

Minister Blade Nzimande: Revised Taxi Recapitalisation Programme

26 Apr 2019

Transport Minister, Dr Blade Nzimande statement on the occasion of the announcement of the revised Taxi Recapitalisation Programme held at GCIS, Tshedimoseetso House, Hatfield in Pretoria

Deputy Director General of Public Transport, Mr Mathabatha Mokonyama
Officials from the Department of Transport
Members of the media
Ladies and Gentlemen

Today, I am delighted to announce one of government's ground breaking interventions to transform the minibus taxi industry.

Government made a firm commitment to facilitate a conducive and enabling environment through legislative and strategic interventions to professionalise the taxi industry by making it user friendly for both passengers and operators.

The taxi industry is the largest public transport mode, which is estimated to transport approximately 15 million commuters per day, which is 68% of all commuters.

In the light of the above government decided to revise the Taxi Recapitalisation Programme to meet the current and future needs of commuters and to stimulate the economic potential of the industry.

As part of this programme government hopes to address the challenges facing the Scholar and cross boarder operations.

The Revised Taxi Recapitalisation Programme (RTRP), resumed in March 2019 with the appointment of the new service provider responsible for the administration and management of the programme.

The Department of Transport, appointed Anthus Services 84 (Pty) Ltd (Anthus) as the Technical Partner responsible for the administration and management of the RTRP in March 2019.

I am also delighted to announce that as part of our commitment to support the taxi industry, government has decided to increase the taxi scrapping allowance from R91 100 to R124 000 per scrapped old taxi.

In accordance with the mandate of the Department of Transport, Anthus has established the Taxi Recapitalization SA (TRSA) as the trading entity which will implement the Revised Taxi Recapitalisation Programme.

To fulfil the transformation and sustainability requirements of the Revised Taxi Recapitalisation Programme, 60% of the commercial benefits generated by the Taxi Recapitalization SA operations will flow to the Taxi Industry.

The Taxi Recapitalization SA has already fulfilled its mandate to establish sites in all nine provinces.

The sites are already opened to receive applications for scrapping.

The minimum requirements for applications to scrap old taxi vehicles remain the same as the previous taxi Recapitalisation Programme process.

It is therefore important that I remind all that the initial target of the Taxi Recapitalisation Programme was to scrap 100,000 old taxi vehicles and was later adjusted to 135,894 in 2007.

A total of 72,653 OTVs have been scrapped and a total amount of R 4,4 billion was paid in scrapping allowances by the end of September 2018.

With the Reviewed Taxi Recapitalisation Programme, we will be extending the scope beyond the scrapping of the balance of the 135,894 Old Taxi Vehicles (OTVs) to include the following:

1. Commercialization: The development of sustainable commercially viable Revised Taxi Recapitalisation Programme management solutions leveraging and exploiting opportunities available in the minibus taxi industry's entire value chain with taxi operators as active and meaningful participants.
Commercial enterprises include the affordable supply of new taxi vehicles, finance, short-term insurance, spare parts, repairs, fuel, lubricants, electronic fare collection and property management.

Apart from reducing the Taxi Industry's dependence on government over time, revenue generated from the commercial streams would be deployed to promote the sustainability of the minibus taxi industry's and fund the continued recapitalization of ageing New Taxi Vehicles (NTVs) beyond the current TRP programme.

2. Illegal operations and verification process: Which is the determination of the extent of illegal taxi operations across the country by conducting a nationwide survey to populate a comprehensive database of minibus taxi industry's operators and operations.

The accurate statistics for the Taxi Industry's will enable the Department of Transport to undertake proper planning and embark on appropriate interventions.

3. Change management and unity: The Department of Transport intends to use the Revised Taxi Recapitalization Programme as a catalyst for change to the Taxi Industry's operating model.

The industry currently works on an individual taxi ownership model and collaborative route management structure through local taxi associations, regional, provincial and national taxi councils.

By and large, the individual ownership model and taxi association route management model are at the heart of the endemic conflict and violence which have bedevilled the taxi industry for decades.

To this end, the Department of Transport intends to use the Revised Taxi Recapitalisation Programme to unify the Taxi Industry by introducing collaborative ownership and operating models, using structures such as co-operatives and corporatisation.

Apart from optimizing profitability and sustainability by introducing economies of scale, the benefits of collaborative Taxi Industry ownership and operating models will include the provision of decent and secure employment to employees of the taxi drivers, rank marshals, with benefits such as living salaries, housing allowance, medical aid, hospital cover, pension fund, retirement fund, funeral cover, etc.

Collaborative minibus taxi industry ownership and operating models will eliminate existing fierce competition amongst drivers and encourage responsible driver behaviour and passenger safety.

The collaborative minibus taxi industry ownership and operating models will also promote training and skills development, thus enhancing professionalism and customer service.

It will also create wealth for taxi operators by rationalizing taxi routes, eradicating overtrading on routes, and thus increasing profitability and sustainability.

The Taxi Recapitalization SA has already commenced with the process to scrap the illegally converted Toyota Panel Vans as per the remedial actions of the Public Protector in the report titled Illegal Conversions of Toyota Quantum Panel Vans into Minibus Taxis issued on the 27th March 2019.

Two thousand three hundred and fifty-three (2353) illegally Converted Toyota Panel Vans were identified by the Department as being illegally converted. Of the converted panel vans, four hundred and thirty-six (436) were retrofitted.

One thousand nine hundred and seventeen (1917) illegally converted Toyota Panel Vans will have to be scrapped and the owners will receive an allowance.

An illegally converted Toyota Panel Van will have to have an Operating License or Permit in order to qualify for scrapping as a prerequisite.

In conclusion, let me restate that the Revised Taxi Recapitalisation Programme has built on the strengths and successes of the previous Taxi Recapitalisation Programme, particularly the robustness of the scrapping process, closed the challenges of the previous

Taxi Recapitalisation Programme, and broadening the scope and impact of the programme going forward.

Details of the Taxi Recapitalization SA's sites and other pertinent operational information can be obtained on www.taxirecap.co.za or via the share call number 010 599 0235.

I thank you.