



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



For Immediate Release
Attention: News Editors
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GOVERNMENT RESPONSE TO TAXI SHUTDOWN IN GAUTENG

We have noted with concern the announcement by the Gauteng Provincial arm of the South African National Taxi Council (SANTACO) of a shutdown on Monday, as a result of their objection to the Taxi Relief Support we announced on Friday.

This afternoon, we held a special MINMEC to deliberate on the Taxi Relief Support and the threat of a shutdown by SANTACO in Gauteng. The meeting was attended by the MECs, Executive Mayors of eThekweni and Ekurhuleni, as well as MMCs from Johannesburg, Cape Town, Nelson Mandela Bay and Buffalo City Metros.

We find this action rather unfortunate and counterproductive. Resorting to shutting down services as an expression of disagreement with the quantum of the amount the government is offering the industry as relief support, does nothing for the industry.

A service shutdown will not only negatively affect the working class, but will worsen the devastation of the industry. The taxi industry is in the process of recovery from the combined impact of limited operating hours and reduced loading capacity as a consequence of the COVID-19 pandemic.

The decision to avail R1,135 billion to the taxi industry as relief support was not an easy one. We literally had to scrape the bottom of the barrel to reach this amount, because we believe the taxi industry is deserving of support as the largest mover of our people. We must equally appreciate that government has limited resources, which must equally benefit all other sectors. It is for this reason that none of the relief packages equate to compensation for losses, but rather limited support to cushion the impact of the COVID-19 pandemic. The reality is that there is no more money available beyond what the government has offered.

At the time we engaged with the taxi industry on this relief support, we invited them to submit proposals on the best mechanisms to disburse the funds and benefit all the operators. The door is still open for creative ideas to maximise

value for this limited benefit for all operators in the industry. Increasing the amount available is simply not an option.

We have emphasized many times before, that whatever support we avail to the taxi industry, it must be for the benefit of all operators, including that owner-driver who owns 1 taxi in a rural village.

The proposed mechanism to disburse these funds through SARS is intended to achieve that. Equally so, the mechanism will allow us to identify government officials, who may want to double dip, by claiming for this support while earning salaries.

We have taken note of the industry objections to the model we seek to employ to disburse these funds. We have therefore made a commitment to further engage within government on the industry concerns and provide feedback to the industry on Wednesday, 24 June 2020. We have further committed to the industry that the Tuesday meeting will also provide feedback on their proposal for a 100% loading capacity.

We will then proceed to issue Directions to formalize the process and to give clear guidance on how individual operators can access the relief benefit.

We have equally made a firm commitment that we are moving towards a funding model that will ensure that the taxi industry is subsidized. This is part of the long-term commitment government is making to the industry, which must be underpinned by an accelerated process to formalize this industry.

While others see formalization as a challenge, there is no doubt that it is central to the long-term objectives of sustainable economic growth of a sunrise industry such as the taxi industry.

On Friday, we announced that SA Taxi Finance will put a moratorium in place on vehicle repossessions and also extend their initial one-month repayment holiday by a further two-months. This is part of the broader interventions we have made in support of the industry, which include providing personal protective equipment (PPE), amongst others.

While our plans to host a National Taxi Indaba were disrupted by the COVID-19 pandemic, we remain committed to placing on the table a long-term taxi industry empowerment model, for discussion with all stakeholders.

This model will outline the tangible economic support government intends to provide to the industry, and the critical trade-offs that have to be made both by government and industry, to ensure its successful implementation.

We are convinced that there is no basis for any kind of shutdown, and we appeal to the leadership of the taxi industry to discourage any such actions and give space to ongoing discussions. Our engagements with the leadership of the taxi industry have been cordial and constructive and we do not believe there is basis for acrimony.

Our collective effort and focus must be on directing resources towards the long-term sustainability of the industry. We reiterate our commitment to introducing subsidy as part of the long-term empowerment model of the taxi industry.

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