way that we are going to be able to do that is if we take the– grasp the opportunity and just go for it. I mean, I fight with Uber on a daily basis to get more females and things like that on the platform. I do understand some females are scared. Some females do feel intimidated when dealing with certain

clients and things like that but I am very straightforward. If you treat me with disrespect, I will treat you with disrespect. If you treat me with respect, I will treat you accordingly. So at the end of the day, it is how you handle the situation on the road as well but never feel intimidated with regards to people. There is
5 always people willing to help.

CHAIRPERSON: You have, Ms Malgas, talked about the flexibility that the E-hailing service providers are able to provide to commuters, in terms of flexibility in terms of being able to respond to requests to be picked up at certain points and the like. And you have also talked about the self-employment opportunities
10 that the service has been able to provide to people who are employed within in the city. I would just like to find out what the impact has been of the introduction of E-hailing services in the city on the traditional meter taxi industry.

MS MALGAS: Look, I cannot really speak too much on that. A lot of the actual meter taxis have come over to join Uber as well. If they have the means or they
15 have access to funding or whatever, they made ways to actually integrate themselves into the Uber system as well. But maybe he will be able to grant you more information on that.

MR ABULLAH Hallo, Chair. There has been an impact for old meter cab industry, but there was also challenges in the old meter cab industry as well
20 where we would have for example, pirate taxis, who would just buy a taxi sign from Midas and operate. So we also had our challenges, how we were affected also and we could not capture the market properly. Also being in the old meter cab industry, I mean, you would pay marketing for example, in a month and it might not pay off whereas with Uber, when they came in and with their

commission structure they started with, we found it more feasible to give Uber that money and they would guarantee us the business.

So Uber coming along has improved a lot. They did a lot better than what we were doing but there were also challenges in the old meter cab industry.

5 And going forward, I mean, myself, I move forward with Uber and I am quite happy with it. So the challenges that faced before and you know, a lot of them has got impacted. A lot of companies has closed up, probably more on reluctantcy[sic] to join and reluctancy to follow technology because, I mean, with Uber everything is on the app; the way you charge, you know, seeing the
10 person, having the history of who they are because you can rate them—other drivers do rate them.

So you feel more secure. You feel more safe. You know that someone is watching you on every trip. They do provide security options and all these things. We did not have that in the meter cab industry. So they were doing from
15 A to Z better than us. So those of us who could obviously join and joined the wave, we have benefitted from that but those who have not and were more reluctant I would say they did not benefit from that. That is what I believe.

CHAIRPERSON: So after the introduction of E-hailing services within the city, did that see a decline in the number of minibus, sorry, meter taxi operators or
20 did the situation remain the same?

MR ABDULLAH: I would say there was a decline for the sole purpose being Uber obviously has come in as being more affordable. So there was a small portion of the market that would utilise meter cabs. It was not so widespread. What Uber has come in, by making it more affordable, they have actually

widened that market. They have actually made more people come on board to utilise this type of industry whereas everyone was not using it, but there definitely was a decline.

I would say simply because Uber has been more efficient. I mean, for a
5 metre cab, you would be sitting at a rank and whereas I would be operating by
the airport. You we would pick up clients from the airport or wherever your
specific rand was but with Uber, they sort of cut out that dispatch to going to a
client. Because someone that is close by to you would obviously have a
request, and it pings to that person that is close to them. So they cut out their
10 dispatch going to them, which makes the price more affordable because when it
came to the meter industry, that was not as efficient.

So you would, for example, take a client from the airport and maybe take
him to Uitenhage but you did not have a trip coming from Uitenhage back to the
airport. So that [is] dead kilometres you would drive out, whereas with Uber, you
15 drop someone maybe in Kwamakhati, someone request you in Kwamakhati,
you end up going to New Brighton, someone request you there, you end up
going back to Central. So you profit along the way because of your short
dispatch and because there is a market out there.

And I mean, Uber, before we never used to transport kids the way we are
20 doing now, the disabled, and where we take people that come in wheelchairs as
well. We assist them. We take people that pick up their kids from a nursery. I
mean, we take people from the taxi ranks to their respective place because
obviously, a taxi does not go specifically to the door. And we take them also

like, for example, from the hospitals to the taxi rank where they utilise the minibus taxis, which is obviously more affordable.

So we work hand in hand where we can but the meter cab industry, I mean, like I said, we use a app. Everything is on the app. For them, they had to
5 install a meter and there is all this type of protocol that they had to go through. So for those who joined over to Uber they have benefitted but yes, obviously there was a decline due to obviously the inefficiency that was already in the meter cab industry whereas Uber has improved that, and that is obviously the reason for their popularity and why they are chosen amongst commuters.

10 **CHAIRPERSON:** And what has been the impact of the moratorium that you spoke about in relation to the issuing of operating licences for meter taxis on the growth of E-hailing services within the city?

MS MALGAS: Well, at the moment, obviously, the moratorium is stopping us from getting any type of permits, whether they— because they even to utilising or
15 granting permits under E-hailing. They said to us that the application is for meter taxis. The department's branch over here is only concentrating on meter cab taxis and that is where the problem comes in when the bill actually is granting us an opportunity for E-hailing.

They have now taken the whole thing and said no, the moratorium is on
20 meter cab taxi because the municipal [sic] is running the survey. The impact of that whole thing is we obviously want to be legal on the road. We do not want to not follow policies and procedures with regards to our government and our municipalities. We are pushing them as well as ourselves to actually commit to something at the end of the day.

Give us deadlines, give us timelines so we can know what we have to work towards. If there is problems or issues, tell us what you need assistance with, how we can help out there because obviously, we are the ones benefitting. We are the ones that are working, you know, with those permits and everything.

5 So if you, if they are constantly keeping quiet as the department and as the municipality and everything, how are we going to be operating properly? How are we going to be operating within legal bounds?

At the end of the day, we are operating illegally. So we need to come to some form of understanding, with the help of the commission and everything,
10 that they are put under deadline as much as possible. They cannot just say, "Sorry, we cannot grant you permits based on the fact that we are waiting for the municipality to run their survey." How long is the survey going to take? What is the process that you are taking for the survey?

Are you having public hearings with the communities and people at large
15 or with even us as Uber and Taxify E-hailers out there and the meter cab associations? What do we need to do to work as a common ground, as a common goal over here at the end of the day? That is the issues and the most important issue and the problem that we are having right now at the moment: the non-communication from the department as well as the municipality at large.

20 I mean, if the political heads do not even know what is going on with regards to the moratorium, how am I supposed to understand that they are using this as a basis for ITPS, the BRT, as well as the meter cab taxis because they are actually using ITPS and the illegal meter cab as a, you know, as an

excuse for the survey. Granted. Tell us what we need to do in order to move forward.

MR MATTHEWS: Just to add on what Carmen said, my question to the committee would be: I am operating with a legal permit, which expires in
5 November. Now, if the department of transport place the moratorium and my permit expires, I have a family to feed. Who is operating illegally then? Is it Uber allowing me to operate or am I operating illegally?

I have an onus on my family to put bread on the table for them, and from my point of view, I am going to operate. I have to because I have got financial
10 obligations to meet and it is very frustrating for us not knowing the way forward or whether my permit is going to be renewed or whether I am going to be operating illegally and stand a chance of having my car impounded.

CHAIRPERSON: So I think just to follow up on what you have said, just said, Mr Matthews, so does the moratorium apply to both renewals as well as new
15 operating licences for ...

MR MATTHEWS: Yes, the moratorium applies to renewal of permits also. So in my case, I am working. I am operating legally but the concern that I have is once my permit expire, what then? What would be the way forward? I do not want to operate illegally. I do not want to run the cost of or run the risk of having
20 my car impounded and then have that cost, occur the cost of getting my car out of the pound. And that is a decision that is out of my control, getting the permit sorted.

CHAIRPERSON: At the time when the moratorium was imposed, which I think, Ms Malgas, you indicated was sometime last year.

MS MALGAS: Last year on June side, ja.

CHAIRPERSON: Was there a surge in applications for meter taxi operating licences? In other words, was the moratorium a response to some kind of a surge in applications for meter taxi operating licences?

5 **MS MALGAS**: The ladies at the department have indicated because they get on a weekly basis between, as per the indication, because obviously, if you have more than one car, you have to do an application individually. You cannot do one bulk application for two to three cars. So they have indicated there was an influx, a very high influx to 200 to 300 applications per month.

10 **MR ABDULLAH**: Sorry, Chair, if I can just [intervenes]

CHAIRPERSON: So as far as— because you are in the industry but did you observe the influx? Was there an influx?

MS MALGAS: On the occasions that I was at the office, there was, the office was not packed, you know, as per what they indicated. The only thing that I
15 actually just saw was four or five people coming in to come and do a request for permits and everything, and it is always just the same thing: they would and find out immediately what it is for. If you do indicate it is for Uber then they block you.

Then you have to come back and say that it is for a meter taxi cab and
20 then they will take, you know, do the whole process so you can go pay for the application. But I did not see like the whole room with regards to the application centre where they actually do everything being filled as per what they indicated. They say they are getting 300 applications every month but I have not seen that. Maybe it is because people are actually launching fleets, which can easily

be between five to 10 cars and that is also a problem that they were sitting with, that too many people were bringing in fleets of cars to operate

CHAIRPERSON: Mr Abdullah, it seems as if you wanted to say something.

MR ABDULLAH: Sorry, just something small. When I applied, I also applied
5 last year around June, July, somewhere around there, I did get approved but my understanding is that it is on the basis that you can prove you have business for this vehicle or for this licence that you would get approved.

So if you could prove that you had business for this vehicle and this operating licence, you would get it granted. So our understanding obviously is
10 that there is business for the E-hailers when they apply. There is proof that they will get money out of this permit. Please assist us and let us operate legally.

CHAIRPERSON: Just back to the scope of the moratorium, does it also cover the traditional meter taxi operators, not necessarily operators who want to provide E-hailing services? Are you aware?

15 **MS MALGAS:** Well, according to the department, it was all meter taxi permits that was stopped and the moratorium was put on all of them.

CHAIRPERSON: Alright. Thank you. Ja, thank you. Thank you very much, Ms Malgas, Mr Matthews, and Mr Abdullah for your presentation as well as for your time. We will certainly take up the issues that you have raised with the relevant
20 stakeholders, including the city as well as the provincial department of transport. Thank you very much. You are excused. Just an announcement. I am told that lunch unfortunately is delayed and will only be served at two o'clock. Apparently, it will be served at the room at the back at two o'clock. You are

welcome to join us for lunch. We will be back after the lunch adjournment at 2:45, which is quarter to three. Thank you.

HEARING ADJOURNS

Session 3

CHAIRPERSON: Welcome back. We are about to start. Can we start? We will now receive the next presentation from Spectrum Alert but before we do that, we would like to profusely apologise for the delay in terms of the or the delayed
5 lunch. Unfortunately, the situation was completely out of our hands but we would like to sincerely apologise for that delay. Lady and gentlemen, thank you very much for coming, and thank you for your patience. We would also like to extend an apology to yourselves and we really appreciate your staying as well as your patience. Thank you. Thank you very much.

10 We will just start with the formalities. If you could please take an oath or the affirmation. There is a mic on the table. You can use that mic.

MS HEYDENRYCHT : I, Theresa Heydenrycht, swear that the evidence that I shall give, shall be the truth, the whole truth, and nothing but the truth. So help me God.

15 **CHAIRPERSON**: Thank you very much, Ms Heydenrycht.

MR VAN ROOYEN: I, Mr Winston van Rooyen, swear that the evidence that I shall give, shall be the truth, the whole truth, and nothing but the truth. So help me God.

CHAIRPERSON: Thank you very much.

20 **MR KING**: I, Christiaan King, swear that the evidence that I shall give, shall be the truth, the whole truth, and nothing but the truth. So help me God.

CHAIRPERSON: Thank you very much. Mr Lesofe, I understand that you will be leading this presentation.

MR LESOFE: Indeed, thank you, Chair. Mr King, I assume you will lead the discussion from your side. Thank you very much. If you could start, if you could just start by giving us your background.

MR KING: Thank you, Chairperson, Program Director, and very good afternoon
5 to the audience out here. First of all, we are taxi operators from the informal taxi industry, and we are participants in the IPTS program with an agreement with the municipality to operate the bus system on behalf of the city. That is what we are.

MR LESOFE: Thank you, and which taxi association do you come from and do
10 you represent?

MR KING: We are actually from two associations. Myself, I am from NATOA, which is Northern Areas Taxi Operator's Association, and the lady, Mrs Heydenrycht, is from Algoa Taxi Association, and together we have formed a vehicle operating company to do the services for the city.

15 **MR LESOFE**: Thanks, and if you could just identify the routs that were and are still being serviced by Natao. Ms Heydenrycht will do the same in relation to Algoa as well.

MR KING: Thank you, Chair. The trunk route is from Claripark shopping centre, all along Stanford Road to the CBD, and then we have, currently we have three
20 feeder routes which extend beyond Claripark to Booyenspark, to extension 31, and also to Klein Skool. Now, those are the routes that we have agreed upon for the interim phase 1A, and we still have other routes that should be add[ed] as we get along and just observe whether the system is working. Thank you.

MR LESOFE: If Ms Heydenrycht could also– I am not sure if you operate a similar route.

MR KING: It is the same.

MR LESOFE: It is the same routes? Okay, alright. Thank you. And you mention
5 that the two associations jointly run a VOC. Is that Spectrum Alert?

MR KING: That is correct.

MS HEYDENRYCHT: Yes, that is correct.

MR LESOFE: And if you could just take us through the circumstances that lead to the formation of the VOC, including when was the VOC formed.

10 **MS HEYDENRYCHT**: Both taxi associations is operating on the same route, same area, and the two formed one VOC to run the same route together because the municipality was not prepared to do business with two different associations. So we had to form one VOC and then they negotiate with the same board of directors of Algoa Taxi Association and Northern Areas Taxi
15 Operators.

MR LESOFE: And are the two associations the only associations that are affected in the area where the VOC operates?

MS HEYDENRYCHT: Yes, that is the only two taxi operations, operators that is that side.

20 **MR KING**: Can I just add with that? Though we have operators that are via the Claeripark route, they are not actually servicing. They actually load beyond Booyenspark and other surrounding areas but faring the people to the CBD or

the Corsten area, they via the Stanford Road route but the system does not affect their operations.

MR LESOFE: Thank you, and we understand that there is also an entity known as Laphumilanga [? 00:13:12]. Do you have any relations with that entity? Have
5 you had any relations with the entity if not?

MR KING: Unfortunately, not, Chairperson. I think that is an entity that is dormant at this stage because they ceased to operate some three years ago. I do not know what transpired there but the city then wanted to negotiate with associations. I think legislation makes it clear that the affected operator of the
10 associations should be consulted and I think that is exactly what the city has done.

MR LESOFE: Were you part of Lapumilanga at some point?

MR KING: I think somebody actually whispered in your ear. Yes, Chairperson. Yes, Chairperson, I was part of that structure but, Chairperson, it was during
15 their operational or I do not whether I should regard that as operations because they never had any physical operations that one can actually identify them as an operator. They had an office in the, the officials and so forth but there was never talk or even a plan of the operations. That is why at some given point, I decided just on my own that this is a waste of time, and then I actually withdrew
20 my participation from that structure.

MR LESOFE: And when was Spectrum Alert formed?

MR KING: Spectrum alert was registered in July 2017 but prior to that, we registered two association based companies in order for us to participate here in the VOC because there is, Algoa Taxi Association has got association based

company Spectrum, and NATOA is Alert. We are always Alert. So when we got together in that negotiations, we decided to have the Spectrum Alert formed, Chairperson.

MR LESOFE: Just before we get to the negotiations, if you could just describe
5 for us Spectrum Alert's structure, including the management and the board structure.

MR KING: Okay. Thank you, Chairperson. We have a board of directors, comprising of 10 individuals. We actually took the initiative to have the 5/5 board members of the two association based companies actually to form this
10 negotiating team, and it was the negotiating team that actually landed up as the board of directors.

Now, there is the board that— can I just move one step back? We have shareholders. The shareholders is the members of the two associations. Now, I want you to know on the onset that not all of them are shareholders, not all the
15 members of the associations are shareholders. Some of them have opted to stay on the outside because of their modus operandi. They still have contracts and other operations that they are busy with.

So therefore, you should know that not everybody is a shareholder but as we speak, we have 174 shareholders of the VOC and we have a fleet of taxis,
20 which is 198. We have a management structure. We have a CEO. We have a CFO. We have an HR manager. We have an operations manager. We have a payroll office. We have a depot manager, and from the depot manager, we have all the supervisors and all of those.

Currently, we have 376 employees at the VOC. We are operating, the feeder routes we operating with the minibus taxis, and we are operating the trunk service with the articulated busses, the busses that was leased from the city—actually for *mahala*, we do not pay for the busses. We are only responsible
5 for the maintenance of the busses, Chairperson.

MR LESOFE: Thank you. Thank you very much. In your management structure, if you could give us a sense in terms of how many positions are held by former taxi operators. Are there any positions that are held by former taxi operators?

10 **MR KING**: Chairperson, yes. I am a taxi operator for over 20 years, and I am the CEO of the VOC. The lady next to me, she is the depot manager and she is also operational with the taxis for quite a number of years. Now, the only positions that we have outsourced at this moment is the HR department, the CFO, and the payroll. That is the on— and the operations manager. That is the
15 only positions that we have outsourced but all other positions are filled by taxi operators.

MR LESOFE: And were you part of the outsourcing process?

MR KING: Yes, sir. Yes.

MR LESOFE: Okay. Now, if we could go to the IPTS project.

20 **MS HEYDENRYCHT**: IPTS.

MR KING: IPTS.

MR LESOFE: I beg your pardon, IPTS, yes. So what is your current arrangement with the city in relation to that project?

MR KING: Okay. The city works out the schedule for the services that they expect us to render. We have to work out our waybills and our operational matters. So we are getting paid for the kilometres that we are travelling and at this stage, we have 100 taxis that we have parked in the depot. It is a bit
5 unhealthy vehicles that we are parking. It is some of the vehicles that were operational but they were servicing the trunk route area. In order for us to make the bus service lucrative, we had to remove some of the taxis from the route. So that is where we are at, at this stage. The city also pay us the compensation for the taxis, which is an amount of R,7,700 per month per vehicle, and then we
10 have the lease vehicles, that we are rendering the feeder services, that is R13,000 per month per vehicle. Now the VOC is actually the recipient of the funding and then we distribute amongst the shareholders.

MR LESOFE: So just to make sure that I understand you well: the 7,000 that you have referred to now, is that what you are paid over and– in addition to
15 what you mentioned earlier in relation [intervenes] to the kilometres.

MR KING: Rate per kilometre.

MR KING: Yes, that is in addition to that.

CHAIRPERSON: And is the 7,700 per month per vehicle, is this compensation for the minibus taxis that you said are unhealthy and had to be parked
20 [intervenes]

MR KING: That is correct.

CHAIRPERSON: ...at home and you mentioned that this is in terms of number, it is about 100, a 100 minibus taxis.

MR KING: That is correct, sir.

CHAIRPERSON: And then the 13,000 it is for the VOC leasing the minibus taxis from the operators.

MR KING: That is correct, sir.

5 **CHAIRPERSON**: And how many vehicles are we talking about, those which are on lease.

MR KING: We are talking about 98 vehicles but for the three-month period, because our operation is only now for three months, this— the day after tomorrow we will be in operation for three months, but now for the past three
10 months the vehicles are parked there. We have only managed to have 83 vehicles that we are invoicing the city for lease money because there is some of them if the licence or the operating licence of the vehicle have expired, then unfortunately the city is not prepared to pay us for that. So we are just busy sorting that issues but at the same token, I need to also mention that we are
15 also responsible for now to pay the HP of the vehicles because some of the operators have vehicles that are still under HP. So the VOC currently, because that is a matter that we need to still engage the city about so that we can get a resolve on that one because ultimately, the city should take responsibility for paying those HP vehicles because if I look at and do my calculation, there is a
20 vehicle for example, that has got 11,000 HP per month. Now if they give me 2,000 I cannot give that operator just 2,000 and the other operator receive that amount of money. So we have tried our utmost to level the playing field and give everybody that has ceded his vehicle to the VOC the same amount of money, and we are taking care of the HP as well.

MR LESOFE: Thank you. Now, your current arrangement with the municipality, is it governed by a written contract. Do you have a written contract with the municipality?

MR KING: We do have. We do have.

5 **MR LESOFE**: And what is the duration of the contract?

MR KING: The duration is three years, the starter service. Now, it was our understanding that during this period, the starter service period, we will commence with the negotiations for the 12-year contract so that we get full participation of all the operators in that 112-year contract.

10 **MR LESOFE**: And from how you explained your operation, it appears that your model is a hybrid model.

MR KING: That is correct.

MR LESOFE: And it seems to be different from the model that is used in other cities. Why did you chose this kind of model?

15 **MR KING**: You know, Chairperson and audience, I think it is important that we understand the taxi operations and even our customers for that matter. It will not be a mind change overnight. We thought that this would be the best suitable vehicle to utilise the taxis in order for the commuters also to understand that this is the taxi industry so that we cannot find the situation where people will still
20 maintain they want the taxis as their mode of transport. I think the reason also for opting to utilise the minibuses, those area routes it is easy [sic] accessible for a minibus taxi then to operate a bus in that area, hence the reason why we said rather let us, for the interim phase, let us have the minibus taxis and maybe

at a later stage, if we can manage to scrap those part taxis that are on the depot so that we can procure minibuses, which is a bus that will be able to operate on that same route.

MR LESOFE: You mentioned earlier that not all operators are part of the VOC.

5 Are you in a position to estimate the number of operators who are not part of the VOC?

MR KING: [Indistinct 00:38:51] just over a hundred. Also, one of the reasons why we do not have full participation of the taxi operators, there are still two very lucrative routes, the area routes, that the, that are not being serviced by
10 the current IPTS project. So it will be suicide if we say let us remove all those taxis or everybody must just come on board simultaneously. Then those commuters will not be able to receive services from the VOC.

MR LESOFE: And are there any operators who service the IPTS project routes who decided not to be part of the VOC?

15 **MR KING**: You see, I am saying that— yes, yes, there are. I think the legacy left by Lapumi'langa, there were some that were playing a waiting game. They wanted to see whether this thing is going to materialise and in the meantime, they did not realise that this was the plan. I think they attended meetings, all of them, all of them were afforded an opportunity—I need to reiterate that—they
20 were afforded that opportunity but it is out of their free will that they are not participants at this stage.

MR LESOFE: And what do they do currently? Do they compete with the VOC or what? What is the arrangement?

MR KING: I cannot say that they are competing because majority of them are operating on the routes that are not services by the VOC. I mentioned earlier that some routes are on the periphery of the area which we are servicing. So they do conduct their services from there and then just via our route of the trunk
5 services.

MR LESOFE: Okay. If you could talk briefly about the role that is played by the municipality in relation to the IPTS [sic] project. What is the municipality's role here?

MR KING: The municipality is actually monitoring and they are also responsible
10 for distribution of tickets and they are also responsible for the infrastructure and all other related matters of that. So the city, however, or the officials, we do have a very good relationship with them. I think I must say that the project manager, who is a young and vibrant guy and I think he has got a passion for what he is doing, and I think that is assisting this program a great deal.

15 **MR LESOFE**: I assume they are also responsible for revenue collection.

MR KING: That is correct.

MR LESOFE: Okay. And do they share any information with you in relation to revenue collection [intervenes]

MR KING: Yes, yes, they do.

20 **MR LESOFE**: ... how much has been collected and the distribution thereof.

MR KING: Yes, they do but it is not on a regular basis, and I think that is— there are some issues that we just need to just tie up some loose ends in order for us in moving forward, we can all be on the same page at all times.

MR LESOFE: What do you mean when you say, “not on a regular basis”?

MR KING: I have expected that for this interim period, especially now that we are three months in operations, that we should get information maybe once a month so that we can also understand that this is the shortcoming so that when
5 negotiating, we can also advise on certain issues, how we can improve on certain things. I can also just mention that in their planning I think there was an oversight on the distribution outlets for the ticket sales. I think that is one of the shortcomings, and I think that is one of the issues that is actually not enabling us to operate on our full potential because so many people, if they are without
10 tickets, then they would rather jump in a *jiggileza* or whatever mode of transport.

MR LESOFE: And then in terms of the procurement of services such as cleaning and security services, whose responsibility is that?

MR KING: I think we are very fortunate as a VOC that we have trained securities and it is an ongoing program that we are training our own securities.
15 We first scrutinise and see who is fit that specific field and then we get them trained, and the security will eventually be our responsibility. Currently, we do have a security company in the form of Fidelity that is assisting the city with the security service at the depot. I think there is a simple answer to that. Our securities do not have a firearm compliance but though there are few that we
20 have managed to put through training, and some of them came there with a competency certificates for firearms. So in the very near future we will have the security conducted by ourselves.

When it comes to cleaning, we are making use of the industry staff, the conductors and some of the other people that were actually working at the taxi

ranks. So we are occupying them for the cleaning services at the depot, vehicles and also the premises.

MR LESOFE: And are there any services that have required you to appoint external service providers?

5 **MR KING**: Not at this stage. Not at this stage.

MR LESOFE: Okay. It is still early days but I wonder if you could just comment on the performance of the VOC thus far. Are you attracting good numbers? Are you seeing anything positive?

MR KING: Yes, if I can give us in a scale of 10, then I would say we are at
10 seven when it comes to attracting customers because we do every now and then receive comments that the customers are very happy with the services that we are rendering.

MR LESOFE: Thank you. So, I am asking you this question because there is currently some sort of a debate in the industry, and this debate is largely based
15 on the performance of other BRT systems in other cities and a number of concerns have been raised. One of the major concerns is that the BRT systems are not, are failing to increase ridership and as a result, they cannot reduce their cost, their operational cost. Instead, those costs are increasing, and this has essentially resulted in them expecting even their subsidies from government to
20 be increased, and when you look at the fares that they generate, they are substantially low. So essentially, in other cities the picture does not look good, and there have been questions about whether this, the BRT system, is sustainable. So that is the context within which I pose the question, and

perhaps with all of these factors in mind, from your perspective, are you not likely to face similar challenges as time progresses?

MR KING: Chairperson, thank you. I think the city with the operators have done an excellent job to come this far with this project, and I want to put it to
5 yourselves come next year this time and you will see the results, because on a daily, weekly basis, monthly basis, there is an increase in the ridership. I have one concern that I have raised with the city, is the distribution of the ticket sales. You see, if we can have more outlets because currently, we have two outlets of the city but with my discussion with the project manager, they have procured
10 some facilities for the ticket sales. Now, that will also be work that will not outsourced. It will be internally of the VOC, that we will have people at the ticket sales as well. We will just have to work out the dynamics as to how are we going to get our fingers on the tickets. Do we need to buy it? Because currently, the VOC buys tickets at the outlets of the municipality and then we redistribute
15 but at the same time, I can also say that we are making a profit on the ticket sales, though it is minimal but it is a profit at the end of the day.

MR LESOFE: Overall, would you say operators, that is your shareholders, are happy to be part of the VOC?

MR KING: Very, very much, Chairperson, so much so that there are other
20 members of associations which are not affected by this service, quality of the taxi industry, and whenever I speak with them, they want to know the possibility of them participating here in phase 1A and unfortunately, I cannot agree on that matters but very seriously, even tomorrow the PRE, the provincial regulatory entity, they are considering applications tomorrow. So the taxi leadership and

representatives will be there, and I think I will go one further to bring along some of them to this hearing tomorrow. The hearing is starting at eight, maybe say half past nine or so I will ask them to come here. They can actually testify what I am saying.

5 **MR LESOFE**: Thank you very much. One of the thorny issues that has arisen in other cities is the issue in relation to the 12-year contracts that VOC conclude with municipalities. So operators in other cities have raised this as a concern because their main concerns is that it is not guaranteed that after 12 years they will continue running the operations, maybe because after 12 years there will e
10 a tender process, and with a tender process, nothing is guaranteed. Just to get your thoughts on that.

MR KING: Thank you, Chair. Chairperson, I have got a total different opinion on that matter. You see, if I look at 12 years and my planning and everything is correct, then the operation will be a success and after that 12-year period, I do
15 not see anybody coming from out of space, not knowing the operations, and come and beat me with that tender. I think this is an opportunity and I have got my foot in the door and I think it is entirely up to me as to how I conduct the service. That will be the determining factor. I cannot operate this project with so many problems and then I expect that after the 12-year period, the city should
20 just say to me, "No, it is fine. I will keep you here." If I cannot improve what I have now over this period, then they must kick me out, Chairperson, and I think that is what I am trying to rub off here at the shareholders and other members.

MR LESOFE: Do other shareholders actually share that sentiment?

MR KING: Yes, Chairperson, yes.

MR LESOFE: Thank you, Chair.

CHAIRPERSON: Thank you, Mr Lesofe. Mr Ngobeni.

MR NGOBENI: Thank you, Chair. Just to understand, the compensation agreements, what is the current status? Are they finalised? Are they completed
5 at the moment?

MR KING: Yes, we have concluded that compensation agreement for the period of three years.

MR NGOBENI: Okay, and everyone is happy

MR KING: Everyone is happy.

10 **MR NGOBENI**: And the way I understand it is that at the conclusion of these, after three years then what is going to happen? Is there going to be further discussions on ...

MR KING: Yes, Chairperson. Within this three-year period, we will resume the negotiations for the 12-year contract.

15 **MR NGOBENI**: Okay. And I am just trying to understand, so what was the process followed in terms of your operating licences? Where they— because we understand in other provinces they have been taken away, ja.

MR KING: No, no, something different, Chairperson. The VOC is actually taking that operating licence in their possession and we are also responsible for
20 renewal and all of those things of those operating licence. We did not cede it to the city.

MR NGOBENI: Okay. And you mentioned in your– one of the questions you gave to Mr Lesofe that there is a feeder system that some of the taxis are, you know, they are operating what you refer to as a feeder system. Is this a feeder system to Spectrum Alert?

5 **MR KING:** That is correct.

MR NGOBENI: And what is– are there still, you know, the operators from the two associations, Algoa and [intervenes]

MR KING: And NATOA.

10 **MR NGOBENI:** And NATOA, okay. And just to understand, from the area where you are from, the northern areas, where there other associations that were in competition with you or was it just NATOA?

MR KING: No, it was just the two associations.

MR NGOBENI: Just the two associations.

MR KING: Ja.

15 **MR NGOBENI:** Okay. Thank you, Chair.

CHAIRPERSON: Thank you, Mr Ngobeni. Mr Mandiriza.

20 **MR MANDIRIZA:** Thank you, Chair. I just want to get clarity on the compensation. I think you mentioned 7,700 and the 13,000 that you mentioned. What is the duration? You said it is per month. I just wanted to know is it going to be per month for three years?

MR KING: That is correct, Chair.

MR MANDIRIZA: Right. Then what is going to happen in the fourth year?

MR KING: Chairperson, as I stated previously, we are going to commence with the negotiations for the 12-year contract and I think the legislation is clear that the operators should have a negotiated contract for that period. Now you see, this starter service or this, was actually to test the system, because of the
5 history with the Lapumilanga the system could not be sustainable. So the city opted to have this period so that they can test the system as well.

MR MANDIRIZA: Is that why the motivation to retain the operating licence [intervenes]

MR KING: Yes.

10 **MR MANDIRIZA**: ... as a VOC so that you test the system and if it does not work, at least members will still have their operating licences and they are able to go.

MR KING: That is correct, Chair.

MR MANDIRIZA: Okay, because I think it is a unique

15 **MR KING**: Yes, yes.

MR MANDIRIZA: ... it is a unique system from what you have seen everywhere. They cede the licences to [intervenes]

MR KING: Yes.

MR MANDIRIZA: ... to the province. I think you also— so this starter service,
20 the three years that you refer to, from the experience of Lapumilanga, are you confident that everything would go on well from the way you are assessing the situation at the moment?

MR KING: Yes, Chairperson, I am very confident.

MR MANDIRIZA: What are the lessons that you have brought into the VOC from Lapumalinga? What was going on wrong there that you have tried to fix in this current VOC?

5 **MR KING**: Okay. Chairperson, first of all, the operators were never consulted with Lapumilanga, so much so that the opinions of other operators were not considered, and it was only the management of Lapumilanga at the time that actually took decisions on behalf of everyone. As much as I tried to convince them to consult with affected operators, they would not listen. I think Mr
10 Browning is here to actually share. He is aware that I was there and I said, "No, guys, we are not doing this thing correctly." So I am confident that we are on the right track here, Chairperson.

MR MANDIRIZA: Now, over and above the shareholders that you have mentioned in the VOC, does the VOC have a board?

15 **MR KING**: That is correct.

MR MANDIRIZA: And how is it composed?

MR KING: We have 5/5: it is 10 directors, 5/5 from each association and I say "association" because that is where we got the starting point from.

MR MANDIRIZA: And the municipality, is it involved [intervenes] in that?

20 **MR KING**: No, they are not serving on the board, Chairperson. They are participating when it comes to negotiating meetings.

MR MANDIRIZA: Okay. Now, did the municipality assist in terms of appointing service providers to structure the VOC?

MR KING: Yes.

MR MANDIRIZA: And if you can mention some of the services that they have assisted you in structuring the VOC.

MR KING: Mr Browning was one of our technical advisors, and we had an attorney that assisted us with legal matters of the contract issues and so on, and they had the responsibility to foot that bill on behalf of us.

MR MANDIRIZA: Thank you, Chair.

CHAIRPERSON: Ms Nontombana.

MS NONTOMBANA: Just a few questions from my side. The first one is to just confirm: there was no lump sum payment on the compensation model?

MR KING: No.

MS NONTOMBANA: It is only the amounts you mentioned.

MR KING: That is correct, ma'am.

MS NONTOMBANA: Okay. And then another question I had was with regards to the determination of fares for the routes. Was that the municipality or was that Spectrum Alert?

MR KING: No, that is the municipality, Chairperson.

MS NONTOMBANA: Okay, and you know how the fares were determined?

MR KING: Chairperson, I do not want to commit myself to saying that I was aware how it was done but I saw the projections and whatever that the city have compiled in order to derive at this figures that they came about. So we did not have any input on that matters.

MS NONTOMBANA: Okay.

MR KING: But when it came to the compensation that was actually our initiative to say this is what will be comfortable with.

MS NONTOMBANA: Okay, and just on the operating licences, earlier, we
5 heard that there is a moratorium that is currently in place for the issuing of operating licences in the city, and I just wanted to find out whether that is also your experience in terms of renewals as well as new application for the members of the two taxi associations, especially those that would have opted out.

10 **MR KING**: Chairperson, as far as I am concerned, the last board sitting where they considered the applications, renewals were approved. If there was an operating licence that have lapsed, they actually grant us that renewal. Now, I think the city will explain the rationale behind their decision of increasing the fleet at this stage. I think I will not dwell much into that matter because I might
15 just put myself at risk because people might just say, "You are the devil." So I will refrain from making any comments on that one, Chairperson.

CHAIRPERSON: Can you clarify how many busses, those that you said were provided to you for free by the city, how many? How many busses are we talking about?

20 **MR KING**: It is 25 busses, Chairperson, but it is not for free. It is for *mahala*.

CHAIRPERSON: So these are busses that are in the trunk route?

MR KING: That is correct, Chairperson.

CHAIRPERSON: More or less in terms of– what are the levels of ridership of these busses, just very roughly?

MR KING: Chairperson, on the– we have over 7,000 at this stage. I just need to get a breakdown of the trunk route versus the feeder routes but I think if I
5 look at the statistics, we ... I think I am getting old.

CHAIRPERSON: All of us are.

MR KING: Chairperson, information now is that [intervenes]

MS HEYDENRYCHT: On Friday's meeting, the ridership is not what we want for 7,000 on the bus, on the trunk route, yet. We are under the total there but
10 together with that feeder and the bus together, we jumped up to 54,000 for last month alone.

CHAIRPERSON: And that is per month>

MS HEYDENRYCHT: That was just for July.

CHAIRPERSON: For July?

15 **MS HEYDENRYCHT**: Yes. We jumped from about 30,000 up to 54,000.

CHAIRPERSON: And I assume then that the feeder routes are serviced by the 83 leased vehicles or minibus taxis that you mentioned.

MS HEYDENRYCHT: That is correct, Chairperson.

CHAIRPERSON: Now, because now you have a split of 25 busses on the trunk
20 and 83 vehicles [intervenes]

MS HEYDENRYCHT: Feedings.

CHAIRPERSON: On the feeder.

MS HEYDENRYCHT: Yes.

CHAIRPERSON: Is it correct then to assume that it seems as if there is more demand for your services on the feeder than there is on the trunk route?

MS HEYDENRYCHT: That is correct, Chairperson, because we are not
5 utilising all the routes yet. That is why the demand is more on the feeder side.

CHAIRPERSON: So does it mean that commuters utilise your services for the feeder routes but terminate their journeys at the trunk route and opt for other options, and if there are those options, what are those options on the trunk route?

10 **MR KING:** Okay, Chairperson, it is not another option. If we look at the feeder routes, then about 50% of those commuters comes to the shopping complex. There is a shopping complex there at Claeripark and they are coming from their residence to the shopping complex and then they do not see a need to travel any further. They conduct all their businesses here.

15 **CHAIRPERSON:** So I just want to understand the design. So does this mean that the trunk route is servicing commuters who are travelling from the shopping complex to the city?

MR KING: Chairperson, and also along the route. If you look at Stanford Road, how it is designed, a lot of commuters are within walking distance from the
20 stations and then they can just come to the stations and board the bus along the route, but the commuters boarding the bus at Claeripark, there is about 60% coming with the feeder taxis to Claeripark in order for them to board the bus to the CBD.

CHAIRPERSON: You say it is about 60%?

MR KING: Yes.

CHAIRPERSON: Those who convert their journeys [intervenes]

MR KING: Yes.

5 **CHAIRPERSON**: ... to [intervenes]

MR KING: What I am saying, Chairperson, the commuters on the trunk bus, on the bus, 60% of those commuters comes from the feeders.

CHAIRPERSON: Via the feeders. Oh.

MR KING: Ja, that is what I am trying to explain.

10 **CHAIRPERSON**: Alright, if you could also clarify, because we just want to understand the need for the busses on the trunk route, what was the deficiency on the trunk route that necessitated the need for this model?

MR KING: Chairperson, in order for the city to have a more stable transport system, I think whether it was not the trunk busses, whether it was ordinary
15 busses, I think there is a lot of factors that actually gave rise to that decision, because one of them was the safety aspect. Now, the efficiency also plays a major role because if I had to board a taxi here in the CBD and I travel to Claeripark, then that taxi will via two other suburbs. That is very inefficient because I will get to Claeripark about 30 minutes to an hour later instead of
20 travelling this straight line with the bus. I think that is what actually prompted them to have it on this route, Chairperson.

CHAIRPERSON: And are your schedules responsive to [intervenes]

MR KING: Yes, Chairperson.

CHAIRPERSON: ... the commuter needs?

MR KING: Yes.

CHAIRPERSON: And then, you mention that you have got 174 shareholders.

5 How are they being compensated in terms of dividends?

MR KING: Chairperson, at this stage, we have not generated any profits, in other words, we do not have any dividends to distribute. At the moment, we are only paying the compensation, which we receive from the city.

CHAIRPERSON: Ja, I think those will be my questions. Thank you. Thank you
10 very much I think for a very helpful and a very detailed presentation.

MR KING: Thank you, Chair.

CHAIRPERSON: I think you are excused. Thank you very much..

MR KING: Thank you very much.

CHAIRPERSON: That will bring us to the end of today's session. We will
15 resume tomorrow at nine o'clock. Ja, we will resume at nine. The first presentation will be from the Algoa Bus Company, followed by SANTACO and then the Eastern Cape provincial department of transport, and lastly the Nelson Mandela Metropolitan municipality. Thank you.

HEARING ADJOURNS

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