



# NTA

## NATIONAL TAXI ALLIANCE

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### MEMORANDUM OF GRIEVANCES

TO : THE MINISTER OF TRANSPORT  
ATT : HON MINISTER JOE MASWANGANYI  
FROM : THE NATIONAL TAXI ALLIANCE  
DATE : 8 NOVEMBER 2017

It is with regret that as the National Taxi Alliance (NTA) we are compelled to resort to engaging in a “protest march” due to the lack of engagement and respect for our organisation shown by yourself as the Minister of Transport.

Dating back to our letter dated the 07<sup>th</sup> of April 2017, in which we expressed our support in regards to your appointment as the Transport Minister, requesting a meeting at your earliest convenience. And for ongoing engagement, we referred to letter dated 3<sup>rd</sup> of February 2017 to Minister Peters

We then engaged with the Acting - Director General Mr Mathabata Mokonyama and presented a business proposal for your attention, to which we have received no reply.

On the 21<sup>st</sup> of July 2017 we again requested a meeting with yourself, on an urgent basis, as our members were pressurising us to take to the streets to express their grievances following the lack of response and ineptitude from your office to their grievances. This was done on a basis of a friendly solution based request.

Further to this letter the NTA wrote to the Minister on the 25<sup>th</sup> of August 2017, expressing our dismay that you had chosen to ignore our requests to engage with yourself.

This has left the NTA with no option, but to arrange a legal “protest march” to deliver this Memorandum of Grievances from which we trust the Minister will accept and treat with urgency its contents deserve.

We regret to inform the Minister that should you fail to act upon our grievances within 21 days of the acceptance of this Memorandum, we will take further action.

Our grievances are as follows:

## **1. PUBLIC PASSENGER TRANSPORT SUBSIDIES FOR TAXI PASSENGERS**

- 1.1. Taxis transport between 68% and 70% of the commuting public, mostly poor South Africans who cannot afford to pay market related fares.
- 1.2. It is without any doubt that taxi commuters cannot afford to spend more than 10% of their disposable income on public transport.
- 1.3. Since the advent of democracy in 1994, the democratic government of our country has continued to subsidise other modes of transport for the benefit of their users, The exclusion of the taxi industry and its user in this regard is not only unconstitutional but lack the moral justification.
- 1.4. Taxis remain the cheapest mode of transport because taxi operators continue to subsidise passengers, however it must be noted that it is the responsibility of government to enable its poor citizens to afford public transport through subsidisation interventions. The taxi industry can no longer continue to play this role as it is not only unsustainable, but betrays logic of being in business and the ability to provide the expected standard of service to the commuting public.

1.5. Golden Arrows, Putco and other bus companies receive billions of rands annually through the public passenger transport subsidies fund while their services standards are no better than those of the unsubsidised taxi industry. Subsidies given to these bus companies are there to make big profits for their shareholders.

1.6. We reiterate that the Billions of rands spent by government subsidising buses and trains while the taxi industry and its users are excluded borders on fruitless and wasteful expenditure.

## **DEMANDS**

1.7. We demand the immediate inclusion of the taxi industry in the Public Passenger Transport subsidies.

1.8. Public Passenger Transport Subsidy allocations must be proportionate to the mode user ridership percentage.

1.9. We strongly believe that in this instance there is a case for you department to answer to the relevant chapter 9 institutions.

## **2. TAXI RECAPITALISATION PROGRAMME**

2.1. Government's review of the Taxi Recapitalisation programme vindicates the NTA's well recorded calls for the programme to be reviewed as it would not deliver its intended objectives in its current form.

2.2 We have persistently and correctly pointed out that government went overboard legislating the specifications of Taxi Recapitalisation compliant



taxis. These specifications, effectively make the vehicles unaffordable to the taxi industry, to the extent that taxi vehicle manufacturers and other suppliers in the value chain have found it easy to hide behind these specifications in their justification of charging exorbitant charges and effecting other immoral business practices.

2.3 The scrapping allowance has always been far too low to mitigate the high costs of the TRP compliant vehicles the taxi operators are exposed to.

2.4 TRP legislation negates the five year replacement circle and consequently ruling out the scrapping of the first TRP compliant taxis that are now more than fifteen years old.

2.5 Chinese and other imports that barely met the TRP specifications are excluded from the scrapping lists, yet they remain potent hazards on our roads an uneconomical to operate.

2.6 If the intention of the scrapping allowance is to mitigate costs to the taxi operators, then the programme negates the price disparity between mini and midi buses which ranges between R200 000.00 and R300 000.00. Logically the scrapping allowance should be proportionate to the price of the taxi in question.

2.7 The exorbitant costs of the TRP compliant taxis and the punitive costs of finance hinders taxi operators from scrapping their old taxis, for reasons that they may not be approved by financial institutions or worse if they are approved they get charged horrendously unaffordable financial charges that leads to the financed taxis ultimately repossessed.

2.8 We submitted a proposal to the Acting Director General of Transport for the attention of the Ministry of Transport, Treasury and Cabinet, wherein we are proposing that government puts up a R 5 billion Guarantee at a mutually

agreed interest rate for the purposes of addressing the biggest problem in the taxi industry, that of financing taxis.

2.9 Our proposal will enable taxi operators to easily embrace, scrapping, fleet renewal, fleet increase to meet the demands, do maintenance and repairs as per the manufacturer specifications and therefore meeting the objectives of the Taxi Recapitalisation Programme.

### **DEMANDS**

2.10 We demand that the TRP taxi specifications be reviewed to eliminate none safety costs adding specifications.

2.11 We demand that the scrapping circle be five years to all taxi vehicles.

2.12 We demand that the Chinese and other poor quality imports be included in the scrapping and immediately be outlawed.

2.13 We demand that minibus scrapping allowance be increased to R153 00.00 for Minibuses and R228 000.00 for Midibuses.

### **3 OPERATING LICENSES**

3.2 Deserving taxi operators are operating without operating licenses, due to mismanagement of the Operating licenses system by the Provincial Regulatory Entities.

3.3 Many Metropolitan Councils, Municipalities and other transport authorities have failed to conclude transport plans thereby giving PREs vague excuses not to grant deserving taxi operators new operating licenses.

3.4 Municipalities are both referee and player in the issuance of operating licenses, given that they also operate municipality modes of transport.

3.5 NTA has a problem with Operating licenses being a privilege as opposed to being a trading business license that is valid and tradable subject to existence of the business and compliance with relevant legislations.

3.6 The seven years validity of the taxi operating licenses creates future uncertainty of the business and deters long term investments in the taxi industry which is a hindrance to the industry's formalisation, modernisation, growth and development.

3.7 These operating licenses do not give the taxi business an economic value determined through assets value and goodwill.

3.8 Taxi operators irrespective of owning a fleet of taxis cannot produce balance sheets due to the Operating licensing limitations. This leaves the industry with no incentives to attract skills and investors.

## **DEMANDS**

3.9 We demand that all deserving taxi operators be issued operating licenses.

3.10 All taxi operating licenses to be indefinite, subject to compliance with applicable legislation.

3.11 All Operating licenses save for new applications to be over the counter transactions.



- 3.12 PREs to be compelled by legislation to fore warn operators of the impending expiry of operating licenses and the renewal thereof be over the counter.
- 3.13 Legislation to enable taxi licenses to carry tradable economic value.
- 3.14 Municipalities to remain regulatory bodies and not transport operators regulating competition where they are also players.

#### **4 ADMINISTRATION ADJUDICATION OF ROAD TRAFFIC OFFENCES**

- 4.2 NTA made submissions to the Transport Portfolio Committee, opposing the AARTO bill in its original form, citing its insensitivity to the operations and structure of the taxi industry.
- 4.3 NTA welcomes AARTO's road safety intentions but we have an issue with the scenario of "removing the flowers with the weeds in the process of removing weeds from the garden".
- 4.4 AARTO is unfair and unjust where taxi operators will be convicted for offences committed by their drivers.
- 4.5 AARTO demerit point limits are insensitive to taxi drivers due to the uniqueness of taxi operations.
- 4.6 The taxi industry is not aware if its submissions to the AARTO bill were considered or not?

4.7 If implemented in its current form, many taxi drivers will lose their jobs and operators their businesses effectively plunging them into joblessness and poverty.

4.8 We demand that the AARTO bill be reviewed taking into consideration realities of taxi operations.

4.9 Alternatively, we demand that the taxi industry be exempted from some provisions of the ARRTO ACT.

## **5 POOR TAXI INFRASTRUCTURE AND FACILITIES**

5.2 While we appreciate that taxi ranks, parking, holding facilities and mobility enhancing infrastructure are the responsibility of municipality under the South African Local Government Association, we do so with the understanding that the department of transport has enjoys consultations in this regard.

5.3 Taxi ranks, compared to other modes of transport facilities remain largely under developed concrete jungles with chaotic operations, poor maintenance and reeking of urine and all forms of dirt and disorder.

5.4 Taxis are not given mobility enhancing dedicated lanes or roads in major Metropolitan areas.

5.5 Taxis don't share in the business and advertising rights at the taxi ranks whereas they are the nucleus of the business activities at the taxi ranks.

## **DEMANDS**

5.6 We demand that all taxi ranks be upgraded and modernised with facilities fit for human habitation in the 20<sup>th</sup> century.



5.7 We demand that taxis must be allowed to use dedicated public transport lanes.

5.8 We demand that taxi associations must be given trading and advertising rights at all taxi ranks.

## **6 UNRESOLVED TAXI KILLINGS**

6.2 Taxi operators, leaders and taxi drivers continue to die in the hands of hit squads operating in the taxi industry. The killings seem to be systematic and endemic.

6.3 The constitution of our country guarantees its citizens the right to life and security, that right is underwritten by the state using police, judiciary and correctional services.

6.4 Both the Police and the judiciary have failed the taxi industry on these wanton killings.

6.5 Arrests prosecutions and convictions are supposed to serve as a deterrent to these killings.

6.6 Bribery and corruption in the handling of the killings seems to be prevalent given the impunity with which the killers brazenly continue unhindered.

6.7 There are taxi killings cases where video footage was available and surprisingly those cases remain unresolved.

6.8 NTA has identified the killing as intra and inter taxi association conflicts mainly caused by unruly elements in the taxi industry and corrupt government officials.

### **DEMANDS**

6.9 The NTA demands that taxi killings cases before they are declared cold must be referred to an investigation review panel set up for purpose.

6.10 Taxi cases that are thrown out of court must be referred to a judiciary review panel as an exercise to stem the tide against corruption.

6.11 All outstanding taxi conflicts must be handled by retired judges and their findings must enjoy the protection of the courts.

### **7 SELECTIVE LAW ENFORCEMENT**

7.2 Law enforcement targets taxis during peak hours while other modes of transport operate freely. We see this as an attempt by law enforcers to drive taxi commuters away from taxis to other modes of transport to avoid being late for work and other activities.

7.3 We observe that there are hardly any road blocks targeting Trains, BRT, Metro buses and other buses.

7.4 We demand the immediate cessation of the targeting of taxis during peak periods.

### **8 FREEDOM OF ASSOCIATION**

8.2 Freedom of association is a constitutional right enshrined in the constitution of our country enjoyed by all citizens.

8.3 Given that there is no legislated statutory body in the taxi industry, taxi operators are free to belong to national taxi bodies of their choice between the two existing national taxi bodies.

8.4 Government officials in some provinces demand that our members must produce proof of Santaco membership before they can be served.

8.5 This unacceptable behaviour of these government officials is a result of government pretending that there is a legislated statutory representative taxi body enjoying statutory powers.

#### SOLIDARITY WITH METER TAXIS AGAINST UBER

In solidarity with our sister mode, the meter taxis we declare a dispute with your department regarding the illegal operations of the unlicensed Uber. In terms of the National Land Transport Act Uber is operating illegal and should be stopped.

#### DEMANDS

We demand an immediate cessation of all Uber operations and impoundment of all Uber vehicles operating illegally.

We further demand a dialogue between Meter Taxis and Uber facilitated by your department where Meter Taxis will be given the right of refusal

We await your written response regarding the grievances contained herein within 21 days of signatory to this Memorandum to be addressed to the NTA Secretariat at the address appearing on the letter head of this Memorandum





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General Secretary

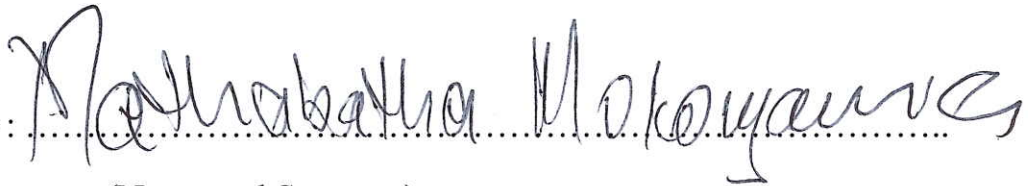
Duly Authorized on behalf of the National Tax Alliance



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President

Duly Authorized on behalf of the National Tax Alliance

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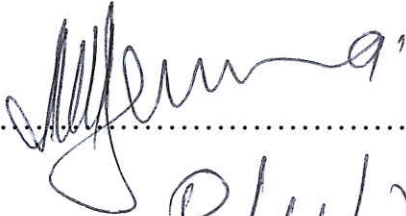


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