###### National Assembly

Question Number: 3580

**Mr M S F de Freitas (DA) to ask the Minister of Transport:**

With reference to the Integrated Public Transport System in the Nelson Mandela Bay Metropolitan

Municipality and its operations agreement with a certain company (name furnished), (a) what are the reasons for paying compensation to taxi operators, (b) when did such payment commence and (c) what amount has been paid in each month from the date of inception up to 14 September 2015? NW4247E

With reference to the Integrated Public Transport System in the Nelson Mandela Bay Metropolitan Municipality and its operations agreement with a certain company (name furnished):

**(a) what are the reasons for paying compensation to taxi operators**

On 06 December 2012 the Municipality and Transbay (Pty) Ltd concluded an operator agreement with the taxi industry and bus industry to operate the pilot phase of the IPTS. As part of the pilot phase, the Municipality further concluded a compensation agreement with Kyoscan (Pty) Ltd, representing the taxi industry. In this agreement, 60 mini-bus taxi operators operating on affected routes within the pilot phase agreed to deliver their 60 vehicles and operating licenses to Kyoscan for safe storage in the facilities provided by the Municipality.

The purpose of the compensation agreement was to structure the removal of mini-bus taxis from the IPTS routes in order to create demand and eliminate competition between the operators and the IPTS buses. The operators were in turn fully compensated at a rate of R6 500.00 per month for their loss of revenue. The pilot phase commenced on 21 January 2013 and terminated on 20 January 2014.

**b) when did such payment commence**

The payments commenced at the start of the NMBM pilot operations in January 2013.

**(c) what amount has been paid in each month from the date of inception up to 14 September 2015?**

An amount of R6 500 per month has been paid from January 2013 to January 2014 to each of the mini-bus taxi operator who had surrendered their mini-bus taxi and Operating Licence. Lump sum payments were made for the period February 2014 to June 2014 and also for the period July 2014 to December 2014.

Amounts that have been paid to the mini-bus taxi industry to date are outlined further as follows:

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| --- | --- | --- | --- |
| **Beneficiary** | **Amount** | **Year** | **Reason** |
| **Laphumilanga Taxi Services Secondary Co-op (LTSSC)** | 2 812 500 | July 2010 | 2010 Transport operations |
| **Laphumilanga Taxi Services Secondary Co-op (LTSSC)** | 2 050 000 | Oct 2010 | Start-up funding for the secondary Co-op |
| **Laphumilanga Taxi Services Secondary Co-op** | 1 227 038 | May 2011 | Start-up funding for the secondary Co-op (To pay LTSSC creditors) |
| **Laphumilanga Taxi Services Secondary Co-op** | 8 599 531 | July 2012 | Start-up funding for the secondary Co-op |
| **Laphumilanga Taxi Services Secondary Co-op** | 18 946 516 | 2014 | Start-up funding for the secondary Co-op including LTSSC director’s back pay. |
| **Transbay** | 32 129 189 | 2012/13 & 2013/14 | Pilot Transport operations |
| **120 IPTS Ambassadors** | 10 784 838 | 2013 & 2014 | Salaries for the taxi drivers and conductors displaced due to the withdrawal of 60 taxis from Summerstrand route |
| **Compensation for 60 Mini-bus taxi** | 9 360 000 | 2013 & 2014 | Compensation for taxis removed from Summerstrand route. |