

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

[●]

TUESDAY 10th JULY 2018

VENUE:

(MBOMBELA CIVIC CENTRE, MPUMALANGA)

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SESSION 1

CHAIRPERSON: Morning everyone, I would like to welcome everybody who is here to the Competition Commission's Public Transport Passenger Market Inquiry public hearings. My name is Bukhosibakhe Majenge, I am the Chief Legal Counsel at the Competition Commission, and I will be chairing the panel. I am joined by 2 panel members. On my right, I am joined by Ms. Nompucuko Nontombana who is the Divisional Manager of the Market Conduct Division of the Competition Commission. And on my left, I am joined by Mr. Thulani Mandiriza also from the Competition Commission. He is joining the panel in his capacity as the Head of the Market Inquiry's Technical team. Both Ms. Nontombana as well as Mr. Mandiriza are Economists. On my extreme left we are joined by Mr. Jabulani Ngobeni and Mr. Itumeleng Lesofe who are both lawyers at the Competition Commission, they will be acting as evidence leaders during these public hearings. And they together with a team of the Commission's lawyers and Economists will be assisting the panel in soliciting evidence for the Inquiry. We would just like to before we begin, just briefly explain what this inquiry is about and what are the issues that are going to be considered in the inquiry?

A market inquiry as stipulated in Section 43A of the Competition Act number 89 of 1998 as amended is the formal inquiry in respect of the general state of competition in the market. A market inquiry is not a specific investigation for a specific conduct by a specific firm. An inquiry is initiated to pursue the purpose of the Competition Act whose aim is to promote and maintain competition in the Republic. In light of this, the passenger public transport market inquiry was

initiated because the Commission has reason to believe that there exists features or a combination of features in this market which may prevent, distort or restrict competition. The inquiry officially commenced on 7 June 2017 following the publication of the terms of reference in the government gazette in May 2017. The terms of reference set out 6 broad themes that the inquiry will be focusing on in its assessment of the state of competition in the land based public passenger transport industry. Namely: price setting mechanism and their impact on competition, the impact of non-price regulation on competition of route allocation, licencing and entry requirements, the impact of operational subsidies granted to other modes of transport on competition – both inter-modal and intra-modal competition, impact of government transport plans on competition and an assessment of transport issues including ownership patterns in the industry.

In addition to the themes outlined in the terms of reference, the inquiry also identified as set out in the statement of issues a number of issues which it will assess as part of its inquiry into competition in the public passenger transport industry. These issues include the following: the implementation of BRT and its effect on the renewal of taxi operating licences, access to financing and the cost of finance on the sustainability of the minibus taxi businesses, the impact of limited or lack of access to infrastructure and terminal facilities, an assessment of long-term contracting between government and bus operators and its impact on competition and finally the inquiry has found it imperative to also seek out and consider the views and experiences of commuters on whose lives the recommendations of this inquiry will have a direct bearing.

The terms of reference together with the statement of issues set out a narrow analytical framework in order to assist participants to focus on issues that have arisen so far from the inquiry. I wish to emphasize that the points raised in these 2 documents are intended to be topics or themes for further engagements and do not represent any settled views or findings of the inquiry.

In terms of the update on the progress of the inquiry, the inquiry is currently at the information gathering phase. The information gathered in the information gathering or rather this evidence gathering phase is concerned with gathering evidence on market dynamics in the sector and to understand the impact of the regulatory framework on competition. During this evidence gathering phase, the inquiry was able to gather information through the following ways: 1, issuing a call for submissions, 2, a targeted information request to market participants, 3, field investigations and stakeholder engagements across all provinces. The public hearings provide an opportunity for stakeholders to submit additional evidence and to also respond to the issues raised in the statement of issues and the terms of reference. We have started with the public hearings in the Gauteng, followed by the Western Cape and then KwaZulu Natal and this is the 4th province in which we are conducting the hearings. The schedule with information on dates and venues is available on the Commission's website.

Before we begin with today's session we would just like to recap the rules of procedure that are applicable to this hearing. The formal seating of the Inquiry will be open to the public at all times except when the Chairperson rules that part of the proceedings will be closed on grounds related to confidentiality or for any other reasons deemed justifiable in terms of Competition Act.

All sessions will be recorded and streamed on YouTube save for those sessions or parts of sessions that are closed. In order to allow for the proper ventilation of issues, the Chairperson or the panel members as well as evidence leaders may pose questions to any person making oral submissions or to any witness. The Chairperson will not permit any person neither personally or through a legal representative to put questions to any witnesses or any person making oral submissions during these public hearings. In the event that any stakeholder has an objection, comment or question in respect of any submissions made during these proceedings that stakeholder must submit the objection, comment or question to the Inquiry in writing and the Inquiry will attend to such objection, comment or question at an appropriate time. In order to manage time, we usually allow one representative of a group or entity to make representations. But where arrangements have been made in advance, we do allow different representatives to address different topics where appropriate arrangements have been made with the panel in advance.

The following protocols are applicable to stakeholders who are making submissions. Where necessary, stakeholders may claim confidentiality as outlined in Section 44 of the Competition Act, stakeholders should also note that in terms of Section 72 of the Competition Act failure to answer fully or truthfully investments an offence in terms of the Competition Act. In terms of Section 73 of the Competition Act, it is also an offence to fail to comply with the Competition Act. Lastly, stakeholders should also note that they may be summons should the Commission believe that any person is able to furnish information related to the Inquiry.

Once again, I wish to welcome everyone to this hearing. I hope that over the next 2 days in this province, we will be able to have meaningful and robust engagements about issues in the land based public passenger transport industry in this province. We again need to reiterate that this industry is the backbone to our economy, provide mobility to over 70% of the South African population. Well-functioning, reliable and efficient public transport system is therefore not only necessary, but it is vital to achieving a growing and inclusive economy. Today is the 12th day of the hearings and the date is the 10th of July 2018. We will receive at this stage a submission from SANTACO structure which is based here in Mpumalanga. Welcome to the Inquiry sir and thank you very much for coming. There should be a piece of paper in front of you, you may take the oath or the affirmation.

MR. GAMA: Thank you very much, can I stand up or?

CHAIRPERSON: No, no, it is fine. You can just sit down.

MR. GAMA: All right. I Muntu Moses Gama 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. Gama. If you could 1st start by briefly explaining what your position is within SANTACO and just explain the structure of SANTACO that you represent.

MR. GAMA: Thank you very much Chair. My position in SANTACO, I am a Spokesperson of SANTACO Mpumalanga. SANTACO is the body that represents Taxi operators. That body was formed 2001 to help operators and stop the conflict that was happening around the country to make all taxi

operators to belong in one body with one common vision, with one common goal.

CHAIRPERSON: I understand you have prepared a submission, you can take us through your submission Mr. Gama.

MR. GAMA: Thank you Chair. A, based on licencing road and entry regulations 1 as stipulated from the National Land Transport Act that indicates that each road is managed by the relevant transport authority. But the PRE has allocated same roads to various association in the province. The above duplication has contributed to a number of conflicts that eventually create 2 centres of power.

2, the new development by each developer shall allege the public transportation needs with the transport authority as per the area of jurisdiction. More so before the taxi association could consult the municipality on the new development they will eventually invade the taxi rank facility which when there are areas of operation.

3, taxi operators are governed by Act from time to time which also determine the specific period through legislation which talks to upliftment of the moratorium through the process of the B legal or semi-legal, the above application window also determine from the submission of the applications as per the needs analysis. During 2001 in August the B legal process which allocates that we not having operating licences. And then later close afterwards. Then, semi-legal was expected to the operators as on request.

4, each member who wish to be a member in good standing should follow the above criteria. Register with both the taxi associations and the office of the

registration and monitoring. Be in the possession of valid operating licence and possession of the complaint vehicle that need safety specification to be disciplined and be have humanity, be price setting mechanism. The price increase is actually set by the increase of fuel and other commitments that are in line with taxi business. The timeframe could not be proper controlled because it made effort of be affected in 4 years. Indeed, the passenger will consider the most affordable transportation mode. In most case, trains and buses are preferable to be the cheapest on the basis of being subsidized. I think here you will remember Chairperson, taxi industry, they don't receive subsidy although subsidy is specific to the individual transport users. As taxi operators, we are not getting any subsidy which results for the taxi industry to be difficult to compete with them. We compete with other companies. The price mechanism in the taxi industry's efficiency is not balanced or benefitting the operators, actually, when completing the number of kilometres and travel daily with the amount provided as the daily takings by the drivers. The above statistics frequently contributing to the increased repossession of the mini bus taxis by the financial institution.

Transformation, other role players in the transport including government and the private sector usually apply their own assessment in transforming all the transportation of the passenger without informing the relevant role players. Actually, however, it is going to affect them. The above has been picked up during the implementation of the rapid transport network, call it BRT. But here in Mbombela Municipality they call it integrated public transport network. In the bigger city, it is the negative affecting the operators which are finally compelled to be out of the business as informed by the following criteria of participating to

those network. The growth of operators is mostly prohibited by the role of government in the regulation and the legislation which cannot address the frustration faced by the operators in various areas. It eventually creates instability to the taxi operations not to have proper control measures in their administration. For example, there will also be imbalance when the demand variation to the supply of mini bus taxis.

3, if indeed the government aimed at protecting the current operators to sustain more on the taxi business, international platform to address the subject should be established control system of generating operating licences be followed as per the investigation of the needs analysis. Basically, the private sector or suppliers should consult the taxi industry every time when they are considering increased mini bus for the purpose for benefiting everybody involved.

D, competition dynamic – the current government has failed the taxi operators in regulating the NTTT resolution entered during the formalization of the taxi industry from 1999. There has been a platform in which trains and buses be given the best preference and they also expected from being inspected as compliance when compared to the manner applied to the mini bus. 2, poverty power strategy and existing fleet has played a major role in the industry. Dynamic in the taxi industry at large, majority of the taxi operators at large will be forced to compete with their colleagues internally even when they can't meet with the instalments imposed to them by the financial institution. On top of that, poverty has also been contributing for them to observe people from the different institution which have resigned from their working place to consider the over saturation in the taxi industry.

3, in the meeting that currently status to remain in the current business. Taxi operators are obligated to utilize the affordable fleet that it is equal promotable to the pockets as results that ending up competing themselves with the member that can afford expensive fleet, various to fleet that can be manufactured by the countries which provide new unroadworthy vehicles from China or Russia. Some of the fleet could not compete with the South African weather condition. We have mentioned Unyatsi and uBubesi and so forth. The competition which it is obtained from the passenger is selected their preferred mode of transport has created a more of a vacuum of competition amongst different taxi associations which ending up fighting for specific route and eventually create the barriers which counterpart which come to be at that made provision of the routes by the transporting authority.

5, the most frustrating position of the routes is the manner in which corrupt official from the provincial regulating entity which issue operating licences to the different taxi associations with the same destination from an example, in the Bush Buckridge, 3 taxi associations are found in the operating in one rank facility to the same area of departure. This absolutely means that policy on regulations are not considered before executing.

Secondly, the government is given recognition in the federal structures that establish themselves to indicate to violence. This is also confused as the results of government initiative to establish the only mouthpiece of the taxi industry in Durban in 2001. Here we are trying to elaborate on the conflict. We navigate where the conflict start. If the government support the federal structures, that can lead the industry to have a conflict. The impact of the BRT implementation to the taxi industry on operating licences is also bringing poverty when they act

regularly for the surrounding of operating licence by the taxi operators to have a share at the BRT operations.

Finally, the payment that are paid specific for the arrangement rapid out tax taxi operators from the business and those arrangements at all remain not owner the attention as such as access of infrastructure. Most of the rank facility are become the white elephant because they are allocated on the space that has been identified by the municipality to the involvement of the taxi association. The bone of contention in which the taxi industry can generate income is to operate on the would be favourable by the commuters. Actually, the areas that meet the point of satisfaction that has been referred as the better understanding of the customer relationship. Contracting to the bus operators neglected by the government on transport authority has escalate to reduce the lifespan of the operating licences for the taxi operators. The above has been integrated purposely to transform all those licences from indefinitely to the licence period of 5 years to 7 years depending on the criteria applied will be subject to renewal. Moreover, the operating a force by which legislation has taken away the scholar transportation from the taxi industry and allocated to the government official to benefit from operators. The taxi operators are forced to operate on the spots or areas that will vandalize the mini bus as a result of bad route condition. This experience is upon by avoiding time that it is against the passengers when utilizing the public transport. The rank facility should also contain in the space which allow passengers walk short distance to the public transport facility. On the other hand, the mini bus will also eventually follow the passenger accommodate them by future purpose to contain for the best entrepreneurship through engagement with various stakeholders including the government. The

taxi industry is currently claiming its position that it takes to the National Taxi Task team resolution whereby all taxi operators should be respected as applied to the transport network of other public transport system.

I conclude, if all the above input will be attended in and all the frustrations aimed at manipulate the current status of the taxi industry will be eliminated therefore, enhanced transformation on requesting will better the lives of all operators by virtue of application particularly recommendations. I thank you Chairperson.

CHAIRPERSON: Thank you very much Mr. Gama. I see you are joined by - I assume that is your colleague. If he can also just please introduce yourself and welcome to the Inquiry and thanks for coming. Please switch on your mic as you do so. Ja, it is now on.

MR. KHOSA: Hello everyone. I am Khosa J from MPTC rep. Thanks.

CHAIRPERSON: If you can just, what is MPTC?

MR. KHOSA: Mpumalanga Provincial Taxi Council.

CHAIRPERSON: Is it related to SANTACO and what is the relationship between the Mpumalanga Taxi Association and SANTACO?

MR. KHOSA: Actually, MPTC it starts from the region, then the province and then the National. So, MPTC is a provincial structure.

CHAIRPERSON: All right. There should be a piece of paper in front of you, you may take the oath or the affirmation. You can choose whether you want to take the oath or the affirmation.

MR. KHOSA: I, Khosa Jonathan 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. Your surname is Mr. Jonathan?

MR. KHOSA: My surname is Khosa.

CHAIRPERSON: Khosa. Oh all right, thank you very much Mr. Khosa. Mr. Gama and Mr. Khosa, before I hand over to the evidence leaders to ask you some questions, I just wish to clarify 2 issues. The 1st one is if you can just give us roughly an indication of the total number of vehicles which your members have in the province. Just roughly, not the exact numbers if you don't have those.

MR. GAMA: I won't give you a correct figure but +/- 30 000 vehicles that we have.

CHAIRPERSON: Servicing the entire province.

MR. GAMA: Yes.

CHAIRPERSON: And secondly, what I also wish to clarify from you is, we know that, I mean, it is Nationally the mini bus taxi industry in particular is servicing almost 70% of the population nationally. So, in relation to Mpumalanga, do you have an indication what percentage of commuters are serviced by the mini bus taxi industry. Just very roughly.

MR. GAMA: I think in 100% servicing 60% in Mpumalanga.

CHAIRPERSON: All right, thank you. Mr. Ngobeni.

MR. NGOBENI: Thank you Chair. Good morning Mr. Gama and Mr. Khosa. Maybe just to start, I just want to firstly understand the issue that you are raising in your submission which is the question of duplication of the allocation of routes to various associations. Just maybe just to explain how it works in this

province. So, your members would apply to service a particular route to what you refer to as the PRE and the PRE would also receive a similar application from another association. I guess maybe here you are referring to, maybe just to ask are you referring to the members and operators who belong to another association which is not affiliated to SANTACO.

MR. GAMA: Thank you. In terms of duplication of routes, before the association is registered, they are supposed to have routes, its association because they have routes to operate. And when we follow the criteria of applying the operating licence, we apply as individual under the association. So, if there are association applies the new routes, the PRE currently, they take a team to do a visibility study, something like that to check the demand on that road. But in the current situation what we see, we see a lot of associations operating in the same route although there is other operators operating. That is where the duplications come in. And it creates also the conflict because association X operating that road and later we see association B coming to operate the very same routes. So, that causes lots of conflict because the profit that will be generated by that association is no more the same profit. And in terms of the number of passengers, we are transporting the same number. But due to the fact of this other association now, they are given the operating licence to take part in the same route. We must share the same passengers. It leads to vehicle to get repossessed by the bank because before the bank gives you a fund to buy a vehicle, they do a route assessment to check your routes, how profitable it is. That is when they are able to finance you. But when associations B come in, automatically it reduces your profit in that route.

MR. NGOBENI: And maybe just to understand further, so, how do you become aware of the process at the PRE, how are you informed of the new application to the routes because I trust it appears to me that you only become aware of this duplication when you now see same operators on the same route where other associations are already operating. So, the question is – you know because there is an objection process that is catered for in terms of the PRE processes. So, the question that I have there is to try and find out from you as SANTACO as to how are you informed of the various applications that are brought to the PRE before the PRE makes a decision on whether or not to grant an operating licence on that particular route.

MR. GAMA: Before we used to see advert on government gazette that association X applied this route. But in the current situation, when we check government gazette we don't see any application. During that time; they will give us at least a time to object that specific route. But now, vis-a-vie, the new Act and the new legislation that all association before granted a certain route must have a recommendation also from the municipality side. But what we see, we don't see operators have such letter from the municipality as a recommendation because the municipality knows exactly the population and the people that are staying around on that area. So, he knows exactly how many taxis must operate there. Other operators, we see them just operating without having an operating licence, I mean a recommendation from the municipality. Also, can I give you an example, when we apply a new route as a taxi industry, we must go to the municipality and get recommendation from the municipality. But on the bus side, when we ask the municipality, they follow the

same criteria. We are not getting a clear answer. Of which they give them without giving them the very same criteria that we as operators were given.

MR. NGOBENI: And we are going to see the municipality and the province as part of these engagements, these public hearings. What do you have as recommendations and then what would you like us to tell them to solve this particular issue of allocation of routes to the various associations? And I think as part of the solution, I am more also interested what form of communication you would like to see coming from the municipality in order to make sure that you are well-informed of the various applications that are brought by various associations on the same routes?

MR. GAMA: I think Chairperson, 1, we must get the same treatment as operators. It can be a bus operator or a taxi operator, but when we do an application of an operating licence, we must follow the same criteria, we must have the same treatment not like us as taxi operators. They need us to provide with the recommendation from the municipality. But this other part they don't require any documentation from the municipality. And also, our understanding, the new Act, the NTTT, it is talking about road-based operation. That's why we have a road-based operating licence. But this other part, they operate with radius operating licence. So, it comes to our attention as taxi operators how the act favours the other part and they don't favour the other part. If we can have a body that represents us in the PRE to look, I mean, when we put application and represent taxi operators in PRE, at least maybe we can minimize a lot of things there. Because we thought there is something wrong in the PRE.

MR. NGOBENI: And just the next one on, you then mentioned the question of the moratorium as part of your submission. What I am more interested in firstly is to find out when it was imposed and the reason why it was imposed. That is the 1st part of the question.

MR. GAMA: I think that question maybe the department can answer because it is the only people who put the moratorium and while we see the demand as an association, there is a need of operating licences, but the moratorium is from the department side, they put the moratorium while we see the demand. And that thing if we can check the treatment are not the same because we see this other part. They bring in new fleet, but we as taxi operators, if we want to bring new fleet, they will not give us operating licences.

MR. NGOBENI: Sorry to interrupt, the other, you are referring to the buses?

MR. GAMA: Yes, because our competitors here, although it is not a fair competition, it is the buses. We can mention people that operate on the scholar transport, people that transporting student in different universities, those are bus operators, people that are transporting also commuters and having the subsidized buses. Almost, they put new fleet, so we ask ourselves what is the criteria to get operating licences on the new fleet because while they provide the new fleet, they oppress us because in our side we have this thing of moratorium, we will not be able to grow.

MR. NGOBENI: Okay, and just to understand is the moratorium still applicable? I will tell you why I am asking. I see you then mention that there has been a process called B legal and semi-legal process with the B legal process being done 1st there is currently another approach which is referred to as the

semi-legal process. So, the question is when was it uplifted and what is the difference between the two B legal and semi-legal process?

MR. GAMA: During around 2004 and 2005 they call it legal operators because they had operating licences. And in the operation, we had a lot of vehicle during that time, they don't have operating licences. So, the department uplift the moratorium and they said now we are going to semi-legal because we are operating but we are not legal. So, they open and give that part of period as semi-legal. So, there was a campaign that encourage all operators that had no operating licence to apply an operating licence. And they open just a short time and they close it also.

MR. NGOBENI: And was it opened because those just to clarify so that it is very clear to the panel. Those who were not legal were not legal because of the moratorium. Will that be a correct – so, they couldn't apply for operating licences because there was a moratorium. Just to clarify to the panel if that was the case.

MR. GAMA: It's true, because of the moratorium they will not be able to make an application. But they have vehicles that are in operation.

MR. NGOBENI: Okay, and I understand that SANTACO National has now taken a position that as part of dealing after the Congress which was held recently than in trying to address some of the issues that we see in various provinces on allocation of routes and all of that. A decision has been taken not to recruit new members into the associations. Would that also be the position also here?

MR. GAMA: As Mpumalanga SANTACO, around 2016, we took a resolution. We developed a policy document and that policy document we give also the PRE and the department of public works, roads and transport to say we are over saturated. They must stop to register new members, but to our surprise we saw the department still do registering new members. In the document, we are very specific because they are part of replacement. If the elder people pass away, the mother must take over or the son must take over. That part is accommodated in the policy document. Specific to the new people that come into the industry because we are over saturated. That is why we develop that document to control the over saturation in the taxi industry.

CHAIRPERSON: Thank you, and just on the question of transformation, you mention that one of the issues that is prohibiting growth of the industry is that government is not addressing some of the frustrations that the industry has. I just wanted to 1st clarify what the frustrations are and whether the government has been informed of these frustrations and what government's response has been to the frustration.

MR. GAMA: First frustration – when we enquire with the government in terms of subsidy, they told us now there are no subsidized buses, they subsidize individual commuters. Our question as taxi operators, we transport the very same commuters, but we are not getting a subsidy. That thing frustrates us because if I transport like for example you are working in the same company, this other brother using a bus, this other brother using a taxi, it is the very same people using the subsidy. It is the very same people having a subsidy. I am transporting you because you use a taxi, this one use a bus. Goes to the bus because the bus has a subsidy. In terms of pricing, bus is cheaper than taxi.

Taxis are very expensive because they are not subsidized. So, we are losing a lot of commuters because they are not able to afford the fees of a taxi. Preferable, the one that has a subsidy. Our question and the frustration, why are we not getting a subsidy as a taxi industry because we are transporting the same people. And as a result, if you can check the way banks repossess our vehicles, it is amazing because each and every month they repossess not less than 20 vehicles. We have a lot of people; they are out of the business because we don't have any support from the government as subsidy.

MR. NGOBENI: You mentioned the question of subsidy and then you then link it to the issue of the repossession of the you know the taxis that your members have. The question that I have is what form of subsidy do you think would work for the industry? Are you saying government should subsidize the commuter or are you saying in addition to the commuter being subsidized to be another form of subsidy that is geared to help operators as well?

MR. GAMA: Ja, because we ask the department what is the criteria to qualify for the subsidy? They reply that passenger they get subsidized, It is what the government told us. So, we want to know from the government what we are supposed as a taxi industry to qualify for a subsidy because we are transporting the very same people. We don't get clear answer from the department. Remember, the current fleet that we have is a new fleet. 1, it is a very expensive fleet. It is too difficult to service the instalment of the vehicles that we are operating with currently. That leads to the repossession of the vehicles, the number being increased.

MR. NGOBENI: And would you be happy as well to see a form of subsidy that subsidizes the passenger, the commuter?

MR. GAMA: Yes, if we can, I mean, get the same treatment as buses. We understand now, passengers have subsidy. Why they won't give us such privilege.

MR. NGOBENI: And as part of the issues that you deal with when you deal with the issues of transformation, there is the question of the BRT. Okay, just maybe firstly to try and understand, I understand that Mbombela is one of the – the question that I am interested in is firstly to try and understand if any of your members are part of, if there are any current negotiations in order to try and implement this new BRT system.

MR. GAMA: Yes, we are part of the committee. As I speak I am the Chairperson of the steering committee of the Mbombela, but when we negotiate with the municipality, you know this project is a package. It is not like they must take us to focus on the operation only. We talk about the issue of value-chain whereby we must venture as taxi operators. We are affected as taxi operators in terms of implementing the new system. So, we want to participate in the value-chain main management of the bus facility, you know there is a lot of value-chain within the jurisdiction of the project. So, we want to take that. And also, we have a question to the municipality because what we require from them, they must give us the specification that this is the specification of the vehicle that we need in this project. We as taxi industry will be able to procure the vehicle the municipality require. But it seems as if the municipality, we are in disagreement about that because they want to design, they told us they want to

use the same fleet that we have currently. So, our discussion are not productive discussion because the municipality needs us to follow their way while we have our own presentation as taxi operators. We see that thing we can able to work for us. But the municipality has something that works for them because they propose the operation.

MR. NGOBENI: Maybe before we get to the specifics and Mr. Lesofe my colleague will ask you more questions on the BRT. I am more interested in the current operating licences that your members have. What sort of discussions are you currently having with the municipality in terms of where you know the current operating licences that your members currently have? We understand in other provinces that operators are being asked to give or to surrender those operating licences for them in order to enable to participate in the system. What is the current process currently in Mpumalanga?

MR. GAMA: As SANTANCO Mpumalanga we take a stand that all our operators must not surrender their operating licences to this project because the licence gives us a permission to operate our business. Why we surrender our licence to operate our business? If the municipality wants to empower us as operators, they must empower us while we have our licence. It is not a question of getting into the project that the municipality think it is better for the municipality. We are looking at the benefit of the operators. If you have got a bottle store licence and the mall comes to open a bottle store next to you, you must surrender your licence to the mall, it's not. Why the government wants us to surrender our operating licences? Remember, the BRT thing 12 years because we are still living after 12 years. So, if we surrender our operating licence we must pack our bag check whether we go to sell fruits, tomato and

vegetables and bananas because we open taxi operation business because we are interested in operating licence. It is what our position as Mpumalanga SANTACO is currently.

MR. NGOBENI: I don't want to put words into the government municipality's mouth because I do not hear you say municipalities is actually asking the operators to surrender their operating licences. Would that be a summary of what is being put on the table by municipality to the operators?

MR. GAMA: We are saying it is totally wrong, we will not surrender our operating licences. If they don't want to empower us, they must keep their empowerment system aside. We continue suffer as we are suffer.

MR. NGOBENI: Thank you Chair.

CHAIRPERSON: Mr. Lesofe.

MR. LESOFE: Thank you Chair, good morning and thank you for the presentation. I think you have already canvassed some of the issues with my colleague. This will just be follow-up questions and perhaps we can start with BRT. If you can just explain to us how far is the implementation process, how far is the process in terms of implementation?

MR. GAMA: Currently, they are busy with infrastructure and also, they are busy with engagement with the industry. As I have indicated that we disagree, we agree in other issues.

MR. LESOFE: Okay, and they have identified routes that are likely to be affected?

MR. GAMA: Yes.

MR. LESOFE: Could you perhaps, are you in a position to mention some of those routes?

MR. GAMA: Yes, it is R40, there is Phase 1 from here Nelspruit to Hazelview, Phase 2 they join also Babaton must be part of the corridor. And Phase 3A, they have mentioned Ganyamazana and Lehao. Phase 4 Gabokweni Phase 5 is Matsolo.

MR. LESOFE: And you mentioned that in your negotiations there are issues where your members and government are able to find common ground. And there are issues you don't seem to agree and I think you have mentioned some of the issues. Are you able to just separate the 2, maybe you can start with the issues where you are able to find each other with government and the issues you are unable to find each other and perhaps what could be the problem.

MR. GAMA: 1, we agree with the government to develop routes and allocate a line of a public transport because they can able to, we as transport can be able to manage time for commuters. But it seems as if they have turned around, they want to implement the mixed fleet operation. I mean, we must mix with the public users on the road. Like other cities, we have a delegated line as transporters. So, if they can able to allocate us a line as transporters, we are very happy about that one. That we are not happy about, I have mentioned the issue of surrendering the operating licences. That we are not happy about at all. 2, the issue of survey. You remember they told us about market share. We must do survey. Our question as an industry, how can we survey market share with someone very empowered, someone very rich when you are power? And then you talk about market share. How can you analyse the share if you as

government you provide X millions of rand, but B, you are not providing any cents? How can we speak about market share? We as an industry, we see there is no fairness there because you can't talk about market share with Patrice Motsepe who is very rich and you say you must share equally with Patrice. It will not work.

MR. LESOFE: And my next question is probably linked to that because I also want to understand if as part of your negotiations, there has been discussions about the compensation and the model used for that purpose. Has government discussed with you it's compensation model or framework. If that is the case, what is your reaction to that?

MR. GAMA: Currently, they never discussed with us in terms of compensation because remember I have indicated that municipality wants us to use the current fleet that we have. And we disagree with the municipality because the clause after 12 years we must go to tender. So, what was after 12 years the requirement of the fleet that be required after 12 years if they say that we are supposed to use the current fleet that we have. It is also designed to discourage us because we want to grow as a taxi industry. As currently, we are operating using Venture, Avanza and mini bus taxis. We want to see ourselves operating the bigger bus.

MR. LESOFE: Just to confirm, in other provinces where BRT has been implemented operators were required to organize themselves in vehicle operating companies and they were essentially given 12-year contracts as well. Just to confirm, is that how the system is?

MR. GAMA: Yes, as we are preparing as a taxi industry, already we are organizing ourselves. We have a VOC that all operators that are affected are belonging in that VOC.

MR. LESOFE: Oh, so the VOC has already been established, okay. And one of the concerns that has been raised by operators especially in the Western Cape is that government appears to be heavily involved in the management and running of the VOCs. Some of the operators actually see government as running the VOCs themselves instead of VOCs being run by operators. I know you are still in the initial phase, I just want to get a sense of your experiences in Mpumalanga. Are you in charge of your VOC or government is also playing a role.

MR. GAMA: Lucky enough because we do benchmarking in terms of operators around Mpumalanga. We go to other provinces to benchmark what has happened there. And we get a lot of lessons, negative and the good part of the project. One is that official, they want to manage the VOC. So, we have a question as business people, you can't manage my business. Why government, you are so interested to manage our business. We disagree in that regard. That is why we develop our own VOC whereby all association are affected are board of directors are from those association and beneficiary are members of those associations. No official leading this VOC.

MR. LESOFE: And you also mentioned one critical component of running the VOC, that is participation in the value-chain. One of the issues or another issue that has been raised by the VOCs in other provinces is that they are actually denied the opportunity to participate in the value-chain. I understand from your

evidence that you have already flagged this issue with government that you want to participate, you want to be empowered in that regard. What has been government's attitude to your request?

MR. GAMA: I can say currently we saw negative attitude because we agree in some other issue, but when it comes to value-chain per say because you know as I have mentioned that we do benchmarking. We have been to Western Cape whereby station security, diesel managed by the private company out of the taxi operators. So, our question, if we can bargain our numbers. So, that is why we need to take part on the value-chain. We need to secure the bus shelters at the depot using our own people as a taxi industry. For example, if there is a cleaning of a station, why are you bring a private company to clean our station because we can have people who are able to do that. There is a loss of job if they introduce. We have a lot of drivers, they will lose work. So, where we must allocate those drivers? That is why we emphasize the we need the value-chain. If we have the value-chain, we are able to locate the drivers in a different value-chain projects.

MR. LESOFE: Thank you, I just have one or 2 questions in relation to subsidy buses. And I just want to understand the nature of competition. To what extent do you compete with subsidized buses. Could you perhaps mention some of the key routes where you compete with commuter subsidized buses?

MR. GAMA: You see, that question makes me cry because it is not a competition per say. I don't know how I can put it because the way they designed their operation, they make sure to want to eliminate all taxi operators. Because if we have a new location, there is no road there. We go as a taxi

industry to transport passengers. When the municipality advertise on the tender to say we want to develop a bus road, they never say a taxi road. They put paving or tyre road. The bus come in. All along the road was so bad, was transporting the people as a taxi industry. When the road is good, the surface is good, the bus come in at a cheaper price to take the very same commuters that we used to transport. Where must that taxi go? It is repossessed. So, that is why I am saying they design to destroy the taxi industry. Because, I don't know, we have met even the board of directors for the same company to say guys because you are the bigger company, what your strategy to develop the small company as a taxi industry? It comes to our attention as a taxi industry, there is no strategy of empowering the small company. Only they have a strategy to destroy and eliminate the taxi operators here.

MR. LESOFE: And which routes would you say are the most affected routes?

MR. GAMA: 1, is Khanyamazane, Matsholo, Kaboweni, currently the new routes that I have mentioned in Msholozhi and Mathafeni and also Mkuhlu, Hazelview because the company operates actually the whole entire eHlazeni.

MR. LESOFE: And these are some of the routes were some of your members had to return mini bus taxi to the banks because of their inability to compete effectively with the subsidy bus operations.

MR. GAMA: It is true.

MR. LESOFE: Thank you Chair.

CHAIRPERSON: Thank you very much Mr. Lesofe, panel members.

MR. MANDIRIZA: Thank you Chair, I just have a few follow-up questions. So, you mentioned that you are hesitant to surrender your operating licences in the implementation of the BRT. And you also say in your evidence that the municipality provides a letter of recommendation to the PRE. I just want to understand how if the municipality is driving the BRT and they decide at some stage not recommend that an operating licences be approved by the PRE, how are you going to deal with that situation?

MR. GAMA: Because there is some time when the municipality, they don't want to do recommendations. You know we don't have any other alternatives to do except the one that make us to liberate the country. It is the only way we will follow.

MR. MANDIRIZA: I am not sure if I follow, but I think I will just proceed with my next question. I think the issue that you mentioned is the repossession of the taxis because of the encroachment of buses in some of your routes. Amongst your members which financial institution as far as you know finances most of your taxis in Mpumalanga?

MR. GAMA: As a taxi industry, we have our own institution that finance taxi operators because before each and every bank when we come as a taxi operator, they don't want to finance you. 1, they say you are high risk, so we take a resolution to develop our own financial institution known as SA Taxi Finance which helps all taxi operators. So, even before they do repossession of vehicle, they start negotiation with us. Whereby we find ourselves we are no more making money in that route. Other members they surrender the vehicle because the situation forced them to surrender the vehicle. Others repossess

because we work around and borrow money to pay the instalment, but it will not work and they end up repossess the vehicle.

MR. MANDIRIZA: Just to be clear, our understanding is that SANTACO has got SA Taxi Choice, SA Taxi Finance, so you have a relationship. Maybe you can explain.

MR. GAMA: Taxi Choice is our business wing as SANTACO whereby our idea and region as SANTACO, when we create Taxi choice, we want to order vehicle directly from the manufacture to supply our members with cheaper price. Because remember when the dealership had that scrapping allowance, they escalate prices. So, that is where we come with an initiative to develop Taxi Choice. Our intention to order a vehicle directly from the manufacturer and do the distribution to our members.

MR. MANDIRIZA: So, in other words SA Taxi Finance as far as you understand is the major financier of mini bus taxis in this region?

MR. GAMA: Not in this region, in the country.

MR. MANDIRIZA: In the country.

MR. GAMA: Yes.

MR. MANDIRIZA: Just for maybe to assist the inquiry, what would you say is the average interest rates charged you know amongst the different taxi associations. We understand that risk profile is different, but as far as you know what is the average interest rate charged to some of your members?

MR. GAMA: I will not be specific because it differs. Others – what do they call it premium, the money that you put when you buy the vehicle?

MR. MANDIRIZA: The deposit?

MR. GAMA: Not per say, the deposit. It is just that I forget. They give you 19 or 21. They call it interest rate, it is 21 others it is 25. When you check with other banks, the interest rate that give us, it is not the one that we can be able to manage because the interest rates determines the instalments of the vehicle. We end up the vehicle very expensive.

MR. MANDIRIZA: Okay, thank you Chair.

CHAIRPERSON: Ms. Nontombana.

MS. NONTOMBANA: Okay, the 1st question I have is in relation to the BRT and the question I have is whether there has been any consultations regarding routes that have been chosen for the BRT. I am asking this question because one of the things that we have been told in the Western Cape was that there is a specific route for example where it doesn't make sense to have the BRT to be introduced. And I wanted to find out whether that would apply in the routes and the places that have been identified here.

MR. GAMA: Before there was no consultation. If I can give you a picture. As taxi operators we start seeing huge development, construction, the municipality was busy building PT hub. We used to hear it on the news that there is this project coming in Mbombela, but as operators that are affected, they never consulted us before. Until we stood up as operators, because they came to our taxi rank and did a huge development there. We say as operators you can't develop the rank without our involvement as operators. We want to know what is happening here. That is where the municipality tried to listen to us. When we approached the municipality, we realize they hire even the legal firm for taxi

operators. That guy he represent us without us. So, we disagree with him. We say you won't represent us because we don't know you. We have our own legal team as taxi industry. If you want to continue with the municipality, continue. But if this project is designed for taxi operators, the municipality must listen to us. That is where we start to form a steering committee of the project. But we follow already the construction part of it was so busy constructing. I think by that time it was almost on 40% construction.

MS. NONTOMBANA: And then the other question I had is that you mentioned that the other thing you would like to see is to have dedicated lines shared with the taxi industry, right?

MR. GAMA: It's true.

MS. NONTOMBANA: Ja, so the question I had was whether there are any other facilities that had been constructed for the BRT which can be shared with the taxi industry?

MR. GAMA: I am not for sure because what we see is bus shelters. And instead of see road whereby, we saw the road that we had before is reduced and they put a big gap. Before we used as taxi operators to get out of the road when we load or pick up a passenger. Now, it is difficult for us to get out of the road because they have put a big gap there. So, we will not be able to go out.

MS. NONTOMBANA: But, in terms of for example also available bus shelters, are those also available for use by the taxi industry?

MR. GAMA: I don't think so because when the bus sees you standing at the bus shelter they hoot. You must move there.

MS. NONTOMBANA: And then I want to take you back to what you said regarding licencing. And the question I had is whether there are instances where licences have not been renewed for whatever reason?

MR. GAMA: No, currently we never experienced such. If the licence expired; we follow the law.

MS. NONTOMBANA: Okay, so you have said that you also experienced different treatment between taxi operators and bus operators, and you mentioned I think examples in relation to the licencing. I don't know if there are, the other example that you mentioned is in relation to subsidies. Is there anything else that you could mention in relation of how buses and taxis are treated differently. Or in fact, any other operators in the industry whether there is any experiences of there being different treatment.

MR. GAMA: Except the operating licence, the way we apply operating licences as I have indicated that we as taxi operators, when we make an application they require a recommendation from the municipality, but on the bus side I don't think so. Because we have asked the municipality, the buses follow the same criteria as we are following as taxi operators.

MS. NONTOMBANA: Okay, and then the last question I had on the taxi recap programme. In other provinces, one of the issues that has been raised is that the taxi recap programme if it were to work, it will have to be on an ongoing basis because it has to go with the renewal of the fleet because after a while you have to get another vehicle. So, are there any specific views regarding the taxi recap programme here different to what we have heard? Is there any

discussion going on with the government in relation to the taxi recap programme?

MR. GAMA: On that I can indicate something. You remember, when they introduce the vehicle of the recap, they give us Inyathi iBubesi and other vehicles. Those vehicles came into South Africa already they are scrapped. So, in terms of continuing to recap the vehicle, they must recap the scrap that they gave us. The Minister, the old man is Maharaj if I am not mistaken. They make a deal with the Indian guys. I am not trying to be, but I am putting what happened because iNyathi is from India South Africa, you have bought a new vehicle but you won't reach home, it is stuck along the road because it is a scrap.

CHAIRPERSON: Thank you Ms. Nontombana. Just 2 issues from my side Mr. Gama and Mr. Khosa before we release you. The 1st one relates to the BRT model in this province. I understood you to be saying that in terms of the current thinking as well as the negotiations, the municipality is looking at using your current fleet. If you could explain what that means. Does that mean that the municipality is looking at the BRT model in terms of which the routes which would have been the BRT routes will be serviced by the mini bus taxi industry as well as BRT buses. Is that what the current model entails?

MR. GAMA: Because in that regard the municipality comes up with their own presentation. Firstly, they told us they want to introduce a mixed fleet operation of which buses and taxis must be mixed. So, we asked the municipality because we are using Venture and Avanzas, so, what happens about Venture and Avanzas must form part of the mixed fleet. And also, the issue of the age of

the vehicle because if you say we must use the mixed fleet, you are saying as municipality we must use also the Siyaya and also the Avanza. So we disagree with you municipality. Because what we you as taxi operators we see an opportunity to grow. We see an opportunity to venture in a bigger picture as a taxi industry. We want to take part as a bus operators, also, as taxi operators. Because we see monopoly in the bus industry as the taxi operators. When I was 8 years, I am using the very same company to go to school. Now, I am 43 years old, the very same company is still on the operation. So, when we discussed with the municipality, we have indicated that we want to grow as taxi operators, we want to give them a fair competition because if we can have our own fleet as buses, as taxi operators. We can be able to compete with the bus company. It is what we present to the municipality. It seems as if we are not in agreement in that regard. But our point still stands

CHAIRPERSON: Just to clarify before I go to the next question. You say that your members also operate Ventures and Avanzas, not only the mini bus taxis.

MR. GAMA: Yes. Maybe before Chair, can I clarify the Ventures and Avanzas. You remember, we normally call it 4+ 1, those vehicles. There is other locations that we provide such transport whereby it is far to the tar road. We use this smaller vehicle to accommodate those community. And also in town, the issue of meter taxis has belong to the taxi associations. We don't want to see something like Uber coming to Mpumalanga coming to take over our business. That is why we provide such services.

MS. NONTOMBANA: I actually wanted you to also clarify what your understanding is of affected operators here in terms of the BRT. Because our

understanding is that there may be a different view regarding the affected operators is and this is specifically relevant when it comes to the compensation model that would apply when the BRT is introduced.

MR. GAMA: Our understanding if you are affected, if they introduce the new system on the road that you operate currently, you are affected.

CHAIRPERSON: My 2nd question which is the last one from me relates to the issue of duplication of routes between different associations which you indicated is one of the major sources of conflict and tension. What I would like to find out is in terms of the practice of the PRE in this province, what is the exact role of taxi associations in the process of making applications for operating licences? Is there any specific role that taxi associations play in this province in the processing of application for operating licence?

MR. GAMA: The role, 1, association must issue a recommendation letter to recommend that it is a member in good standing because what we are trying as an association, we want disciplined members. If you are not disciplined, we don't need you in the industry. If you used to fight in the industry, we don't need you anymore. That is the role played by the association. And also, if the member used to do conflict with other association, we will not be able to recommend you because once we recommend you, you go this other side and cause a problem. So, we are trying to manage all members. Each and every association have a responsibility to manage their members and also manage the commuters around that association.

CHAIRPERSON: Thank you very much Mr. Gama and Mr. Khosa for your time and for your presentation as well. We will certainly take up the issues that

you have raised with the relevant stakeholders including the PRE as well as the Mbombela municipality. Thank you very much.

MR. GAMA: Before we leave Chair, I never heard you ask us about the operating licences. The issue of radius and as the current we are using the road-operating licence but the other part using based but with the new Act we go back using the road based operating licence.

CHAIRPERSON: Thank you very much for that clarification. Thank you. We will now take a short 5-minute break and we will be back at 12:15 to take a presentation from SANTACO Tshwane. It seems as though they have crossed the border to Mpumalanga. There is tea, just next to the front entrance.

SESSION 2

CHAIRPERSON: You have a piece of paper in front of you. You may take the oath or the affirmation.

MR TSEBE: Thank you very much. I Abnath Tsebe swear that the evidence
5 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 Tsebe. You can handover the piece of paper to your colleague. Say if you could also do likewise. You may take the oath or the affirmation and please switch on the mike as you do so.

10 **MR MAHLANGU:** I Jabo Mahlangu 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 Mahlangu

Ms NTHULI: I Maria Nthuli 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 Nthuli. Perhaps we could start with Mr Mahlangu. If you could just start by very briefly explaining what your role is in Tshwane SANTACO as well as if you could also briefly explain how long have had that role.

MR MAHLANGU: I Jabo Mahlangu i am a Chairperson of PMP Taxi
20 Association. I have been the Chairperson since 2000. Now, I am serving under Tshwane. SANTACO Tshwane Regional Taxi Council as the General Secretary of the region being elected on our last election, last year in August. I am now 8

months and 2 days position. My role is for me to be the engine of the organisation and I understand the transport sector that I am in. I understand the transport sector since I have been an operator since the year 1994, till today.

Thank you.

5 **CHAIRPERSON:** Thank you Mr Mahlangu. Mr Tsebe.

MR TSEBE: I am the Chairperson of the Association called Pretoria-Randburg-Soshanguve Taxi Association. I think this is my third term as the chairperson I am re-elected again of the Chairperson of the Association and I was also the Chairperson of the SANTACO Greater Tshwane Taxi Council for the past term.

10 Then I was re-elected again to serve for this term now. I am 8 months with my colleague here, Tata Mahlangu, and M'am Nthuli. We are newly elected and I am also serving in the Gauteng Province as a Deputy Secretary and I am also serving into the National Structure SANTACO as Deputy Secretary General.

CHAIRPERSON: Ms Ntuli

15 **MS NTHULI:** Okay. I am at a Secretary of Johannesburg-Pretoria-Mabopani Taxi Association for the past two terms and I am also a Deputy Chairperson of Woman Desk for the first term and I am also a Deputy Secretary of Tshwane Regional Taxi Council, for the third term, now and have been newly elected just only for 8 months.

20 **CHAIRPERSON:** Thank you Ms Nthuli. You have made a submission to the enquiry. You now have an opportunity to take us through the key issues raised in your submission.

MR TSEBE: I think I will start with the background. The taxi industry was before the year 2000 not sufficiently or regulated at all and in 2000 the Democratic Government intervened and passed into law the National Land Transport Act Transition Act of 22, of 2000, that is the NLTTA which has been repealed by the
5 National Transport Act 99 of 2009. These legislations were intervention mechanisms to take forward the transport policy. Which seeks to transform the public transport industry in particular the taxi industry. The government recognise the fact that the taxi industry is the only black owner business industry in the country and move over 60% of the country's public transport
10 users, on a daily basis and the taxi industry is truly the heart beat of the country's economy and hence the regulatory framework intended to take its existence and sustainability to greater levels.

The intention of the legislator is clearly articulated and provided for in the amble and section 2 of the NLTTA which provides for:

- 15 1. for the furtherance of the restructuring and transformation of the Land Transport initiated by the NLTA;
2. giving effect to National Policy; and
3. prescribing national principles, guidelines requirements, frameworks, national norms and standards that must be applied uniformly in the
20 provinces and matters for in section 146(2) of the Constitution; and
4. consolidating ...[indistinct] transport functions and locating them in the appropriate sphere of government.

And it is therefore, are these the above, this background that the Land Transport Restructuring and Transformation should be assessed for the progress made since 2000 to date and

How we could move forward from such an assessment and it is also important to know that due to the fragmentation of the taxi operator structures, a decision was taken to establish SANTACO, as a legitimate taxi structure that represents the broader taxi operators, in South Africa and my tool will be the licensing, route allocation and entry requirements. The functions relating to the licensing, route allocation and entry requirements rest with the provincial regulatory entities and the National Transport Regulator, as published in terms of section 23 of NLTA and giving powers by section 24 while the NPTR in terms of section 46 - 49. The functions stated above in paragraph 2.1 must be performed having regard to Chapter 6 of the NLTA which compels the licensing authorities to consider. This includes development of integrated public transport plans, funding strategy or policy or economic viability of routes to ensure sustainability.

Under or overbearing of routes and thereafter monitoring and evaluation. Therefore the National Provincial and Local Government are compelled in terms of the NLTA to do certain things as applicable in various jurisdictions in the furtherance of the public transport services and regard must be had to these provisions of the NLTA when dealing with the regulation of the taxi industry. To date the government is dismally failing to comply with the Chapter 6 as a result the majority of public transport users are without operating licenses or permits and abuse has become a challenge and we feel that is very unfair to the taxi industry. Municipalities are contributors as they have failed to develop

integrated transport plans which the PRE and the NPTR must consider when assessing the applicant's application and for your information I am serving also as the chairperson of the BRTs and to your surprise BRT is a new model that has come to South Africa but for that buses to get licenses, it is very easy. I am
5 talking from experience. I it is very easy to apply for an operating license for BRT buses, because just remember it is an agreement between the taxi industry there is at the city and obvious I will not count the province for now because this is the prerogative that is given them, municipalities.

Now the question is: What is the problem for the taxi industry to benefit, say
10 even if we know that be it integrated as it becomes in a form of empowering the taxi operators. But what makes it difficult not to consider the taxi operators in terms of the operating licenses and the challenges that they are facing and then for this; though the act requires provinces alternatively the Department of Transport to take over the functions where the municipality or province, as the
15 case maybe fail to comply with Chapter 6 and such has not happened.

Where applications are approved for operating license or permit such is done on the basis of report develop by PRE officials who have no capacity or skills in transport, economics and planning. That is leading to conflict and this has been our argument. What makes the taxi industry to fight? Do you think taxi
20 operators they have got enough that they supply in terms of making sure that their so-called conflict or taxi wars. They can fund taxi wars, obviously to our understanding, as leaders, is that this things is stead force that he is doing. It is a sort of a monopoly that costs the taxi industry to fight, because they are even

unable to pay for their Quantums at the banking institutions. So, they are blacklisted.

Now, how can a blacklisted man or woman, a businessman or woman be able to fund a war whilst he is unable to fund the infrastructure that he was given by the banks or either by government? So, it becomes very difficult and we are
5 providing routes that are operated either by two, three associations without consultation and that on its own create a serious problem for the taxi industry. Hence we see conflict coming and going and we have a situation of oversupply,
10 saturation and non-viable routes leading to conflict and also increase non-economical competition, because you can simply, I think, this one has come so many times I cannot overemphasise it.

In the NLTA the National Transport Policy were implemented where fully the taxi services and operators would be in a better position than it is at the
15 moment. As we see a deteriorating services since the development of the policy and the promulgation of the NLTA and to ask this is the rationalization in action, because to us it looks like we must die a natural death. No one wants to be responsible for the taxi industry, because some of the processes that are coming our way. Even if a transformation in its own happen - in our belief but
20 rationalisation is playing part here, because some of our members are unable to come back into the industry after serving for quite some time ...[indistinct] the taxi industry of us. The NLTTA seek to regulate local taxi operations by establishing an association and yet the NLTA de-establish same but did not provide any other mechanism.

Now, the allocation of routes is largely based on thumb suck philosophy and not based on any legal process, to state the least and we have heard an argument that once the government give out a tender. You have got sub-contractors. You cannot give the same tender to another operator to come and do the same
5 thing, but in our instance, we want it, because this license that we are getting. It looks like it is just for as and when. Just to get us out of the system.

So, the entry requirements should be based on the integrated transport plans which, at this stage did not exist except in a few municipalities especially the Metros. Routes overlapping causing conflict between associations and you
10 would understand that you have got new developments. You have got malls that are coming in. You have got squatter camps and different development, but transport, public transport especially on the taxis, unless there are busses that would have to come there, there is a process that is followed, but in our case nothing has been done. S, we are just left to see to finish and we end up
15 fighting one another. That is the overlapping. I can quote, in our province, the Mall of Africa situation between the Alexandra Taxi Association. You can quote what happened there. I cannot over emphasise. This is some of the failures that government in is bringing to us and we end up being on the losing side, because you will get a statement that there is no leadership in the taxi industry.
20 But how can you lead something that someone is influencing the violence, because being a leader you cannot always deal with the violence situation and this violence it looks like it benefits some of the government officials. Sorry to say that.

Associations allocate routes themselves in the vicinity of the area in which they are operating and our custodians instead of obtaining proper licensing for operating on those routes. Most of us you will find all developed areas, we do not have permits to operate those malls there is not even rents, but I would
5 come to that one later. The placement moratorium by government on the issuing of licenses and permits which is imposed affected the operators negatively, not only in Gauteng but the whole country, I think. It ensures that taxi operators are victims of the law enforcement. When an operational license or a permit expires it is automatically removed from the system, which is not
10 fair. Licenses used to be indefinite and system worked for minibus taxi operators. Nowadays, if a license is not used for 6 months it is withdrawn. As per section 78 there is, supposed to be an inquiry as to why it has not been in use, but that is not done. License is just withdrawn without warning which violates the rules relating to natural justice and arbitral. Re-application is made
15 impossible after the license has expired which is the problem because this licenses are an asset to operators and sometimes an inheritance to their families should the operator of a minibus taxi pass on this license becomes a legacy platform for our families, to continue with the business.

The application process requires an individual to go to the Association and
20 present their IDs and any other required document as well as the ...[ndistinct] fee. Once the person becomes a member they then receive a recommendation letter from the Association to apply for permit. The taxi industry still organise them self in taxi associations and membership of new members is guided and regulated and the code of conduct of all members in accordance with the

association constitution and remember that since government took adducen to come up with this structure SANTACO, which is our structure. The Constitution that governs the taxi industry, the SANTACO Constitution to all their affiliates. It is like your national government. Your Provincial – you do not have a Provincial
5 Constitution, you have got only one Constitution that governs South Africa. So, it is the same to SANTACO. We have a SANTACO Constitution that governs all associations and our associations are running on the bylaws. They have got their policies and they have got their bylaws. That is the process that we are busy trying to take over to our members to understand that the only Constitution
10 that rules the taxi industry is the SANTACO Constitution, to all structures including the region and the provincial structures of SANTACO and going down to associations for that ..[indistinct] and SANTACO has decided not to take anymore members in order to control saturation of the industry and we understand that be it as it may some of the associations are still taking new
15 members. When you ask sometimes it is because of the demand, demand and supply. So you end-up having those associations that are still considering new members in the areas that they are operating it is not because it is a demand that they will come across because already they have got routes that they are operating but at the same ten points they will have to look for new members
20 within the areas of their operations into the communities to empower their members who are living in those areas, but as SANTACO decision was taken that for us to come to a control we need not to take anymore members. This decision was taken in order to maintain growth for the existing members, this is very important. If you will go to a number of route calculations in our operations.

Now, members are enable to take home, let me say per month R15 000,00 and you will find only few routes and a Quantum now, a repayment is at R16 000,00. So you can imagine that that person does not have a business for four or six years but he must pay over that car. That is a challenge that we are
5 still facing and SANTACO through this vision will help families and employees of minibus taxi operators to be able to grow within the industry by virtue of inheritance. That is why sometimes you wonder why unions are not coming to us, because we have got union members who are taxi operators. They know exactly what the challenge is. You cannot unionize the taxi industry drivers,
10 Because it is a norm. Making R14 000,00 instead of for R16 000,00. How much are you going to pay the driver?

So, our outcry is not only about as us as operators. We are also looking at the employee, for that matter to say: they need better, the better. We need to create a conducive climate for them as well, as we go forward, but really we depend
15 on government. Sometimes it becomes really an embarrassment to us. The industry remain unsubsidised. That is where I am coming to and only a few bus operators and I want to over emphasise few bus operators and white operators, my apology for race. I am not racist I am just bringing the points forward. White operators are subsidised which makes competition unhealthy and threatens the
20 very existence of the industry despite the obligation created by the NLPA.

Now, I will come to the price seeking mechanism. Fair prising, I think now you have noticed that the fuel has gone up almost twice, thrice now in the recent month and we are guided by the market. The price increases are and when, for us to increase is as and when. Now, because the first increment we have

raised first. Now, what should happen now, because the fuel has gone up again. It is another challenge. The simple reason for us. When you compare the bus, subsidised bus systems. They only do their increment once a year, the ...[indistinct] but for us. You cannot, it must be as and when, because a customer is no subsidised. It is not like when we said we understand very clear that we do not say subsidised us as operator. We say subsidised the commuter. So that we are able to make the living out of this business, because really we are not making it. Even if now we have done the price index is giving us a challenge you do not even understand how to do it because we are not subsidised and that is – we are doing on and as and when and because we are the CBOs we cannot increase without consulting SANCO or various unions. So for us to be able to increase we need to go to community structure.

Revision is based on inflation, but the minibus taxi industry always tries to keep their prices below inflation. Unfair competition is due to the fact that the bus and the rail-sector are subsidised which is why the taxi industry is struggling since the democratic government took over and the same taxi industry has no uniform policy on price setting mechanisms save for doing so based on the prevailing circumstances, for instance now we have got a 15% VAT increase, inflation and cost of living standard is going up and now we have a serious challenge and we are not saying, you know sometimes when you consider these things you can imagine how much VAT is paid by the taxi operators when they are buying this vehicle. It is not that we are looking for something which is not there. We are saying it because we know that we are paying 15% VAT and this VAT goes to government, but we are not subsidised for that ...[indistinct] and it

brings a serious challenge to us and on the transformation program, as stated in paragraph 1 and 2, herein. Above the transformation structure in ...[indistinct] the taxi industry propagated a move for self-regulation to being regulated by policy and the law and clearly and it is apparent that the failure of government

5 to implement the transformation agenda in terms of the transport policy and the LTA has worsened the economic standing of the transport operators and clearly the collapse of the industry. I have mentioned that, but this is rationalisation in action. The operators could benefit from public transport infrastructure development if the government could properly consult on infrastructure

10 development and ...[indistinct] planning and focussing on the BBBEE Empowerment and this one is 100 you do not have to look for something without even having that paper you can see it is black owned, 100% so, by black women, men and women in business but we are just doing it for someone else. There is no profit, for you to be a successful in the taxi industry it takes

15 mile stone and you can just imagine leaders who were leading SAPTA, yes. Up to now who is successful. You do not even have one person that you might say he is the minister from the tax industry or he is the chief of police from the taxi industry. We do not have such. Things are done , for us, without us and that is a clear confusion that we end up not knowing what to do or who to cry to.

20 The operators could benefit from public – O, my apology 4.4 there is no financial support of any form from government. Yet other modes such as busses, trains, SAA for example receives huge financial and technical support . Government conflicting self by granting other modes of transport support but not minibus taxi industry and let us put on record, that other provinces ...[indistinct]

they are better Mpumalanga, KZN, you can, ja Eastern Cape, Western Cape they are getting that little grant from government to run on their structures. Gauteng, we are getting nothing. Gauteng- there is no – there is no nothing for – we are running on our pockets and you know our pockets have run dry, run

5 this structure that brought me here. I am using my money, from the same taxi that I am not making profit from. I have used that money to come here and going back to Pretoria and so operating locally, in Gauteng itself, there is no funding from either Provincial Government and the cities. Okay the cities they have got the BRT's which is a model that obvious - the affected operators will

10 benefit from in terms of the value chain and ownership. The BRT and so on is owned by the affected operators, affected by BRT. But to the rest of us we have to fund our structures, get offices and pay for the offices, pay for the staff that must – So, we are doing it on our own and we have complained. We went to SANTACO for assistance. When you go KZN. They are getting, I am not sure

15 if I am if I am right, maybe 15 Million per annum, to run the structures of the taxi industry and it is not like it is a failure. You know something that must be done to us, is like someone who wants to do a favour. It is not a favour. This must be done, because we are failing the public of South Africa and for Gauteng and other provinces for that matter. So, this gives us a very serious problem in terms

20 of financial support, but SAA now received, I think, I do not know if it is not for the second, maybe for the third it gets an assistance from government. It will never fall on deaf ears if SAA is in trouble. But the taxi industry? We are always in trouble. We are even in trouble, now as we speak to you here, but now financial support is the problem, being unsubsidised as we are. We are still

having serious problems and I do not know if this thing can be addressed at all levels so that Gauteng can also be funded in terms of the structures that the mistakes of the past must be buried and so that we can go on, because life goes on.

5 There is no or limited taxi infrastructure. Which is only limited to taxi ranks, road dedicated lanes, lay-byes and proper inclusion for public events. You go to Cape Town you have got a dedicated lane. You go to Durban there is a dedicated lane. Maybe this is for tourists, not for South Africa. You come to Tshwane, nothing. Johannesburg I am not sure for Mbombela, because I am
10 not a resident. Maybe in Mbombela there is something here in terms of the public transport infrastructure for example a dedicated lane. BRTs they come now, they have got dedicated lanes, even if it benefits us, but now – the question is: Why not consider the taxi industry and give us dedicated lanes to run for public use. We need to run our passengers in a rapid way. That is why
15 then the accident issue, you cannot be able to monitor, because we are just mixed in this going up and down and there is a serious challenge in that regard. So there is no proper government support and protection of the minibus taxis and I have said that.

Value chain ownership is compromised. Som of my colleagues was it: the
20 Inyathi was decided and now those Inyathis are giving our members problems. You cannot scrap them. If you want to scrap it an operating license becomes an issue and now to get an operating license to scrap that car it is a challenge. So because it takes and if you say: We are not in a perfect world, but you can imagine that an operator – some of these vehicle you can look it there is a

...[indistinct]. Ask yourself: is this car belonging to a member in the taxi association? Do you think all members would want to drive this Inyathis? I do not think so. All of us would want this Quantums, new ones. But you have got routes that are not sustainable that cannot pay for a Quantum. So, they end up
5 going for this Inyathis and so on. But this is another challenge ...[indistinct] and the value chain, the tyres. We are always consumers. We do not own even a single value chain – let me say an ...[indistinct] I have got my members in Soshanguve. They have got their – What do you? The depot, petrol depot. But they are getting ...[indistinct]. One day you get a letter. You do not have a
10 licenses and we heard once that would - that the one that we benchmarked in Soweto. Which I do not know up to so far what is happening, but there were challenges. So, we need support from government in terms of this value chain, because on our own we cannot do it, because there is a monopoly, obvious. If you want to do it, it becomes a Pepsi and a Coke story. So, Coke will never
15 want Pepsi to go up. They will always monopolise the system so that they do not grow.

So, colleagues on the government failure to recognise minibus taxi industry as a leading mass transport in South African economy and failing to incentivise the industry accordingly and we are simply saying government marginalize the
20 taxi industry and I think maybe someone will hear me write this. It is not that it is a mistake to say this statement out, because it has been lodged and nothing is happening. The taxi industry is not consulted or included, recognised in decision making that affect industry or the provinces they govern. The

representative structures are not recognised in decision making process or any matter of interest or policy.

Lack of support from financial houses. I think some of our guys they have mentioned that in government causing operators to depend on high interest
5 rate, charging companies due to lack of creditability Most of us, I think – if not 80% of our members are blacklisted and the only finance house that can assist in that regard is SA Pixie Finance. SA Pixie Finance, in terms of the interest rate, you can want to come pay it, but we have gone through to SA many a times and say: Guys, this interest. They are saying: But you are risk. So, we
10 are taking risk. So, we are giving you 25% and all we ...[indistinct] for you to get that 16 of 10% from Absa. They will check your credit score, which you will not qualify anyway. So, for us to get reasonable credit scores. You need first to be creditable and so. That is where the challenge comes in and now SA Pixie Finance owns the taxis in South Africa. I was saying to someone that it is better
15 that we take our envelopes on daily basis to SA Pixie Finance because we are not making a life and it is better if we take envelopes and say pay us a salary, because the owners of these vehicles. They cannot even pay themselves a simple salary of 200 a week, because they must pay a driver and maintain the car and pay the instalment. It becomes the challenge. So, for how in terms of
20 the financial houses. We have a serious problem. We have preached this and the government was promising the corporative banks, if not coming through. I do not know what is the problem, but something must be done for this industry to survive like the *farmer's* did in the *apartheid era* and they are still doing that, they still have their moneys that they are able to draft monopolies and oppress

us indirectly so and your UBE and Taxifive, being able to operate on routes without licenses or route allocation, because your UBE is an app. So, an App is a license in nowadays in South Africa. You had an App and people like this App. You can operate a public transport. No problem, because has done that
5 and we are not becoming unfair on this. We know it that UBE is here and then the debate has gone up and we are obviously as SANTACO taking the taxi industry and even the meter taxis are part of us and obviously a UBE operations are affecting the minibus taxi operators for that matter.

SARS charging operators VAT, but not allowing them to claim it back and in
10 terms of the VAT, the subsidy. We are saying: Government come and workshop us. We are your children. We cannot say subsidy. Maybe you do not understand what subsidy is and what is it that is required for us to qualify for a subsidy? Workshop us. Give us lessons as to for you to be able to get a subsidy. This is what you must do and we will comply, because we want this
15 subsidy as yesterday. I do not see us having a problem on that.

I am coming to competition dynamics. The bus and air and rail transport are subsidised and receive all necessary support from government as well bail outs when in financial crisis due to bad management and collapse of governance structures and the ...[indistinct] when this benefits must come to us we are told
20 taxi violence. Take taxi ...[indistinct]. Scrapping. This is a strategy that always will take us. Now, SAA have bad governance structures. It was assisted. So, now it is a question mark. Taxi infrastructures falling apart duo to lack of government maintenance or lack of security. Give this ranks we manage. Teach us how to manage them for the legacy platform. We cannot continue for another

10 years to come and we said, I have said to my members: This generation is then the generation that must change this industry to the better; and

The condition of the taxi fleet. Minibuses ages quickly due to the fact of high operating cost. That one I have said it. The price charged by the taxi industry is
5 no sustainable due to the fact that the majority of the users are the labour force of our country. Who are also heavily hit by the high cost of living standards such VAT, food prices and other basic life necessities and I have said it and I think from officials also you will know. If you want someone to go home. He does not have money, for transport. Go to the rank. You will reach your destination
10 without you having money. You cannot go Translux, PUTCO or This World. They will never take you because they even have system inspectors, a driver is not allowed to take someone without the fares to his destination, but in the taxi industry you always reach your destiny safe and sound. Without having money in your pocket. So, government must realise this. That we are dealing. We are
15 the poor of the poorest and we are dealing with the poor of the poorest. So, it is not like someone who will say the taxi industry is better off. We are not better off, we are dealing with a poor community and we are also poor business people. We do not have money. It is not like in any other businesses where you have got your tenders and your subsidised, lot of money. People take in billions
20 per annum but getting nothing from the taxi industry, which is the majority in term of the movement of our masses. So the stiff competition and environment as created by the government result in taxi violence and violence involving other modes and we want to walk away from this thing of violence because some it is the benefit for them for us to fight is good. So that we do not see the power that

we possess in the economy. But we are able, from the leadership point of view that you become a good leader in the taxi industry you do not last for three terms. They will kill you and the question is, I read this Hitman for Hire book which state that there are people that are making business out of this killings
5 and that those people – they do not have taxis, they only give hitmen for hire, you hire a hitman to kill one another and which I have said from the onset. This is not from the taxi industry that we are governing, because from the governance point of view our members are struggling. So, we need to change. We need a ...[indistinct] shift in terms of the government approaching these
10 processes since the beginning of the democratic era in 1994.

The assessment regarding implementation of the transformation agenda in terms of the Public Transport Policy and the NLTA and the regulation of the taxi industry must be done with the sense of urgency in order to develop a well plan of action for the development of the taxi industry and by so saying we are
15 saying in conclusion.

Colleagues and the house we think that taking forward our submission to government we hope that this time around we cannot say timelines, but we will see a change of plan in terms of empowering the taxi industry and taking us to the right direction and we are ready for the empowerment and hence I have
20 alluded in terms of the BRTs that it is a good model, but competition is very important as much as we are in it and we are working tirelessly to make sure that the affected parties are going to be affected and they are going to be better off and there is no job losses and their value chain and is better off and we in terms of the legacy, our families, are going to benefit going forward, because we want

and we want to make sure that in terms of the structures and association and its members. We are waiting for government to give us enough training to our drivers in time of customer care. We know there are complaints from our side as well that that there are certain issues that we need to take into consideration, 5 but we are saying, in this instance, for us to be able to move we need government assistance and to us competition is of importance. So, we are saying in conclusion. Thank you very much for affording us this opportunity to come and present our case. Thank you.

CHAIRPERSON: Thank you very much Mr Tsebe. Mr Mahlangu, is there 10 anything that you would like to add or emphasise?

MR MAHLANGU: No, sir. I think my Chairperson has said it all.

CHAIRPERSON: Thank you, Mr Mahlangu. Ms Nthuli is there anything that you like to add to the presentation.

Ms NTHULI: No, sir.

15 **CHAIRPERSON:** Thank you very much. Mr Ngobeni?

MR NGOBENI: Thank you Chair and good afternoon to Mr Tsebe, Mr Mahlangu and Ms Nthuli. Maybe just to start with the question on licensing. You make a submission and there is complaint about the question around the E-hailing services, you know. Where you have dealt with UBE and Taxifive 20 and I think there you indicate that UBE and Taxifive, in Pretoria. They operate on roads without license. Since their introduction in Pretoria have the industry received request. You know to make submissions either to the PRE or to the municipalities or to comment on any applications that have been brought by any

of these E-hailing services. That is if they have brought any applications. So, the question is has the industry and has SANTACO, for an example been approached, either by the PRE or by the municipality, because the law requires that – you know when – you know if operators are applying for operating
5 licenses they have to, they are publicised and people have to raise objections and comment and all of this and so the question is whether the industry, itself, has voluntarily gone to the PRE – you know to make its issues heard or whether you have responded to any application that has been placed, you know, before this authorities when they are considering any applications. That is if there have
10 been any applications that have been brought. That you are aware of.

MR TSEBE: Thank you very much and I think it is evident that you would remember that the meter taxis they have ...[indistinct] whilst they were meeting with the MEC of Gauteng, Vadi and it was a very violent approach. But in short the cities or the province never consulted with us and nothing has been brought
15 to book so far. So there was no consultation in that regard. If I might be straight to the answer.

MR NGOBENI: Thank you and just a couple of questions on the BRT and my colleague will come in. But I am more interested in the negotiations around – I understand the current route is the one from – I am more interested on the
20 Wonderboom route and I understand that you are personally involved on that one. Am I correct to ...[intervenes]

MR TSEBE: Yes.

MR NGOBENI: Okay. Now it has been reported that they – you know either drop off agreement that has been signed by the city and the associations in respect of that route. Am I correct?

MR TSEBE: ...[no audible response]

5 **MR NGOBENI:** If you can just leave your mike on. I think it is off.

MR TSEBE: Sorry. Okay.

MR NGOBENI: Yes. Just to place it on record. My understanding is that there an agreement that has been reached, a drop-off agreement between the associations and the city.

10 **MR TSEBE:** Yes.

MR NGOBENI: And – maybe just to – for the purposes of the record. Who are those three associations that are involved here?

MR TSEBE: It is Hammanskraal Taxi Association. Stinkwater Taxi Association and Ga-Mokone Hammanskraal Stinkwater Taxi Association.

15 **MR NGOBENI:** Thank you and when was this implemented, this drop-off agreement.

MR TSEBE: The drop-off agreement was implemented in January, mid January. 8 January.

MR NGOBENI: And just briefly. You know what is the – you know what is
20 required of those members in terms of this agreement?

MR TSEBE: If I would take you or give you a background or what normally happens in the BRT affected - you know we spoke about the integrated system that government is coming up with and I think initially the BRT in Pretoria started in town and it went to Hatfield and obviously in terms of the bums on the
5 seat. There was no ridership and that was complained from the city and then they come up with the story with the strategy in terms of the land, there are two – is it ...

Ms NTHULI: ...[indistinct] 1A

MR TSEBE: What? 1A. that is the Wonderboom. So they only identify
10 associations in the North. We had three associations with which I have just mentioned to you and the process of the City is that we have got advisors. We have got the legal advisors. We have got financial advisor. We have got a technical advisor. That are appointed by us, but paid by the City in terms of assisting us. In terms of making sure that the value that we will be taking, but
15 sometimes and that is what I have realised. That when you take a decision and then you are too happy. You might take a wrong decision, because we are too happy and we went to Hammanskraal. They were too happy. They were too happy and then after all the deliberations and negotiations it was agreed that a car – remember this one it was different. It is not like buying a car and say: Go.
20 It is buying a certain portion of the road. But obviously becoming a shareholder and I think into the bus operating company and the three associations were consulted, I think for almost the whole year 2017. Go in to membership. Calling executives. When the compensation was negotiated the Chairpersons of the three associations were part of that negotiation team and it was agreed on the

amount and the - you know the City was not sure either to pay it, but it was very robust. I still remember I was the one going to association ..[indistinct] at some point, they will even point fingers and think that you are selling them out. But I said: Guys, we are together in this. We might see it as, for now we are

5 failing, and the drop-off, the first round of the drop-off was they did comply – even if it was hard. Remember this thing is new to all of us. No one is perfect on this one and when we went on there was a bus strike. Now our busses are affected by this SAPEC issues and they have to withdraw the services and then we went on until the strike was called off. Now they must drop-off again. That is

10 the challenge now to drop-off. Of course come into the contracts. All members of all associations paid that compensation. They did sign an agreement with the City. So, and it is legal binding arrangement. So, when the City now offered issued letters of breach to us. So, we are calling a meeting, I think for this week to try and rectify that situation, because it is like not – it is not operators it is

15 drivers that are demanding certain demands from their side as employees, but we are busy sitting on that and we hope that our deliberations with the effected parties will be resolved, either by – is it tomorrow. We have a follow-up meeting and so we will then be able to say: Yes, contracts were signed . That we can confirm, by members and the drop-off must happen at Wonderboom, but we

20 have - obviously some of my colleagues have said it in terms of the infrastructure our members are complaining. There is no taxi-shelters, but there are bus-shelters. This are some of the things that we have said to the City and I think they are coming up, on their side as well, to make sure the scheduling, because remember the taxis, we do not work on schedules, sometimes we

expect five taxis within a certain time on Mondays or sometime in the week. You find the schedule changed ...[indistinct] So, we need more buses than the scheduled that the City is providing now and this from the operators from our side is that they have brought it forward to us: Listen mixed traffic, like
5 Wonderboom to Marabastad is a mixed traffic. There is nothing repeat there. But I cannot drop-off and you are taking the same passengers and you go to Marabastad on the mixed traffic. So that does not serve your purpose and we are sitting and talking to the City in terms of those grievances that were brought forward by our members and we hope that as we engage with them we will
10 come to an amicable solutions very quick.

MR NGOBENI: Are these associations, the three associations are they the same associations that are running the bus system from Wonderboom. Just to try and understand. Are the same associations – that the associations that are responsible for the dropping off are they the same associations that are also
15 responsible for the other leg of the transport system, which is the buses?

MR TSEBE: *Ja*, the buses – remember how it is structured. All affected operators. They will buy shares into the bus operating company, for that matter. Yes they are affected and they are shareholders of the system, but remember there is still this process that is going between the industry and government in
20 terms of how are we going to structure the shareholding deal. How much is the share is so, so and so? Professionals are working it out for us.

MR NGOBENI: And what is the duration of this agreements that you have and what are lessons or the challenges that you faced, eversince – you know the signing of the agreement. So the first part of the question is the duration and if

there are any challenges. If you can share with the panel. Any of the challenges that you face as the implementation of the agreement,.

MR TSEBE: *Ja*, the duration of the agreement I think it is – there is no ..[indistinct] duration. Let me put it that way it is forever, because they will have
5 to buy – it is 12 years contract, remember the BRT it is 12 years contract that we need, but we are not yet on that stage. Now for we are filling the inception for three years. Inception phase. Now, in terms of the – you said something again you can ...

MALE SPEAKER: Whether they.

10 **MR NGOBENI:** For whether there are any challenges.

MR TSEBE: O, the challenges. Yes, we do have challenges and challenges is that the planning part is that you cannot start BRT in town. You need to go to communities, into townships and the BRT in Tshwane started in town during the previous administration. Now, we are faced with that problem, but we have
15 raised it with the City and we have been asking: Why go to Soshanguve whilst you have Atteridgeville which is 15 kilometers to town and you want to go to Soshanguve which is 20 or 25 kilometers and but I think now they have started to listen to us, because firstly it was like planning for us. Telling us what must happen, but for now we are engaging robustly on this issues. You cannot say
20 you do not want – you want drivership but you are starting it in town. There is no one living in town, people are coming from townships and this was then a challenge in Hammanskraal community to say: We do not want to be dropped off we want you to come to Hammanskraal and ferry us from Hammanskraal to

town. This was a challenge structures, community structures of Hammanskraal. So, we are busy engaging with those structures to say how can we, because these challenges are becoming huge. You will see Menlyn, because of the Menlyn Main, you remember that Casino that is in Menlyn Main.

5 The infrastructure is almost done and we said: but you are rushing the rich, this system is for the poor of the poorest. Why not in Atteridgeville of Soshanguve. Move away from this expensive station and come to something reasonable. So that you can move it very quick. So that you can identify lanes that can go to Atteridgeville and also make sure that the taxi industry is in terms of the
10 competition is treated fairly so. This are some of the challenge that we are coming across that sometimes is very challenging and the Menlyn. I think will start on a mixed traffic. Which still is a challenge to the taxi operators, because hence I said to you, from the beginning, that when you come to the hungry taxi operators with an offer of money. You want them to commit suicide and this is
15 one example and it is a challenge that we end up committing suicide because of looking at One Million that will get it today, forgetting that you have another 12 years that you must live. So, those are the challenges.

MR NGOBENI: And I think given the challenges that you have identified. Are you as SANTACO willing to consider similar arrangements in other areas where
20 you have members?

MR TSEBE: Yes.

MR NGOBENI: Thank you Chair. O, I think there is just one question on – just one question on. Okay. No, but it is okay, Chair. Thank you.

CHAIRPERSON: *Ja*, you can always come to it. Should we have more time.

Mr Lesofe.

MR LESOFE: Thank you, Chair. I think my questions are largely BRT and I will continue from where my colleague left off. Perhaps we could start with,
5 because you mentioned that there are advisors that have been appointed to assist operators. Right. I think you mentioned that these are legal people, technical and financial advisors. Is that correct?

MR TSEBE: Yes.

MR LESOFE: I just – maybe we could start with the appointment process and
10 if you could just explain to us what was the City's role in that regard, because I understand that the advisors are paid by the City. Now in terms of the appointment process. What was the role that the City played in that regard?

MR TSEBE: O, there was consultative forum that was established by the City. We normally called it the Bela-Bela Summit. We normally went to Bela-Bela
15 and we – the City organised the Bela-Bela Summit during the era of the then ANC Mayor Kgosientso Ramokgopa and this deliberations was taken in front of the membership that is with me here. We are consisting of 400 members, all in all. All our associations including long distances. We are not excluding anyone. So that for information dissemination, because some members are operating
20 long distance, but then at the same time they are on local operations. They might be affected by BRT and so that is where then agreement was reached. Then they wanted to advertise and we were able to say advertisement from your side might cause us a problem because we want people that will be able to

control from our side and that agreement was reached. Hence the three appointees that were appointed from our side. Then we took them to the City to go through certain processes, legal processes with the City and that was done and they were appointed.

5 **MR LESOFE**: Okay and - because you say you wanted to have control over these advisors. Have you able to achieve that, in other words are you able to work with the advisors. Do we have control over them?

MR TSEBE: Yes, the control is there, because now we are – they able even to consult with the industry without even the leadership which makes a conducive.
10 climate, you know. It is not like I must be there always for them to consult. They are doing things. We have got a committee that is called the steering committee consisting of two structures. Which is your SANTACO and NTA, because NTA were the first to be affected, but we managed to bring that piece to work as one, not in silos and so we are able to control. In terms of control I think and the
15 members, I think, on the floor they are able to assess and talk to this advisors. It is not like it is something that it belongs to the leadership of the industry. It belongs to the affected operators.

MR LESOFE: And would you say this advisors work independently without being influenced by the City.

20 **MR TSEBE**: Yes, the Tshwane. Yes.

MR LESOFE: Okay. Now, if you could get into the BRT system itself. So, the affected operators are a part of the VOC or VOC is not exist. Is that correct?

MR TSEBE: VOCs. Yes.

MR LESOFE: How many VOCs are currently in existence?

MR TSEBE: One.

MR LESOFE: O, it is just one.

MR TSEBE: Tshwane Rapid Transit.

5 **MR LESOFE**: And that VOC is for the phase one?

MR TSEBE: Yes. It is – Ja Phase one. The line one – Line. We entered. We said we do not want multiple VOCs. The only challenge that we are facing now are the ones that we are subsidised, the bus industry, but now we have taken the resolution in terms of the trust to say they must have their own trust. The
10 taxi industry must have their own trustees as well.

MR LESOFE: Also...

MR TSEBE: Because, according to us they are not affected, but they are part of us.

MR LESOFE: Okay and the VOC operators, are they still members of
15 SANTACO?

MR TSEBE: Yes.

MR LESOFE: Okay and are they represented in the board?

MR TSEBE: Yes.

MR LESOFE: Of the VOC?

20 **MR TSEBE**: Yes.

MR LESOFE: Okay and I assume you that board would also include – would have representatives for bus operators, subsidised bus operators, as well?

MR TSEBE: Yes.

MR LESOFE: And if you could – I am not sure if you are in a position to talk
5 about, because we also want to understand the benefits that are derived by members who are part of the BRT. Would you say there are any benefits that that members get from the system. Does the system benefit previous operators, taxi operators who are now part of the VOC.

MR TSEBE: *Ja*, there is benefits. In fact how we have structured it. When we
10 started BRT the industry complained about the infrastructure, the disturbances and so on and we consulted the City and they agree in principles to give us the station management contract. Now there is a separate company for the affected. We call it TAOI there is a Taxi Affected Operator Investment which is created for them. So, in any tender that comes out. Let me say security, there
15 are conditions. You give 30% the affected operator and you run for two years. I am giving you an example and you do skills transfer. So TAOI must own. It is almost like your BIDVEST. Yes, TAOI must be able to own the value chain in terms of the busses. The value chain comes from the buses in terms of all ...[indistinct] that I have mentioned . the only contract we are unable to control it
20 is a fair collection system. The ticketing. Which is also the City's problem, as we speak the ticketing it is a problem for us, for now, but that is controlled maybe by the City. It is not our baby, but in all this other value in terms of operations we are doing, station management and for the whole industry then the City provided land parcel to develop. I think we will be doing one ...[indistinct] in

Mamelodi very soon. We have got a funder who is coming forward to assist in terms of that. So, you know. You have got your PRP affected and you also have – remember in value chain you have got diesel that are used by normal taxis and that are running. So, you have got that benefit that must come. So, 5 the question was: How are we going to do that? So, but the City was able to identify a land passer within TAOI. Which is in Marabastad. Then to own up that side so that all taxis will be able to own their depot. The BRT benefit is on a TAOI security cleaning and you name them. Already the companies that they support that is running that company for the affected operators as they come in. 10 There is an account. There is 30% that is paid on monthly basis as they get their invoices paid.

MR LESOFE: So, overall would you then say that VOC operators has to pay it and benefit in the value chain?

MR TSEBE: Correct.

15 **MR LESOFE**: Okay and in terms of the – perhaps if I get to the performance of BRT, of the BRT system. The question that I also had, which you have probably answered indirectly, it is about how job losses have been managed. So, for instance the implementation of the BRT System appears to be affecting taxi drivers. How have your members managed that?

20 **MR TSEBE**: Ja, in terms of the steering committee, that I spoke about. We have got stuff are given to the steering committee. We have got a deployment committee, which is dealing mainly with that one, in terms of the affected and I remember now you go into an association that is affected and in terms of the

bus driver you need certain qualifications and you need to ...[indistinct] certain tests for you to be able to pass, to drive a bus. So we have got that set of arrangement whether our deployment go into associations. Now in this instance it is not only BRT affected, because you might find that you need 20 drivers, but
5 you are unable to come up with the 20 drivers in an affected association. So you go to other associations to source those drivers and those that do not qualify will still have the cleaning, but remember taking a taxi driver from being a driver to clean a ...[indistinct] they do not want that. But that a person does on his own. But we have said like I have said. I have said it: no job losses. All
10 people that are affected from the taxi industry must be taken into the PRP System and there are obviously courses that they went and the training and obviously the dokter - you remember you cannot – if you go through the doctor and say you are diabetic. You cannot go and drive a bus. So, for that matter we have to look ways as to how do we accommodate you in terms of your choice.
15 But from the ...[indistinct] that they want to drive taxis which is fine with us, but the majority of those that wants to be, in fact 100 per – if I might say 80% of the employees, in both the busses and the station management are from the taxi industry.

MR LESOFE: Okay. Now in terms of the performance of phase 1. Perhaps we
20 could start with the running of the operation itself. To what extend is the City involved in that, for instance is the City involved in activities such as ticket collection and revenue collection.

MR TSEBE: Yes, you are right. The City is involved in the ticketing, the scheduling and the infrastructure.

MR LESOFE: And even revenue I ...[intervenes]

MR TSEBE: Revenue. Yes.

MR LESOFE: Okay. Is the information in relation to revenue shared with the VOC operators. In other words, do VOC operators know the revenue generated
5 by the system, given that that function of collecting revenue is performed by the City.

MR TSEBE: *Ja*, we are not yet there because we are still on inception and it is the cost recovering model now. Remember we have got the buses from DBSA that we must pay. So there is no profit. We are still going for negotiations of
10 profit, even if it is a challenge. You remind me because we said to them the busses are aging. The more you waste time, because the first three years has passed. Now, we are on another inception which is the second and the bus ...[indistinct] 12 years. So, when we go into a 12 year contract. The bus will be old. This are some of the challenges that we are facing with this.

15 **MR LESOFE**: Perhaps, if I could just qualify my question. By revenue I mean: Does the City share, with you, information about how much is collected through ticket sales and is subsidy granted and generally the performance of the system itself. Is it on the right track, are you experience growth, such information. Is that information shared with VOC operators

20 **MR TSEBE**: *Ja*, you are right. Not at this stage. The City is not sharing with us. How much they collected and what becomes key again is that, as much as they are not reporting, ...[indistinct] we are working on a budget. We submit our budget to them and it is either they decline or amend certain clauses of the

budget and we run on the budget for now. Up until now there is nothing revenue that was presented to us in terms of how much was collected and there is nothing of that sort.

MR LESOFE: And would your member – Would you be interested in that kind
5 of information ...

MR TSEBE: Correct.

MR LESOFE: With shareholders. I mean if you are a shareholder I would imagine that that piece of information would be very important.

MR TSEBE: Very important. I think. Yes. We are taking this up ..[indistinct]

10 **MR LESOFE**: Okay. And in terms of – I also want to discuss with you the compensation model, but perhaps before we get into the compensation model we could talk briefly about Phase 2 the implementation of Phase 2. I think in terms of the City's plan, Phase 2 should be operational from 20 – 2002. Is that correct?

15 **MR TSEBE**: Yes.

MR LESOFE: Have discussions on negotiations started in relation to that?

MR TSEBE: No.

MR LESOFE: Has the City identified or has it communicated routes that are likely to be affected by Phase 2?

20 **MR TSEBE**: Yes

MR LESOFE: Would you be so kind to identify those routes.

MR TSEBE: Mamelodi, Amalgamated Taxi Association, Menlyn Taxi Association and now they brought in Atteridgeville.

MR LESOFE: Yes.

MR TSEBE: And remember there is still this Soshanguve – Kopano.

5 **MR LESOFE:** And with regards to the implementation of Phase 1. How long did the negotiations take.

MR TSEBE: It took some time, you know. Now the negotiations that were, because we were stalled before even the VAT. Now there is a concern from us to say, because negotiations were happening before even the VAT increase.
10 We need to renegotiate. Menlyn, ..[indistinct], Pretoria Station negotiations were done but nothing in terms of implementation. Hammanskraal came last, but they were first to be compensated in terms of that small ...[indistinct] Road. So, there are a little bit of challenges in terms of compensation that were negotiated before, because we are saying, but it is very unfair for now. I think we have to
15 consider some facts in terms of the time lines. So, negotiations were done, but never implemented. So, we are going to review negotiations again.

MR LESOFE: And perhaps that then takes us to my next point or my next ...[indistinct] that is: Could the compensation model. If you could just explain to us the compensation model or framework that was used by the City and what
20 were the options that were presented to the then taxi operators and how did the model work?

MR TSEBE: So, the City they have got a set of advisors as well, in terms of technical. That was a technical, because they are doing a route verification of

those associations and they are putting cameras into the cars and on board surveys. They do an on board surveys and that will then determine as to how much a car does per day, on that route, and then from there they are doing their calculations in terms of the cost, the costing of the car and then they combine
5 everything. Then they come up with the amount.

MR LESOFE: Were your member generally happy with the compensation offered by the City?

MR TSEBE: *Ja* these surveys were done with the member, of course. We are taking people from their ...[indistinct] to help in terms of the surveys.

10 **MR LESOFE:** And are there any of your members who resisted or refused to be part of the process?

MR TSEBE: No.

MR LESOFE: So there is no, for instance a member ...[intervenes]

MR TSEBE: And we said we do not want to compete with the system, because
15 we want to own the system. It must go to the affected operators.

MR LESOFE: Okay.

MR TSEBE: So we are not competing with it.

MR LESOFE: And I understand that one of the options that was presented to the members is to be compensated 100%, meaning a 100% buy-out and a
20 member would then choose whether he wants to buy shares in the VOC or not. Is that correct.

MR TSEBE: *Ja*. That is – That is that government comes up. The government comes up with that, but we are always saying: We do not want to be – hence I spoke about rationalisation, because if you say I am giving you One Million, decide if you want to buy shares. We said to our members we say : Even if you
5 might decide to go for farming or for where ever, but our advice is that remain in the system. Buy shares and you are part of it. That is it. We do not want them to take a wrong decision. As I say when you are happy you take might take a wrong decision and so we say: Settle down and think of the future. Do not decide now, because you have got a million and you think of farming. You
10 know nothing of farming. That will cause ...[indistinct] for us, but our advice. That is a principle that the government is bringing forward. Do not force anyone to either buy shares, an operator must decide, but still we are saying: You are giving over your license. Why move out of the system, be part of the system. That is entirely what we are doing from our side as a structure.

15 **MR LESOFE**: And all your members accepted that advice.

MR TSEBE: They do.

MR LESOFE: Okay. You mentioned that for people ...[indistinct] determining what – the appropriate quantum or figure surveys were conducted. Were those shared with your members?

20 **MR TSEBE**: Correct. Yes.

MR LESOFE: Were your members part of the process or they were involved once the process was completed, meaning that they just received the outcomes of the surveys that were conducted.

MR TSEBE: Ja, hence I said you have got the steering committee and you have got ...[indistinct] if you have got members. Part of the Steering Committee that does ...[indistinct], data collection whatever and operations. They will do it with the executive and obviously do a consultative forum with the
5 members.

MR LESOFE: Okay, thank you and in terms of - because VOCs, as I understand them they operate, they are companies. Right and in terms of company law, companies essentially declare dividend and unlike a monthly salary or income dividend is declared, it can be declared annually or by
10 ...[indistinct] Now, I want to understand how do your members manage that, because I am sure, all of them before they joined the VOC they use to get, to generate monthly income. Now, in this instance given that and I assume that the VOC would operate on the basis of declaring dividends. How does that work now?

15 **MR TSEBE**: For now, hence I have stated that we are on cost recovery. There is no profit and dividends declared now. Until the last operator has compensated and buy his shares into the company and the shareholding structure and the negotiations between the City and the affected operators is still ongoing. Now what happening now is that the BOC(sic) on an entering, like
20 got now members of the board that are there they are there for – until the shareholders come and also the trustees. Then we have to move them out, the affected parties come take over and chose their own board of directors in that regard. So, now for us where we are sitting now in terms of and rightfully, because remember you said any benefits. The one that will then start to declare

dividends is the one that is making 30%. So, the operators on that side they will have to decide and further, there is one element that I left out. We were able to engage Gautrain in terms of the ...[indisinct] to Gautrain and they gave it to the industry and that is where we started this model it is running, as we are

5 speaking, between Centurion and Pretoria Central and Hatfield and so now this one is, belongs to the industry. We bought those buses ...[indistinct] as the industry. All of ...[indistinct] associations in Pretoria. We have got those buses. Then we have got – those ones they need to declare dividend, because there is another separate company and that BRT ones, because there is no members

10 that are affected, like your ...[indistinct] is now we are three. We had Hammanskraal now. We are still struggling with the drop-off. There is no on board, what do you call this? Shareholding members that already have denied and different advisors are still working on that and the mistake which is the challenge is that those members were paid 300 000 - 300 each member. Now

15 the money is gone. Now if you would say you were going and say the shares, because the City starts on top and going down and that affects us big time, but on the TAOI side I think that we will go in to declare dividends, but on the TRP side is not yet on that lever. We are busy with the City and we are still sitting on this BOKA Bus operating company agree with the City. What to include and

20 what to exclude. Maybe you have noticed that they have given us the Mamelodi contract after that PUTCO saga that happened in Mamelodi. But we are doing it temporarily for the Mamelodi spot we cannot use BRT buses forever. We need to withdraw those buses, because they belong – they were standing anyway, but we said we can so long hold the ...[indistinct] contract for

the Mamelodians and then after that and after they get the contract. We will remove the buses then they can operate on their normal commuter bus, not on the BRT bus. But that one I think you know about it, the Mamelodi. So, we are busy. It is a provincial issue. It is a contract . It is not a BRT. Now, that one and
5 Mamelodi they have got their own company which is Matrans. Now you have got your BRT which is government and the City and we are on costs recovery. There is no dividends. TOI there is 30% that is going. So, need to declare and talk to the shareholders as well.

MR LESOFE: Now, over all. Would you say VOC operators are happy to be
10 part of the BRT system despite some of these challenges you have spoken about.

MR TSEBE: I would say yes they are happy and I would say no again
...[intervenes]

MR LESOFE: Perhaps let me give you context in terms of why I am asking this
15 question.

MR TSEBE: Okay.

MR LESOFE: In the Western Cape some VOC operators that we spoke to, indicated to us that they are very unhappy. Actually they feel that they are worse off. They feel that they were sold a dream. Which cannot be realised
20 now and some of them have actually gone back to operating taxis. They have gone back to the industry because they feel that they cannot take it anymore. That is the context with in which I am asking this question.

MR TSEBE: *Ja.* No, I think you are right and we will benchmark Cape Town, as well. We know this challenges and one critical issue is that sometimes it goes sour at their leadership level. Not the system itself. How you present it. How people must understand it, workshops, So that member who are affected
5 understand exactly what they are getting into and sometimes it becomes a thumb suck and members will - like a leader and come in and say take this money. Whilst you actually do not deal with the real issues that members must understand. So you end up, because any member like the Hammanskraal trio. When you talk 300 000 everyone was happy, but now they feel the heat and the
10 money is no longer there. So, they will need to comply and then there is no money and I think this one – you would remember that the first bought in Cape Town was even – what do you call it? Not all of them, but I think it is only that guy that I know. But the CEO and all the way like fire by the industry and I know for a fact that those operators they start buying illegal taxis to operate the same
15 route that they were operating, because of the pressure that they come across and I think that is mainly because of - We have went to overseas. We have got CO Singapore versus your Bogota it is a different – Singapore talks more of corporative and Bogota shows you the challenges that, because it is mainly BRT there. There is no train and the taxis are feeding into BRTs. So, but when
20 you come to South Africa it is a different environment at all. So, now what makes it not our sometimes to, it is not, remember change is very very challenging. If something has to change you need to convince people who will be affected to adapt to that change. So, that is where then the challenges and government. We have been emphasising the City to say: start taking this people

in terms of financials. In terms of shareholding. They must understand, because I cannot say buy shares. You buy shares and so what. So, need to understand I buy shares. This is my benefit. I will get money after 5 years and from here until 5 years what is it that I will be doing within, because you might think that is better off and it is worse off and they are right to say they are worse off. From the leadership point of view. That is exactly challenges that we have come across to say this one is not going to help our member, but instead we need the government to assist us going forward. That hence we are crying for this subsidy to make sure that we empower our members rightfully so, from being taxi operators getting into the bus industry and becoming shareholders of a big entity like bus industry. It is not easy like the one that is owned by white, one owner. Then this one is multiple owners that are coming into it. So, here we need government assistance for real, but our members needs to understand, but hence I have said: no financial muscle from us to make sure that our member are well educated in terms of the BRT and shareholding and all this things that are coming technical into the system.

MR LESOFE: And are there any of your members who actually feel that they are worse off?

MR TSEBE: Yes, some they are feeling that they are worse off.

20 **MR LESOFE:** Is the number significant of insignificant ..

MR TSEBE: ...[indistinct]

MR LESOFE: Such members

MR TSEBE: Yes, some they have got facts they would want to attend to a certain problem. They will show that listen we have done this, but this is a challenge. Remember you have got people that you give money and they invest on their own without you telling them. You have got people you are giving
5 money. Some they will buy cars, renovate houses and this money just goes. It is like Cape Town. We were told that some were buying this expensive cars with big tanks and the money, all the money was going into the car. There was no educational – investment education into terms of teaching our members how to treat their finances carefully.

10 **MR LESOFE**: And in terms of the BRT contracts. So, these – the maximum duration is 12 years.

MR TSEBE: Yes.

MR LESOFE: And it appears that there is no guarantee that after the 12 year period the current VOC members will be part of the system going forward. Is
15 this a concern to you and if so is there anything that you are doing to ...

MR TSEBE: Ja, that one we are totally against it. We are lobbying other cities as well, around South Africa, to come up with a BRT forum that will challenge this 12 year contract. We need indefinite contract and we are lobbying it is not the City of Tshwane only. We have started with Cape Town,
20 Durban and Rustenburg and Limpopo and we are also engaging with our guys here in Mbombela for all the cities that are affected.

MR LESOFE: And what has been the City's attitude towards your concern in this regard?

MR TSEBE: It is a national – this one it is a national agenda. The City say you must take it up. Yes. I mean they are doing exactly that.

CHAIRPERSON: Jou want to say something.

MR NGOBENI: Thank you, Chair. I think the question that escaped me before
5 I finished was you mentioned the question of as breach and if they, you know if
the information confidential, you know you can share with us, but if the
information is confidential then please indicate and you indicate during your
evidence in chief when I was discussing certain issue with you that there has
been a breach and there is going to be a meeting between you and the
10 municipality. I just wanted you to clarify for the panel what the breach is all
about and you know, if the information is not confidential.

MR TSEBE: Ja, the drop-off we will talk to the City they need the grievances
that were brought forward to us by the affected parties. They need to tell us
how far are they with some of them and when are they going to be ready. So
15 that when we push our member it is a 50/50, it is balanced. They do what do
what they are supposed to do and our members will comply for that matter.

MR NGOBENI: Thank you Chair.

CHAIRPERSON: Thank you Mr Ngobeni. Panel members.

MR MANDIRIZA: Okay, thank you for your presentation I just have a couple of
20 questions. I think just follow-up I think from my colleagues. Just for the record.
So, do you as SANTACO Tshwane. Do you support the relinquishing of
operating licenses in the implementation of the BRT for the affected taxi
operators.

MR TSEBE: Can you repeat that one. Please.

MR MANDIRIZA: I am saying you have mentioned that when – to participate in the BRT. Our understanding is that the taxi operators have to relinquish or give up their operating license so that they are incorporated as part of the VOC.

5 So, my question is: Are you happy with that arrangement of relinquishing your operating licensees?

MR TSEBE: *Ja*, slightly, depending on the negotiations between us and the government in terms of relinquishing the operating license. Hence I said it that we are still having concern with the compensation that is offered to Pretoria
10 Station, Menlyn and ...[indistinct] because of the VAT increment and fuel hike that is affecting us, as we speak. So, this are a number of factors that, after we negotiate in terms of the compensation. Then we will be able to say “yes members, are fairly. They have got information then they are happy. ...[indistinct] because still it is an engagement and it is very difficult for us to
15 say: *Nee*, they are happy. Whereas negotiations may become sour in the process.

MR MANDIRIZA: *Ja*, but I think I am asking maybe from a principle point of view. Whether for, you know, whether it is a fair principle for you. You know for you to be part of this, you have to give up your license. Just from a principle
20 point of view ...[intervenes]

[speaking simultaneously] are happy to relinquish te operating license.

MR MANDIRIZA: Okay. So, in other words you do not see a possibility of the BRT System competing alongside with the taxis. Let us say for members that do not want to be part of the VOC.

MR TSEBE: For that one. That is why advisors must be there so that when we
5 must sell it and then we need to workshop them. So that they understand, because once that is a division that will lead to another violence which we do not – we want to discredit at all cost. Cause if you take certain portion and leave others it is the recipe for violence.

MR MANDIRIZA: Because I am asking this, I think what we have seen in
10 other, in other cities for instance George for instance. So there are taxi operators that did not want to become part of their VOC and they were lead to run alongside until at a point where their operating license expired. Then there was a moratorium in that particular instance. Then they were not renewed. So, I wanted to check whether an arrangement of that sort, in your cities, it is
15 something that ...[intervenes]

MR TSEBE: No, in our case we will never allow, because that will – we are not doing that.

MR MANDIRIZA: Thank you. Okay. Then, I think you mentioned. I think in your evidence that in the VOC's there is some form of skills transfer. That has to, you
20 know take place so that at least, maybe after the ...[indistinct] or after a certain period of time. You know, your members would be able to run. You know to run. You know the operation. I just want to get a perspective of what are these programs. What are they to capacitate and whether you are with level of

capacity building Right, because I think I just want to follow-up from what Mr Lesofe said. That the concerns that you have gotten so far is that, you know. The VOCs are run elsewhere and some of the operators are not involved in the decision making – the critical aspects of the business. So, I just want to
5 contextualise that that issue with the skills transfers and the capacity level, you know, whether you have been developed to be able to really run this business, the integrated. You know, the intricacies of the business.

MR TSEBE: Ja, the capacity program, I think from us is very clear, because at a certain level we are taking the children from the taxi industry and we are
10 taking them to school, but the same companies that are doing services to capacitate them to be able to run this services for us. It is not about us without us it is us empowering own children for a legacy platform to continue and maintain this value add services to us. That is exactly what we are doing. Already the program is there TITA has bought in. We are taking them to school.

15 **MR MANDIRIZA:** Then is there any of the members that are in the executive committee of the VOC? That have executive management of this VOC.

MR TSEBE: For now. No, because the affected are not yet paid, all of them. In fact it is only Hammanskraal, that trio. All of them they are still, some they are still on an interim compensation, because of their affectedness. So, we are
20 waiting. We are still negotiating the final compensation.

MR MANDIRIZA: Okay. Then - Okay now that is fine. No thank you chair.

MR TSEBE:

CHAIRPERSON: Ms Nontombana.

MS NONTOMBANA: I want to follow-up on something you raised regarding your discussions with Gautrain that have lead to the piloting of the Centurion and Hatfield roads and I just wanted to understand whether given the different modes of transport that are there. Is there any level of integration that you
5 foresee, starting with this one that you have already done with Gautrain and I am asking this because we understand or at least we have been told that there is lot of capacity that is available, because there is no integration between the different modes of transport and so I just want to find out whether there has been any thinking, at least from your side regarding how the different modes of
10 transport can be integrated. So that we have a better transport system for commuters.

MR TSEBE: Ja, I think the integration platform is one of the critical issues that from the structural point of view we are pushing. Even the Hammanskraal trio. I will take you a little bit on the Hammanskraal one. Give you a scenario there.
15 We said to the City: Listen as much as Hammanskraal is feeding you must be able to give a common ...[indistinct] in the system into the taxis. Not someone must pay cash and you come to the busses you card. You use the same card in the taxi to take you from and to. In the bus as well. As you recharge and you – Now coming to the Gautrain one in terms of the ...[indistinct] is that we are
20 very much aware that it has affected one of – some of our operators within operations of between Johannesburg and Pretoria. Now we are sharing those and the only thing that when we started complaining the department wanted to bring to our attention is that they will be giving us almost all the feeder systems. Their intention is to take out this big busses because they do not make it. Just

one person in a bus. So, they want to give it over to us, depending on how. You know this thing of taxi violence. They will always tell you about the taxi violence. Wherever you negotiate but hence I have alluded that it is not our own making but in terms of capacitating us. I think they are doing very well and the system is doing very and ticketing. We are able in terms – now I think we will be having our own AGM as the industry and that system is run by a company, law firm that is doing it for us in terms of management, because we do not want to do it on our own. We have got history of our own that our members and I am saying it looks like we are too corrupt to – in some of our systems to own it ...[indistinct] so we need professionals that can do it for us and move forward. So in terms of the reporting and the ticketing and between us and Gautrain. However the thing in terms of integration The same card that we are using in the taxi se are using it into Gautrain. Which that one is a very good model and we like it. Is just that getting into Johannesburg becomes a challenge, but in Pretoria we are getting there and they are still promising lot of routes that they want to come up with.

MS NONTOMBANA: And is there any indication of how long it would take for such a system to be implemented. Even if it is just in Pretoria.

MR TSEBE: Say again?

20 **MS NONTOMBANA:** Is there any indication of how long it would take for the system to be fully implemented?

MR TSEBE: No, not yet.

MS NONTOMBANA: Not yet.

MR TSEBE: We are still in the process.

MS NONTOMBANA: And then another thing I wanted to just get a bit of detail on. Is your reference to petro depot for the taxi industry in Soweto. For the taxi associations, I think you said in Soweto and Soshanguve, because we
5 understood from other submissions that there are challenges with regards to getting some specific infrastructure available for the taxi industry, including depots, as an example. I just wanted to get a bit of detail in terms of how this were put in place.

MR TSEBE: The Soshanguve one, I am not sure of the Dorljota that one I am
10 mentioning it, but it is in another region and it is for another stretch The Soshanguve one I think in terms of the land. The land belongs to the association and the infrastructure, I think there is an agreement between an association and the developer. So the whole system belongs to the members, but in terms of beneficiation, I think that is where we need further education and
15 hence our approach is saying: Government please come and empower in terms of workshops to understand as to how the depots work. How the beneficiation – because you might think that you are doing it right every month you want to give members to make them happy, but it is not worth it. What we want to make it. We want to make it so that everybody owns, in Soshanguve it is not
20 only about ...[indistinct] remember in Soshanguve you have got, how many associations?

MALE SPEAKER: Four.

MR TSEBE: Four, but the one association has come up with a depot. So, we do not want to do, as work in silos. If it means all Soshanguve taxis must come to this same depot. They must do that to empower themselves, but the education is very important. We need workshops and we need government to
5 assist us on this one.

CHAIRPERSON: Just one question from my side. I just want to take you back to your submission that you made, Mr Tsebe. In your submission you say that the National Land Transport Transition Act, the NLT, NLTTA recognised the role of local taxi associations, but the new National Land Transport Act the NLTA is
10 silent on the role of the local taxi associations. You proceed further to make a distinction in your submission between the issuing of operating licenses and the allocation of roads and you say in your submission that currently local taxi associations are currently regulating the allocation of roads. Al though that is not recognised in the NLTA, meaning that when operating licenses are being
15 issued, by the Provincial Regulatory Authorities. Those licenses are issued without considering the role of the local taxi association. Is this the issue that is at the heart of the duplication of roads as well as some of the conflict between local taxi associations because their role is not recognised by the law. In other words the NTLA.

20 **MR TSEBE:** Yes, I think you are very right. This is at the heart of all this conflicts that we are coming across. Remember it ...[indistinct] on terms or in terms of the association, it says the operator and the operator, you know. Now it becomes silence. It moves away from association getting into an operator. That is where the problem comes in and you will find that the same entity that is

giving operating license, is able to give you and myself the same route and the question that we are asking is that: but how is this possible. Because you cannot take my ID number. Am I right. You get into a system and say I am Mr Tsebe. Sir, give us your ID number and you quote. Then it will not say Mr

5 Tsebe, but in terms of the operating license. You just code and there are codes on this road sir and there are descriptions. Same description even if it might start on the otherside going, because we have got this tendency of a, b operations that I am in the a and ou are b, therefore I must give ... this thing is a confusion and I have been asking some of members to say, because we have

10 got busses that are going to Gauteng, here. Going to and maybe you have got your Greyhound . You have got your what what, but we are loading at the same station. How is that one done and this one of us. Why duplication of routes, because this one is route based. It is like giving me a tender and so it is a bit of a challenge and ...[indistinct] and we are still maintaining that taxi violence is

15 not out of anything. It is route based conflict. All of them and now if your question might be asked . Who is causing this conflict? Maybe you have got the answer. Government is causing the conflict for us, because they give us the same weapon to fight. To say you own this road and you own road. The operate and they are out of this equation and we end up fighting on our own and we

20 have got cases that are coming and hence some maybe they are coming and that is my own analysis to say: then i can simply come into rank because i have go the authority to operate. So in such a scenario what do you expect. Sending someone to operate where there is already an operation. So it is a problem. Hence I have given a scenario of the one in Mall of Africa, between Athen and

Ampstel, but the issue. I think you have got it right. That is the heart beat of the taxi violence. Routes that is the only conflict. We cannot fight for leadership that is internal. If we will have to fight for it because they do not want me as a chairperson. It is internal, but most of the conflicts and taxi wars it is conflict related. It is route related, I mean.

CHAIRPERSON: Assuming that there were to be legal recognition of the role of local taxi associations. In the allocation of roads. What kind of dispute resolution mechanisms could be put in place to manage conflict in respect of the allocation of routes between different local taxi associations.

10 **MR TSEBE:** A verification process. Even I am not too sure, but government has done it. When we started, I think it was somewhere in 1994 when we do the registration of or associations. This process of verification was doen openly like they are doing now in the Commission now. We were called in a meeting and they will call association by association and mention those routes and the
15 one who has got a problem will raise a hand and say I object this route. What is the reason? Because of this and this. Now that process has stopped and things are just happening. They started it right but they never continued with it and I remember we fully understand from the leadership point of view that routes are gazetted, but you can imagine our members. You have got – it is an old school.
20 If you would say to an old school go and buy a Government Gazette they do not even understand. So you need a process that will make, that will keep them informed as to what is happening within their vicinity. So, now because the Government Gazette. Yes is playing road but it is playing for those learned friend of us that can read and say: O, there is this route, but the poor members

on the ground or the executive they do not know these things. The only thing that they will see is another car coming into their vicinity and say: I have got the operating license. I think this, but how we started it I think we should have continued with it and it becomes a proper consultation process in terms of

5 making sure that I know as Tshwane that what are – which associations, they have got joint ventures, because you remember you have got joint ventures especially long distance. They will have ventures going to Polokwane or get someone from Polokwane coming into Gauteng. Those joint ventures we must understand. Some of our associations they do not, they are even working on

10 that kilometers. Our member will drive from Pretoria to Polokwane, come back empty and that is a loss. So you cannot, because that is where your profit. You lose your profit right on moving back to Pretoria and the question that with same operation is done, because government is not coming to the party and when I am talking, because if two provinces. We are all in South Africa but at some

15 point you feel like you are operating in Japan and South Africa, because the laws are different, even in South Africa. Provincially they are different and the question is why working in silos whilst we are one government.

CHAIRPERSON: Ja, I think we have now come - Do you have any further questions, Mr Lesofe and Mr Ngobeni, before we take the lunch break

20 **MR LESOFE:** Ja, just one question, Chair and this really is about the – I just want Mr Tsebe to assist me with the names of other or board members who are part of the VOC.

MR TSEBE: Well the board members. The board is so small for now. We are four.

MR LESOFE: Okay.

MR TSEBE: It is myself, we are two from the taxi industry one from MTA one from SANTAGO and then one from the bus industry.

MR LESOFE: So, you said from the taxi industry it is yourself and who else?

5 **MR TSEBE**: It is two and Mahlangu.

MR LESOFE: Mr Mahlangu?

MR TSEBE: Ja.

MR MAHLANGU: Not me.

MR TSEBE: Not you. Not Mr Mahlangu

10 [speaking simultaneously]

MR TSEBE: Piet Mahlangu from TOPICA.

MR LESOFE: O. Okay and then you said the other two?

MR TSEBE: Braam de Jongh from the busses. PUTCO.

MR LESOFE: And?

15 **MR TSEBE**: And the other one is an executive director. The CEO of the company. Sam Mathebane.

MR LESOFE: Okay. Thank you very much.

MR TSEBE: That one is neutral. He is not from the taxi industry. He was recruited, advertised. He went for a proper recruitment process, that one CEO it

is – hence I am saying he is executive he is doing the job. So we are non executive directors.

MR LESOFE: Okay. Thank you Chair

CHAIRPERSON: Here are just one question from me on the BRT project. You
5 mentioned in your oral presentation that the BRT road from Pretoria, the City
centre to Hatfield does not have sufficient ridership. What I will like to find out
from you is why is that the case. Is it because the route, the BRT route is not
responsive to the needs of commuters or is it because other modes of public
transportation in that could, are able to service commuters more effectively and
10 more responsively than the BRT buses. What is the root cause for the ridership
or the ridership problems that that route currently has as you have submitted.

MR TSEBE: That one was a political agenda. ...[indistinct] from where we are
sitting we know that people are in townships. Where some a taxi operate I know
where people come from to get into the city. But for one reason or the other
15 politics, this was a political agenda to start that operation from within the City to
Hatfield and we did not have that influence to say” Yes. He is right and of
course there are local operators that are doing that CBD operations. You know.
Your neighbouring suburbs. But to ask it was like: O, why? That was there is no
ridership. At least if you want ridership the system like the Hammanskraal one.
20 ...[indistinct] you have got buy in. You have got – but remember that
government is coming with processes that a passenger must take public
transport from point A to point B, but in this instance you can see that there is a
serious default. It is point ABC. With then I said maybe is how we were happy
and our members were too excited to accept something that might kill them at

the hand, but I do not think it is a train smash. We can still come back and review and look at some mistakes that we have done and I have also said to the City. This is not a world of perfection. We are going to make mistakes and I am also saying to our members no one is perfect. This project is new to all of us, 5 but to your question and hence we could not, in terms of the planning the City was doing it previously for us. Now come the new dispensation in terms of the politics, you know the parties change. Maybe the next will also crumb, but they could not change the operation from Hatfield but that was pure political motive. It was not us who even influence that. So we took it because it was politically 10 driven then we bought into it, but it needs common sense that you do not have anyone living between CBD and Hatfield and that was a challenge to us and it is still a challenge even now, because you depend on the students from the University of Pretoria, during school holidays, no one. The buses are empty.

CHAIRPERSON: Any additional remarks Ms Nthuli and Mr Mahlangu before 15 we take the lunch break?

MS NTHULI: No, sir.

CHAIRPERSON: Mr Mahlangu?

MR THEBE: Maybes let us emphasise O mama that SANTAGO has come up with a woman desk. So, are no longer going to be a boy's choir that you 20 normally see. We are very smart.

CHAIRPERSON: Mr Mahlangu?

MR MAHLANGU: Our silence is not that we are having a gun point at our head or what. I think our Chairperson was to direct to your questions and I think of the

mandate and everything. We sat and discussed the document with him and everything. That is why we are quiet and that is why we could help in also about a submission or how to answer some of the things. It is not that we want to be. This is sometimes for all of us to speak it will give us something different, 5 but if you have got one person speaking for us. If he made mistake. Our mistake we solved them at a table. In the, back in our bedrooms . Okay. Thank you very much for everything ...[indistinct]

[speaking simultaneously]

CHAIRPERSON: Thank you. Thank you . Thank you very much Mr Mahlangu, 10 Mr Tsebe and Ms Nthuli for your time and for travelling all the way from Pretoria to make this submission. Thank you very much really appreciate your time that you have taken and your submission. Thank you.

We will now take a lunch adjournment and we will be back at 2 O'clock. Strictly at 2 O'clock to receive the submission from the Mpumalanga Commuter 15 Organisation. The Mbombela Commuter Organisation. I understand that there is lunch. Lunch will be served at the same place where tea was served. You are welcome to join us for lunch. So we will be back at 2 O'clock.

[End of recording]

COMMISSION ADJOURNS

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SESSION 3

CHAIRPERSON: Welcome back, we will now receive a submission from the Mpumalanga Commuter Organization. Welcome lady and gentleman. Thank you very much for coming and for your time. There should be a piece of paper
5 in front of you, you may take the oath or the affirmation. Please switch on the mic as you do so.

MR. CHAUKE: Good day everyone, my name is Thomas Chauke. I am from Mpumalanga at Thembisile Municipality. I am representing the commuters of Mpumalanga under Thembisile. I swear that the evidence that I shall give shall
10 be the truth, the whole truth and nothing but the truth. So help me God.

CHAIRPERSON: Thank you Mr. Chauke. Please switch on the mic.

MS. MASANGO: Good morning all, my name is Leah Masango from Thembisile and Dr. J. S. Municipality which is known as the former kwaNdebele. I swear that the evidence that I shall give shall be the truth, the whole truth and
15 nothing but the truth. So help me God.

CHAIRPERSON: Can we please get a translation of the 1st part. Whilst we are waiting for the translation, I think you can continue.

MR. MASILELA: Thank you Chair. My name is Amos Masilela. I come from former kwaNdebele Thembisile and Dr. J. S. Moroka I am a representative for
20 the commuter. I 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. Masilela. Where are our translators. Can you please translate the 1st part of the address made by madam, just the 1st part?

MS. MASANGO: My name is Leah Masango from Thembisile and Dr. J. S. Municipality which is known as the former kwaNdebele and I am representing commuters.

CHAIRPERSON: Thank you very much Ms. Masango. We have received your written presentation. You now have an opportunity to take us through your presentation just highlighting the key issues that you would like to bring to our attention. Yes, you can start Ms. Masango.

MS. MASANGO: PUTCO operates for more than 45 years at Mpumalanga without any competitor. PUTCO commuters are more than 40 000 daily. It is too difficult for PUTCO to handle all commuters daily. The buses are always overloaded every day especially early in the morning and later when we knock off. We as a commuter, we went to the National Department of Transport concerning the competitor of bus transport at Mpumalanga. We did get GCBS and Mahamba bus service. But unfortunately they are under PUTCO as a sub-contractor. We demand PUTCO to release or cancel sub-contractor of Mahamba and GCBS and we need our government to offer those 2 companies their own contracts. The operation of the very same company is like weather because when it is raining all commuters become wet. When it is cold, they become cold. They also get cold inside the scrap metal so-called PUTCO. If it is hot, it becomes [unclear] for commuters. Their buses are simple as panel van. Not suitable for commuters for example, when windows are broken, they fix

them by putting a zinc. And when windows are loose, they are permanently closed. I have the evidence on my hands.

Accidents – PUTCO is a moving coffin. One might not understand but when you check the accident statistics especially in Moloto road, you will understand. And
5 poor scheme notice that they put about the [unclear] insurance broker of 30 million insurance and Netcare where they take you to the nearest clinic. We have a number of disabled victims because of PUTCO, and not one is taking care or is concerned about them.

On behalf of commuters, we feel that we are lost in our country or either we
10 don't have commuters' rights. Maybe when we got liberated in the country, we forgot to liberate commuters. If I can quote as we have documents such as Labour Relation Act, Employment Equity Act for hawkers. But we don't have any documents that cover commuters. Even Transport Act don't cover them. Therefore, commuters are still not liberated.

15 Specific issue and complaints – poor shift coverage, non-arrival of buses. Passengers are forced to use and pay for taxi due to the poor shift coverage. Passengers return home when they cannot get a bus and can go to work. Passengers receive a final warning in their place of work because of the lateness.

20 Availability of buses - Passengers must not pay ticket in advance as they will not get their full of the ticket due to the poor bus service. PUTCO must monitor the CBD service and if the bus is the full, it must be redeployed.

Term - the buses were utilized to cater and accommodate new villages when drivers go on leave, they are not replaced and their shifts are not covered.

Annual fare increase – the former Minister Dipuo Peters in 2016 said PUTCO cannot discuss fare increment while there is a review of PUTCO contract. In
5 2018, PUTCO increased the ticket by 8% in April 2018, and within 2 months PUTCO demanded 6% increase for commuters. They said it is not negotiable. The passengers are not happy with that 6% increase because the 1st increase in April 2018, PUTCO mentioned that it is annual increase. Commuters were surprised when they received a notice of 6% increase because most of them,
10 the salaries is less than 3000 a month, for example, cleaners, security, contractors and garden workers. For example, ticket for Rhathokwe, the price is R1363.90. Thoya price is R1254.

Tickets – PUTCO was selling tickets to commuters using mobile buses at Muloto depot in Mpumalanga. At this moment, they use another company called
15 TicketPro to sell tickets. Commuters are not satisfied due to the following issues: tickets are not strong to last for a week or a month. An issue of network is a problem, they always lose network and commuters are struggling to buy ticket.

Tag ticket system – we need PUTCO to use the tag system because if the
20 passenger did not use the ticket due to some reasons, he or she doesn't lose the trips he paid for. I would ask my 2 colleagues here to add up on what I have said.

CHAIRPERSON: Thank you Ms. Masango.

MR. CHAUKE: Yes, as I have mentioned, my name is Thomas. We at Mpumalanga we also need alternative transport. Since 2009, until today the commuters of Mpumalanga are waiting for alternative transport, but we can't see any progress. In 2016, there was an amount of 9.3 billion rand was supposed to assist Mpumalanga commuters to have metro rail or train as an additional transport at Mpumalanga. But we are still waiting, we can't see that happening. We as representatives, we are kindly asking our government to update us concerning this matter so that we can give the correct answer to the commuters who keep on asking us as their representatives concerning the 3.

10 And then I am also concerned about that issue of fare increase because there was a comment that was from PUTCO which states that the process to be followed for fare increase are set out in the interim contract document and the addendum to the interim contract document 92 in summary the provisions are as follows:

15 The operator shall increase the fare charge to the passenger as set out in the specification part 3 at least annually after consultation with the commuter association and subject to the approval of the employer and which the approval shall not be unreasonably be withheld or delayed. But now, we as representatives, we were surprised on the 6th of June the representative of
20 PUTCO they did call MCO to inform us that they will implement 6% starting from the 1st of July. And then we asked them that they were supposed to consult concerning that. But they said that one is non-negotiable, they don't consult. It is because of the fuel and diesel increase. Also, in April that fuel and diesel was mentioned on that 8% increase because there was an increase in April and then

now he mentioned also that the same diesel that was mentioned before. So, we need help concerning that because we are really lost. Thank you.

CHAIRPERSON: Thank you Mr. Chauke. Mr. Masilela.

MS. MASILELA: Thank you Chair. You see our problem about the PUTCO,
5 PUTCO uses one bus about 6 trips, after that the bus is burning. It gives us a problem because the bus is travelling 6 times. 3 times in Mpumalanga and 3 times in Tshwane. That gives us a problem. It is because we said we want a competition that we can compete with PUTCO. Thank you Chair.

CHAIRPERSON: Thank you Mr. Masilela. Mr. Ngobeni, Mr. Lesofe.

10 **MR. LESOFE:** Thank you Chair. Perhaps if we could start with the photos or pictures the you have provided. If you could just indicate to the inquiry, where do these pictures come from?

MR. CHAUKE: Those pictures because we have been struggling for quite a long time now and then when we talk it seems like we don't have any evidence.
15 So, we use our phones to try to get more evidence. Because like now we are here we must have an evidence. This is a PUTCO bus. Everyone can see that this is a PUTCO bus, the window was broken, but they put the zinc and when it is hot, it is a problem. If you can check there is a lady inside the bus here with an umbrella. It was raining. We have got the bus; they call it Irish bus. When it
20 rains, everyone knows the we must get an umbrella. You can check that bus, I am not sure, I am not a traffic cop. But I don't think this bus it does qualify to be on the road like this at the back. So, we don't feel safe as commuters, we think our life is at risk. Then, the issue of over loading and 6 trips of one bus. We

think it is also the cause of this because the bus will work the whole day. They only change the drivers, but they use one bus for the trips. So, I think that is the reason also some of the shifts it is too difficult for PUTCO to cover all of the shifts because they do not have enough buses

5 **MR. LESOFE:** And your evidence earlier was that these buses, PUTCO buses are overcrowded. Now, my question and I understand that there is no rail service. Perhaps, before we even get to that, which specific areas in Mpumalanga do you represent?

MR. CHAUKE: Actually, we represent Thembisile Municipality and Dr. J. S.
10 Moroka.

MR. LESOFE: And if you could just perhaps highlight some of the key routes that are used by commuters from those 2 regions.

MR. MASILELA: Thanks Chair. We are short one municipality at Motswedeng half way Mabulolo. They also use PUTCO buses. At Thembisile we use Muloto
15 road, R573. We use R568 at Thembisile, we go through Dr. Moroka. All those are the routes that are used by PUTCO and we are residing in our villages in 3 municipalities.

MR. LESOFE: Okay, and so because PUTCO buses are overcrowded, why are you not using taxis as an alternative mode of transport?

20 **MR. MASILELA:** Taxis are so too expensive to us because taxis only a trip you spend R60, single trip to go to town.

MR. LESOFE: From?

MR. MASILELA: From Qwaqwa to Pretoria.

MR. LESOFE: And with a PUTCO buses, how much do you spend for the same trip?

MR. MASILELA: PUTCO same trip, you spend R42 per trip at Qwaqwa to
5 Pretoria. Other villages same like Dr. Moroka, there is another village
Siyabuswa, you spend with the bus R50 per trip. R70 a taxi.

MR. LESOFE: So, essentially you are then forced to rely on PUTCO buses?

MR. MASILELA: Yes.

MR. LESOFE: And have you raised these concerns about all of these issues
10 that you are raising with us with PUTCO itself? Have they been helpful?

MR. MASILELA: No.

MR. LESOFE: What is the general attitude towards your concerns?

MR. MASILELA: They promise always, get something to PUTCO. Even when
the government intervenes there, there is also promises. But they give empty
15 promises. They are going to buy new buses, but no one even now, Leah talked
about PUTCO have around 45 years at kwaNdebele, no competitor.

MR. LESOFE: I think about 2 months ago there was a bus strike. Where
commuters from your area affected? How was it affected?

MR. MASILELA: It is affected because they lose the job and we spend a lot
20 of money. Firstly, you buy a monthly ticket to PUTCO and PUTCO is aware
about the strike a month before. Not come to the commuters and tell the
commuters about the strike. Don't buy a monthly ticket, buy a weekly ticket. The

commuters buy a monthly ticket, come the strike. Now the commuters is struggling now because you must spend on taxis a monthly to the taxis. Now you come now about the 6%, about that money, the people come to Matshonisa, money lender, something like that.

5 **MR. LESOFE:** And what happened after the strike? Did PUTCO extend your coupons? How did it compensate you for the loses?

MR. MASILELA: Okay, PUTCO gave us the trips that were left in the monthly ticket, if the monthly ticket was 9 trips give us 9 trips also.

MR. LESOFE: Okay, in relation to, you mentioned an incident where PUTCO
10 just increased the fare and they told you that there will not be any negotiations.

MR. MASILELA: Yes.

MR. LESOFE: Generally, are you consulted when there are fare increases. Other than this incident, I understand in relation to this specific incident there appears there was no consultation and the fare increase was just imposed.
15 Generally, are you consulted when fare increases are contemplated?

MR. CHAUKE: Yes, to be honest every year when PUTCO wants to increase the ticket we are consulted. As I have stated that there is a procedure that PUTCO must follow before they increase the ticket. And also, the company knows that they were supposed to consult MCO concerning this matter. But,
20 this time there was no consultation. So, it is too difficult for us as the leaders to say to the commuters that we did agree with PUTCO to implement that 6% from the 1st of July 2018. We also told the commuters that we do not know nothing about the 6%. Of which, it is true because it was non-negotiable. Then he just

called us and informed us that from the 1st of July, we will implement this 6%.
And when we asked the reason, he said because of the fuel and diesel price
increase. So, we asked him that, but you didn't follow the right procedure
because you were supposed to consult. And he said, that was from the top
5 management, it is a done deal. No consultation.

MR. LESOFE: Thanks, and in your submission under annual fare increase I
think you have identified, you have given us information in relation to ticket
prices for 2 individuals, it is Rathoke and Thoya. So, Rhatokhe pays R1363.90,
this is for which route?

10 **MR. MASILELA:** Thanks Chair, the route of the R1363 is Rhatokhe, it is that
one I was talking of the side of [inaudible 0:28:11]. Rhatokhe, Thoya use the N1
road.

MR. LESOFE: So, both of them commute from those areas to the city centre?

MR. MASILELA: Yes.

15 **MR. LESOFE:** Okay, and this is what they spend per month?

MR. MASILELA: Yes, on the monthly ticket.

CHAIRPERSON: By town, I assume you are referring to Pretoria?

MR. MASILELA: Tshwane, yes.

MR. LESOFE: Thank you Chair.

20 **CHAIRPERSON:** Just some clarity seeking questions from my side. Can you
give very roughly the routes within Mpumalanga. You have mentioned some of

them that are currently serviced by PUTCO. Just give us a broad picture of what routes, what is the area of coverage?

MR. MASILELA: Okay, thank you Chair. PUTCO we start with villages Muloto road R573, there is a village there Muloto village. We come through
5 kwaMhlanga, Phola Sun City, Mountain View, Thembaletu, Vezukuhle
[inaudible 0:30:08 – 0:30:48]. There is many places that PUTCO uses. If we have that copy inside all the routes is there using PUTCO. All the routes is there.

CHAIRPERSON: And I assume that some of these routes are routes within
10 the province, some are routes across border routes to Tshwane?

MR. MASILELA: Yes.

CHAIRPERSON: What are the other the cross border routes except the routes to Tshwane? Are there any cross border routes?

MR. MASILELA: That one is [inaudible 0:31:54] That one is province of
15 Limpopo.

CHAIRPERSON: It is from Limpopo to Mpumalanga?

MR. MASILELA: Yes, around Tshwane, next to Limpopo to Tshwane, yes. Same as Rhatokhe, it is around Limpopo travelling to Tshwane also, yes.

CHAIRPERSON: And the cross border routes between Mpumalanga and
20 Tshwane, I also assume that, that route is mainly servicing commuters who are commuting for work purposes on a daily basis from Mpumalanga to Tshwane?

MR. CHAUKE: Do you mean PUTCO?

CHAIRPERSON: Yes, we are still on PUTCO.

MR. CHAUKE: Actually here, most of the commuters travel from Limpopo, Mpumalanga to Tshwane. Actually, most of them are workers, they use R573. All of us use R573.

5 **CHAIRPERSON:** The R573 being the Mulotho road.

MR. CHAUKE: Yes, Mulotho road. And also R568 is from the side of Siyabutla if I am not mistaken and then it joins R573, a 4-way stop at kwaMhlanga.

CHAIRPERSON: I gather from your presentation that the service being
10 provided by PUTCO on these roads is the main mode of transportation for workers who are commuting from Mpumalanga to Tshwane and Tshwane to – is it the main mode? In other words, these workers who are commuting between these 2 provinces are actually dependent on PUTCO?

MR. CHAUKE: Yes, it is true because we don't have an alternative transport.

15 **CHAIRPERSON:** There is no alternative mode for those routes?

MR. CHAUKE: Except a taxi which we can't afford because at least when we buy a monthly ticket, it is cheaper for us. And then the main reason is people who live there at those villages don't earn that much to afford a transport of R2000 because most of them they earn around R3500 or R3000. That is the
20 reason why we depend on PUTCO and that is the reason why also we need our government to intervene on this one to check because people are struggling there. A good example for that, if you can check if there is a strike a lot of

people don't go to work. It really shows they can't afford a taxi because I don't think there is a person who can manage to lose a job while you can afford to pay a taxi. Once you buy a monthly ticket then you depend on that monthly ticket. And then the rest of the money you will have to assist at home. You will
5 find that someone doesn't have money doesn't have money to pay for a taxi. That is the reason why now we also bring this to your attention that please, we need our government to assist us with metro rail as an alternative transport. I think that one will also assist with over loading on the buses. And then, we need other companies to stand on their own to assist PUTCO on that road because
10 we can see he can't handle that pressure.

CHAIRPERSON: Are subsidies perhaps to the mini bus taxi industry also, could those subsidies also ease these challenges that you have highlighted in order to make the taxi fares more affordable to people who are currently commuting on the PUTCO buses?

15 **MR. CHAUKE:** On that one, to be honest I can say yes because PUTCO is a little bit cheaper because of the subsidy from government. So, the taxis are expensive because there is no subsidy. I think also that one can assist the commuters of kwaNdebele if it is possible.

PANEL MEMBER: Thank you for your presentation. I think your presentation
20 focuses largely on PUTCO. I just wanted to get a sense if you are happy with other modes of transport, for instance, we understand BUSCO also operates in Mpumalanga, but you didn't cover that. I just wanted to get a sense as to whether PUTCO has more significant challenges?

MS. MASANGO: Thank you. BUSCO is better than PUTCO because they give us an opportunity to engage with them. Megabus is also better than PUTCO. PUTCO is the operator that gives us the most problems and it doesn't put into consideration the commuters. That is the reason why we did not talk
5 about BUSCO because of the challenges that we have with PUTCO. When the drivers came from the strike period, the people suffered because we did not have a mode of transport. So, us as the representatives went to the unions negotiated with them. So, there was an agreement of 9% of all bus companies. So, because of PUTCO's attitude towards the percentage recommended, they
10 pulled out of the negotiations. From our view PUTCO does as it please as if it is above the government.

PANEL MEMBER: Okay, thank you. I think that will be all. Thank you.

CHAIRPERSON: You have mentioned the routes that – some of the routes which are currently covered by PUTCO. Now, are you aware of any other roads
15 that are not currently serviced by PUTCO but do require servicing by PUTCO. It could be a route or it could be perhaps some extended kilometres which are currently not covered by PUTCO. Are you aware those and if so, which ones are those?

MR. CHAUKE: Yes, we are aware. Same like, there is one village, many
20 villages – Empumelelweni. The people buy the ticket from PUTCO but never have a transport. Sheldon, they buy a ticket, never have a transport. Umsholozhi, they buy a ticket, never have the transport. Extension FNG, they do not have transport. There is one called eMabhoko, Mloto RDP, Mloto Block D, Mloto Block 20. Thanks Chair.

CHAIRPERSON: It seems as if you want to add Ms. Masango.

MS. MASANGO: I would like to add even those routes that are on the charter, I am of the view that PUTCO does not cover all of them. Let's say there is a bus that needs to leave at 3AM, then it happens that a bus at 3:00, 4:00 4:30 does
5 not turn up. When the 5:00 shift comes because of the other shifts that were missed, there are a lot commuters for the shift that comes at 5:00. So, the bus takes 65, and the [inaudible 0:44:22] takes 80, but if 3 shifts are missed then it is in an amount of 3 buses in a single trip. That is why I said we request the department to speak to the other companies so that they can assist PUTCO. I
10 thank you.

CHAIRPERSON: Just a follow-up on that, the current schedules or the shifts, are they responsive to the needs of the commuters in terms of the times that have been scheduled, are they meeting the needs of the commuters? And if not, what can be done to ensure that those shifts or schedules meet the needs
15 of commuters?

MR. CHAUKE: To be honest, they don't meet. I can give an example with my village. We have got almost 16 bus stops, but everyone uses the 1st bus stop because of over loading. I think we need more buses to come inside our villages. For example, we have only 1 bus 3:00 early in the morning. We have
20 got more than 80 people wanting to use that bus. That is why I am saying it doesn't meet.

CHAIRPERSON: And what is your village?

MR. CHAUKE: My village is Sun City AA kwaMhlanga.

CHAIRPERSON: Ms. Nontombana.

MS. NONTOMBANA: I just want clarity on the kind of commuters that you represent because you refer to some villages and you also seem to refer to some townships. And I just want to get a sense of the nature of the commuters
5 that you represent, is it mostly rural or is it a mix?

MR. CHAUKE: It's rural.

MS. NONTOMBANA: It is mostly rural. Okay then as a follow-up, you then said one of the alternative modes of transport that could assist is rail, if you were to consider rail, is there infrastructure that could reach all those
10 commuters that are in rural areas? What would be the best mode of transport to cater for where most of the commuters are coming from?

MR. MASILELA: Thanks Chair, I think the bus is that one that can solve all the problems for us. But also the train we want it, we are going to wait. But the train we know it is going to take more than 10 years or 15 years. But the bus we
15 talked something like that we have, that we have got the tender on PUTCO, Mahamba and GCBS. If we pull out of PUTCO then we can get some contract from the government, it is going to be better for us.

CHAIRPERSON: Just a follow-up on this question of the profile of the commuters who are using the PUTCO buses to commute especially those who
20 are relying on PUTCO to commute from their villages to their places of work, various places of work in Tshwane. You made some examples in your submission about the ticket prices for Rhathoke and Thoya. And you also have mentioned in your submission that on average, if one looks at the profile of

commuters who use these buses, they earn less than 3000 a month on average. Does this mean that these commuters then spend in terms of the example that you have given, they spend almost 50% of their income or it could be more than 50% of their income on transportation to work?

- 5 **MR. CHAUKE:** To be honest, yes. And the worst part there is something that was mentioned that because of poor shift coverage, they also use taxis. So, on top of that R1300 rate, they don't only use that R1300 rate because that thing it does happen daily. Sometimes, some of the shifts are not covered, like people who use Group C tickets. They travel from Mpumalanga to Tshwane, then from
10 Tshwane there are some buses that take them to townships. Then late when we knock off, that is when we have problem. We find that some of the shifts have not been covered then we have got ladies. And then it will force you to use another money to get a taxi to go straight to Marabastad to take the last bus. And if you can check now, it is more than 1300 that we use monthly. It is
15 happening daily. So, really they use almost 50% of their salaries on transport.

CHAIRPERSON: You may go ahead Ms. Masango.

- MS. MASANGO:** I have an example of a bus ticket. When we commute in the morning we go to town, so then when you get to town and you have to go to the suburbs then you will find that the credit on your ticket, there is no credit on the
20 ticket and you will have to use more money to get to your destination. I thank you.

MR. CHAUKE: Can I add Chair?

CHAIRPERSON: Both of you may add, let's start with -

MR. MASILELA: Thanks Chair, we tell the people that the salary goes to R300 a month. It is the cleaners, the security guards the contractors and the gardeners. All those people have a child at University. If you are going to buy a ticket for R1300, all the money, you will never get food inside the house, you will never buy some clothes for child. There is people that don't have father inside the home, it is mother only. But if you go and buy a ticket about 1000 and something, then it is better to leave the job and stay at home because all the money you are going to give at PUTCO. There is people who work 3 days, 2 days but they buy the full ticket, 5 days ticket. If I come there at the accident, there is a child who don't have a parent of the accident at PUTCO. PUTCO, never did a follow-up to see what happened? The child go to, there is a place there at Mhlanga Cross, it is mainly child. Now it is injected by drugs. Now, if the PUTCO can make a follow-up all those homes is though have a parent, I think it is better PUTCO play a role to all of those child who don't have a parent. Now PUTCO, they play with us. Really, they play with us. Now, before I go to the lunch, I got many calls. The people call me. We don't have a bus in the suburbs. We call the PUTCO, we don't have a diesel. It is unfair. Thanks Chair

CHAIRPERSON: Thank you.

MR. CHAUKE: To add on that ticket, that is the reason why we need a tag ticket system because on tag ticket system, if you can't use your ticket for some reasons, at least you will not lose your trips. I think that one, it will also help these poor commuters from Mpumalanga. Because you buy a ticket and then you are going to lose the whole money if you get sick you don't get any refund from PUTCO. So, I think if we can use that tag ticket system, and if you haven't

used your trips this week, you can use them next week. We lose our money almost every month. Like today I am here, I have got the ticket. I am here and I never used the bus. It is a loss. So, I think we must also be concerned about it.

Thank you.

5 **CHAIRPERSON:** Thank you Mr. Chauke. Now, when there are breakdowns, how are these managed in terms of assisting commuters to get to their destination?

MR. CHAUKE: To be honest, PUTCO is taking quite a long time to cover a shift if there is a breakdown. So, that is the reason why there is always an over
10 load on buses because the drivers what they used to do, if there is a breakdown for example in R573, the other bus driver will try to stop the other buses to accommodate the commuters. Inside the same bus, it is full. So, sometimes it does take more than an hour and then we get late. That is the reason why we say many people lost their job because of lateness due to that poor service that
15 we get from PUTCO.

CHAIRPERSON: Thank you Mr. Chauke, any further questions? Thank you very much Ms. Masango and Mr. Chauke and Mr. Masilela for your time and a very insightful presentation which has given us insights from the perspective of the commuters. I think this is a very important contribution that you have made.
20 We will certainly take up the issues that you have raised with the relevant stakeholders including PUTCO, as well as the contracting authorities which manages PUTCO, and that is the Mpumalanga Provincial Department of Transport. Thank you very much for your time and for your submission.

MR. CHAUKE: Thank you very much, just something. There is something urgent on that presentation to be honest. That issue of 6%, please we really need help on that one. We really need help because the ticket is already expensive and when they put 6% the commuters they keep on asking. You
5 know it is too difficult to represent people. You must have an answer concerning that 6% because every day they asking us about the 6%. It is because PUTCO implemented it unlawfully. Then people they need answers from us, of which we don't have. Really, we need your help so that we can have an answer and then that will show that we are good leaders of the people. Because if we don't have
10 an answer, it doesn't show that we lead people. Thank you.

CHAIRPERSON: Thank you, we will certainly take this up, this issue of the price increase because the provincial department is coming tomorrow. I think they are the 1st tomorrow at 9. So, we will certainly raise the issue with them when they come tomorrow. But thank you very much, we will certainly raise the
15 issue as we have indicated. You are excused.

MR. CHAUKE: Thank you.

CHAIRPERSON: We will now take a presentation from the City of Mbombela. But before we do that, we will take a very short 5-minute comfort break to also, I hope tea is still available, we will also take tea. And then we will be back at 10
20 past 3 to also allow the City to setup its presentation.

SESSION 4

CHAIRPERSON: You may take the oath or the affirmation, there should be a piece of paper in front of you. And please switch on the mic when you take the oath or the affirmation.

- 5 **MR. MAVIMBELA:** Thank you. I Bongani Moffart Mavimbela 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. Mavimbela. If we could perhaps start with just some introductions, if you could just briefly explain what your
10 current role is within the city of Mbombela and how long have you have occupied that role.

MR. MAVIMBELA: Okay thank you very much Chair. I am officially appointed as a Public Transport Officer currently acting as Manager Public Transport Operations. I have been in this position as the Public Transport Operations
15 Officer since 2014 November up to date. My responsibility, basically the responsibility of the unit is mainly to do the public transport planning management operations, public transport facility management and also stakeholder management and engagement. And one key responsibility that we are vested with is the implementation of integrated public transport network
20 famously known as BRT. Thank you.

CHAIRPERSON: Thank you.

MR. MAVIMBELA: So, the unit, just quickly. The unit, I am calling it a unit because we report to the public works and transport as a department, it has a number of units. So, we are one of the units in that particular department. So, we have infrastructure department which also assist in implementation of the
5 infrastructure projects for the IPTN. So, that is why we are strategically placed in that department. Thank you.

CHAIRPERSON: Ja, I understand that you have prepared a power point presentation.

MR. MAVIMBELA: No.

10 **CHAIRPERSON:** I think you can take us through your submission.

MR. MAVIMBELA: Yes, thank you.

CHAIRPERSON: Afterwards that will be followed by questions from us. If you were not here in the morning when we started, I just want you to bear in mind that the proceedings are being streamed live on YouTube. I think you can go
15 ahead.

CHAIRPERSON: Thank you very much Chair. Chair, as a City, we are the planning authority in terms of the Act and the legislations and constitutions. And also, we are amongst the 13 cities in the country who have been nominated to implement either the BRT or IPTN. Just to give background, what we did, we
20 just went into the guidelines that were given by the CC to respond on the questions. On question A1 that speaks to the factors that limits the City from applying the functions of issuing OLs, operating licences. As part of the implementation of our IPTN since it is a new function, we have instituted a

Section 80 study to prepare the City, to check the state of readiness. Amongst other things that the study is doing, the terms of reference is also to look at the issue of devolution of powers from the province in terms of implementing your MRE. Having our in-house MRE. And also, as we know as a City we have 2
5 type of operators. We have the bus operator which receives subsidy, and then we have the taxi operator who doesn't receive subsidy. So, the study is to also assist us to check as to whether when we implement the IPTN because there are grants that are already given to the operators. What is the state of readiness, do we have capacity and all those things? Which is coupled with the
10 question that is here on the operating licences. Currently, we are solemnly relying on the province, the PRE in terms of as - our duty now is just to give concurrence on the application that is submitted to the province. And then with regard to number 2, I think I will marry the 2 because it is the same thing. That is what we are relying on to say the municipality we are not ready as we speak
15 now. One of the reasons why I am saying we are not ready, even in terms of capacity we are understaffed and there is no way we can do it. That is why we are still waiting for this particular report.

What mechanism can be implemented to permanently deal with routes amendment application?

20 We believe that by improving communication between the City and the PRE such will be able to assist us. I must also indicate that for the past 3 years or so, the communication has improved. The unit was established in the structure in 2007 when the structure was approved. But from 2007 up to 2013, there was no active engagement between the City and the province with regard to public

transport, public transport was just an issue of buses. The buses will do their thing the way they do it, the taxi will do their thing the way they do it. They will communicate with whosoever the way they were doing it. But after that, we then started engaging the operators to say look, there is this unit now, now there is

5 that improvement including the department. After the past, the NLTE in 2009 to say we need to get concurrence, that was not happening. It started happening after 2013, that is when we started having those engagements, that is when we started engaging the province to say look, this is what the law is saying, this is what needs to happen. So, I would say the more we improve the

10 communications, we will be able to realize the deadlines. But I must indicate, whatever concurrence is requested from the City, we are able to meet the deadlines as written from the province to say, by this day we need to respond, we are able to respond as understaffed as we are.

So, what could be the optimal process the new mini bus taxi operators can

15 follow for route allocation?

Currently, they write to the PRE and then the PRE will communicate with us as a City, and then as a City we are able to respond as I was saying previously. However, should the study be positive to say look, the City you need to do 1, 2, 3. If we can have our own MRE, I think we will be able to manage particularly

20 the issue of saturation. I will fortunately, my office was strategically placed at the taxi rank. Every day I go to work I go to a taxi and I see what is happening. The taxi rank is here, the bus terminal is there, it is adjacent. So, I know I can see this is what is happening. So, you will find new vehicles even when you can see there is no business. But if we can have that response to come to the City, we

will be able to say look, in terms of our ITP there is no demand because currently we just get new vehicles. And sometimes, when there are new vehicles, we are not consulted as a City to give concurrence. That is another challenge that we are having particularly on renewals because the Act is strict

5 to say after certain years even operator go and renew. That operator must apply and then the City must give concurrence. So, we are not given that opportunity as a City to give concurrence. That is one challenge that we are faced with. That is why I am saying the more we improve our communication, I think that will assist.

10 Now, I am just talking about that. Also, as I was saying to say the 2 operators in the past, they were communicating directly with the province and sometimes concur directly with our relevant sister department because our unit was not functioning. With the taxi industry, it has improved because with the PRE and the previous office of the register, we have managed to strengthen the

15 relationships. But the challenge that we are having is with the bus operators. We don't know what is happening. The province doesn't tell us what is happening, we don't know. Whether there are new vehicles, we don't get anything. When we engage, the response because we even wrote to the province because as a City, one of the responsibilities that we need to do, we

20 are implementing the IPTN. We need to get the records of the operators and we are finding it difficult. We have wrote letters to the province and up to date, there is no response requesting records, and it is a challenge. And it makes it difficult for us to implement these particular programmes.

Number 5, are there current measures undertaken by the municipality to identify the public transport needs?

Yes. Currently, we are in the process of reviewing our CITP which was approved in 2012. It has already expired. The 5 years has lapsed, so, we are in
5 the of advertising review of one of the CITP. So, we are using the one that we are having currently until we finalize what we – once we approve this one. With regard to the e-hailing service vis-a-vie the meter taxis. As a City because my understanding of a meter taxi, it should be a public transport operator with a gadget where you are able to say start and then you calculate the distance and
10 everything. I wouldn't say in our view we have metre taxis, rather we have the 4+1s because they park somewhere and then they are metre taxis with specialized service and it has a target market. But the way they operate, sometimes they are in conflict what normal mini bus taxi operators which is another challenge. They tend to enter into that space. So, we believe that
15 indeed if the amendment can be done, it will assist to curb the current challenges between the 2 operators. That is why we believe it will assist. And even if it is in the legislation, at least it will give us a clear guidelines as to what needs to happen.

I mentioned the underlying reason with regards to the issuing of moratorium. As
20 a City, around 2013, 2014, 2015, we had a challenge with conflicts amongst taxi operators. And the City wrote a letter to the department requesting for moratorium because of the conflicts and also the over saturation. We wrote that like I said in my opening, such we don't see it bearing fruits because every day

we see new vehicles. And we were specific to say can that be done here in Mbombela. We have had meetings to check, to make follow-up on that.

Why is over trading common feature in provinces where the moratorium is in place, is the moratorium only put in place in the issuing of operating licences?

5 We have written to the province to implement the moratorium because of 2 reasons like I have mentioned. 1, is to cap over population for the purposes of proper control while implementing our IPTN, that is one. 2, to minimize unnecessary conflict by ensuring that there is no oversupply of vehicles whereas the demand is less. Chair, I must indicate to you, one of the presenters
10 was seated indicating that cars get repossessed every week. I am there, that is what we see, my office is right there. I see this thing happening. As government, my view, what I see, you will see cars standing in the morning until 14:00 just do one trip going home and sometimes then you can tell if that person does one trip, it is 300. So, there is no way that person can be able to sustain. But to our
15 surprise, we always get new vehicles. Which is why we crafted that request to the province to say look, as the City can we not. These are some of the things that we looked at.

What mechanisms did the PREs and the municipality put in place to enforce these moratorium?

20 I was indicating that we have communication and the challenges that I have just alluded to. And we strongly believe that if we can have more coordination between the 2 spheres of government and improve our relations, I think we will be able to be able to assist the operators and the commuters in general.

To ensure effective control of public transport, what is the best way to deal with over saturation?

We are saying proper, effective communication coupled with the involvement and participation of government in the mini bus taxi industry in ensuring the industry is transformed from being operated informally into a more professional and formal business. As government, we strongly believe that we need to be hands on like any other land-based transport operators to assist them in being professional. Hence, we believe implementation of this IPTN and BRT will enable our operators particularly the NBT to be professional to enable any other commuters because currently what is happening this is a South African view about a taxi. When they think of a taxi, they think of not of a professional business. They give them names which are more negative. But if government can be involved, I think that can assist. If for example, the issue of subsidy to make an example. The subsidy comes with terms and conditions. There are dos and don'ts on the subsidy. So, once we give them that thing then they will be forced to adhere to certain terms and conditions and they will be able to provide professional and effective operation. Not that they are not providing professional, but to give professional and effective operation that will match to their competitor that is the professionalism that we are referring to, to such an extent that we don't to distinguish the two but we are able to have a choice.

Now, B1, what challenges has the municipality together with the different spheres of government encountered to develop ITP?

So far, we have never had a challenge. Our ITPs, when we developed our 1st ITP in 2007, there was a good coordination, there were committees that were

established with all the affected stakeholders including your Inhlanza district municipality. Even when we did it in 2012, the same thing happened. And now that we are reviewing, we are going to make sure that we get the plans from other sector departments.

- 5 What measures can be put in place to ensure that capacity is developed for a successful ITP?

I was saying there needs to be constant communication and an establishment of working committees with an inclusion of all stakeholders particularly other spheres of government who are responsible for planning. Because the ITP
10 assists us in ensuring that whenever there is a development, we are able to make sure that it covers issues of transport. Your SDF, when we do this thing, we must make sure that your SDF is also consulted to make sure that you don't miss anything.

- Does the difference in price mechanism have an impact on competition
15 between metre taxi and app-based?

Indeed, even if we don't have that, but indeed it has a huge impact and that is one of the contributors of the existing conflicts in the bigger cities. Under C1, we need to identify the top 5 critical inputs for the municipal buses including. Unfortunately, the City doesn't have the buses, we don't own any buses. So, it
20 will be difficult for us to comment on that.

The existing bottleneck for transformation across value-chain.

As a City we have involved all previous disadvantaged operators in particular the mini bus taxi industry. And we are about to conclude, in fact we were

supposed to have a meeting today at 2 to conclude our value-chain framework. Unfortunately, we couldn't. But, we have drafted a value-chain and we have submitted to the MBT operators for their comments. They have commented back. now we are supposed to sit down and conclude. Now, with regard to

5 IPTN, the City has been engaging with the 2 operators before 2010 when we were implementing 2010. We have engaged operators, we have worked with both operators to do 2010, after 2010 we also engaged operators when we were doing some of the construction. However, the consultation where not that vigorous as it is now, but the consultations were done. In other instances, we

10 find that there were a lot of disagreements between the City and the 2 operators. So, as a City what we have done, we have presented our operational plan to both operators and that was done as back as 2014-15. That has always been done. Every year we do that. And seated here, we have not yet received from the operators. The City's plan on the IPTN is to integrate the operation.

15 Our plan as a City is not to purchase buses like what happened in Johannesburg. As a City, we are planning on empowering the industry.

How do we do that?

I will start with the two, we have developed MOAs for both operators and we only concluded one with the MBT. Amongst other thing on the MOA that was

20 signed between the City and the MBT was that the MBT will purchase their own vehicles as we go forward. However, when we start, we are going to use the current fleet. BUSCO is using bigger buses, they have a double deck, then the mini bus taxis, they have a 15-seater and a 22-seater. What we are saying as a City in our presentation to the operators is that as we know after 12 years in

terms of the legislation there is this thing will go on tender. Now, the industry has an opportunity to purchase bigger buses and put them on the trunk and operate. That is our presentation as a City, which we are still waiting for input from the 2 operators. What we did, we then took the mini bus taxi operators
5 after concluding the MOA for benchmarking. We took them to George to see how did they concluded, we took them to Tshwane, we took them to City of Johannesburg, we took them to the City of Cape Town. They met with their counterparts, they met with the City, the City made presentations so that they can see the issues of value-chain, what happened there. So that by the time
10 they give us response to our operational plans, at least they have a picture of what is happening in other cities. So, that is what we have done. Currently, what is on the table is what the City is thinking of implementing. So, we have through the MOA, we have established communication methods where we engage with the MBT operators. And I must say our communication so far is positive and we
15 are happy with the way that we are moving. And we believe those bottlenecks that we are having soon we will be able to overcome them. Like we are saying, the issue of value-chain we are almost there. We were supposed to conclude it today, but because of other glitches we couldn't. So, that one is clear. Amongst the things that are on the MOA, we have agreed that things like station
20 management, things like security, those things should be given to the industry. It is on the MOA that we have signed with them. So, these are some of the things.

Now, the infrastructure that we are building now, when we see a shelter, even an ordinary person will say it is a bus shelter. That is not the case, it is a public

transport facility, and those public transport facilities are public transport facilities that are going to be used by the integrated operators. By both buses and taxis. The understanding of the public is that it is a bus shelter and as a City we are trying, that is why where we have built our public transport hub. We have
5 built our public transport hub in the centre of the bus terminal and the taxi rank to show that indeed we want to integrate the 2. And next to it we have a rail because the plan is to have that area as a whole area to make it a public hub.

We have identified routes for the IPTN. So, we have about 4 phases on the IPTN. We have Phase 1, Phase 2, Phase 3 and Phase 4. So, Phase 1 has
10 been broken into 3. We have Phase 1A, B and C. It's one of the longest trunk. It comments from Hazyview on the eastern side of the City up to Babarton which is a former [inaudible 0:30:44] municipality that was integrated to the City to Mbombela, to form the City of Mbombela. Then we have Phase 2 which starts from Town to kaBokhweni and surrounding areas. And then we have Phase 3
15 which covers from Town to Pinaar [inaudible 0:31:22]. And then we have Phase 4 which covers Matsolo. So, that is how we have broken our implementation of the IPTN. So, currently we have not gone to engage the public, we are still engaging the operators. Most of the things have not moved. We are not even able to communicate with the public to say this is where we are until we find
20 each other and then we move together. So, that is what we are trying to do because we have learnt from the other cities to get on the same bus and then we move with the public. Because we do not want to communicate information or maybe give department voices. That is the thing.

I think honourable Chair, let me pause there. Thank you very much.

CHAIRPERSON: Thank you very much Mr. Mavimbela. Mr. Ngobeni.

MR. NGOBENI: Thank you Chair, and good afternoon Mr. Mavimbela. I think we can start with the assignment question that you dealt with in your submission. Maybe just to get to understand the process firstly. You indicated in
5 your submission that currently you are consulting, you said internally. And you are also consulting, I think you indicated stakeholders as well. So, firstly can I get, maybe just to get your confirmation. So, the reason why you started these processes is because the City is of the view that it can assume the powers that are currently being performed by the PRE. Will that be a correct assumption?

10 **MR. MAVIMBELA:** Not that the City assumes that we can take over. We are saying that we are understaffed. We want to establish, like I was saying, we are understaffed. We want to get the prudence of saying is there a need for us to take over or we can run the IPTN while we are having the responsibility in the province. We want to establish the, hence, we have appointed an external
15 service provider to do that independently and give us an honest opinion.

MR. NGOBENI: When you say you are understaffed, you are referring to – so, say for example you were to get the results where to show that you will be in a position to perform the functions. What will be your concern? You have only mentioned in your submission the question of staff. Are there any other things
20 that you would like to be addressed before those powers are assigned to the municipality?

MR. MAVIMBELA: Okay, when we took that decision to execute this responsibility, we 1st looked at our capacity internally to say look, now what

functions are entailed by this particular responsibility? We checked what is happening interesting province. How is their staff complement and then we said fine, as a City, do we have other officials perhaps that could be seconded to look into those things? Then we came to a decision to say no, it is proper that

5 we do a proper and fair study by an independent person that will be able to assist us. That is why amongst other things as part of terms of reference to the service provider was that you need to consult our labour as an independent person to say what do they think, our finance guys. Because issues of subsidies to make an example, if we were to take the responsibility if a subsidy, we need

10 to have contract managers, you need to have someone who will look at the finances as much as we have our financial section, we need to check that do we really have to use our financial section or maybe they investigate. We have an independent entity that will look at the implementation. So, those were the terms of reference that these guys were given.

15 **MR. NGOBENI:** And I think linked to the question of capacity that you have addressed as something that you may need to look at you know before those powers are devolved, it is in response to the question where we posed on you know the challenges that are currently affecting, that you are currently are facing as a municipality in the planning authority and in your drafting of the

20 ITPs. You have stated this afternoon that there are currently no challenges. Is that correct, I mean, because I thought that was what you said before I posed the question. You said there are currently no challenges that you are facing.

MR. MAVIMBELA: Okay, we are engaging the provincial sphere and other spheres. We are fine.

MR. NGOBENI: But then the question is, are you then saying currently you are performing the drafting and you know, are you doing that function as the City without engaging external consultants? The drafting of the ITPs and your integrated transport plans?

5 **MR. MAVIMBELA:** What I said sir, was that the City CITP because what we did, we did the comprehensive ITP that was approved in 2012. During the process, the stakeholders were especially the spheres of government, the 2 spheres of government. The district as well as the province were part of the process. Currently, we have not yet started the drafting of the review. We are
10 about to advertise for a suitable service provider to assist us in the coordination of that review. We are not yet there.

MR. NGOBENI: You only need the service provider for the coordination, not necessarily for the drafting.

MR. MAVIMBELA: Okay, when we have, currently we have this one that was
15 approved in 2012. So, it needs to be reviewed. Given that now, in fact, it is going to be a new one. Because we are a new municipality, we are a totally new municipality after the elections of 2016. So, we need to consider UMjindi and former Mbombela so that we can have one CITP because the current CITP that we are having is the CITP from Mbombela local municipality. Then we have an
20 ITP that was done by uMjindi local municipality. So, the service provider now, as a City we need to do a CITP for the city of Mbombela. Just to rephrase. Since we are a new City from 2016, we are going to do a new CITP.

MR. NGOBENI: Thank you for that clarification. And just in your submission earlier on the question of the PREs who are currently exercising the power, you mentioned that there is consultation you know in relation to the mini bus taxis, but you said there is lack of consultation in relation to the buses. Is my
5 understanding correct?

MR. MAVIMBELA: Correct.

MR. NGOBENI: Why so?

MR. MAVIMBELA: I don't know.

MR. NGOBENI: Okay, so what are the requirements in terms of legislation?
10 Aren't you supposed to be making directives to the PRE even with regards to the buses as well?

MR. MAVIMBELA: That is why I said we wrote letters to the province requesting information to assist us particularly with the implementation of the IPTN. Unfortunately, it never see a day. Hence, I was saying for us to be able to
15 have a concurrent and effective public transport system we need to have a coherent and effective communication that will at the end of the day assist. Because my understanding as government, our responsibility is to make sure that the operator is profitable, and also the commuter receives sufficient and effective service. So, as government we enable the environment. So, if as
20 government we are not communicating very well, then it becomes a challenge. The is why you will find the us and them in the operators, that is not correct.

CHAIRPERSON: I just want to clarify this Mr. Ngobeni. This issue of lack of consultation between the City and the provincial government, I understand it

relates to the role of the provincial government as a contracting authority for buses. Not necessarily in respect of the issuing of operating licences by the PRE because there you still have a role to play in terms of issuing concurrencies when the applications by commuter bus operators for operating
5 licences.

MR. MAVIMBELA: Right, as a City, the only concurrency that you receive, 1, you only receive concurrence for new routes from the province. Even the renewals, we don't get concurrencies. Number 2, as a City we don't get any communication with regard to the bus operators, be it new route, we don't get
10 anything. I don't know whether I am clear.

MR. NGOBENI: Thank you Chair, it does clarify. Maybe just to understand on the question of communication you know between the province and the City. Are you aware of any instances where the PRE has gone ahead and issued operating licences? Now, I am talking about in the mini bus taxi industry,
15 operating licences without having spoken to the City or without receiving a proper recommendation or a directive from the City?

MR. MAVIMBELA: In the past as a City like I was saying before 2014 or 2013, it used to happen. I wouldn't say it has stopped. It is still happening but now minimally because there are those that have been issued without our
20 consent even after 2014. But we have had a meeting with both the PRE and the office of registration monitoring to address that. And then after that there were, there is improvement. Even now, that is why I am saying when coming to mini bus operator application of new routes, there is 80% improvement. There is communication there. When coming to renewal, there is 0 communication,

which is a challenge to the City. That is why you find this over saturation, that is why you see. Even our CITP that we are using particularly here becomes irrelevant. Our planning becomes irrelevant because of such.

MR. NGOBENI: You say that in terms of the new licences even though there is
5 now communication, you say after 2014 it is minimal?

MR. MAVIMBELA: I am saying it is better, there is minimum concerns. For
example, there is a new opportunity when we speak of the University. There is a
University here which is growing very well. Operators, specifically taxi
operators, they will go to the PRE and get licences and they will operate. But
10 now we get referrals of this new development and we are able to advise and
respond and give concurrence. So, that is why I am saying it has improved.
There is a minimal of the negative.

MR. NGOBENI: And could it be that the reason why sometimes they wouldn't
communicate is you know, in terms of the law if the municipalities are not
15 responding to you know they are not responding to the request from the PREs,
the PREs are allowed in terms of the law to you know to then make any
approvals without your views? Could it be that the reason why they would do
that is because as we have heard in other provinces there are other
municipalities which are you know delaying in their responses to the request
20 from the PREs. And thereby leaving the PREs with no option but to exercise the
powers that they have in terms of legislation to then approve these applications
without getting your views.

MR. MAVIMBELA: Mr. Ngobeni, what we did like I said, we arranged a meeting with the office of monitoring and registration and PRE at that time to try and improve communications and to establish communication methods to say when you do this, this is what is expected of you and all of those things. And I
5 must say, we always respond on time when we get a correspondence. If we are delaying we always communicate with the office of the monitoring and registration and PRE. I have because obviously the point of entry is the office of the City Manager. But the colleagues that we are working with, we always communicate. Even if we send something they always communicate. Even if
10 they send something they always communicate to say we have sent this, then they will copy me and I get this and I will go to the MM I get this, I process and take it back to the MM and then he signs it. So, the ones that are happening are the ones that were never written to the City. Everything that is written to the City, it gets the attention that it deserves. Let me give you an example, we are
15 also, we have a cross border operation here. Cross border is situated in Pretoria. I can assure you, any correspondence that he has been sent, we respond. The communication there is very smooth. We are doing very well. Even our transport forums as the City, we are always an example to the other bigger cities. So, that is what we want to see happening with our departments.

20 **MR. NGOBENI:** Then you mention on the question of moratoriums, then you mention in 2013 to 2015 if I am correct that you wrote a letter requesting for the moratorium to be placed on the issuing of operating licences after having seen, I think you refer to conflicts, what conflicts are you talking about? And the question of over saturation. I am more interested in finding out if that was

informed by a study that was undertaken by the City which then revealed you know, there was the routes that were over saturated.

MR. MAVIMBELA: Okay, there is a route which is subjudicae because the matter is in court now where the City, the province affected are responding in
5 Court. Now, during that time, the R40 route from here to Bushbuckridge. There was serious conflict. 2 associations claiming legality to operate in that particular route, there was that particular thing. To such an extent that there was road blockages, R40 was blocked, N40 was blocked. Then the MM took a decision to say look, going forward let us not issue a new operating licence. Then we
10 conducted a desktop stop. We took an attendance register to say how many vehicles are in that particular route per day. How many vehicles are zoned because they zone the vehicles. Then look at the number of zoned vehicles and then look at the number that have left the platform and then we were able to deduce that road if we can continue adding more vehicles, we are going to
15 make the conflict to be more. And 2, it won't be profitable the more we add vehicles.

MR. NGOBENI: And is that the same thing that we heard about this morning, I think it was the provincial taxi council referring to it as an instance the PRE has allocated the same to 2 various associations. Is that what you are referring to?
20 Or could be something different?

MR. MAVIMBELA: Basically, I think that route of R40 is the very same route that the City said no we need to gain a moratorium, it is the very same route.

MR. NGOBENI: And currently, the moratorium has been uplifted, is that correct?

MR. MAVIMBELA: No, as a City we have not uplifted it. We have since written to the province. So, that is why I said we wrote a letter to the province to
5 say can we put a moratorium. Unfortunately, that call was not heeded because we see new vehicles being introduced. Hence I am speaking of the improved communication. I am referring to such things.

MR. NGOBENI: Maybe just to clarify, so you are saying that despite the fact that you have identified the conflict, you have done a study which showed over
10 saturation, you wrote to the PRE or to the province to request for a moratorium, the province has not yet adhered to the request despite the fact that you have advised them of all of those things firstly conflict and the route is over saturated.

MR. MAVIMBELA: Correct.

MR. NGOBENI: Okay, thank you Chair. I will leave the BRT questions to my
15 colleague.

MR. LESOFE: Thank you Chair. Mr. Mavimbela, if we could start. I have a question in relation regarding the sustainability and suitability of BRT particularly in Mpumalanga. I am sure you are aware that the BRT is struggling in Gauteng. That is in Johannesburg and Tshwane and it is struggling in terms of ridership
20 as well as revenue. And as a result, the system relies a lot on subsidies. So, my question or rather the 1st question that I have is; based on your observation and perhaps your assessment, would you say the BRT system is suitable in

Mpumalanga and do you think the system will be sustainable taking into account the challenges that I have just raised.

MR. MAVIMBELA: Sir, just for the context or for the purpose of recording. We are not implementing BRT we are implementing IPTN.

5 **MR. LESOFE:** Excuse my use of – by BRT I am referring essentially to that.

MR. MAVIMBELA: Ja, please. Let me put it like this. Currently, when we conducted the study, we looked at the numbers. I think one of the presenters, in fact, during our market survey team which is jointly composed of both operators, we once conducted an inspection logo for both operators to check how is the
10 operation. We used the depots, ranks, strategic stops and all of those things. There is volumes in the route that we have identified from Hazeyview to Mbombela. However, there are a number of villages and towns. Some they go up to White River, some they go up straight. But there is volumes. And as the 1st presenter indicated that majority because of the affordability is commuted by
15 the bus. That was our observation as officials on that day. Now, if you look at what is happening, I will site an example if you start work at 7:45 at government offices who uses a bus, that person is bound if that person stays in – which is about 45 or 50km from here. That person is bound to wake up at 5:30 or 4:30 to catch a bus at about 7:00 or whatever time, but he is bound to wake up early.
20 So, you will find that a XXL or XXXL, those 1, 2, 3, buses. So, those buses you will find them full, but you will find people at the station waiting for the buses. Now, with this plan that we want, we are going to use mixed fleet, we are going to use scheduling. And we believe that will increase the numbers. However, it is going to decrease the volumes on the buses because now people we don't

have to wake up early because every 20 minutes or whatever time, there is going to be a bus. So, we don't have to wake up so early you understand. But the numbers we still have. Even those who were not part of the system, they will be part of the system now. It won't be one lion's share or whatever, but it will be shared amongst the operators. So, we strongly believe that with this because this is one of a kind in the country, the mixed fleet operation. Even in George, in George it's one company but using mixed fleet. They just got the 18-seater, 22-seater and buses. They using that thing and it is working. So, we are strongly convinced, but obviously, it can only work if together with the operators are in the common understanding then it can work.

MR. LESOFE: Then in terms of the initial plan, when was Phase 1 supposed to start?

MR. MAVIMBELA: We were supposed to start, I think our initial 1st presentation to the NDLT, we were supposed to start by 2015 or 16. But because of the engagements even now, we are planning to start it probably next year. But we don't know, we are still engaging. Reason being we don't want a situation – you see, we must learn from what happened to our predecessors. What happened in George, you observe conflict and all of those things. But that you get the mutual understanding and then you move together with the operators. So, once we are with the operators then we can go to the commuters in the communities because the service providers understand what you want to do. So, I think amongst others that is one of the delays.

MR. LESOFE: So, given that you have had the benefit to interact with different municipalities that have already implemented the system, what would you say

are the key lessons to be learnt from their experiences which would probably assist in implementing your own system?

MR. MAVIMBELA: 1, the engagement you need to make sure that you engage. Like in our case I think we are different from other cities. We only have
5 2 operators unlike other cities like the city of Tshwane has got its own bus
StaBus and all of those things. So, we are fortunate. But what we have learnt is
that it is very much important that the 2 operators get along, that is one. 2
operators must get along. They must understand that the very same mission is
one, it is to transport the people. That is one thing that we have learnt, which we
10 have seen is a challenge. 2, relations between government and operators is
very much key because if we don't have smooth relations – I am using the word
smooth because it is never even, but you must make sure that there is that
constant communication between yourself. That is one thing that we have
learnt. And 3, not to rush the implementation because when you rush to say we
15 want to implement, at the end of the day it is like you are dishing out raw food.
Obviously, you are going to have running stomach. So, those are the things that
we have learnt. That is in brief.

MR. LESOFE: And what do you think about transparency, don't you think that
is important as well?

20 **MR. MAVIMBELA:** Critical and core to this project.

MR. LESOFE: Are you taking that into account as you, you know when you are
going through the process.

MR. MAVIMBELA: As a City, we are. That is why we are trying to engage with our stakeholders every now and then.

MR. LESOFE: Okay, and then, so the current operators are required to organize themselves into a VOC or VOCs, is that correct?

5 **MR. MAVIMBELA:** Correct.

MR. LESOFE: What would be or has been the role of the City? I am not sure, you will let me know if VOCs have been established already.

MR. MAVIMBELA: Not yet.

MR. LESOFE: They haven't?

10 **MR. MAVIMBELA:** Not yet.

MR. LESOFE: What would be your role, what kind of support are you intending to provide to the operators in that regard?

MR. MAVIMBELA: We have the operators especially, because the operators that we currently we are in constant communication with is the MBT on this particular IPTN subject. So, they have identified an advisor. We have appointed an advisor on their behalf and we are paying for the service that the advisors are providing to the operators. The advisor is comprised of finance, financial advice, legal and technical. So, issues of VOC, our role, that is why we have appointed the advisors to assist them in establishing the VOC and everything. However, when they come and make a presentation to the City which we are not yet there currently. We have not had those discussions because we are not yet there. We still need to check as to whether because we have 2 operating

companies. When we come to that space that is when we are going to establish that fine, do we need 1 VOC that will be comprised of both operators or we are going to have 2 VOC for buses and what, what, what. So, we are not yet there. That is why what we are trying to do as a City sir, this is a big elephant. But for us to be able to put it down, we are trying to cut it piece by piece until we are clear as to how do we reach the goal. Like I said in the opening remarks, we have not received inputs on our operation plan from our 2 operators. So, all the things that we are doing is the plan of the City. So, once we get the inputs from the 2 operators maybe it might change or they might agree. We don't know.

10 **MR. LESOFE:** Just to confirm, the City will not hold any shares in the VOC?

MR. MAVIMBELA: From our plan, no.

MR. LESOFE: Those will be 100%.

MR. MAVIMBELA: From our plan no, we don't take shares.

15 **MR. LESOFE:** And has the City, because the host has already been identified right? Have the affected operators been identified?

MR. MAVIMBELA: Yes. Okay, in which sense sir?

20 **MR. LESOFE:** In the sense, perhaps let me get to the 2nd leg because there seems to be a challenge with regards to who should benefit from the system or who should be a part of the system from the side of operators. So, I want to understand if you have already done that. If you haven't, what is the criteria that you are going to use to identify the affected operators who will then be included in negotiations of this?

MR. MAVIMBELA: Ja, we have not yet officially identified them. Reason being we have not yet conducted the market survey study, joint market survey study. Hence, I am using the word officially because when you plan you must do work on your own so that it can inform your plan. So, we have done what we have done. Now, we are busy engaging the 2 operators to conduct a joint market survey study. Which will enable to know that okay, in this particular route, who are the affected and unaffected but who are using the route. I will give an example. That route, it comes from Hazelview. We are using the R538, that is the route that we are using. The R538 and then we have the R40 which comes from Hazelview and joins in White River. Now, as you come in with the identified trunk, in White River there are cars the use the R40 which joins the trunk. Now with this market study that we want to do, we need to establish that to say this person is having passengers that are coming to town right, and they are using this route. We have other people coming from kwaBhokweni and we have others coming from the University and joining the R40. Those are the things that we need to establish. Hence, we are having this joint market survey meetings to say fine, how do we get out of that.

MR. LESOFE: Thanks. And your operational plan that has been shared with your operators, does it include a compensation model or framework?

20 **MR. MAVIMBELA:** Not yet.

MR. LESOFE: So, that tool you haven't developed that as well?

MR. MAVIMBELA: We haven't shared, look, you see sir. Remember we still need a buy-in on the plan firstly to say this is what we want, are we fine with it?

Then it's fine. Then we tick. Then the next step, what is it that we need to do? We need to do the market survey. Obviously, without the market survey the plan will not be enough because the plan will tell you that in this route. Based on the plan then we will know okay, we will be having so much vehicles. Now, if we
5 have so much vehicles, in terms of our data, how many buses do we have in that particular route? How many taxis do we have in that particular route? The number of buses, the number of taxis in terms of needs, we need so much. And then how do we go about in terms of that. So, that is why we are not yet there.

MR. LESOFE: But there is a framework that you are developing?

10 **MR. MAVIMBELA:** Yes, we have not shared with the operators, but we have developed, we have a framework and everything.

MR. LESOFE: In the spirit of transparency, don't you think that it is important for you to share that with the operators? Because that is very important and it is often one of the issues that causes delays in finalizing negotiations and
15 implementing the system.

MR. MAVIMBELA: The thinking that we are having, you see, let me make an example. When we had meetings, when we went to do consultation, the mini bus taxi operators, the steering committee went to do consultation. Now, one of the question that always arises how much are we getting like you are correctly
20 saying. Now, how do we respond you are getting so much if we don't have a buy-in. because currently we don't have a buy-in. That will lead you into saying no, we agree or we don't agree to do these other things that need to be done. Because we have broken our implementation, like our negotiation we have

broken it in to make sure that people must understand because the intention of this 1, as mentioned, there is this in the framework that no one should be worse off when we implement this thing. Either buses or taxis, they shouldn't be worse off. They should be better off. And that is what we are communicating. So, 5 whether we are there we don't have a problem. We are thinking for now we are not able to provide that thing because we know that no one should be worse off. Even the buses, if they are getting R5, they mustn't get R4 after this. Even the taxis, if they are getting R2, they mustn't get R1. So, they should be better than what they are today. That is the intention of this particular programme.

10 **MR. LESOFE:** And you said in terms of your – the kind of system that you want to implement is such that you don't intend to procure buses. Has there been any buy-in from the industry? How has the industry responded to that?

MR. MAVIMBELA: Those are the inputs we are waiting for. That is part of the presentation we have made to them on our operational plan. So, we have not 15 received anything from them.

MR. LESOFE: Assuming the industry rejects that proposal, how are you likely to deal with that because that is not a remote – it is possible that the industry may reject that proposal.

MR. MAVIMBELA: Ja, I will be – no, we will be optimistic because when we 20 did our benchmarking, already the industry has started doing their work towards procuring because already we have started. I am not a negative person, but I know that is possible. So, it will need further engagement and further persuasion. That is what we are going to do because the reality is sir, the status

of the country's coffers are no longer suitable than in 2010 and all of this. Even the other cities now, they are reviewing the purchasing of buses, they are backstabbing because it is very costly for a City like ours we are very small City. Even national treasury to give you an example, even the grant that you get for
5 IPTN reduces every year because the treasury, it is stressed. So, that is the reality that we always communicate. Hence, we look into this particular model. Because remember as government you need to be practical because whatever you are going to purchase we will be getting from a Central place which is National Treasury. And we know the situation is not okay.

10 **MR. LESOFE:** I appreciate that you are a very optimistic person, but you know because it seems like there is still a lot of work that needs to be done and your target date, your target implementation date is 2019, probably towards the end of 2019. With all of these challenges and all of this work that needs to be done, realistically do you think you are still likely to implement the system in 2019?

15 **MR. MAVIMBELA:** Okay, currently in our engagements with the 2 operators, the only thing that has been delaying us is to finalize the market surveys study, 1. 2, then we get the inputs on the Ops plan. So we believe. Once we do that then we can be able to unlock all the other processes that we are having. Process of negotiation, process of verifying vehicles, verifying operators and all
20 those things. And some of these processes sir, they will be going concurrently. We will not wait for this process; it will go parallel. So, we are convinced by, in fact, by next year we will be operational. Either we will do a pilot or what but there is something that we will be doing. And that is our presentation that we have done recently to NDLT in terms of our project plan, when we look at our

projections you see, we will be able to meet. And given the relationship that we are having with the 2 operators we don't see a challenge in meeting that particular goal.

MR. LESOFE: And once the service is operational, what would be the City's
5 role especially in the management and running of the system?

MR. MAVIMBELA: The City's responsibility, I have mentioned 2 factors. So, as government 1, is to make sure that, I will start there, that the commuters get a professional, effective and reliable service from the operators. So, as a City, we will be having the operators operating as one. To make an example,
10 vehicles that will be operating on our IPTN, they will be branded. So, as a City our responsibility is to make sure that whatever agreement we have entered into with an operator we monitor that such is adhered to in terms of time. Because remember we just mentioned this, the intention of this is to avoid this thing of speeding, it is to avoid this thing of having too much traffic on the road,
15 it is to avoid Mr. Ngobeni diving his C63 because the bus is more effective or the taxi is more effective and professional. So, that is what we want to do. So, as a City 1, we will be promoting this particular mode of transport to say people you must come and use this thing and we will get comments. As a City we will be monitoring the service. As a City we will be responsible for the, our plan we
20 will be responsible for making sure the drivers to make an example, if we can identify, there will be a VOC that will be there. If there is a gap, how do we close the gap to make sure that there is professionalism. The intention is to bring professionalism and integration within the public transport system.

MR. LESOFE: Who is going to run the ticket or ticketing system? Who is going to be collecting revenue?

MR. MAVIMBELA: The City. Remember, you see the City is the one that is going to do the ticketing because that is where revenue is. Mr. Ngobeni or it is
5 yourself, oh, it is yourself, you were saying in other cities there is a problem of numbers. The Cities rely on subsidies. Now, the collection, the fares, the City should be responsible so that it will be able to develop mechanisms of attracting more people into that particular system.

MR. LESOFE: Is that going to be done exclusively by the City? Don't you think
10 that it would help if it is done jointly? Why should that be done exclusively by the City? Especially because, I understood you from your presentation earlier that you also want empower operators. So, taking that into account, why should this be done exclusively by the City?

MR. MAVIMBELA: You see, the issue of empowerment, it has a number of
15 legs for empowerment. We are saying as a City why we are doing it, remember we are the ones who will be paying the service providers for whatever work that they would have done in terms of whether we call it subsidy or whatever. And 2, in those stations that I have alluded to say operators will be responsible for security, operators will be responsible for cleaning and all of those things, we
20 need to pay for that service. That payment cannot come from a subsidy. You need to find a way of generating income to be able to adhere to that particular responsibility just to mention a few. As a City, we need to be responsible so that you are able to generate funds because this programme mustn't impact negative on the ordinary citizen of Mbombela. It mustn't change their lives

negatively. If we were building 5 roads annually, we mustn't build 4 roads because of this programme. Instead, the programme must make the life of ordinary citizens better, you see. That is why we are saying by collecting the fees we will be able to meet other obligations and also, we will be able as a City
5 to work hard in making sure that the ordinary commuters, even the private car users, they use the bus. One of the plan is to have a dedicated lane for public transport operation, on our off plan it is there. We are going to have a dedicated lane so that if anyone who comes from White River, like one of my colleagues stays in White River. In the morning from White River to come to the Riverside,
10 they spend about 40 minutes or so. But when we have this dedicated lane, the bus and the taxi will be passing. So, people will see a need that no man, I need to. You understand? So, this will assist us in doing those things.

MR. LESOFE: I don't see how you would be unable to achieve all of these things if you involve the VOC operators in that.

15 **MR. MAVIMBELA:** Maybe sir, by involving what do you mean? Maybe that is where I am not -

MR. LESOFE: I am going back, remember I asked you about revenue collection and ticketing. You said that function will be done exclusively by the City. Right, I am asking you, you have mentioned all of these reasons, you have
20 given all of these explanations. So, my question is, I don't see how it will be difficult to achieve all of these things if the VOC operators are involved in ticket collect and revenue collection. I am asking you this question because this is one of the issues that has been in other cities in particular the Western Cape. So, you will have for instance, the VOC operator saying we don't even know how

much is collected, we are not even part of the ticketing system, yet we are told that we are shareholders in the company. The representatives from Gauteng were also saying currently in Gauteng, in Tshwane there is no information that is shared about revenue. Yes, they appreciate that the system is not doing that well, but there is no, it doesn't seem there is that much transparency in terms of how much is collected and how much government contributes. So, that is the context.

MR. MAVIMBELA: No, now I get you sir. Look, what you are saying is a question of being transparent in terms of communicating.

10 **MR. LESOFE:** And also involvement as well, it is not just about transparency.

MR. MAVIMBELA: And involving them. If I take you back to the agreement that we are having with the taxi industry. We have established work streams; we have work streams in place. Amongst other responsibilities of the work stream, it is to look at the APTMS system – automated public transport management system - which involves issues of revenue collection and all of those things. We have a work stream that deals with that. We are in a planning phase. No, there it is given, they will be communicated. But what I was responding to was the fact that in terms of physical collection and the banking, I was referring to that to say the City is the one that will be responsible for that and the distribution of the funds. But the issue, I don't see a problem to have BUSCO and the taxi industry being part of what is happening because it will assist the City. If the service is not satisfactory they will be affected, they will know, so, which will improve the service. I concur with your advice.

MR. LESOFE: Thank you Chair.

CHAIRPERSON: Thank you Mr. Lesofe. I think I just want to identify the similarities as well as dissimilarities between your IPTN model and the IPTN model in other cities such the city of Cape Town, George, Tshwane, 5 Johannesburg and Ethekehwini because your model seems to have some unique features as compared to or in comparison to the model that has been rolled out in other cities. If you look for instance at the model that has been rolled out in other cities, firstly, the ownership of the vehicles as you know lies with the cities. So, the cities purchase this vehicle to funding and these cities 10 then get the incumbent operators in those routes which have been identified for the project to surrender their operating licences in exchange for shareholding in the VOCs to the operators. Now, your model is different in the sense that the operators actually have to contribute the vehicles as I understand your submission. So, meaning that the operators will retain ownership of the 15 vehicles. And what is not clear is something that we will request you to clarify is whether operators are required to transfer ownership of the vehicles to the VOCs or they retain ownership of the vehicles? That is the 1st question which I have in terms of your current thinking and conceptualization of your model. If operators are then required to transfer their fleet to the vehicle operating 20 companies, is there any compensation mechanism in place if that is the case? And then because the City will be responsible for pricing, what kind of considerations will the City take into account in determining pricing on these routes given it seems from what you have said in your presentation, there is some form of acquisition of vehicles which the operators will have to do in order

to be part of this programme. If you could just clarify these aspects, I do have other follow-up questions, I am sure my colleagues certainly have. Just in terms of the elementary features of this model, if you could clarify those and then we can get into other aspects.

5 **MR. MAVIMBELA:** Can I start with number 3? Operators, we are not saying operators must purchase new vehicles. We are using the existing vehicles that is roadworthy, the existing fleet. That is the fleet that we are going to use. Just to respond to that, they are not going to buy new vehicles. And then with regard to similarities, ours is a bit different. 1, it is less heavy on infrastructure
10 compared to your Johannesburg, it is heavy on infrastructure expenditure. Number 2, ours, we are not purchasing like I said vehicles. Now, with regards to the cities that have purchased vehicles, correctly put, the City will own the vehicle for a number of years and then get transferred to the operators after a number of years. However, it then becomes expensive for operators to maintain
15 those vehicles. Remember, it is an old vehicle now. Now, what you are doing now, you are taking liability and giving to the operators. That is not empowerment if you look into that. And MFMA doesn't allow you to purchase then you use public money and you say it becomes your asset and then you take your asset and you register to other person, it is not in query. So, those are
20 the things and that is why we say look, let's look at a more efficient and non-complicated method because what is critical, this service has always been there. The question is how do we improve it, how do we integrate it, how do we bring all role players into one game. That is what we looked at. Hence we said fine, let's look at this particular model just to mention the 2 on that one. Now, we

are saying should operators transfer vehicles to the VOC or what? We have not prescribed on that, that is yet to be discussed. We have not made any decision to say no, we are going to transfer all because what is happening is we have 2 operators. We have the taxi industry, taxi industry you have Gama as Gama, 5 then we have Molasa as Molasa, then we have Mavimbela as Mavimbela, they are individuals. Now, if they do one VOC, those individuals we have got BUSCO as an entity. You get the point? Now, when we get to those discussions, when we get their inputs that is when we are going to start engaging to say look, how do then go about it? Do we say you sign individually or you form like to make an 10 example, the way we have done our pilots, we have done it in such a way that, that is why I am saying we have a unique. The one that we are doing in Hazelview, there is only one association. If you got to the one of [inaudible] it is one association. You understand? So, when we engage the steering committee will engage that particular association and then they come with one because 15 our steering committee is comprised of all the 6 associations. So, information even though we have not started in this particular route, although they know this is what is happening, by the time we come to Phase 4, they know that this is what is happening. So, that one we are still not there, but I think is an opportunity for discussion and engagement and perfection. It is an opportunity 20 that we still have. If operators transfer vehicles, I think I have responded to that one.

MR LESOFE: Thank you, just a follow-up I think on your response. You say the transfer of existing fleet; you transfer the existing fleet into this VOC. So, I just want to get an understanding of are you also including taxis into that example?

MR. MAVIMBELA: Sir, I don't know whether I heard you correctly. I didn't say transfer, did you say transfer?

MR. LESOFE: You said the difference between you and other cities is that you anticipate – there is no purchase of new fleet, you are going to use existing
5 fleet. So, my question is whether you are using existing taxi operators?

MR. MAVIMBELA: I am talking of the 2 operators, we are going to use the fleet of both operators as long as they are roadworthy.

MR. LESOFE: As long as they are roadworthy. And you also mentioned the buses. So, are you talking about the buses that are operating on that route or
10 you are going to the existing to support the service, you are going to include the buses?

MR. MAVIMBELA: When Mr. Lesofe questioned about the affected and the non-affected, we indicated that once we have done our survey then we will be able to determine who is affected and not affected and going forward and we
15 will see how many vehicles we need in that particular corridor. And then from there the affected parties in our case, that is why I am saying unofficially we have BUSCO, we have the taxi industry right. So, they are operating in that route from Hazeyview to Mbombela. They are operating as we speak. Now, we are going to use those existing fleet from the 2 operators and make them to be
20 part of the IPTN. That is what we are going to do. We are not going to bring Mr. Ngobeni because he has go buses to say bring buses. He is not affected. We are going to use the affected people only.

MR LESOFE: I think that is very clear. So, I think the question now is, so what is the benefit of integration if you are bringing everyone else who has been operating in those routes as taxis and there is buses because what have seen in George for instance, they removed all the taxis and then they put the buses.

5 The larger capacity and the capacity are able to take advantage of their capacity economies of scale, there won't be a lot of traffic on the road. That is why I want to understand your motto because it seems as if you are forming one company. But with the taxis, if there are 30 on the road it will be 30 plus maybe 10 BUSCO. What is the benefit of that and would you consider that
10 integration? So, that would be the 1st question.

The 2nd part of the question is that when you roll out, let's say there are existing routes where there are no existing bus operations and it is only mini bus taxis, I just want to understand also how you are going to deal with it because you are saying, the critical part of the model is that you are going to use existing
15 operations and I want to get a sense if there is a route that is only serviced by mini bus taxis? Are you going to just have a VOC of mini bus taxis and they keep on operating or you will try and bring a bus operator because you still have to have those economies of scale? I think those are my 1st 2 questions. I have a couple of them.

20 **MR. MAVIMBELA:** Thank you very much. What are the benefits? 1, benefits is choice for commuters because our plan, let me start there. We are going to use one ticket system. And 2, you said if we are going to have 30 mini buses and then we are going to have 10 buses. Earlier I indicated that the pattern of movement is going to change in terms of the volumes once we start

implementing. We have peak, we have off peak, we have null. Now, that is where the plan comes in because we also have feeder that comes to the trunk, to the main corridor. We need to get people from there you see. Those are the things that are going to determine. One thing for sure, once you start
5 implementing there will not be a reduction of movement of vehicles. Let me make an example, if we say in the morning it is a peak. If it is a peak, because the planning will be done jointly between the City and the operators. Common sense tells me, if it is peak hour you need bigger vehicles, that is common sense. So, that tells me in the morning we are going to have a number of taxis,
10 so we are only going to have bigger vehicles that are owned by both operators. Remember, I indicated that our MOA provides the taxi industry the opportunity to purchase bigger vehicles if they want to purchase bigger vehicles. So, it will reduce that thing. When it is like midday to make an example around 12-11, there is no number of people, we use smaller vehicles. Peak, we use bigger
15 vehicles. So, we can tell that there will be a reduction in terms of vehicles on the road. That is our thinking.

And then from where I am seated and the studies that we have individually conducted as a City, we don't have a route where we are going to operate that is operated by one operator. We don't have such a route.

20 **MR LESOFE:** Thank you, I will just move on to the moratorium, I think Mr. Ngobeni tried to – I just need one answer. Was there a council resolution to support the moratorium?

MR. MAVIMBELA: Unfortunately there was none. I think that is the challenge.

MR LESOFE: So, in terms of the City's position, are we in a position to say that the City has submitted a request for a moratorium to the PRE when there is no council resolution. I just want from a governance whatever, processes perspective.

5 **MR. MAVIMBELA:** I think when this decision was taken, it was done by the City Manager who is delegated by Council to execute operational issues. However, after taking that decision there was supposed to be a report that was supposed to go to Council for ratification. And unfortunately, that was not done.

MR LESOFE: Why I am asking is we had the same kind of situation in George,
10 but in George there was a Council resolution which to some extent it empowered the PRE maybe to be able to act. So, that was a clarification question. Then because of the differences in your BRT model, are you currently maybe using the same or similar advisers whether financial, technical, that have been used by the other cities as a City?

15 **MR. MAVIMBELA:** No, as a City the advisor that we are using or transitional advisor that we are having is someone that was participating, Msunduzi. But the overall team, we have not taken them from anyone.

MR LESOFE: And the advisor that you have appointed for the taxi industry, are they currently also assisting other municipalities.

20 **MR. MAVIMBELA:** Let me just qualify that. The advisors were identified by case industry. As a City we are the 1st people, we appointed them on behalf of the taxi industry. So, I know they are doing advice work in other cities like

Tshwane. The gentleman that was presenting here, they are the ones who are advising them. Even Msunduzi was there in a number of duties.

MR LESOFE: And then I think my last question is, I think I have covered. Thanks Chair, I think those were my questions.

5 **CHAIRPERSON:** Just on the IPTN model for Mbombela, I think Mr. Lesofe did raise this issue with you and the issue is one of the – it relates to the return on investment for operators who opt-in into the IPTN model. Have you done any studies to determine whether both the mini bus taxi industry and the bus operators in the IPTN model to be able to sustain the same kind of return on
10 investment which they are currently getting or even more than when they are in the model? Because this is an issue that appears to be a sticky point in the roll out of the IPTN model in other cities because some of the operators that have taken up shareholding in the VOCs have found that the return on investment in the VOCs is not adequate such that 2 things have happened. 1, some of the
15 VOCs have ended up declaring dividends on a monthly basis, 2, some of the operators who are shareholders in these VOCs have actually re-entered the mini bus taxi industry. So, have you done studies to determine whether this model is going to sustain these operators once they are in the VOCs particularly in your case because the ownership of the vehicles lies with the operators that
20 these vehicles as you have heard, most of them are still under finance. And if your model is not able to sustain the operators, they are likely to be serious difficulties.

MR. MAVIMBELA: Thanks, let me speak to the PDIs. Currently, they are making money out of fee collection only. Now, with this one, they will be able to make money even outside of the fee collection.

CHAIRPERSON: You can switch on your mic.

5 **MR. MAVIMBELA:** They will have an opportunity to tap into other opportunities that will be able to sustain their membership in terms of value-chain beneficiation. Even before and during the implementation. To set an example, like I said earlier, we have entered into an MOA. Amongst other things that we have agreed upon in that particular MOA is that they will be given an
10 opportunity as PDIs to manage the station or as public transport facility cleaning, the security in the public transport facilities which is not what they are not getting currently. And 2, a study has been conducted to say both individuals they won't experience negative impact by this particular programme. Hence, we are running forward with it.

15 **CHAIRPERSON:** Ms. Nontombana.

MS. NONTOMBANA: Thank you Chair, I want to just ask a follow-up question on the proposed funding model of the BRT and I understood you to say that there are volumes particularly on the Hazelview route. So, I just wanted to get a sense whether that would apply to all the other routes for purposes of making
20 sure that those routes are sustainable going forward?

MR. MAVIMBELA: I hear you madam. I hear you are saying you want clarity on the funding model particularly to say is it the same thing that is going to apply in the other phases?

MS. NONTOMBANA: No, I am saying what I want to get to is whether the – the question that was asked earlier regarding the sustainability of the BRT model, one of the things that you mentioned was there is enough volumes, but you made an example of Hazeyview, the Hazeyview route to Nelspruit. So, I am
5 asking whether you would say the same thing applies to the sustainability given the amounts of investments that will be required to implement the BRT

MR. MAVIMBELA: Thank you very much. Okay, why I mentioned Hazeyview is because it is our Phase 1 and – however, all the other phases indeed we do have numbers. Like I said when I was here, our office as public transport
10 operations is strategically positioned. We are in the thick of things where operations are taking place and we can see the numbers and all those things. So, there is numbers and it will apply. In terms of our operational plan it is going to apply in all the other 4 corridors.

MS. NONTOMBANA: And are those numbers sufficient to make the
15 investment in BRTs sustainable? Perhaps that is the 2nd part of my question.

MR. MAVIMBELA: Okay, let me just say yes. But madam, if you say BRT you might be raising with the experience we had with the other cities how much they spent. Like if you go to the City of Johannesburg, they spent billions on infrastructure and that question always arises that if you spend billions on
20 infrastructure, will you be able to recoup that particular investment? In our case, we are spending much on road widening, building park shelters you understand. Those are the major infrastructure that we do. But once we start, mainly our budget will go on operation. That is why I am trying the IPTN and not BRT so

that you don't bring the experience of others in terms of expenditure because it is totally different.

MS. NONTOMBANA: The other question I had was on the issue you raised regarding the issuing of operating licences. You had said that there is not
5 sufficient communication with the PRE. So, I was asking whether even if there is no consultation specifically on new licences. Do you think that you will be making a contribution to their decision-making given that it seems that your own transport plans are outdated?

MR. MAVIMBELA: Okay, the new OLs madam, we do get concurrence.
10 Renewals we don't get. If I heard, I heard you were saying new, I just want to correct that. The renewals, we don't get. Now, we don't see that as a major challenge in terms of engagement. We have had issues but now at least we are able to find each other with the province and believe we will be able to find each other in terms of all of those things that we have raised. Because when we
15 implement this IPTN we are still going to need each other. We are still going to need province like the issue of devolution of responsibilities and we are engaging them, so they are engaging. So, I think we are going to find each other. I was just raising the this is one of the concerns that we are having and we have experienced you see. The 1st presenter indicated that they are over
20 saturated and it is one of the reasons why there is over saturation it is because we are not consulted.

MS. NONTOMBANA: If you look at how IPTNs are supposed to be reviewed, it is every 5 years right?

MR. MAVIMBELA: Yes.

MS. NONTOMBANA: And even in those 5 years, it seems that the view is that there will be developments that are ongoing. So, the plans are supposed to be focused on whatever future developments take place in those 5 years. So that
5 whatever that will be done in terms of transport would then, will be sufficient in terms of what the transport plans will foresee. So, I am saying in terms of where you are and the planning and development, are you best place to advice in the issuing of licencing given that your own information is outdated?

MR. MAVIMBELA: Okay, thanks. Currently, let me speak of fortunately the 2
10 cities. When it was approved by council especially the Mbombela local municipality in 2012, they looked at your IDPs and your SDFs because those are your 2 key documents because the SDF is the one that tells you where is the town going and all of those things. I do agree that we are behind. We should have done this thing by 2016. By the time we do amalgamation, we should have
15 been done. But there were delays. However, the information that we are using in terms of giving concurrence to new applications is assisting us. It not that way outdated because we have an option of going to the office of monitoring and registration and seek information on a certain association. To make an example, if you get an application for a route from Mbombela to White River, I
20 know how many associations that are operating that route. I am able to communicate with the province to say look, can I get information in terms of the total number of OLs that are issued in that particular route. And I take that and balance it with my CITP and I will be able to deduce to say okay fine, this is what I am able to do.

CHAIRPERSON: Earlier, at the beginning of your submission, you indicated that you currently have capacity constraints in your office. Can you just give us an indication of how many are you and what is the nature of that capacity constraint?

5 **MR. MAVIMBELA:** We are 3.

CHAIRPERSON: You are seriously understaffed.

MR. MAVIMBELA: We are 3 and even on our existing structure, it is not even meeting what we are supposed to. Hence, we have now recently submitted a new structure to assist us. Remember, when this structure was approved, it was
10 approved some time back and the issue of IPTN, there has been realignment within the City. So now, at least the structure that we had proposed now, which will be attended to will be able to attend us that we are able to do this or that, but we are 3.

CHAIRPERSON: Any further questions before we close today's session?
15 Thank you very much Mr. Mavimbela for your time and for your submission, very detailed responses that you have given to our questions. Thank you very much. You are excused. And we are done for today. We will resume tomorrow at 09:00 to receive a submission from the Provincial Department of Transport. Thank you very much.

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