

MEDIA RELEASE

**MEMORANDUM OF AGREEMENT SIGNED BETWEEN ETHEKWINI METROPOLITAN MUNICIPALITY AND THE MINIBUS TAXI OPERATORS FOR THE GO!DURBAN PROJECT.**

14 February 2014

The eThekwini Municipality and the minibus taxi industry potentially affected by Phase 1 of the GO!Durban Integrated Rapid Public Transport Network (IRPTN) system have announced the signing of a Memorandum of Agreement between themselves, in which both parties will engage and negotiate in good faith and set-out the roles and responsibilities of each party in this process.

The Memorandum of Agreement was signed today by the His Worship the Mayor Cllr James Nxumalo and the Minibus Taxi Industry Leadership.

Since the inception of GO!Durban, the Integrated Rapid Public Transport Network, the city has been committed to implementing the new public transport system in partnership with all the affected public transport operators, including the minibus-taxi industry. Key elements are already in place and functioning well: dedicated public transport lanes, the Muvo smartcard ticketing system, and the growing network of cycle lanes and pedestrian walking routes. From today you can expect a rapid acceleration of that work as we work towards the 2016 to 2018 deadlines for the first four transport corridors to be up and running.

Awarding of 6 contracts to the value of R3 billion will take place shortly and the 7th contractor is already on site. Tenders for corridors C1 and C9 will be out to tender before the end of the financial year and tenders for IFMS (Integrated Fare Management Services) and ITS ( Integrated Ticketing Services) have gone out to tender. The commencement of construction, consolidation of the “Muvo Card” (the cashless card system), engaging with community stakeholders, businesses and the eThekwini citizens, as well as the launch of a mobile marketing bus will drive the project in early 2014.

A “wall to wall” network plan including strategies, plans and projects integrating specialist and supporting work streams will unlock GO!Durban creating nine transport corridors linked by various modes of transport (bus, rail and taxi) across eThekwini by 2027. Phase 1, which is prioritised around four critical corridors including rail, is expected to be completed by 2018. It will comprise three Bus routes and one rail corridor. The three routes are: C1 Bridge City to Durban CBD, C3 Bridge City to Pinetown, C9 Bridge City to Umhlanga corridor and the rail corridor: C2: Bridge City and KwaMashu via Berea Road to Umlazi and Isipingo.

The Phase 1 network will accommodate approximately 25% of the Municipality’s total trunk public transport demand on road-based IRPTN services with a further 40% being accommodated by the trunk rail network as part of Passenger Rail Association of South Africa (PRASA) implementation plans. This approach ensures a recognisable benefit to the maximum number of users in the shortest period of time.

***His Worship the Mayor Cllr James Nxumalo said*** “In terms of the project roll-out, all operators whose routes would be affected by the GO!Durban operations in each sub-phase will have the option to be included in vehicle operating companies with which the City would negotiate and enter into a contract to operate the services. The city is committed to negotiating with affected operator’s contracts to a maximum of 12 years as stipulated in the National Land Transport Act, Act No. 5 of 2009. In June 2011, the city started engagements with the leadership of the minibus taxi industry, to be part of a consultation process about their possible participation in the IRPTN project. Care and due diligence has been exercised particularly with those operators who were previously disadvantaged, to become part of the new bus operating company. The city recognizes that significant effort is required to support these operators to be able to run a viable and sustainable bus operating company which is in the interests of service delivery and good governance.

In the negotiation process, it is also necessary for the city to provide assistance to the operators, in the form of, for example, technical support to ensure that they engage with the city on a "level playing-field".

The initial consultations have been followed by an intensive year-long engagement process during which inter alia, the Memorandum of Agreement (MOA) was developed and agreed between the city and the minibus taxi industry leadership. The MOA represents the city's policy of inclusivity and partnership with public transport operators and negotiated solutions for the city's public transport challenges. The MOA also represents a firm commitment by all affected parties to meaningfully engage with one another in order to arrive at a mutually satisfactory position to achieve not only the goals of excellent service to passengers but also broad transformation within the public transport sector as a whole.

After the signing of the MOA and a process to determine the extent to which the potentially affected parties are actually affected and thus must be represented at the negotiation table, the potentially affected operators will need to determine their negotiators and negotiations can proceed. This is envisaged to happen in the next six months.

With regards to the bus operators operating in the city, a draft Memorandum of Agreement has been developed through engagement with Bus Operators Leadership. A similar Memorandum of Agreement will be finalised and signed soon with the bus operators demonstrating the city’s commitment to ensure that all existing public transport (minibus and bus) operators have a critical role to play in the city’s vision to deliver an integrated, safe, efficient, affordable and reliable public transport system***.***

Public transport drivers are not only the face of the public transport services but a critical stakeholder to the delivery of safe, reliable public transport system. For the implementation of the GO!Durban project, a comprehensive skills development programme targeting all existing industry employees who will be affected by the GO!Durban project. The skills development and driver development programme will be undertaken resulting to the professionalisation of public transport drivers with improved conditions of service.

***MEC of Transport, Community Safety & Liaison in KwaZulu-Natal, Mr Willies Mchunu*** said “I am very delighted to witness the signing of the Memorandum Of Agreement between the city and minibus Taxi Industry Leadership of eThekwini. This signifies our Government’s commitment to ensure consultative and participatory democracy. This also demonstrates a healthy relationship between the Department of Transport (across the 3 spheres) and the public transport operators.

The minibus taxi industry and the bus operators play a key role in moving millions of citizens to and from various areas of social and economic activities. Therefore, in the implementation of the GO!Durban project, all the existing legal operators in the eThekwini Metropolitan area have a critical role to play. As the Kwa-Zulu Natal Department of Transport, we will be working with the city to ensure that the roll-out of this project and the participation of existing operators is implemented successfully as enshrined in the National Land Transport Act, the Public Transport Strategy and Action Plan approved by Cabinet in March 2007 as well as the White Paper on Transport Policy. “

The National Household Travel Survey indicates that taxi industry conveys approximately 65 percent of commuters. The minibus taxi industry plays a key role as a mode of transport. The minibus taxi industry economic contribution is also significant as it employs approximately 680 000 people (drivers, rank marshals, conductors and car washers) and contributes approximately R30 billion to the South Africa’s Gross Domestic Product.

For decades, the minibus taxi industry has operated and rendered an essential transport service to millions of commuters without any subsidy from Government. The transformation of the public transport industry and the integration of all public transport services (minibus, bus and rail) and the empowerment of the existing small operators such that they graduate into contracted bus operations, is an essential step in the right direction. Leaders of the taxi industry have all given messages of support in the signing of the Memorandum of Agreement with the city to demonstrate mutual commitment towards the GO!Durban project and the improvement and integration of public transport in the City. The process of negotiating the memorandum of agreement between the City and the taxi industry leadership has been difficult, but positive with robust engagements. The Taxi Industry leadership, through the Ethekwini Metropolitan Management Taxi Council (EMMTC) will ensure that all existing individual operators are consulted and are given an opportunity to give their input into the GO!Durban project through their taxi associations and regional structures in all the 5 regions of the city, using meetings and workshops.

At the highly successful ceremony to sign the Memorandum of Agreement where all the regions were represented, the Chairperson of the eThekwini Metro Management Taxi Council, the Chairperson of the KZN Taxi Alliance and the President of the South African Taxi Workers Organisation all expressed support and hope that the GO!Durban project will bring benefits to their members.

Issued for GO!Durban by:

Melanie Roberts

Mobile: +27 (0) 79 405 3664

Tel: +27 (0) 31 811 5628

Post: P O Box 30547, Mayville, 4058

Email: melanie@versfeld.co.za

Website: www.versfeld.co.za