

Competition commission

Public transport market inquiry

Private public transport association submission

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Exploitation disguised as competition

Introduction

We as PPTA are a driver born initiative as result of ongoing exploitation and abuses we have felt from the two dominating E-hailing companies Uber and Taxify.

We intend to bring to your attention in our presentation today the extent to which these above mentioned organisation have with intent and pure disdain mislead those whom have partnered with them as either owner or driver partners, including institutions like competition commission, various legislative bodies and developmental agencies such as Jobs fund.

We as operators within E-hailing sector would like to state without fear or favour that we do not consider the meter taxi industry as our rivals in any imaginable way in fact we identify with the struggle of this sector we understand how this long standing sector has been undermined and would like it to be clear to all their enemy the global anarchists known as Uber and Taxify are our oppressors and in that spirit we now see them not only as the enemy of the meter taxi industry but also as ours the operators within E-hailing sectors of South Africa thus making them our enemy.

We have come to realise that we the oppressed and exploited together with the traditional meter taxi industry, are truly the only parties committed to ensuring a lucrative health industry that promotes good and proper competition as envisaged in the Competition act of South Africa. This vision is one only we are pursuing, and the arrogant misleading behaviour of the above mentioned oppressors are a clear indication we consider as a public announcement that they are not and never will be interested in building a healthy inclusive industry. Their behaviour is fitting with the colonialist enslaving nations these foreign companies stem from, it is clear they are on a conquest mission and Africa to them is a nation to be conquered and exploited in line with the lesson taught by their fore fathers.

Fortunately for us we as children of Africa have been taught several lessons by our own fore fathers and in line with the vision passed onto to us we act in the knowledge that Africa need become a self-determining nation we rise to radical action because we can no longer allow our vast investment into this sectors to vastly benefit foreign companies as we continue to be held hostage in abject poverty. We will rebel with the energy of a million rebellions till we the funders of this billion dollar industry are heard and considered by those currently present and those who seek to enter this segment.

Misleading Terminology

Before we proceed we would like to bring to your attention several terms often used which intends to mislead as to the true nature of this industry.

Driver partner or owner partner

A partnership by definition is interrupted as follows.

A type of business organization in which two or more individual's pool money, skills, and other resources, and share profit and loss in accordance with terms of the partnership agreement. In absence of such agreement, a partnership is assumed to exist where the participants in an enterprise agree to share the associated risks and rewards proportionately.

Read more: <http://www.businessdictionary.com/definition/partnership.html>

We as driver and owners alike have never partaken in a single decision making process reflective of a partnership regardless of the fact the our skills and assets administer the services that users of Uber and Taxify alike enjoy. We believe the word “partner” is intentionally used to mislead people into believing that we have a say however we are ignored and marginalized. This is confirmed by the many failed attempts to try and engage with these organisations, every single memorandum that has been submitted to them has not received a single response.

Fair paying riders

We believe this term is intentionally used to make it seem as though we have some sort of negotiation platform with riders which leads both parties' riders and drivers to an acceptable price that all parties are agreeable to.

Nothing could be further from the truth.

By definition fair is defined as follows

fair1

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Adjective

1.

Treating people equally without favouritism or discrimination.

"The group has achieved fair and equal representation for all its members"

Synonyms: just, equitable, fair-minded, open-minded, honest, upright, honourable, trustworthy;

Adverb

Without cheating or trying to achieve unjust advantage.

"No one could say he played fair"

We as drivers have never been able to negotiate or even partake in any price setting with both customers and App - hailing companies alike. Thus proving the absence of any fairness.

Employment / employment opportunity

We often hear Uber and Taxify make references to so called employment / employment opportunities that have come about as a result of these organisations being present and operational within South Africa.

As outlined within the basic conditions of employment acts of South Africa there must be compliance with certain criteria for an individual to be understood to be employed.

If it is true that Uber and Taxify are facilitating any employment we ask them to provide evidence of any UIF contributions or P.A.Y.E compliance any contract outlining employment terms and deliverables. We demand they with immediate effect no longer mislead us or our countries institutions claiming to be creating employment. We have come to understand that Uber has successfully looted R3.9 MILLION from the jobs fund we frown upon this as other organisations deserve those funds.

Self-regulating / proportionate regulation

As we move towards regulating this industry we are often hearing the phrase "self-regulation" being used.

We are of the opinion that Uber and taxify lack the will and moral frame work to productively engage all stakeholders within industry to allow for non-oppressive self-regulation to occur.

We as the providers of skills and assets call for complete regulation of industry and full time oversight bodies to ensure ongoing compliance.

Uber and Taxify cannot be trusted.

Correct Terminology

We would like to introduce some new terminology which we highly prefer as majority stake holders within E-hailing sector.

~~Driver partner /owner partner.~~

Skills investor – asset investor

We believe it is critical we reinforce in the publics' mind we as operators spend vast amounts of money to ensure the services they enjoy are readily accessible. Without our financial commitment the safety features that Uber and Taxify so readily claim as their own would not be enjoyed. We as investors fund the following processes...

- Passenger liability contributions
- Dekra inspections
- Criminal background checks
- Professional driving permits
- Professional driver up skilling

We consider every claim made by Uber and Taxify to the effect that they provide these safety features an intentional act to mislead we the skills and asset investors ensure these safety features are enjoyed by all.

~~Fair paying riders~~

Customers

Let's call riders what they are.

We provide a service for a payment.

If we were not fighting for customers that bring money we would not be sitting before you all today.

~~Employment or employment opportunities~~

Return on Investment

As skills and asset investors we seek return on investment and going forth we want guaranteed returns as we will display further on we as a collective are committing vast amount capital to this industry.

~~Self-regulating / proportionate regulation~~

Regulation

As investors we demand this platform know as self-regulation being created for ongoing exploitation be immediately set aside.

We investors seek only to be fully regulated.

Shared economy

Globally the business model of our sector is referred to as the shared economy.

As a result of increased access to the internet platform that link people that require services to service providers have boomed.

The internet dependant platform's that link's people to service providers do not own the asset or skills to provide the required service. This has allowed access to services in a way never before experienced. Our sector provides private transportation to people without them having to own a private vehicle.

The shared economy business model is correctly harnessed has the potential to rapidly grow economies by simply increasing access to services.

By virtue of this being a shared economy the responsibility of ensuring economic growth is shared and we need guard against individual organisations holding all decision making powers.

Exploitation disguised as competition

We as investors are of the firm belief that Uber and Taxify competitive edge is a result of the unrelenting exploitation we are subjecting to.

We initiated and broad investigation into industry and with the minimal data we managed to collect we have made the following finding which will demonstrate that we are modern slaves within our country. We as investors yield nothing and we are being misled with intent.

The following findings from our financial audit have brought about a great deal of trauma and stress among the investors of industry.

25%

Uber X	11000
Average Daily Revenue	650.00
Per Day	7 150 000.00
Per Month	214 500 000.00
Uber Comm 25%	53 625 000.00
Data and Connectivity costs @R1000 per month	11 000 000.00
Insurance @R2500: assumption 70% valid policies	19 250 000.00
Bank Finance @R4000:assumption 60% financed	26 400 000.00
Fuel 3 tanks per week @ R2000	88 000 000.00
Maintenance at R1000 per month: assumption 80%	8 800 000.00
Tracking @R300 per month:assumption 80%	2 640 000.00
Permits and Roadworthy tests @R280 per month: 50%	1 540 000.00
Total	211 255 000.00
Industry Total	3 245 000.00
Revenue per car per month	295.00
Hours per month: 336	0.88

Asset investment over 5 year 3.35 billion

Operational investment per year 2.6 billion

Total return per year R38 940 000

@ 15%

Uber X	11000
Average Daily Revenue	650.00
Per Day	7 150 000.00
Per Month	214 500 000.00
Uber Comm 15%	32 175 000.00
Data and Connectivity costs @R1000 per month	11 000 000.00
Insurance @R2500: assumption 70% valid policies	19 250 000.00
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Fuel 3 tanks per week @ R2000	88 000 000.00
Maintenance at R1000 per month: assumption 80%	8 800 000.00
Tracking @R300 per month:assumption 80%	2 640 000.00
Permits and Roadworthy tests @R280 per month: 50%	1 540 000.00
Total	189 805 000.00
Industry Total	24 695 000.00
Revenue per car per month	2 245.00
Hours per month 336	6.68

Asset investment over 5 year 3.3 billion

Operational investment per year 2.6 billion

Total return per year R296 340 000

With the above having being explored we would like engage on a variety of financial aspect of our sector.

Exploitation disguised as competition

Pricing comparisons

Meter taxi – vs- E-hailing – traditional minibus industry in relation to socio-economic conditions.

Meter taxi industry pricing is often considered as very high but if all factors are to be considered one may begin to consider the cost in a different light. The convenience of private vehicles providing a customized service when it is required has high cost implications. Vehicles and skilled drivers must be available at all hours thus resulting in service providers spending many hours idles whilst waiting for customers to make use of their services. It must be noted the meter taxi industry has never enjoyed access to vehicle finance thus making the capital outlay a very high one, this resulting in a long capital recovery periods placing immense strain on the owners.

E-hailing giants get to enjoy setting pricing without absorbing any capital outlay into assets or skills that administer the services provided. We as investors believe that organisations that absorbs zero costs are not in a position to correctly set pricing and the current circumstance we are facing is a result of the highest beneficiaries are exposed to the lowest risk and set pricing only considering the extent to which they wish to extract value for their personal enrichment regardless of the greater cost. This makes the comparisons made by Uber and Taxify null and void purely because the potential to fail is of zero impact to them.

Traditional minibus industry this industry pricing is generally known as a compassionate fare unlike the above mentioned industries this particular sector is not as profit driven as E-hailing sector this sector considers people first. In this spirit we dismiss all comparison to this sectors pricing model and submit that Uber and Taxify are intentionally placing us as asset and skills investors in harm's way with this sector.

The current pricing model is affecting local taxi economy and is creating tension which we fear will soon result in increased violence.

Traditional taxi charge a fare per individual whereby E-hailing sector has a base cost and a per km charge. The current base fare is R20 which translates to being R5 a passenger this resulting in us being cheaper than most local taxis.

Empowers previously disadvantages people

We have on several occasions observed how E-hailing companies make reference to themselves are the savours of the previously disadvantaged black people of South Africa.

We feel greatly insulted by these misinformed utterances and demand they with immediate effect no longer spread these lies.

We continue to fall within the ranks of the disadvantaged and this is because our modern enslaver uses an App to chain us.

We believe these white owned and white run organisation have no platform to speak on matters of re-dress within SA especially considering the terrible financial state we are being left in.

Taxi recapitalisation program

We have heard it suggested on several occasions that government should look into a recapitalisation program for meter taxi segment. Why should the burden of the chaos brought about by foreign companies like Uber and Taxify be corrected by our government spending money that rightfully should be spend on other key focus areas. If any recapitalisation is to happen that money should come from the excessive amounts of money Uber and Taxify have already stolen from our economy we know Uber received 3.9 million from the jobs fund seeing that they are not creating any jobs that money should be redirected to recapitalisation.

Operating license purpose

Taxify country manager Gareth Taylor said in his engagement with this commission that according to taxify operating license serve the following purpose

- To protect against over supplying of vehicles
- Control quality of cars / dekra inspection
- Ensure safety of consumers (PRDP)

We request they display how they have ensured we don't have an oversupply cars cause or research confirms we have far too many underutilized cars on this platform.

Double disc renewal requires an annual roadworthy to be done and our traffic departments do provide testing stations the added dekra inspection is an unnecessary additional expense.

Crime within our industry

Criminals are gaining access to our vehicles using the platform created by uber and taxify. We get hijacked and robbed daily in the most violent manner and many operators have lost their lives as a result of these crimes.

These crimes happen because Uber and Taxify are failing to confirm the identities of people they are putting in our vehicles claiming that there is no framework that legally allows them to request riders provide personal information.

We are fortunate in South Africa to have the Protection of Personal Information Act (POPI ACT) If uber and taxify had to comply with this act we would know who is entering our cars and we would have less incidents of crime. The criminals that victimise us daily get away with murder because they cannot be found and this has made us preferred target for our dangerous criminals.

Our exploiters refuse to make use of this act because of the financial implications it will have on their business. It makes financial sense to them for us to rather be harmed and killed.

E-Hailing licenses

It has been recommended that an E-hailing licence be created for operators within this sector and it should take 5 – 10 days for this licence to be released to vehicle owners.

We as investors believe we need issue licenses to operate for E-hailing technology providers like uber and taxify and all others that wish to enter our markets.

We have seen an influx of companies operating globally announce they will launch operations within South Africa soon and considering the current state of our economy and many people being desperate for opportunity allowing any other foreign company's entry will only expose our people and economy to further exploitation.

Those currently invested within this sector should be consulted in building compliance standards framework to ensure our investments are protected and we can build our industry in a controlled sustained manner.

Closed door audits

We have noticed on several occasions E-hailing giants say they have sensitive information and it cannot be publicly declared.

Having brought to light our major financial commitment as skills and asset investors we believe these audits should be made public.

We wish to direct you to the following act.

Promotion of access to information act (PAIA)

Under this act we as highly affected parties have a right to be granted access to all information affecting us in order for us to make informed decisions.

We trust this institution will aid us in gaining access to information so we can end our exploitation.

Recommendations

Having found the competition act makes several allowances for corrective steps we would like to bring attention to the following subsections of the competition act.

- Remedies and enforcements
- Administrative fines
- Application of act
- Functions of competition commission
- Orders of the competition tribunal

We would like to submit several critical recommendations we hope this institution will be able to initiate in order for us to start the process of bringing reforms to our sector.

Stop the on-boarding of vehicles

As displayed the current financial situation we face as skills and assets investors is terrible we request the adding of vehicles be immediately halted till a full scale audit into industry has been completed.

Price controls

Uber and taxify commission need be reduced to 7.5% for a minimum of 24 months to allow the financial strained partners to improve their financial state of affairs. The commission that is to be implemented at a later stage must be based on audit findings.

Price per kilometre should increase immediately and should be adjusted accordingly with monthly fuel adjustments. Considering record high fuel cost we recommend R12.50 per km and base fare at R20 for 1st rider and R10 per additional rider.

Fines

We believe uber and taxify respectively should both receive fines for misleading a nation desperate for work and for their anticompetitive behaviour.

Investor representation

We as investors believe no other decisions should be taken in our absence a joint decision making body should be immediately established.

Joint audit team

It has become clear to us that all stakeholders and policy drafting institutions require our audits finding to make informed decisions.

We request a co-ordinated effort with followings bodies

- Legislature
- Department of transportation
- Licencing departments
- Department of trade and industry
- Investor representatives
- Competition commission
- Law enforcement

We request this be a fully independent audit.

Intimidation by Uber

Several weeks ago driver in Johannesburg and Pretoria gathered and embarked on protest action against uber. Following this protest Uber went on to block several drivers for partaking in a legally protected strike action. We demand this intimidation be stopped and those drivers to be unblocked.

Conclusion

We as the investors of this industry guided by our government need take control of this sector. We guarantee we will bring about a economy that is inclusive and sustained and we will ensure the billions derived are invested back into South African economy and are no longer being taken out. The exploitation of our people need be immediately halted.

I thank you for your time today

Questions please?