

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

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THURSDAY 30 AUGUST 2018

VENUE:

(ILANGA, BLOEMFONTEIN)

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Session 1

CHAIRPERSON: Morning everyone. Welcome to the Competition Commission's Public Passenger Transport Market Inquiry hearings. Today is the 30th of August 2018. My name is Bukhosibakhe Majenge, I am the Chief
5 legal council at the Competition Commission, and I am also the chairperson of the panel. I am joined by two panel members. On my right, I am joined by the Divisional Manager of the Market Contact Division at the Competition Commission, Ms. Nonpotungo Nontombana who is an Economist. And on my left, I'm joined by Mr. Thulani Manderiza who is also from the Competition
10 Commission, who is part of the panel in his capacity as the head of the enquiries technical team. He is also an Economist. On my extreme left, I'm joined by Mr. Itumeleng Lesufi and Mr. Jabulani Ngobeni, who are also from the Competition Commission, they will be acting as evidence leaders during this hearing. They are both lawyers based at the Competition Commission. They,
15 together with a team of the Commission's lawyers and Economists are assisting the panel in soliciting evidence for the inquiry. Before we begin today's session, I will just like to recap the rules that will be applicable to this hearing. The first is that, the former sitting of the inquiry will be open to the public at all times, except when the chairperson rules that part of the proceedings may be closed
20 on grounds related to confidentiality or for any reason deemed justifiable in terms of the Competition act. Secondly, all sessions of the inquiry will be recorded and transcribed, and we will also be streamed live on YouTube, except for those sessions or parts of those sessions that may be closed. In order to allow for the proper ventilation of issues, the chairperson, panel
25 members as well as the 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 true legal representatives to question any witnesses or any person making oral submissions during this hearing. In the event that there is a stakeholder that has an objection, comment or question in
5 respect of any submission made during these proceedings, that stakeholder must submit such an objection, comment or question to the inquiry in writing, and the inquiry will attend to such an objection, comment or question as soon as possible, at an appropriate time. We also have interpreters who are available to provide interpretation services in the event any person making
10 submissions wishes to make use of an interpreter. We will receive the first submission from SANTACO. Morning sir, thank you very much for coming and welcome to the inquiry.

MR PHUMODI: Morning sir.

CHAIRPERSON: There is a piece of paper in front of you on the desk. You
15 may take the oath or the affirmation.

MR PHUMODI: I, Mahlabane Osias [?: 00:04:53] Phumodi, 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, just for purposes of the transcript, if
20 you could just spell your surname for the record.

MR PHUMODI: P-h-u-m-o-d-i.

CHAIRPERSON: Thank you very much, Mr Phumodi. If you could just start by indicating what your current position or role is within SANTACO and how long have you held your current role within SANTACO?

MR PHUMODI: I have already said what my name is. So, I'm the Provincial Secretary of SANTACO Free State and in a nutshell, SANTACO Free State comprises of five regions that is Thabo Mofutsanyana, Fezile Dabi, Motheo, Xhariep, the five regions that are according to the demarcation. And we have
5 got 41 associations that are falling under SANTACO in the Free State. But then for the members and the cars, that won't be acceptable, I won't give you the exact number, I would be lying.

CHAIRPERSON: That's okay.

MR PHUMODI: So, I've been here at SANTACO -- SANTACO was established
10 in 2001, officially so, in Durban. So, from that time, I was still the Secretary of the Free State since 2010.

CHAIRPERSON: Alright, you may now take us now through your submission or presentation, setting out the issues that you wish to bring to the attention of the inquiry. That will then be followed by questions from evidence leaders as
15 well as the panel. So, you may go ahead with your submission.

MR PHUMODI: Ja, firstly, let me just apologise, because the person who was supposed to make the presentation was the chairperson Mr Mtimkhulu [?:
00:07:39], but apparently, this morning he told me that he is not feeling well, because yesterday we were in Sasolburg, resolving some of the conflicts there.
20 So, whether I will be making a mistake or where I won't reach a point to your satisfaction, then you'll just tell me. But I will just go according to the subject that was given to us.

Firstly, when talking about this thing of the pricing, you talk about the licencing, the route allocation and entry regulations. Here in the Free State, we talked

about the -- we don't have, necessarily, a problem about the operating licences, because the market is so saturated, and we are given ample time to apply for the operating licences. But the way those operating licences, it was not in fact, operating licences, it was the permits by that time. We call them the OP permits
5 of which the government told us they are no more in operation. They had scrapped those OP's, the operating licences. And there is a confusion that we are getting. They said the moratorium has been lifted of the permits, but the other thing is that the National Land Transport Act, the NLTA, it says, "Before there can be any issue of operating licence and whatever, then there should be
10 the establishment of the provincial regulatory entities as well as the municipal regulatory entities." So, now they are saying, there is no other operating licences that can be issued, without following those procedures. But to our dismay as the taxi operators, because people when they look from far or from outside, they are saying that we are stopping them from training the taxi
15 operators, or getting the operating licences, where the mistake doesn't lie with us, but it lies with the departments. Because you can find that it was said that the operating licences will be issued from the Municipalities through that municipal regulatory entity, those people that will be saying the township is expanding and whatever, they do their researches and all those kinds of things.
20 It's them that will say, no, there is a need for so many taxis in that area, but up to so far, there isn't such, there are no things like the PRE and the MRE.

This one of the route allocations, I will talk specifically the Free State. Previously, the routes, because there was conflict amongst the taxi operators, and in 1996 we had to sit down and then address some of the irregularities that
25 were there. And then we came to a conclusion that there should be route

based permits and the network. The network is for the townships. The townships maybe from Bloemfontein to Mangaung, Bloemfontein to other townships. And for the long distance, they said, specifically then you should go to that route that is being issued to you. So, by then we had -- okay, let me just
5 phrase it correctly. Previously, it was radius based. So, that thing of the radius caused problems, because each and everyone was just not doing his, he was just going around, not respecting other persons clients and all those kinds of things. And we reached an agreement that there should be route based permits. And those route-based permits, in the Free State, where each car was
10 allocated four routes that time. And as time goes, seeing that the market or whatever, the work that we were doing, shrinking each and every day. So, we approached again, we went to the drawing board with the department and saying, the four routes are not enough. So, can't you maybe then give us seven routes? Because you will find that, according to the obstacles or the problems
15 that we encountered, you will find that in that route that you are operating amongst those four routes, you will only load once in a week or once in a fortnight. So, we said let the routes be expanded to seven routes. That is exactly what happened. But up to so far, in the Free State here, we are experiencing no problems about that. There are problems here and there of
20 which we as a provincial taxi council, we are able to maybe address the problem at its initial station. So, in a nutshell, here in the Free State, we are not having a problem about the routes and whatever.

Coming now to the price regulation, which is the core issue of the day. We as taxi operators, we are not in fact fortunate, because when we are about to raise
25 the fares, we are thinking of many things. We've got a lot of challenges. As

you can see, when you are working around the Free State, you will see people standing along the roads at the hiking spots. You will see the Lesotho vehicles coming to do operations here illegally and even if we approach the department about that problem, their answer will just be short of saying, we don't have
5 enough law enforcers. That's a problem that we are faced with. And we are about to raise the fares, we look on such things. And we don't even go according to the market related whatever. So, instead, when you are charging now, when the fare is still R5, we will be afraid to go to R6, they will be saying the price will increase by R0.50, of which that doesn't have an impact in the
10 business that we are doing. So, now that is now the main problem that we are having as the taxi operators. And the other things are the buses that are subsidised. It's very difficult for us to fight someone who is having the financial mass, because they have been subsidised, irrespective, they can just ferry people irrespective if the bus is full or not. But they know for fact that that bus,
15 even if it goes, then it's been paid for, that trip has been paid for. And for us as the taxi operators, that becomes a very serious problem for us. And even now our communities, we as SANTACO, we are the people that are looking, or thinking about our communities. And whenever we do the price increase and whatever, firstly, we give the month or two months notice to the communities, so
20 that there can't be any resistance on what we are doing. But I can say for now, we didn't have any challenges.

And when coming to this thing of price regulation, our department, and our government here in the Free State, they have established what we call the joint route management committees. Whereby that committee, that is where we
25 discuss the prices of the taxis and the buses. But I can tell you now, we are

having serious problems with the department officials. You will find that if you just take someone who is not even competent in doing the job, because in the same joint route management committee, that is where the people who are intending to do the price increase, they do their presentations. That is the taxi
5 and the buses, even the department. But you will find that an individual from the department, he will just overrule the decision that has been taken in that joint route management committee. Let me just cite an example of what happened only this year. Everybody agreed that the price increase for the buses will be 8.5%, but to our dismay, the officials or rather the chief director of
10 the department would say no, this is not right, we will keep it to 6%. And if the bus goes up by 6%, how are we as the taxi operators going to increase the fares? It's very difficult for us, and that is one of the problems that we are having as the taxi operators.

And when coming to this of this allocation of subsidies, I think we as taxi
15 operators, we've been singing this song of saying government, please come to our rescue. We are subsidising the buses and we as taxi operators, we don't get anything. Let me just cite one example. Sometimes we reach a compromise where it is not needed. Let me just take an example of a person, operators from Ficksburg to Durban. You will find that particular person, just
20 because, then we want to have our commuters, so that they mustn't run away from us. That taxi can take six people, just think, from Ficksburg to Durban is about 460km's. And you will just take those six people to that particular place, just to make sure that your customers don't run away. And that is a loss, hence you will see that our combis are being reposed each and every day, because
25 we are saying we want to compromise and do whatever. So, our cry fell on the

DPS [?: 00:21:17] offer, our department. Maybe they don't know how to do it, or rather to allocate the subsidy, but I think, if that can be in place, I'll be dead, because we have been singing this thing from 30 years ago, this one of the subsidy. I don't know what can happen, maybe then our Commission can come
5 to our rescue and raise some of these issues to our government.

The one of the transport planning, this IPTS. The people who just see us working there and think maybe that we are making money. This thing of the IPTS, is very detrimental to the taxi operators. Because at the end of the day, they will just say, no we will give you such a money or whatever, one million and
10 then to buy you out, and then take a bus to do whatever. Knowing exactly that that particular person, that route that he is operating is not even lucrative, but they know that they can just say nice words to us and then whatever. You give that person one million, he bought a taxi with 800 000, he is going now to settle for that taxi and then do whatever. The children are still at school and he has
15 got some other needs. So, after that person has finished that money, he comes back without a permit. And that's where we start experiencing problems. And the people that are now responsible for this IPTS, they don't want the provincial taxi council to get involved in those things, because we will open the eyes of the poor operators. So, that is what they are doing at the present moment, of
20 instead of coming to the provincial structures, they don't communicate with the provincial structures, they just communicate with the associations, hence you see all these fights that are happening around the country about these things of the BRT's or the IPTS. In few words I can say, that is not right for the taxi operators, because the cake that we used to have has become smaller and
25 smaller and smaller. And if you take buses, if you can just be truthful, you can

look at Gauteng or whatever. Those buses are just going around with no passengers there. You will find that there are only six passengers in that particular bus. And what is happening? That's tax payer's money that these people are just misusing, and this kind of BRT's and whatever just a method of

5 chowing the money is or whatever. Not looking at, that money could have been utilised for us to subsidise the taxi operators. To help us to grow, but instead of growing, they are killing us. So, that is what the government is doing to us. They don't want to listen to us. They said, "*Dit is goed vir hulle.*"

The transformation. We the taxi operators in the Free State, we like sitting

10 around the tables. We have been fighting and fighting with the buses. And at the ultimate end, we got what we wanted. Maybe then there are some instances where I can criticise the government, but there are incidents that I can now compliment the government. When they have done a good thing, let's just say it. We fought with the buses, and as we speak now, they've bought shares

15 in these bus companies. For Maluti Bus Services, that is operating in Eastern Free State, Bethlehem, Tshiame, Harrismith and Qwa-Qwa. We sat down with that department to say look, we don't make money because of these buses. And we want to say thanks. There was one, I'll be failing if I don't mention this person. Our former MEC, Mr Butane Gombela [?: 00:26:54]. Through him, we

20 achieved a lot. We achieved a lot. As we speak now, the taxi operators from last year, there was an Indian guy there who was operating those buses. By then we had 60% shares, then for the workers was 10% and for him it was 30%. But as we speak, we have got 85% and the workers have got 15%. That is why when the buses strike, there was no strike here in the Free State, because in

25 fact the workers felt that this is our business and even now the taxi operators

said, this is our business. That is what is happening now in the Eastern Free State. Here at Mangaung, at the IBL, we have got 16% shares. The towns affected, that's Botshabelo Bloemfontein, and Thaba 'Nchu. There are problems here and there in that thing, there's no total whatever, transformation
5 that has happened there, but we are doing our utmost best as the provincial taxi council to negotiate with the company even with the department, to get that piece of thing. But the thing that is going to disturb us is this thing of the BRT, because the buses and the government comes with the BRT. And we don't know how that is going to help.

10 For the access to finance, we were told that the then minister who is now, was it Dulaomane [?: 00:29:31], may his soul rest in peace. He said during his time that our taxis are like, what is it? The boxes for the corpse. And they are not even ready to ferry people. He said a lot of things, and even now from our passenger side, but they didn't know the pain or the problem that we are faced
15 with. If you are a person, no one likes to drive a car that is not roadworthy or whatever, but due to the fact that we don't have resources, we don't have money and all those kinds of things, we were forced to go and buy the new combi's. Do you know when government approaches you, they will promise you heaven and earth. They will put it in a very nice way, saying you are going
20 to recap, this is recapitalisation, and if you bring your old combi, we will give you 50 000. That very same 50 000 was not even the deposit of a new combi. You take your car for scrapping and there was a lot of red tape on that. After taking that combi, they won't even prepare you, because by then, or even now, some of us are at the credit bureau. They didn't prepare the soil for us. And if you
25 take a car, which would have made some sort of, I don't know what is it, they

could have prepared us and said, if you Phumodi wants to go and scrap your vehicle, lets see what is your status. And if my status is not okay, then let's see how can we help you, then you could be in a position to get a new combi. That was not done. You will find that I will go there and scrap, get the 50 000, when I
5 get to the bank, the bank says no. You are in credit bureau, you will not be in a position to be financed. And that is where lots of problems started. And then came, another bank, of which I cannot mention the name, they can sue me, I don't have money. Their interest, they helped us. You know, when you don't money you go to someone, what do you call, [non-English: 00:32:44]. That
10 thing is working like [non-English: 00:32:45]. If you buy a car for 300 000, you will end up paying 800 000, because the interest is so exorbitant. But for a mere fact that we need, or we want to stay in a business, what we are really doing now, we are not doing business, but we are just working for the banks. Look for now, there are children that we must look after, the families, whoever.
15 There are some of the families that we are looking, not even my own family, but we as the taxi operators, that is the problem, the very same problem that we are having. The prices of the combis are so exorbitant. Even if we approach them and say, look, we have got so many people, so can't you just come up with a reasonable price or reasonable instalment. For now, these 22 seaters, you pay
20 20 000 instalment per month. Where can you get that? For a small combi, these Quantum's and Nissans, you are paying 12 000. Where do you get such money? So, we don't know who can help us, we are just saying, please God, go to the heart of our government, so that they can assist us.

So, I think that is the end of my story, I don't have, much to say and that is how
25 it goes. Thank you.

CHAIRPERSON: Thank you very much, Mr Phumodi. At this point we will put some questions to you, just to clarify some of the issues that you have raised.
Mr Ngobeni?

MR NGOBENI: Thank you, chair and good morning Mr Phumodi. I think as the
5 chair has indicated, maybe just a few clarificatory questions just to clarify a few
issues. On the question of over saturation, I seem to have, and correct me if I
didn't hear you properly, are you saying that currently in the province, there is a
moratorium and that moratorium is based on what the city or the department
has told the operators that the market is oversaturated, but at the same time
10 you are saying that as an association, you are getting new applications from
various operators. Is that what you are saying? Or if you can just clarify what
you were actually saying there.

MR PHUMODI: Okay. Let me just put straight, maybe then I put it in a way that
you couldn't understand it. The moratorium, like we are told, that it has been
15 uplifted, it has been uplifted, but the problem is that the National Land Transport
Act says that there will be no operating licences that are being issued out. They
will only be issued out when there are provincial regulatory entities are in place,
or the municipal regulatory entities are in place. That is exactly what is
happening. So, it is not our fault as taxi operators, even if someone can come
20 to the association, because people are accusing us and saying we are selfish,
we don't want to accommodate other people, but that is not our fault, that is the
fault of the government.

MR NGOBENI: Just to understand how it is working properly. If I want an operating licence at the moment, where is the application going? What is the process currently in Mangaung?

MR PHUMODI: When you make an application for a taxi, you make your
5 application toward the department, the office of the operating licencing board.
Yes.

CHAIRPERSON: To clarify, sorry Mr Ngobeni, just to clarify, Mr Phumodi. The
two issues that you have raised. The moratorium that you say has been
uplifted, when was this moratorium imposed more or less, if you recall? And
10 who imposed the moratorium, and what were the reasons for the imposition of
the moratorium? And what were the reasons for the lifting of the moratorium?
That's just the first clarification. In respect of the second issue that you have
raised, in relation to the establishment of the provincial regulatory entities and
the establishment of the municipal regulatory entities, if you could just clarify
15 whether those entities have now been established? Because if I follow your
submission correctly, you say that as the industry you were told that
applications for operating licences must be processed by municipal regulatory
entities or provincial regulatory entities, once those have been set up. So, have
these institutions been set up and are they in place?

20 **MR PHUMODI:** The moratorium was placed around 2002, and the reason for
the moratorium was the government wanted to put a proper regulation to
regulate the taxis, because each and every one, nothing was under control or
was rather, regulated. Hence the imposition of the moratorium. And it was
lifted around about 2011, because there was an outcry from the other provinces

saying that they don't have permits and all those kinds of things and it had to be uplifted, the moratorium. This one of the PRE's and the MRE's, it is in fact beyond our control as the taxi operators. Because you will find that the government will be saying, to establish a provincial regulatory entity, it needs a lot of money. The government keeps of crying and saying that we don't have money, but they want to do things but at the end they will be saying, we don't have money. So, even that one is also beyond our control, but there is no, as far as I know, in the Free State, we don't have the PRE's and the MRE's.

CHAIRPERSON: You may continue Mr Ngobeni.

10 **MR NGOBENI:** Thank you, chair. If the moratorium was lifted in 2011 and if you are saying that to the best of your knowledge and to the best of your understanding, there are currently no PRE's and MRE's, how -- and again to the best of your knowledge, how are applications being determined currently, from 2011 up until now, if you know?

15 **MR PHUMODI:** Up to now, there are no, here in the Free State, there are no any new operating licences. But there is something that is disturbing us. Licences are being issued out for the learner transport. For the learner transport, licences are being issued out. We don't know what is the difference between these, because this is a question that we are also questioning the government saying, what is the difference between the learner transport and the
20 taxis? Because on the learner transport, there are no read tapes and whatever. Each and everything are being issued as, I don't know, freely or whatever. There are no restrictions coming to the learner transport, but to the taxi operation, then there are more restrictions on that.

MR NGOBENI: And do you know which institution is issuing those licences? If to the best of your knowledge, there are now PRE's and MRE's, do you know who is issuing these learner transport operating licences?

MR PHUMODI: They all fall under the department of transport. Here in the
5 Free State, we call them department rails, roads and transport. So, there is a section of operating licencing board, that is there.

MR NGOBENI: Okay. And say there is a need to service a new development, or there is a mall, or there is a new township. How do you as an association approach the issue, before you can start servicing that new development or that
10 new township, how do you approach it in terms of being able to start operating on that particular route, or servicing that particular mall?

MR PHUMODI: That is also a headache to us as the taxi operators. Let me just cite one example of Sasolburg. There are some new townships called Amelia and all that. And we tried several times to approach the department to
15 say, can't they just give us permission to service that particular area. But to our dismay, you will find that our taxis are being impounded when they service that particular township. Saying that they are on the wrong route or they are not permitted to go to that particular side. So, that is the frustrations that we are having as taxi operators.

MR NGOBENI: Is there any other association that will be servicing that route or
20 -- that will be a new development according to what you are saying. So, in other words, there won't be any other association that will be operating on that particular new development?

MR PHUMODI: The last thing here in the Free State, I think we are one of the organised province, here in South Africa. We came with the idea of saying, there should be one town, one association. So, even here in Bloemfontein, previously we had about nine associations, but now we are having only one
5 association that is greater Bloemfontein taxi association. Even in all these other towns. So, we are having one town, one association, and we don't have any problems there of saying that other association can go and service that particular area. So, that is the nice thing of us here in the Free State, we don't have a lot of association in one town.

10 **MR NGOBENI:** Okay. So, to the best of your knowledge, there hasn't been any area where there has been an encroachment by one association encroaching on a route that is traditionally serviced by another association? Or, to put the question differently, there hasn't been any instance that you are aware of where the department of transport, that is responsible for the issuing of
15 operating licences has issued an operating licence to an association on a route that is being operated by another association?

MR PHUMODI: Okay. The example that we are having is Welkom and Odendaalsrus. The problem is still continuing now as we speak, because there is the SANTACO aligned association and the NTA aligned association, more
20 especially in that area only of Lejweleputswa. So, the other associations from Odendaalsrus, they are NTA aligned, and the other one in -- one association there in Odendaal is SANTACO aligned, and Welkom is SANTACO aligned. So, as we speak now, those associations, there is a conflict, of which we have been telling the department to intervene. But there is less that is being done.

And as we speak, there are combi's that are standing and not operating due to the fact that we have just alluded to now.

MR NGOBENI: And maybe just to take you back to the Sasolburg issue. If government is now impounding vehicles, which are minibus taxis which are
5 operating on the road, which you referred to as the new development. I'm just trying to understand if, already there wasn't any other association that had been allocated the route to service.

MR PHUMODI: No. Like I said, there is only one association there at Sasolburg.

10 **MR NGOBENI:** Okay.

CHAIRPERSON: How is that township being serviced? Who is servicing the township?

MR PHUMODI: We had to sit down with the department and then tell them about our frustration, but now as we speak, it is being serviced but not legally
15 so.

MR NGOBENI: And are there buses in that new area, in that new development? Are there buses operating in that new development?

MR PHUMODI: No, no buses.

MR NGOBENI: Okay, and rail?

20 **MR PHUMODI:** The rail is just from Sasolburg -- no, no. I don't know whether it is from Sasolburg to Joburg, no there is no rail.

MR NGOBENI: Okay. And just lastly, in terms of new members and additional members that -- I understand that it's SANTACO's national resolution that a decision has now been taken that you should no longer be recruiting new members. Would that be correct?

5 **MR PHUMODI:** It's correct, but -- there is a but. There is a request that we have made to our MEC about the small towns. For example, Winburg and even at the Xhariep region, where you will find that there is only one person who is having a taxi, and there is a growth in that particular areas. So, we made a special request to our MEC of which has been, it's now being addressed, even
10 if it is not complete. But we have made a request as taxi operators that on those towns, then we can then accommodate other taxi operators, but for the other towns, like I said, the market is so saturated. If we will be making money, but the thing is, the rate of repossession is too high. So, meaning that, we don't make any money.

15 **MR NGOBENI:** And when was this request made to the MEC?

MR PHUMODI: We made it to MEC Gombela and then he was shifted to another department, but now the current MEC is busy addressing that request, speedily so.

MR NGOBENI: So, when was the request made to MEC Gombela? I'm just
20 trying to understand.

MR PHUMODI: Late 2016.

MR NGOBENI: So, late 2016. And when they say they are addressing the issue, are they doing what we call assessment of the need, because in terms of the law, we understand that they have to determine the need before the

demand, whether there is a demand for that particular services, is that what you were told?

MR PHUMODI: Ja. There was a team, or there is still a team that is busy dealing with that particular issue. Because on this instance, even if the moratorium is whatever, but our act here says, it's up to the MEC's discretion that he can issue out whatever. When he sees that there is a need in those particular areas.

MR NGOBENI: Okay. Thank you, chair, I have no further questions.

CHAIRPERSON: Ja, just before Mr Lesufi puts questions to you, just to clarify the issue of the moratorium. Mr Phumodi, you say the moratorium was imposed in 2002, and then it was lifted in 2011. But, if I am following your submission correctly, even after the lifting of the moratorium in 2011, operating licences for minibus taxis are not being issued, because the PRE's and MRE's have not been sent out up to this date. No operating licences are issued for minibus taxis, except for learner scholar transport. So, in a sense, there is some kind of a moratorium in inverted commas. Because no new operating licences are being issued for minibus taxis, even from 2011 up to now 2018.

MR PHUMODI: Ja, I can agree with you.

CHAIRPERSON: It is just in inverted commas. Now, this structure that you referred to of the department of transport, the operating licencing board, if you could just shed more light on what exactly is the structure, because you say that it's not a PRE? What is it, what are its functions, this operating licencing board?

MR PHUMODI: Their main is to do with transactions which are licence related.

Like when you come and do some kind of replacement of vehicles, renewal of the licences, the transfers, those are the things that they are dealing with. Yes.

CHAIRPERSON: Mr Lesofi?

5 **MR LESOFE:** Thank you, chair, and thank you Mr Phumodi. I just have a few questions on BRT, as well as the subsidy system. If we could start with BRT, I just want to get your thoughts, just based on your assessment as to whether there is a need for a BRT system in the Free State. I'm asking you this question, taking the following into account, so, where BRT has been
10 implemented, in particular in Johannesburg and Pretoria, the system is struggling. It is struggling in terms of its inability to increase ridership, and because the system cannot attract enough passengers, it is unable to reduce costs. Instead, the costs of running the BRT system are increasing instead of going down. And also, another concern is that the fare revenue that is collected
15 through the BRT system, it's substantially low, which complicates things even further. So, as it stands, the system is unable to generate sufficient revenue. And as a result, the BRT system in Gauteng relies heavily on subsidies. So, just based on your assessment in the Free State, do you think there is a need for a system such as a BRT system?

20 **MR PHUMODI:** In a nutshell, there is no need. Look at the after effects of the BRT. What's going to happen? Because now they said we should hand over our taxis, our operating licences. What's going to happen about the taxi drivers? Okay, it's fine, they gave me a million or whatever, but what happens to the driver who was driving my taxis? Is that not going to affect their families

directly? Because there was a promise of saying, let's take Gauteng, they were saying if we take your combi and we said, what about now? What is going to happen about the taxi drivers? They said, no, we will take them and go train them to do what, what, what, what. Of which, that never happens. It never
5 happened. So, these are the things, maybe I can say, in the Free State. Even if they want to impose it, but our feeling as taxi operators is that we don't need it.

MR LESOFE: And just perhaps from commuter needs, or from a commuter perspective, if you could comment on that as well, because if you look at
10 Gauteng, there are for instance issues of congestion that, for instance, because of congestion, it's difficult for passengers to get to work timeously and related challenges. So, just from a commuter perspective, what are your thoughts as far as BRT is concerned? Are there any inefficiencies that the BRT system would assist to address in the Free State?

15 **MR PHUMODI:** Those BRT buses, for now it's still even difficult for the commuters, because at one stage you will have to go to a station to go and board a bus. Whereas, we as the taxis, we just stop there and try to load whatever, the people. So, it's not even accessible to the commuters also. Look
20 in the Free State. We don't have so much congestions like the other cities, the other metros. So, now I don't think that would be applicable here in the Free State. [01:00:03]

MR LESOFE: And how far is the implementation process in the province?

MR PHUMODI: I'm not quite aware because like I said, the Provincial Taxi Council has been excluded by those people who are implementing that. I will be lying if I say what stage they are in.

MR LESOFE: Now as far as the subsidy system is concerned, that is now
5 subsidised buses, just to understand the impact, to what extent is the bus industry in the Free State affected by the operation of subsidised buses? Are you able to give an indication to some of the routes that are highly affected by the subsidy system? If for instance I look at a route such as the Thaba to Matebeleng route, I'm not sure if that is serviced by your members?

10 **MR PHUMODI:** Yes it is.

MR LESOFE: I understand that, for instance on this route, IBL charges about R17.50 and if you look at minibus taxis I think their overall cost is about, or charge is about R30. Would this be one of the routes that are highly affected by the allocation of subsidies to buses in this instance, IBL?

15 **MR PHUMODI:** The question is a little bit tricky, but I will try to answer it. I've indicated that, seeing that those buses are now trampling on our toes in those particular areas, hence we requested that we should have the shares in those bus companies. Like I said now, we are having 16% shares in IBL, so now even if there is that competition but it's not that rife.

20 **MR LESOFE:** It becomes a bit difficult to answer the question because as an industry you are to some extent conflicted because you have shares in IBL.

MR NGOBENI: Is it 16 or six zero?

MR PHUMODI: One six.

MR NGOBENI: One six.

MR LESOFE: Thank you Chair I have no further questions.

CHAIRPERSON: Now if you could just follow up on the questions from Mr
5 Lesofe, if you could just indicate how many subsidised commuter bus operators
operate in the province? Just the number as well as the names of...

MR PHUMODI: Two.

CHAIRPERSON: Its only two companies, and that will be IBL and Maluti.

MR PHUMODI: Maluti Bus Service.

10 **CHAIRPERSON:** Maluti Bus Services. You have indicated the routes that they
are servicing. Ms Nontombane.

MS NONTOMBANE: Just one question Mr Phumodi, on the pricing we
understand that there are routes here where there is a flat rate that is applicable
where the taxis would charge the same price and I just wanted to understand
15 how that came about?

MR PHUMODI: Can you repeat the question?

MS NONTOMBANE: I'm saying, we understand that here in the Free State
there are routes where there is one flat rate that is applicable.

MR PHUMODI: Yes.

20 **MS NONTOMBANE:** I just wanted to understand how that came about? For
example, the destination would not be the same but then the price will be the

same. I don't know whether it was again one way of managing conflict within the industry or what, just explain to us how that came about.

MR PHUMODI: You see, as we said now we are not subsidised, and let me just add one example of saying a taxi from Rocklands to wherever the place, but
5 then that particular person... If you have a taxi from that particular area, you'll be charged the same as that one that is going to be charged at that destination. We are avoiding some confusion and all those kinds of things. People are used to that and they like that. They have never complained about that particular issue, yes.

10 **CHAIRPERSON:** Mr Mandiriza.

MR MANDIRIZA: I just have one question in relation to financing, you mentioned that you have challenges, the high interest rates and the like, from your members which are the major financiers of taxis in the province?

MR PHUMODI: The financiers?

15 **MR MANDIRIZA:** Yes.

MR PHUMODI: Can I mention the name of the banks?

MR MANDIRIZA: Yes, yes please. That's what I am asking yes.

MR PHUMODI: Its Nedbank, Absa, Wesbank and the most popular one that is now assisting us is SA Taxi. Of which now we don't have any option, even if
20 they charge us exorbitant interest, we don't have any option. If it wasn't because of them, a lot of operators would have been out of business because we have been rejected by all these banks. They can repossess you now when you are R80 000 in arrears. [Non English].

CHAIRPERSON: Our translators can we place that on record. You can use the roaming mic.

TRANSLATOR: What he means is that even if its [inaudible: 01:07:04] there's
5 always value in it because it helps you in the end.

MR MANDIRIZA: My follow up question to that, does any of these financiers provide some kind of support to the local Taxi Associations?

MR PHUMODI: Sorry?

MR MANDIRIZA: Do any of these financiers, the ones that you have
10 mentioned, Nedbank, Standard Bank, SA Taxi finance, do they in any way provide some kind of support or incentives to the local Taxi Associations?

MR PHUMODI: Not at all. It's only that one, the SA Taxi that is now maybe sponsoring us when we have events and all those kinds of things, but it's just a drop in the ocean. These other ones, the Nedbanks and others they are doing
15 absolutely nothing for us.

MR MANDIRIZA: Can you explain, maybe expand a bit more in terms of the nature of the support that is offered by SA Taxi finance and your understanding of what it is meant for?

MR PHUMODI: Maybe when we are having our Annual General Meetings or
20 the conferences, if we make a request to them then they are in a position to assist us in whatever we might need. Its only SA Taxi and these other banks don't even care about us.

MR MANDIRIZA: In terms of the arrangements of support, is meant at a national level or each and every region can also approach them? Or it's done at a national level?

MR PHUMODI: No even the associations. They are national, even the
5 associations yes.

MR MANDIRIZA: Okay thank you very much.

MR PHUMODI: Okay.

CHAIRPERSON: Just one last question from my side. What has been the impact of the moratorium on the issuing of operating licences for minibus taxis?
10 You said the moratorium was issued in 2002 and it was uplifted in 2011, but even from 2011 to now, no new operating licences for taxis have been issued, so what has been the impact of that? For instance, that led to a rise in the number of illegal operators, what has been the impact on the industry of the moratorium? What are the views of SANTACO on this?

15 **MR PHUMODI:** No in fact, I will only talk about the Free State. There was no impact. In fact it was a blessing in disguise, that no or new operating, because I said the thing is shrinking, our market is shrinking, so there is no need for whatever new licences. Hence except the smaller towns that I've just mentioned to the Commission.

20 **CHAIRPERSON:** Now I said this was the last question, in response to Mr Lesufu's question on the BRT, you of course correctly said that the provincial taxi council is not involved in the negotiations. Do you know which routes have been identified for BRT?

MR PHUMODI: I'm not aware.

CHAIRPERSON: Alright. No thank you very much Mr Phumodi for your time as well as for your presentation and for the way in which you have answered our questions. Thank you very much. You are excused. We will now receive the
5 next presentation from the Greater Bloemfontein Taxi Association. Morning gentlemen. Thank you very much for your time and for coming. There is a document on the desk, you may take the oath or the affirmation.

MR MOLUSI: The three of us?

CHAIRPERSON: Yes, yes the three of you.

10 **MR MOLUSI:** I, Morena Molusi, swear that 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. If Mr Molusi could just spell your surname just for the transcript.

MR MOLUSI: M-O-L-U-S-I.

15 **CHAIRPERSON:** Thank you.

MR MPOTANE: My name is... I, Malefetsane Aaron Mpotane, 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 Mr Mpotane, if you also please spell your surname
20 for the...

MR MPOTANE: M-P-O-T-A-N-E.

CHAIRPERSON: Thank you.

MR MOLETSANE: I, Maliho [?] Simon Moletsane, Secretary of Greater Bloemfontein Taxi Association. I swear that the evidence 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 Moletsane. You can take us through
5 your submission or presentation that will then be followed by questions from the evidence leaders as well as the panel. Before you take us through your presentation, if you could just indicate what your current role or position is within the Greater Bloemfontein Taxi Association and how long have you held your current position.

10 **MR MOLUSI:** Good morning everyone. We are from GBTA that is Greater Bloemfontein Tax Association. My name is Morena Molusi and I'm the deputy secretary. On my right is [non English] Mpotane, he is our PR role. On my left side, [non English] Maliho Moletsane, our secretary. Thank you.

CHAIRPERSON: You may go ahead with your submission or presentation.

15 **MR MOLUSI:** Thank you very much. We did submit a presentation to the Commission and this what we'll present today. It's not so long, it's very short and brief. Maybe I should wait for... Slide number two is our table of content, where we'll be looking at, you will see after the introduction we'll be looking at the licensing route allocation followed by a price setting, transformation and
20 competition dynamics. We'll move on to slide three that is our introduction. We are Greater Bloemfontein Taxi Association, abbreviated as GBTA. GBTA was established in 2006, and this was as a result of the amalgamation of the eight associations we had then. We operate 13 local routes in Mangaung - in

Bloemfontein, one short distance and one long distance route. Currently we have about 1300 members.

Next slide, on the issue of licencing, route allocation and entry regulations, we're saying here, only long distance overlaps with other routes, e.g. From
5 Johannesburg to Bloemfontein. There is also an operation from Kroonstad to Johannesburg. In the event that the new routes over the new developments are identified, the local operating board is approached to apply for those routes or identified routes. We do road surveys, which will be done together with the associations, that is the local operating board and the association itself. We are
10 saying there is currently a moratorium on issuing of new operating licences, then the critical point to be a member of GBTA, is at the point of departure you have or you must have an operating licence at hand. In other words, you can't be a member of GBTA without an operating licence.

Price setting mechanisms, here in setting the prices commuters and operators
15 are all consulted. Price is determined by petrol, the parts of the cars and other accessories pertaining to the motor industry. Now because of competition, prices are reviewed after five years, but it will be ideal to review them at least after three years. Difference in pricing has a negative impact to the business. Buses and registered subsidies whereas we as the taxi operators, we do not
20 have. I think this point was alluded too by the latter speaker, the issue of, we as operators not having a subsidy but buses having subsidies.

In question of transformation, the critical inputs for minibuses are as follows, the cars themselves, the prices of petrol and parts. We are saying in a nutshell high prices from the suppliers are actually killing us, we cannot move, we cannot

transform because of that. The financiers, financial institutions charge higher interest rates. There is also the SA Taxi Finances which abuses our operators in terms of higher prices. The critical one, non-availability of subsidy. The next slide, transformation. Factors hindering growth in the industry, subsidy will be
5 the top one, because of this the industry cannot compete with other types of transport such as your buses and the trains.

We only depend on the money that we collect during our operation every day. As a result our prices must be lower than those who are having subsidies because we compete with them, but it's difficult. This causes our minibuses to
10 be repossessed as we cannot pay our instalments. Transformation continued. Non-feasibility of law enforcement is also a challenge in our operation. Competition is very stiff due to piracy. During the time when there is law enforcement operation, operators do make money because there is no pirate that time. If I can make an example, here in Mangaung you may find that pirate,
15 pirate cars are more than the legal operating cars especially on weekends. If someone maybe needs money to buy bread or something else and he is having a car, he just goes to the street and ferry people.

That is our biggest problem, especially in Bloemfontein and Mangaung. It means we need law enforcement to be visible at all times, for us as operators to
20 make money, law enforcement must be there 24/7. Competition within the three modes of public transport is very extensive because of the critical issue of subsidy, because both buses and trains have received subsidy and their fare will always be lower than ours. Competition in respect of Taxi Association in general, with regard to association there are no challenges, as there is only one
25 association per town. Competition between operators, within same association

on similar routes, we don't have a challenge here, because we charge the same price. I think this was also alluded to by the latter speaker from our Provincial Taxi Council.

5 Competition from the taxi operators from different associations on similar routes, normally we share operation as taxi operators but in this case we charge the same price. For instance, a fare from here to Johannesburg, it will be the same and then operators from Johannesburg to Bloem will charge the same price, so there's no challenge in that. Competition from taxi operators from different associations on the adjacent routes, the challenge in this aspect is with
10 regard to the pirate. We as an association do not have a problem because we do have forums where we meet, discuss operation and work together. That is all from us. Thank you very much for the opportunity.

CHAIRPERSON: Thank you Mr Molusi, Mr Mpotane and Mr Moletsane. Any points of emphasis? Any additions that you wish to make?

15 **MR MOLETSANE:** It will be better if we receive the questions, so that if need be we will expand [inaudible].

CHAIRPERSON: Mr Ngobeni.

MR NGOBENI: Thank you Chair and a good morning to everyone. I think, let's just start with the slide where you've dealt with licensing, route allocation and
20 entry regulations. I see the slides are not numbered so I will refer to the one dealing with route allocation. You indicate there that, in the event that there are new routes or developments that are identified the local operating board is approached and you then indicate immediately afterwards that route surveys

will be done together with the association, are you able to share with the panel an instance where this was done?

Where both an association together with the local operating board have conducted a survey in order to determine the need before an allocation for an operating licence on that particular route was done? Just to share with the panel an instance where that was done.

CHAIRPERSON: Just for the benefit of members of the public, Nonkululeko, could you please display slide number four. Its headed Licensing, Route Allocation and Entry regulations.

10 **MR NGOBENI:** Thank you Chair.

MR MOLUSI: Thank you. I Maybe I want the clarity, are you talking about the location? Where it was done? Where the survey was done?

MR NGOBENI: Yes because if you look at the third sentence, it says "Route surveys will be done together with the association." It appears to me, and you'll correct me if I'm wrong, it appears to me that when surveys are done by the operating board, the association is consulted and to an extent that surveys are done you'll conduct them jointly. I'm just trying to understand if there's been an instance where this was done, I'm just trying to assess the kind of relationship that you have with the Operating Licence Board in terms of dealing with issues when new routes emerge and those routes have to be serviced by various associations.

MR MOLUSI: No. In Bloemfontein when the new demarcation is being developed, whereby we have places like Phase six, Phase seven in Bloemfontein, we have Phase three, we have Bergmans Square, we have

Kalamotshabi [?] whereby they didn't even appear in our permits but we were serving people with transport there. We approached the permit board so that the permit board could do the surveys together with us to see whether it is feasible for us to operate there. We did it and it appears in our permit, so we
5 managed to have those routes in our permits so we can have a smooth operation and serve our people with transport.

MR NGOBENI: Okay so those are the areas this was done. Was this before the moratorium was imposed or was it after the moratorium was imposed? We heard this morning from the Provincial structure that the moratorium was
10 imposed in 2002 and uplifted in 2011, so when was this? Was it before the upliftment or was it when the moratorium was imposed?

MR MOLUSI: It's after. What we are doing is that, after we have done the surveys we're amending the very same permits that we have. We just amend the new routes on the very same permits, because we can't get the new permits
15 so the permits we currently have, we just amend the routes on them.

MR NGOBENI: So the process also involved the amendment of the routes that the operators had in that particular area. You then indicate on that last sentence there that to become a member of GBTA you need to have an operating licence at hand, are there any other requirements other than an operating licence or is
20 that the only thing that is required for one to become a member of GBTA?

MR MOLUSI: I think this is the only requirement that makes a person to be an operator because you can't be an operator without an operating licence. Others, you must be South African, you must have a South African ID, you must have a vehicle but the main one is you must have an operating licence because you

can't operate without an operating licence. We are not taking pirates, that's why we are saying you must have an operating licence.

MR NGOBENI: Okay. Thank you Chair. I have no further questions.

CHAIRPERSON: Mr Lesufu.

5 **MR LESOFE:** Thank you Chair, I have no questions.

CHAIRPERSON: Ms Non...

MR LESOFE: Just with respect to BRT, I think we had a submission from the Provincial Structure, are any of your members affected by the implementation of the BRT?

10 **MR MOLUSI:** Yes we are affected as GBTA in Bloemfontein.

MR LESOFE: Can you take us through the process how you are negotiating with the municipality with respect to the BRT?

MR MOLUSI: As Greater Bloemfontein Taxi Association we are in negotiations with municipality, we have reached a point whereby we have signed a MOA
15 with the municipality. In Bloemfontein the municipality is negotiating not in good faith to us concerning to the BRT, because really even if we want to implement it in Bloemfontein, it can't be implemented in Bloemfontein. The infrastructure of Bloemfontein doesn't allow the BRT.

MR LESOFE: Can you expand a bit more in terms of how many routes have
20 been identified? Just the process and then I'll make follow up questions.

MR MOLUSI: Up to so far, the routes that are going to be affected are eight routes in Bloemfontein. There are eight routes, but the problem is even if there are eight routes in Bloemfontein that are going to be affected, the municipality itself can't even give us the clear picture of how the routes are going to be allocated to the BRT itself.

CHAIRPERSON: Can you perhaps just indicate which are those eight routes which are likely to be?

MR MOLUSI: I'll call them with names because with codes it will be difficult for you. The first is Langenhoven Park, from Langenhoven Park, Brandwag.

10 **CHAIRPERSON:** Is it Langenhoven Park to Brandwag?

MR MOLUSI: No. It's from Langenhoven Park straight to Chief Moroka, so it passes almost four routes. The routes that are going to be affected in the middle of, from Langenhoven Park to Chief Moroka is Langenhoven Park itself, Brandwag, zero 25 which is four plus ones, Phahameng, its Rocklands and Phase two. Five routes. We have the second phase that is the first phase. The second phase is from the centre of the city to, I can call it Bergman, because we used that name, to Bergman. The route that's going to be affected there is Heidedal, Namibia, Freedom Square and Phase six and Bergman.

CHAIRPERSON: That's Phase two?

20 **MR MOLUSI:** That's Phase two of BRT.

CHAIRPERSON: Then the next phase?

MR MOLUSI: They are no talking about two phases. Now it is just a proposal to us, they made it as a proposal. It's not final.

CHAIRPERSON: The routes that you've identified for Phase one as well as for Phase two, your members operate in those routes currently?

MR MOLUSI: Yes.

5 **MR LESOFE:** Thank you Chair. I understand your submission is that there is a Memorandum of Agreement that has been signed, can you take us high level what that Memorandum of Understanding seeks to achieve?

MR MOLUSI: We have seen that in other towns whereby they have implemented the BRT, the municipality just introduced them without concerning
10 the affected parties, like the bus or the taxi industry. That is why we had to sign the Memorandum of Understanding, whereby the municipality cannot take any decision without consulting the affected operators or parties or anyone who is affected by the operation of the BRT.

MR LESOFE: As far as you understand does the BRT model involve replacing
15 taxis or is it going to utilise part of the taxis in terms of how you understand the BRT model is going to work?

MR MOLUSI: It is going to replace the taxis.

MR LESOFE: There won't be any other feeder routes that are going to form part of this BRT?

20 **MR MOLUSI:** The confusion the municipality is having now is they are talking about the feeders, they are talking about the BRT, they are talking about two things when we combine with them together to operate, in Bloemfontein they can't operate. We can't operate with feeders in Bloemfontein.

MR LESOFE: What has been the stance of the municipality during the negotiations?

MR MOLUSI: The stance is the municipality wants to introduce the BRT, we as taxi operators or as an industry we have a problem with it. A serious problem, 5 whereby we are saying it's going to be difficult to introduce the feeders because Bloemfontein is too small. It's not like Joburg, it's not like Cape Town or it's not like Ekurhuleni whereby it's simple to have feeders from other routes to the trunk itself, so it's going to be difficult. Let me make an example, if you say you are making a feeder to a trunk whereby it's going to operate in Chief Moroka, 10 where is the feeder going to take people? Already Chief Moroka is in the middle of the location and also Moshoeshoe Road is in the middle of the location so there's no need for feeders to feed the operation, the trunk itself.

MR LESOFE: From your negotiations, do you see the taxi operators as having a choice in a manner of saying, "No we don't want to participate"? Is it 15 something that is being forced?

MR MOLUSI: It is something that is going to be forced because it is already legislated, so it's difficult for us to say we are not going in. We are not going in, we are losing. We are still going to compete with the system that is being subsidised. If we don't go in, they are subsidised, so obviously we are going to 20 have problems with them. The bottom line is we have to, that is why we signed the Memorandum of Agreement with them, of Understanding, we have to sit down with them so that the system can also benefit us as the taxi industry.

CHAIRPERSON: Let's welcome your colleague who has just joined us. If you could just place yourself on record, just your name and what your current role is

within the Greater Bloemfontein Taxi Association and you may also take the oath or the affirmation.

MR SELOANE: Thank you [non English]. Greetings to all. My name is Leemisa Seloane, Greater Bloemfontein Chairperson. I Mr Seloane swear that the
5 evidence that I shall give shall be the truth, the whole truth and nothing but the truth, so help me God.

CHAIRPERSON: Thank you. If you could just spell your surname for the transcript.

MR SELOANE: L-E-E-M-I-S-A.

10 **CHAIRPERSON:** Thank you very much.

MR SELOANE: Thank you sir.

MR LESOFE: Thank you Chair. Just one follow up question in terms of your Memorandum of Understanding, does it include discussions around compensation and how is it going to be done?

15 **MR MOLUSI:** Yes.

MR LESOFE: Can you maybe provide some detail with respect to that?

MR MOLUSI: Up to so far, we are not even close to the compensation. Yes we are far from talking about the compensation with the municipality because we have concerns that makes us talk about the compensation and maybe we are
20 still going to consider other factors. When municipality talks about the compensation, the model that they are doing is using the surveys that have been done in our locations with our legal operations, with our legal taxis.

The problem that we had is that half of the people that were taken from the surveys they belong to the legal operation. There are illegal operations in Bloemfontein whereby the surveys were not done on the sight of illegal operation and it was difficult in Bloemfontein to do it because the illegal person
5 cannot communicate or cannot even cooperate with you, because he or she is illegal. The challenge is the surveys, that's the problem with our compensation in Bloemfontein. We are still going to talk about the compensation with the municipality, not now. It's far from now.

MR LESOFE: Following from your interactions with some of your colleagues in
10 other provinces, and how they've gone about the compensation model, do you at the moment have some kind of a preference on what you think should happen? My last question is, you have indicated that the system appears to be forced on you, do you have a position with regards to ceding your operating licences during the implementation of the BRT?

15 **MR MOLUSI:** Can you please repeat the last part?

MR LESOFE: The last part is, in the implementation of the BRT we understand that taxi operators would cede their operating licences either to a vehicle operating company or whatever form. My question is for people that would not want to opt in, what is your position with regards to non-renewal of their
20 operating licences when they expire?

MR SELOANE: If maybe I read you correctly, or I listened properly, you're asking the position of the people that would opt out of the system, what will happen to their operating licences? Okay. To tell you the honest truth, this is not a fair game. We used to have indefinite permits. Government sought to convert

them to operating licences which will then expire either in five or seven years. Now, government has the last say whether they will renew your operating licence or not.

I'll also add that to whatever he said with respect to surveys and so on, government once placed the so called moratorium on permits. Moratorium meaning, they will no longer issue permits. Which we have found to be something very distasteful. For example, you'll see that locations are expanding, people are migrating from small towns to big towns, which then means in essence there's an influx of people that are coming in to bigger towns for better opportunities, that will then mean those people, the current system, that transport system that is in place will fall short in terms of supplying.

Automatically the moratorium is working against the possibility of us offering a better service to the community because permits are now being stopped, I mean the issue of new permits has been stopped and these that are going to opt out of the system, unfortunately should government renew, of which its something that's still in the water. We don't know what's happening. Should government renew their operating licences, obviously they are going to compete with a subsidised system. That will then have all the preferences that you can consider within the transport system like amongst others, dedicated lanes whereby taxis, we don't have dedicated lanes. That's an advantage on the side of the buses, and then number two, I've seen in Cape Town, robots are synchronised in such a way that such buses are given preference in terms of not stopping in particular busy intersections.

That is also not fair because we have to stop and then if my taxi is going to take 30 minutes from the location to town, that bus given that unfair advantage will surely arrive in time. I never said I don't want to arrive in time, it's just that the system is not fair to me. I was just adding particularly on the question of the
5 people who then opt out of the system, because so far as the negotiations of the BRT are concerned they are saying that particularly. It's your choice to come in or to operate your thing. At the same time, there's this threat that is standing somewhere on the corner that says, "Watch out we might not renew your operating licence, and actually it's not yours, it's ours." That's what they
10 are saying. [Non English] very spontaneous. I'm not afraid to say any other thing that I need to say as and when I need to say it. As long as it's the truth.

They simply tell you that you don't own it, you are but just a holder, we've got the prerogative or the right or whatever, to renew it or actually to revoke it from you should you fall out of our favour. We're operating under such a system. It's
15 going to be their choice at the end of the day to either renew it or not, and if they renew it for the people who decided to opt out of the system automatically they are going to compete against a subsidised system. A system that has many advantages like your dedicated lanes, your system that has many advantages like synchronised robots and all that just to make time. From our perspective,
20 very distasteful.

MR MOLUSI: To add on your first question about other provinces, we met other provinces or towns that it is already implemented. What we saw there, the municipality have abused the taxi operators. In a way of compensation, they divided the taxi industry.

CHAIRPERSON: Just a second. Can we please give our guest an opportunity to make their submission and please put your cell phone on silent? You may continue.

MR MOLUSI: They have divided the taxi industry so that they can implement it
5 the way they want to implement it, or they can compensate people or taxi operators the way they want to operate it. That is why you find that in Joburg, people are killing each other. In Cape Town buses have been burnt, because of the very same thing of not negotiating in good faith. Where especially the politicians, when it comes to the BRT, they have made this BRT to be their own
10 benefit, not to benefit us. Why I am saying that is if you go to the value chain of the very same BRT, when you go to Cape Town where the DA is leading the municipalities, in Cape Town and George, we were there.

There's a division between blacks and coloureds operators. Coloureds operators got the benefit and they got via fear treatment they got the chunk of
15 money, the big one. When you go to the blacks, you'll find that in Khayelitsha buses have been burnt, people are killing each other because of what? They have divided the blacks there. They even divided the coloureds and the blacks when coming to the compensation. In Tshwane, when you go to Tshwane, Tshwane tried to be the best, because before DA comes in to power ANC was
20 still in power there, was still leading the Metropolitan of Tswane that is why it's even better than other towns. Really they are saying if you don't come in, they will push it, they will go and take other people from us and promise them something so that they can betray others and go into the system.

MR SELOANE: Okay, I just want to get back to this compensation thing. In essence, like I said before, we said not to be owning operating licences, but we are said to be holding them and operating the transport business on behalf of government. That is the explanation around operating licences. Now as far as
5 compensation is concerned, these things they have been done, it started at Joburg Rea Vaya that was the first city earmarked for this Bus Rapid Transit system. I'm told, certain people were flown to Bogota, Colombia to go and study one, two, three whatever modules of which I'm glad I never went to Bogota anyway. The results of Bogota are very distasteful.

10 Now my concern with this compensation model, who approved the compensation model? Were the taxi operators involved or rather engaged with respect to designing the compensation model? Answers are no. Now here you are, you must build me a house. I've got a wife, and I have eight kids, you don't ask me, you just go there and build a one roomed house and tell me, "Leemisa
15 here's your house." You can't do that. You need to take the specs from me, the person who's directly involved. Now I'm saying, we were supposed to have been included when the compensation model was designed. The issue that I raised of the moratorium of permits, I want to put it on record that it is working against us. When you're looking at that compensation sort of model, because
20 now at the end of the day, limited number of permits, limited number of taxis, [inaudible] obviously, you'll also get lower numbers. That is now the key component of the compensation model.

The way it is designed, the number of commuters, the number of taxis that are ferrying those commuters up and down, 12 months whatever there's a formula.

25 There's one other person who claims to be an expert in this BRT things, he

came down here to brief us, I immediately raised my dissatisfaction with the manner or the design of the compensation model. I also want to add that with respect to this 12 year contract they are talking about, because they are saying that's the maximum, should you establish a VOC and run the system, you have
5 only 12 years max. I went to school, my father was a taxi operator, I went to school, I can talk English [non English]. My father was paying my fees at the University of the Free State with taxi money. That's more than ten years ago. I wonder what about my kids now? It looks like after 12 years [non English]. I think that's very distasteful.

10 That is why I am saying, I'm glad I never went to Bogota, because apparently most of the things they were decided in South America, and then some kind of a report was given to Parliamentary Portfolio Committee Transport to deliberate on. They enacted Bus Rapid Transit system to our detriment. Just to add up, there's this thing called taxi scrapping on the taxis, let me also register that I've
15 got casualties in my association via taxi scrapping. Look at the form of the taxi scrapping, I mean with my old Kombi, maybe three, four R500 was enough for me a day. I would feed my children, I would buy electricity, and I'll sort all my overheads of the household. Government gives me R50 000 to go and engage myself in some debt, buy a new car completely, that ends up being
20 repossessed because there are many imbalances in the system. I want to draw your attention particularly to the form of scrapping that we are expected to fill in as and when we apply for scrapping.

There's a block in the particular page that I don't like. Do you want, that is now the question, "Do you want to exit the industry?" The industry is the bread and
25 butter of my family. My extended family, my driver and his family, the guy who

washes my car and his family. I can mention them, those are the kinds of people we support in our industry. Now I'm being asked a jaw breaking question, "Do you want to exit the industry?" Can we really say we can go to Patrice Motsepe and ask him, "[non English] would you want to exit the mining
5 industry?" What do you think Motsepe's answer will be? Obviously, casualties I'm talking about, the elderly in the industry for some reason opted to take those R50 000 and they went out. Go have a look at them now as we speak. [Non English] I can make referrals, serious referrals, go have a look at them. I'm trying to highlight issues that I feel that we're not being treated fairly, especially
10 from the government's side.

When you check scrapping conceptually, it was meant to assist us, improve our service in terms of getting better vehicles and there's so many like I said players in the zoo. There were vehicles as well that were recommended, by the very same government via the Minister of Transport. I think we will go back to Jeff
15 Redeye, if my memory serves me well. Chinese models, those Chinese models they never lasted a year. Having been deposited by the R50 000 initially in 2006, they never lasted a year, they had no spare parts, they had nothing, but they were recommended by government. I don't want to talk the language of kickbacks and so on, I'm just trying to put our plight on the table as an industry,
20 as and when things happened.

The manner in which the industry perhaps would want to guide bus companies and bus owners, we would appreciate that government must guide us the same. For example, I'm told as and when you want to buy buses there are specs that must be observed, otherwise the quality of the bus might be rejected and that's
25 now official. When it comes to taxis there was some little [non english] leaflet

that was talking about rollover bus in terms of making the new TRP taxi decapitalisation program vehicles safer. They'll be designed in such a way that they take care of the disabled people, in other words, my taxi can put in somebody with their own wheelchair. Those were now recommended specs, 5 but when it comes to the actual buying, when efforts turn into money something else happened.

Even today in the Republic of South Africa there has never been a taxi that has been able to assist people with wheelchairs, but that was essentially a specification. That's now the issue, go look at our range, they're built in such a 10 way that they are not wheelchair friendly. We need to uplift this person, fold the wheelchair, fold the seat, and put the wheelchair the other side where other passengers could be sitting. Losing money in the process but we have to do it. Now I'm saying, from a government perspective, why would certain things be made possible in certain sectors of the transport industry and then deliberately 15 choose to ostracise the industry? [Non English]. I'm simply going to say, it's a sad story because we are 100% black in terms of owning a business in the taxi industry. I don't have any other person of any other race in my data base except black. I would say black defined by myself in the sense of indigenous people of the country, because nowadays black also means Chinese and Indians.

20 I'm not talking about [inaudible: 01:59:30]. I'm talking about the indigenous people of the country, that is our last bread that we are holding with our two hands, but when you look at it, somebody is busy wrestling that bread away from your hands. We're not happy about that. I'm not a politician, I'm just a Chairperson of the association.

CHAIRPERSON: Just going back to the BRT rollout within the city, you identified two phases, which is Langenhoven Park to Chief Moroka and from the City Centre to Bergman. What I want to understand with the model, is firstly, why was these two main routes identified for the rollout of the BRT model, because as I follow your presentation, you are currently servicing these routes and you don't see any need why then there should be this integration, when you are saying you are already servicing the route. What I want to understand is why were these routes identified? In other words, what is broken with your current service in the route to necessitate such an integration if the current service is broken?

MR SELOANE: Nothing is broken. It's all systems go, and to prove that nothing is broken, sometimes we even battle to pay our vehicles than are on HP, so that seeks to say we really sometimes are not even breaking even. I just wanted to correct something that was said earlier on by my colleague, the proposed route is not going their side of the N1 into Langenhoven Park, it ends somewhere at the University of the Free State, just for the record. I am aware we are under oath here. I don't want somebody tomorrow to say, "Under oath he told the Competition Commission that those services will be extended to Langenhoven Park." By the way, that is not our design, he tells me he also highlighted to you that it's not our design.

Municipality identified Phase one, which is Chief Moroka up until UFS and then Phase two which is CBD up until R702, Dewetsdorp Road, there's a place called Phase six, Phase seven around there we're not sure exactly where it will stop. For them to identify those routes their reason is they conducted surveys, they have seen that those routes are the routes with the most commuters.

That's their reason to go directly to those routes, but as far as our services are concerned I've got taxis that are running seven days a week. Nothing is broken. We are not falling short of rendering a service. That's what I'm trying to say. Thank you.

- 5 **CHAIRPERSON:** More or less, just very roughly do you know how many vehicles, how many of that is the industry vehicles are servicing these two identified phases? Just very rough numbers.

MR SELOANE: Roughly, I've got about average of 250 vehicles per route. Average 250 vehicles per route. Phase one is going to affect five routes. Phase
10 two is going to affect four routes, so no let me just correct that, Phase one because it comes to UFS make it six routes because I counted only from the location up until the CBD, I just forgot that its stretching to UFS. I've got taxis, my Brandwag route is operating there. Now make it six and four, ten, so ten you can multiply 250 by ten it will give you the figure you're looking for.

- 15 **CHAIRPERSON:** In terms of the model, the municipality seeks to replace all these vehicles with buses in terms of these phases.

MR MOLUSI: Yes.

CHAIRPERSON: Any further questions arising from...

MR MOLETSANE: Can I clear something? Earlier on when the secretary of the
20 province was here, he was asked about the fare of the buses in Mangaung. The real figure is, the bus charges, it uses two prices, they are not using one price, there are two. The other one if they are out of their bus rank where they are not close to us, from Bloemfontein to Bochabela, they charge almost R19.50, if they are out of the rank. No when they are out they charge R28.50, when they are in

the rank whereby we are competing with them they are charging R19.50 whereby we are charging R20. We are not charging as it was said before twenty something. We are charging R20 from Bloemfontein to Bochabela, they are charging R19.50 in the rank, out of the rank they are charging R28.50 so there's
5 imbalance there.

When coming to the subsidised buses they have almost more than 120 buses that are not subsidised, whereby they are competing with us illegally according to us because it is a model whereby it is supposed to be subsidised but they are adding buses. When coming to the moratorium we don't even know, they are
10 just adding buses. We don't even know that they have permits those buses, we taxis we must have permits and we don't get offered new permits but they are offered new permits by the government. For us it is not fair. Thank you very much.

CHAIRPERSON: Perhaps the last question from me on the BRT model. Now
15 you indicated earlier that the compensation model as well as other details in terms of how the BRT model will be rolled out, have not yet been discussed with you and there are still going to be discussions which are going to unfold. Now what we want to understand is what exactly has been discussed with you? Are there any aspects of the model which have been discussed at this stage with
20 the taxi industry, and if so, what are those aspects?

MR SELOANE: Are you referring to the compensation model?

CHAIRPERSON: We understood your submission to be saying that because the model is based on a substitution of your vehicles currently servicing those Phase one and Phase two routes, the compensation model for your vehicles

has not yet been discussed, that is what we understood from your submission.

What other aspects, if any, at this stage have been discussed with the industry?

What are those aspects?

MR SELOANE: Essentially, nothing of substance at this point has been
5 discussed or rather concluded [inaudible]. Except the MOA whereby we were
essentially agreeing to engage with the municipality because remember the
rules of the game are such that if you don't engage you are left out. We are not
asking you anything. The Act gives us a right to proceed with or without you.
Which is very distasteful I might add because I think the 22nd or the 20th of
10 April 2009 at Gallagher Estate, the then president, [non English] Zuma, told us
that even gathered there that we can say if BRT is not doing justice to us he
wants to hear and he will stop it.

Shortly after that date it was elections, so I think maybe somebody was just
gathering for elections, because shortly after that we ran to the Presidency and
15 we did all the things that can say this thing is not good. It's like you designed the
compensation model on your own. You never wanted our input and yet it's
supposed to be implemented on us and most of the time you hide behind the
Act. Truth be told because that is why I always say I'm glad I never went to
Bogota. Apparently a few taxi operators were flown to Colombia, Bogota, and
20 they compiled a report that ended up somewhere in Cape Town. On the basis
of that report, this particular system was then enacted but from a leadership
point of view as and when I go out and engage on behalf of my association,
when I go back home, the first thing that I do, I engage my executive.

- After having engaged my executive I go to the lower house, the people who elected me into office, so that this thing has the buying in of every person. I understand mandatory issues, but certain things they really need fresh mandates. You go to the people so that all the time you are with the people. I'm
- 5 saying, I'm submitting that on that basis we were excluded in the designing of the compensation model that is now already in use, it has been used by Rea Vaya, it has been used in George, it has been used by MyCiti, its been used in Tshwane, I think Msunduzi as well is to follow, Buffalo City is to follow actually its only us and Buffalo City in the earmarked cities that are still lagging behind.
- 10 Everyone else has seen the hardship of the system. Essentially it is not intrusive in the terms of decision making because at the end of the day I need to surrender the operating licence that has been my bread and butter all the years. For a particular amount that has been determined by somebody who is not even part of my business. That's what we find odd. That's why we said atleast we
- 15 could have been included in the designing of the compensation model, however things are not particularly fair Chair because there's this skop en donner mentality. I thought it died in 1994 but it's still existing even today. Whereby you're simply being told Chief [non English]. Its either you with us or when you waste time we leave you and you can do nothing to us, we are government.
- 20 Those are the issues that we're facing.

CHAIRPERSON: Thank you very much. The interpreter, will you be able to interpret [non English]?

INTERPRETER: You will catch up while it's already on the move.

CHAIRPERSON: Thank you. Thank you. Thank you very much Mr Leemisa, Mr Molusi, Mr Mpotane and Mr Moletsane for your time as well as for your submission and the manner in which you have answered our questions. Thank you very much. You are excused.

5 **MR MOLETSANE:** May I register this Chair? As you normally do, hopefully because the first presentation that we did to the team which was sent to Free State, we did raise that we want to be assured that this thing is not going to be used, the information that we are giving is never or its not going to be used against us favouring the other mode of transport. To be in line and to be
10 informed about that we'll be glad to be favoured with the copy of the submission we have done and the recommendation also that maybe if need be then you must make amendments to the recommendation that your team is going to make. Thank you.

CHAIRPERSON: Thank you very much. I think going forward, we will certainly
15 have further engagement with yourselves on the process going forward. By the way I've been asked by the team to also thank you for making for cooperating with the team and for making all your submissions on time. That is appreciated, thank you very much. We will now take a tea adjournment. I hope that tea is ready outside and we will be back at 12:00 to take the next presentation from
20 SANCO Free State, so we will resume at 12:00. You are welcome to join us for tea just outside the door.

END OF SESSION

Session 2

CHAIRPERSON: We will now resume with the hearing. The next presentation will be from [inaudible 00:10], Freestate. Thank you very much lady and gentleman for coming. There is a document on the table. You may take the oath
5 or the affirmation. Starting with the lady; please switch on the mic as yo9uy take the path or the affirmation.

LYDIA SERAME: Good afternoon ladies and gentleman. I'm Lydia Serame from Sasbrok ADPT chair. I mean deputy secretary of Sasbrok. I, Lydia Serame say that the evidence shall I give shall be the truth, the whole truth and nothing,
10 but the truth so help me God.

CHAIRPERSON: Thank you very much Miss. Saramie. Just for the record if you could please just spell your surname?

LYDIA SERAME: S-E-R-A-M-E.

CHAIRPERSON: Thank you.

15 **THABO MOKWA:** Good afternoon ladies and gentleman. My name is Thabo Mokwa. I'm the deputy chairman of South African National Small Bus Operators. I, Thabo Mokwa 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 Mr. Mokwa. If you could also just spell your
20 surname just for the transcript?

THABO MOKWA: M-O-K-W-A.

CHAIRPERSON: Thank you.

THABO MOKWA: Thank you.

JOSEPH MANYE: Good afternoon ladies and gentleman. My name is Joseph Manye, the chairperson of South African National Small Bus Operators Council, Freestate. 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. Manye. If you could also just for the transcript just spell your surname.

JOSEPH MANYE: M-A-N-Y-E.

10 **CHAIRPERSON:** Thank you. You may take us through your submission or presentation. That will be followed by questions from evidence leaders as well as the panel.

JOSEPH MANYE: Thank you very much. Our presentation is structured as follows. The buses including BRT, long distance, contract buses, services and municipal buses and the other one will be licensing route allocation, entry regulation and operation licenses, motor in operating licenses, allocation of operational subsidy and its impact on competition; intra and inter-model competition. The transformation in public transport, access to transformation at a level across the value chain. The constricting relating to the busses' operations; long term and contract which have not been subjected to a competitive bidding for a long time. Then my introduction will be to introduce what SASBOC means. The approbation of South African National Bus Operators Council, Freestate; that's SANSBOC. Then this is a non-profit

organisation operating in all provinces of South Africa. This is a government initiative aimed at formalising a small bus operation in South Africa. The bus including BRT, long distance buses, contract buses, services and municipal buses. The BRT and municipal buses; SANSBOC has not been included in all the communication platform concerning the BRT; our counter-part taxi's and the [inaudible 04:42] industries and main operator. We are aware that there is no existence of this service yet, but we would like; with the government to consider when the opportunities arise. The long distance buses; access to market is denied to small bus operators. The contract buses, the main operator make it difficult for the small bus operators to get contracts or sub-contracts. In licensing route allocation and entry regulations, operating licenses, [inaudible 05:24] and operating licenses; licensing; the rates differs from other provinces. The Free State bus operators pay more rates than Mpumalanga. The routes allocation; all the routes are allocated to the main operator in the Free State. Operating licenses; the regulator does not allow small bus operator to participation in commuting operations. Allocation of operational subsidies and its impact on competition; intra and inter-model competition; our allocation of subsidies; none of the small bus operators has been allocated any kind of subsidy. Its impact on competition; it compromises the standard of operation to who are not in the mainstream; ourselves, SANSBOC. The transformation in public transport assessment of transportation level across the value chain; the transformation in the public transport overall, the transformation has not benefitted the small bus operators in the main contractor fail to adhere to the transformation process that was agreed on 1 May... 1 March 2006. The small bus operators were to benefit 9% year on year, but it has never happened. Assessment of the transformation

level across the value chain; SBO's do not participate at any level. Contracting relating to bus operation; long term contracts which have not been subjected to a competitive bidding for a long time. Due to lack of empowerment it is not possible to properly engage in long term contract or bid for long contract
5 meaning the main contractor have absolutely no competition at the moment.
Thank you very much.

CHAIRPERSON: Thank you very much, Mr. Manye. Mr. Serame and Miss... Miss. Serame and Mr. Mokwa; anything that you wish to add or any points of emphasise?

10 **LYDIA SERAME:** Everything has been said. Thank you so much.

THABO MOKWA: Everything has been said. Thank you very much.

CHAIRPERSON: Mr. Lesofo?

MR. LESOFO: Thank you chair. Thank you very much for the presentation. How many members does or bus operators doe SANSBOC,
15 Freestate represent?

JOSEPH MANYE: At the moment we have twenty-seven members across the province.

MR. LESOFO: Are they located across or throughout the province?

JOSEPH MANYE: Ya, they are across the province.

20 **MR. LESOFO:** And if you could just describe to us the nature of services that are rendered or provided by your members?

JOSEPH MANYE: Thank you. Our members rely only on the private hires organised parties and long distance like if say a church need transport form here to Johannesburg or any other province; that's how we make our living. A few of them are doing scholar transport. Thank you.

5 **MR. LESOFO:** And what about the provision of subsidised committed bus services?

JOSEPH MANYE: None of our members have any subsidy or have any contract with somebody who's getting subsidy. All the members of SANSBOC; members that are being [inaudible 10:03] so to say when it comes to contracts
10 so we don't get any contracts, any subsidy.

MR. LESOFO: Okay and are there any; currently are there any rural areas that are serviced by your members?

JOSEPH MANYE: Only those who are doing scholar transport, only. The other routes are been taken by the main operators across the province.
15 Different companies that are being subsidised by the government. Thank you.

MR. LESOFO: And which... could you give examples of some of the routes that are covered by your members who do scholar transport?

JOSEPH MANYE: Pardon?

MR. LESOFO: Examples of routes that are serviced by your members
20 or areas. I beg your pardon; areas that are serviced by your members who provide scholar transport? Could you give examples of all those areas?

JOSEPH MANYE: Okay we have the region of Bloemfontein. In fact, what

we are doing; we are running school transport at farms. That will be different towns in the Free State, only, but they are not subsidised. Then the other land that we are doing the day-to-day that we have to charge the kid or say the parents of the kid in some areas so meaning that we don't get subsidised. We
5 are doing like the parents have to pay for the kids going to school. Thank you.

MR. LESOFO: And what kind of challenges do your members encounter on a daily basis when providing those services especially in you know, in rural areas?

JOSEPH MANYE: the first one; the roads surface and the second one; they
10 fail to comply to those roads. The vehicle gets damaged in the space of... a short space of time. Other than that we are ever challenged with law enforcement because some find themselves not doing... I mean obeying the rules of the road. In fact, what I can... the example I can say due to the roads the tyres get what can I say? Worn out quickly, but other than that we have
15 other, here in towns that are running a service in towns. Also their cars are not in good shape because now the buses are so expensive. To maintain a bus is so costly that we cannot even say... that's why we said we cannot even compete with buses that are being subsidised so that's the challenge that we are having. Most of the challenges... another challenge we are having is trying
20 to get into the market. The main operators; meaning that the operators who get subsidised; somehow we feel like they have something to do with government whereby we don't access permits that are relevant on time. We have to fight to get a permit from our provincial government. Thank you.

CHAIRPERSON: And what is the average age of your buses? I appreciate

that you may be running or using old buses which is the position in some of the provinces, but I just want to get a sense of just the average age.

JOSEPH MANYE: Thank you, chair as you can see from your screen there. Our buses start from 1980's. Some are 30 years old trying to survive. They are
5 struggling. There are no buses under 6 years that we are owning as small bus operators across the province. The one who have are those people who are very close to politicians. I'm sorry to say that, again. They have people who help them to buy new, but as a normal person you can't. Thank you.

MR. LESOFO: And do any of SANSBOC members belong to any co-ops
10 or cooperatives or do they have any members who have jointly formed companies?

JOSEPH MANYE: Thank you sir. SANSBOC initiates to form the companies as well as cooperatives through all the regions of the Free State meaning that at the moment we have three cooperatives, but due to the miscommunication
15 between the SANSBOC and the province, none of those cooperatives have kicked off. They're registered, but none of them does getting help from any government institution and the other; even the companies is being registered, but we just have to run as we are; as an individual, but we have a company registered.

20 **MR. LESOFO:** What is the name of the company?

JOSEPH MANYE: Sbofst. S-B-O-F-S-T; South African Small Bus Free State

MR. LESOFO: And why was this company as well as the cooperatives formed?

JOSEPH MANYE: Pardon?

MR. LESOFO: What was the thinking behind the formation of the cooperatives and the company?

JOSEPH MANYE: The aim was because the government instruct... not
5 instructed, but initiated that we come together; join one company and try to be formal. Once we are formal and that is why we have SANSBOC. It was to formalise small bus industry across South Africa. Thereafter from the provinces we have to start opening up the companies in the regions so what I'm trying to say is if we are here in Bloemfontein. We have one company representing the
10 district. You go to Welkom they have their own company presenting. At the same time they have the cooperative there. They have a company at those towns and the aim ; the whole aim to do that is just to access market so that when we speak we speak with one voice, but unfortunately I think the department of transport make it difficult for us because at some point they
15 launch us as a small bus operators, but at some level then they say they don't know us so maybe if they are here they will respond on that one because you cannot know a baby and say you don't know that baby. Thank you.

MR. LESOFO: Just to also get your thought on the current subsidy system; what are your concerns with the current subsidy system? How does it
20 affect small operators in the Free State?

JOSEPH MANYE: The subsidy issue; the whole aim of government to say we must formalise... it was to say if there is a operator who is working being subsidised he must take small bus operators; maybe a certain number of operators within him so that he uplifts because he is already getting subsidy; to

uplift those who are still below, just going on and on and that was done, but only to find out as time goes by those operators are getting out of the system one by one. Until now; maybe the main operators because I am not representing Bloemfontein. Even in Qwa-Qwa; there are operators there. There is operation
5 that has been subsidised. None of the bus... I mean some small bus operators are still in the mainstream. They are being taken out one by one. At the moment I think we have zero, but the agreement was for the main operator to get a... I mean let me say for the main operator to get a start up to the contract, secondly to have that subsidy. It was to say he must take the other shareholders. Let me
10 put it this way; the stakeholders like taxis', small bus operators and his own employee but what we are seeing in the Free State now the operators are only taking people from inside then you put them there and then call them small bus operators, but from within the company itself so that is what we are seeing now, but all in all the subsidy doesn't even help us. We don't have it. We don't get it.

15 **MR. LESOFO:** Now... so what I understand from what you just explained; some of the small bus operators had some form of sub-contracting arrangement, but it appears that those arrangements did not work. Is that your evidence?

JOSEPH MANYE: Yes sir.

20 **MR. LESOFO:** If you could just... I am not sure if you have first-hand information on this, but if you could just explain what made it difficult for those sub-contracting arrangements not to work?

JOSEPH MANYE: Thank you sir. What happened with our members; they got sub-contract; some. They were trapped fail, so to say. They were set up so

that they fail and chased out of the contract. Some; it looks like they said when you reach 60 is a max, but what surprises us there are still people who are over 60, but when you zoom in to those people they are the people who have been in the same company before so to us it's a fronting because you take your own
5 employee, you put them as if they are sub... they are small bus operators and then you claim to say, "Oh this one is a small bus operator. They represent small bus operators", but when you zoom in to it. They are your own employee and you just put them there to say they represent others and you keep them even if they are beyond 60. Others who reach 60; they have been chased out.
10 That's one of the reasons we think, but we don't know whether it's the government of maybe those two companies. The government should have known this is what is happening and the operator himself knows exactly. He said to this person, "You are 60 now. It's time to retire", but this other person here; he keeps him. You are 60/65 and you are still there. So that's how we
15 think that it's unfair there. Thank you.

MR. LESOFO: Okay just to make sure that I understand your evidence. Are you saying that if there is no proper monitoring in management of sub-contracting it can lead to for instance, fronting?

JOSEPH MANYE: Exactly.

20 **MR. LESOFO:** Okay.

JOSEPH MANYE: One other thing that I can put over and above that. There is this thing of you want a contract. You need to comply. You take this person and this one. Just after you sign the contract and say we have this contract now. We can easily chase way this person because we only needed him to sign so

that we get the contract. That's exactly what happened in our situation and there is that we have the proof of that letter that says you must train. From 2006 the company; big companies were supposed to take in people every year so that they mentor us and so that this 20 years; I think it's 22 years now. At least we
5 have more people in the mainstream, but at the moment as we speak only the employee who have been empowered.

MR. LESOFO: Thank you. The reason why I'm asking you these questions relating to sub-contracting is because so the current subsidy system appears to be dysfunctional and that has an impact on small operators because
10 as you've correctly pointed out the contracts have been running for over 21 years now and you've had similar operators being granted these contracts such as IBL and that disadvantage is smaller operators so the question now is how do we then ensure that small operators are given the opportunity to participate in the system and I think one of the options that can be explored is the option of
15 sub-contracting, but from your experience it doesn't seem like sub-contracting is a model that works so I just to perhaps, in addition to what you've just said; if for instance sub-contracting was done in a manner that addresses your concerns would that be an option that you would consider? Or your preference would be for instance, small bus operators to be given their own contract to run on their
20 own?

JOSEPH MANYE: Okay, thank you. Thank you sir. We have been making the strategies of how we can run this thing the easy way and the national department of transport make a decision that the next time when the tenders is being awarded to whoever; has been awarded a tender must give small bus

operator a set aside. Set aside; it works like all the bidder who is the tender, but a certain portion of this operation will give it to small bus operators. Not as a sub-contract, but as a set aside. We are doing the same job and getting the same schedule, but we have our own portion of operation. That was the easiest
5 because now, the allocation of subsidies will come as it should be because what we have experienced in the past. Some of the operators; small bus operators, they claim to have been contracted. They only got the running cost. I mean what can I say? They didn't get a portion of subsidy and that is why at the end of the day when you say, "It is time to buy a bus" the person couldn't because
10 he is only getting the money that the ticket say. Not even the money subsidy. That's a failure of the sub-contract. Thank you.

MR. LESOFO: Now, if you were to be given the opportunity to participate in the subsidy system; maybe through the set aside arrangement what kind of support would you need?

15 **JOSEPH MANYE:** I think the way it has been planned; you say these are specifications that have been given by the min contractor; say by the government or the employer. The employer as the government because we all work for the government and they will be giving the specification of how to operate. Then we have to say use the same colour. Say the operator; the
20 company that wins the tender used this branding. We all have to use the same branding, the same schedule as it is, but now I don't know how are they going to deal with the finance part, but I think by then they would have a solution as to how the whole thing will be funded. I think the financial support we need, we will need it.

MR. LESOFO: And in terms of management, right would you be happy to manage your own operation or you would want for instance the main contractor to play any role in that regard?

JOSEPH MANYE: I think we would appreciate if the main contractor will skill
5 us; give us skills, how to run it. We won't be just going to run it on our own. They will start to give us the skills until we are on the level that we can run on or own, but I think we will appreciate it if they can give us skills.

MR. LESOFO: Now if government were to issue a tender for subsidies let's assume the government decides to say terminate some of IBL's routes and
10 then makes... and then thereafter makes that portion of the roads available and invite bidders to submit tenders. Would your members perhaps through the co-ops or the company be in a position to tender and compete effectively/ in other words to submit a tender so as to add numbers, but would oy be able... do you think you will be in a position to compete effectively and win some of those
15 contracts and if not, or even if you could possibly be in a position to do that; what kind of support would you need to successfully, you know get the contracts?

JOSEPH MANYE: I think for now, we are not in the position to say we will bid for a tender because now as the government' the department of transport
20 said, as small bus operators our capacity is too little to be in a position to bid because we don't have capacity, but what we can do; if we are given a chance to go for a tender we will go for a tender, but we will have to get some funding from somewhere so that we managed the standard because we cannot use our own buses that we own now as SANSBOC because they are not in a very

competitive condition at the moment, but we will compete if we have to, but the national department of transport came up with that strategy to say, "I will give out a tender. Whoever who wins it must know, like any other departments, give small bus operators the fair chance, their piece of work so that they can improve themselves from within." Thank you.

MR. LESOFO: Thanks. So essentially the point that I'm trying to get at is that if government were to use the tender system you know the normal peer tender system as a way to transform the industry without making provision for what you've just explained. Now that a certain portion be allocated to small bus operators. If it were just to issue a tender it will be very difficult for small bus operators to bid and win the tender successfully especially because it would be... in all likelihood you will be competing with the very same operators who have been benefitting from the system. In other words the very same operators would have a competitive advantage and would atoll in all likelihood win the tenders and therefore that kind of model may not be suitable as far as transformation is concerned.

JOSEPH MANYE: That's true. It won't work for us because we are not,... we don't have the capacity to even operate one single town because of the compliance. When you look at the age of our vehicles; it won't help us and that is why the government came up with the simple strategy to say, you give them set aside; they get funding from somewhere and then they buy new vehicles and operate. Thank you, sir.

MR. LESOFO: Thank you, chair. I have no further questions.

CHAIRPERSON: Mr. Ngobeni?

MR NGOBENI: No further questions.

CHAIRPERSON: Miss. Nontombane?

MISS NONTOMBANE: Okay, Mr. Manye and your colleagues; I think the first question I have is the fleet of the operators; of your members.

5 How many on average?

JOSEPH MANYE: Thank you ma'am. Across the province we have 78 buses across the province meaning that one operator will have three, the other will have five and so and so.

MISS NONTOMBANE: And these are your normal 65?

10 **JOSEPH MANYE:** 65 seater bus. Thank you.

MISS NONTOMBANE: And then in your presentation you also mentioned that the main operators make it difficult for small operators to get sub-contracts and I just wanted to know whether there are specific things that they do that make it difficult for you to compete with them, but also to just be in
15 the same... to offer the same services that they do other than the sub-contracting that you are referring to?

JOSEPH MANYE: Thank you. The problem in the Free State is a normal problem. The main operator monopolises the industry. So it makes it difficult. If you want to go to any dealer here in the Free State; want to buy a pass. They
20 will tell you the main operator has given them instruction to say you don't sell them the bypass; any dealer here in the Free State. You go to Joburg, they ask you your address. Once you say Free State they will tell you, "Ma'am, that

dealer there; that operator there buy ten buses. You come up buying one bus there so we can't help you" or if you can, you will buy it with a high price. That's the monopoly operator in the Free State. Make that level and that makes matters worse. You take your vehicle; say you got this from any other province.

5 You take it to a dealer here for a service. You pay much more money than if you take it to another province just for a service and they will tell you to say, "You don't compete with that person." He is well-known. I think most operators here who have been running buses they know if you are not a friend to the main operator – tough luck.

10 **MISS NONTOMBANE:** If you can just tell us when you refer to main operator or main operators; we've heard that there is IBL and MALUTI. Are these the operators you are referring to or are there others?

JOSEPH MANYE: The main is the one that come first and the other ones; at least maybe from the other regions there is a similar thing, but as officials. You go there and apply for a route and they will tell you, "We know exactly what you are looking for. It's not possible." They take your money, they give it back to you to say you won't get a permit for that unless you are some operator that is working there. Meaning that you won't even try to apply for that permit because there is an operator, but now it goes back to our officials in the department of transport, they will tell you straight to say, "We don't event take this application."
15
20 The other one; the last one... the main operator; he operates schools, long distances with the same permit, but you can't even try to... we are limited to charter as small bus operators here. Most of our members have charter service and I think you know what charter service means. If you say you want a route.

Say the same route that was serviced by one of our sub-contractor there. You won't get it because they say the government took it from us, but the main operator will be operating the same route. How he did get the permit, we don't know.

5 **MISS NONTOMBANE:** But in terms of new roads. Say for example there are new developments where there is suddenly a demand, Are you able to apply for operating licenses for those routes; routes which may not be operated by the main operator?

JOSEPH MANYE: We tried in the past and failed because anything that we
10 will try in the Freestate there is a giant here who will just say, "No" and they will tell you from the officials themselves so we don't know what the operators gave to the officials because now the operators... the official will tell you to say, "You won't make it. Take your money."

MISS NONTOMBANE: Is it because we understand that there was a
15 period when there was an auditorium so when the licenses are not approved is it because there's an auditorium or is it just not approved whenever you go and apply?

JOSEPH MANYE: I'm not sure whether the moratorium part on that one because on buses the only operators; the giants like I am saying. I want to call
20 them giants. They gave a straight instruction to say, "Don't give them opportunity." Even if those ones are saying we have a charter service. We have to struggle to get one permit. So when it comes to the route. It's no, no. You can try now to say, "Okay I want a route; a simple route that doesn't even work for us." Let's say a dead route to say from here to Tromsberg; you take it to the

permit board. They will decline it. Not even by writing Just by looking at you and say, "No, it's not possible." We tried before so we are not just saying it. We tried. If it's a route; forget if you are a bus operator.

CHAIRPERSON: Just three questions; last questions from my side. From
5 the submissions that we have received in the Freestate and from your
submission as well, we understand that there are two operators within the
Freestate province who operate subsidised commuter bus services and that the
first is MALUTI which operates mainly in the western Freestate and hen we also
understand that there is also IBNL which operates in Botshabelo, Bloemfontein
10 and [inaudible 40:33]. Now I just want to confirm from you because it seems
that there are other areas of the Freestate which do not have coverage in terms
of commuter; the provision of a subsidised commuter bus services so what will
be those areas in the Freestate that are not covered by these subsidised
commuter bus services because it seems as if there is room for expansion of
15 this service to other areas of the province?

JOSEPH MANYE: Some of my members like I said, I represent the
Freestate. They tried to make some routes for me, but at some point number of
people who are travelling are not the numbers that can make a business viable
and that is why they left it for taxi's to operate because I am making an
20 example; you cannot take people from... I just want to make a... say from
Reddersburg on daily basis by bus. You'd find on Monday the bus is full, but on
Tuesday it won't be because most of the people just came in. They sleep over
here and they are only going back on Friday so those are the challenges we are
facing when it comes to other small towns, but other than that the towns that

have a business potential; the operators and the big corporations took over there and don't have a chance like let me make an example of Welkom. Welkom; there is a mega-bus that operates there. They are operating as for mines as well as the committing transport so it becomes difficult for a small
5 operator in Welkom to say, "I want that line from Virginia to Welkom on a daily basis." It's not possible.

CHAIRPERSON: So are you saying that the space or opportunities for the expansion of subsidised commuter bus services... are you saying that the space is very small and very limited to the... or are confined to the areas that
10 are currently being serviced by MALUTI as well as IBL?

JOSEPH MANYE: Ya, I wouldn't say that. I would say there is a bigger cake, but the only people who are having subsidised for the past year is they took over the space, but if they can share; they can be ready to share with us there are routes like the other person I have already mentioned. There are routes that
15 are not being subsidised as we speak running more than 100 buses that are not subsidised. If those routes can be given to small bus operators across the province then we can make a living out of it.

CHAIRPERSON: Which are those?

JOSEPH MANYE: Like they have mentioned that there are operators who
20 are operating the big companies that are operating. They are operating routes that are unsubsidised, but if you can say let them run the number of buses that they only were given when they get contract so that they open up a space for the other operators to come in. Then we can have a space.

CHAIRPERSON: So which are those routes?

JOSEPH MANYE: A lot of routes.

CHAIRPERSON: If you can just give us a sense of one of those?

JOSEPH MANYE: Let me make an example in Bloemfontein. There are new
5 establishments or new locations that are now here in Bloemfontein. If we can be
given those sections of the township to run those and again, those companies;
they have mos... you travel from location to the town, from the town to the
suburbs so you need to have those kind of service. If maybe we are given that
opportunity then we have say... for example we have say ten buses from
10 township to town, then another ten from town to the suburbs; different suburbs.
That would work for us meaning that space that we are talking about it won't be
what can I say... filled anymore. There would be a space for us to operate as
long as they can minimise their buses because we have say now, they are
running something like 300 or something buses. We are talking Bloemfontein,
15 [inaudible 45:53] and [inaudible 45:54] when others are, "I don't have space."
Then we will be told when you go to the permit board to say the market is
saturated. We don't know how.

CHAIRPERSON: Thank you very much Miss Selame, Mr. Mokwa and Mr.
Manye for your time as well as for your presentation and the manner in which
20 you have answered our questions. Thank you very much. You are excused. We
will certainly take up the issues that you have raised with the relevant
stakeholders including the Freestate department of roads and transport.

JOSEPH MANYE: Thank you very much, sir. Thank you.

THABO MOKWA: Thank you very much.

LYDIA SELAME: Thank you.

CHAIRPERSON: We will now take a lunch adjournment. Lunch coupons I am told will be handed out on my right at the door and then you will then be
5 directed to the restaurant where lunch will be served. Everyone is welcome to join us for lunch. We will be back at 13:30 to receive the next presentation after the lunch adjournment.

Session 3

CHAIRPERSON: Welcome back. We will now receive the next presentation from Mr Stuart Paul Denoon-Stevens. Afternoon Mr Stevens and thanks a lot for coming. You may take the oath or the affirmation.

5

MR STEVENS: I, Stuart let me do the affirmation again, I, Stuart Paul Denoon-Stevens solemnly affirm that the evidence I shall give shall be the truth, the whole truth and nothing but the truth.

10 **CHAIRPERSON:** Thank you very much. If you could start just by indicating, just very, very briefly just your background in terms of profession and occupation and then you can take us through your presentation that will then be followed by questions from evidence leaders as well as the panel.

15 **MR STEVENS:** Okay, well my name is Stuart I am currently a lecturer at the University of the Free State, I lecture Urban and Regional Planning. My background is, I have a Masters in City and Regional Planning from the University of the Free State I mean sorry from the University of Cape Town. I spent about five years in the industry and then I spent the last three and a half
20 years in Academia.

Public Transport is not one of my core research expertise but it is something I am passionate about and it is something I would say I am well informed on so the arguments that I am going to be making are stuff very much literature based
25 as oppose to stuff drawing on my own original research but as I said something I am very passionate about and hence that is why I am here to actually speak about it. Is that okay, shall I proceed with my presentation?

CHAIRPERSON: You may proceed with your submission Mr Stevens.

30

MR STEVENS: So the essence of this mission is, sorry let us just go back one slide? The essence of this presentation is to effectively lead to the last ten slides and the focus is basically saying we are starting to recognise in South

Africa that BRT is not the way forward, so then the question is what is? So the first part of the presentation is very much a lot of facts that I assume you as Commissioners will be mostly familiar with and I ask you to bear with me as I run through them.

5

They are leading to a very specific argument about what else if we move away from BRT and my BRT is not the answer for South Africa. Okay, next slide? So as mentioned I will start off with just a very quick thing on transport in South Africa and key issues in public transport with that leading very clearly to the alternative section which is the focus really of this presentation. Okay next slide, so facts that will not be unfamiliar, if you look at the transport make up of south Africa we recognise that taxis are about 26% of all trips to work are by taxi's and about 70% of transport users use taxi's to work.

10

15 Busses and trains are only about 8% and 5%. Okay next slide and the key thing with this is that it is very much broken up by income and I think one of the mistakes we often make is public transport users are the poor, the wealthy are private motor vehicle users. It is actually a little bit more nuanced in that the poorest of the poor tend to mostly actually walk to work, walk all the way to get to their place of work whereas it is almost more the working poor which are very much the, who dominantly use taxi's and obviously the wealthiest mostly being vehicle drivers with very few actually being vehicle passengers.

20

Okay next slide, okay one of the key things with this is also if you look at in terms of travel time for the different modes of work, trains and busses which are the two subsidised forms of transport are also the longest forms of transport with average travel times being about 76.51 for busses in minutes and for trains it was about 88.33 on this one as well. Minibus taxis were substantially faster at 53.19 minutes for a one way commute but still slower than driving which was about 41.77.

25

30

I think one of the key other aspects with this is that the situation in South Africa is getting worse not better. If you look at the figures back in 2003 the average mini bus taxi trip then was 44.92 minutes whereas in 2013 we are looking at

53.49 minutes and of course if you compare it against international benchmarks, international benchmarks tend to say trips to work one way should be half an hour or less so we are substantially above what the world would consider as good, as a good benchmark.

5

Okay, so just moving from the basics, if you look, if we had to kind of say what are the biggest issues in public transport in South Africa? The first would be cost, one simple way to do it is saying how much money are people actually spending on public transport? For minibus taxis, people mostly use minibus taxis it is 17% versus someone who drives, sorry let me just run that through, ja, so driving is about 70% minibus taxis is about 17%.

This alternative approach the researcher at UCT Andrew Kerr has used and that is to talk about the effective medium tax rate, what that tries to take into account is not just how much money it costs but also the travel time and the loss of time that could be used for other activities whether productive, educational, family life and so forth. In that case we then start seeing the busses actually have a medium tax rate of about 40%, minibus taxis of about 29% and driving of only about 16% so it is quite a useful way to take time and cost into account is the tax rate approach.

Next slide, okay, I think it is anyone, any news to anyone that in terms of transport we have a dangerous transport system in South Africa in terms of road fatalities. I think what the point really here is to really understand how bad it actually is in South Africa so this figure over here comes from the Global Burdens of Disease study and it was the estimate in South Africa to say what are the leading causes of death?

In South Africa the 7th leading cause of death is road injuries so simply going on the road is incredibly dangerous actual activity. So the likelihood of you basically going by a traffic accident is extremely high in South African context. Next slide, if you actually look at the statistics about 14 000 people lost their lives on South African roads in 2016. To give you just a comparison, in the UK

we are talking about 3 road traffic fatalities per 100 000 individuals, in South Africa we are talking 25.16.

5 So again developed Northern versus Southern country but still the point is we have a fundamentally high rate per capita than a lot of other countries for example the UK. Next slide, one of the other elements of safety that is less recognised and less known in South Africa is the issue of TB and public transport. This was a specific study done to say to what extent does public transport contribute to TB infections in South Africa and was found that it was 10 about 3.5 to I think 5% of TB infections tribute to or basically happen because of public transport.

15 With that they looked at trains, busses and taxis and minibus taxis were far more likely to have, sorry someone travelling in a minibus taxi is far more likely to contract TB than someone travelling in a train or a bus and substantially greater than someone driving as well, so one of the key safety aspects of public transport is also this issue of TB and its link to public transport.

20 Next slide, keeping also with this as well is and I think this is certainly not going to amuse the Commissioner is the unfair treatment of minibus taxis in South Africa. They transport about 70% of commuters on the roads but only get about less than 1% of the subsidies as well. Next slide, and I mean the persecution of taxis has happened right from the origins from the late '70's right through to present with police frequently raiding taxis.

25 Next slide, and I think one of the best examples of this was this recent initiative by the Department of Transport to say all taxis have to have standard colours, so within 6 months every taxi was supposed to become white with the South African flag on it. To the best of my knowledge, I emphasise that, I do not think 30 there was any financial assistance given to taxis, they were expected here is the new regulation about colours and the flag and so forth, comply at your own cost and they had to someone find money for this.

I think this is very much typical the Department of Transport attitude towards taxis is effectively saying comply, but I think also with the BRT it was also a very strong message to taxis is we do not want you on the roads we want to replace you which is very much up until recently the message the Department of
 5 Transport has really been given.

Next slide, but, and I think to emphasise this as well, taxis are the dominant form of transport they are incredibly valuable on the roads but it is also important to recognise their issues. Firstly, the issue of tuberculosis as
 10 mentioned also the issue of reckless driving. This comes, the graph below is a study that a student at Stellenbosch did in about 2013 where you track the speed of, I think a couple of taxis going between Eastern Cape and Cape Town and what you can basically see is that for the majority of the journey basically the taxi that they were tracking was well over the speed limit of 100 km/ph as
 15 well.

That is the issue of the reckless driving side. The AA and I am a little bit cautious about this because they were not very clear about where they got their data and what their statistics are, they argued that minibus taxis are twice as
 20 likely to be in an accident as compared to a normal vehicle or a car and that some, emphasis on some, studies of public transport user preference tend to indicate the preference for busses as well.

Okay, then I think the core issue is BRT and the unsustainable implementation
 25 in South Africa, you know of the 13 systems that was supposed to be implemented, we are only seeing 3 being operational at the moment. In terms of cost recovery we are looking at a situation in Johannesburg of about 3 – 40%, Cape Town in 2016 was 49% and George was a total cost recovery of 12%. So it is, one of the biggest aspects with this was, and I will get to this next
 30 part, is that BRT was coming in to replace taxis along certain routes and we replaced an unsubsidised form of public transport with a subsidised form of public transport and we relied on that.

So the argument to say is why is BRT actually unsustainable in Sout Africa? Well the simple argument was density. We do not have the density in South African cities to be able to support a BRT type system and this was and this was just a simple example that one of the newspapers used, using densities of
 5 other cities with BRT's from Latin America, on the one side you have operating cost and on the other side you have density, but the argument is a little bit more complicated than that.

Next slide, (inaudible 0:11:18) recent research is to be found to say it is not just
 10 a question of high low density, it is a question firstly of where is the density so the example of with South African cities which have the densities typically on the edge of the city, increasing density would not make the system more sustainable, if anything it will make it worse because of the way the density is at the wrong place it will effectively be increasing the demand far from the point of
 15 work as oppose to having an evenly spread density profile.

The other issue with this obviously the length between the township and the place of work where most people are coming from and then also the issue of (inaudible 0:11:53) the fact that South African cities are very mono-functual with
 20 dominant, dormitory residential areas and then very high business areas with limited residential with that as well.

Okay next one, and then lastly in terms of the unsustainability of the BRT's is obviously the arguments around the removal of taxis. I have gone through quite
 25 a few of the media reports, I cannot say for exactly what the figures are etcetera, we know in Johannesburg they are paying R830 000 to replace a taxi and the arguments against this is multitude but I think the first and one of the most important for me was the removal of choice.

30 Instead of introducing a new public transport system into South Africa that would give public transport users a choice of different systems the argument was effectively let us take away taxi's and put on BRT. So if you look at somewhere like London or you look at somewhere like a Southern city like Mexico City you have got the option of subway, you have got the option of rail,

you have got the option of bus, you have got taxi so public transport users can adjust their system to the system that works best for them.

5 Someone doing a long distance trip might use a bus because it is more comfortable or someone who is using a taxi might use that to get to an area that is less served by the forms of public transport. Replacing of taxis with BRT's force public transport users into a situation where they had to use the BRT because that was the form of public transport available to them as well.

10 The second arguments is obviously this makes it far more expensive, if you just move to the next slide, cool, and the next slide that is just an argument from Cape Town, so what some researched did, some took the hypothetical example and used a very conservative figure of saying let us say there is only a 150 000 taxis on the road, the actual statistics are somewhere between 200 000 and
15 300 000 depending on who you talk to, what they argued is that if every taxi had to be replaced using this kind of compensation models it would go somewhere from about R39 billion to R173 billion to actually justify that removal.

20 So taking taxis off the road in favour of BRT was only ever going to work in a very limited small context as well. The other argument with this is job creation. The city when they did these, sorry the city of Cape Town when they did the replacement of the BRT said we will not lose any jobs and there has not been any decent research to kind of say whether jobs were lost or not, the likelihood was that there were. We are replacing a 16 seater taxi with a 100 seater BRT
25 bus, whatever the number of seats is, you are going to lose jobs with that.

30 Next slide, okay so that was just a very quick run through to just kind of make the argument of where this kind of proposal for alternatives comes from because I think it is important with these kind of issues is not to simply say what is wrong but what should we be going towards, wat is the better model out there?

Okay, next slide we are kind of working with about four principles. The first principle and I think it is something that the Department of Transport is starting

to finally realise is work with taxis. They are the dominant mode of transport, you are not getting rid of them so make them work and that obviously means that we are going to focus on improvement the public transport systems in South Africa, it cannot be about replacement it needs to be about how do we
5 make taxis work better?

Next slide, okay this is a quote I tend to like, Enrique Penalosa who is behind the BRT system in Colombia has an argument, he says “the first article in every constitution states that all citizens are equal before the law.” That is not just
10 poetry it is a very powerful principal. For example if that was true a bus with 80 passengers has a right to 80 times more road space than a car with one.

Okay, so transport systems in South Africa at least roads are a public services yet they give undue preference to wealthy who mostly drive to work. If you look
15 at the road space per capita of someone who uses a taxi versus the road space capita of someone who drives to work in a VW Polo by themselves. Someone who is driving to work in a VW Polo is using 10 times more road space than someone who is using a taxi. So creating a system that treats all vehicles equally results in a situation where the poor are treated unfairly and the wealthy
20 are overly privileged by the public transport system.

Okay next slide, the last two principles is obviously, and this is very much a lead up is the item of goals of transport system that gives the majority of users a fast, cheap and safe service, sustainable and maximises the number of jobs created.
25 Lastly and I think incredibly importantly is that Government should remain as a facilitator of public transport not as a provider in particular with the introduction with BRT’s it was at a municipal sale and effort of municipalities to start providing public transport as oppose to simply being a regulator and facilitator of the services and I think as the experience we have seen with BRT’s in South
30 Africa it has been an absolute dismal failure, so it is kind of saying what does it mean for Government to be a facilitator, how can they do their job better?

Okay, next slide, so the argument for a better system. The first argument is that instead of going for things like BRT we should be looking at things such as bus

and mini bus taxi priority lanes. This is a system that is used all around the world. The earliest example of it comes from about the 1940's in Chicago. I am just going to explain I have used the one example what we have got in South Africa are the N2 corridor in Cape Town, so what it is basically from the airport
5 in Cape Town running right through to almost the CBD, one of the lanes on the N2 is allocated for public transport specifically busses and taxis.

It is a simple system it uses paint and cameras, speed cameras to prioritise that lane of road for taxis and busses and cars. I cannot say what, the research has
10 been quite dated. The research that we have come from roughly when the system was put into place or the extended system which was about 2008. When they put the system into place they found that for public transport users their trip time reduced by about 19 minutes when it was first introduced and surprisingly for private vehicle users their travel times dropped by about 5
15 minutes. I think they argued that because of taxis weaving between different lanes it actually ended up slowing traffic so by giving them a specific lane both public transport users gained the most but also private vehicle users also used it as well.

20 And the difference between something like this and BRT is that it is a hell of a lot more cost effective using paint and cameras and secondly you are not trying to provide an entire fleet of busses, not trying to provide stations, not trying to build a whole lane by yourself as well. It is working out how to do an efficient use to give the majority of road users who are mini bus taxis and busses the
25 benefit of the road system. So something like this has worked around the world. It is not a golden bullet and there had been many examples of this also failing so there is success factors that need to be looked at but it is a system like this that can be done far more cheaply , far more effectively and also provide an even competitive edge for taxis, busses and any other public
30 transport forms out there as well.

Okay, next slide, the next argument is also to say when we start to look at how development happens in South Africa, again it has always been predisposed towards the car because that is what the wealthy drive. So the argument is

starting to say what does the public sector need to do to ensure that taxis are recognised in private developments? So from a land use perspective there is nothing to say that there cannot be regulations put in place when you do a new development whether it be an office development, a shopping centre that we

5 start to change the land use regulations to require that those developments are public transport friendly and pedestrian friendly.

A simple example requiring that within a certain distance of the entrance of a shopping mall that there is a dedicated pedestrian infrastructure and that there

10 is a mini bus taxi embayment. So you build a shopping centre, you build a mini bus taxi embayment it is not rocket science in this sense and it is something I think we have fallen quite behind on and it is also looking at what can we reasonably expect of the developers but there is nothing to say that we cannot do this.

15

Next slide, over and above asking developers in their own developments to ensure that there is infrastructure given for public transport users, there is an argument for, as part of the development contributions is setting aside money for public transport facilities and this example again comes from Cape Town.

20 So when you do any development there is a development contribution which basically means because that development say creates a thousand new trips on the road that developer pays a contribution to the municipality to compensate it for the extra demand on services.

25 Typically the transport aspect of that has just been for roads. The National Land Transport Act 2009 does make a provision that you can actually request user charges for public transport infrastructure from developments. So what the City of Cape Town has done in their development contributions policy and this is quite different to the rest of the country is that there is a certain amount of

30 money that is given over for public transport improvements that are related to the development but not on the development itself, so for example that money can be used for public transport interchanges, non-scheduled service facilities. Street to street pedestrian access or class one road cycle lanes as well.

Next slide, I mean I think those two arguments are very much saying this is what the public sector can demand of the private sector when they are doing developments. There is also a strong argument to say is that the public sector needs to get its ship in order especially when it comes to doing its upgrades of roads and pavements for pedestrians. A typical pavement in South Africa for a lower order road is 1.8 meters and that simply works on the profile of one person walking past someone else to have enough space for that.

In South African cities we have informal traders using the roads, using a large portion of the pavements, we have disabled users, we have a multitude of demands that the typical road standards we implement do not cater for. So there is a strong argument to say is that municipalities need to take a long hard look at themselves and say when they are doing their upgrades, are they actually catering for taxis, for non-motorised transport users, are they making adequate space that when they do a pavement that you can have someone trading on that pavement and two people be able to walk past even if the one person is disabled.

Next slide, cool, and I think this is almost one of the last arguments with this, there has obviously been talk with taxis and bringing in a subsidy for them as well. One of our arguments to improve taxis, how taxis are actually driving on the roads is to link those subsidies to GPS tracking. There is very limited experimentation or evidence trying this kind of approach. The one example we have was from an experiment that happened in 2008 in Cape Town before the Fifa World Cup where they fitted a number of taxis with a number of technologies including GPS, GPRS, CCTV cameras inside, there was a door, I think a door opener, basically it measured when the door, it logged when the door opened in terms of the GPS signal and also a passenger counter.

So what they were trying in this experiment is saying how do we bring in ICT into taxis? There was some, it worked, the only issue of this kind of experiment was it went for a very high technology solution in 2008 it was about R55 000 – R60 000. But doing something like this where you just have simple technology, maybe a CCTV camera and a GPS and that the subsidy given is subject to

good driver behaviour could be a very powerful way to improve the driving behaviour of taxis. Basically recognising their value but ensuring that the driving inhabitants are safer.

5 I think the one caveat with this is the new regulations are arguing for speed governors which basically means that a taxi will not be able to drive past a 100 km/hour. GPS is far superior to a speed governor in that if you are saying you cannot drive past a 100 km/hour it does not really have an impact if you are driving in a 60km zone if someone is driving at a 100. Also it does not really look at how someone is driving and a GPS tracker can actually do that and
10 these systems are already used in South Africa, I mean Discovery with their vehicle insurance has such a system in place for private motor vehicles so doing something like this would simply be basically taking what Discovery is already doing and just encouraging it into the public transport sector.

15 Next slide, this is the last slide. Just to finish with this quote, “(inaudible 0:24:31) animals, pedestrians as a fish needs to swim, a bird fly, a deer to walk, we need to walk not in order to survive but to be happy” Enrique Penalosa. And that is my contribution.

20 **CHAIRPERSON:** Thank you very much Mr Denoon-Stevens, gentlemen who is going to start with the questions?

MR NGOBENI: Thank you Chair. I have two or three questions. I think maybe let us just start with the criticism, it appears to me that the central theme of your
25 submission is that the full replacement model which was adopted by other cities like the City of Cape Town you know is not an ideal model you think is going to sort out all you know whatever Government has in mind you know to try and resolve, the alternative that you present is that you then talk about you know you then suggest that maybe what should then happen you know Government
30 should then start working with the industry which is the mini bus industry and I know you are not suggesting that you know they are not working together currently, but the question that I have to an extent that you are suggesting they are not working together then what is it that needs to be done? You have already identified the issue of priority lanes and the sharing of lanes and all of

that but the question is I assume that there is co-operation, you know they are working together Government and the industry are working together so where is the problem you know given the assumption they are working together and then there may be issues where you know they are not meeting each other. You
 5 know so given your knowledge and you know your research experience in the industry where are the failings in the working relationship between Government and the industry?

MR STEVENS: I think, okay, to emphasise I mean I am not an expert in terms
 10 of Government transport relations so this is going to be a lot of my just talking of what I have seen but it is not direct experience. While Government and taxis are working together there is a long history of antagonism between the two, you know taxis being illegal from the '70's right through to the late '80's and then right from the '90's this constant message of suppress, regulate but do not, let
 15 us work with them as well.

I would say the issue is firstly that there is still very much a command and control culture you know the example of the taxi colours being an excellent example, you know there is dialogue between the taxi bodies and Government
 20 but then Government just comes out with the regulations saying change colours on your taxis and you just have to do this. So I would say one of the first and most important aspects is relationship building is that both partners actually starting to listen to each other, understanding the issues and understanding and not just saying we are Government we have the power therefore you will listen
 25 to us which I think has been very much the message that has been given.

The emphasis on priority lanes is also, if you look at the major upgrades, very few of them have actually been for the benefit of taxis and I think starting to do something like a priority lane intervention which does not, it is not to say it does
 30 not need consultation but it is a relatively safe intervention to do in the sense that you can do it with limited amount of negotiation but there is a very clear benefit in the mini bus taxis, start off to give a very clear message to the taxis that we are not just saying words that we are actually are going to go forward

and do something for you to make your lives better to make this system actually work for you.

5 I think when the mini bus taxi industry would, sees evidence that Government is not just going to through regulations at them it is actually going to try do something to their benefit that they will actually start listening and I think that for me is the first part of relationship building exercise is Government putting the foot forward saying we are going to do something to you to show we are serious about working with you and actually be to your benefit not just a situation of
10 saying working with Government because we want to be very cautious about what regulations are next around the corner that are going to hurt us as well.

MR NGOBENI: Thank you and in cities where the system has been implemented, are there any benefits that you have observed you know which
15 have accrued to commuters for example? In cities where there has been a full implementation? Are there benefits that you observed you know from the implementation of the system?

MR STEVENS: Just a question to put clarity on that, are you referring to where
20 they put bus priority lanes into place or are you referring to the BRT system?

UNKNOWN MALE SPEAKER 1: Yes let me, to the BRT system in South Africa? Let us take you know the City of Cape Town for example so the question is, I am just trying to, you know I understand the criticism but I am also
25 trying to understand if there have been any benefits you know to commuters and also if you can maybe comment if there have been any benefits to you know the industry, mini bus taxi industry as well? In that I am referring to the operators who have opted in, and have decided to you know join the system and relinquish their operating licenses?

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MR STEVENS: To my knowledge the studies that have looked at BRT and how users are satisfied there are not many, I often had a bit of mixed results. There are benefits in the sense that BRT's are far more comfortable that is one of the big things, especially if you are travelling for an hour or more to your place of

work having a more comfortable ride is obviously more beneficial. I would not say I have observed this but simply by logic given that you are now carrying people in a bus there is a lot more space between people the risk of TB infection is most likely lower. I have not seen any evidence on that but just by
5 logic you would argue that.

The evidence, the issue on fares is it cheaper is a bit of debatable one and also is it faster? I have seen kind of mixed evidence on that regard so I could not say for definite but I can say for definite that if it is cheaper it has not been by a
10 substantial amount and if it is faster it has not also been by a substantial amount. So I would say the most benefit that we had from BRT's for commuters is the feeling, the safety of it the fact also safety and comfort.

Look I mean from the taxi industry especially for the taxi bosses the benefit is
15 obviously they have been paid out for their routes so someone, a taxi owner in Johannesburg if you have got one taxi that is R830 000 in your pocket and they have also then been brought into the operating companies of the taxis so there is a yearly benefit.

20 So the compensation model does have that benefit is it not simply, if it was simply a situation of we are taking away your route and replacing it with the BRT system there would have been a far more outcry so there was a very good financial benefit given to the taxi bosses. Whether that was justified as sustainable is highly in question and I think it is pretty certain to say it was not a
25 sustainable model. For the taxi drivers, when they were replaced there was a programme put into place in Cape Town that the taxi drivers were given the opportunity to be trained as BRT drivers as well.

30 So it was not a total job loss situation in the sense that, I mean Cape Town was claiming that they would lose no jobs because of (inaudible 0:32:26) which I think is debated quite a bit as well. The problem with that was obviously you need a certain level of education to be qualified for those programmes. Not everyone passed the programme to go in to the BRT drivers, so it managed to

mitigate to a certain extent some of the job losses that happened by replacing taxis.

5 So it certainly is not a situation where there was no positives that came out of it. the question is the scale of those positive benefits versus the cost and the financial sustainability of the system and the things is we have not seen substantial improvements in terms of cost, speed, number of jobs created coming out of the BRT system. So there are marginal benefits but I would not say they are certainly substantial on that system.

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MR NGOBENI: Lastly Chair, on the question of priority lanes and given the you know your knowledge of the industry and you know given the fact that that would then you know, a situation, you know that is going to happen is a situation where you are going to have a situation where you have two modes of transport you know moving on the same lane which is the priority lane. I mean given the nature of the industry as you know it would that not result in some tension you know between the two modes of transport?

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MR STEVENS: I think that is what the Cape Town example was very interesting to see and I think there needs to be more recent research done on it to see how well the City has maintained the system, how has it developed over time but when the City implemented the bus priority, City of Cape Town implemented the lane for the first time private motor vehicles were going faster because of it because you did not have the taxis weaving in and out of the lanes like you have in most of the situations.

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In some ways it actually did the opposite it eased tensions between that because taxi drivers instead of creating their own lane by going into the yellow line or jumping, shifting between lanes, had their own space so it managed to actually reduce the tension between different modes of transport in that case and I think the emphasis with this as well is that there is not one form of bus priority lane and it is not a golden bullet if you do it incorrectly you are going to have the same sort of harms that you had with the BRT system but there are

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ways to do it correctly and how they did it in Cape Town, at least when they first did it seems to have worked at that time.

MR NGOBENI: Thank you Chair.

5 **CHAIRPERSON:** Mr (inaudible 0:35:03)?

MR LESOFE: Thank you Chair and thank you for representation. So from your presentation as well as your evidence you seem to share the view that BRT in its current form is unsustainable? Now the most radical alternative which would affect the fundamental nature of the system would be to discontinue the system completely and use the fund dedicated to funding the system to actually improve and assist in the formalisation of the taxi industry which is responsible for the majority, for you know providing service for the majority of commuters. Can you comment on that?

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MR STEVENS: Sure, so I think we need to break the BRT system down into Cape Town, Johannesburg, George and then the rest of the cities with that as well. So Cape Town and Johannesburg they have lines operating etcetera, they are not achieving cost recovery and they are unlikely to achieve cost recovery but they are there they are operating so I think in those instances to break down the system that is already there would be probably not the best move because you are basically, the question that have to come is how much is the subsidy going versus how much money, what are the tensions that would be created by breaking the system, is it going to cost us more to break down the system than to start afresh?

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I would say most likely the logic would be that in Cape Town and in Johannesburg's case in terms of the existing lines it makes sense to keep them as. George is a different situation, George never went for dedicated lanes, they went for basically a municipal bus service effectively so it is questionable you can even call it BRT but it was funded under the BRT programme. The question they are going to have ask is are they ever going to achieve cost recovery and how close are they going to get to that? If they are at their current estimate of 13% there might be a lot of logic to selling off those busses because

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they might be able to get far more back and be much more financially viable in the longer term.

5 The other ten cities that have not, that have been funded for BRT and have not implemented it yet or are very out or early phases, you have to look at how far have they gone in terms of the implementation but majority of the systems start with the routes, the actual building of that as well. That is also where the bus priority lane system has a very good possibility and preference is those routes that they have built, there is nothing to say, it might take a couple of design
10 changes and considerations but a lot of that thinking can be adjusted for bus priority lanes so instead of those cities moving forward ad building station and buying busses themselves is rather to look at how do we get the mini bus taxis to use these lanes that we planned and in some cases started to build?

15 In that way you would not be losing the investment that has been put into place already but that you would not end up with a white elephant that Cape Town and Johannesburg currently have.

UNKNOWN MALE SPEAKER 2: Okay thanks, and you have partly touched on
20 this but also I wanted to get your views on the acceptable level of subsidy that should be allowed? So currently there appears to be over reliance on subsidies and from the graph, I think that comes out clear from the graphs that you shared which do some form of comparison. So my question is what is the acceptable level of subsidies that should be allowed and I think I am asking this question
25 because there appears to be the general acknowledgment that throughout the world public transport is subsidised?

MR STEVENS: I think the answer to that question I would firstly start to say let us look at the South African budget. You know right now the whole South
30 African budget is under dramatic pressure and I think that for me as well, I am very in favour of the idea of subsidy for mini bus taxis I am saying wit cognition doing that is going to be quite difficult under our current circumstances.

So the way I would say, looking at what is an acceptable level of subsidy, I would take it from a cost perspective. If the aim is to improve the payments of mini bus taxi drivers which is currently below Labour Laws and the registrations, if it is to try and encourage good driving behaviour, which means if taxis are driving slower that probably means they are going to get less income in plus getting people to kind of put in GPS systems, maybe one or two other technologies.

I would almost say that you need to do a calculation of that is to say how much is this actually going to cost a typical taxi boss to pay their workers better, to pay their drivers better, to drive reasonably, to put in a GPS system and using that as a way to work out well that is what the subsidy amount should be because ultimately under our current system is going to be damn difficult with the issues and the budget but you have got an industry, well no one is quite sure but anywhere between 300 000 and 500 000 people who are not being paid adequately plus who are not driving safely so there needs to be some tool to be created to encourage that so if we use a subsidy that is basically how I would say to go about it as well.

But I think it is also, and I think the other practical matter is busses and trains have relied on their subsidy and trains getting the bulk share but they are only transporting a minority of users. So the how would you, the question is also how much, how do we move that subsidy away or reduce it? I am not sure of that is possible even though it is desirable and I think that would be another part of the discussion that needs to happen but I do not think has happened yet as well.

MR LESOFE: Thank you and this may probably be your, this may not be your area of speciality because I see you did not cover it in your presentation but I just wanted to get your comments or views or thoughts on the subsidy system for commuter bus services? I mean I refer specifically here to bus services that are rendered by operators such as Busco, Putco and Golden Arrow?

MR STEVENS: Look I think and drawing on my expertise here with Urban Regional Planning and Geography you know you have got, the apartheid city model is still going very strong and if anything it has become worse since in the post-apartheid area and because of that it is, you have got long travel distances
5 so to create a system that was full cost recovery would be incredibly difficult. I think that is almost where the debate comes, I mean I am going to talk a little bit more hearsay here as oppose to stuff that I know for certain but as I understand it for example in the Bloemfontein situation the busses Botshabelo and Bloemfontein, I stand to be corrected I think are round about R20.00 one way
10 and I think it has forced the taxi industry into a situation where they had to offer rates similar to that or below that in order to remain viable.

So could you move away from a subsidy, should you move away from that if it results in the cost of the ticket going up? No! You know for me that is the other
15 question with that as well, how under our current geography model do we move away from subsidies and it is going to be very difficult. So the longer term project is what we have been trying to do for the last 24 years is to build cities where low income housing is located far closer to places of work so that we can kind of reduce the demand on the system itself, but as you can see wit the low
20 income housing project in South Africa over the last 24 years, it has provided houses but in completely the wrong location.

So in achieving that is something that is going to, if at all be possible is going to take 20, 40, 50 years as well and how to think about subsidies in that context is
25 going to be quite difficult. So I think the broader goal here in terms of public transport must be thinking about how do we make the cities that we live in better suited so that people can walk to work preferably not even have to use public transport if that was possible, but I think our experience has shown that is very difficult and I think it is going to take a very long time for us to get to a
30 point, if we even get there of creating better cities.

UNKNOWN MALE SPEAKER 2: Thank you. Thank you Chair.

CHAIRPERSON: Miss Nontombana?

MS NONTOMBANA: Mr Denoon-Stevens, my question is with regards to whether there is any rural perspective to the proposals that you make in your presentation because in the submissions we have received there is a bid
5 coming out regarding the specific challenges that are in relation to the rural areas and I would like to just get your perspective in terms of what you are proposing?

MR STEVENS: Okay I think my presentation did also have a bit of an urban
10 biased so we all recognised that. In terms of the proposals made I think two in particular are important, firstly is the proposals about ensuring that any new development has public transport infrastructure or contributes towards public transport funds, the proposals that municipalities needs to raise their standards when it comes to public transport and non-motorised transport infrastructure.
15 That is applicable in the rural case and that is applicable in the urban case as well.

Things like bus priority lens, I am not sure how relevant they would be in a rural context as well. You would need to look at is there congestion, is there choke
20 points but in a rural context it is unlikely to find that so I think those lighter suggestions are applicable to both. The other aspect of the rural systems is in particular again it goes back to the apartheid city model so if you use Welkom or Matjhabeng as an example, you have got Kotholong which is about, in that city in Matjhabeng for example you have got Odendaalsrus which has got
25 businesses, opportunities, you have got Welkom and then you have got the old money town of Kotholong.

As just an example, to get from Kotholong to any shops, businesses anything like that you basically have to take a taxi and that is where the question also
30 comes about taxi subsidies is that someone living in Kotholong versus someone living in Odendaalsrus, if you are poor and you are living in Odendaalsrus you could probably walk to get to most of your opportunities whereas if you are in Kotholong you have to find the cash to basically afford a taxi or plan for walking three to four hours if not four to five hours to get to those opportunities.

I think that is also the other question with the mini bus taxi subsidy that needs to be thought about is, is it an urban thing or is it a rural aspect and there is actually argument to be said that especially in rural areas where there is limited
5 job opportunities and you have got these isolated communities separated from the main job opportunities areas plus with the services that there is probably maybe an argument for even greater subsidies in that context so that if you are looking for work you are not spending R20.00 to get to the town where you can find a job that you are spending R5.00 or R2.00 if that is even possible.

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MS NONTOMBANA: Another question that I have is that one of the issues that you raise is that Government needs to work more with the taxi industry because they are part of the solution in a way and one of the things that has been raised with regards to Government not working with the taxi industry is
15 that the industry is not organised and it is not formalised and so if you had to introduce a subsidy for example you would have issues with implementing and even monitoring the use of that subsidy.

And so I just want to get your views in terms of that because it seems to be a
20 chicken and an egg situation, you get the industry to formalise and then you will subsidise or you subsidise the industry in its current form and then you just improve it such that you could see were that subsidy is going?

MR STEVENS: I think the one area I disagree with you is that to say that the
25 taxi industry is not organised. If you look at the actual structures, I am drawing here on conversations I had with the researcher in Cape Town, Henry Comri who has done quite a bit of research into this in terms of the structures within the taxi industry itself.

30 There is a very clear structure that is possibly more structure, more formal than even Government has it is just completely outside the Governmental system itself and it is not necessarily always the best system you know it can be, it is a system that does operate sometimes to exclude new entrants, it does privilege certain things but I mean it is a very clear thing between having a taxi

association and you belong to another organisation which has a provincial representative which has a national body as well.

5 For me that is also where the GPS system has potential because then you are creating a bit of a trust way it is not just here is a subsidy it is saying if you drive in a certain way you get a subsidy which means you have to have that taxi actually logged and you have got records how that is operating on a continuous basis. But I think it would be a mistake for Government trying to change the structure not mistake to change the structure.

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There first needs to be a recognition of the existing structures within the taxi industry and then figuring out how those are working or not working and then working from that perspective and I think, I cannot speak too much about that because it is not my expertise but if I could make a reference Henry Comri at 15 the Central of Transport Studies at UCT has done a lot of work in to understanding the taxi structures that has happened outside.

One interesting thing is that, I remember coming out of his work was he was pointing out that most of the negotiation about starting out, what route you get, 20 whether we have a taxi embayment, whether we have a taxi rank formal, informal all of those are, there is a very specific process in which that is negotiated and that range and by the time Government actually gets approached most of the conversations, discussions, negotiations are already actually in place and approaching Government becomes more of a formality 25 than actually, Government actually giving any clear direction to that.

MS NONTOMBANA: Perhaps one last question still on subsidies. One of the submissions we have heard as well is that, well the submission coming from the taxi industry itself has been that it is not that they want a subsidy to subsidised 30 their operations, the subsidy they say they should get is a subsidy to reduce the cost for the commuter so the commuter must be subsidised and them carrying most of the commuters also makes sense that they should get the subsidy.

So I would also just want to get your views on how that could be introduced to make sure that it actually filters down to the commuter and not the operators in the sense that it actually reduces the cost for the commuter of travelling by whatever mode of transport that they would be using?

- 5 **MR STEVENS:** Look I think the subsidy if it comes about is going to be a very difficult and a very long negotiation to make it work and I think the problem is that before we even get to reducing the commuters cost, there is the fact that taxi drivers are paid a pittance compared to the work that they actually do plus getting drivers to drive better and safer so, and then also the pressure is on the
- 10 National Budget at the moment so even creating this would be quite difficult as well.

- So I think when the subsidy is developed there is going to need to be a very clear guidance as to what the goal of the subsidy is. Is it to improve the
- 15 conditions amongst taxi drivers to make drivers safer? Is it to reduce the commuter cost? If we focus first on reducing the cost for the commuter and basically accept the issues the taxis have at the moment I doubt it is going to work because the thing is those need to be rectified but then it gets quite tricky because exactly as you say how do we monitor that? Then there would have to
- 20 be things saying this is how much I am actually paying my taxi driver looking at the books you know being able to do that and all of that is very difficult as well.

- So I do not think it is a simple thing. That is also where it is looking for those quick wins because when you do a system like this if you try and get every
- 25 detail right you end up taking a long time and people become disincentivised. Maybe looking at a shorter, quicker subsidy linked to the GPS system so if your drivers drive better you will get R300, R400 extra a month etcetera over and above covering the cost of having the GPS system.

- 30 So something small taxi bosses will get knowing that they will get a small benefit but that they have, it kind of compensates them for the losses as well. I think that is the first thing we have to start saying what are the small quick wins that we can achieve and then based on that thinking about the more comprehensive system.

CHAIRPERSON: Mr Mandiriza?

MR MANDIRIZA: Just three questions, three last questions from my side Mr
5 Denoon-Stevens. The first question relates to the role of municipalities. In
terms of the current policy as well as, transport policy as well as the current
transport legislative framework municipalities have been assigned a central role
in the provision of public transportation as transport planning authorities and
municipalities are also responsible for in addition to that for land use planning
10 and in your presentation you have identified a connection between public
transportation and land use planning.

You said there is a very strong (inaudible 0:54:35) linkages between the two.
Now my question is, what are your, what is your reflection or your take on this
15 role, very important role that has been assigned to municipalities as planning
authorities because from the submissions we have received even from
municipalities themselves there are serious constraints in their performance or
execution of this role, issues of capacity, budgetary constraints as well as the
hierarchy of priorities, municipal priorities have been sighted as some of the
20 constraints that municipalities are facing in executing their role, Transport
Planning Authorities.

Now it seems as if then there is a gap then in our overall transport eco system
because a key layer of that eco system it is under performing so what don't you
25 think are the implications of this missing gap in the transport echo system, what
are the implications of this overall for transport planning and for having an
efficient and viable public transport system in South Africa?

MR STEVENS: Okay I think I can go on for two hours if you want it to be about
30 that question but starting with just the basics, I think the first and biggest
implication is especially when it comes to private development if you do not
have transport engineers who are not just trained as transport engineers but are
sensitive to public transport and non-motorised transport because at the
moment I do not want to bad mouth all the universiteits are still very much stuck

in the old civil engineering mind-set where transport planning is about cars and that is what they think about.

5 But the issues you are mentioning or the capacity constraint and often a number of municipalities do not even have transport engineers sometimes and when they do they have someone very often who is a technician operating at a very senior level. The problem comes in when you have a private development and the developer comes with his transport impact assessment his plans etcetera, he is able to dress up and makes it all look bells and whistles look very fancy, 10 look very pretty, their privately contracted transport engineers usually have Bachelor's degree from good universities maybe even Master degrees etcetera and then it becomes quite difficult for a municipality that is struggling with capacity that does not necessarily have the right staff in place in terms of qualifications and credentials to kind of push back on what they are doing to say 15 actually you need to put in a mini bus taxi embayment that must cater for 8 taxis.

When I worked at the City of Cape Town it is the opposite I mean we had, the specific section I was working in had some quite progressive transport 20 engineers, very well trained, knew what they were doing and that is exactly the kind of interplay you would see. The transport engineer would submit the TIA, the municipal guy would go through it and I remember one instance him looking at it and him going we are dealing with a school in a mixed middle income area or mixed income area more accurately and he had not really thought about how 25 people were moving from the informal settlements where most of the kids would come from into the actual school, it was all about roads.

He came back with this list of things, right I want to see how this pedestrian infrastructure work, how does this work, how are you going to fix this? Just a 30 simple list of things that he pushed back at the private transport engineer meant that the overall planning ended up being far better but a local municipality without a transport engineer that has properly thought through these things is going to be quite difficult for that to actually happen so that is where the capacity issue becomes quite a big one.

One of the things that I think is also, we often, I think it is dressed up under the issue of capacity but it is not actually, is that a lot of officials it is not just the case of do you have the right qualification? Do you have the right skills? What
 5 are the demands for your skills? One of the questions you have to ask is how knowledgeable are transport and land use planners about best practise?

In my experience the knowledge and the ideas are unsequined and sometimes scary at best so to whole concept of can we take a land use scheme and bring
 10 in public transport as a key goal within that is something that I think I can guarantee most land use planners have not even thought about how to actually do. The thing is if the regulations there, it is exactly the same as enforcing the old school regulations that promoted the wrong things and developers are usually quite straight forward.

15

If a developer knows they have to do something and another developer comes along and has to do it, they usually will not fight that as long as it is not going to make the development financially unsustainable if it is right for it. So I think the one area where we can get around knowledge constraints, capacity constraints
 20 is by getting transport planners to have a better knowledge base and land use planners and get them to think what does it mean?

With that also then comes in a lot of the force assumptions that local municipalities have. One example of this is the issue of informal trade and I will
 25 explain how that is going to link to transport planning. So if you go to a CBD and you see informal traders there is always this belief no we have to keep as little as possible we have got to restrain them, there is a limited number of bays and so we are not going to consider them beyond that aspect. It is a nuisance put it that way.

30

Take another, if you flip that and say how do we encourage informal trade, how do we make space for them? The (inaudible 1:00:50) implication means that well then the pavements in an area where there is going to be informal trade would need to be not 1.8 meters wide will need to be 4 meters wide or 5 meters

wide that would mean that you would be able to have an informal trading stall plus two people would be able to walk in either direction past that stall and possibly if one is disabled in a wheelchair be able to accommodate that movement.

5

That also then has got implications if you are going for pavements that is 5 meters wide as oppose to 1.8 meters wide it cost more so then you got to think through in your budgeting how do we actually account for that? How do we make sure that there is money? How do we justify? So the capacity issue is a very real one but I think working with organisations like Saga and Cogta getting them to ensure that the transport engineers and the land use planner shave best insights, that they have thought through public transport and land use planning will help a tremendous amount and just regardless the capacity constraints.

10

15

It is also why I am very cautious and very suspect of the idea of municipalities taking on more roles in public transport because of exactly this issue you know we are seeing capacity constraints across the municipalities and the odds are it is going to get worse not better.

20

One of the contributors to this issue of capacity constraints is that the last 24 years we focused on capital infrastructure, new upgrades, providing services to household etcetera and we have not kept up with maintenance. I mean since the late 2010's round about there, there has been major warning bells going off saying that municipalities are dramatically under spending on maintenance. So the demands on them to keep up with a failing infrastructure system over the next 20 years is probably going to increase and not decrease and that again is going to cause capacity constraints.

25

30

That is also why things like BRT I am highly suspect of all municipalities taking on the role of regulating taxis. It is new functions being assigned to them when they do not even have the capacity to keep up with the functions they have. So in changing public transport at a municipal scale I think the argument is rather to

say how do we do the functions they are already doing and do them better as oppose to trying to add new functions and what are the quick wins?

5 Changing regulation, getting Saga to do a roadshow about how to do good public transport infra grades, showing people what regulations they can put into place, coming up with model land use guidelines and transport standards it is something that municipalities can kind of quickly adopt and we have seen examples of that with Special Planning and Land Use Management Act and that was implemented in the planning centre. I think Cape Town came up with the
10 model bylaw that ended up getting adopted by National and ended up getting adopted by the provinces.

So one municipality which had capacity developed something which National Government picked up on which the rest of the country quite quickly adopted
15 and has managed to (inaudible 1:03:42) across the country despite all the capacity constraints is that the legislation they have is at least up to date. I do not see any reason why that cannot happen in the public transport sector.

Come up with standards for public transport infrastructure say in areas where
20 there is going to be informal trade, these are the kind of pavements you need, this is how you deal with the budgetary constraints. When you deal with a TIA what are the public transport considerations that should go in the transport (inaudible 1:04:06) assessment? What regulations can you put in to make sure that the transport engineers actually do that?

25

If Cogta and Saga basically take that initiative and roads and transport I guess, actually the three of them take that initiative and basically road show this to the municipalities it is a way that we can start seeing small but significant changes to practise despite the capacity constraints local government has. I will shut up
30 there because I can keep on going.

MR MANDIRIZA: My next question then, the second question is on the role of, or relates to the role of the mini bus taxi industry in mass public transportation in South Africa. In your presentation you have flagged the issue of, you call it

- unfair treatment of the mini bus taxi industry and your slide shows that between 2004 up to 2014 the mini bus taxi industry or Government rather has made the lowest investment into the mini bus taxi industry in comparison to the investments that have been made for instance to Prasa the bus operators as well as the Gautrain and if one also looks at the legislative framework in terms of how it has evolved the legislation that is the (inaudible1:06:13) to the current NLTA recognised legislatively the role of taxi associations but in the current legislation.
- 5
- 10 There is no recognition in the role of taxi associations. The old operating permits which were issued in terms of the pre 1994 legislative or regulatory regime has now been replaced with operating licences which are time bound. Some of the BRT models in terms of how they have been designed and rolled out, some are based on substitution, model substitution of the, of mini bus taxis.
- 15 Notwithstanding the fact that the industry according to the, you have also cited the figures, the National Household Consumer Survey of 2013 carries the majority of commuters and I think you do make the point that the industry it is indispensable currently. It cannot be substituted this, at this current point.
- 20 Now what I want to understand having looked at all this issues as well as others, why is there ambiguity from the perspective of policy making? Why is there ambiguity on the part of policy makers and why the low levels of investment and why the lack of recognition even in terms of I mean legislatively but even in terms of I mean land use planning some of the issues that you have
- 25 flagged in relation to new developments? Why is there this ambiguity from policy makers about this mode of transport which is at this point the biggest in terms of market shares? What is responsible for this prevarication from a policy perspective?
- 30 **MR STEVENS:** Okay I am just going to stress that this is my opinion on the answer to this one. I think the first part of the answer is politicians come and go, officials stay for a very long time so when it comes to getting new policy in it is often a very contested situation within departments with people who have been in that department for 20, 30, 40 years sometimes arguing but often those

are the kind of leaders of that department, and then you have got maybe it does not always happen like this but it tends to be that a lot of the new ideas comes from the younger, younger officials entering the department simply because they have been at the university, heard some nice new ideas as well so you
5 have a bit of a power situation whereas people who has, a lot of the older views typically have more of the power than kind of younger officials coming in.

I know, I remember just having a conversation with one of the, I cannot remember his name so I cannot say it back but it was one of the senior officials
10 with the Department of transport when I was working on a publication on the South African cities network around this issues of mini bus taxis BRT and that was about 2014 and I remember his kind of response saying you know it does not matter about the financial sustainability of BRT's you know.

15 We as Government have this responsibility for public transport therefore we need to just do it even if it cost us blah, blah, blah and I think a lot of those kind of views still hold and I think the thing is if you had officials that basically worked under the view that taxis are the problem the whole time it is quite difficult to shift opinions. It is happening but it takes a long time and especially even when
20 you see it in policy you might find that people supposed to implement that policy is still very much anti-taxis.

A couple of reasons with that as well...

25 **CHAIRPERSON:** Can you just a second, can you please put your phones on silent because they are now interfering with the presentation or switch them off?

MR STEVENS: And I know this is a view that was held by the Mayor Ministry, basically the person in Johannesburg their political representative who was
30 behind most of the (inaudible 1:11:37). I mean she always talks about this argument about saying that the people who often make public transport policy are people who drive to an event. If you look at this parking lot it is mostly cars and one or two taxis I mean I drive.

So often the sensitivity to public transport issues is not there but the other side is I mean most, I want to say most but my impression is that most vehicle drivers see taxis, see them weaving in between and we have this impression of kind of having to brake or you are turning a corner and you suddenly go a taxi is blocking you etcetera.

So whether you know all this policy and you know all this ideas about public transport taxis being good you still have this impression that when you drove to work you just rammed past a taxi and he drove like this etcetera so the people writing policy are not public transport users which means it is often not, there is not that sensitivity to it.

Sorry there was a third point that was quite important but it has just gone off my head now quickly. Oh yes, the other side as well is taxis are a big thing in South Africa, mini bus taxis specifically and in some Latin American countries but there is still very much a tendency in South Africa to look to the North and say what is the North doing let us try and do that here.

With BRT's it was a little bit of an unusual situation where I think there was a study our in the early 200's somewhere in 2005, 2007 where a number of politicians went over to Columbia and Brazil and basically saw the system and came back and said we need to do that as well. So there is a lot of in South African policy whether you are talking land use or whether you are talking public transport, whether you are talking financial policy of looking to the North, looking to other countries saying if they are doing that we should be doing that.

Those countries are where they are drawing those examples from do not have taxis nor taxis at least in the mini bus taxis or a mini bus taxi sector that is the dominant mode of transport. So I think a lot of all this taking ideas from other countries means that if busses are dominant in that country that you are taking is that becomes emphasis in South African policy.

It is relatively rare to see a South African policy that is uniquely focused on South African issues and shaped in South Africa in mind as oppose to a copy

paste usually from a Northern country. BRT was a bit of an unusual one that it was a copy paste from a southern country. I think that was nowhere near the answer but I think that is three things I would say contribute to that.

- 5 **MR MANDIRIZA:** My last question then is on the issues of the densities that you have, you have raised and you have made the point that it is estimated that when densification occurs on the periphery of a low density city the result changes in public transport (inaudible 1:14:46), departure profile and the like have it mental impact on the viability of services?

10

I just want to bring this closer to home these observations because we currently have a situation I think you have eluded to this in your submission where as a result of the historical special planning that we have had in South Africa we have what you correctly called dormitory residential areas which are townships
15 which are located at the periphery of the cities and it seems as if that is where the densification is happening at the periphery of the cities.

Now what are the implications of this because this special planning cannot be, it seems to be irreversible because townships will always, they will always be
20 there and you will always have this movement of people from the township to the cities and from the cities to the townships, that is the, one of the unique features of public transportation inside, almost a, it is almost a permanent feature it seems of public transportation landscape in South Africa.

- 25 Is there a way in which this can be corrected because it is clearly a major issue in public transportation in South Africa? Is a correction possible? Are there solutions to this?

MR STEVENS: Yes, but they are difficult so I say it is certainly not irreversible
30 but it is not going to happen over the 5 years it something you will be talking 50 years at least. The first question is kind of I think to say is why did it happen on the edges of the city and I think the focus, the answer to that is very much Governments public housing programme.

You know our Government managed to achieved something phenomenal in that they produced 4 million houses but to produce that much houses it means it cost you a hell of a lot so you find the cheapest way to do it. The cheapest way to do it is to use what land you have and what the land you buy is to try and buy
5 the cheapest land.

A lot of the housing stock that was built by the Government is used land that had been bought by the apartheid Government for housing in line with its policies. So when we built density on the edges it tended to be because that is
10 the land municipalities had so inevitably ended up perpetuating apartheid patterns with that housing.

So how do we move from that? With great difficulty because what it will require is a couple of mind shifts which that supposedly are there in policy but we are
15 not seeing in practise. We would focus on not providing a top structure so giving people access to land with services which you could do much more cheaply and you can find parcels of land closer to the cities but obviously that is going to have a hell of a reaction I mean if you tell people no we are not giving you a house we are only going to give you a service site it is politically very
20 unpalatable to do that.

That would be one of the few ways to actually kind of reverse the situations. It is Government to be something open about what land they own and actually being responsible and saying we own these portions of land, this is good land
25 let us use it for housing. We have seen especially in Cape Town the (inaudible 1:19:00) with the arguments around what has been happening to the land in Cape Town is that when there is been allocated land Government said economic development so we will sell it off to a developer to build fancy houses or to build a shopping mall because we get money so we can use that money
30 elsewhere and the money elsewhere typically means build low income housing on the peripheral of the city.

So you would have to have a change in that thinking firstly where Government would have to be open and honest about what land it actually owns which is

supposed to happen but it does not and basically if you look at municipalities and ask them what land do you own? It is very difficult for them to actually give you an answer. Sometimes because their records are not up to date but very often and I know Cape Town has quite bluntly said this is they say if we tell
5 people what land we own that land would get invaded.

So there is a reluctance of municipalities to tell the things even though they do own well allocated pockets of land. So one of the things is we kind of be up front about it and to be willing to actually start saying we are going to put
10 housing in the right places by using land that we actually own and requiring land but you would need that with the shift in housing policy towards service sites.

The fact is also we have had 3 to 4 million houses already built so the things is with that legacy be kind of entrenched the last 24 years you will need a few
15 decades worth of government going the opposite direction to actually achieve those fundamental changes. The other way to do it is to say right if density is on the edge of the cities how do we bring jobs to the townships and that is the other way to look at it as well and that might be a bit easier.

20 Getting private companies to move will always be difficult but there is also an argument to say why are Government offices not located in the townships especially in places like your big cities where you have got tens of thousands of people working for the municipalities of the provinces, I do not see why they should be based in the CBD like in Johannesburg, Pretoria, Cape Town,
25 Mungune for example, put them in the townships. Link that so that the business are out there and also there is a lot of Government services that people have to access so for example if you take your planning, building, development section where you have got all your buildings plans submitted and say that the only place you can submit building plans is in the township at this location and that
30 encourages people to actually go into areas where they would not go because otherwise they cannot submit the building plan.

Then you can also link things with that in saying alright if we are using, channelling our public infrastructure into these low income areas not just let's

have a nice score but let's say that most of our infrastructure happens here. It creates opportunities that you can have, so when you have building plans as a simple example you typically have copy shops close by and those copy shops that are close by are because someone needs to print out a plan.

5

So you see a lot of those externalities actually happen so I think it is not a simple answer and this is not a complete answer but I think with the required change in housing policy as mentioned it would require Government to be open not just about, to be very open about what land they have and willing to put aside good located land for that and then also otherwise take the flip possession about moving the majority of public services into low income areas to create work opportunities out in those areas as oppose to the CBD's so Government putting its money where its mouth is basically.

15 **CHAIRPERSON:** Thank you, thank you very much Mr Denoon-Stevens for your time as well as for your very helpful and quite insightful and illuminating presentation. Thank you very much. There is certainly a lot to discuss with you, there may be some follow up questions please do not tire of us when we call you just to clarify one of two issues as we go along. Thank you very much.
20 We will now receive the next presentation from Laphum'langa Transport Services. Welcome, good afternoon thank you very much for coming.

MR G ROCKMAN: Good afternoon Chairperson and good afternoon to everybody. I greet you in the wonderful name of our Lord Jesus Christ Amen!

25

CHAIRPERSON: There is a document in front of you, you may take the oath or the affirmation it is on your right.

MR G ROCKMAN: I am willing for the oath Chairperson.

30

CHAIRPERSON: You may go ahead.

MR G ROCKMAN: I, Gregory Rockman swear that the evidence I shall give shall be truthful, the whole truth and nothing but the truth so help me God.

CHAIRPERSON: Thank you very much Mr Rockman, if you could just spell your surname just for purpose of the transcript?

5 **MR G ROCKMAN:** Ja, Gregory and then R O C K M A N, you can see it is a rock, Rockman and I am a pastor.

CHAIRPERSON: Indeed. If you could start just by introducing the organisation that you represent as well as the position that you occupy within the organisation and then you can take us through your presentation, that will be
10 followed by questions from evidence leaders as well as panel members.

MR G ROCKMAN: Thank you Chairperson. Let me apologise for not having you know send my hard copy to you I will give it after you know the presentation. I am Pastor Greg Rockman, I used to be Lieutenant Greg
15 Rockman in the South African Police Service during the apartheid era and then I formed the Police Union Popcru and I am also a MK Veteran and I am also you know a trade union leader as well as a community leader but I am also a taxi owner.

20 Chairperson the company that I represent is Laphum'langa Transport Services Co-operative. It is based in the Nelson Mandela Bay Metropolitan and it represents the ten taxi associations that are within the city we represent all of them. For the taxi industry understood that if they do not formalise themselves they cannot make use of their collective muscle and therefore we formed then
25 the co-operative and I am the CEO of Laphum'langa Transport Services at present.

We also need to state that as Laphum'langa we believe in good corporate governance. We do not believe in corrupt activities for it will bring you nowhere.
30 When you are in the business world you need to understand that corporate governance is key and paramount for you to be able to survive as well as also people to believe in you. That is a flagship of us in terms of that approach that we had.

Now how did we come into existence is very important Chair. Since 2006 the municipality have been engaging the taxi industry within the metro but what happened there was very unfair what the municipality did and we must understand that the taxi industry is not an industry that will just be pushed aside,
5 whether it is the Government, whether it is the army, whoever it might be nobody will be able to push us aside.

CHAIRPERSON: Sorry just to interrupt if you could just clarify for the benefit of the audience as well as people who are listening on You Tube which
10 municipality are you referring to?

MR G ROCKMAN: It is the Nelson Mandela Bay municipality. So what they did, they took us also to Bhegotta and all this places Chair. Now when they come back they want to implement, now let us be very clear here I have
15 listened to the gentleman that was here he is not a taxi owner with respect you know and it is time that the Government like the Competition Commission which is a Government institution start listening to the real people which is the taxi industry because who operates that taxi? Who understands it best? It is us nobody else.

20
Then you get somebody that will come and tell you, you know I have got this academic qualifications and therefore you know I can tell you what to do. No, you have never driven a taxi, he does not know when the commuters in the taxi tell you driver stop here, stop, stop, stop now. They do not know that and if you
25 do not stop those people will shout at you.

So we need to understand this things, many a times the people I was a taxi driver myself. When the apartheid regime arrested me and called me a communist and a terrorist, the only place where I could make a living chair was
30 in the taxi industry. I started it in 1990, I bought taxis for me you know old scorra scorra E20 and when the traffic officers stop us and I have got 20 in I say can you not read there in front i20 so therefore we are loading 20.

So this is who we are and my colleagues that are sitting here from the industry they can relate to that Chair, you know. So I am saying you know it is time that the Government you know in the Nelson Mandela Bay we then went, they came back, you see Bogotá, Bogotá is a military state like the apartheid state of us
5 was a police state and also governed by the military.

I was in the police, we were the pillars of apartheid and therefore you would find the high density within Bogotá was ideal to create a trunk route and the army was then manning the trunk route for people not to boikot it and all of this type
10 and for people to use it. So you cannot come here with that militaristic approach and think in South Africa you are going to get it right, not with us as black people. No you will not, we will reject it and we will revolt against it.

So Chair, I am speaking on this level because I want us to understand I am a
15 taxi guy you know. I can speak as an academic, I can speak as a Pastor you know but I want to speak as a taxi man you know so that you understand our language and know that we are far more you know educated and know what we want than what people think you know what we want.

So when they came back they said let us then use this Bogotá style that was
20 the only point I agreed with this gentleman that was here you know. For now we have imported something from overseas and want to now come and duplicate it here in our country. It is not going to work Chair. Why is it that it is not going to work? It is simple the busses in this country are being subsidised
25 since the day of Noah.

Us as the taxi industry that came into existence you know in the early '70's and even before that you know, we have always been pushed aside by the then apartheid Government and they wanted to make sure you know that we do not
30 survive. Unfortunately our own Government and I am a member of the ANC and I am not shy to say it, our own Government, this ANC Government followed the same route you know, to a large degree by not making sure and looking at us and say can we not create the biggest black conglomerate like Anglo American you know, like Tiger Brands and all of that by the taxi industry if we

put the collective muscle of everybody together but not in a way where the Government force us like now.

Act 5 of 2009 the National Land Transport Act Chairperson, is unconstitutional and we are going to challenge it. Come I tell you why. I know I am digressing a little bit but I will come back to my point. The National Land Transport Act is unconstitutional in the following way, the Constitution of South Africa acknowledges us, each and every one of us as a citizen in our individual right. It also says that you have the right to freely participate in the economy of our country.

In this instance the national Land Transport Act forces us by legislation which is unconstitutional into a particular direction in saying you will go into this BRT. What is BRT? You know what? There is a debate in the national Department of Transport they do not even know what is this word BRT, they do not even know where it is coming from and it is nowhere you know in the legislation where it speaks about BRT but they use this, officials they use this word BRT and it is borrowed there from Bogotá bus rapid transport, not taxi rapid transport, bus.

Now what it says to us already we are being you know discriminated against by just the incorrect wording that are being used by officials and politicians because we in the Nelson Mandela Bay, we have changed that BRT to IPTS, Integrated Public Transport System which means it includes all modes of transport whether it is the plane, whether it is the train, whether it is a boat that are faring people to wherever they need to go, whether it is the taxi or whether it is the bus because if you talk about an Integrated Public Transport network which the Act refers to where does BRT fit into this process? Because you need to create an integrated public transport network which the officials you know are not with and therefore this BRT thing we must get it out of our system, reject it as the taxi industry country wide and say to the Government let us go you know to a summit where we or Legotla or whatever we want to call it and let us sit there and really as South Africans craft a way forward.

Now if you look Chair, you know in the Nelson Mandela Bay Metro, when we came from Bogotá the municipality then they commissioned KPMG to produce a report of how the public transport can work in the Nelson Mandela Metro. Now KPMG is auditors, what do they know about public transport? They know
5 about rands and cents yes, we also know about it because we get the money every day so we understand it you know and as owners the drivers come and they cash in by us and we can count and we know when they are giving us short money and when the money is correct.

10 So why get KPMG to produce the report that will say how the public transport must be conducted within the Nelson Mandela Bay? And when that report came out Chair in 2008 you know in November the industry stood together and we rejected it. Come I tell you what was so crazy about it, they said you see the taxi guys they talk so much the only thing that we must give them is R5 000 a
15 month per vehicle compensation and they can keep quiet and they will take over the whole transport system and all of this type of things and we must be happy. We told them you really do not know us.

Chairperson, let me place on record here, you know the taxi owner he provides
20 for his family, he provides for his extended family, and their extended family and everybody in the community. When they have a problem they come to us, they come and ask us can you not help us. Many a times we have of our people who cannot even bury their loved ones or transport their loved ones we contribute to that. We give them a free taxi or taxis and we help those
25 communities.

Many a times Ma Goggo comes and she say can you not borrow me money for a piece of bread or I want to buy food we then help those communities without being like a shark loan. We do not expect that we must get interest and all of
30 those things for we help our communities. Now just imagine this is what the Government wants to kill in the township that is what they want to kill.

Now when you kill that livelihood as black people we are already the poorest of the poor in the world. We will become more poor and more poor and more

poor. Chairperson, you know it is my humble Godly plea to this Commission, this task that you have taken on you do not understand the mammoth of it, the bigness of it and the impact that this thing are having and I say it with due respect Chair because you are intellectuals I cannot underestimate you but I am
5 talking as a taxi man you know.

Because this thing you know, they want to work out compensation for us Chairperson. Do you know Chair that the daily money we make is not all the money that we make, we do not declare this money to SARS and you can bring
10 SARS from here I am not scared of SARS, I am not scared of SARS because SARS is there by us as the people and the charter says, the freedom charter says the people shall govern, and I will govern Chair, where ever I go.

And therefore, you will find that you know we also make money with special
15 trips that we do at night, we do not, you do not know about it you think I am just there on the road now, I also do special trips whether it is to a factory or whether it is somebody that comes and hire me. I do weddings, I do funerals, I do long distance trips I do all of those types of things. So Chair, those things never get taken into consideration.

20 They only say you see this route, because the white man has said this road is so lucrative it can only make R5.00 but when the black man says it can make R10.00 they say no how do you know black man that it can make R10.00. They think we are stupid Chair, we are not stupid. As a black person myself because
25 black is not colour, it is African, Coloured and Indian that is black it is all previously disadvantaged communities.

We are smart enough and it is time that we as black people take up our rightful place and say to the Government enough is enough. Enough is enough and
30 therefore Chair, I am not coming here you know to instigate or whatever Chair because I am strong Chair. You know my union is a 190 000 men and woman strong, police officers, prison officers, metro police and traffic offices so I have a base.

I am not like people that come here and they have no base but they talk as if they have a base. I have a strong base and I operate from that base so I am not afraid Chair, I am not afraid. So the thing is Chair, if I look at this thing in that Nelson Mandela Bay so now they bring this report to us we reject the
5 report, the Government then agrees with us which was the ANC administration there to say we are giving you, we are going to give you consultants to sit with you and to formulate a strategy of how do we work together.

We then formulated a strategy which was finalised on the 30th of March 2009,
10 we call it the Laphum'langa Strategic Business Plan. It then said, now listen very carefully Chair, let us divide the whole metropolitan up in 5 contract areas, it is a taxi industry, not those officials. We say let us divide it up in 5 contract areas and in each contract area whatever association is operating in that area we will cluster them together and we will form a primary co-operative in that
15 contract area which is one. So we then divided the city up into 5 contract areas and there is 5 primary co-operatives and we have clustered the associations together not by force but by choice of the industry of how they want to be clustered together and how they want to operate.

We then said to the Government, and this is one of the things Chair, which is
20 also very unfair which is not happening currently, the regulations and the Act is very clear that when the taxi industry participate in this new integrated public transport network system the Government must give them the following, technical assistance, what does it mean?

25

Technical assistance it means you must have an office, it means you must have staff, it means you must also have specialists like we have, we have transport specialists, we have engineers, we have business development specialists, we have corporate lawyers and we have our own company lawyer also, those are
30 the things that you need to have as the taxi industry because how do you negotiate with the Government who has got all that expertise but you have nothing but yet they say we must negotiate on an equal footing Chair.

Now that is the first unfairness where the taxi industry across this country are being degraded to, they must just come to a meeting of officials and rubber stamp, gone are those days Chair, those are the apartheid days. Gone are they. We cannot be the rubber stamps of officials and this competition, this
5 Commission must help us, you must help us.

For now we become rubber stampers, when we fight for those kind of monies, they say what do you know about money? Why must we give you money? We say but the law says you must do it but you know Chair, when it is white people
10 we give it quickly. The busses have all along been owned by white people and therefore they are subsidised. It is now that Golden Arrow and others are being taken over by some black people but they have all along been owned by white people and they have subsidised them and we are saying why is it when something needs to be given to a black man you must beg?

15

But you know like Martin Luther King said one day we will be free and we will be free from all of this Tata Madiba has taught me one thing, I have worked with him, I have worked with Tata, I have worked with Tata OR, with Ngo, with Joe, with Tokyo and them, all of them I have worked with them. I had the privilege to
20 work with Comrade Chris Hani also down in the trenches Chair, down in the trenches and Tata teach me one thing whatever you want my son it is in your hands.

Comrades if we do not take these things nobody, I say the Government is like a
25 wheelbarrow Chair, if you do not pick it up and push it, it will never move. I am picking up that wheelbarrow and I am pushing it. It will never move, remember this thing so I am saying Chair that then, we then agreed coming out of that that this 5 contract areas will be there and the Government agreed that they will then you know from the PTIG money, you know when the PTIG they will then give us
30 a grant so that we can set up all the institutions.

Chair, we then started to set up all the institutions but let me first share with you what happened in 2010. In 2010 with the World Cup we were fortunate Bloemfontein were also fortunate to have, you know to be a hosting city. The

busses that were supposed to, that was bought for the 2010 World Cup the 25
 busses that always become an issue in the newspapers in the Nelson Mandela
 Bay, those busses, the municipality wanted now to operate those busses. They
 have no capacity Chair.

5

They, public transport operations is not their business. Any Local Government
 it is not their business, the business of any Local Government is to regulate and
 to monitor not to operate, not to operate. That is why you can see you know
 even like if you go here these busses Thaba Nchu, the busses, the metro bus in
 10 Johannesburg and all of that and in Pretoria, the busses that was operated
 there by the municipality it was a flop, it was a failure. It was running at a loss
 because it is not their core function Chair.

15 Leave it to the people that know about public transport you know and do not try,
 the Government should not try to be everything to everybody. Their duty is to
 regulate, to make policy and to monitor it you know. So in that then you know
 the busses they wanted to operate at the last minute Chair, at the very last
 minute they came to Laphum'langa and they said to us please taxi industry, you
 see when they are in trouble they know us the Local Government, they know us
 20 when they are in trouble but when they are shining they do not talk about us
 even they do not even recognise us Chair.

And I will tell you how we have been pushed to the peripheries in that Nelson
 Mandela City by this DA Government now, this DA coalition, I will tell you now.
 25 So then we ran those busses Chair, they said that we must have a ticketing
 system but in the meantime Fifa sold the tickets on the basis that everybody
 that has got a ticket you will have a free ride on the bus. So then the fans
 started to revolt, three days there was that money taking and then you know the
 municipality instructed us no, no, no more tickets, no more selling let the fans
 30 just get onto the bus and we ran that bus system for them for those 32 days
 Chair, absolutely fantastic that we even got accolades to say you have done it
 well.

And it was outsiders that was saying it as the taxi industry we ran the busses Chair, not the taxis, we ran the busses as well. Why? Because a bus is not better than a taxi it is a mode of transport it is just a little bit bigger but it is transport and if you know how to operate a taxi as an owner you will know how to operate your bus and how to run that business so that that business is effective and efficient you know.

Then Chair, we then got the grunt you know from the municipality and when I became the CEO I set up the systems, I setup the financial policies, the communication policies, the HR policies, I then also bought a system, we call it the Tellenger System that manages your administration. All my people's names are on the system, all their vehicles are on the system, all their permits are on the system and if your license expires the system will flag to say your license disk, vehicles license is expiring within the next 2 months. You need to make sure it is taken out. Your fitness certificate it is expiring by this time because it goes concurrent with your license by this time make sure that you take your vehicle for fitness testing so that you are able to be compliant.

So all of those kind of systems we have put in. We have also on the system have got a payroll system because you cannot pay people via cash not in this day and age, there are bank accounts, you put the money electronically into their account and you are sure that it has reached the correct person. Once you work with brown envelopes Chair, you see now in State Capture they talk about brown envelopes, once you work with those brown envelopes it opens anybody up for corruption because money you know it is not evil, it is people that are evil when they have money in their hands and then the temptation and the Lords says no look onto Me for I am your salvation not the money but people look to the money for salvation you know.

So what we then did therefore there is a payroll system also on it, we also have what we call an online share trading because remember when you are bringing in your vehicles into this system you are issued a shareholder certificate and that shareholder certificate is not like you find in Bio Trans and in My City where

one taxi one vote, one share, you cannot do that Chair. That is not on commercial terms.

5 In our structure what we did we said a permit is worth 17 500 shares and your vehicle is 17 500 shares why? And the share value was at, we pegged the share value at R50.00 per share and we said the reason why we are doing that, say you want to share, say you want to sell 1 000 or 2 000 of your shares because you need some cash, you can do it. You do not have to exit then your business because what is a business there for? It is to help you live a better life
10 and so therefore we have those kinds of things and in the first three years that you cannot sell your shares and all of those kind of things Chair so that we can build a business you know in terms of those type of things.

15 In our city we also have like many other cities, we also have the uniqueness of what we call the four plus one. Now the four plus one belongs to our associations and we have worked out a model the four plus one, we put three four plus ones together and they will qualify as one taxi you know and therefore amongst those owners we will then share you know whatever profits is there, whatever loss of income is there, all of those type of things Chair, because we
20 have said you cannot exclude anybody.

But then there is also another category Chair, this industry have been vicious to many of us. People that have built this industry from the beginning, some are sitting with nothing today. Nothing, totally nothing, we then said those members
25 of us who have noting we will also issue them with shares for they have helped to build this industry. For we cannot now that we are standing you know at the cake that is almost fully baked then we forget about those that have helped us to build the industry. So it is important where ever you are, also Comrades you know, do not forget those that have helped you to build.

30

It is critical because that is where we will gain our strength from. You know our Ubuntu principle Chair is important that I am only a person through another person. I cannot be a person because of myself therefore the people shall share, therefore they shall share not because of what Chair? For it my

colleague have been building before me why must I now come and tramp on him and say no you know I do not recognise you. No, we need to recognise one another for that is what we are as black people in this country you know. We should not lose those principles and those values of us.

5

So in our model we also cater for those who does not have today. Why? Chair, this financial institutions is run by white people and owned by white people. It is run by them and it is owned by them. I will give you a simple example, if you look at SA Taxi Finance, SA Taxi Finance made our people to believe that it is a HP agreement only to find out that no it is a lease agreement. You have got a lease agreement with them therefore they say at the end of the day before you can become the owner of the vehicle there is a residual amount, there is x amount you must pay to take ownership of the vehicle.

10

15

If you look Chair, we have worked out the vehicle might cost like not it is R420 000, or 30 000 for a quantum. You will pay about R1.3, R1.4 million at the end of your term you have paid to SA taxi finance. It is stealing from the poor, it is stealing for the poor and therefore it is becoming critical that you also look at this financial models of financial uses. The Absa's, the standard Banks, the Nedbank you know the FNB, all of them are doing the same chair and therefore we need to look at this type of things to say why is this things happening?

20

25

It is no use we would say we have got the National Credit Regulator is there, it is happening under their nose and they are not even assisting us. Every day our vehicles are being repossessed Chair, every day, every day, and you know what they do with that vehicle they take that vehicle then they take that vehicle that is finished paid Chair, you may owe on it maybe R20 000 they will go and sell it for R100 000 or a R150 000 but you as the owner you get noting. Even though you just you know owed R20 000 or R30 000 on the vehicle.

30

Now those kind of unfair practises Chair, will never make us as black people to reach economic emancipation. We will never be economically free as long as we have this kind of discrepancies you know that is within this kind of system

you know. So therefore if we go back to the Nelson Mandela so we have put all these things in place Chair, so to make sure, what did we do now as Laphum'langa we in discussion with banks. We have designed our own financial model and we say to the bank give us the money we will borrow it to our people and we will not repossess the vehicles of our people.

If they become in default we will manage that vehicle on your behalf so that you are still the rightful owner and you will not pay 28% per annum interest you are going to pay 16.5% or 16% interest Chair, in terms of this process. Now remember there was this big strike last year with regards to the taxi industry by being unfairly treated by financial institutions. It is critical that this Commission zoom into that I have lots of information Chair, that we can share with yourselves and how we have modelled this thing and how we gathered the information of the unfair practises that is within this whole of, of this industry.

Now if you look, then if I come back Chair, so we have now put all the systems in place, while we were up and running Chair, the municipality became jealous, Nelson Mandela Bay Municipality, because you know the head of infrastructure and engineering there, Mr Shaheedie, Walter Shaheedie, we went on a study tour to Cape Town, the first day after the tour and we had a debriefing he made the following remarks, he said you know Pastor, your team of expertise is far better than our team of expertise. You have got an A team and we have got a B team. I said to him Mr Shaheedie with respect you have made the observation but that is your problem. Do not make your problem my problem. If you employ in component people I employ the correct qualified people so that we can do the best for our members. That was his remarks.

Now when you have officials with that kind of mind set Chair, you already know your back is against the wall. Now, why am I saying this? We were negotiating with them and we said to them since 2010 that we are ready to roll out the IPTS within the Nelson Mandela Bay. Therefore you will see our lanes are marked IPTS lanes, it is not marked BRT or bus. It is marked IPTS we forced them, they said no the legislation say there must be a bus I say no if there is a bus there cannot be a taxi so why must there be a bus? If there is no bus then put a

taxi there, put there taxi lane. And now they were in a corner now and they said no, no we accept your position which includes everybody IPTS lane. So therefore it is marked IPTS lanes so the taxi as well as the bus can operate there but they are trying now not to allow the taxi there this DA Government
5 since they are there.

So in terms of that Chair, we then sat with them and we crafted the 5 operational plans of those 5 contract areas and what we discovered Chair, if we did not help them to craft those operational plans to say this are the routes, this
10 is how the scheduling works, this is how many people needs to be employed, you know this is how many busses and all of those type of things. Chair, I can honestly say to you today those operational plans was still going to be worked on. We completed those operational plans in June 2016, all 5 of them and their business plans.

15 Now the City then in terms of itself you know then said, they just gave us funding until the end of December 2014. When we said but we have worked all this things they agreed that they will give us further funding and all of that, we are fighting now for that funding Chair, and we have spent R19.8 million and
20 now the creditors knocks at our doors as the taxi industry. So it is important to hear this thing of how unfairly we are being treated Chair, while we are trying to make the Government look good in terms of that. And when this DA Government came in they totally rejected us and they said we do not want to talk to Laphum'langa you are too smart, you are too much aligned to the ANC
25 and therefore we cannot.

You know what they did, they came with the apartheid strategy Chair, divide and rule. They went to each and every association and they offered them money and they say no, and they called it Milestones this money, you know you
30 are going to get money from Milestones break away from Laphum'langa. Four associations broke away of the 10. The six stood together and we are having a tough time currently within that city. You must come and see Chair, what has happened in the one area where they started to roll out this IPTS.

They started to say it is only going to be the trunk route, now there are four routes that we have designed Chair, a trunk route and then there is an area route and then there is an express route and then there is your normal standard route. I will just come to the name Chair, but you know it is a normal standard
5 route. Now in your trunk route is where your busses will run in those IPTS lanes because you want to transport people you know and mass, you want to transport them in bulk on those routes.

Now the routes are also then meant to have enclosed bus stations with tin stalls
10 where people tap on and tap off. In that city you must come and see you know the kind of shameful type of bus stop they put in a trunk route, not a bus station, a bus stop. It is not enclosed, it looks ugly Chair, I cannot even describe it because to me I do not even know what it is. It is like somebody have welded some metal together and said this is now a bus stop now in terms
15 of it. It is ugly Chair.

So, but the worst thing that have happened Chair, the people that have taken you know to run this company in terms of you will see the vehicle operating company. They did not train those people, they have set those people up for
20 failure because currently those people are paying with brown envelopes. Now you know tomorrow they are going to say it is the taxi industry, we know they are like that they are corrupt, they drive like this, they do like this but it is the very same Government that are setting up the people for failure and we have raised it with them to say you are setting them up for failure.

25

The second thing they have done there Chair, was to say the taxis that they have branded are now running in the feeder routes where they were not supposed to run where a normal fare is R10.00, those branded taxis of this IPTS are charging R5.00. How can you have that sort of unfair competition you know? It
30 is like the Government is behaving like a bully, if you do not do what I say I will bully you. They will not bully us into submission we will not submit.

So it is that kind of unfairness that started to happen in terms of that system there Chair, you know and one is saying it is time that this competition, you got

teachers here I have seen what you did with the construction companies, I have seen what you did with the bread cartels you know all of that, you must bite, you must bite or we are going to come and push you. That wheelbarrow we will pick it up we will push you, you know. So that is important to go and look what
5 is happening there you know. People must now beg for those Milestone payments.

You see the white man you must never trust him in this country, Chair, I am very clear, do not trust him in this country, Comrades if you want to trust him it
10 is at your own peril. Chair, they tell you they give you the Milestones, those black people are begging now the baas please where is this money you said. I warned them before they went there and collaborated with this DA, I said this people they have never changed so do not believe when they come and talk to you they have changed.

15

The strategy is divide and rule, that is their strategy. You can see where DA municipalities are now divide and rule. What did they say in Pretoria when that Aucamp woman who was the advisor to Solly Msimanga they said no it was a mistake it is not corruption but she has got no qualifications but she gets R1.2
20 million, was it a black man they would have said hang him, hang him he is corrupt, black is corrupt, white is alright.

So I am raising this thing Chair, I am raising this type of thing because you see we have become complacent when we are in Government as black people, we
25 have become complacent and we should stop becoming complacent when we are there. Chair, I was a member of Parliament since '94 and I resigned in 2000. I have written this constitution with all the Comrades that was there, therefore I can speak with this passion you know that I have for my country.

30 So I am saying Chair, those are the kind of things, let me come Chair, to the question of subsidy. You see we talk a lot about subsidy, what is this subsidy for? Let us start by public transport, what is public transport? And whose responsibility is it? Public transport is the responsibility of every elected Government to provide mobility to their citizens, I am not saying transport, I am

saying mobility. What is mobility? Mobility means that you create an opportunity to anybody to move from one place to another and to another place, whether it is with a bicycle because you have created bicycle lanes, whether it is by a scooter for you have made is conducive, whether it is via taxi or a bus or
 5 a train or a boat whatever it might be, mobility is key in this 21st century.

I have studied some of the World Bank reports and those reports are key you know, where mobility is being taken serious by any Government you find also that the economy flourishes much better, why? I will give you an example, as
 10 black people where must we get all the time, the money to go and seek for a job? I might be a graduate but I do not have money to get on a taxi or a bus or a train to get to a job.

The next minute they say to me as a graduate, black graduate ja you blacks you
 15 are just lazy but nobody makes it easy to get onto public transport. Chair, if I look at London, I have travelled the world, if I look at London, London you go you buy a daily ticket, you hop onto the red bus as many times you want, Chair, as many times you want. You hop onto the underground tube as many times you want for the day. Here they call it no you are charged by trip. Why must we
 20 be charged by trip when we can have a daily ticket and that daily ticket you can go wherever.

My mother may have forgotten something to buy but now she cannot move because she thinks I just spent R20.00 on transport, I must save this because I
 25 must buy two loaves of bread so I cannot go back where I could have bought something cheaper or I have to go and register my son or my daughter, I cannot go there because I must think of survival. And therefore, Chair, it becomes so important, how do we look at the fair system of how do we charge our people?

30 Why must students that are going to universities and are going to school, why must they pay? Why must they pay? Why? They should not pay anything and I am not creating here a social estate because some people would say oh no he is a socialist therefore he wants a (inaudible 2:07:53) no I am a socialist but I

am also saying a responsible Government we need to make sure apartheid have destroyed us as black people to a last degree.

5 This thing, I will come to special development Chair, this thing that we are saying outside here of (inaudible 2:08:10) and there you know in Thaba Nchu and all of those places, it was by design, apartheid design, why? For when a black man wants to protest you have to contain him in a little kraal and there is only one exit and you know one entry and therefore that is how apartheid have designed the cities. For if they did not design it like that we would have taken
10 this country over long ago Chair, long ago. I have been a cop Chair for long, I was a lieutenant in the South African Police Service and I know what they have been planning there Chair, and I refuse to shoot at my own people because I am a black man myself. How do I shoot my own black people? That is why they called me a communist and a terrorist because I refused orders from white
15 people to shoot my own people and I will still today refuse it Chair.

So I am telling you this type of thing, this thing that this gentleman that was here before me he was sugar coating why the cities are the way it is, it was by apartheid, Verwoerd designed it deliberately and consciously so that black
20 people remains poor. They introduce bantu education because they did not want us to earn and they thought that if they give pellets a little bit you know, a little bit upmarket they will go with them, we said no you are not going to fool us, I am a black man you cannot fool me.

25 So in terms of that Chair, what should a Government do with regard to that? There should be a conscious, deliberate political decision to do urban renewal. I am saying Chair, urban renewal, it means that we stop extending the townships because we have now become the champions to build new, to extend you know the apartheid townships, we must stop it and bring our people
30 close to town there is lots of land and redesign you know the layout of the town.

You know I studied Chair, in London, London made a very conscious decision a good couple of years ago, many years, 10 or 20 or 30 or 40 years ago and they made the following decision, they saw where there were commercial property or

industrial property, you know it was wrongly placed there because it was supposed to be residential property there and where there was residential property was commercial property, Chair, they took a political decision, they broke both sides down and they swapped it around. Therefore today London is working far better. If they did not do it London was not going to work the way it is working today.

Why can we not break some of this things, I know the taxi rank here you know in town, they got that old building and they call it a taxi rank, nobody wanted to use the building now they give it to the taxi people and say this can now be your rank. It was not designed for it Chair, it was not. I am staying we need to be bold, why we have to break down 10 story buildings or 11 story buildings let it be for the best of our country and the future of our country you know and a stand that our people are not placed further into the townships but there is lots of land here.

I am going to end here with the land issue you know on the following, in Rotterdam in Amsterdam Chair, in Holland, Rotterdam if you go and do the studies of Rotterdam, Rotterdam was a piece of vacant land, there was nobody staying there and because that Government was serious to have a proper public transport system operating there. They built what we call you know a circle city. Around the parameters of the city the transport was running and through the middle you know of that circle and in the middle what they did Chair, they then created what they call an economic hub so everything was moving towards the centre.

Look at our cities how it is designed, you know look at how Mimosa Mall have come up here, it was a rich guy right and then he break Mimosa Mall then some other rich guy saw an opportunity next to the Waterfront that dam that was there which is called now the Waterfront. I know this place do not worry I stayed here. I have been staying all over Chair. Then they built the Waterfront and it is all the rich people, where are we featuring as black people in this city that is called Mangahun? Where are we featuring? Now where, nowhere, nowhere but we are the ones that are voted in the Government of the day and I am going

to blame myself and you for not putting and picking up the wheelbarrow and pushing it.

5 I am not saying take the ANC out I am saying push them so that they can deliver on what the people want and so it becomes important Chair, urban renewal, there needs to be proper urban renewal plans in every city, in every town, in every district you know which takes into account where is the economy of the city? Where is the people staying you know away from the economy of the city and so that we can take then that kind of thing Chair, and build a new
10 city here.

Bloemfontein we can do it, this Generaal de Wet and those things we can take it down and we can put our people there you know why must it be Generaal de wet? We can take this type of things and I am saying it Chair and I am not
15 saying it lightly Chair, because we can, we can change this ting. You know what have become in this country which I feel so much sad about Chair, Nelson Mandela Bay in the black areas refuge is collected every second week, in the formal white areas it is every week.

20 Now when the city, when they say the township has got full of dirt and all of that they want to blame us because we are black, they have to blame themselves because they are not delivering on the services they are supposed to deliver and therefore one is saying Chair, that becomes important for us in terms of you know the special development needs to coupled with urban renewal in terms of
25 our subsidy Chair. Be patient with me Chair, do not worry you were patient with this white man, you were very patient. I was supposed to start at 2 o'clock I started here at ten to three Chair you know so be patient with me it is your own brother that is sitting here you know.

30 So, Chair, on the subsidy Chair , the subsidies in this country you know have been utilised in a way that has always put us as black people nowhere to be found. I am not even going to say on the peripheries, nowhere to be found. We cannot after 25 years or 24 years of our liberation we cannot sill move on the same apartheid patterns.

If you look the taxi industry they are subsidising the taxi industry, not the taxi industry because we do not get subsidy but they made money available for the IPTN the integrated public transport network R6.2 billion they have made
 5 available every year in the budget. Now if you look our budget of R1.3 trillion it means it is a thousand billion plus another three hundred billion that is what it means for us as lay people I include myself you know.

Now what is R6 billion versus those kind of R1.3 trillion? It is nothing. This is
 10 where it becomes even more insignificant Chair, what comes to the taxi industry? What comes to us? I cannot even call it something Chair, nothing comes to us because you know that few loss of income that they paid to us those are the participating , the 6., you know they start in Johannesburg and they gave the taxi guys that have given in their vehicle R6 500 per month for
 15 their vehicle, That is what they did. What is R6 500? You know what you are making, we know what we are making Chair.

Come I give you a breakdown, you know in the taxi industry and you are not going to record these things and give it to SARS Chair, because I have taken an
 20 oath you are not going to give it to SARS, I am being honest with you Chair you know because that is going to help you as the Commissioner or should we talk about these things in a closed session?

CHAIRPERSON: No I think do what you think is comfortable and appropriate.
 25

MR G ROCKMAN: No Chair I am honest I am a Pasto so I can share it with my colleagues also here Chair. You know there are many of us you know that earns up to R30 000 a month, R40 000 a month before deductions now of the vehicle and the insurance and those type of things, now Chair, then they come
 30 and they want to offer us those kind of peanuts just because we are black. You know what they said to me those officials in the Nelson Mandela Metro, you guys do not know what is money, you know 6.5 is a lot of money, I said to him ja for you ja. That have been, you know it is a black man trapped in a white skin you know, I said no for us it is nothing Chair we make lots of money. I have got

a big fleet of taxis Chair. I do not have one taxi, do not look at me like that Chair, I do not have one taxi, so I am speaking Chair from experience you know.

5 So I am saying Chair, you know when it comes to compensation it is different from subsidy because the compensation is where we are saying we are willing to participate we have built up this business. You know that the routes Chairperson, the routes belongs to the taxi associations, all the routes, therefore you will find that when there is intrusion of a route there is always tis
10 contestation, we do not fight it is a contestation, you call it a fight we call it a contestation you know because so to establish you know we need to respect each other on that particular route because the routes gets registered in the name of the associated.

15 Now we have that route, the permit gets registered in the name of the owner and the vehicle. The Government comes, since this, pardon, this Act 5 of 2009 it scrap my indefinite permit and it wants to give it now a time frame of 3 years. How unfair Chair. How unfair. They do not do this to white people they do it to black people. Why? Because they say no the taxi industry is troublesome, we
20 are not troublesome, we are not troublesome. We are the biggest employer in this country after you know the Government. the Government employs 1.2, 1.3 million you know civil servants, we employ plus minus 500 000 people in this country.

25 So how can you say to the biggest employer which is black you are troublesome when you have a situation of joblessness, poverty and homelessness and also you know people that cannot even afford to go to the university Chair. So I think we need to look at this very critical, how do we make sure that we take this black entrepreneurs and we formalise them in a
30 way that they become you know the next Anglo American you know in our country, the next Tiger brand in our country you know which we can be very much proud of. It is broad based the shareholders, it has got woman and it has got people with disabilities and it has got all that, and it is 100% black owned, not 2% it is 100% black owned and that is what we need to work towards Chairs

in terms of you know the recommendations that can come out of this commission to say instead of vilifying and working against the taxi industry, how can we work together? I call it rethinking in terms of public transport with regard to the taxi industry you know.

5

How do we work with the taxi industry? For the simple reason Chair, nobody will wish the taxi industry away here and I am coming to the subsidy and I am building my case for you Chair, nobody can wish us away and I will give you an example, when a new area open Chair, who are the first people that are there to asset our black communities? Who are they? It is the taxi.

10

Then we must go into those mud roads you know how those roads damage our vehicles Chair but we do not care for we care about the people, we put the people first like Tata Madiba said put the people first and you will always be supported by the people because it is, you know we are also part of that community so it is by the people for the people.

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Once the route is open and it is now flourishing, what happens next you find that Government brings a bus now, no, no there is too much people we must put a bus but we have built the route as the taxi industry. That is so, so unfair Chair you know. Now therefore, in the South African situation you will never be able to get rid of the taxi industry in this country Chair. Never, never, never in creation you know and this word never you cannot use lightly Chair, but we will not be able to get the taxi industry out of this system.

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What we rather should do is to say how do we improve safety you know on the vehicle because those vehicles are badly built also by the very same manufactures, whether it is Toyota whether it is Mercedes vehicle or whoever they are it is badly built so we need to go and look at the safety, I know they brought some safety things but that is not enough Chair, it is just a roll bar, when this Quantum rolls today uur people die. You have seen it on the TV when you see some accidents so we need to build it in such a way that it is far more safer in terms of it.

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The second thing that the Government must do, this vehicles, I had a Zola Budd you know, those of us who are taxi owners, I have got Zola Budd, do you know what is a Zola Budd Chair? I have got a Zola Budd, those days we bought a Zola Budd for R90 000, now you can see I am taking you far back Chair, we
5 went as a group of taxi owners we went to Durban to Toyota SA, we said to them guys you are too expensive with the Zola Budd. You know what they did Chair, they gave that Zola Budd then at a discount for us for R70 000 as their contribution instead of charging us R90 000 they charge us R70 000.

10 Where am I going to Chair? You see this plants, those monopoly capital you know they have made their money long ago, yes it cost you money to set up a plant for the Quantum it was a new vehicle but that has been paid long ago. Why does it jump you know from R90 000, the Quantum came out at R220 000, R210 000 today it is R430 000 Chair. How does it double when it is supposed
15 to come down the price because you have paid for your plant, you have paid for your capital that you have put in you know but yet the prices never comes down and then they blame the rand. The rand has got nothing to do with their pricing, it has got nothing to do with it Chair.

20 So what I am saying Chair, even those manufacturers of the taxis is also ripping us off, the financial institutions are ripping us off and it becomes an important and I have seen, I have read your terms of reference and it said it is not just as narrow as it is put there, it can go beyond and if you need to amend your terms of reference you can amend it. So if you must amend it Chair, I would
25 recommend today that you amend it so that it includes they call it these nice names, OEM's original equipment manufacturer. We know this terms we are taxi guys you see but we know this business things Chair you see?

30 So it becomes important, it becomes important that the financial institutions that are giving us money that they also be investigated for the way they are ripping us off you know and especially SA Taxi Finance Chair, it is a shame, it is a shame, come I tell you it is a shame and then you find institutions like Old Mutual and those people are also investing in SA Taxi Finance. So it becomes important Chair that we then look at that because the subsidy Chair, why I have

built this thing even if you give us a subsidy and the financial institution rip us off or the vehicle manufacturer rip us off, what is that subsidy going to mean, it means that subsidy will go straight to white monopoly capital again where it is supposed to go to subsidise the commuter and to make sure that the operator
 5 can deliver a quality world class service, respectful service to our people. It will not be able to do that Chair.

This thing that they say that the taxi industry cannot be subsidised I do not know in what world those people are living, maybe they are living on Mars you know
 10 to say we cannot be subsidised. If you can subsidise a bus why can you not subsidise the taxi? If you subsidise the train why can you not subsidise the taxi? If you subsidise SAA and SA Express why can you not subsidised the taxi industry? Chair we know how much money gets given to SAA every year billions, who rides in it? White people it is a few black people, you know I had to
 15 drive down here because I could not afford from Pretoria to come here via a plane. I am not so fortunate Chair, so my colleagues also they are not so fortunate.

You know when I get into a plane, the plane is still full of white people but we
 20 are in the new South Africa, it tells me one thing it is unaffordable to our people therefore they cannot use that mode of transport. Then you find you know the busses that are being subsidised like your City Liner, your Greyhounds and all of those type of things you know because those are State entity some of them you know are State entity vehicles or busses, they charge our people absorbent
 25 prices not just over periods of Easter or December at all times. Those are things you know because our people cannot afford the other modes of transport, we need to make those things more affordable because that is why the subsidy is there.

30 The subsidy is there to make it more affordable for our people and we are saying you know as Laphum'langa Transport Services chair, it is time that the Government immediately start subsidising the taxi industry. Now this thing of an app base and all of this Chair, come I tell you what we have done as Laphum'langa. We have designed our own AFC and APTMS system. The

AFC is the automated fare collection system and the APTMS is the advanced public transport management system. What does it do? The AFC when you have a card and that card is linked at the back you know to a banking switch it is not necessary that it must be just you know one of the four big banks, it can
 5 be a banking switch which can belong you know to the bank of Athens or whatever bank you know because you need that under the Reserve bank regulations that you must have a bank at the back of it so it can be any sponsoring bank.

10 But the way we have designed it Chair is to make sure that maximum value firstly goes to the commuter in terms of what they will be paying and the second value to go to the Government. I will give you an example Chair, in my city the Government paid R375 000 million for the APTMS systems and they paid R400 million for the AFC system. With the system we are designing it is locally based
 15 South Africans that have designed the system it will be 50% less than that price and the reason why we designed it because those systems that are coming in here are coming from Australia you know your Wicks, your ACS, your Mayfair and all of those they come from overseas. They take our money here and then they go overseas so now we have taken local South Africans and we have
 20 designed the system and we are already in the testing phase where it is functioning very well you know it is ready to go in operation very soon in the Nelson Mandela Bay taxi industry.

We will very soon within the next month or so put that into our vehicles there
 25 you know the first 800 to 1000 vehicles that we will put it in. Now those are the kind of innovativeness that we need Chair of every citizen in this country. How do we make sure that the Government save money but how do we also make sure that when the Government save money that that money is directed to the right channels. There is no use there is a saving but it does not go to the right
 30 channels. What are the right channels? The law requires and the At also and the regulations of (inaudible 2:31:23) requires that technical assistance must be given to the taxi industry, but it also said they must also be given assistance to build a secondary business of the taxi industry meaning the value chain.

Now if you want to build a value chain like what we are doing currently at Laphum'langa where we are now applying to have our own loan book and give our own taxi finance to our people at a very cost effective rate. We are also saying that in terms of that the depots we must own the depots. Why is the
5 Government owning the depots? Why? Come I tell you why Chair. Government do not want to see that black people are being advanced in this process what they call the transformation of the taxi industry, we call it the transformation of the taxi industry.

10 Now if you transform something it means that you need to be serious and sincere. Come I tell you in terms of the depots Chair, in terms of the depot my taxi park at my house currently in my garage that is my depot and so my colleagues also that is their depot. Now I own the depot, why when I participate in this process and I was promised that you know I will be better off instead of
15 worse off, Comrade Geoff Radebe said at Legotla you know in 2009 when the taxi industry participate in this new process they must be better off and not worse off.

Now why must I be worse off? I have a depot at my house but now since I have
20 to own the collective depot they say now. The city buy the busses I do not know why when we are supposed to be the owners of those busses because I am the owner of my taxi why must I give ownership over of my bus? Why must I give ownership over of my taxi?

25 What is worse Chair, is that land is supposed to be made available for us as black people for land brings back you know our dignity and it helps us also you know to create a better life. Now when the ANC Government was there they gave us land where we were going to build you know all this depots and we will own it, now since the new Government is there, the new DA they said no we are
30 not going to give you that land.

So that also is becoming an issue of contestation and I am raising this Chair, because currently the four metros where the DA are operating, Cape Town, Nelson Mandela Bay they were kicked out now on Monday and now Tshwane,

they will be kicked out today you know and still they have you know Johannesburg. That is their stance that they take not to empower us as black people because they call us taxi people so the question of land in this whole process of transformation becomes critical and key Chair, in terms of this
5 process.

And I am saying Chair, if we want to make this thing to be successful and this Commission is going to be judged on but one aspect Chair, how did you as a Commission make sure that the taxi industry when they participate in this
10 process is better off than what they are today and that is how we are going to judge this Commission Chair, you know for the outcomes, we can have all this public hearings but if the outcomes does not favour us as black people it means the exercise was just an exercise and I say that with respect Chair.

15 I know you have done very well with your research I have read some of your documents and you have done well with the kind of research you have done but let the outcome be as well as what you have currently Chair, you know what I have looked at. I am sorry Chair if I was too harsh but that is me I am a taxi man so you wanted to see a taxi man on the seat I have been a taxi man. I
20 thank you Chair.

CHAIRPERSON: Thank you, thank you very much Pastor Rockman that was quite a detailed and a very comprehensive I must say submission. Unfortunately you have left us with very little time for questions because we
25 would have liked to pick your brain on some of the, no I think it is fine we may accommodate one or two questions but we will not be able to unfortunately in this session to accommodate as much questions as we would have liked to cover but certainly on some of the other issues that you have raised there will certainly be a need I think for further engagements because the process is
30 continuing it does not end here.

Colleagues I think we can accommodate one or two questions because the next presenter, we have to take the next presentation.

MR NGOBENI: Just only one question on my side Chair, and Pastor Rockman I think, I just wanted to find out the breakaway you indicated that there was a break away and four associations broke away and six remained, so what I am interested in finding out is are all these ten associations were all of them
5 operating on the same route where the integrated public transport network you know which the municipality was planning, were they all operating on the same route and if that was the case then what is the current status? Are they now the six operating in competition with the other four now operating the IPTS or what is happening there briefly?

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MR G ROCKMAN: Through you Chair, those 10 associations are very small so they are not even forming 10% you know of the numbers in the Nelson Mandela Bay so that you have the full picture Chair you know. The second thing is in the area the plummet system in our city is not route based it is multiple routes so
15 we can go anywhere in the city in terms of our permits so it is not just one route that we can go in terms of that.

But what happened in this area, we call it the Northern areas where this system is rolling out, those people you know who sold us out they are having
20 competition amongst themselves. The same association members, those who are not in the system with a branded taxi is now you know competing against their own colleagues who has not yet been taken into the system, it has got phases you know but now they have started to operate in a phase they were not supposed to operate.

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They were not supposed to operate in the feeders and all of a sudden you know you find this people they are selling us out and they are operating there Chair, but with the new Government we will correct it now, there is a new Government now we will correct it.

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CHAIRPERSON: Thank you, thank you very much Pastor Rockman I think we have to end it here for now but as I indicated there certainly will be a need for further engagement because you have quite considerable experience in the industry and you have raised quite important issues that we would still like to

engage you on but thank you very much for your time and for a very helpful and for a very illuminating I must say presentation. Thank you very much.

MR G ROCKMAN: Chair can I just say you know just before I step off, can I
5 say thank you to yourself Chair and I wish you well in the work you are doing
you know. I am putting on my Pastor head now and may the Lord Bless you
and give you the patience you know sometimes when our people become
impatient let Him give you the patience you know and the kindness and the
gentleness that is expected from a civil servant you know in terms of that and to
10 my colleagues thank you very much you know I appreciate you, I love you, I
respect you and let us work together and let us make South Africa better.

CHAIRPERSON: Thank you, thank you very much. We will now take the next
presentation from Mr Mabaso. Thank you very much Mr Mabaso for your
15 patience and for coming we really appreciate it. There is a document in front of
you, you may take the oath of the affirmation.

MR L MABASO: I will take the affirmation Chair. I, Leva Ben Mabaso,
solemnly affirm that the evidence that I shall give, shall be the truth, the whole
20 truth and nothing but the truth.

CHAIRPERSON: Thank you Mr Mabaso so if you could just indicate what your
current role is within the public passenger transport industry and then you can
take us through your submission that would then be followed by questions from
25 evidence leaders and the panel.

MR L MABASO: Okay thank you Chair. You will forgive me in case I am
sometimes maybe I look disorganised. I see you have put my submission here
but I would like to elaborate here and there. In terms of the place where I come
30 from, I come from Brandfort, that is where I stay but I work in Bloemfontein
which makes me either a user or potential user of the transport but also I will
speak from the issue of experience what I experienced or what I experience but
also from the point of observation and then maybe I will also give what I say I
might be proposing.

As a background as well I have been a worker in Bloemfontein travelling from Brandfort to Bloemfontein. By that time during the apartheid years I used to, we used two modes of transport to either go to a hike or you use a train, there was
 5 a train, two trains that you could use for coming to work. You use, one of them was the one coming from Brandfort to Bloemfontein *inaudible 2:44:00). The other one was the one coming from, that one was leaving at about half past five from Brandfort and then it will be, it was specific for the workers and maybe scholars because at that time we did not have a high school. So I used it as a
 10 high school student and later as a worker.

It will leave Bloemfontein round about half past five back to Brandfort, Brandfort is about 56 kilometres from here to the North. Later on we also use the bus when there were problems I think maybe with the trains, I do not know what was
 15 the problems at that time. Later on we use the, I do not remember when did the taxis come but then parallel to the taxis we use the hikes, the lift if I can out it that way and for a reason.

Let me also indicate that I have been, I work before, I have been a teacher in
 20 Brandfort, I have been a councillor in Masilonjana and now I am working in Bloemfontein as a Government Official but in my private life I am also not a Pastor officially but I do give this, for today I want to speak mainly as a taxi user or someone who use to sue taxis and maybe there is a reason why I am not using them now but I would like to use them.

25 Also as someone who at one stage I did aspire to be a taxi owner or a taxi operator, I do not know what is the right word but now I will prefer to rather say, maybe let me be in partnership in the transport or taxi business for certain reasons that I might touch on them here. In my area that is Brandfort we have
 30 mainly the taxis that come from Brandfort to Bloemfontein.

That is a major route as far as long distance taxis are concerned. The number would be less than 10 of course, then we have what you call the small taxis is it four plus one? They are the main ones that are local, now under local you have

two types, I do not know whether I should say two types, the legal and the illegal.

5 The legal concerned those that have the licence is less than 10, the so called illegal is close to 20 which is the majority, now I am not sure whether if you say majority rule that will apply there. The illegal ones, they will aspire to have licences but they do not have. I am not sure for what reason because I also did, like I said I did apply but I have a problem which is this one what I experienced or what I observed in the taxi industry.

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There is a lot of gate keeping maybe if you can check that one if you ask me I will elaborate to say why do you say gate keeping. A lot of barriers, a lot of impediments, I will mention maybe one or two later but in this experience that I have had I am not sure, the taxi business I have seen it growing mainly in terms of maybe numbers, number of taxis and maybe number of people that use them and maybe number of routes but for me personally I think there is no significant growth in terms of running the business as a business.

20 Let me give you a few examples, I am not sure if I have a problem if a taxi, whether a taxi driver or a taxi owner or something related to a taxi, in a normal business there will be a customer care office that I can go there, that is a business to raise my concern to say please apply but to bring the principles in terms of address, in terms of addressing this issue. Right?

25 In the taxi business I am not sure maybe they are there somewhere in advanced place, people that would be do the marketing if I want to do the business with the taxi people then I can contact the marketing Manager and say I want to do this business with you how can I do it? Maybe it is there but maybe it is more on an individualistic basis or maybe on a smaller, which makes it a
30 problem.

In essence what I am saying the taxi business remain a small business forever, forever, a small business in my way although like I say it may be growing in terms of quantity, numbers, but qualitatively for me it is still lacking like it is not

to a large extent run in a professional way whereby for instance or in a business where you say if you, okay if I am a taxi owner I have a right to employ whoever I employ.

- 5 Whether I interview that person or not it might be, I might not be whether I register that person as a worker or not, I am not sure what the Government is doing, are they registered official workers? Do they have the worker rights? Can they be unionised? That is my challenge, that is my problem. Do they go for interviews? One guy was joking to say for you to be a taxi driver you must be able to swear, you must be able to, plus you will be meeting people, customers that will tell you this and that, this and that so you must be able to swear but it was a joke I do not think it was a real thing to be a taxi driver, but the bottom line is, is it run like a business?
- 10
- 15 Do you have Human Resource principles and processes that are applied to employ people that are driving us? Also I experience in this route even in Bloemfontein foreigners be employed being taxi drivers, I have nothing against foreigners, it is not a matter of xenophobia but how do you account for taxation and other human resource issues, personnel development, in that context if you just, or you take care of foreigners.
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An issue of gate keeping there was a line between Thaba Nchu, Bloemfontein and Thaba Nchu up to now we do not have it maybe it was an issue of gate keeping as well I do not know, maybe taxi people said no, no, no you will be killing our business on the lines. The N8, there is a lot of accidents on the N8, why can we not relieve that?

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My last point as a way forward I would like to see taxi business growing as a business. If I have 20 licences, 20 taxis why can I not be developed Government developing me to say no, no you are too big go to the busses we give you a licence to run a bus. Who is running our busses Greyhound, Translux and so on? If you are too big there go to a train as a shareholder as an example so that at the bottom line new people can get in, new entrants so that we do not have this gate keeping that we experience, youth, woman,

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transformation, so we see it? Is it applied to the taxi business as well or is one person having 50, 100 taxis? The Government should be saying grow, you are too big we do not want to get rid of you but grow to the level of a bus, a train, as a shareholder, even an aeroplane SAA, taxi people can then subsidise then
5 grow this SAA that is having a problem as shareholders. Thank you.

CHAIRPERSON: Thank you very much Mr Mabaso for your time and for your presentation. Your presentation is on record and we will certainly take it into account in the process going forward. Unfortunately we had some serious time
10 constraints today in terms of the sequence of the submissions. That presentation will then bring us to the end of the open, today's open session so we will resume tomorrow with the open session at, tomorrow at 9 o'clock.

The first submission that we will receive will be from the Free State national
15 Taxi Alliance so we would like to thank everybody who came today, after we will take a tea adjournment, after that we will be going into the closed sessions. Thank you very much

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Session 4

Closed session with:

A). Interstate

B). One of the members of SANSBOC, the South African Small Bus Operators

5 Council

HEARING ADJOURNS
