



TAXIMAN

BY

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Agenda

- INTRODUCTION
- HISTORY
- INTRODUCTION TO METERED TAXIS
- ROUTES, PRICING & MECHANISMS
- COMPETITION
- SOLUTIONS

Introduction

- My presentation today is aimed at providing the commission with a very real understanding of a metered taxi application in the western Cape.
- Provide insight into routes, pricing and pricing mechanisms.
- I would like to share the real issues faced by the industry and the struggle we endured over the last 5 years .
- Discuss how the effects of modern technology have impacted our industry and how we have adapted .
- Share our thoughts on current legislation and the impact of new legislation.
- Solutions and ideas for the future.

Our History

- Metered taxis have been around for over a hundred years with the first horse and cart between Cape Town and Wynberg.
- Metered taxis have been family businesses and passed from father to son and from generation to generation. Some grew their businesses into fleets and some still operate fleets in our city. Mostly today we have owner drivers and individuals who support their families through driving taxi as a fulltime employ. Cape Town has a history and stories from career cabbies are priceless and knowledge of the area are legendary. Plying their trade at the Harbour, waterfront and airport ranks or Adderley street and Table Mountain ranks, these are the types that make up the Cape Town taxi industry. These are the legal industry. You can often see poor, damaged, unroadworthy and outright poor vehicles plying our streets in the city and around the suburbs, these are your illegals, unregistered, pirate operators and should never be allowed on public roads.
- The restrictions imposed on our OL gave very little room to innovate or grow within our industry. I wanted to franchise my business in 2011 only to hit regulatory hurdles that made it impossible. If I had had the brilliant idea of e-hailing back in 2011 I too would have been told that there is an unofficial moratorium and no permits are being issued2012 same and then 2013 it was officially declared a moratorium incl. 2014, so 4 years of a moratorium. Reason given that it is an overtraded market. So for 4 years no growth, no innovation or regulatory changes and we all stagnated until Uber arrived and then suddenly we were told the moratorium is being lifted with 1000 permits being given to Uber. Not really prepared for this e-hailing issue the DOT issued this infamous practice note we have all come to hear about.
- Mr Patel says a roadshow was conducted with regard to the NLTA amendment bill, that is incorrect. Cape Town never received a roadshow, were never consulted and as a result we flew to Mr Patel to enquire what the bill was about and we were joined by other metered taxi organisations who also had no info on the bill. Well the bill was already at legal by that stage and he confirmed that talks had been held with Uber (not the legal industry) even at one point I clearly remember us discussing the meter and what was in the bill and him replying “so how does this meter thing work.....well for me it was clear that we were on a hiding to nothing. The same department then send that practice note:

History.....

- This was the beginning of how national legislation was being bent / twisted to accommodate e-hailing. So the DOT idea was well lets place them as a Charter OL and later in Cape Town the thumbsuck idea of a e-hailing permit raised its head and these 1000 were issued as such. I appealed to TAT, that what was being issued was not in the Act – nowhere was an ehailing category and challenged this classification and the conditions placed on these OL. Uber driver were given a support letter/business plan and as such appear before the PRE who technically are compelled to rubber stamp the planning authority recommendation. However attached generic conditions were clear that you need a sealed meter, no time charge allowed and a tariff with no surcharge.....after appearing before the PRE, telling them they will be working for Uber and providing the Uber business plan, clearly indicating that all those conditions will not be met, the PRE approved, we lost the case after fruitless attempts to object, we had no legal team and fighting senior advocates with a mere matric, well you can understand the David and Goliath (pardon the pun)
- Our officially recognized organization, WCMTC was in disbelief as both fleet and individuals had been refused OL for 4 years and suddenly a case was made for Uber. Politics had entered our industry and would be for years to come.....There was massive pushback, naturally from all players in our industry. Talk of money to political parties were doing the rounds and although there is nothing illegal about party funding however it can certainly influence judgement in such matters.
- Protest action, meetings and debates to try and understand how ehailing had suddenly taken us all by surprise but mostly how the ehailing operators were being allowed to operate illegally without OL. I petitioned Minister Grant and we had a meeting with him and several meetings with the City of Cape Town Mayco member for transport, Brett Herron who simply said there is a demand clearly so lets regulate, but wait we were overtraded 6 months agomoratorium, Commissioner whitehead supported it and Helen Zille said if we want Uber we will have Uber so where we to go next? Surely the law is on our side no matter, we just needed someone to understand this is a fight for our rights and not against innovation, on the contrary we all wanted to be part of it.

History.....

- So City approved 1000 OL and two years later only 500 odd are ever collected but yet 1000's of vehicles are on the roads in Cape Town, operating with impunity. Here and there a few impounds and the authorities made sure it made front page news. The math's is clear, vehicles are operating illegally, 600 impounds in 12 months was clear proof that something is wrong with the picture and City law enforcement were given the blame for lack of enforcement due to staff constraints.....
- Minister Grant must have really got tired of my letters but I may not have gotten the reply I was wanting but a reply always given and the same from Lee van den Berg at the City and Mark Skriker at the PRE. However no one was willing or able to resolve the matter and it always seemed there was a higher power or legal constraints holding them back. I even opened a case at the Public Protector.
- Many have suffered and many have closed doors and changed professions, some have joined e-hailing while others have competed with apps of our own. The industry has been thrown under the bus and it is staggering to see how the authorities and individuals responsible for our industry have turned a blind eye to massive irregularities and given non legal recognition..
- Letters between myself, minister , city and PRE continued incl. a presentation to the portfolio committee on Transport in parliament and presented our case at the public hearings last last year and I continued further communications with the committee. The portfolio committee was clear and members from all parties were clear that the situation was not acceptable. The resulting amendment bill was damning and Politicians unanimously expressed their concern at the business model and related labour issues associated with e-hailing and I support their criticism.
- Currently people think of the industry as drivers but it is not just drivers who have lost jobs. In my business I personally have retrenched my cleaner, maintenance manager, 4 controllers and two supervisors. This is not just a driver issue this has been devastating to many aspects of the industry.

How a metered taxi operates

- Applications are made at the PRE, approved by the city, compliance verified by the PRE incl tax certificates, insurance etc.... and then gazette, after no objections the OL approved. Cape Town PRE is efficient, under resourced for sure, but since 1991 I can say the service has been acceptable. That's if you have all your ducks in a rowR300 application
- Your area of operation can vary from applicant to applicant , some from to or within etc....
- Once your vehicle has a metered installed at a FIXED tariff, at a cost of around R3000 it then gets sealed at the traffic department after vehicle and meter inspection, then a certificate is issued which now enables the next step. The vehicle is inspected by the PRE for roof light, meter seal and tariff, signage incl. no smoking tariff notice on each door and company or operator name and type of service displayed on both rear passenger doors amongst other checks. Once this is passed you can proceed to have your application processed. Usually administration takes 4-5 days. All in all around 6 weeks.
- Cape Town has no association that requires membership or support documentation nor is there any formal body to turn to for support whatsoever. Lots of promises but no action from DOT. Our association which was recognized by the province was dissolved due to conflicts of interest however the province failed to reconstitute and probably because it would be easier to manage an unorganized industry than a structured one, they probably right. We have no self imposed restrictions on our service whatsoever as an industry. Ranks may not move between each other although the city has a 2014 metered taxi rationalization strategy gathering dust and never implemented.

How a metered taxi operates.....

- As an industry I have no preference to dealing with City and Pre and quite frankly it would be curious to see how a PRE would institute oversight with regards to a municipality needs but personally it is a non issue. I would also be curious how the City ascertains the needs analysis , how is this technically done? I can understand e-hailing companies preferring to deal with the Province and covering all municipalities rather than dealing with ever changing administrators but the issue is not difficult and straight forward from my perspective. I can honestly say that my dealings have always been professional with both PRE and CITY. The issues lie with the political powers that control the administrators..... Please return the function of NPTR back to the PRE as it is a broken system that is just not functioning as intended.
- Memorandum of understanding does not exist between Uber and metered taxis in the Western Cape and when Uber approached our Council the delegation made it clear that our industry has no issue in being part of this innovation and all we require is that Uber comply with the same legal requirements to which we adhere. That was never going to happen and as an industry we decided to not partner unless they played by the rules. Members were enticed to act outside of council policy and recruited drivers. Council was dissolved immediately after we were made aware thereof and no support from Western Cape department of transport in dealing with this matter either.

Routes, Pricing & Mechanisms

- Routes:
- An OL requires a route or area from which you must operate and a vehicle may not operate outside this radius or he will be impounded. I have a from radius of 5 km of my address to 35 km effectively narrowing my operating area to between Tableview and the airport, perhaps Delft. Clients requesting our services from airport to Stellenbosch or Paarl is simply not allowed. If I drop at airport and a customer calls for a trip onward to Somerset West I may not accept it or run the risk of impoundment if I do. Again for years there has been talk of amending the generic conditions and allow for dropping in Paarl and returning with the same client as proposed in the new legislation. I welcome this addition in the NLTA. There may well be companies whose business model is not suited to this legislation.
- Route amendments are possible at a fee of R300 should you move office or move from the area, effectively a new application is required and the same for a new tariff increase..
- Pricing:
- On your OL application you are required to stipulate your preferred rate per km and flag fall fee and rate per hour for waiting time (when standing still waiting at a venue etc.). All three must be clearly marked on your doors.
- You can transport someone to a point at an agreed fee but your meter must remain on at all times.
- Under no circumstances may this meter be tampered or seal broken in which case it must be resealed at the traffic department.
- Should the petrol price increase – and your rates are no longer applicable then a new application is required to increase this rate at a cost of R300 each time each vehicle. Naturally there is further costs to the authorised technician who needs to recalibrate, test and back to the traffic department to have it resealed and back to PRE for inspection etc.....
- Annual roadworthy inspections are compulsory to obtain an operators disc to advise officials you are indeed a vehicle for reward.
- The meter is required to be sealed and the only interpretation for this is that the public are aware of your charges and as such must be protected but whose watching the electronic devices and how are the public protected in this instance? Is it fair to allow ehailing to fluctuate in high fuel price times and meter taxis must pay to change.....just wrong, its that simple.

Competition

- The metered taxi industry welcomes new technology and innovation, much can be learnt from these new tools of the trade.
- I believe the tool of e-hailing a taxi will be the future and within a short while all metered taxis will have their own or be on board with an app of their choice.
- The technology is here and improving however we must not forget there are those that have been left behind with regards to technology and for them a call to a taxi office must be available, for elderly and others.
- E-hailing must not be seen as a new service but rather as a metered taxi that has a new tool with which to be booked, by means of an App, no more no less. Whats up, email, twitter, Facebook are all tools with which you can connect to a taxi. No matter how you make your booking, your fare will be determined by the metered distance you traveled and the vehicle will be the same. Prices may vary, discounts may apply, specific drivers requested, vehicle types can be selected but the actual journey will be in a metered taxi with an OL. There can be no deviation from this, it is law now in the current act and all three amendment acts. It is still unbelievable that even though the authorities are fully aware that companies are operating contrary to the act and have displaced an entire industry, even deaths have occurred as a result of conflict within the industry and still the authorities remain silent. Our laws are clear and for 5 years the authorities have not acted to protect the metered taxi, not protect us against innovation but to protect our rights as a business in the context we operate, granted to us by government and protected by legislation. Government failed us dismally. We didn't write the law nor did we amend it but we are required to work within it until such time as changes occur.
- When I apply for a gun license that gun may not be used if I have the receipt or because the gun registrar took too long to approve, you may not use it until you have a license. The thought that these proposals were even placed before the department are frightening.
- I am not a legislator, I never made the rules but I am expected to work within these rules no matter what and to have the competition enter my market and welcomed by authorities with open arms is quite frankly outrageous and this needs to be addressed through a formal enquiry to understand how, why and who was responsible. The fact that the legislation has taken too long to catch up with innovation cannot be an acceptable reason to allow the demise of an entire industry and redress is expected.
- When e-hailing arrived in South Africa the acceptable way was to approach the existing industry and offer this new tool as an innovative way to improve and technologically advance our industry. The authorities in all spheres of government ignored the industry and allowed the onslaught hoping that we would fall and disappear as they hoped would happen to minibuses with the BRT bus service. Many taxis have joined different apps legally with OL and in Cape town, if you have a meter taxi OL, you can also e-hail legally and I believe that is the way it should be.

Competition ...

- Issuing of OL:
- The issue of numbers of OL is at the heart of the matter:
- The City of Cape Town has to do a needs analysis before issuing and as such determine how many extra permits are required. Remembering the city approves your licence, effectively saying we believe there is sufficient demand for you to go out there and make a living. The needs of an e-hailing company may be very different to the city. If they can have 10000 cars on the road getting 25 % then that is their business need but not what the city requires and can ill afford with oversupply, traffic and exploitation of drivers a very real concern. The City has not approved more OL for Uber because simply put is we don't need them and if they have not collected over 500 in two years then surely they prefer to operate illegally or there is no demand. If a customer has to wait 10 minutes instead of the famous 5 minutes and that helps legal Uber and Taxify with a more sustainable income then that's how they must change. Our City cannot afford 1000's of cars sitting idly waiting. Limit the numbers its not rocket science.
- Price Surging:
- The issue of price surging in a regulated market is crazy especially if you have total control of when and how much you adjust fares. Uber used gautrain and an airline to show that others also increase fares but the big difference is the customer knows that at peak time a flight is more and similar with a train. These are not prices that change in minutes or are exorbitantly adjusted as you about to board and I would imagine there is some scale at which they are expected to operate within. This is simply unacceptable and certainly not in the public interest to allow unlimited charges at a flick of a switch or when a pre determined algorithm is activated. Besides, there wont be an alternative taxi available if the status quo continue.
- Route:
- Uber presentation would like to see a driver go from town to Airport then to Stellenbosch and then go through to a third municipality in Paarl as an example. Well the problem it may sound efficient and they will get their 25 % no matter but what about the poor guy sitting in Stellenbosch all day and waiting for his phone to go and suddenly it goes to the airport guy and when he drops in Paarl the poor guy from Paarl misses out on his trip and so on. If you had a monopoly that would suit your business model perfectly however this is a regulated industry and the needs of a driver and legislation must count. Taking someone from your area to outside your area and returning that person to your area of operation, is acceptable to me. I would also like to see the OL for metered taxis to include tourism hot spots such as Simonstown and Hermanus as often calls are made to transport customers to these destinations which are outside our area. In the DOT presentation Mr Patel indicated we can apply for both tourism and metered permits then this would suffice. However not every cabbie is a tourist guide and I am not sure on legislation regarding this but it needs attention.

Solutions

- Every single taxi must have a metered taxi OL
- Taxis must be marked for safety reasons and the MEC can implement regulations.
- NLTA must be enforced, as a metered taxi and then subsection 66a additional conditions as an e-hail.
- The amendment allows E-hailing access to rank parking as per amended amendment bill and this is unacceptable considering the bill makes provision for rank permits specifically and as such Cape Town City has allocated specific parking for such OL. The MEC again can implement appropriate regulations here too should the amendment pass in its current format.
- Rates must be between a certain rate eg R8 – R20 per km, this will allow for anyone who wants to have a high rate or a low rate and protect the public from excessive price surging and allow those who believe their model is sustainable at a low fare.
- Punitive action is most welcome and as the act clearly states it refers to section 90 a,b,d,e and o so it is not picking on E –hailing, that argument is not relevant. Follow the law and life is good.
- The NLTA is done and dusted and this commission's findings must ultimately assist our MEC in further regulating together with a representative body that takes in all our concerns, needs and achieve the desired outcomes. We past talking shop, lets implement and create a world class service.
- The financial loss to the industry has been catastrophic and this was a direct consequence of non legal recognition given to the e-hailing operators and as such I call for compensation for all holders of metered taxi OL. This has been a deliberate effort to undermine the act and the systematic demise of the metered taxi industry. Government paid nearly a R1 000 000 per OL to MBT for relinquishing these OL when the BRT was introduced as they were to be an effected Party. We were effected are effected and continue to be effected as a direct result of allowing the non legal recognition of a public service. I request immediate negotiations to begin with regards to compensation.
- I call on government to re-instate OL to any person or business that has lost operating licenses as a result.
- I request that with immediate effect the government demand that any person, body or business, local or international immediately complies with the national act and issues cease and desist notices to those that have publicly declared they are operating contrary to the act and any person or organisations they are aware of that is actively contravening the NLTA.
- Finally, I urge all spheres of government to provide for a compliant, sustainable and regulated industry that will provide the public with the best service possible.
- In closing I would like to thank legislators, the portfolio committee on transport and government officials who actively moved this legislative process forward and really took the time to hear my calls, interacted with the industry and responded accordingly. This has been a tough 4 years for us but no matter how slow the wheels of government turn, they turn nonetheless.