PUBLIC SECTOR — TRANSPORT — GENERAL

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Alternative routes to toll roads may go

SCRAPPING alternative routes to toll roads, will have to be considered if SA's national road network is to be financially viable, the Transport Ministry has warned.

Transport Minister Mac Maharaj had also indicated that existing primary roads might have to be tolled, Land Transport deputy director-general Malcolm Mitchell said at the weekend.

Under current legislation, motorists had the choice of using toll roads or alternative routes, Mitchell said. But it did not make economic sense to have two "parallel" roads.

"We will be placing far greater emphasis on user-charging for financing primary roads. A budget of R550m has already been allocated for national roads. In total R3.8bn has been allocated for all roads."

Issues such as cross-subsidisation and uniform toll rates a kilometre were also up for discussion, Mitchell said.

Tolls were expected to generate income of about R220m in 1995/96, a little less than half the budget for national roads.

Up to March 1994 the Roads Board had borrowed R1.6bn from the capital and money markets for the construction of toll roads, all of which would be redeemed from toll income in the next 20 to 30 years.

Upgrading the national road network, which was currently being financed mostly by tolls, included the section of the N2 between Darnall and Mtunzini in Natal (60km); the extension of the the N1 to Pietersburg (130km); the extension of the N17 to Johannesburg (10km); the section of the N1 through the Du Toit's Kloof Pass (15km); and the Harrismith bypass (12km).

The total cost was about R1.46bn.

A "second level" of road infrastructure that has to be provided includes about 125 000km of unpaved formal rural roads and 200 000km of informal roads in urban and rural areas. In addition, the department has to maintain existing, non-tolled national and provincial roads.

The Southern Africa Bitumen and Tar Association said a recent study by the CSIR indicated that R7bn would need to be spent on both urban and rural roads to meet community expectations and the country's needs.

Executive director Piet Myburgh said the study had identified 260 000km of roads in need of management and another 200 000km which needed upgrading. "In order to keep the system going, the roads budget should double. The holding level necessary to safeguard the current network is R3.5bn, which is 30% less than is being spent."

He warned that due to the lack of funds, the roads industry had been affected to the extent that even if funds became available it would take 10 years to phase in a redevelopment programme.
Transport subsidy report expected soon

MICK COLLINS

AN INVESTIGATION into government’s R2bn a year subsidisation of the passenger transport industry was still under way, but an outcome was expected soon, sources said yesterday.

Transport Department chief director, urban transport, Thabo Maeder said a survey had been undertaken to establish the issues affecting public transport.

"This report and other documentation is being studied. There is no specific data for the release of a national transport policy study but the intention is that before anything is finalised it will be made available for comment," Maeder said. "The intention is to have it available as soon as possible."

In the latest edition of the department’s Bulletin, Transport Minister Mac Maharaj said a major overhaul of subsidies was required.

"The simple fact is that we do not really know whether the close to R2bn paid out annually by the department for commuter services really conforms to the basic needs and requirements of the potential clients. Furthermore, whether in each particular area bus and train subsidies benefit those that really need it, and not the better-offs."

Maharaj said a better way had to be found through which the needs and requirements of the communities involved were met in the planning of commuter services.

The time was over when the planning and rendering of public passenger transport services could be done in isolation and "merely as an afterthought."

"Improving the public transport system in urban and rural areas is important to achievement of the reconstruction and development programme goals," he said.

A new policy could not be implemented unless it was preceded by consultation and acceptance by its intended beneficiaries, Maharaj said."

B.13/11/43
SA Airways (SAA) is updating its fleet. It will call for tenders towards the end of February and expects deliveries to start in 1996 and be spread over three years.

According to Nedcor’s comprehensive capital expenditure listing, SAA wants to buy 18 wide-bodied aircraft in the medium term for R3bn. Credit Lyonnese and Hill Samuel will provide the finance.

In a departure from previous procedure, it won’t order specific aircraft, says CE Mike Myburgh. Instead it will tell tenderers the destinations of intended flights and let them suggest suitable aircraft and configurations.

Says Myburgh: “By calling for tenders we will be able to choose the aircraft and engines that best suit our needs.”

The new procedure also opens the market to the world’s three major airliner manufacturers, Boeing and McDonnell Douglas of the US, and Europe’s Airbus Industrie, which, for the first time, sold more airliners than Boeing last year. The three jet engine manufacturers — Rolls Royce of Britain, Pratt and Whitney of the US and CFM, jointly owned by Snecma of France and General Electric of the US — are also on the list of tenderers.

The short-term aim is to increase the size of the fleet by four or five aircraft to 50 or 51. Buying is preferred but leasing has not been ruled out.

SAA may have to dispose of some aircraft in its fleet to make way for the newcomers. Its five Boeing 747-200s, which are around 20 years old and no longer cost-efficient, are possible candidates — as are its five Boeing 747-SPs (special performance) which are of similar vintage. One is already being leased to Alliance Airways, the new venture between SAA and the government-owned airlines of Tanzania and Uganda.

With the traditional orange and blue SAA colours likely to be phased out, the extra aircraft will be painted in the colours of the new national flag. Myburgh is sensitive about the expense involved, having just restored SAA to profitability. He says he favours a “managed” livery change. “If it can be done at low cost, we could have the new aircraft painted when they arrive.”

Though the intention is to match aircraft more closely with their routes, Myburgh says it would be impossible to choose the right aircraft for each route as that would mean too wide a spread with serious cost implications. Pilots invariably fly only one type of aircraft and each would require its own flight simulator, spares and trained technicians.
Airline gets flak over its disabled policy

By ROGER MAKINGS

A JOHANNESBURG consulting engineer is considering legal action against Phoenix Airways because of its policy of not carrying disabled passengers who require assistance in boarding their aircraft.

Neville Cohen, who is paralysed from the chest down but is still a frequent flyer, says he has twice been refused tickets by Phoenix Airways.

Phoenix Airways will not, as a matter of course, accept elderly or disabled passengers — who need the assistance of a passenger aid unit to board their aircraft — because of the R122 cost involved.

Phoenix also requires indemnity before flying unaccompanied children "to cover any eventuality".

None of the other domestic airlines — SAA, Comair, SA Express or SunAir — have this policy, and all absorb the costs of the passenger aid units.

Mr Cohen, an executive member of Disabled Persons South Africa, said he had taken legal advice on the Phoenix Airways stand which he believed infringes his constitutional rights.

"Also, it is a discount airline which would attract many passengers, some of whom are not able to board the aircraft themselves. They are also being discriminated against."

Mr Cohen said Phoenix Airways had instructed travel agents not to accept bookings from disabled people and argued that if Phoenix increased its fares by just R1 it would more than cover the costs of the passenger aid units.

Phoenix said this week that its policy was not to carry disabled people because this would affect its low fare structure.

"Passenger aid units have a minimum charge of R122 which means that we would have to increase our fares," a spokesman said.

Phoenix spokesman Stephanie de Wilt said yesterday the airline would review its policy and investigate whether it could introduce this service without increasing its fares, or do so minimally as suggested by Mr Cohen.
Maharaj wants fuel levy back

DURBAN — A road tax in the form of a fuel levy should be reintroduced to pay for upgrading and maintaining SA’s roads, Transport Minister Mac Maharaj said yesterday.

Sapa-Reuters reports that he told a transport conference: “Since April 1 1988 the National Road Fund ceased to receive dedicated funds from a levy on fuel. This, together with the advent of a significant rate of inflation and the oil crisis in 1973, resulted in a significant decline in funds allocated to intercity roads to a level half that of 20 years ago.”

Maharaj said roads vital to the country’s economy could also be paid for by licence and toll fees.

He said these forms of payment “can be regarded as similar to harbour duties or aircraft duties charged to defray operation costs”. Social roads, which provided for accessibility to schools, clinics and work places, should be a state responsibility and paid for through general taxation, Maharaj said.

He said national roads should be provided by the central government while other roads should be the responsibility of provincial and local governments.

“Good roads have been described as the second most important catalyst in any country’s development, after education,” Maharaj said.

He said the state subsidy for commuter transport should remain, but a “critical reassessment” of the nearly R2bn subsidy should take place.

“I am still of the opinion that the lowest possible level of government should be responsible for the planning, co-ordination and financing of public passenger transport services, since those authorities are in the best position to know the requirements of their constituencies,” Maharaj said.

Maharaj also said that problems in the taxi industry had to be resolved urgently.

A task team to deal with the taxi industry should be appointed in February when a national taxi workshop would be held.

“While the process of consultation is taking place the trouble in the industry is continuing unabated. This cannot be tolerated much longer,” Maharaj said.

Theo Rawana reports that Public Enterprises Minister Stella Sigcau said resources released by the sale of assets or privatisation should not be used to finance the budget deficit but should be applied to debt reduction. She told a delegates a task group under her auspices would deal specifically with developing a blueprint setting out government objectives in undertaking restructuring, such as a regulatory framework policy.

Outlining the basic principles involved in the privatisation of public assets, Sigcau said: “Assets or enterprises that will have full or partial private sector involvement must empower the disadvantaged rather than enrich the affluent, in order to reverse past inequalities.”

She said restructuring of transport assets must reflect the principles of the reconstruction and development programme.

Zimbabwe top trading partner in Africa

ZIMBABWE emerged as SA’s top trading partner in Africa between 1989 and 1993 with trade between the two valued at more than R2bn, a recent study by the Industrial Development Corporation (IDC) showed.

The report on SA’s trade with Africa, compiled by the corporation’s economics department, showed total trade between the two nations was worth R1.3bn, reflecting a 14% average growth rate between 1989 and 1993.

SA’s exports of R1.1bn to Zimbabwe in 1993 represented an average growth rate of 16.5% between 1989 and 1993. Exports to Zimbabwe represented 24% of SA’s total exports to African markets.

During the same period, SA consumed R0.5bn worth of goods from Zimbabwe, a 9.2% average growth.

SA’s next largest trading partner was Mozambique with whom trade had increased 38% to R1.4bn in the review period. Mozambique consumed R1.36bn worth of SA goods and SA sourced goods valued at about R61m in 1993 from Mozambique.

Also appearing in the top 10 African trading partners list were Zambia, Malawi, Tanzania, Mauritius, Kenya, Angola, Reunion and the Ivory Coast.

Top traded products included diamonds, used personal and household effects, unmanufactured tobacco and its refuse, cotton, soya beans, tea, television receivers, footwear and chemical products.

The list of top 10 SA export items included used personal and household effects, motor vehicles for goods and human transport, nickel mattes, wheat, mineral fertilisers, copper ores, insecticides and motor vehicle parts and accessories.
Fuel levy mooted to pay for roads

Special Correspondent

The Minister of Transport, Mr Mac Maharaj, has proposed the re-introduction of a dedicated fuel levy to provide for the management, maintenance and improvement of the national road network.

Addressing delegates at a transportation summit in Durban, Mr Maharaj said the fuel levy was in line with similar action taken in the United States and other countries.

He also said toll roads, set up on primary roads with a traffic volume, would probably be a feature of South Africa's primary road network in the future.

"This opens the doors for the build, operate and transfer (BOT) concept involving the private sector, which is extensively used overseas, to be brought into play," he said.

Mr Maharaj said there were up to 100 000 kilometres of secondary and tertiary roads, including many tens of thousands of kilometres of roads in rural and urban townships, which urgently needed repair.

"This will be the major, if not primary duty, of road engineers in the provinces and metropolitan areas as we approach the 21st century. These roads will have to be funded from general taxation," he said.
Toll road tariffs to rise 10.2%

PRETORIA. — Tariffs on toll roads will rise by an average 10.2 percent from March 1, the transport ministry said today.

Tolls go up 12.4 percent at the Huguenot Plaza in the Western Cape because of the cost of lengthening the road to the north of the tunnel. Rates at Kranskop Plaza in Northern Transvaal will rise 12.1 percent to help to pay for lengthening of the toll road to Pietersburg.

Transport minister Mac Maharaj had approved the increases on the recommendation of the roads board, the ministry said in a statement, adding that the fees were last reviewed 17 months ago.

It said toll roads represented significant benefits for road users, including greater convenience, safety and savings.

Huge harbour business

boom — tonnage up 18%

JENNY VIALL, Staff Reporter

BUSINESS in Cape Town harbour is booming, with an 18.2 percent increase in tonnage handled in 1994, and nine percent more ships calling.

Portnet's port manager Neels Hubinger said 6.9 million tons of cargo was handled in 1994 compared with 5.9 million tons in 1993.

Projects with a capital investment of R131 million were due for completion in 1996/97, said Mr Hubinger. These would help raise service levels to meet the demand created by the increase in port users.

At a media briefing yesterday, Mr Hubinger said the foreign fishing fleet contributed more than R450 million to the port and the greater Western Cape economy.

There had been an unprecedented increase in the number of vessels calling at Cape Town in 1994 — 3,984 compared with 3,461 in 1993, a 9.4 percent growth.

In addition British, French, American, Brazilian, Argentinian and Danish naval vessels had visited Cape Town.

Container cargo had increased 23.9 percent from 3,000 million tons in 1993 to 3,500 million in 1994.

Expected growth in cargo tonnage for the 1995/96 financial year was 12 percent.

Citrus, cement and beverage experts grew in 1994, as did imports of meat, vegetable oil and timber, said Mr Hubinger.

Repair berths had been under pressure throughout the year, he said.

The feasibility of a new bunker berth was being investigated.

Referring to the Reconstruction and Development Programme, Mr Hubinger said four areas had been identified and were being addressed — an industrial feeding scheme for employees and their families; restructuring of the training system; the creation of a labour pool for the port of Cape Town; and transport for workers.

A R500,000 training facility had been commissioned and more than R5 million would be spent on training and development during the 1995/96 financial year.
Dedicated fuel levy welcomed

TRANSPORT Minister Mac Maharaj's call this week for a dedicated fuel levy to be reintroduced has been welcomed by business and interest groups if it is implemented in a way fair to motorists, taxpayers and business.

Maharaj said inflation, the 1973 oil crisis and the end to the national road fund in 1988 had resulted in a significant decline in funds allocated to intercity roads to a level half of that 20 years ago.

A dedicated fuel levy would be used by central government to upgrade and maintain national roads, while other roads would be the responsibility of provincial and local structures.

SA Chamber of Business (Sacob) director of economic policy Ben van Rensburg said it was essential to have a dedicated fund for road upgrades and maintenance.

Currently, the road fund was one element of the consolidated fuel levy, which meant the levy was part of central government's revenues, and was not a dedicated fund to be used solely for improving the national roads.

Sacob recommended that government estimate what percentage of the fuel levy the road fund represented. This could be taken out of the consolidated levy and be established as a dedicated fund.

Government would also have to estimate what the funding require-ments for upgrading would be and adjust the road levy accordingly.

While Van Rensburg said this did not necessarily mean consumers would have to pay more for petrol, he acknowledged that it was possible the road levy would have to be adjusted upwards, causing an increase in petrol costs.

He emphasised that the proposed levy would have to be fair to motorists and to taxpayers, as well as to those commercial and industrial sectors that relied on road transport.

"This method of funding upgrades and maintenance will minimise the impact on the economy."

An Automobile Association spokesman said it welcomed a dedicated road fund, adding that it had opposed the 1988 withdrawal of the dedicated levy.

"Roads are the lifeblood of the economy and if they deteriorate, it would have a serious effect on the economy as well as becoming a road safety problem."

Bureau of Economic Research economist Pieter Laubscher said the proposed levy was sound in principle but it had to be implemented in a fair and reasonable way to avoid spiralling inflation.

He said one positive effect would be job creation possibilities and the stimulation of the heavy engineering and construction sectors.
Toll road tariffs to go up by about 10% next month

Transport Minister Mac Maharaj yesterday announced that tariffs at South African toll roads would increase by an average of 10.2 percent from March 1.

The tariffs were last reviewed in June 1992.

Discounts for frequent users and concessional tariffs would continue to apply, the Transport Ministry said.

It added that the average increase of 10.2 percent was below the inflation rate calculated over the 17 months since tariffs were last adjusted.

However, at the Huguenot tunnel through the Du Toit's Kloof mountains near Cape Town, an adjustment of 12.4 percent had been made to accommodate the cost of continued construction on the road.

At the Kranskop tunnel on the N1 to the Northern Transvaal, an adjustment of 12.2 percent was effective to assist in funding the lengthening of the toll road to Pietersburg, the ministry said.

At the Gosforth toll on the N17 all light vehicles would see an increase of 16c. For heavy vehicles with two axles, the increase would be 40c.

At the Pelindaba toll on the Magalies toll road, tariffs for both light and heavy vehicles with two axles would increase by 10c. These tariffs would extend to the Quagga toll, but heavy vehicles with three to four axles would pay 20c more.

At the Grassmere toll plaza on the N1, tariffs would increase by 50c to R4.90 for light vehicles and by R1 to R10.50 for heavy vehicles with three or four axles.

— Staff Reporter
Maharaj announces
toll road tariff hike

AMANDA VERMEULEN

TOLL road tariffs would increase an average 10.2% from March 1, Transport Minis-
ter Mac Maharaj said yesterday.

"Every effort has been made to keep the adjustments to a minimum while conces-
sionary tariffs and discounts for frequent users will still apply. The increase is below the inflation rate calculated over a 17-
month period."  

The announcement, which has been criti-
cised by the taxi industry, followed Mahar-
aj’s call earlier this week to reintroduce a
dedicated road levy to fund the upgrading
and maintenance of roads. He said the
tariffs, which were last reviewed 17
months ago, would continue to provide
"significant benefits for road users".

The Huguenot Plaza toll in the Western
Cape would increase 12.4% and the Kra-
skop Plaza toll on the road to Pietersburg
12.1% to help fund extensions to the roads.

The taxi industry has protested about
the increase. It also said earlier this week
it opposed a dedicated road levy.

SA Black Taxi Association (Sobta)
executive vice-president Joe Mabasa said
the industry would not accept the moves if
it continued to operate without state sub-
sidies. Taxis transported more than 95% of
the population but did not receive govern-
ment assistance.

Mabasa urged government to discuss the
issue with Sobta. If they failed to find a
reasonable solution, "there will be a con-
frontation the government and the country
will find unacceptable".

Maharaj welcomed Sobta’s call for
talks, saying he had set in motion plans "to
put the black taxi industry on its feet".
Draft proposals were being circulated in
all provinces, and there would be a work-
shop this month. Efforts would be made to
include all interest groups.

Jacob economic policy director Ben van
Rensburg said there was a need for in-
creases in tariffs. But the latest increase
emphasised the need to restructure SA’s
transport and road provision policy, in-
cluding the role of the taxi industry.
Porter sees single
profit warning

Five top hotels
After set to build

ISC to outpace Industry

Grindrod posts 36% earnings rise
A wing and a prayer

Those who drafted the interim constitution left a minefield when they decreed former homelands an integral part of SA but public transport the responsibility of provinces which absorb the areas.

That has led to the possibility of the State owning three airlines: SA Airways, Sun Air and Transkei Airways. Sun Air is the trading name of Bop Air, founded and run by the government of Bophuthatswana, now part of North-West province. Transkei Airways was founded by the government of Transkei. The territory has since been incorporated into the Eastern Cape.

SAA is an operating arm of Transnet, a company in which government owns all shares. Though legal opinions have been canvassed, it is still not clear whether government owns Sun Air and Transkei Airways or whether they belong to regional administrations.

Airlines Association of SA CEO John Morrison is consulting Transport Minister Mac Maharaj to "try to establish whether State-owned airlines are the property of central or regional governments."

He believes former Transport Minister Piet Welgemoed deregulated air transport four years ago "to take aviation out of government’s hands. If the issue is not resolved and the principle that public transport must be run by the provinces is upheld, the implication is that each province could own an airline. Gauteng could claim SAA belongs to it because the airline operates from Jan Smuts airport."

SAA and competitor Comair do not seem to be concerned about Transkei Airways, a small operation which uses routes most other airlines regard as unprofitable. They are, however, alarmed about Sun Air, which offers full, on-board service. It started flying with one McDonnell Douglas DC9 and will soon be using three.

SAA CEO Mike Myburgh asks: "Is it right that a State-owned airline with a questionable past (Sun Air) should be allowed to continue to compete with airlines in the private sector. Also, is it fair that a State-owned airline (SAA) should have to operate on strictly business principles when it is not clear that Sun Air and Transkei Airways are operating on a strictly business basis?"

Pieter van Huven, MD of Comair, a low-cost, few-frills airline, insists that "Sun Air is another government airline. The question is: is it necessary to have another government airline? And why is there this massive expense (two additional DC9s were acquired and an advertising campaign embarked on) if the ownership of the airline is in dispute?"

Sun Air board chairman Dirk Ackerman says Sun Air is a semi-State corporation and must operate without subsidies. The money used to buy the additional DC9s was raised by selling the aircraft which Bop Air used to transport former Bophuthatswana Ministers and officials.

He would not say how much they were sold for but claims Sun Air is operating on break-even. It will start to show a profit when "certain routes are rationalised, we start increasing our flights to Cape Town on Monday and, in collaboration with Sun International, start doing tours from Sun City to Victoria Falls."
Airline collapse a blow to trade between US, SA

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — The suspension of US-Africa Airways flights after just eight months, leaving passengers stranded in America and South Africa, has struck a blow to renewed commercial relations between the two countries.

The new airline cancelled flights on Wednesday and Thursday, leaving hundreds of passengers stuck at Dulles Airport, Washington, and in Johannesburg and Cape Town, and then officially suspended operations on Friday.

USAfrica president Greg Lewis said in an interview at the weekend that the airline had run out of cash.

But he said the chances were “better than 50-50” that the airline would find new finances and be able to begin again.

Mr Lewis acknowledged there were obstacles and could not give a date for the resumption of operations or divulge details of how the airline would get the new money.

Some scepticism has been expressed here about his chances of reviving the airline.

Patrick Murphy, the Transportation Department’s acting assistant secretary, was quoted in the Washington Post as saying that in his talks with US-Africa officials, “it didn’t sound to me they were optimistic they would be up and running”.

The jobs of about 400 US-Africa staff have been jeopardised.

The abrupt end to the airline’s flights left hundreds of passengers stranded on both sides of the Atlantic.

One was Argus news editor Stephen Wrottesley, who was due to fly home from Washington on Saturday night.

He said the airline had told him earlier in the week that despite the cancellations on Wednesday and Thursday, his flight would take off.

But when he got to the airport on Saturday evening he was told there was no flight.

Wrottesley said other airlines had refused to accept USAfrica tickets and passengers had to buy new tickets with cash or credit cards.

Many were unable to come up with the money and at least one family had been stranded at the airport for four days, he said.

Wrottesley, who eventually managed to negotiate a South African Airways ticket, said he had been caught off-guard by the airline’s assurances earlier in the week that the Saturday flight would go ahead.

Mr Lewis explained that the Wednesday and Thursday cancellations had initially been caused by the fact that one of the airline’s McDonnell-Douglas MD11 jets was being serviced by American Airlines which owned the aircraft and leased them to USAfrica.

American Airlines had refused to return it until it received its lease payments.

This was the immediate cause of USAfrica’s disaster. It had battled all week to find $5 million to pay American Airlines but failed.

USAfrica took a huge gamble by plunging into the South African market last June.

It now seems the gamble has failed and the airline started up too soon, before business and tourism between the two countries picked up after years of sanctions.

South Africa’s ambassador to Washington, Franklin Sonn, yesterday described the turn of events as a blow to commercial relations between South Africa and the US.

He said the launch of USAfrica had been “an act of faith and commitment to the new South Africa”.

According to the Washington Post, another airline, World Airways Inc, called to renew its application for the US-SA route “within minutes” of USAfrica’s announcement it was suspending operations.

Until this week USAfrica gave no sign of impending trouble. Mr Lewis announced with some enthusiasm two weeks ago that he was launching the frequent flier programme and would also be flying via Dakar, Senegal, instead of Cape Verde, to attract extra passengers.

The airline flew twice weekly between Washington and Johannesburg and once weekly between Washington and Cape Town. It was planning to add Harare and other African destinations as business picked up.
Current Affairs

Economist. The investigation by RAU professor Wynand Pretorius is said to involve major mining houses, the World Bank, Organisation for African Unity and the Southern African Development Community.

Pretorius, when contacted by the FM last December, would only confirm that the study is being conducted but would not reveal any details. On Monday, he said he could not elaborate.

Spoornet spokesman Johan Hugo says his organisation is aware of Pretorius’s study, but that no one from Spoornet is involved in the project. “This is an idea which was raised some years ago and apparently the World Bank was approached at the time for the necessary funds. If the project is finalised and the funds are available, Spoornet will naturally become involved.”

Early projections of Pretorius’s optimistic plan to link southern African neighbouring states through a network of railroad lines and harbours put the costs at R40bn.

Engineer Ron Sherman, of the firm Keeve Steyn Incorporated, has had a meeting with Pretorius and says the investigation is being financed by the Preferential Trade Area (PTA) of east and southern African states.

Sherman met with Pretorius last year. “We are trying to set up another meeting because we hope to get involved.” Sherman says Pretorius roughly sketched a new rail system linking various new routes in southern Africa. “At the moment I think that Pretorius talks more to mining houses than politicians about his plans.”

The name of Halcrow, a British firm of consulting engineers, has also been mentioned. Sherman says his company previously worked with Halcrow on the Orange Free State tunnel and that the British firm has recently done a lot of work on harbours in the Middle East.

At least three new harbours, one at Cape Fria, south of the Cunene River in Namibia, an internal harbour for containers at Livingstone in Zambia, and one close to Ponta do Bela in Mozambique, are planned.

Pretorius’s project envisages the following railway lines:

- Cape Fria to Livingstone, running through the Caprivi region, as well as a rail line running north along the Zambian/Angolan border to carry granite, lead, copper, manganese and zinc, which are being mined in that area, and timber. The line will also link Cassinga and Luanda to promote agricultural development in those areas. Botswana, which is mining coal along the north-western border of Namibia, could also use the Cape Fria harbour for exports;
- Between Secunda and the Ponta do Bela harbour in Mozambique to transport coal from Sasol. This line would be 168 km closer than Richards Bay;
- From Kakamas through Aggenhys to Bucchi Bay north of Port Nolloth for transporting lead, copper, beryllium and zinc;
- A line from Phalaborwa through the Kruger National Park to Mozambique, where it will link up with the Maputo/Zimbabwe line. This aspect of Pretorius’s plan will undoubtedly receive much criticism;
- From Chipata (on the Malawian border) to the Tazara line linking Lusaka with Dar es Salaam or direct to Lusaka in Zambia for agricultural development;
- A line from Soetmekaar in the Northern Transvaal near Louis Trichardt, which will link up with Francistown in Botswana for the export of soda ash from the Sasupa to SA and later transport coal along the same route for overseas markets; and
- A link between Lusaka and Harare across the Kariba Dam wall.

Edith Berko
ROADS

Who will smooth the surface?

Transport Minister Mac Maharaj’s desire to fund the maintenance of existing inter-city roads and the building of new ones with a fuel levy may be acceptable to transport operators alarmed by the rapid deterioration of the country’s roads but sticks in the craw of many who regard any increase in the price of fuel as an extra tax.

They do not dispute the need for a road fund, but argue there is no need to increase the price of fuel to fund it. They contend it should be financed by some of the taxes government cream off fuel. About 30% of the pump price for fuel ends up in government’s coffers.

They argue there was a dedicated road fund financed by a fuel levy. It lasted until 1988 when former State President P W Botha took the R3bn it had accumulated to finance his war in Angola and decreed that the 8c/l levvy added to the price of fuel to finance it be regarded as a normal tax and be paid into the Treasury. They want the 8c/l disappearing into government coffers and being used for other purposes to be used for what it was originally intended.

It is common cause that nothing can be done now about the R3bn Botha took. Had anyone in the private sector acted similarly, it would have been regarded as misappropriation of funds.

It can be argued, rightfully, that the Department of Transport (DoT) should have spent all or most of that R3bn on what it had been collected for, the building and maintenance of roads, rather than allow it to accumulate in a sterile bank account guarded by the then Minister of Transport Eli Louw, who had no desire to cross swords with his leader.

Ever since then, the DoT has had to take “begging bowl and plead with government every year for its needs. It usually gets around R3bn, which, because of inflation, is worth less in real terms every year than it was the year before.

Maharaj agrees that the finance inherited for roads is very low, but says the Government of National Unity (GNU) doesn’t have the resources to allocate any more.

He does not yet have Cabinet’s approval for a dedicated road fund, but there is little doubt he’ll get it. Maharaj has already persuaded the GNU to accept that transport, which includes roads, be regarded as one of the five high-profile priorities.

The others are urban and rural renewal, health, human resource development and job creation. He has a lot more political clout than his predecessor, Piet Welgemeed, who also campaigned for a dedicated road fund but was always swatted down by his Cabinet colleagues whenever he raised the issue.

Maharaj welcomes criticism and debate of his policies because he believes they will be easier to implement if they are accepted by the public, but is set on the dedicated road fund being funded by a fuel levy.

He says: “It’s uncontroversial that we are approaching a crisis and have to recognise that we have to do something radical about our inter-city roads to sustain economic growth.” He believes there’s a need to distinguish between economic growth and social growth. He regards inter-city roads, used largely by commerce and industry, as roads that are vital to the economy, so the user-pay principle must apply. On the other hand, he regards rural, squatter camp and township roads as social roads which should be the responsibility of the RDP.

Skippie Scheepers, the former director-general, whom Maharaj replaced as an adviser, says levies are being reinstated in Australia, New Zealand, the US and Germany where they were scrapped for political reasons — usually to reduce the price of fuel before an election to seduce voters.

It is easier explained, easy to scale down expenditure on roads, particularly if they have been well built (as SA’s inter-city roads were) “because it takes a long time before the negative effects become obvious, during which time the politicians score Brownie points.”

But the problems begin to escalate soon after they appear. Maharaj says in 1985 35% of SA’s roads were considered very good but this had dropped to 18% by 1992. In 1985, only 1% of the country’s national roads were considered very bad. This rose to 8% by 1992. Unless more money is spent on national roads by 2000, only 15% will still be very good but 20% will be very bad.

“That means we’ll run into a crisis soon,” he says. “A dedicated levy would ensure good quality roads and cover the cost of vehicles using them. There’s enough ev-

HOW MUCH MORE?

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HEALTH CARE CONFERENCE

Healing the wounds

Health Minister Nkosazana Zuma is still attempting to staunch the flow of controversy surrounding her plans to create a national health insurance system.

Addressing the third FM Corporate Health Care Conference at Gallagher Estate this week, Zuma stressed that her department had to take cognisance of the policy formulated before last year’s general election as a result of wide consultation.
Bus service loses court tender row

THE Transvaal Supreme Court this week rejected a private bus operator's attempt to stop the State Tender Board awarding a R244-million deal to a contractor claimed to be backed by a state-owned bus company.

Umfolozi Transport had asked the court in Pretoria to set aside the tender, awarded to Transport Advisory Services, a private management company contracted to state-owned Bophuthatswana Transport Industries. The tender is to operate a bus service in northern KwaZulu-Natal.

However, the court found no grounds for setting the contract aside, paving the way for the TAS to commence operating the service next month.

The Minister of Transport, the State Tender Board, board chairman J C Coetzee and TAS were named as respondents. The case was regarded as a watershed, as it could have opened the way for private companies to challenge public-owned corporations on the basis of unfair competition.

In affidavits before the court Umfolozi managing director Abel Erasmus claimed the board was not objective in awarding the tender to TAS. He claimed that Mamelodi Transport, a subsidiary of Bophuthatswana Transport Holdings, was the real tenderer and TAS its agent. Mamelodi will supply 100 buses and a further 145 will be leased from BTH.

It was claimed that Mamelodi was technically insolvent, with ordinary shareholders' funds in deficit to the tune of R6.8 million and current liabilities exceeding current assets by R4.4 million. TAS disputed this, saying Mamelodi had been profitable for the last two years and was fully taxable.

Mr Erasmus also claimed that BTH was the beneficiary of preferential subsidies, such as the R450-million ad hoc payment for scholars' subsidies it received last year.

He added that private bus operators found it difficult to compete against state-owned ones because of the latter's tax-exempt status, grants received from the former Bophuthatswana government, the BTH fare structure and favourable interest rates.

Counsel for the respondents argued that Umfolozi had no right to interfere in a private contractual arrangement between the tender board and TAS, which it claimed was a distinct private business entity, separate from BTH.

TAS argued that it won the tender on the basis of price and its track record in running efficient and professional services. It said Umfolozi lost the tender because its performance was deemed by independent transport consultants to be unsatisfactory.

In 1993, Umfolozi was forced to approach the government for higher subsidies because of poor operating performance and factional violence in Natal, which reduced passenger volumes.

Last year BTI is estimated to have received subsidies of R397-million.

Although TAS tendered R478 000 below Umfolozi, Mr Erasmus claimed the tender board did not bear in mind that TAS had no buses of its own. These would be financed by BTI at favourable rates.

The court heard that BTI was a vertically integrated consulting, management, operating and manufacturing transport company which, by virtue of its state ownership and excessive level of subsidies, was under no commercial obligation to restrain cost increases.

TAS replied that BTI had no interest in any consulting or managerial companies, and any subsidies paid to BTH by the Department of Transport were treated on the same basis as any other transport company.
UK call to privatise SAA

LONDON. - South African Airways should be privatised to help both the airline's debts and Transnet's pension problems, according to a report in yesterday's Observer newspaper.

The suggestion comes from Mr Guy Kekwick, of Lehman Brothers, who places the airline "somewhere between global airlines such as BA and Lufthansa and smaller carriers, like Swissair", with total capitalisation of between R2.13 million and R2.25bn.

With international passenger traffic to South Africa expected to rise 50% by 1998, Mr Kekwick says: "SAA must leap into the international market and will need to upgrade and expand its fleet."
Revamp of transport in city urged

By AUDREY D'ANGELO
Business Editor

THERE is an urgent need for a Metropolitan Transport Authority to “coordinate the very comprehensive improvements in rail and road transport systems which must be in place not only for the Olympics but for the future development of metropolitan Cape Town.” Ernest Wilson, outgoing President of the Cape Chamber of Commerce and Industry, said at its AGM yesterday.

Wilson also stressed the need for a comprehensive and detailed action plan for the RDP over the next three to five years.

He called for the abolition of exchange control and the introduction of attractive investment incentive schemes for foreign companies.

He stressed the need for better training to improve productivity to make the Cape more competitive internationally — and for an export incentive scheme in the meantime.

And he warned that there must be effective protection against dumping.

Discussing changes in local government he called for rationalisation to contain costs, pointing out that too heavy a rates burden on business prevented it from growing and providing jobs.

Wilson said business in Cape Town already paid higher rates than in any other major-SA city. And since the market values of business properties had, on average, appreciated at a slower rate than those of residential properties since the last valuation in 1978, “an increasingly disproportionate share of the rates burden has been shifted to the shoulders of business”.

He said an action plan was needed for the RDP “with clearly stated objectives, costs and time frames. The funding of the RDP has also to be addressed and a clear statement of priorities established”.

The RDP could succeed only if it was accompanied by a vigorous paral-
Govt reviewing transport policy

BUS operators should accept the taxi industry as an important passenger transport player, as entitled to subsidies as the bus industry is, says Transport Minister Mac Maharaj.

Addressing a conference of the Southern African Bus Operators' Association at Midrand yesterday, Maharaj said the bus industry should fall in with changing times and not rely on continued government subsidy.

"Do not rely on a continuation of the trend in government subsidy expenditure. Use your current competitive advantages to devise strategies which will ensure that you compete effectively with your competitors."

He said transport needed a new vision to cater for both urban and rural communities.

With increasing demands for the subsidisation of the taxi industry, government was taking a hard look at the subsidy system, aiming at equity in government support for the passenger transport industry.

"When I am confronted with figures that indicate that minibus taxis convey as many commuters as the subsidised bus and commuter rail industries combined, I cannot ignore the fact that the former is a very significant role player."

"It is therefore essential that the proper role for the minibus taxi industry must be determined from a policy point of view," Maharaj said.

His department supported and would promote the tendered contract system, but he was aware of some opposition, especially from the unions.

"From its side, the department is doing its utmost to solve the problems," he said.

The Transport Department was committed to "levelling the playing field" for public transport, and felt that a new policy was needed to make subsidies more accessible to smaller operators.

However, bus operators had nothing to fear from the proposed changes.

"There are more opportunities than threats to the bus industry, which should be exploited to maintain it as a major role player in the public transport arena." Sapa reports that Maharaj said his department would push for the introduction of a tendered contract system to provide opportunities for smaller, emerging operators.
Big rail changes

As a young boy, Mafika Mkwanazi used to sell goods on the trains to raise some money for "carry" when he went to school.

However, at that time he did not have the slightest idea that one day he would be the head of the company running those trains.

Mkwanazi is the new head of a Transnet subsidiary, Metro Rail Services, which runs all trains operating in the metropolitan areas throughout the country.

He has been charged with the task of taking Metro Rail out of the Sponnet camp to another Transnet subsidiary, the South African Rail Commuter Corporation — a task Mkwanazi hopes to complete within the next 24 months.

As chief executive of Metro Rail, Mkwanazi has six regional managers reporting to him — all of them white.

In fact, most of the company's employees are white. He says one of his programs of action entails bringing Metro Rail into line with the population demographics of the country.

This is not the first time Mkwanazi finds himself occupying a position in which he has to supervise whites.

"As the engineering field is mainly dominated by whites, I have found myself supervising a number of white people in my professional career," he says.

Ironically, the Soweto-born engineer first supervised whites when he was working in one of South Africa's most conservative sectors — the mining industry.

Mkwanazi did not allow legilative such as job reservation to deter his ambitions and went on to become one of the few black mining engineers in the country.

Throughout his management career, he has had to operate in an environment where cultural differences existed between himself and his subordinates. Mkwanazi says he has learnt a lot from this baptism of fire.

Like many government-owned companies, Metro Rail, says Mkwanazi, has a corporate culture dominated by Afrikaners and generally lacks what he terms "business culture.

One of the challenges facing him and his black human resources manager is not only to change the existing corporate culture, but to make the company efficient.

"This is going to be a slow process, as you can imagine," he says adding that the reforms will only start bearing fruit in three years' time.

"It is then that Metro Rail will start reflecting the demographics of the country," he says.

He anticipates that, in line with the Government's policy to eventually sell State-owned assets to private individuals, the Government will gradually reduce the subsidy Metro Rail receives.

New head of Metro Rail Services, Mafika Mkwanazi talks to reporter Mzimkulu Malungu about the challenges that lie ahead as the Government is likely to reduce its subsidy to the rail company.

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consultation process, Metro Rail is currently working with some communities in the East Rand to determine where lines will run in future. Historically, trains have been a hunting ground for thugs and pickpockets, but this has to change, argues Mkwanazi.

He sees trains not only as leading modes of public transport, but also as part of the national infrastructure which will play a role in the anticipated tourism boom in the country.

In addition to considering constructing underground rail lines to ease pressure on the surface infrastructure, Mkwanazi's dream is to develop a train, bus and taxi partnership.

"I don't see buses and taxis as competitors, but rather as partners," he says with a smile.

He looks forward to a situation where a commuter will buy a train ticket and be able to use it on a bus or taxi.

"At the same time buses and taxis will be feeding passengers to the railways," Mkwanazi's other plan is to stop South Africa's largest rail station, the Johannesburg Station, from becoming yet another squatting camp.

For long the station has been the nerve centre of South Africa's rail traffic, but in past few years the station has become a living place for a community of about 2,500 people and the infrastructure is falling to pieces.

"We are going to start upgrading work at Park Station (as the station is known) soon," concludes the man who graduated with engineering and mathematics degrees from Natal and Zululand Universities.

Mafika Mkwanazi ... planning to cultivate a business culture in the railways.

Presently, the company gets 70 percent of its income from the State.

Already Public Enterprises Minister Mr Stella Sesseu has announced the Government's intention to commercialise some parastatals in due course.

Commercialisation entails reducing subsidies, which are presently being received by State-owned corporations, and placing them on a commercial footing so that they can survive with little or no funding from Government.

Due to the pending subsidy cut, Mkwanazi has to find an alternative source of income to cover the shortfall.

That is why the fare evasion that has wreaked Metro Rail for the past few years is giving him sleepless nights.

While he plans tighter security to minimise fare evasion by the commuters, Mkwanazi says he has to simultaneously engage all stakeholders in discussions. This will not only foster communication between the company and its customers, but will also give the company the legitimacy it needs.

Taking the first step in this long and grueling
Guns Men

next two years

R500m over the
go to will put in

City transport revival

Phiuso breaks Olympic agreement

Olympic Minister the honourable Mr. Phiuso, today informed Parliament that the government will spend R500 million on improving the public transport system over the next two years. The minister said the government is committed to modernizing the public transport system to make it more efficient and user-friendly.
Big rail changes

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(260) Somerby, 27/12/95

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Consultation process. Metro Rail is currently working with some communities in the East Rand to determine where lines will run in future. Historically, trains have been a hunting ground for thugs and pickpockets, but this has to change, argues Mkwanzai.

He sees trains not only as leading modes of public transport, but as part of the national infrastructure which will play a role in the anticipated tourism boom in the country.

"Train travel has a lot of potential, but we have to make sure that the trains are clean and safe."

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He looks forward to a situation where a commuter will buy a train ticket and be able to use it on a bus or taxi.

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Mkwanzai's other plan is to stop South Africa's largest rail station, the Johannesburg Station, from becoming yet another squatter camp.

For long the station has been the nerve centre of South Africa's rail traffic, but in past few years the station has become a living place for a community of about 2 500 people and the infrastructure is failing to cope.

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Taking the first step in this long and gruelling consultation process, Metro Rail is currently working with some communities in the East Rand to determine where lines will run in future. Historically, trains have been a hunting ground for thugs and pickpockets, but this has to change, argues Mkwanzai.

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Abuses by contractors alleged

CLIVE SAWYER
Weekend Argus Political Correspondent

ALLEGED abuses by Rail Commuter Corporation contractors have been handed to the Office for Serious Economic Offences for investigation.

In some cases the corporation had failed to exercise proper control over consultants and contractors, said auditor-general Henri Khuvev.

"Certain consultants and contractors may have been involved in unlawful acts that may have resulted in losses to the corporation and in tax evasion by contractors," he told parliament.

The alleged abuses were referred to police, who handed them to the Office for Serious Economic Offences, following an internal investigation by the corporation.

Mr Khuvev said the internal investigation had shown procedures were not always effective in controlling expenditure.

The corporation said steps had been taken to strengthen control over capital expenditure.

The auditor-general's report said the state had contributed R1,19 billion to finance the corporation's deficit in the 1993/94 financial year.

Expenditure totalled R1,286 billion. Income was R454 858 000.

Sources of income included fares, rental of infrastructural assets, property management and profits from sale of investments.

Auditors had difficulty in telling whether figures for fare income were correct.

Mr Khuvev said inadequate entry and exit controls at stations meant it was uncertain whether every commuter had a valid ticket.

This week Metro officials cracked down on fare evaders in the Peninsula, forcing them to get off trains and pay fines as well as fares.
Toll roads ‘must attract private sector funds’

PROVINCIAL toll roads should be used to attract investment from the private sector to finance new infrastructure, the Gauteng public transport and roads consultative conference decided at a conference in Midrand.

The weekend conference accepted the second draft produced by the strategic management team set up last year. B06/3/95

Delegates generally accepted the strategic management team’s discussion document on the policy guidelines of the Gauteng public transport and roads department, which contained reports from five commissions — on public transport, traffic management and safety, land use and transport (environment), transportation management and funding, and communication.

The report on funding said although there were more cost-effective systems than existing toll systems, “toll systems are used throughout the world as a means of ensuring that additional funds are available for long-term infrastructure projects”. The toll system, it said, gave the public the advantage of enjoying the use of a new road at a much earlier time than would otherwise be possible.

Gauteng minister Olaus van Zyl said there was no alternative to toll roads.
Fleeting moments

SA AIRWAYS

SA Airways has issued "a request for proposals" on how it can expand and upgrade its fleet to the three top manufacturers of long-range passenger airliners, Boeing, McDonnell Douglas and Airbus Industrie. It expects a response by April 4.

It cannot be called a tender, because "we are actually leaving the creative part in their hands," says SAA senior GM Nic Vlok. "We gave them a brief and asked them for proposals which will provide cost-effective solutions and an appropriate fleet."

There are no financial constraints and no amount has been budgeted. SAA will decide whether to buy or lease only after it has decided which proposals to accept.

None of the three companies will be fazed by the April 4 deadline, which gives them less than a month to prepare their proposals, says Johann Heiffer, Boeing's representative in SA. Boeing representatives call on SAA regularly to try to sell it new aircraft, or to suggest modifications of existing aircraft.

Vlok says SAA wants proposals to improve and increase the capabilities of its long-range fleet, "but we'll welcome any proposals they want to make about our domestic fleet."
It's tickets for the freeloaders taking rail service

Man with a new star

NEWTON KANHENA

Each day, more than 300,000 commuters ride the trains in South Africa's cities and simply don't bother to pay. That practice is estimated to result in a staggering R6 million a year. MRS, a new, autonomous body created out of Spoornet to run all commuter rail services in the country, is expected to reach commuters every day. Metro's biggest task is convincing 50% of these commuters that the free rides are about to come to an end.

This culture of non-payment, which was a spin-off of the original roundabout system, has now become an entrenched habit, largely in the black communities. Johannesburg is the worst hit of all the metropolitan areas, with as many as 50% of commuters taking the trains without paying.

Non-payment eats deep into the subsidies the Government gives MRS to run the commuter services, which in turn will put pressure on other areas of State spending. But the man who really has to tackle this crisis is Soweto-born Mathafa Mothahalane, who was appointed chief executive of MRS in January.

Young, smart, confident and articulate, Mothahalane works from a 21st floor office in Sandton, Johannesburg. His task is to find a way to let some of these commuters that the fare is paid at these stations.

"I am also aware that there are fraudulent practices within Metro. My understanding is that there are employers who either sell their tickets or collect the fares and pocket the money," Mothahalane says of some of the trains. "I believe that we should be able to fix this problem."

MRS, he says, is poised to put new initiatives in place to ensure that all commuters pay their fares and will be introducing some controls which it will sell off stations and put in efficient ticket control. Security will also be beefed up.

In Durban, MRS introduced a campaign called "Mave" — let's do it hands-On, which resulted in a halving of the number of fare evaders. The campaign seeks to seal off stations and put more security and checks on passengers. All those who have travelled without paying are fined R1 if they are unable to produce a valid ticket.

"The community will have to be involved in this exercise because not all commuters are employed," Mothahalane says of the community involvement in the fight against fare evasion. "We will have to stop encouraging fraudulent practices." Mothahalane says.

He says that de facto, the fare evasion will not only have an adverse effect on rail services, but also on government spending. If Metro continues to suffer heavy losses, he says, State subsidies will have to be increased, which would automatically impact on other services such as education, housing and health.

"I do not take this job for the money but I came here to restore black dignity and confidence," he says.

"I would like to show that blacks are capable of running big institutions. We need to make sure that the black communities will come to believe that Metro can take care of them."

Mothahalane is in control of an organisation with an annual operating expense of R1.25 billion and a workforce of 11,000, and says he has already started implementing his grand plans.

"I believe in service excellence. We need to improve the quality of service and that can only be possible through improving the quality of people," he says.

"We need to improve the quality of service and that can only be possible through improving the quality of people."
new station in life

Dube to Jo'burg on the house

And that peace needs protection together with the commuters. Malan Msimango of PHOTOGRAPHER MYKEL NICOLAU

by and confidence," he says. "Like to show that we can capacitate fellow Africans to change an attitude. When I tell people in Dube, tell them that we have to change our attitudes. We have to change our attitudes." He says he has already seen changes in attitudes, and he believes the new station is contributing to that change.

"We have seen an increase in the number of black commuters using the train," he says. "People are now more comfortable with black drivers, and they are more likely to use public transport.

The new station is also critical, he says, because it allows for easy access to the city and the surrounding areas. "It's a fantastic opportunity for people to live and work in the city, and commute to work easily."

"We need to plan for the future, and this is a good start," he says. "We need to be proactive in planning for the future, and make sure that the new station is well-equipped to meet the needs of the community.

"We should be proud of what we have done," he says. "This is a major step forward, and we should be proud of the hard work that has gone into making it happen."

MAFUKA EDMUND

MOWHANA: People must understand that if they want services to improve, they have to pay for them. By doing so, they will be able to create something that is better for everyone. This is the only way to achieve a better society."
US, SA to swap roads technology

BY PETER FABRICIUS
STAR BUREAU

Washington — US and South African transport authorities are to exchange highway construction and other transportation technology following the signing of a memorandum of understanding.

Its aims are to transfer technology, training and information between SA and the US, to help disadvantaged South African blacks to acquire transportation expertise and business, and to promote US industry in SA and the rest of Africa.

It was signed by the heads of the US Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) and deputy chief of the SA embassy André Kilian on behalf of the SA Department of Transport.

The main object will be to establish technology exchange centres in SA and later elsewhere in Africa, where US public-domain technology in fields such as highway and bridge construction will be made available to South Africans and vice versa.

The US will also offer SA its experience in helping small businesses to acquire transportation industry expertise and shares of construction contracts.

FHWA associate administrator for policy Gloria Jeff said in an interview that apart from the multimillion-dollar contracts for big construction contracts, it was important to give small businesses a share. The FHWA has done this by separating out contracts for such components as painting the highway stripes and laying drainpipes.

The US FTA is to concentrate on providing training and technical assistance to South African rural and community transportation providers, especially the minibus industry.
Plea for new look at electrical transport

SA should embark on comprehensive rather than fragmented, selective studies on electrically powered passenger transport, national transport policy forum chairman George Negota said yesterday.

Addressing a conference on electrical vehicles at Midrand yesterday, Negota said SA municipalities had spent millions of rands and many years researching the electrical light rail system, it seemed all for nought.

The country now needed to examine the different modes of electrically generated transport and establish the role which electricity played in passenger transport.

There seems to be an inconsistent approach towards different types of electric transport. Some modes have been over-investigated while others have been ignored.

Negota said the only mode using electricity at present was heavy rail. ‘‘Unfortunately the mode has experienced a serious decline in recent years.’’

He said although electric light rail transport might well be part of the solution to SA’s transport problems, ‘‘we seem to be as far away from introducing a light rail system in our country as we ever were.’’

‘‘This leaves me with the question: Is light rail simply an interesting subject of study to keep the consultants and researchers busy?’’

Negota said SA needed to look at systems such as the duobus—a dual powered vehicle capable of running on electricity as well as diesel or battery power.

‘‘The forum has been told that several overseas cities make use of this type of electric operation, with the flexibility of diesel (or battery) operation,’’ But SA had done little or no research into this mode of transport.

Several cities had once operated electric trolley buses as part of their municipal bus fleets. ‘‘We are told that they were economic to operate, that they were reliable and, perhaps most important, that they were popular. Nevertheless, they were systematically eliminated from the streets of our cities over a period of years with the last system closing down in 1968.’’

He said the final abandonment of the system in Johannesburg was based on a Transport Department report whose findings were disputed by leading researchers.
NO STRUCTURAL OR FUNCTIONAL
NO GOVERNANCE PLANS
NO FALLBACK PROVISIONS
NO RESILIENCE STRATEGIES
NO INFORMATION PROTECTION
NO COMMUNICATION TO THE PUBLIC
NO RESOURCES TO IMPLEMENT
NO INSTITUTIONS TO OVERSEE
NO POLICIES TO REGULATE

The government's lack of a comprehensive plan for resilience and preparedness is alarming. The country is vulnerable to natural disasters and cyber threats, yet there is no clear strategy to address these challenges. The absence of a national disaster management plan, coupled with the lack of investment in technology and infrastructure, leaves the population at risk.

As a responsible citizen, I urge the government to take immediate action. The country needs a robust framework that includes:

1. A comprehensive disaster management plan
2. Investments in technology and infrastructure
3. Training and education for the public
4. Regular drills and exercises
5. Clear accountability and oversight
6. Effective communication channels

The government must prioritize these actions to ensure the safety and well-being of its citizens.
Regional road policy encouraged

TRANSPORT Minister Mac Maharaj has encouraged Southern African Development Community (SADC) countries to pool transit fees collected at border posts and create a mutual bank account for maintenance of the regional trunk road network.

Maharaj was speaking in Pretoria at the Southern Africa Transport and Communications Commission (SATCC) seminar on policy reform and restructuring in the southern African region’s road sector.

The five-day conference has been organised by SATCC, the World Bank and the UN’s Commission for Africa (Uneca), assisted by the roads division of the CSIR.

Some of the seminar’s objectives are to “sensitise” stakeholders interested in sound road management to the basic elements of Uneca’s Road Maintenance Initiative; to seek commitment from SADC states on the desirability of reform; and to draw up a plan of action for policy reform.

Maharaj decried policies with emphasis on national rather than regional interests “and without regard to comparative advantage, efficient use of resources and the state of the operating environment”.

He told delegates that reform in the roads sector called for the establishment of common practices; technical standards; effective mechanisms for modal and inter-modal coordination.

THEO RAWANA

Maharaj said the issue of a harmonised road user charging system was being investigated by an SADC task team. This was with a view to having fees collected at SADC border posts used exclusively for the maintenance of the mutually agreed SADC regional trunk road network only.

He said the Africa Road Maintenance Initiative (RMI), launched by Uneca and the World Bank, had spent the past six years identifying the underlying causes of poor road maintenance policies and developed policies for reforming them.

“It is becoming increasingly clear that the main problems affecting road maintenance in sub-Saharan Africa relate to inadequate funding and inefficient management structures,” he said.

European Commission principal administrator Bruce Cameron urged member countries to commit themselves to policy reforms to attract donors.

He said the RMI had identified inappropriate policies, weak institutional structures and inadequate finance for maintenance as the main causes of the decline in SADC roads.

“There must be a greater awareness that the private sector plays a major role in implementing policy by turning financial investments into the reality of rehabilitated roads, improved railways and policy facilities. It is also becoming more involved in maintenance.”
Town transport system boost for Cape

TICS

Cape Town Advisory Board

Council has no mandate

Allyance

In the meantime, the Council has been unable to get the necessary funds to implement the proposed transport system. The Council has been trying to secure funding from various sources, including the provincial and national governments, but has not been successful. As a result, the transport system remains on hold.

The Cape Town Advisory Board, which is responsible for the development of the transport system, has been working on a number of initiatives to try and secure funding. These include a proposal to introduce a new tax on motor vehicles to help fund the system, and a plan to attract private investors to contribute to the project.

The Board has also been working on a number of feasibility studies to determine the best way to proceed with the project. These studies have shown that the transport system could be implemented at a cost of around R5 billion, and that it would provide a significant boost to the local economy.

The Board has been in discussions with a number of investors, including the provincial government, and has received some interest in the project. However, it has faced a number of challenges in getting the necessary funding, and has been unable to secure the required amount.

In the meantime, the Council has been working on a number of other initiatives to improve transport in the city. These include the introduction of new bus routes, and the development of a new stadium for the Western Province Rugby Union.
GOODWILL VISIT: Atlanta mayor Mr Bill Campbell at a cocktail party near Johannesburg yesterday. Mr Campbell is on a goodwill visit to the country. The city of Atlanta will host next year's Olympic Games. Cape Town is hoping to win the right to stage the Games in 2004.

Olympics: R1bn boost for city

CAPE TOWN's economy will receive a R1 billion boost and 30 000 new jobs will be created as a result of state investment in the city's transport infrastructure related to the 2004 Olympic bid.

Transport Minister Mr Mac Maharaj told the Senate yesterday that the R470 million of central government money that had been approved to upgrade the city's public transport system would directly serve disadvantaged communities.

"The 'Kick Start' programme will provide the impetus to restore public transport as the primary mode of travel, which is essential for our cities to survive and grow effectively," he said.

Meanwhile, the director-general of the IOC, Mr Francois Carrard, has said they would probably introduce an early selection procedure in June, reducing candidate cities to a shortlist of four.

The city to stage the 2004 Summer Games will be chosen in 1997.

Mr Maharaj said the proposed projects were primarily directed at improving public transport and the development of marginalised communities in the metropole. The direct benefit would be the creation of about 30 000 jobs in the building of the infrastructure.

The indirect benefits are:

- The region's economy will be boosted by about R1bn through direct and induced expenditure arising from the R400m invested in infrastructure.
- In the road infrastructure, over 60% of the projects will directly serve disadvantaged communities.

Summit

Meanwhile, a summit is to be held today aimed at getting Cape Town's shaky 2004 Olympic Bid back on track — and supermarket magnate Mr Raymond Ackerman has agreed to attend.

"Now that most of the terms and conditions I set out have been met, I have decided to attend," he said. One of his basic conditions to return to the bid was that he return as chief executive officer of the bid committee. "I have never backed down on that."

He would train someone to take over from him and had employed two placement firms to look for such a candidate.

It was crucial that the summit meeting put an end to the acrimony surrounding the Olympic bid, he said.

"If the acrimony continues, frankly the bid hasn't got a chance ... it has been an enormous job to keep the people on hold who have done extensive work on the bid. They still have not been paid, so it is crucial to get them back on track."

It was reported from London that ballroom dancing and surfing are the latest pastimes to win recognition, albeit provisional, as major competitive sports from the International Olympic Committee.

They joined roller-skating, trapshooting and 15 other sports undergoing two-year trials before applying to join the official Summer Olympic programme. — Staff Reporters, Reuters, The Telegraph.
car remains tops

COMMUTING BY

AND OPTIONS TO THE CITY

DAILY COMMUTING COSTS

("Queensway 1946")

A WINDWARD

BELLEVILLE

CAPE TOWN

MINUS"
Privatise road building, Tanzanian expert advises

AFRICA needed to halt the practice of lumping 80% of funding into maintenance of main roads and leaving only 20% for rural ones, Tanzanian Road Maintenance Initiative co-ordinator Immanuel Kimambo said in Pretoria yesterday.

Addressing the Southern Africa Transport and Communications Commission seminar on road policy reform, Kimambo said the use of consultants and contractors in road building, management and maintenance should be the norm in Africa because governments were too bureaucratic and civil servants were poorly paid.

"Performance is bound to be low because there is no incentive, and contractors have to be used for results," he said.

Rural roads were as important as main roads and neglecting these could hamper any programmes to improve the countries' economies, Kimambo said.

The five-day conference on policy reform and restructuring in the southern African region's road sector is being held to familiarise sub-Saharan African countries with the basic elements of a UN Commission for Africa initiative. It is also being held to seek commitment from SA Development Corporation states on the desirability of reform, and to draw up a plan of action.

SA Transport deputy director-general Malcolm Mitchell said SA's good rural road network was in danger of rapid deterioration because of road funding restrictions, which had worsened over the last decade.

Toll roads had allowed this deterioration to some extent.

The decline in revenue to the National Road Fund from the mid-1970s had been so severe that it had become difficult even to maintain the present road network at appropriate levels of service, let alone meet any new needs that arose.
Western Cape to get new railway lines

BY BARRY STRECK
POLITICAL STAFF

The South African Rail Commuter Corporation has drawn up plans for 12 new railway lines in the Western Cape, Gauteng and kwaZulu/Natal which would cost about R565 million over the next four years. (269)

It said in its 1994 report, which was tabled in Parliament yesterday, the new lines would extend commuter rail services to hundreds of thousands more people.

No further details about the new services were given.

The corporation said the RDP had identified the need to extend rail transport to urban fringe areas.

This has prompted the planning of a capital development programme over the next 10 years.

The corporation said three new stations were also planned at a total cost of R6m.

It added the programme to replace all windows on Metro trains with vandal resistant windows continued in the past year.
on a side-track
Privatisation
Transient puts

BY STEW LUNSFRE
Donors set conditions for road building aid

SOUTHERN African countries have been told to establish independent roads boards with strong private sector representation if they want international aid to improve their road networks.

The message was delivered at a conference in Pretoria last week attended by delegates of the 16 Southern African Development Community (SADC) countries.

The delegates resolved to urge their transport ministries to reform their road maintenance policies to meet the requirements of donor nations.

The Road Sector Restructuring Seminar on Management and Finance, organised by the World Bank and the UN Economic Commission for Africa, was held in Pretoria to familiarise representatives with the principles of the organisations' Road Maintenance Initiative.

Road Maintenance Initiative task manager Ian Heggie told delegates the World Bank was anxious for countries to adopt the principles so that it could establish an office in the SADC area before the end of the year.

Advising countries to "build policies before roads", Heggie said roads should be managed like businesses.

"During the course of next two-and-a-half years we will seek to establish a regional presence."

The regional unit would extend assistance to the existing member countries in the SADC, as well as to new members wishing to join the initiative.

Sapa reports about $800m in funds from the World Bank and other donor agencies for road rehabilitation in Zambia have been frozen because Zambia had failed to prepare a required road maintenance plan.

The Times of Zambia newspaper on Saturday quoted Heggie as saying there was no point in returning to Zambia to discuss road rehabilitation if no plans had been submitted.

Zambian Works and Supply Minister Andrew Kashita was not available for comment. But a department official who wished to remain anonymous said: "We have met the major pre-condition by setting up the national roads board, which and has since disbursed more than 4-billion kwacha for road maintenance countrywide."
R1-billion plan for SA airports

Reforms needed at Jo'burg, Cape Town and Durban

By Patrick Underhill
Keeping an eye on the road money

Municipal Reporter

PROVINCIAL Transport Minis-
ter Leonard Ramatlakane has
set up a ministerial commis-
sion to advise the city on how
it should spend R470 million al-
located to it for an Olympic up-
grade of its roads network.

The commission has been
asked to ensure that there are
no inconsistencies between the
Olympic transport plan and
other initiatives such as the re-
construction and development
programme and metropolitan
spatial development frame-
work.

Members are Neil Rossouw
of the attorney-general’s office,
P Todeschini of the University
of Cape Town, Thami Bonga of
BP and Vincent Saldanah of
the Legal Resources Centre.

It will also have to “establish
an accountable review pro-
cess” which will take in a wide
range of views.

The commission must also
confirm that the road plan not
only meets the needs of the
Olympic Games, but that it
will also meet the needs of
metropolitan Cape Town in the
future on economic, social and
environmental grounds.

Mr Ramatlakane has also
asked that the process should
be completed as quickly as pos-
sible so that work can begin.

He set the end of May as a
target date and said the up-
grade would be needed even if
Cape Town was not successful
in its bid.

Those interested in submit-
ting proposals or making pre-
sentations to the panel may
contact the acting-provincial
roads engineer, ☎ 410 2006, or
the private secretary,
☎ 483 3860, for details of the
times and venue of the com-
mmission’s meetings.
Airport upgrade proposals ‘within months’

By Audrey D'Angelo

South Africa has no urgent need for new airport terminals, and can make do with a multimillion rand upgrade of existing facilities, according to a policy review released yesterday.

The report was compiled by a committee which included the president of Vienna International Airport, Franz Kothra, and head of airport strategy at the British Airports Authority, Alistair McDemid.

It says international tourism to South Africa is growing at the rate of 15 percent a year.

But this rate of growth is likely to fall in a year or two, to between four and six percent and to average 10 percent over the next 10 years.

Because of this, the committee think that although there is a need for the “gateway” airports of Johannesburg, Cape Town and Durban to be upgraded and existing terminal buildings improved, “there is not a strong case in pure demand and capacity terms for new terminals at Johannesburg and Cape Town for the next ten years or so”.

The policy committee suggests that “the need for very large scale investment in new terminals and airports can be deferred for around ten years and possibly longer. The exception here may be a new airport at Durban, but that requires further study”.

Instead, they recommend, about R700 million should be spent over five years on upgrading existing facilities at Johannesburg and R275 million at Cape Town.

They say that at Cape Town, “good progress has been made to identify appropriate investment to upgrade facilities”.

In both cases, the committee recommends that the investment should be spread evenly over the five years.

“It need take no more than a few months to seal proposals.”
benefit liabilities.”

Restrain in capital spending has helped towards the improvement in cash flow and reduction in borrowings but gearing is still high at more than 150%. Investment of R2,15bn is planned for the 1996 year, well up on R1,36bn in 1995.

TRANSNET

Gathering steam

Profitability and cash flow continues to rise in Transnet, with three of the operating divisions — Spoornet, Portnet and SAA — producing steep increases in net income in the year to March 1995.

Though, as MD Anton Moolman puts it, the consignment distribution and container shipment business PX remains “far from breakeven,” having lost R297m (1994: R344m), the group operating profit rose by R380m or 11.7% and the net finance charge fell by R111m or 9.4%.

Transnet’s pension fund obligations continue to depress earnings: there is a R528m (R518m) charge at pretax level, with a further R1,39bn (R1,38bn) taken below the line. The good news this time, however, is that there is a retained group profit for the year of R118m after 1994’s loss of R279m. For 1995, Transnet had turnover of R16,16bn and operating profit of R3,14bn.

Apart from the huge charges against income to service liabilities related to the pension fund, which at March 31 still had a deficit of R4,2bn, just over a third of the operating profit was absorbed by interest payments. And the tax charge for the year was just R13m. At year-end the estimated tax loss was R12,17bn (R10,59bn).

Analysis of divisional performances is severely limited by the skimpy financial details provided, though some are large and dissimilar businesses. In general their trading performances were boosted by rising levels of activity, which helped lift group turnover by 14.8%.

Profitability of the divisions differs radically. Most striking is the return being achieved by Portnet, with net profit after finance costs of R1,11bn (R766m) on turnover of R2,54bn (R2,13bn), giving a whopping margin of 43.8% Profitability remains high in Petronet, with a margin of 32.3%, though its net profit slipped to R144m (R149m) on turnover of R446m (R441m).

The rail transport arm Spoornet lifted its net profit after finance costs to R734m (R576m) on total turnover of R7,6bn (R6,94bn). And SAA swung from 1994’s R23m loss to a R217m profit, with turnover up 22% at R4bn. SAA CE Mike Myburg says the airline is negotiating alliances with Malawi, Konya and Congo.

Most divisions have continued to shed staff. Spoornet is down over the year by 1,028, at 6,545; Portnet by 1,536, at 11,005; Petronet by 15, at 653; and PX by 1,815, at 8,757. SAA, on the other hand, is up by 1,601, at 10,367.

At trading level, Moolman says there is a group strategy to increase margins “to ensure a more reasonable return on assets while decreasing the effect of retirement

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Privatisation mooted in Transnet bid

THE Department of Transport has raised the stakes in the battle for control of Transnet by outlining a programme for restructuring the parastatal, a plan that includes the full or partial privatisation of some Transnet divisions.

Transnet currently falls under the jurisdiction of the Minister of Public Enterprises, Stella Sigcau, but Transport Minister Mac Maharaj has stated his claim for the group.

In drawing up a restructured commuter transport policy, Transnet is a vital factor and should therefore fall under his department, Mr Maharaj says.

Meanwhile, it has emerged that Mineral and Energy Affairs minister Pik Botha wants to regain control of Eskom from Ms Sigcau.

Eskom was moved to Public Enterprises a few years ago when it was considered a prime candidate for privatisation.

However, the government's recent blueprint on restructuring state assets ruled out Eskom's privatisation and Mr Botha believes the energy utility should be returned to his department.

Furthermore, Mr Botha is said to be considering proposals to move the liquid fuels portfolio to the Department of Trade and Industry because it is "a tariff-related issue".

Unlike Mr Maharaj, however, Mr Botha has not yet raised the matter with his cabinet colleagues.

The Department of Transport's director-general, Ketso Gordhan, said this week his department had asked the government to set up a committee to oversee the restructuring of Transnet.

The committee, consisting of the departments of Transport and Public Enterprises as well as Transnet, should examine the role of Transnet within broader transport policy.

"We don't mind if Public Enterprises retains the shareholding ministry, but it is vital that our views on Transnet are strongly considered," Mr Gordhan says.

A spokesman for Public Enterprises said on Friday: "Where the direct interest of a department concerns parastatals under the control of Public Enterprises, we will consult with the relevant ministries."

Mr Gordhan says the restructuring of Transnet should fall within approved guidelines on restructuring state assets.

This would ensure parastatals a development orientation and mobilise private sector financial, managerial and technical resources in the form of equity partnerships.

Detailing some of his department's views on Transnet divisions, Mr Gordhan says SAA should seek a strategic equity partner which could help the airline to expand through financial and managerial support.

On Autonet, Transnet's profitable road transport division, Mr Gordhan says: "There is no strategic or economic reason for holding on to Autonet."

"It should be privatised with a view to black empowerment."

He also proposes that Portnet's infrastructure and operational charges be split to bring down "the extraordinarily high harbourage charges".

Transnet this week reported its first profits since it embarked on a commercialisation drive five years ago. Net profits were R118-million in the year to end-March.
"Corruption": Vehicle test stations closed

TYRONE SEALE
Political Staff

THE government has closed several vehicle testing centres because of corruption, says Transport Minister Mac Maharaj.

And a lack of sufficiently trained traffic officials has forced the department of transport to extend the validity of learner drivers' licences from six to 18 months, he has disclosed.

Speaking during interpellations in the national assembly, Mr Maharaj said the now-closed test centres had been inherited from the previous government.

The situation could be remedied only if traffic authorities and police were re-trained and if people stopped bribing their way out of penalties.

He was responding to questions by Inkatha Freedom Party MP Kisten Rajoo, who suggested regular vehicle tests for all motorists, in line with practices in many other countries, and argued that this would also provide regular income for the state.

Dr Rajoo pointed out that last year's 467,997 road accidents — with a toll of 130,000 casualties — had cost the South African economy R10 billion.

Mr Maharaj said it had been proved that unroadworthiness of vehicles contributed only slightly to the number of collisions reported each year, of which 70 percent could be ascribed to human error.

He said regular tests had not been finalised overseas either.

In the European Community, where driving standards were high, periodic tests on vehicles were still under consideration.

These solutions could not simply be transplanted in South Africa — where the government was, however, improving the road quality system as well as driver competence tests.

Democratic Party MP Douglas Gibson called for regular tests on public carriers such as buses and minibus taxis and urged a clampdown on unlicensed drivers, as well as training for schoolchildren and adults.
Passengers still seated according to race

Spoornet practice slammed

BY TAMSEN DE BEER

The Spoornet booking office in Johannesburg apparently still classifies passengers according to race, despite company policy to eradicate all apartheid practices.

An irate Jennifer Swarts of Observatory, Johannesburg, was told by the Spoornet booking office "oh, but we booked you as white," after complications in obtaining first-class tickets for her children.

The Star called the booking office under the pretence of booking a ticket and was told categorically by a Spoornet employee: "We still keep the whites with each other, the non-whites and colours with each other. If we do not have any choice, then we put whites with blacks. Most white people prefer to travel with whites only."

But both Spoornet and main-line passenger service spokesmen maintained that it was company policy to seat passengers according to race.

According to Cliff Culbert, spokesman for Spoornet: "We try and keep races apart, but that's not a hard and fast rule."

Said Pam Pokane, deputy manager of the mainline passenger service: "It sounds like a personal policy. It's definitely not company policy."

She said that as it was a recurring problem, she would look into the matter.

Swarts said: "It's really appalling to think these laws are still intact and they pretend to the public that all discrimination has been done away with."
Government to improve road, rail links

Tim Cohen

CAPE TOWN — The special economic committee established by Cabinet to bolster economic growth would identify infrastructural "blockages" to SA's industrial development and propose invigorating existing road and rail "passages", according to government sources.

Government spokesmen were reluctant to disclose the contents of the committee's proposals before presentation to a Cabinet committee this week, but said the thinking behind the proposals was to improve specific infrastructure links.

The proposals were to be put to Cabinet last week but will now be put to the economic subcommittee.

But the two-week assessment of government policy suggests enhancement of specific infrastructure "conduits" which have been identified as blocking development.

Weak road and rail links between critical industrial centres have been identified countrywide.

These include connections between SA cities and those of neighbouring countries, especially between Johannesburg and Gaborone and Johannesburg and Maputo.

Government sources said none of the proposals replaced government policy; the intention was simply a more focused, integrated and concerted effort.
Rail fares up 7.5 percent

Staff Reporter
COMMUTER train fares will be increased by an average of 7.5 percent on Friday.

The increase is attributed to staffing and equipment costs.

The last increase, of 10 percent, was in November last year.

S A Rail Commuter Corporation managing director Wynand Burger said increases in the past three years had been below the inflation rate "and we are committed to keeping future fare rises under inflation".

Friday's increase "will still leave commuter rail fares at less than half of what it costs to travel the same distance by bus".

Losses from fare evasion were being tackled through the introduction of better security systems.

Zonal fares were being introduced to cut losses caused by people paying the fare for the shortest possible distance, but travelling further.

Mr Burger said security on stations, and trains was being improved steadily, and a programme to upgrade facilities was continuing.

(269) ARQ 29/8/75
Transport talks 'stalled'

EMPLOYERS in the goods transport industry have been accused of using groups like the Turning Wheel Workers Union as a delaying mechanism to prevent both the formation of the goods industry national industrial council and the commencement of annual wage negotiations.

The Transport and General Workers Union (TGWU) and six other unions party to the formation of the national council have declared a dispute with those employers party to the process.

The TGWU said the dispute followed employers having reneged on an agreement to commence wage negotiations by August 1.

The union said a failure to resolve the dispute in time could result in a flexing of "our collective muscle, to bring the industry to its knees".

The union said the dispute affected more than 50,000 workers, which included membership from six other unions.

It said that despite this agreement employers had said the national council could not be registered "because of delays by the Transport and Allied Workers Union (Tawu) and the Turning Wheel Union".

The association proposed that plant level negotiations should commence for those companies who implemented as from January 1 as it was unlikely that the new national council would be registered by that time.
Commuters will have to pay more

Mduduzi ka Harvey 269

COMMUTER train fares will rise 7.5% on Friday, the SA Rail and Commuter Corporation said yesterday.

However, the increase would still leave rail fares less than half of what it would cost to travel the same distance by bus.

Increases in train fares, which will affect more than one million commuters who use the service on a daily basis, had in the past three years been well below the inflation rate.

SA Rail and Commuter Corporation MD Wynand Burger said the corporation had been forced into the latest increase by the ever-rising staffing and equipment costs.

The new fares will be structured as follows: for first class commuters travelling 1-9km, single ticket, who currently pay R2, the fare will rise by 20%, while those travelling between 10-15km, currently paying between R2.40 and R3.10 will now pay R3.30.

Weekly first class tickets priced between R14 and R18 will rise to R18.82, while monthly commuters travelling less than 10km will now pay a flat rate of R68.

Third class commuters using single tickets, travelling less than 10km will pay R1.10.

Those travelling for up to 15km will pay R1.50. The new fares for weekly tickets currently priced between R8 to R9 will rise to R8.20, while monthly fares currently between R20 to R24 will now be R24.
Train fares are set to increase by 7.5% next month for the more than 1 million commuters who use the railways for daily transport, according to the SA Rail Commuter Corporation.

"The increase, however, still leaves rail fares at less than half of what it costs to travel the same distance by bus," SA Rail Commuter Corporation Managing Director Wynand Burger said.

He said the corporation had been forced to develop special access security systems to combat fare evasion.

"But a problem remains. The biggest element of fare evasion has been people who pay for the shortest distance but travel further."

He said a Zonal system had been introduced to combat this problem which meant there would now be minimum fares set for all distances within a 5 to 10km zone.

"This means that commuters travelling up to 9km will pay a single minimum fare and those travelling between 10 and 15km with single tickets also pay a fixed fare."

Burger said.

Children will still pay about half the adult fare and third-class season tickets will be about 30% of first-class fares.

Burger said the last fare increase — of 10% — had been in November. He said the corporation had cut costs to produce a funding surplus each year which helped to save on the required state subsidy.
Levies on private cars suggested

JOHANNESBURG: The government is considering rebates on fuel costs for bus and taxi operators and levies on private cars to make transport more affordable to low-income communities.

According to a Green Paper released by the Department of Mineral and Energy Affairs to launch a discussion on future policy options, the R2.4 billion now being spent on transport subsidies were of questionable help to poor commuters. Lower fuel taxes would help the rich as much as the poor, lead to an increase of already over-burdened roads and make it necessary to increase taxes in other areas to generate funds.

— Special Correspondent
Driverless transport system on the cards for Cape Town

Staff Reporter

A NEW driverless transport system is set to revolutionize Cape Town's transport industry and boost the city's chances of hosting the 2004 Olympic Games.

In a bold move, Golden Arrow Bus Services has clinched a deal with Raytheon Company of Lexington, Massachusetts, to build the electronic transport system.

Golden Arrow is expected to make the announcement later today.

The proposed transport system, Personal Rapid Transit System (PRT 2000), could transform the city's CBD and provide fast, efficient and pollution-free 24-hour transport.

The plan is to run the four-seater, driverless cars on a network of platforms which run five metres above the ground. The network will run throughout the CBD and Victoria and Alfred Waterfront.

Passengers will be able to board at stations with pre-bought tickets and the cars will travel directly to their destinations without interruption. The cars will be self-propelled and managed from a computer control centre.

Golden Arrow is confident the system will help meet passenger transport demands well into the next century.
Flying, tourism: partners in SA
(Apr 31) 2648
BY MANDLA MTHEMBU

The integration of aviation and tourism will come under the spotlight at an international one-day conference to be opened by Transport Minister Mac Maharaj next week.

Overseas and local transport experts will give input on the need to integrate aviation and sustainable tourism in SA.

Sharing their experiences will be representatives from India, United Kingdom, New Zealand and Malaysia.

The conference in Johannesburg on September 7 is part of the campaign by the transport department to declare September "Transport Month".

"This would raise awareness about the role of the industry in the development of SA economy," said Transport Ministry spokesman Joel-Ann Jones.

She said the growing interest in SA as a tourist destination has made the need "to review the most convenient means of getting to the country's exotic destinations".

"Given the vast distances that have to be travelled, air travel is often the chosen transport mode," said Jones. "This, in turn, required careful examination of the aviation business in SA and its regional partners."

Transport and Commissioner for Civil Aviation deputy director-general Japie Smill said unless aviation and tourism were integrated "there would be gloom in both industries".

He was optimistic that the conference would be able to find ways to strengthen the relationship between aviation and tourism.

For more information about the conference contact Jones at (011) 884-9860.
Injuries led to substantial disability, said researcher Len Lerer, and the cost of hospitalisation in 1993 was close to R2 million.

The report was handed to Mafika Mkwanazi, chief executive officer of Metro Rail, by MRC president Walter Prozesky yesterday.

Researchers concluded that although violence was not factional or political, there was a serious crime problem on trains.

Violence on trains accounted for 43 deaths and 150 injuries, and was the cause of 18 percent of injuries in women.

Alcohol played a part in 133, or about a third, of deaths, said researchers. Of those who died crossing the lines, 37 percent had elevated alcohol levels.

Suicide was found to be a major cause of injury, with a fatality rate of 8.5 percent.

The report found that most injuries happened on the Khayelitsha line. Residents cut holes in the fences for easy access instead of using footbridges or crossings, said Mr Mkwanazi, and this problem would be addressed through education programmes.

The report said overcrowding during peak hours and at certain stations increased the risk of injury, with 60 percent of all injuries and deaths occurring during morning and evening peak periods.

Mr Mkwanazi said rail commuter safety was part of a wider social problem. The Western Cape would be used as a test area for interventions, and if they worked here they would be taken to the rest of South Africa.

Visible security and community policing would minimise violence on trains.

Metro Rail would spend R5 million during 18 months on rail safety. Closed-circuit television would be installed at high-risk stations, with Cape Town being the first.

A magazine and community radio programme would be used to educate people and highlight rail dangers.

Mr Mkwanazi said coaches would be upgraded and equipped with safety features such as a buzzer which would go off if the door was not closed, an alarm bell to stop the train in an emergency, and some form of communication within the train. Lighting, seating and doors would be improved.

Toll-free telephones would be installed at stations in the next year to encourage commuters to report crimes or emergencies.
SA and Mozambique boost transport links

Political Staff

SOUTH Africa and Mozambique are developing a transport corridor that will link Gauteng with Maputo and other centres and reduce the costs of exporting iron, coal and citrus.

Transport Minister Mac Maharaj and transport director-general Ketso Gordhan told a parliamentary committee on transport that the initiative would entail the upgrading of Maputo harbour, improvement of the rail link between Komatipoort and Maputo, upgrading of key roads linking the two countries and improvements to the border post.

Mr Gordhan said the department of transport was liaising with other ministries and departments, and their Mozambican counterparts, to develop the cross-border transport corridor that would account for about 15 percent of a greater economic corridor.

Similar corridors were due to be developed within South Africa, such as the road and rail links between East London and Butterworth.

Mr Maharaj said that as part of a broader transport policy review, consideration was also being given to the increased use of coastal shipping to move goods around the country.

He cited the example of the East London-Durban route where the roads were inundated with heavy-duty traffic while wharfage charges at the harbours were prohibitive.

Mr Gordhan said South African taxpayers would probably pay, on a limited basis, for part of the development of the cross-border corridor.

South Africa and Mozambique would jointly approach the World Bank, other financial institutions and the private sector for investment in the project.

Mr Maharaj pointed out that seven terminals in the Maputo harbour were already contracted to South African private-sector operators.

The anticipated co-operation between the two countries should be viewed in the light of both countries' membership of the Southern African Development Community.

The project should be approached constructively, he said, adding that the key question was "to get growth and development moving".

He added: "Once jobs are created, the issue of stability takes a different direction."

Mr Maharaj said the corridor was a long-term project, for which no simple time frames existed.
Kunene Brothers secures a 30% interest in Grinaker Electronics

BY ROY COKAYNE
PRETORIA BUSINESS EDITOR

Grinaker Electronics and black-owned Kunene Brothers have signed a shareholders agreement which will secure Kunene a 30 percent interest in Grinaker over five years.

Kunene has diverse business interests under its management ranging from the Coca-Cola bottling franchise in Mpumalanga (Eastern Transvaal) to trading and distribution businesses in Gauteng.

The company also has an interest in a contract cleaning company, Supercare, which employs about 10 000 people.

Strategy

The agreement forms part of Grinaker’s strategy to reposition itself to take full advantage of opportunities offered in southern Africa’s growing electronics and telecommunications market.

Keith and Zoli Kunene, and Graham Royston, the group financial director at Kunene, will be serving on Grinaker’s board of directors.

SHAREHOLDERS Keith Kunene (left), and Zoli Kunene, are set to take advantage of growing opportunities in the electronics market

Grinaker is an established supplier of locally designed and manufactured electronics products and systems for the defence, security and commercial markets.

Its products include base stations, mobile and portable radio and data communications equipment, aircraft communications, airborne self-protection and intelligence systems.

Since 1978 Grinaker has supplied the mining industry with products ranging from radio communications systems to mine management telemetry systems.

SAA passengers could be stranded

BY PETER FABRICUS
INDEPENDENT FOREIGN SERVICE

Washington — A row between the United States (US) and South Africa (SA) over access to the busy air route between the two countries is threatening to leave thousands of SA Airways passengers stranded over the next few months.

The US department of transport (DOT) ordered last month that SA may only fly seven times a week between SA and the US.

This ruling came a month after SAA began taking bookings for two extra flights a week to New York and Miami because of more traffic which led passengers buying for reservations.

The move was in retaliation for SA’s refusal to allow US airlines to fly the SA route through their partnerships with European carriers in so-called “third-party-code-sharing” agreements. For instance, US carrier United Airlines would be allowed to book flights from its many nodes in America to SA under its own name, although the Europe/SA leg of the flights would be completed by its German partner Lufthansa which already flies the SA route.

In a petition to DOT, SAA has asked it to reverse what it called the “harsh” and “draconian” order cutting back its flights which was issued in the middle of inter-government negotiations to draft a new bilateral agreement. SAA claimed that despite starting the negotiations with the assurance that it would be patient with SA because the country needed time to re-integrate into the world, DOT was in fact being harsher on SA than it had been on other countries which had refused to accept similar third-party code-sharing proposals.

SAA said that the SA government had asked for a working group to discuss the third-party code-sharing proposal.
Logans collapse: travellers remain in the dark

BY NIKKI WHITFIELD

Logans Tour Operators, the cut-price tour company which collapsed last month, "has left behind a mess of confusion and debt", and speculation that businessmen at its helm might try to start a new company soon.

Passengers, who in some cases handed over their life savings for a holiday in exotic locations, are frantically trying to get some of their money back as insurance companies, travel agents, banks and the Logans liquidator work around the clock to unravel the tangled web.

Whispers that Logans directors Russell Guin and Colin Loubsier were looking into starting another business have been discussed in travel circles ever since the tour company's demise on August 24.

But Roger Mackie of the Association of South Africa Travel Agents (Assata) said it was unlikely any attempt to start up again would be successful because "who would book with them?"

Guin and Loubsier were also directly linked to the closure of the Johannesburg-to-Galway route flown by Sudan Airways.

The pair were co-directors of Airline Liaisons, the leasing agent for Sudan Airways. Airline Liaisons did not go into voluntary liquidation. It was shut down by the directors, who gave "reasonable" control in it to the company's demise on August 24.

"Most companies' spokesmen said that the matter was receiving intense attention. 

Nuoro Deysel, managing director of the travel insurance company Europ Assistance Worldwide, said he had instituted an investigation into the debacle, and that included trying to find the whereabouts of Guin and the company.

Although there have been reports that Guin was overseas, the Star ascertained yesterday that he was still in the country. According to a family source, he is "working from his car". However, his cellular phone remains unanswered and the source did not give his home number. Loubsier could not be traced.

Unsure

People who booked tours with Logans are still unsure whether they will ever see any of their money.

Insurance companies, which are facing claims totalling millions of rand after the collapse of Avia Airlines, the Sudan Airways route and the Logans shutdown, are battling to deal with the flood of claims and demands from out-of-pocket clients.

Hector Rocca, managing director of International Insurance Travel Brokers, said his company was trying to sort out the extent to which clients were entitled to their money back.

"We are trying to take the situation as it comes," he said. "The way default travel insurance works is that you must prove you have lost money. At the moment, the passenger stranded in London with no money is going to get attention before the person who has booked a holiday in December. But the insurance companies are looking at this thing sympathetically."

He denied reports that claims could take up to 30 months to sort out, but appealed to people to be "patient" while the matter was being sorted out.

Major banks said people who paid for flights with their credit cards were entitled to their money back in accordance with the rules. This means that if you paid for a service with your credit card, but never received it, written submission could be made to the bank, which would charge the amount back to the acquiring bank, which in this case is Absa.

The charge-back rules, as they are known, do not apply if a Diners' Club or American Express card was used to book a flight, and it is uncertain whether charge-back rules apply to a tour package booked through Logans.

An Absa spokesman said the bank was in close contact with the liquidator, Syfrex, and a statement would be issued this week explaining the situation.

Group

A group set up by passengers stung by the recent disasters is gaining momentum. Called the Travellers' Protection League, it meets once a week and has been instrumental in getting more than R20,000 for people who paid with their credit cards.
Experts set to advise on inner city transport

Several proposals are to be considered by consultants, due to be appointed today, in the search for ways to get the inner city moving. Peter Dennehy reports.

Consultants are due to be appointed today to undertake an inner city public transport study which will consider the recently-released "sky cars" proposal.

Sky cars, also known as "space bubbles", are a 24-hour high-tech system of automated mini-taxis on elevated rails which have been proposed as a new transport system in the central city.

The council's chief transport engineer, Mr Peter Clark, said this week that the consultants would also be asked to consider a tramway system and two separate proposals for monorail systems.

It is hoped that a system would be chosen that would benefit the whole city, not just the inner city residents. It is expected that there will be many more city centre residents as district six and cotswold are redeveloped.

More hotels are still being built at the waterfront, which will also accommodate thousands of people on ships during the Olympic Games - should the city win the bid.

The waterfront is leaving space for a light rail link with Cape Town station between the existing dock road and its second carriageway which is now being built.

Space has also been left for a transport system at the foreshore end of the old Table Bay power station/Imperial cold storage site.

Mr Clark said he could not prejudge the sky cars proposal, which is not yet formally before the council, but he said the cost issue would be an interesting one.

Golden Arrow, who presented the scheme, have put a price tag of R400m on it. Mr Clark said he had heard that a monorail system could cost around R150m - depending on how far it went.

Metropolitan Planning Director Mr Dave Fadie was reluctant to comment, but said there may be some aesthetic sensitivity about any elevated transport system in the central city.

At one stage the link between the waterfront and Cape Town station was going to be elevated too, but this idea has since been dropped.
Some train fares up 28 percent, say commuters

ANGRY commuters say train fares have gone up 28 percent in some cases, in spite of a claim by the Rail Commuter Corporation that the increase was 7.5 percent.

They have accused the corporation of distorting the facts.

The bigger increases mostly affect commuters who travel shorter distances. For journeys longer than 15km increases are below the 7.5 percent average.

Commuters renewing weekly and monthly tickets have had to pay between 15 percent and 20 percent more.

"The railways are simply lying to us," said an upset Val Byrne, whose daughter travels to school by train daily.

"Her weekly ticket at the old price cost R14 and the new one costs R18.50 — an increase of about 28 percent," she said.

"Do these people think we're stupid? Luckily, I gave my daughter R20 instead of R15, otherwise she would have been turned back at the station.

"I think they held down the prices on certain lines and increased prices on others to subsidise them.

"I wonder how many people were surprised by the increases?"

The Argus has had many complaints from commuters.

Hardest hit are commuters who travel between one and nine kilometres and occasional travellers.

For example, the price of a 10km to 15km single ticket has gone up from R2.40 to R3.10, an increase of 29 percent.

As a result of so-called zone extensions, the corporation has increased the first class weekly fare over that distance from R14 minimum to R18.50 minimum.

The monthly ticket over the same distance has increased from R50 to R68, an increase of 36 percent.

The minimum third class monthly ticket over a distance of one to nine kilometres had increased from R20 to R24, an increase of 20 percent.

Rail Commuter Corporation chief Wynnand Burger said the zones over the shorter distances had been increased because many people bought minimum tickets and travelled further than they paid for.

"Our research has shown that the great majority of trips are more than 10 kilometres. As part of the increase, we will extend the zoning from September 1."

"This means commuters travelling between one and nine kilometres will pay a single minimum fare and those travelling between 10 and 15 kilometres with a single ticket will also pay a fixed fare.

"This requires a rounding off of in-between fares and will result in an increase of more than 7.5 percent in some cases and a smaller increase in others."

Fares were structured so that children paid half the adult rate and third class rates were about 30 percent of first class, Mr Burger said.
Transport routes into Africa need upgrading

Karen Harverson speaks to Transport Minister Mac Maharaj on the links to sub-Saharan continent

The South African government has proposed to the Southern African Development Community (SADC) that the trunk route leading into other sub-Saharan countries be upgraded.

“It would be financed by the imposition of a cross-border tariff which would be used to rehabilitate segments of trunk roads where needed,” Transport Minister Mac Maharaj told the Mail and Guardian.

He said a second inter-departmental initiative was the Maputo corridor project to link South Africa with Mozambique.

“Transport is an important component of the corridor. We are undertaking the upgrading of the N4 road up to the Komatipoort border.”

Maharaj said the 122 kilometre road between Rosanna Garcia just over the border in Mozambique to Maputo was in bad shape and the department planned to reduce the road length to 86km and rebuild it.

“We’re also looking to improve rail infrastructure and rehabilitation of the Maputo harbour in Mozambique which could cost in the region of R12-million,” he said.

Maharaj was part of a delegation to Mozambique two weeks ago to visit the Maputo harbour to assess how it could be upgraded.

“We are considering a plan which is both ambitious and concrete to develop road, rail and harbour links, the economy, industrial development and tourism between the two countries.”

He said both the local and international private sectors as well as financial institutions such as the World Bank and other governments would be approached to finance the project.

Speaking at a meeting to promote September as Transport Month, Maharaj said South Africa urgently needed an integrated policy to unite the fragmented transport industry.

“Transport has been identified by government as one of the five priority areas within the Reconstruction and Development Programme (RDP).”

The role of the Transport Ministry was to develop an holistic programme to combine the different modes of transport in a manner which would eliminate unnecessary costs and improve the low level of service.

“Integrated planning is needed, horizontally between the different modes of transport, and vertically between different levels of government.”

Various projects already under way include a task team on the taxi industry, a 10-year programme for the management and funding of national roads, and a human resource strategy.

Maharaj said he expected a white paper on transport policy to be completed by the first quarter of 1996.

The two most crucial issues facing the transport industry were the development of policies on freight traffic and a proper public passenger service.

“A policy on freight traffic will impact directly on the economy in our efforts to make South African goods competitive on the world markets.”

The relationship between rail, road and shipping needed to be examined to identify where costs could be reduced.

Seeking new routes to the sub-Saharan continent: Mac Maharaj
Students to study closer ties to agents

Airline body calls for Messina in waters of store

Governor to try new crop as part of drought relief
US issues ultimatum and denies SAA more flights

BY AUDREY D'ANGELO
CAPE BUSINESS EDITOR

The American air traffic authorities are virtually holding a pistol to SAA's head by withdrawing permission for it to introduce two more weekly flights, to New York and Miami, in November unless this country adopts a more liberal policy towards American airlines.

Discussions on a new agreement between South Africa and the United States, broken off over this point, are due to resume next month.

SAA wants more flights because traffic on the routes is increasing by 18 percent a year. Although many people travel via Europe, the Far East, the Arabian Gulf or North Africa, SAA still cannot meet the demand.

"We must have the extra flights," said Leon Elias, the senior public relations manager.

Bankruptcy

SAA has a monopoly of direct flights between this country and the United States and is allowed six a week. Only one American airline, US Africa, has a right to a matching number of flights.

US Africa suspended flying and applied for Chapter 11 bankruptcy earlier this year but Geoff Lewis, the chairman, announced it would resume flying in November via Dakar, effectively preventing these flights from being taken over by any other American airline.

During the negotiations the American authorities asked for fifth-freedom rights which would enable its airlines to pick up passengers in South Africa and take them to a destination in another country.

The South African civil aviation authorities, like those of many European countries, are reluctant to grant this because they fear that competition on major routes from South Africa by powerful American airlines could result in a virtual takeover.

They are not alone in this. Most European countries are also resisting American pressure to adopt a completely open-skies policy. However, some smaller countries such as the Netherlands, Austria, Switzerland and Dubai, with international airlines which specialise in taking through traffic on from their home airports to other destinations, are in favour of the policy.

It is not only American airlines which are regarded as a predatory threat in some parts of the world. Hong Kong-based Cathay Pacific is embroiled in a bitter row with Australian national carrier Qantas. Cathay Pacific accused Qantas of picking up too many passengers in Hong Kong who were not bound for Australia, but for Bangkok, a stop made en route.

The open-skies situation is complicated by the fact that, within the European Union, airlines of member countries will be able to fly wherever they like after 1997 and are preparing for a battle for market share.

This is why airlines which would otherwise be excluded, such as SAA and Swissair, have taken preventive steps. SAA has formed an alliance with German national carrier, Lufthansa.

Swissair has bought access to the EU by acquiring control of the ailing Belgian national carrier, Sabena. They are also discussing joint activities.

In such a situation European airlines feel they are not ready for an interfaced level of American competition. Neil Kinnoch, the EU transport commissioner, said the United States was not ready to give unfettered rights to foreign airlines to fly between any destination there.

But the American negotiators are more optimistic against South Africa than against any European country. It seems almost certain that South Africa will have to give way to secure when talks resume next month.

Weapon

The actual stumbling block in the last talks was a refusal to allow North West Airlines to have a code-sharing agreement with KLM Royal Dutch Airlines on the South African route. Thus would enable the American airline to sell its own tickets to Johannesburg, Cape Town and have its passengers brought on from Amsterdam in KLM planes.

SAA said this would enable North West Airlines, which has appointed a general manager in this country, and wants to carry South African passengers on its strong Far Eastern routes, to build up a customer base here.

However, SAA has a code-sharing arrangement with American Airlines.

The South African national airline has one weapon to use in the negotiations. It is about to award a R4 billion order for new aircraft. Boeing and McDonnell Douglas are competing for it and so is the European consortium, Airbus Industrie.

The order was expected to be given last month, but it was announced that the decision had been delayed. It could be a deciding factor.
COMPANIES

SAA’s top challengers stay airborne in fight for market dominance

By CIARRAN RYAN

(269) 87(87) 17/9/95

Despite the failure of two domestic airlines in recent years, SA Airways faces tougher competition on its most profitable routes, says aviation specialist Kieron Brennan of Gemini Consulting.

Mr Brennan, who recently completed a survey of 95 airlines in Europe, says the global airline industry will be characterised by fierce competition over the next 10 years and South Africa will be no exception. He also predicts the emergence of a challenger to SAA’s dominance of the domestic market.

SAA, buoyed by improved international and domestic payloads and an internal cost-cutting programme, reported a record R213-million profit in the year to March 1994.

The failure of Flitestar nearly two years ago and Avia Air a few months ago, and the suspension of US-Africa Air flights between the US and Johannesburg have given rise to fears for the survival of other smaller operators.

Four airlines — SAA, Sun Air, Phoenix and Comair — serve routes within the triangle formed by Johannesburg, Durban and Cape Town.

The domestic airline industry carries 6,5-million passengers a year, and keener pricing is expected to boost that figure. Increased foreign competition will follow the rise in tourism, as inbound passengers are forecast to grow at 20% a year.

Comair holds 18% of the domestic market and recently opened a R14-million trust account to allay fears over the financial viability of smaller airlines.

“We have set a precedent for others to follow,” says Pieter van Hoven, Comair’s managing director.

Mr van Hoven says the collapse of Avia Air, which served the Johannesburg-London route, did not affect Comair, which serves the domestic market. Comair has no intention of entering the international market, he says.

Mr Brennan says airlines will have to become more selective in choosing routes, while paying attention to operating costs and greater use of assets.

“Deregulation of the airline industry in Europe and the US resulted in a feeding frenzy, as new airlines entered the market offering differentiated service and lower fares. This is bound to occur in South Africa. Several US airlines folded after deregulation and this is to be expected.”

But it need not be the case. Airlines will have to manage their growth carefully and take a critical look at their own efficiencies.”

Nearly half the European carriers believe airline profits will come under pressure as competition increases, while demand for air travel will increase by just 5% a year over the next three years.

The price-sensitive economy sector is likely to generate the biggest increase, suggesting continued sluggishness in the business segment and growth in leisure travel.

Greater market segmentation is predicted, and the introduction of value-added services such as baggage collection and delivery becoming commonplace in an attempt to stimulate business travel.

Air fares are likely to fall as competition increases, says Mr Brennan, and passengers are likely to enjoy the benefits of new aircraft technology offering lower operating costs.

Passenger loyalty to SAA is fading and customers are expected to dictate the rate of change in airline travel. Mergers and strategic alliances will become a feature of the industry, with a few airlines dominating it before the end of the decade.

Price competition could force more established carriers to abandon high-density routes, and privatisation would force airlines to curtail operations and seek to focus on fewer, more profitable routes.
Switching into the black

JEREMY WOODS

A black-owned South African company is employing a piece of equipment that could put an end to the problem of bad debts.

"The computer is programmed to do a calculation of available funds," says MT Volkman.

"The system will give a clear picture of the company's financial position," says Peter Volckman.

"The system also offers products that are tailored to the company's specific needs."
USAFRICA AIRWAYS: Another blow to its prospects of getting airborne again.

The US clips SAA’s wings

PETER FABRICIUS of The Argus Foreign Service

SOUTH African Airways has had its wings clipped by the US government which has restricted its flights between South Africa and the United States and has ordered it to share the skies with two new American airlines. And US officials have also delivered a severe blow to efforts by the struggling American carrier, USAfrica Airways, to get airborne again.

In a major reorganisation of the US/SA route, the US Department of Transport (DOT) has ordered SAA to cancel its plans for two extra flights a week, provisionally withdrew financially-strapped USAfrica’s permission to fly and gave the route instead to two other US airlines, World Airways Inc and South Air Transport.

World Airways, mainly a charter company, plans to start flying the route on December 1 with three weekly scheduled, combination passenger/cargo flights between New York and Johannesburg via Accra, Ghana, adding two all-cargo weekly flights on January 1 next year.

Southern Air Transport (SAT) plans to start no later than October 1 this year with a weekly all-cargo flight from Columbus, Ohio to Johannesburg and a second all-cargo flight from New York to Cape Town, both via Luanda, Angola.

DOT’s order may be a death sentence for little USAfrica, the American airline which was launched in June 1994 to fly the US/SA route exclusively, but which has been grounded since February when it ran out of money.

Since then it has been struggling to get financial backing and to reorganise. But in spite of concluding a co-operative deal with Continental Airlines last month, it was not able to come up with the necessary finances.

It asked the DOT to allow it to keep its authority to fly six weekly flights to South Africa but DOT ruled that this was a commercial opportunity for carriers that was being wanted. So it reallocated the flights, giving USAfrica until the end of the week to “show cause” why the order should not be made permanent. Industry sources said USAfrica’s prospects looked bleak.

DOT also rejected an application by TWA airline to launch three weekly combination passenger/cargo flights between New York and Johannesburg via Cape Verde because TWA could not provide a firm start-up date.

The reallocations were done under the temporary arrangement which has governed air traffic between the two countries since 1991 when the United States lifted sanctions. Under this “comity” arrangement, South African and American airlines must be allowed the same number of flights a week or “frequencies”.

Since SAA is flying seven times a week, US carriers were given the same number of flights in total — five to World and two to SAT. In a separate order, DOT ruled against SAA, ordering it to cancel two extra weekly flights it had planned to launch at the end of October. SAA now flies seven times a week between New York and Johannesburg or Miami and Cape Town.

The US and South African governments are expected to discuss the issue as they continue meeting to negotiate a permanent aviation treaty.
OLYMPIC PLAN TO BE PUT TO CABINET

Key presentation may unlock roads money

THE GOVERNMENT is expected to make the first payment from the R470m promised for Western Cape roads if it accepts the Olympic Bid plan.

A CRUCIAL presentation of the Olympic Bid plan to the cabinet on September 27 will clear the way for the first payment from the R470 million promised by the government for transport improvements — if the plan is accepted.

It is expected that almost all this amount will have been spent by the time the Olympic candidate city is chosen late in 1997.

Proposals for new roads are being examined, but final decisions have yet to be taken. Of the 30 road projects mentioned in the budget, however, 24 have been approved by an interim advisory steering committee composed of transport planning experts.

Among the 30 projects are:

- Extending the R300 to link Vanguard Drive with Kromboom Parkway (M5);

**Bridge**

- Building a bridge over the Black and Liesbeek rivers to link Liesbeek Parkway with the Maitland Interchange on the Black River Parkway;
- Linking Prestige Drive in Maitland with Section Street in Paarden Eiland and providing access from here to the N1. This should alleviate the congested Koeberg Interchange.

Other proposals include: direction signs, park and ride facilities, extending Sorcherd's Quarry Road to provide a link between Modderdam Road and Kipfontein Road at Crossroads, rebuilding various public transport routes in Nyanga, installing taxi and bus lanes on the N1 and N2 and Vanguard Drive, upgrading the airport access road, building extra lanes on Vanguard Drive, connecting Frans Constandi Drive to the N1, upgrading Liesbeek Parkway, improving Koeberg Interchange on the N1, building extra lanes on Kromboom Parkway, introducing taxi lanes on the Foreshore freeways and Stellenbosch Arterial road, and upgrading De Waal Drive and Kendal Road.
Northwest legislature moves to restructure bus company

Sello Mothibakwe

The Northwest provincial government has appointed financial experts Michael Katz and Barry Adams as consultants to oversee the restructuring of the North West Transport Investment Company, which was dissolved yesterday.

Premier Popo Molefe said the cost of overseeing the restructuring exercise was provisionally estimated at R200,000. The terms of the consultants' contracts and fees still have to be worked out.

Molefe said although guidelines on the appointment of consultants were still the subject of provincial and national government discussion, the principles of transparency and openness would be adhered to. Any new appointments also had to satisfy commitments to the reconstruction and development programme, affirmative action, and embrace the spirit of transformation.

Molefe said the North West Transport Investment Company was dissolved as its extended term of office, which was conditional upon a monthly review, had lapsed.

An interim board had been appointed for the next two months. The board's chairman would be paid R1,000 a sitting and ordinary board members would get a R500 stipend for each sitting. No figures were available on the profitability of the company or how much its executive members had been paid.

The company operates passenger bus services in Northwest, Gauteng, KwaZulu-Natal and Mpumalanga. It is 68.2% owned by the North West Development Corporation, with the Public Investment Commission holding 33.3%.

Turnover for the 1995/96 financial year was R1,105m. Current expenditure was R1,107m with a R934m asset base.
Molefe sacks ‘old order' transport board

The North West government yesterday removed the control of the province's multi-billion rand transport industry from National Party Economic Affairs MEC Abraham Venter, a move likely to create political tension in the provincial government.

Although North West Premier Popo Molefe said he was not expecting any tension, his actions clearly indicate unhappiness with Venter's failure to implement government decisions designed to facilitate restructuring and rationalisation.

Molefe told a press conference in Johannesburg that the board of the National Transport Investment (NTI) and its 19 subsidiary companies have been dissolved. The contracts of 23 directors who served on these boards would not be renewed.

"For some time now the NTI has been run by a board that we inherited from the old order, with the cooption of one or two people. A while ago, the (North West) government took some decisions to facilitate restructuring. Many were not implemented, leading us to a conclusion that there is a state of inertia and paralysis within the board. We decided to do something to enable the decisions to be implemented," Molefe said.

Some of the concerns with the former board was a failure to relocate NTI's computer network from Pretoria to Mmabatho. Molefe said. North West Transport MEC Star Vilakazi said the province was also concerned with a duplication of structures within NTI, hinting that NTI's Gauteng operations might be moved to North West.

These include bus services rendered by the Atteridgeville, Mamelodi and Vaal regions. There was a suggestion that the service being provided in other provinces could be transferred to regions within the North West not served by NTI.

"We want to restructure the NTI in such a way that it will largely serve people in the North West. NTI is not a national parastatal," Molefe said, adding that discussions with some of the affected provinces were ongoing.

NTI owns 2,000 buses and has a staff complement of 6,800.

The premier announced the start of a two-month restructuring process of NTI.

The boards have been replaced by a seven-member interim board chaired by his legal adviser, Advocate Martin Mabilatan.

The cost of the exercise has been estimated at R360,000. - Staff Reporter.
Access to city bid on track

BY NOYES WILLIAMS

CITY REPORTER

Extensive plans to connect rail links between Nasse, Nancefield and Eldorado Park in preparation for a major development project linking these areas and the city have been started by Metro, the railway transport division of the South African Rail Commuter Corporation.

Metro acting planning manager Tony Gould said rail transport had been identified as an essential form of commuting for easy access to the city in the "Baragwanath Development Framework", which will occupy an area of 1000ha from Golf Links Road near Baragwanath Hospital, moving south to Eldorado Park up to Nasse, Nancefield and Meredale.

Gould said Metro was waiting for the council and other stakeholders to formally adopt the proposal for the development of the Baragwanath project.

Acting director of urbanisation (Johannesburg Administration) Thapelo Mashinini said the major development plans in Soweto between Baragwanath Hospital, Delco and up to Ridgeway would open more than 50 000 job opportunities in an attempt to balance the impact of escalating business and social development of the northern suburbs.

Mashinini said the area had been structured so that over the next five years about 35 000 houses of diverse type would be built and integrated with about 100 000m² of commercial space.

Architect and urban designer Brocken Theron said industries that would qualify as community- and environment-friendly were identified in areas near the free-ways and main roads like Olifants River, Schotia, Fochville and Soweto and the Golden Highway in a 700 000m² industrial space to provide more than about 80 000 jobs.

"Railway has been well positioned in the plan to complement and to benefit from industrial needs and for the convenience of commuters who would be working in these industries," he said.

The Greater Johannesburg Council has been working on the development plan and has formed a joint venture between the private sector, provincial and central government to start investing in the area within the concept of the Johannesburg Reconstruction and Development Programme which will be the cornerstone of the infrastructure to launch investor confidence," he added.
Popo names new board for NTI

By Pamela Debe
Political Staff

The North West government has appointed a new board for the corruption-ridden North West Transport Investment.

Announcing the seven-member board chaired by Advocate Martin Mabeleta, North West premier Popo Molefe said yesterday that the 23 former board members were relieved of their duties "with effect from this morning".

Accompanied by MEC for transport Mr Frans Vilakazi, Molefe said a decision to dissolve the board "which we inherited from the Bophuthatswana government, was reached to fight continued corruption in the corporation and their (board members) failure to implement moves towards the restructuring of the corporation".

There are allegations of board members buying operations within the corporation and corruptly selling state buses.

"There is an abnormality in the corporation. We had some board members awarding tenders to themselves," Molefe said.

Another abnormality in the corporation was that the corporation fell under the North West Development Corporation, which is MEC for economic affairs Mr Venter's portfolio.

Molefe said that "has to come to a stop. We cannot have transport matters relegated to a department which has nothing to do with transport".

Other members of the new board are Advocate Willy Huma, Mr Dick Lenamile, Mr Obad Segabatla, Mr Mangel Panchal, Mrs M Kgantitsewe and Marke Van Aswegen.

A two-man commission made up of Mr Michael Katz and Mr Barry Adams will investigate NTI activities and recommend any restructuring process.
ANOTHER BREAK IN THE WALL: Everybody flees. From "Rogers", Crossroads, stands a horizon made in the furnace. Section of fence beside the NZL, 12 p.m. 4th October. Repair fence R400 a day to repair the breaches that are continually being made in the fence. A new fence, 25 yards, was required following an attempt to shoot. The cost of replacing the fence is now being assessed. Change the damaged section. Never the same again.

PERSONALITIES

Inconvenient Entrance

The entrance to the trade fair was situated to the east of the site. The premises of the community link the right. The entrance was blocked by a large crowd. The security staff were overwhelmed by the number of people. The entrance was later opened to allow people to enter.

REPAIR NW FENCE

R400 a day to repair the breaches in the fence.
SA could become the
Asian Tiger of ports

By Jon Beverley

South Africa's ability to become an Asian Tiger in respect of its ports was dependent on the government's approach to the issue, Alan Goldman, the chief executive of Lloyd's Maritime Information Services, said yesterday.

He said South African trade - that is GDP growth - would grow between 3 percent and 5 percent in the next decade and shipping trade could be expected to grow by between 5 percent and 10 percent.

Export growth was expected to be mixed with coal and coke growing by 6.1 percent and others such as bauxite, expected to decline.

Average volume growth was expected to be 4.9 percent.

Total export volumes were forecast to increase from 60.66 million tons last year to 76.9 million tons by 1999.

Growth in imports was forecast to be strong in all sectors.

This was consistent with the transition in the structure of the economy.

Overall trade was forecast to grow 7.2 percent and assume a recovery in many of the commodities such as car parts, light industrial machinery and transport equipment, all of which fell

Goldman said that the capacity increase at South Africa's oil refineries (from 480,000 barrels a day in 1991 to 610,000 barrels last year) had a dramatic effect on the oil products trade.

This was foreseen to increase to Africa and the Indian Ocean which could be observed from the number of product tankers which had other African ports as their destination.

Breaking down trade figures Goldman said coal and coke at 36.6 million tons were the major exports out of total exports of 60.66 million tons.

These were followed by iron ore, iron and steel, bauxite and other metals and cement and limestone with other accounting for 6.05 million tons.

Europe was the largest trading partner taking 60 percent of the exports by volume followed by Japan, Taiwan and Hong Kong which together took a further 35.3 percent.

Total tonnage of imports was 19,767 million tons of which crude oil (66 percent from Iran and 5 percent from Saudi Arabia) comprised 13.3 million tons.

Most imports came from Europe and the United States (75 percent) followed by Canada, Japan, Taiwan, Australia and New Zealand (24.5 percent).
Molefe dissolves board over irregularities

By Ross Herbert

Conflicts of interest in tendering, management problems and potential corruption at the Northwest Transport Investment company (NTI) prompted Popo Molefe, the Northwest provincial premier, to announce the immediate dissolution of its board of directors and all subsidiary boards of directors yesterday.

Molefe said Michael Katz and Barry Adams had been named to a two-person committee charged with investigating the company and advising the Northwest government on how to restructure it.

He said there were unspecified problems surrounding the boards, including instances of boards awarding tenders to companies owned by board members.

Control of the company's board has been stripped from Abraham Venter, the provincial minister of economic affairs, and given to an interim board of seven directors who will oversee the company for the next two months.

The restructuring may have a sizeable effect on public transportation outside the province. Because of Apartheid-era rules, the company, previously part of the Bophuthatswana government, developed front companies in Gauteng, KwaZulu Natal and Mpumalanga, including Explorer Coach Lines, Attendigeville Bus Services, Manelodi Bus Services, Newtera Services Centre, Vaal Transport, Vaal Body & Coach Builders and 13 others.

The company controls about 7,000 public buses that move about 135 million passengers a year.

Molefe said the province spent R225 million a year on subsidies to NTI, which had 6,800 employees. He said the province spent R183 million in worker salary subsidies for NTI, which amounted to more than R26,000 a job.

He said no decisions had been made whether transportation companies in other provinces would be sold and the capital used in the Northwest or their assets simply transferred back to the Northwest.

Molefe said his staff had recently discovered 20 additional boards controlled by the company and did not know how much public money was spent on board members. The NTI board chairman received R1,000 a board meeting and other members R250 a meeting and met an average of six times a year.

Molefe said he wanted to proceed with maximum transparency but did not want to discuss the full extent of NTI's problems.

"I anticipate some of the people removed from the boards might try to resist (the investigation), but we will not tolerate any resistance."

He said the province had no existing guidelines about how much to pay consultants to the provincial government.
Manufacturing shows strong growth

The manufacturing sector is experiencing strong growth. The Central Statistical Service's figures show that the volume of manufactured goods produced in July was 9.7 percent higher than a year ago and if the contribution of the former TSWA states was included, the growth in output would jump to 11.8 percent.

This is part of a steady trend that has developed in this sector. In the three months to the end of July, the physical volume of output was 12.0 percent ahead of last year.

An analysis of the different manufacturing divisions indicates that the growth is being fuelled by a sharp rise in the demand for motor vehicles, export demand and the local boom in new capital investment.

The biggest growth in output was experienced by the motor vehicle sector, where the value of output, compared with last year, rose R267 million or 19.4 percent to R2,88 billion.

But hard on its heels was the basic iron and steel sector with a rise of R682 million or 38.1 percent in production to R1,67 billion.

Other sectors showing substantial higher production included paper products (35.9 percent), non-metallic minerals, excluding glass, bricks and cement (22.4 percent), rubber products (22.4 percent), and industrial chemicals (24.5 percent).

Job creation lags upsurge in economy

The upsurge in the economy is failing to generate a significant increase in jobs in the manufacturing and construction sectors, figures issued by Central Statistical Service show.

The manufacturing sector hired an additional 9,134 workers in the first three months of this year bringing to 1,619,131 the number of people employed in the sector.

Employment in the construction sector also increased, with the number rising by 10,524 to 365,638.

But employment in the electricity sector dropped by 123 to 39,637, and between December and February there was a net loss of 10,648 jobs in mining, the number employed falling to 399,973.

The service report indicates that the number of jobs in the four sectors rose 1,018 to 2,416,598 in the first two months of this year.

However, since early 1990 the manufacturing sector has shed more than 120,000 jobs.

‘Port conditions must improve’

South African port users can look forward to becoming an important transhipment base for ocean cargoes, Stephan Matthews, the supplements editor of Lloyd's Ship Manager said in Durban yesterday.

He was speaking at an international conference on shipping challenges and opportunities in South Africa.

Matthews said South Africa possessed several geographical advantages to allow it to become a regional hub for Africa and an international hub for services linking continents in the southern hemisphere.

But he warned that port conditions would be a key factor in turning these advantages into a viable development.

He was speaking against the background of the congestion in Durban and Cape Town when imports surged and labour troubles were encountered.

He said any review of the long-term development of ports should take the transhipment potential into consideration.

He said that if the major shipping lines started to use South African ports there would be a significant increase in traffic.

Last year, Mediterranean Shipping transhipped 46,900 containers through South Africa, a large increase on 1993.

A feeder service from a central hub would be able to cope with the difficulties and delays found in the smaller ports.

He said it was generally recognised that while the ports had taken short-term measures it was “recognised that congestion will continue to be a problem until major new investment in facilities takes place”.

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11 US Cents Per Depository Receipt
TRANSPORT AND THE RDP

John Dludlu

Transport

"The rail network is crucial for the economy and has played a significant role in South Africa's development. It connects major cities, facilitates trade, and is essential for the movement of goods and passengers. However, it needs significant investment and modernization to meet the demands of the 21st century."
Upgrading roads will smooth the way for beleaguered taxi drivers

Taxi commuters blame drivers for the bumpy ride they get in townships, but taxi drivers can only improve their service when roads are upgraded, says Lennox Magwaza, chairman of the Federated National Transport Organisation (Fento), an umbrella organisation representing 20,000 taxi, truck and bus owners countrywide.

"The roads in the townships tend to develop potholes very quickly and are often washed away after the rain," he says. Commuters then blame the drivers for the bumpy ride, saying they are reckless and inconsiderate.

Magwaza has called on provincial authorities and local leaders to take heed of the problems of taxi drivers, mistakenly demonised by township dwellers. He says they are tired of taking the blame for inconveniences suffered by passengers.

"The situation is also bad in the rural areas, where thousands of kilometres of roads have not been proclaimed and will therefore go without maintenance. Gravel roads become muddy and slippery when it rains. This, and the resulting potholes, cause a lot of accidents," says Magwaza.

"The Department of Transport cannot expect the taxi industry, which must make a profit under appalling circumstances, to absorb all the negative effects of bad roads. We are footing the bill for the fact that there is no decent public transport system in place."

It’s not only the bumpy ride that gives Magwaza and his members cause for complaint. Their vehicles are subject to punishing wear and tear.

"If people had more insight into these issues, they might have a better understanding of the conflicts that have arisen among the various groups. There are too many taxis for too few roads," he says.

"Bad roads result in very serious wear and tear for the vehicles. The taxi starts to rattle, screws come loose, doors fall off and the windows slip down. It’s impossible to maintain a vehicle properly under these conditions. Sometimes a vehicle has fallen apart even before it has been paid off."

"Thousands of people die on the roads every year, but no one bothers to look beyond the obvious."

"We want better roads in the townships and we want roads to be built and surfaced in the rural areas so we can improve our service."

Magwaza says better roads will prevent taxi drivers from overloading their vehicles and speeding, which they are now forced to do to show a profit.
NEW projects are revolutionising the way infrastructure will be delivered to the townships, writes Andrea Ynasssa.

An attractive 24-year-old woman in a blue overall, she says, "When I saw there were no more jobs for teachers and nurses, I decided to learn to build roads."

She is one of 15 trainees taking part in a road construction project in Phutaditjaba which is co-funded by the South African Roads Board, the National Department of Transport (N-DOT) and the CSIR. When she has completed the course, she will be accredited and qualified to find employment on other public works programmes to tend fellow-members of her community or to start her own small contracting firm.

Projects like this are revolutionising the way infrastructure will be delivered to townships and rural areas. Phutaditjaba in the remote eastern Free State, with its 78% unemployment rate, is one of many economically viable regions in dire need of transformation into high-growth areas.

Integral to reconstruction is the building of roads; Phutaditjaba was once the beneficiary of government tax concessions for industry, but now factories are empty or used as warehouses. It’s roads are deteriorating.

Following a CSIR study commissioned by the South African Bitumen and Tar Association (SABITA), which identified some 520 000km of "lost", or unnumbered, roads, the roads branch of the N-DOT has initiated several "roads projects as its commitment to the RDP."

Though roads are certainly one of the most important aspects of reconstruction, development experts agree that sending outside contractors to deliver services would merely mean an extension of apartheid’s exclusion practices.

"We are not only concentrating on large, glamorous projects," says Basil Nolzeho, director of technical services of the N-DOT. "We are sensitive to the needs of all communities, irrespective of size."

Projects built on labour-enhanced principles in post-colonial Africa have been very successful, according to the World Bank. It is estimated that employment creation could be achieved through a skilled workforce.

"Long-term financing must be secured," say supervisors. "Appropriate standards must be developed for training, and supervisors trained." It takes a while to orientate people, but when they understand the system it takes off.

Project leader Phil Hendricks says, "Project training is used to ensure trainees can work independently later on.

"Communities are in desperate need of technical training and because 'Bantu education' did not impart much in the way of mathematics and natural science skills, basic concepts had to be taught at the beginning of the project."

The trainees will be accredited so they will be able to operate independently and will be able to operate independently and given the necessary business skills to start up on their own.

Hands-on construction... newly trained workers get down to the task of building roads as part of a new project in the eastern Free State to create jobs and teach the unemployed new skills.
South African Airways buys new Boeing

BY AUDREY D'ANGELO
CAPE BUSINESS EDITOR

South African Airways has bought a Boeing 737-300, previously leased from BT Securities Corporation, an American consortium, and United Parcel Services.

The aircraft, the Shosholoza, was bought to expand the airline's international services, and will be included in the programme to upgrade its fleet. R12 million will be spent on refurbishing. The purchase brings the number of aircraft in the SAA fleet to 50.

Altogether nearly R134 million will be spent on refurbishing the entire fleet by April next year.

A spokesman said the new acquisition complemented the airline's soon to be announced new aircraft programme.

A decision on the order for new aircraft, for which Boeing, Airbus Industrie and McDonnell Douglas are competing, is expected soon.

According to industry sources, the decision is being delayed by counter-trade negotiations.
Transport policy to have a face-lift

By Joshua Raboroko

The government has established six working groups to revise its transport policy to enable South Africa to compete globally by importing and exporting products, the Minister of Transport, Mr Mac Maharaj, said in Johannesburg yesterday.

Opening the Transport Expo '95 at Nasrec, Maharaj stressed the important role of transport within the Reconstruction and Development Programme and highlighted the well-advanced work being carried out on a revision of the policy. He said the input from the working groups, which covered infrastructure, land transport, land freight and maritime transport, road traffic and civil aviation, were currently being fine-tuned.

The group would finish its job in January next year, thereafter a White Paper would follow.

He called on the leading players in the transport industry to join forces in an effort to reduce costs of commercial and industrial transport in the country, particularly where exorbitantly high local costs threatened the competitiveness of South Africa's products on world markets.
Privatisation fight

THE SA Railway and Harbour Workers' Union vowed at its national congress yesterday that it would fight any attempt to privatise Transnet or any other state assets.

Sarhuvu president Nelson Ndhima called on members to ensure the anti-privatisation stance of workers and said the campaign would be taken to the streets and community-based organisations.
Capex on track

With a hefty increase expected in coal exports, Transnet's rail division, Spoornet, has increased its budget for new coal trucks from R56m in 1994-1995 to R80m for the year ended March 1996.

The rail utility transported 4% more coal in 1994 than in the previous year — 55.6 Mt were exported from Richards Bay. Further increases are expected over the next few years.

Spoornet CE Braam le Roux says investment in rolling stock will include R10m on the last of 13 locomotives from Siemens and R80m for coal trucks being built by its own Transwerk facility in Bloemfontein. Nearly R8m will be spent on converting rail trucks for use as cement, timber and ore wagons, and as tankers.

He says increased business confidence is leading to growing demand for transport.

The number of containers transported in 1994-1995 increased by 12%, and the total tonnage by 7 Mt to 171 Mt. Net profit after finance charges increased from R576m to R734m.

Provision is being made for increased container traffic. The terminal at Durban, operated by its sister company Portnet, can cope for only another three years. Le Roux anticipates iron ore exports will increase by 1.9% a year while Anglo American’s Namakwa Sands mining development on the west coast has resulted in a multimillion rand contract “that will benefit the company over the next 35 years.”

Spoornet’s capex budget this year of R458.1m is marginally above last year’s R444.2m, and provides for the completion of some projects started last year.

Le Roux . . . demand for transport is growing

Among the items budgeted for is R15m to be spent on upgrading the Port Elizabeth-De Aar railway line. This includes improved signalling systems. Refurbishment of the two Blue Trans will eventually cost R50m, but only R8m has been budgeted for this year.
enhanced. “Normally it leads to increased efficiency and less need for financial assistance, which leaves us with more funds for other social needs.”

He believes all road-based passenger transport should be privately owned. Municipal and semi-State bus companies should be “corporatised.”

“They should operate at arm’s length from any level of government, they should have no direct access to funds other than on a commercial basis, they should operate on business principles, and they should pay taxes.”

He also believes the SA passenger transport system should be based on regulated competition. “This implies competition for a route or network, and not competition on a route or network.” It would involve the granting of permission, a contract or a concession “in terms of an approved passenger transport plan, supported by effective and sufficient law enforcement.”

He told delegates the Department of Transport (DoT) has started moving away from bus subsidies to competitive tendering, but small operators have shown little interest in tendering, possibly because of the complexity of the current process and tender documents.

To overcome the problem the DoT is developing a course to train small operators on tendering procedures.

“But all new passenger transport tenders must be accompanied by proposals from the tenderer on how he intends to enhance the RDP, which will be taken into account during the evaluation process.” Those who want to have a better chance of succeeding will have to undertake to subcontract some passenger services, cleaning and maintenance to “emerging entrepreneurs.” That will be important, Maharaj said.

He accepts that a total change in transport policy is necessary if mobility is to be improved and the RDP’s goals are to be reached. “A total change in transport legislation is unavoidable. A single, overarching Land Transport Act must be compiled at national level. It must address broad issues such as the role and functions of various levels of government, land use, operational aspects, funding, regulation, education, training and freight.”

Because SA’s resources are so widely dispersed it may be necessary to create development corridors to achieve the maximum return from investment in infrastructure, said Maharaj, and cited the N4 Corridor, which is receiving a lot of attention, as an example. It stretches from Gauteng to the port of Maputo. It has good road and rail links, mining and industry, well developed agriculture, energy resources, water and tourism potential.

He feels if investment in industry and housing was channelled along this corridor, the multiplier effect would be enormous.
Lagoon site under scrutiny

THE Western Cape cabinet will visit the controversial proposed 363-home Transnet development site on the banks of the Rietvlei lagoon next month before deciding on rezoning.

The cabinet decided yesterday to inspect the site following protracted battles between the Milnerton municipality, which wants to expropriate the site for inclusion in the Rietvlei Reserve, and Transnet.

The proposed development falls within an area declared a protected natural environment.

Planning Minister Mr Lampie Riek has to decide whether to change development guidelines or whether to agree to rezoning the site. — Political Staff
Animated suspension

The lack of stimulus for the RDP came to the fore again — at the Chartered Institute of Transport of Southern Africa conference at Nasrec last week.

Speakers were expected to expand on what their disciplines were doing for the RDP but the consensus was that if the RDP was not looked at from a business perspective, little could be done for it.

Former executive director of the Road Freight Association Ian Moss said the road freight industry wasn’t doing enough to show its commitment but this was not necessarily its fault. The basics were not yet in place. People were producing nowhere near their full potential, which reduced the market it had to cater for — the more goods there are to transport the more it prospers.

He added that the industry had been devastated by a decade of sanctions and cost-push inflation of 20%-25% a year.

Moss warned: "There is a limit to how far road transport can be pushed to cater for socio-economic demands — it can be argued it is already subsidising some customers — but if it doesn’t achieve what’s needed, government will legislate to achieve the affirmative action objectives detailed in the RDP."

Spoornet’s Leo Petkoon told delegates Spoornet had not grown significantly in terms of people or freight conveyed but numerous opportunities were available in neighbouring states, where the public corporation was helping to upgrade systems, which will contribute to the RDP. Sudan — where Spoornet was assisting — was investing heavily in railways.

He also warned that if the RDP was not founded on business principles, “little can be done for it. Government is donating money to worthy causes. It got that money by taxing the private sector, so the private sector is helping the RDP. Its taxes are being distributed.”

MITB Forwarding executive director Charles Dey said the maritime industry was trying to create opportunities. It had formed the Maritime Industry Training Board to help people plot a career path and enter the industry from the bottom rung. Seagoing opportunities that could be filled by South Africans were developing because Fili-
Sins of the past (269)

Conrad Sidengo is a coloured man with a black complexion, but apparently the wrong hue — at least according to some of the former political activists who are now senior employees at SA Airways. Sidengo had been earmarked for a senior appointment.

Among Sidengo's sins in their eyes is that he was not part of the "struggle." He was editor of Rapport Ekstra, the special Sunday edition for coloureds, before joining Anglo American's public affairs department — probably another sin. Added to that, Sidengo received the symbolic kiss of death from FW de Klerk when the former president appointed him as SAA's ambassador to Denmark, a post c. in. d. holds.

Now a storm has broken out over Sidengo's appointment at SAA, as a result of which Private Enterprises Minister Stella Sigcau has put a hold on the appointment and referred the matter to a subcommittee.

C CURRENT AFFAIRS

of the Transnet board to reconsider.

SAA CE Mike Myburgh, who announced new appointments and a new management structure on Friday, now stands accused of not having followed procedures laid down by SAA's turnaround team, which monitors appointments, promotions and affirmative action. Furthermore, The Sunday Independent reported that an unidentified SAA executive threatened to charge the corporation with unfair labour practice should Sidengo's appointment be confirmed, "for having appointed a person into a position that has not been advertised." The manager, who refused to be named, also charged: "Some employees who are interested in the job have not been given the opportunity to apply for the post."

Sipho Shabalala, head of Sigcau's office, is also reported to have said that there had been opposition to the appointment "because procedures were not followed."

But on March 12 and 17 the position of senior general manager was advertised in the Sunday Times and FM by headhunters Alas Personnel. The successful candidate, at a R350 000 (negotiable) package, was to have succeeded Myburgh's assistant, Tienie Willemse. This appointment, it is accepted, would have paved the way for Sidengo eventually to succeed Myburgh.

Alas Personnel received more than 100 applications for the job and presented a shortlist of 30 to SAA.

Alas Personnel MD Sybil de Lange and assistant Eduard Strydom soon afterwards travelled to Denmark to interview Sidengo. Strydom, a political science graduate, was specifically taken along because of the political sensitivity of the appointment.

Sidengo was one of eight candidates who eventually underwent management skill tests and faced a selection panel. The panel comprised Transnet CE Anton Moolman, Myburgh, Transnet human resources manager Willie Coetzee, Transnet senior manager Sej Motau and two foreign experts — Nawaal Taneja, an aviation academic from Ohio, US, and Dick Nyaga, a Kenyan member of SAA.

Although the names of the other seven candidates are kept secret, the FM has learnt that SAA executive manager Mr Sebogo, who had been with SAA for three years, had also been interviewed. It appears that although other black SAA employees have been upset by Sidengo's appointment, it was mainly Sebogo who complained about it.
SAA must look beyond its

JUST as South African Airways reaches profitability for the first time since 1989, it finds that its newfound commercial success is not sufficient. The state-owned national air carrier is under pressure from its new shareholders to increase its earnings and reduce its debt. They are obligatory. At the same time SAA operates in an increasingly competitive global industry where deregulation and privatization are creating new threats and opportunities.

Operating profitably is a necessary prerequisite for SAA to meet these challenges and to enable it to diversify its financial resources. In its 1992-1993 financial year the airline was faced with record losses of R120m, a R2,3bn debt cost R460m to finance (leaving a debt-equity ratio of 3:1) and a load factor averaging 69%.

Something had to be done. A rationalization programme resulted in the grounding of 20 of its fleet of 130 aircraft, including 11 000 to 9 000 (costing around R90m); a 15% reduction in its fleet size with leases brought in some R2,6bn; and routes have been “unprofitable routes have stopped to (like, London, Milan and Athens) and profitable routes opened (Bangkok and Bombay).”

The airline is now financially in a position to embark on a R5bn capex programme over the next five years. Its 49 aircraft fleet is ageing. The average age of aircraft is 15 years, younger than most US airlines companies but older than successful airlines such as Singapore Air. “Most expert opinion puts the optimum fleet age at ten to 20 years,” says Myburgh.

Of SAA’s R5bn capex budget, R4bn is for 12 new planes to serve international routes and R1bn is on upgrades and systems. And next year SAA will have to decide whether to expand its domestic fleet.

To finance its capex programme, SAA has scope to lease its planes. One of the more positive legacies inherited from its historical isolation is that SAA owns two-thirds of its fleet, compared with the international norm where airlines own around half their fleet.

For airlines, loans are available using the aircraft as collateral. But SAA is hampered. It inherited a R13bn annual cost to finance the pension fund of parent Transnet, its entire profits go to Transnet and the state prevents it from increasing its share capital, although it is becoming increasingly clear to government that the undercapitalised SAA cannot deliver on its capex programme without a different capital structure. However collectively with government, SAA is growing, new guidelines being drawn up by government task groups are likely to result in the go-ahead for “strategic minority equity partners”, while ensuring SAA remains the national carrier.

SAA is known for its eyes on the type of structure adopted by Kenya Airways—a strategic investor bought 20% of the airline in 1980, 20% of the shares were sold to the public, 10% were allocated to the state and the remaining 10%.

The value of SAA will soon be open for negotiation. It values its assets at R4bn. To this can be added its profitability, brand and client base.

Meanwhile, SAA is committed to斥责 blacks comprise 70% of the workforce (at present 25%) and 15% of senior management by 2000.

The main mechanism to bring this about is through training, with 7.5% of SAA’s R660m labour cost going towards training. With the anticipated growth, employment numbers will grow by just under 10%. At the same time SAA has to maintain its standard which, international surveys suggest, are generally considered good. The airline uses a host of criteria as benchmarks. It is also able to ascertain its performance through comprehensive quarterly surveys, travel magazines and organisations and its international alliances. Myburgh is satisfied that standards are not slipping. “Thorough monitoring, on soft and hard issues, has shown this.”

As part of the drive to improve efficiency and service, SAA has introduced a bonus scheme. Fromed 30% of any profit above R15m, all employees share R5,0m last year.

SAA’s major black empowerment initiative is SA Express (SAX), the Thebe Investment company. SAA, which is 20% owned by SAA and has 10% local routes in terms of volume, provides a feeder service from airports where traffic is too thin to operate jets. SAA has an association, too, with a Fabcos-owned travel agency. SAA is also committed to buying items, so far mostly clothing, from black businesses.

All this is a start towards meeting the demands of the government. As it makes progress towards delivery, SAA must wonder what other demands will be thrown its way.

Segal is specialist editor at policy information centre BusinessMap SA.
SAA welcomes US carrier competition

Mike Myburgh

IN TWO recent articles (September 12 and October 20), Simon Barber deals with the matter of bilateral air service agreements between SA and the US. In these articles SA in general and SAA in particular are accused of "whinging", "fearing competition" and "trying to lock up the local market against US carriers". Furthermore, it is emphasised that the US is acting "in accordance with US national interest".

It may be tempting to pursue this latter point, but let us refrain from trying to determine whose national interest is paramount and rather concentrate on the facts.

The debate is about the US's refusal to grant SA additional frequencies to the US and SA's unwillingness to allow US carriers the right to "third-country code-sharing".

The original bilateral agreement between the two countries was cancelled by the US in 1966 and the new series of meetings will aim to re-establish a bilateral agreement.

In the absence of such bilateral agreement, air services between the US and SA are currently based on the principle of "mutual and reciprocity". The SA and US carriers are allowed to operate the same number of flights between the two countries.

The application of the principle was not restricted in terms of frequency, thereby entitling designated carriers to increase frequencies as the need arose, merely by applying for permission to the relevant air transport authority. The other country's carrier obviously had the same right to increase its frequencies if it so wished.

Following US Airline's unfortunate withdrawal from this route, the SA government has offered additional frequencies to the US which would allow direct flights between the two countries by an alternative US carrier. The US carriers have rejected this offer as they are not willing to introduce direct services to SA.

What the US carriers are now asking for is the right to "third-country code-share" facilities, whereby the US carrier can fly SA-bound passengers on the US/Europe leg and a European carrier then flies the passengers down to SA. Clearly this makes the operation less costly for the US carrier which flies to Europe with a load of passengers anyway, but there is a big question about the real benefit for the US-SA passenger, both in terms of price and comfort. Passengers who particularly want to fly via Europe have that choice anyway on any number of routes with a large variety of airlines.

There are several reasons why SAA would welcome one or more US carriers flying the direct route between the US and SA. Firstly (but certainly not most importantly), it will level the competitive playing field, and SAA has never shied away from competition, even during the years when we flew around the bulge of Africa.

Secondly, the US is a big and populous country and just as SAA flies to and from two cities (New York and Miami) it would be to the benefit of the passengers if another airline offered a direct service to more cities.

Thirdly, and this is an important reason, the route between SA and the US will undoubtedly develop much faster if it is marketed aggressively by more than one airline. A third-country code-share arrangement is merely a secondary reason for promoting the route whereas a direct service offers both the opportunity and the responsibility to actively market the route by means of promotional activity, advertising, and sales at both the travel trade and at the consumer level.

There is no doubt SA's huge tourist potential will be more effectively realised when two (or three) airlines' profitability depends on filling those seats between the two countries. The prospects for profitable business over a route with exciting growth potential are certainly bright.

All that is required is a commitment from a financially sound, well managed and marketing oriented airline to become SAA's "competitive colleague" to the advantage of both companies and particularly to the benefit of consumers in both countries.

Mike Myburgh is CE of SAA.
Study finds SA has doubled its roads

By: Robyn Chalmers

A SERIES of CSIR studies has found an estimated 220 000 km of previously unrecorded roads.

The studies, commissioned by the Southern African Bitumen and Tar Association (SABITA), showed that most of these roads had evolved from paths or tracks in informal settlements, townships and rural paths.

The research showed that only about half of SA’s roads were being formally managed. SA’s formal road infrastructure had been estimated at 2 230 000 km, which meant there were twice as many roads in the country as had been assumed.

The research showed the lack of adequate road infrastructure affected a range of socioeconomic issues, health standards and medical help, crime, education and business services.

A discrepancy emerged between community expectations and the estimated needs as defined by economic criteria or proposed rural norms. Disadvantaged communities listed 37 000 km of urban roads which needed upgrading while World Bank norms indicated the upgrading of 90 000 km of roads could be readily justified.

The studies showed the needs of disadvantaged communities for roads had not been adequately met. People living in shanty settlements regarded the need for water supply, sewerage and clinics, which could be facilitated by road building, as urgent priorities.

Access to clinics, mobility of health personnel, speed and safety of reaching medical help and reduced costs of reaching clinics were cited as health-related benefits from improved roads.

SABITA executive director Piet Myburgh said the transport department’s first priority was the preservation of the existing long-distance road network, which was essential to support economic development.

However, the funding level for the upgrading of roads was so low that instead of addressing meaningful needs, an ever-increasing backlog of justified projects was building up.

“Unless a major and dramatic increase in road funding can be brought about, the situation will continue to deteriorate at an even more rapid rate.”

“Erratic funding and decreased government allocation has meant that the current roads backlog is about 1200 km. This has been exacerbated by the abolition of the dedicated road fund, removing its stabilising effect on the flow of funding,” he said.

Funds previously allocated to road construction were now being siphoned off into the general fiscus. Few new roads had been constructed during the past five years, and resources allocated to maintenance had been insufficient.

Myburgh said unless fund allocations were dealt with soon, transport infrastructure would have an inflationary effect on the price of commodities distributed by road and suffocate the increase in economic activity.
Roads need billions, warns transport

BY MANDLA
MTHEMBU

About R20-billion is needed to maintain South Africa's roads and extend the road system to meet pace with changing needs, according to the Department of Transport. "Unless a major and dramatic increase in road funding can be brought about, the situation will continue to deteriorate at an even more rapid rate," spokesman Bruce Hetherington said yesterday.

The abolition of the Road Fund, with its stabilising effect, has had a profound impact on the road system, he said. Funds previously allocated to road construction are now being siphoned off for the general fisc. "Very few new roads have been constructed during the past five years, and even resources allocated to maintenance have been insufficient," Hetherington said.

The lack of funding would have an inflationary effect on the transportation infrastructure, he added. "There could be price hikes of commodities distributed by road, which would suffocate much-needed economic activity."

He said the department's priority was the preservation of the existing primary long-distance road network, which was important to support economic development. "The funding level for the upgrading of roads is so low that instead of addressing meaningful needs, an ever-increasing backlog of justified projects is built up," said Hetherington.
Roads programme first
RDP project for Soweto

BY PATRICK PHOSA

Clouds of dust in Soweto will be a thing of the past after a roads programme, the first tangible RDP project in the area, was launched yesterday.

The Greater Johannesburg Transitional Metropolitan Council (GJTMC) announced that the roads programme was in line with the RDP and Masakhane principles.

More than R140-million has been allocated by the GJTMC this financial year for engineering services (roads, water and sanitation) in Greater Soweto alone.

The roads project, which will see 80 streets being upgraded in Soweto, started yesterday with the construction of Tsotetsi Street in Orlando East. Local contractors enthusiastically dug the street to set in motion a project that will cover 160km of untarred, dusty roads in Soweto.

Soweto mayor Danny Kekana encouraged residents to pay for services so that other projects could be initiated.

RDP unit head John Singh said about 70% of the construction would be done by local labour and local emerging contractors, helping to reduce the high rate of unemployment in Soweto.
Power from above is on the cards

Developers take steps forward in producing filling stations

BY SHIRLEY WOOGATE

(Oct 12/1995)
With international investor confidence in SA rising, this is an ideal time for Stals to
take another decisive move towards the goal that saw the country firmly back
on the international community's investment map: abolishing all exchange controls.

Given his monetary policy objectives, he
is unlikely to hesitate for long.

**TRANSNET**

**Pulling the plug**

Forensic specialists from auditor Ernst &
Young have been called in by Transnet to
investigate the transport giant's multimil-
ion-rand funeral insurance scheme.

The probe follows the final liquidation of
XB Holdings, an insurance brokerage com-
misioned by Transnet as part of its black
empowerment programme.

In 1992, Transnet decided to provide a
funeral policy to its 116,000 employees.
And it determined it would help with the
formation of a black insurance company
and a black brokerage.

An internal Transnet document reveals the
deal with XB Holdings was struck during
wage negotiations with the SA Railways
Workers' Union, which sacrificed salary in-
creases in return for funeral benefits.

The deal with XB Holdings was signed by
Transnet human resources manager

According to Transnet documents, of
which the FM has copies,
Premaisi Brokers chairman Jan
Erasmus, who also chairs Segefin
financial and insurance brokers, in-

cluded XB Holdings chairman
Moss Nxumalo to Transnet.

Documents at the Registrar of
Companies in December 31
1994 list shareholders in XB
Holdings as: Mandlakazi
Investments CC with Nxumalo as sole
member (84%); former Prestaisi
Brokers employee Giel Muller,
(10%); P S Molefe (2%); M C
Zitha (2%) and King Mabhoko
(2%).

Muller, who had been the only
director with Nxumalo, subsequently resigned from
the holding company and its subsidiaries
and returned to the Prestaisi stable. Muller's
shares in the holding company were taken
over by Nxumalo.

Through Segefin, Erasmus had a 39,4%
shareholding in XB Brokers, a subsidiary of
the holding company.

He and Muller were directors of the
subsidiary. Muller was also a director of XB
People's Funeral Services, the subsidiary
through which the Transnet funeral policy
was brokered.

Nxumalo accepted a premium of R8,87
per employee per month to provide the cov-
er under the name of XB People's Funeral
Services. Each employee was covered for
R5,000.

Transnet also accepted certain traditional
values and, accordingly, more than one wife
(and their children) are covered on a sliding
scale in the event of death.

According to the Transnet documents,
Erasmus had vowed for the appropriate
management of XB Holdings.

However, on November 1 1994, Erasmus
sold his shares in XB Brokers. He assured
the Transnet board, which only learnt about
the sale this year, that there was no cause
for concern and that he would maintain his
ties with XB Holdings.

But about two months ago Erasmus,
through Segefin, liquidated XB Holdings.

Now XB Holdings, XB Financial
Services, XB Brokers, XB People's Funeral
Services and XB Employee Benefits, all
XB Holdings subsidiaries, are in provision-
al liquidation.

Transnet handled the claims under the fu-
neral policy and XB dealt with the under-
writers.

Transnet did not realise the policy had
originally been placed with ACA Insurance
at R6 a person and then, for the previous
18 months, had been placed with
African Life at R4.50 a person. Transnet
still paid R8.87 per employee.

A September 4 internal Transnet memo-
randum referred to information obtained
from the liquidators of XB Hold-

ings, the attorneys for the liquid-
ators and an ITC Commercial
Credit Scan:

- R6.87m had been paid by XB
Holdings for commissions, man-
agerial services and directors' fees.
- Of this amount, it was cal-
culated Nxumalo had received
R5.7m, Muller R670,000, Zitha
R135,000, Molefe R135,000,
and R135,000 had been paid to
others;
- XB Holdings still owed Transnet R618,000 for claims
paid by African Life to the bro-
kers;
- Total consolidated income from
all sources, including the commission of R9.5m
from Transnet, amounted to R11.9m. Of
this amount, only about R5.4m was for normal operating expenses such as rentals, legal
fees, advertising and depreciation.

Transnet financial services GM Jacques
Schindelhutte says all deals with XB have
been terminated and Transnet now deals di-
rectly with African Life.

The contract with XB, which had been
intended to run until March next year, was ter-
minal. "After we have become aware of the
difference between the premium paid by
Transnet and the real cost of the African
Life premium," says Schindelhutte. He says
that despite the provisional liquidation of

XB Brokers, another Nxumalo subsidiary
which provided home-owners' insurance
cover to Transnet employees, no losses
were incurred.

As a result of the scope of the investi-
gation initially conducted by Transnet's in-
ternal audit team under Nigel Payne, it was
decided to refer the matter to the forensic
section of Ernst & Young.

Westtrust's Peter Bothamley, who has
been appointed liquidator for the XB fun-
ad agent, says he should meet Transnet
officials this week. He has already met
Nxumalo and is studying figures and finan-
cial statements given to him.

Cooper Trust's Brian Cooper and Cooper-
's & Lybrand's Basil Nel have been ap-
pointed by the Master of the Supreme Court
in the provisional liquidation of the other
XB subsidiaries.

Cooper says negotiations with Transnet and
African Life are continuing.

DEDUCTING LOSSES

**Harsh verdict**

If a company lends surplus funds and the
loan turns sour, it can deduct the loss for
tax. Wrong. It depends on whether the com-
pny is "in the business of money lending." The
Appellate Council of the Supreme Court
has come down heavily against the taxpayer in a case about the deductibility of
a loss from an irreversible loan.

In Sentra-Oes Kojoperatief vs CIR, the
court held (by four to one) that the taxpayer
may not deduct this kind of loss unless it is in
the business of money lending. Though
equity has no place in interpreting the tax
law, this seems a harsh outcome.

Coopers & Lybrand tax partner Paul Fer-
rera says the taxpayer was a short-term insur-
ors offering crop insurance to member co-
operatives. To increase the funds available
to pay claims, it invested premium income in
short-term deposits with banks and finan-
cial institutions. One deposit — of R5m
— became irrecoverable because of the in-
solvent of the borrower. Revenue disal-
owed the deduction claimed.

The issue before the courts was whether
the money lost comprised fixed or floating
capital. If fixed, the loss would be of a cap-
ital nature and so not deductible. But it is
accepted tax law that where taxpayers carry
on the business of money lending, losses from
irrecoverable loans are deductible.

The court held that though the taxpayer
had lent money a few times at interest as part
of its insurance business, this was not
equivalent to money lending. The tax-
ater's business was short-term insurance,
not lending money. The loss was of
fixed capital and of a capital nature.

Dissenting Judge Mark Kumleben held
that if making loans is an important part of

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Maputo Corridor Gets Priority

BY SEAN LUNSE

(269) 787-1215 10/4/5

"Maputo Corridor Gets Priority" is a headline that suggests a focus on the development and importance of the Maputo Corridor. The article likely discusses the significance of the corridor, its strategic importance, and possibly the initiatives or projects that are being undertaken to improve its functionality and impact on regional and international development.
Dorbyl report to destabilise union 'forged'

THE National Union of Metalworkers of SA (Numsa) has informed its regional structures there was a "good chance" that documents received last week implicating Dorbyl in attempts to destabilise the union were false and were an attempt to discredit Dorbyl.

Numsa said that, for now, it could not publicly disclose reasons for this belief, but it was significant documents had been circulated to a range of people linked to the transport industry.

Sources in the industry point to intense competition between Dorbyl's bus manufacturing division, Busaf, and certain of its rivals. They said allegations against Dorbyl could have damaged the company's reputation in the eyes of regional and local government transport authorities.

The document in question — resembling covert operations against the union movement in the 1980s — allegedly compiled by Johann du Plooy of Investments Survey and commissioned by Busaf, outlines strategies to destabilise Numsa's power base and influence operations within Busaf as well as plans to "remove" certain Numsa officials.

The document was circulated to Numsa, Cosatu, high-ranking officials in the transport ministry and members of the parliamentary standing committee on transport.

Numsa and Dorbyl said it was suspicious that the document was circulated to senior government officials in the transport ministry instead of safety and security officials. In view of the fact that the document outlined people targeted for attack.

Dorbyl's CE Bill Cooper said last week: "Certain investigations are going on which we believe are sub judice, and this incident is tied up with that investigation." The document was an attempt to discredit Dorbyl in the eyes of the investigating authorities.

He said the document was a forgery and unfortunately Numsa had become a victim in this deception.

Transport economists say there are seven bus manufacturing companies in SA, with Busaf and Durabuild, a subsidiary of Comark, having captured between 75% to 90% of the market.

Comark forms part of the Northwest Transport Investment Company, previously known as the Bophuthatswana Transport Investment Company, now owned by the Northwest province but which originally fell under Lucas Mangope's government.

A spokesman for the National Crime Investigation Service said a high-level investigation team was trying to ascertain the origins of the document. He said the investigation was receiving co-operation from the union and from Dorbyl.
SAA hampering tourism, says top transport official

ANNE LIES SMIT
Staff Reporter

SOUTH African Airways is retarding tourism by blocking foreign competitors from increasing their seating capacity, a top Department of Transport official has claimed.

SAA was attempting to preserve its virtual monopoly, said Johan Bierman, assistant-director of international affairs in the department.

He said requests by the German and Dutch companies Lufthansa and KLM for more flights to South Africa had not been granted because of opposition from SAA.

Captour chief executive Gordon Oliver said SAA's protective attitude hampered the expansion of tourism, one of the fastest-growing industries and one with the most potential.

But SAA denied having any influence over applications.

"The final decision lies with the government," said spokeswoman Janie van Vuuren.

Mr Bierman, who said he had attended 90 percent of all negotiations, claimed the Ministry of Transport allowed SAA enormous influence when making decisions on landing rights.

"They try to maintain their monopoly and, as the ministry has interests in protecting South Africa's biggest civil aviation company, they have gained enormous influence in decision-making.

"But the tourist industry is desperate for extra capacity," said Mr Bierman.

Roma Leff, KLM's South African sales and marketing manager, confirmed extension requests had been blocked.

"We have applied in vain for daily flights for a long time.

"If we had daily flights we could fill them."

Mr Bierman added: "Germany, from which Lufthansa flies the majority of passengers, asked for a dramatic increase last year.

"I know because I attended the negotiations - but SAA said they wanted to increase their return flights to Germany because they hadn't reached their ceiling."

Lufthansa's general manager in South Africa, Andreas Habel, confirmed this.

"We had to wait until SAA flew the same number of flights to Germany as we had into South Africa, and this hampered our growth.

"But as we are re-negotiating increases this week I foresee new possibilities for an increase."

Albert Schuitmaker, deputy director of the Cape Chamber of Commerce and Industry, said bilateral agreements needed to be reconsidered.

"It is in our national interest to adjust the capacity. Not only benefits to the aviation industry should carry weight but rather benefits to the whole tourist industry."
Transnet, Denel show strong revenue growth

Tim Cohen

CAPE TOWN — Transnet and Denel, two of the state’s biggest assets, showed strong growth last year, increasing total revenue by R2bn and R3bn respectively, Public Enterprises Minister Stella Sigcau told parliament yesterday.

In the case of Transnet, Sigcau said total revenue was boosted by the overall recovery in the economy, from R10bn to R13bn. Net profit before taxation and abnormal items increased from R1.6bn to over R2bn.

Unfortunately the carrying cost of the pension fund commitment which was inherited with the commercialisation of Transnet amounted to nearly R2bn which left the company in a break-even situation.

Sigcau said she intended raising the problem with Finance Minister Chris Liebenberg who was addressing the pension fund problem for the state as a whole.

An agreement had been reached between Transnet and the British group Securicor International to form an SA-based company CrossKeys Security Services which would serve the general market and create 1,500 jobs over the next 18 months. Portnet, the harbour division of Transnet, was experiencing record traffic levels, resulting in the port of Durban and Cape Town being under considerable pressure. A major portion of capital expenditure was being earmarked for equipment and land expansion for this year and next year, she said.

On Denel, Sigcau said sales to the SA security forces decreased by 9% but these had been more than compensated for by an increase of 25% in exports and 23% in commercial sales to the local market.

The net income after tax amounted to R26bn which showed growth over the previous year. A dividend of R7bn had been declared compared to R6bn the previous year.

Sigcau said that after the lifting of the arms embargo last year, Denel was placed on the US state department’s “denial list” which prohibited Denel from importing any item on the US ammunition list and from exporting such items to the US. The denial order was restricting the growth of Denel’s business and normal trade relations between Denel and US industries was not possible.

Sapa reports she said SA Airways was establishing commercial alliances with Thai Air, American Airlines, British Midland Airways and Lufthansa. SAA was also acting as a catalyst for the success of regional airlines involving Tanzania and Uganda.

Rationalised regional air services were going to be discussed with Malawi, Namibia and Zambia, while a joint venture was under way domestically with SA Express involving 50-seater aircrafts for regional use as well as a broader air link on tertiary routes.
Minister Mac takes a taxi

TRANSPORT Minister Mac Maharaj shared the frustrations of taxi commuters yesterday by taking a trip from KwaNdebele to Pretoria — a 150km journey that workers make every day.

"He even witnessed an accident, according to SA Commuters' Organisation (Saco) secretary-general David Sekgobela.

The minister, he said, was able to get first-hand experience of what commuters had to endure to get to work and to hear their grievances.

"This kind of thing we appreciate very much as commuters," Sekgobela said.

Saco also welcomed the transport department's announcement that it would not phase out subsidies for commuters in the near future. — Sapa.
Maharaj gets a first-hand view

McKeed Kotlolo shares the daily trip of thousands

It's a long, long journey for more than 23,000 daily bus commuters staying in Moutse and KwaNdebele and working in Pretoria and on the Reef.

In addition to the long distances, the commuters walk from their homes to Putco bus stops. The majority of them travel daily between four hours and seven hours to and from work.

This was confirmed on Tuesday during a bus trip to Moutse by Transport Minister Mr Mac Maharaj and an entourage comprising officials from his department, Putco officials and the media.

The purpose of the trip was for Maharaj to experience first-hand the long and tiring journeys undertaken by commuters daily.

The roads are rugged, with deep potholes caused by both vehicles and by nature.

Vice-chairman of the Moutse Transport Committee Mr Phineas Malefalo, welcomed the visit by the minister. "At least he will know what we are complaining about.

Malefalo said they had faxed their complaints to the minister's office after their daily complaints about the lack of buses went unheeded by Putco officials.

The commuters presented Maharaj with their problems, which included high fares and the "negative attitude" of drivers towards them.

They accused drivers of deliberately ignoring commuter pleas by refusing to enter some areas at night. They cited bus drivers on the 6pm shift from the Marabastad depot as the main culprits.

They allegedly refuse to ferry commuters to the Nokwe terminus after dark, and insist commuters should alight next to the Philadelphia Hospital — more than 10kms from the terminus.

"They know very well there is no alternative transport after 10pm and we have no choice but to get home," complained a group of Thaba Khubedu villagers.

What angers them most are the ever-increasing bus fares. Not even a detailed explanation from Maharaj about the annual R109 million tax money pumped in by the Government as a subsidy can satisfy the disgruntled commuters.

They say bus fares alone take "a large chunk of money" from their wages. Various commuters interviewed during Tuesday's bus trip appealed for more buses and a drop in bus fares.

They said if Maharaj's announcement of a bus subsidy is true, they should not be paying such crippling amounts.

"How do we know if he is right, because we have not been shown the subsidy money," said a 45-year-old father of four. The weekly tickets between Pretoria and this Eastern Transvaal sub-region range are between R37 and R45, while monthly tickets sell for R162 on average.

Most workers earn a weekly average of R100 and still have to pay for the connecting transport to various parts of Pretoria.

A father of two, who travels about seven hours a day and lives in the Kalbefontein area of Pretoria, earns R900 and spends R44.40 on a weekly ticket to Pretoria, plus another R8 on taxi fare for a return trip between Pretoria and Kalbefontein.

Mrs Christina Mota (47), a widowed mother of six who is a washerwoman doing piece jobs in the Rooikraal area, earns R15 a day.

She spends R36 on a weekly bus ticket to Pretoria and another R15 on a weekly bus ticket from Pretoria to Rooikraal.

But the commuters have no choice. They wake up around 2am every day to brave the freezing pre-dawn weather and even possible attacks in the dark.
Bigger fuel levy wanted for roads

Adrian Hadland

CAPE TOWN — Transport Minister Mac Maharaj hinted at the weekend he would be pushing the Cabinet to increase fuel levies to expand and maintain SA's roads as well as to rehabilitate the ailing multilateral motor vehicle fund.

SA's roads had been systematically underfunded leading to a situation where only 9% could be described as being in "good condition", he told the National Assembly on Friday.

"In 1995 we were allocated only R522m for national roads — less, in real terms, than was spent in 1975."

A 10-year national road programme was being drawn up to ensure the expanded and well-maintained road network required to encourage and underpin economic and social development.

The current budgetary allocation to roads, with no direct link to user charges, represented the equivalent of 4c/l of fuel.

An increase to 7.5c/l would provide about R300m a year in revenue, "sufficient" over a 10-year period to fund the improvement and expansion of SA's roads.

"I believe that the answer is a dedicated fuel levy," he said.

On the technically bankrupt multilateral motor vehicle fund, Maharaj said three options were available to stabilise the fund.

"We can increase its income by putting up the fuel levy, we can reduce its expenditure on claims or we can find a balance between the two."

All the options were being considered and a position would be put forward later this year in the form of a draft White Paper, he said.

The fund, a third party insurance scheme funded by a fuel levy of 6c/l, is expected to have a slightly positive cash flow in 1995/96 but is still actuarially bankrupt with liabilities in excess of R3bn.

Maharaj said the state's transport subsidy system, which allocated R770m to bus commuters and R1,3bn to rail commuters in 1995/96, required a substantial overhaul.

"Financial assistance to commuters must be allocated more scientifically within a context of greater competition."

Maharaj said the national taxi task team was currently working on strategies to ensure the long term sustainability of the taxi industry.

Other areas which needed attention included the high road accident toll, the improvement of the quality of vehicles and driving and the development of regional transport policies and co-ordination.

"Sapa reports the SA Roads Board Amendment Bill, which increases members of the board from eight to 12 and the interested group to be represented, was passed in the National Assembly."

The Bill abolishes the toll roads committee, whose work would be taken over by the board.
Fuel levy to mend roads proposed

TRANSPORT Minister Mac Maharaj has proposed a fuel levy of another 3.5c a litre to raise nearly R1 billion to repair national roads.

Mr Maharaj proposed this in his introduction to the debate on the transport vote in the National Assembly on Friday.

"The present budgetary allocation of roads amounted to the equivalent of 9c a litre..." he said.

"If it were set at 7.5c a litre — only 3.5c a litre above the current allocation from the Budget — it would provide revenue of about R940 million a year," he said.

That would be sufficient over the next 10 years to provide and maintain the appropriate road network vital for South Africa's economic and social development, Mr Maharaj said.

Such a levy would provide a direct link between the road user and the country's roads, which had a replacement value of R130 billion.

This year, the government would spend R522 million on road upkeep, less in real terms than was spent in 1975.

Mr Maharaj warned of an "expensive disaster" unless spending trends were reversed.

Only nine percent of the national roads were in "good" condition, compared with 25 percent in 1991.

Mr Maharaj said road upkeep policy would encourage the use of labour.

R100 million from the reconstruction and development programme fund was being used to strengthen labour intensive projects that would employ an additional 1,500 people this year, Mr Maharaj said.
SA to get its first metro
(269)
CT(BR) 12/6/95
BY Liz Clapho

Paris — Tenders for a new metro transport system for Johannesburg will go out next year.

This was confirmed last week by a representative for leading construction company Spie Batignolles, who said the most likely scheme would be a tram system similar to ones already in operation in major cities of the world.

The spokesman ruled out the possibility of an underground network for Johannesburg as population concentrations were too widespread.
TRANSPORT MINISTER Mr Mac Maharaj has proposed the government introduce a “dedicated fuel levy” of another 3.5c a litre on fuel to raise nearly R1 billion to repair national roads.

Mr Maharaj made his proposal in his introduction to the debate on the transport vote in the National Assembly on Friday. The budgetary allocation for roads amounts to 4c a litre at the moment. Altogether R940 million a year would be provided with the increase.

Nine per cent of national roads were in “good” condition, he said.

Political Correspondent, Sapa-Reuters
Maharaj seeks fuel levy for roads

An increase in the fuel levy to 7.5c/litre has been proposed by Transport Minister Mac Maharaj in a bid to raise close on R1-billion for the repair of national roads.

He suggested the Government introduce a "dedicated fuel levy" of another 3.5c/litre in his introduction to the debate on the transport vote in the National Assembly on Friday. The budgetary allocation to roads amounts to 4c/litre.

Transport Ministry spokesman Elias Kruger said yesterday that Maharaj was involved in consultations with Minister of Finance Chris Liebenberg about the matter, but that it was a "long-term plan, nothing that would come into effect next month".

"It is a user-charge levy, not a tax, and would be used by the project for the improvement of roads," Kruger said. -- Consumer Reporter

Mac Maharaj... levy.
Committee will oversee Transnet

CAPE TOWN — After years of free reign in setting its user charges, Transnet is set to be regulated and overseen by a committee which will have as its main function the protection of consumers.

Transport department director-general Ketso Gordhan said yesterday that, following discussions with the public enterprises department, it had been agreed that a regulatory mechanism be established for Transnet. It would have similar functions to those established to monitor the Airports Company, and would exist primarily to ensure consumer protection.

Gordhan's comments follow an announcement last week by Transport Minister Moe Mahari that talks had begun which he hoped would result in a more co-ordinated approach to the financial and physical planning of transport infrastructure. It had been agreed there should be contact between the transport and public enterprises departments and with Transnet on matters of mutual concern.

Gordhan said because the transport department was responsible for road and air infrastructure, while Transnet was responsible for rail infrastructure, there was a potential for major anomalies in planning the country's transport system.

Transnet was effectively a monopoly in its provision of rail and port facilities and

Continued on Page 2

Transnet (269)

Continued from Page 1

Consequently it was necessary to ensure that consumers were not overcharged. Although it was a state-owned company, unlike the Airports Company, Transnet operated without oversight, which had resulted in significant anomalies.

For example, Porthet was a small part of Transnet as a whole, but contributed a huge amount to Transnet profits, primarily because of its 1% harbourage charge which garnered about R1bn a year.

Despite this, SA's ports were heavily congested, suggesting that long-term planning was inadequate and substantial cross-subsidisation was taking place.

Gordhan said Transnet needed the surplus to boost the liquidity of its pension fund, but in the process it was making SA's exports less competitive.

Although the new committee was not necessarily the best way of ensuring fair user charges, the example provided by the Airports Company committee demonstrated that such a body could provide significant consumer protection.

The Airports Company committee had reduced the company's proposal for an increase in its charges to 15% of what was requested, he said.

The regulatory body was not intended to detract from the need for greater commercialisation and competitiveness in the transport industry.

Whether or not greater commercialisation was undertaken, the regulatory body would probably be needed anyway, he said.
Strike strands 200 000 commuters

DURBAN. — Up to 200 000 commuters were stranded today after about 300 white train drivers refused to work in protest against employer's affirmative action policies, a Spoornet official said.

"At the moment 300 drivers are involved. "They are not happy with the affirmative action policy we are following.

"Between 100 000 to 200 000 commuters are affected," said Spoornet official Peter Mitchell.

He said negotiations were taking place: "They have not given us details yet of what they are not happy with."

Mr Mitchell said there were no commuter trains running from Kelso on the south coast up to Durban.

Townships around the city were also affected, he said.

The strike started at 2am this morning, he added. — Reuters.
Shake-up looms in transport planning

COLIN DOUGLAS
Business Reporter

Far-reaching changes to transport planning in the Cape Metropole are on the cards, with any new road and transit projects likely to be assessed against economic, social and environmental criteria to ensure the transport network serves as a platform for development.

And Cape Town's Olympic bid, which has prompted the national transport ministry to offer a R470 billion injection into transport in the metropole, is adding urgency to the debate and could bring about the speedy adoption of a new approach.

An advisory committee appointed by Western Cape transport minister Leonard Ramatlanane is to submit its final report next week. This is expected to form an interim report calling for a "paradigm shift" in transport planning.

The committee, headed by former Cape attorney-general Neil Rosouw, recommended in its interim report that key transport planning bodies in the Metropole be reconstituted to be more representative and to accommodate "a new attitude to transport and land use planning".

The advisory committee put a freeze on major road projects proposed by the Cape Town City Council in a "provisional kickstart budget" aimed at distributing the R470 million Olympic funding, opening the way for the new Steering Committee to ditch long-planned freeway projects in favour of public transport should it wish to do so.

Regional planner Ken Sturgeon, a consultant to the Cape Metropolitan Council, predicted that large sections of the kickstart budget would fail when evaluated against the economic, social and environmental criteria that could be applied in a new transport planning framework.

For example, Mr Sturgeon said, a R93 million plan in the budget to add lanes for high-occupancy vehicles (HOV) such as buses and taxis to the N1, N2 and other freeways could be axed because it would privilege an outdated "mobility" approach to transport over a development-promoting "access" approach.

The alternative to ever-expanding freeways was to upgrade public transport and channel it through high-density "corridors" that would offer commuters easy access to shops and services and promote the development of businesses of all sizes.

The government's 470 million Olympic investment - conditional on the private sector raising R66 million for the bid - would force Cape Town to adopt a substantially new transport plan in a short time, said Kim van Deventer, a planner at the non-governmental Development Action Group (DAG).

"Other cities have time for a debate that flops around, but we have to have a high quality, speedy debate."

"The absolute priority is to get a metropolitan transport plan done at a pace and quality that provides direction to the Olympic bid and has meaningful public involvement."

Although sources said there had been considerable animosity between the authors of the kickstart budget and planners advocating a new approach, Cape Town City Council officials played down the differences.

Dave Edie, the council's metropolitan transport planning chief, said there was full agreement on planning principles - but "perhaps there are differences on how one achieves those principles."

An effective transport plan should achieve appropriate levels both of access and mobility, he said.

The kickstart budget was not aimed simply at building roads for private transport, said Ron Haiden, metropolitan transport planning projects director.

"It's a misconception that the accent has been on building roads — much more has been spent on railways and train and bus subsidies."

"It's a false dichotomy anyway — some road projects would form important public transport links," he said.

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INSIDE

OUR new personal finance page: YOUR MONEY on page 4
AND in our expanded media and marketing section on pages 8 and 10.

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• Zimbabwe’s agencies in the dark without media stats
• Admonitor
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• Britain’s bustling Humberside harbour hub — page 7
• French carrier steps up its service to South Africa — page 7
Commuters could pay about 50c more a ride

BY PAULA FRAY

Johannesburg commuters could be hit with increased fares on July 1 — with cash-paying passengers forking out an extra 50c a ride — if proposals now under discussion are accepted by the Transitional Metropolitan Council.

The TMC executive committee has submitted to the council a fare increase option which could see cash fares on Johannesburg municipal buses increase by 50c, weekly coupon tickets increase from R19 to R21 and monthly tickets increase from R86 to R78.

Cash fares could increase from R3 to R3.50 during peak hour and from R2 to R2.50 for off-peak rides. The cash scholar ticket is expected to increase from R1.50 to R2.

JTD recovered only 68% of its expenditure. However, a current JTD bus replacement programme is expected to reduce expenditure recovery rate to 66% at current fare levels.

The bus service is subsidised by the Johannesburg administration.

Once accepted, the fare increases have to be submitted to the Local Road Transportation Board for approval before being introduced.

According to the council report, commuters can use their old coupons after the increase until these are used up.

Collin Matjila... executive committee chairman.
PRETORIA — It had become necessary to discourage the further provision of bulk transport services in areas distant from job opportunities because long-distance commuter travel subsidies could not be afforded, Transport Minister Mac Maharaj said yesterday.

From the KwaNdebele area alone about 29 000 commuters travelled an average of 232km a day — at a subsidy of almost R100m each year. In some cases, it would be cheaper to pay commuters to stay at home, he told delegates in the opening address at the 15th annual transport convention at Pretoria University.

"To prevent the problem becoming even worse, we need legislation, supported by other forms of planning controls, to ensure that future (housing and land) development is contained within sustainable boundaries," he said.

The solution could be found only by joint effort between the departments of transport, housing and land affairs, working with provincial and local government structures.

Another problem was fragmentation of various modes of transport, especially as far as provision of transport infrastructure was concerned. This could ultimately be to the detriment of the consumer, leading to either unnecessarily high transport costs or low levels of service.

"The logical conclusion to be drawn is that a country's transport administration should adopt explicitly the objective of integrating all planning for the provision of infrastructure, at least for the primary network," Maharaj said.

"The continuing struggle for increased market share between road and rail freight carriers was based on an arbitrary and monopolistic institutional framework rather than on genuine market competition. Consequently there is no guarantee that its outcome, in the absence of government intervention, will be in the long-term interests of the country."

Distortions and inefficiencies in the provision of transport had been created which warranted detailed investigation.
SA: 'can't afford travel subsidies'

Political Shift

SUBSIDIES for long-distance travellers — 'a legacy' of apartheid planning — were uneconomical and could not be sustained by taxpayers, Transport Minister Mac Maharaj said in Pretoria.

Opening the annual transport convention yesterday, he said the payment of subsidies totalling millions of rand could not be continued.

Mr Maharaj gave as an example subsidies being paid to thousands of commuters who travelled 233km a day to work and back at a cost of nearly R100-million.

'The country simply cannot afford this type of subsidy. It is economically unsustainable and cannot possibly meet any value-for-money test,' he said.
R15 BILLION NEEDED TO UPGRADE NETWORK

Call for fuel levy for roads

A DEDICATED fuel levy was needed to fund the continuing maintenance of the country’s roads, Transport Minister Mr Mac Maharaj said yesterday. ANTHONY JOHNSON reports.

PAYERS will have to fork out R15 billion to bring South Africa’s crumbling road infrastructure back to 1988 standards, Transport Minister Mr Mac Maharaj warned yesterday.

A dedicated fuel levy was the best way to ensure a well-maintained and expanded national road network, he said.

The amount needed annually to ensure that the condition of the rural road network (national plus provincial) and the quality of service was maintained, was estimated at R5 billion a year.

“The present allocation of R3.1bn has the effect that the backlog keeps growing and the roads deteriorate further,” he said in reply to a question from Senator James Selie (DP).

Mr Maharaj said that in 1991 21.7% of the total rural road network could be classified as “very good” and this had dropped to 13.4% in 1993.

The network was deteriorating at a rate of about four to five percent a year, he said.

The amount spent (in 1995 prices) on road maintenance and construction had dropped from R4.2bn in 1988 to R3.1bn in 1995.

His department was in the process of drawing up a 10-year programme for national roads which would ensure an expanded and well-maintained road network to encourage and underpin economic and social development.

Travel subsidies ‘too costly’

OWN CORRESPONDENT

PRETORIA: The subsidisation of long-distance travellers — “a legacy of apartheid planning” — was uneconomical and could not be sustained, Transport Minister Mr Mac Maharaj said here yesterday.

Opening the annual transport convention, he said “taxpayers simply cannot afford this type of subsidy. It is economically unsustainable.

“At the very least, it is necessary to discourage the further provision of bulk services in areas that are distant from job opportunities.”

Joint efforts to end the system had to be made by the Transport, Housing and Land Affairs departments, and provincial and local governments, business and the public.

“Controls were needed to ensure development was contained within sustainable boundaries to turn the tide on apartheid spatial legacies.”

For the programme to succeed he believed it was necessary to reintroduce a dedicated fuel levy.
Govt can’t subsidise long-distance travel – Maharaj

BY NORMAN CHANDLER
PRETORIA BUREAU

The subsidisation of long-distance travellers — "a legacy of apartheid planning" — was uneconomic and could not be sustained by taxpayers, Transport minister Mac Maharaj said in Pretoria yesterday.

Opening the annual transport convention, he said the payment of subsidies totalling millions of rands could not be continued.

As an example, Maharaj cited subsidies being paid to thousands of commuters who travelled 2322km to work and back each day at a cost of nearly R100-million.

"The country simply cannot afford this type of subsidy. It is economically unsustainable and cannot possibly meet any value-for-money test.

"At the very least, it is necessary to discourage the further provision of bulk services in areas that are distant from job opportunities," he said.

The Transport, Housing and Land Affairs departments, provincial and local governments, as well as business and the public had to make a joint effort to end the system.

He called for planning controls to prevent the problem from worsening and to ensure that development was contained within sustainable boundaries.

"Only thus can we turn the tide on apartheid spatial legacies and encourage cost-effective economic growth," said Maharaj.

The conference, which ends on Thursday, is debating many aspects of transportation in South Africa and Africa.

Among the subjects being covered are traffic engineering and safety, multimodal transport (including high speed railways, urban transportation and route choice), as well as the transport implications of urbanisation.
Threat to cut bus subsidy

The country

Transport subsidy

Simply cannot

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100,000
End of bus subsidies could mean job losses

BY MANDLA MTHEMBU

Thousands of workers who commute between the Eastern Transvaal and Pretoria could lose their jobs if the Government goes ahead with its proposal to cut long-distance bus subsidies.

Transport Minister Mac Maharaj warned this week that South Africa could no longer afford to continue subsidising long-distance commuters.

At present, the State pays R109-million a year to subsidise the bus fares of 23,000 people from this area.

Exhausted workers, who spend four hours travelling each day, were preparing for the trip back home when The Star spoke to them.

They were pessimistic and said they would have to quit their jobs as they could not afford unsubsidised fares.

Withdrawal of subsidies would mean commuters would have to pay — for a return trip of about 300km a day — R155 for a five-day ticket. At present commuters pay R37 a week.

In addition, a 10,5% increase is to be implemented on the subsidised fares from July.

Moses Mahena of Kwaga C, north-east of Pretoria, summed up their sentiments: "It will be difficult to work as I will not be able to afford the bus fares."

Most commuters said they earned less than the cost of the unsubsidised fares.

If the subsidies are scrapped, taxis — currently beyond the reach of most Eastern Transvaal commuters — would be cheaper. Current weekly fares are R120.

Domestic worker Soly Mathlan- gu, who only works three days a week, said: "What have we done to deserve this? In this the freedom we were fighting for?"
Minimum bus fare to rise to R1.70

Staff Report (269)

GOLDEN Arrow's minimum bus fare is to rise to R1.70 on July 10 to help ease the company's financial plight, says a spokesman.

The company announced the increase amid a spate of increases hitting the consumer, including higher interest rates and dearer petrol and bread.

"The company is struggling financially and we simply had to turn to the passengers for help," the spokesman said.

The minimum fare will rise to R1.70, with other fares going up by six percent and concessionary fares by 20 percent.

"Unlike other centres where concessionary fares for pupils and pensioners are subsidised out of rates income, in the Cape Town metropole the bus operator carries this burden," the spokesman said.

"Clipcards are about 60 percent of our business. Our expenses, such as maintenance and tyres, have increased much more than the inflation rate."
May imports widen trade deficit

BUS SUBSIDIES POOR

The government is currently reviewing subsidies, poor

The Thinking of Home: Transport Money. Meals Material

Imports widened the trade deficit. The graph shows the import and export trends over the past few years. The government is considering revisions to the transport subsidy policy. The current transport subsidies are not being effectively utilized.
**SAA spreads its wings into Africa**

**Staff Reporter (JE) ARS-77/95**

SOUTH African Airways is spreading its wings in more ways than one in the African Continent — it has just taken up a 40 percent partnership in an Alliance, a recently established international East African airline.

A spokesman for SAA said the airline welcomed the opportunity to share its expertise with African countries and hoped that their new partnership would open up other opportunities on the African continent.

The Alliance consists of a partnership between SAA, the governments of Tanzania and Uganda and private investors from the two East African countries. The Alliance is leasing a Boeing 747 SP and a cockpit crew from SAA. The cabin crew comprises 29 Tanzanian and Ugandan nationals who were selected from several hundred applicants.
Christina Ngwenya works as a domestic for five days a week, one day each for five different employers. Two of them pay her R20 a day, and three pay her R25 a day. That comes to R115. Her weekly bus ticket costs her R49,10.

The long jou...
Air journey home

Blood on the tracks as rail commuters risk life

By CAS SI LEGER

AT LEAST one rail commuter dies every day in SA — by falling from trains, as a victim of violence or being hit by a train while crossing railway tracks.

Last year there were 600 rail fatalities.

In the United Kingdom, with a larger rail network and a greater population, there were only 520 rail deaths.

The rail commuter safety project, launched last year under the helm of Dr Len Lecser and Dr Derek Yach, found that although rail travel was regarded as a safe alternative to road transport in the industrialised world, this was not so...
Highway robbery?

Motorists could be in for a shock when government calls for tenders for the manning and maintenance of toll roads.

Roads Board chief director Nazir Alli says the tolls don't cover costs. Originally based on what the market could bear, tolls can be increased by only 85% of the CPI each year. Alli says he intends to ask Transport Minister Mac Maharaj to formulate legislation to allow the board to increase
EAST LONDON — The Eastern Cape government is considering a proposal to build a railway line between Umtata and Kokstad.

Directors of an Italian firm of consulting engineers are expected in East London at the weekend on a visit set up by former Jalc Holdings MD Chris van Rossburg to discuss the project, which is based on a 1984 feasibility study never taken seriously by former governments.

Jalc worked in Transkei for many years, building houses and factories. Its financial activities were probed by various commissions of inquiry.

Van Rossburg said the World Bank or European Community might be approached for a loan, which the Italian government could underwrite, to finance the line. "You can't get international finance for roads, which are considered a national responsibility. But for railway lines you can."
Neglect of roads 'can lead to economic disaster' (28)

PORT ELIZABETH. - The third annual conference of the Federated National Transport Organisation (Fento) in Port Elizabeth has been warned that neglect of the country's roads could lead to economic disaster.

The warning came from South Africa Bitumen and Tar Association (Sabita) executive director Piet Myburgh when he addressed delegates from throughout the country who are involved in the transport industry.

Mr Myburgh told the conference, held at the Eastcape Training Centre, that to talk of road building and maintenance during the past two decades in South Africa was to relate a "sad tale of neglect or disinvestment springing from ignorance and political expediency."

He emphasised the need for adequate roads to give access to employment, business opportunities and to boost the economy.

Mr Myburgh said the need for roads should be assessed in terms of opportunities to realise economic prosperity.

For road users this would come from more efficient transport and expanded business and for the community there would be improved mobility and access to employment and business opportunities.

"One can but hope the government of national unity will adopt a cohesive and constructive policy rooted in the axiom that roads are the arteries of the economy, the very essence of a programme of nation building."

Mr Myburgh said that to understand the neglect of the network, the extent of the conventional road network and finance should be considered.

As businessmen, they must realise that an asset of many billions of rand was being allowed to degenerate and they should ask themselves whether this was affordable.

Several transport economists and other experts have assessed the current levels of expenditure on roads in terms of what is appropriate. The fundamental principle adopted in economic assessment is that every rand spent on roads should yield a benefit of more than one rand."

Mr Myburgh said it was no secret that, as a result of low levels of funding, roads were deteriorating steadily.

"In submitting his budget to parliament this year, Transport Minister Mac Maharaj said that the deterioration is very evident. Whereas in 1991, 25 percent of the national road network was in good condition, by 1994 this had reduced to only nine percent."

"The minister contended that if something is not done to remedy this situation, we are heading for an expensive disaster."

Mr Myburgh said the picture was the same for provincial roads and that in KwaZulu-Natal tarred roads were downgraded to gravel because the province could no longer keep up with maintenance costs.

Unless a dramatic increase in road funding could be brought about, the situation would continue to deteriorate even more rapidly, bringing with it an inflationary spiral in the price of commodities which were increasingly being distributed by road.

Referring to the road needs of disadvantaged or underdeveloped areas, both urban and rural, Mr Myburgh said there was apparent ignorance over the years of the obvious return to the economy of an efficient road network.

He said the lack of adequate road infrastructure affected a wide range of socio-economic issues, health standards and medical help, crime, road accidents, access to education, access to the formal and informal sector and even household expenditure on cleaning materials.

"The management of roads could hasten the achievement of the four key elements of the reconstruction and development programme: meeting basic needs, human resource development, capacity development, democratisation of the state and the economy, and economic restructuring and growth."

The Argus Correspondent

ARG17/7/95
New talks on Eastern Cape rail link

The Argus Correspondent

PORT ELIZABETH — A group of prospective Italian investors has briefed the Eastern Cape provincial cabinet on a proposed rail link between the Eastern Cape and KwaZulu-Natal.

Provincial economic affairs ministry spokesman Stuart Bartlett said their discussions were on a proposal to build a railway line between Umtata and Kokstad, providing jobs and investment opportunities in the poverty-stricken former Transkei.

If approved, the project would represent the biggest foreign investment in the Eastern Cape province.

Mr Bartlett said the directors of an Italian firm of consulting engineers arrived in the province at the weekend for a five-day visit.

The Italians based the proposal on an 11-year-old feasibility study by a British consulting engineering firm in 1984 but which had never been taken seriously.

They hoped to update the study, which at the time estimated the cost of the project at R480 million. Now the estimate was about twice that amount.
Driving up fuel prices

Motorists can expect to pay an extra 3.5c for a litre of fuel if Transport Minister Mac Maharaj has his way. A major study into the impact of a fuel levy for a dedicated road fund will be presented to Cabinet soon.

Maharaj wants government to impose a levy on fuel to help finance the upgrading and maintenance of national roads. He has already scored his first victory by getting Finance Minister Chris Liebenberg to agree to the joint study by the finance and transport departments. Without Liebenberg’s support, there was little chance of getting the levy into the statute books. Like his predecessors Derek Keys and Barend du Plessis, Liebenberg is no fan of dedicated funds.

Maharaj won’t say when he expects the levy to be introduced but is confident it will be approved. Supporters of a dedicated road fund hope the study will prove SA needs a fuel levy to overcome the roads spending backlog created by the former government.

Claiming the support of the Automobile Association and organised transport, he says the user-pay principle should apply only to roads used mainly for the development and upkeep of the economy. In other words, national and major roads should be funded from the levy. Urban and social roads should be the responsibility of the RDP.

But not all sectors of business agree with the levy principle. The SA Chamber of Business doesn’t believe toll roads or dedicated funds are necessary.

Maharaj, however, says overseas evidence shows a dedicated road fund to be an efficient way of financing roads. “It’s more efficient than going through the government budgetary system. We believe we can defend the dedicated levy route on the grounds that it will finance good quality road at a reasonable cost to the user.”

An AA survey, he says, showed most of its members would gladly pay a levy on fuel if it was used to improve the quality of roads. Organised transport also supports the idea of a dedicated fund as long as it is used to upgrade roads and not allowed to accumulate and become a tempting target for other government departments.

Maharaj explains that the current budgetary allocation to national roads is the equivalent of 4c/litre of fuel. “There is no direct link to user charges. A dedicated fuel levy would introduce this link. If it were set at 7.5c/litre — 3.5c/litre above the current allocation from the Budget — it would provide revenue of about R940m a year. That would be sufficient to provide a more appropriate network maintained in good condition over the next 10 years, which is vital for SA’s economic and social development.”

However, the SA Bitumen and Tar Association says the levy won’t raise the R3bn it estimates will be needed to repair damage that has been done to roads since former State President PW Botha diverted an 8c/litre fuel levy, and the R3bn that had been accumulated in a dedicated fund, into the Treasury, to fund the war in Angola.
A LIGHT rail system for the Cape-Town central business district and its surrounding area is being given high priority by the city council's planning department.

This was disclosed by city planner David Daniels at a breakfast talk to the Institute of Personnel Management today.

Mr Daniels said public transport was vital to the future of the city, which meant that money could no longer be spent on building highways.

"We want Cape Town to be a city where you don't need a car," he said.

The Waterfront was running the risk of becoming "a major carpark" because the only way of getting there was by car.

"We need to make the city friendlier to people on foot," he said.

A feasibility study for a light rail system in the CBD and its environs was being given "extremely high priority", he said.

Mr Daniels also sketched the idea of creating a coast-to-coast greenway which would be accessible to runners and cyclists for recreational purposes, as well as a green link from Devil's Peak to the sea, allowing people to walk from the mountain through to the Waterfront without having to cross major roads.

- Mr Daniels said other major developments which would influence the city included a possible convention centre which he would like to see at the foot of Adderley Street in the Customs House precinct.

The convention centre would be the most important building to go up in the city this century, and for this reason it should be given the best location, he argued.

Development co-ordinator Rod Young and two other members of council staff were investigating convention centres abroad.

Mr Daniels said while Durban was working on a convention centre, indications were that Cape Town was the city of choice for foreign visitors.

- Plans to develop the Athlone stadium into a soccer venue including suites and a business component were also well under way.

- The Culemborg site which had about 300 hectares of land for potential development was being viewed as a key site for the Olympics, and possibly the Olympic stadium.
Education transport subsidies are to be cut

Sow 21/7/95 (269)

A government transport allowance for about 7,000 pupils will be phased out over the next six months, Education Ministry spokesman Nkoana Maloka has confirmed.

The subsidy, which covers the travelling costs of pupils in the former Transvaal Education Department and Houses of Representatives and of Delegates, is believed to amount to at least R200,000 for 1995.

The subsidies, ranging between R900 and R1,300 per pupil, were awarded on a sliding scale to children whose parents could not afford the cost of their travelling to and from school.

Denying reports that the decision had led to an outcry by parents, Maloka said the ministry had decided to do away with the subsidy because it was discriminatory.

"The subsidy was never available to black scholars. This was discriminatory and left our ministry with a problem. Should we continue, we would be discriminating against certain pupils and we could not afford to extend the subsidies because there is no money. So we decided to phase it out," he said.

Maloka said the subsidies would only be cut by 30% in the near future, although parents and schools had been informed of the decision to completely phase out the scheme. Another 20% cut would be effected in the fourth term.
Project will benefit city's cultural precinct

Bid to improve traffic flow

The CBD Transitway Project, which will turn Be- zuidenhout and West streets into one-way public transport lanes and upgrade the surrounds at a cost of R126 million, is expected to be operational within the next couple of months, says Johannesburg administration acting town clerk Stan Verrier.

The proposed one-way flow of Bezuidenhout Street will provide a continuous flow into the CBD from the Pat Mseha Public Transportway and will constitute a high-speed link into the current east-west taxi routes along Market, President and Bree streets, Verrier says.

The transitway's streetscape will be designed to accommodate and organise facilities required by taxis, buses and associated commuter and pedestrian activities — with spacious pavements, tree planting, characteristic street furniture and lighting.

According to Verrier, about 120,000 vehicles enter and leave the CBD each morning during peak hour. About 482,000 people enter the CBD and 237,000 people leave the CBD each morning.

"About 70% of daily commuters travel by public transport (either minibuses, taxis, bus or rail). The efficient flow of public transport is adversely affected by private motorists, which make up 82% of total vehicle numbers," he says.

The entire CBD Transitway Project aims, by creating a public transport grid comprising dedicated streets, to transfer public transport routes on to this grid.

This will, says Verrier, reduce congestion for both vehicles types, allow specialist traffic signal control on public transport routes, and maximise the flow of all traffic in the system.

"A permanent urban environment which serves public transport operations and enhances the area in general can be created," he says.
SAA's 50th anniversary bonus

South African Airways (SAA) is celebrating the 50th anniversary of its first flight to London by offering double points to members of its Voyager frequent-flyer organisation who book to fly on the route in November.

The first SAA flight to London took off on November 10, 1945, from Palmetfontein Airport in Johannesburg to Hurne Airport by way of Nairobi, Khartoum and Tripoli. The journey took 69 hours, compared with 13 today, and the 12 passengers paid R622 for the return journey.

SAA now operates 11 non-stop return flights a week between South Africa and London, providing 8,000 seats. These include two non-stop flights a week from Cape Town and three from Durban by way of Johannesburg.

Membership of Voyager is free to all SAA passengers who apply for it. Points awarded for each mile flown can be accumulated to earn a free flight. — Audrey d'Angelo
Terminal illness

The explosion in seaborne trade this year exposed crucial weaknesses in Cape Town's harbour. Under the additional pressure exerted by labour unrest, its container terminal plunged into chaos. Critics are now saying the economy of the Western Cape cannot afford a harbour that is unable to cope with the growing demands of international trade and Portnet has yet to prove it is equal to the task.

The harbour was unprepared for a surge in container volumes of nearly 20% in the first quarter of the year, Portnet having predicted an increase of 5.5%.

The resulting congestion, coupled with industrial action in the second quarter, peaked towards the end of May when ships were forced to wait about four days for a berth. Shipping lines say it costs up to US$20 000 each day a ship is idle.

But this is only a fraction of the total cost, according to Mediterranean Shipping's operations manager Rob McEwan, who explains the "snowball effect" this has on ships waiting at other ports for cargo transhipments from Cape Town. To make up a three-day delay in Cape Town, ships have to complete the rest of a European round-trip at full speed which adds a further R200 000 to the fuel bill, he says.

Mounting congestion at Cape Town and Durban harbours in March and April this year culminated in the announcement by shipping lines that a congestion surcharge would be introduced on June 1. This proposed surcharge of $100/6 m container would have hit imports/exports — and increased the cost of foreign trade by up to 15% on certain routes.

The threat of surcharges was staved off by a substantial improvement in the performance of both harbours in June. However, the three-day dock strike in Cape Town in early July has prompted shipping lines to reconsider.

Association of Shipping Lines (ASL) chairman Peter Odendahh says: "Surcharges are again under consideration because the shipping lines are not convinced that Portnet is on top of things."

"Portnet is not suffering financially to the same extent as business and industry and we don't think it has the appropriate sense of urgency to resolve its labour problems once and for all."

But Portnet says it is "confident" the terminal will be able to handle further increases in container volumes during the rest of the year.

It says that by mid-1997 the harbour will be able to handle an average of 27 000 containers a month and about 350 000 a year. This is 40% up on current volumes.
MASS TRANSPORT

Joy ride?

Last year the Department of Transport (DoT) subsidised bus companies by R770m and spent another R1.3bn on deficit financing — compensation to the SA Rail Commuter Corporation for operational losses.

But now Transport Minister Mac Maharaj says taxpayers could still be forking out massive amounts to subsidise commuter travel to the year 2015.

There’s no ambiguity when Maharaj says an early end to the subsidy system is out of the question. “It’s a legacy of apartheid and won’t end in five years, not even in 10.”

But, more alarmingly, he adds that it may take 20 years to “bring the subsidies under control.”

He acknowledges that the present system compensates bus operators for operational losses, but does nothing to improve infrastructural development.

“No Ministry can undo on its own what we inherited,” says Maharaj. “An across-the-board effort directed, in particular, at land use and involving housing and transport is required.”

Maharaj says that half the bus subsidy was used to subsidise 20% (about 200 000 commuters) who live on average 232 km from where they work. The other half was used to subsidise the 80% (roughly 800 000) who live 40 km from their workplace.

“The belief is that, if we remove bus subsidies, sheer economic pressure will drive people to live closer to where they work.” This approach, he argues, will lead to monumental squatter problems.

The correct approach, he says, “is to be innovative, to create incentives with the pushes and pulls needed to help people choose where they want to live. We should create a situation where 80% of all journeys are made on public transport, and reduce all to-and-from-work legs to an average 40 km.”

Major inroads by the taxi industry, unemployment and stayaways has seen the number of passengers carried decline steadily from 1.188bn in 1989 to an estimated 700m last year.

The DoT fully subsidises rail passengers, but has withdrawn bus subsidies for distances up to 10 km and frozen subsidies on routes of between 10 km and 20 km.

Meanwhile, the black taxi industry also wants to be included in the subsidy system. It claims more commuters are transported by taxi than by either bus or train. But bus operators say most taxi owners don’t pay taxes, so have no right to expect taxpayers’ money.

The DoT is maintaining a neutral position. “We’re still working on our taxi policy,” says administration manager Dawie de Villiers.

“It’s still too early to say when we’ll complete it. We’re still in the process of holding workshops countrywide.”
"SA ports are all profitable"

Nicola Smit

DURBAN — ALL SA ports were operating profitably and it was not necessary for Durban and Richards Bay to subsidise other harbours, Portnet media and advertising manager Pieter Smit said yesterday.

He said comments by KwaZulu-Natal economic affairs portfolio chairman Alex Hamilton that the province’s ports were subsidising those of other provinces were unfounded.

Revenue derived from ports around the country was accounted for in Transnet. Transnet was a registered company with the state as sole shareholder and Portnet as one of its divisions.

Smit disagreed with Hamilton’s allegation that KwaZulu-Natal was getting little or no benefit from Durban and Richards Bay.

More than 60% of Portnet’s 1995/96 capital expenditure budget, amounting to R331.6m, had been allocated for upgrading the two KwaZulu-Natal ports.

However, Hamilton said the decision to upgrade Durban and Richards Bay harbours could not be decided at provincial level. Capital expenditure in the ports was at Portnet’s discretion.
Bus fares to be increased

CITY REPORTER

Cash-paying Johannesburg municipal bus commuters would have to pay 50c more per trip when fares increased on Tuesday, the Transitional Metropolitan Council (TMC) announced yesterday.

They will pay R3.50 in peak times and R2.50 during off-peak times. Scholars will pay R2 during peak and off-peak times. Monthly bus coupons will increase from R66 to R76, and 10-trip tickets from R19 to R22.

Current 10-trip tickets for adults and scholars can be used until finished, said the TMC.
Transnet to help house employees

Housing Reporter

Railway employees and users around the country will soon benefit from the Transnet housing project, which aims to build affordable houses closer to the work place.

Land in Aquadane, Richards Bay, had already been earmarked for the construction of 800 houses at a cost of R51-million, spokeswoman Mashadi Mashabela said yesterday.

She said plans to build houses in Gauteng were also under way and could be implemented before the end of the year.

The Richards Bay houses would be built over a three-year period.

"We are expecting phase one to be completed before the end of the year," said Mashabela.

Employees of Spoornet, Portnet and Alusaf and the local communities would be able to buy houses ranging from R50,000 for a 40sq metre home to R100,000 for an up-market house.

She said a grant was received from the Kwazulu-Natal housing board which would be used for employees who qualified for low cost housing.

"The company will determine the amount individuals qualify for..." the board will contribute towards making the houses affordable for the potential home owners," said Mashabela.
Cabinet hikes rail fares

CONTROVERSIAL BILLS RATIFIED
Plagued by congestion and concomitant costly shipping delays, Cape Town harbour has come under the scrutiny of a special task force in an attempt to resolve its problems.

The Cabinet-appointed team has accepted in principle that the restructuring of the harbour should be guided by the national policy on transport which is being drawn up by the Department of Transport (DoT).

Many shipping lines would like to see the harbour privatised and competition introduced between service providers at the port. They cite the example of Modern Terminals Limited (MTL) which leases a private terminal in Hong Kong harbour. They claim MTL handles five to six times the container volumes of Cape Town although the terminal has the same container capacity.

In SA competition doesn’t even exist between ports as Portnet won’t allow one harbour to charge cheaper rates than another.

Macs Shipping MD Felix Scheder-Biesch in has no competition at Cape Town says services are not enough to handle growth or even the current peaks in commercial seaborne traffic.

“South African ports have suddenly found themselves in the First World and are battling to cope. Big investments in training, equipment and management methods are needed,” he says.

He argues for the privatisation of the quayside and cargo operations, with government restricted to the role of landlord and the provider of infrastructure.

Several private companies could lease terminals from Portnet and compete for business from the shipping lines as they do in the major European port of Antwerp.

“Only under the conditions of free competition will you get maximum output and productivity. You will never get maximum output from the monopoly situation that exists in South African ports,” he says.

Portnet CEO Neil Oosthuizen says privatising the ports could be seen as a chance to obtain a substantial cash contribution, or alternatively to boost modernisation, improve port efficiency, increase competition and reduce government’s role in the economy.

Acting DoT director-general Dipak Patel says a decision on privatisation should be taken only once the policy is in place.

Patel says the privatisation debate is no longer clouded by ideological standpoints but was informed by sound economic and financial principles, sectoral policy, and the need for efficiency and economic growth.

If container volumes continue to escalate by 20% each year, the harbour will have to double its handling capacity by 2000.

Portnet is spending R107,36m over the next two years on quayside machinery, new transport equipment, two additional cranes, and more hard surfacing and additional stacking space in the container terminal.

Technically, the harbour should be capable of handling a maximum of 600 000 containers a year with all potential resources employed at their fullest but with no addition to the physical size of the harbour.

At present the harbour is barely coping with an annual throughput of 250 000 containers.

New quayside equipment is due to arrive in September by which time considerably more stacking space will have been added. But Association of Shipping Lines chairman Peter Odendaal believes Portnet is “poised on a knife edge” and any adverse weather or labour problems will immediately cause delays at the harbour.

A recent casualty was a Cape-based clothing manufacturer who was unable to we import all our raw materials we are totally dependent on the smooth running of the harbour,” says a company spokesman.

One of the main weaknesses of the harbour is its poor productivity. Cape Town compares dismally with other major international ports.

Shipping lines complain that while an experienced crane operator in Cape Town can offload about 20 containers an hour, in Europe the figure is double.

Furthermore, newly trained operators in Cape Town can offload only about 10 containers an hour. Whether a ship is given a new or experienced operator is “just the luck of the draw,” says Odendaal. Cranes are old and frequently break down.

In recognition of the shortcomings at the harbour, Portnet said it had accelerated its labour training programme.

In terms of Portnet’s commitment to affirmative action, 70% of all labour employed must be black. Most new workers are unskilled and take up to two months to be trained.

The Cape Chamber of Commerce and Industry says the regional economy will not realise its full growth potential if the harbour continues to underperform.

In the final analysis it is not the absolute size of the harbour that matters as much as its efficiency. Unless there is a massive improvement in productivity, congestion and costly shipping delays will continue to plague the port.
MAC MAHARAJ

Taking the underground

Mac Maharaj is an able man who enjoys poking fun at himself. He'll tell you that the last place where he lived for more than five years was Robben Island, that he started earning a salary only in 1994 when he was made Minister of Transport, and that he got the position because of his ability to build things underground. He acquired this ability between 1960 and 1990, while he was "full-time in the movement fighting apartheid" — and rising to the top in the ANC ranks.

Maharaj may joke about how he was given the post. But there is consensus that he is one of the better Ministers in the Cabinet — despite his socialist background.

Comair chairman Dave Novick, one of many industry sources, rates Maharaj highly.

Right now transport is fragmented: Transnet falls under Public Enterprises Minister Stella Sigcau; the other governmental transport functions — roads, traffic legislation and control of civil aviation, airports — fall under his department.

That isn't the way Maharaj wants it. His aim is to create a "holistic" approach to transport. This is another way of saying he hankers for the days when there was one Minister in charge of transport — then the Minister of Railways — who was in control of all of its facets.

He has already locked horns with Sigcau over the issue and has been accused of trying to take over her portfolio — which he denies. But she has yielded some ground by agreeing that port charges are too high and that they should be controlled by a regulatory committee. This would be similar to the one that prevents the Airports Company — which falls under Transport — from going wild with its charges.

Mac is a nickname, and he likes it that way. This is because — as a policeman on Robben Island found out when he wanted to book Maharaj on a technical offence — it's difficult to spell Sathiyadranath Raghunandan, the name his parents gave him when he was born in Newcastle, Natal, in 1935.

Maharaj made several attempts to obtain a degree before he finally graduated while in prison. In 1953, he enrolled for a BA at Natal University, majoring in psychology and native administration. In 1956, when the university's non-European department started a law faculty, he started studying for an LLB. When it was closed to black students in 1957, he enrolled at the London School of Economics, where he completed two years of LLB studies before joining the ANC full-time.

"The one I completed, courtesy of the apartheid government while I was in prison, was a B Admin degree with economics and public administration as majors, as well as a Unisa course on transportation," he says. "It was an undeveloped course but it highlighted how the previous government went about relocating industries to move black people away from towns."

Maharaj's marriage to Zarina, with whom he has two children, 13-year-old Amiicar and 11-year-old Sekai Jo, is his second. His first, which lasted 20 years, failed because "when we added up all the days we'd spent together it came to 18 months."

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Commuter resistance to 7.5% increase in rail fares

BY MANDLA MTHEMBU.

Commuters are going to board trains without buying tickets after the 7.5% rail fare increase on September 1, the Commuters' Rights Association of SA (Crasa) has warned.

Reacting to Trade and Industry Minister Trevor Manuel's announcement of the increase last week, Crasa president Dan Gqabela said it could have been avoided if effective methods to make commuters buy tickets had been implemented.

The expected new fares for monthly tickets are: Johannesburg to Pretoria (3rd class) R66 (now R61), and 1st class R276 (now R257); Soweto to Johannesburg R45 (now R42.55) for the Naledi line, and R47 (now R44) for the Midway line.

"At present, there are hundreds of commuters who travel without tickets, and this has a negative impact on profits generated," Gqabela said.

He called on the Government to subsidise "commuter fares and not the operational costs of the rail industry".

Commuters who spoke to The Star at Johannesburg's Park Station protested that despite the increase, travelling conditions had not improved.

Although many travelled by train because it was cheaper, they expressed dissatisfaction about the service.

Thoko Maseko, of Soweto, said she often arrived late at work, and if I had the means, I would have switched to other modes of transport".

"If there is an increase, we expect more trains," she said.

Echoing Gqabela's sentiments, Paul Magolego, of Mabopane, said: "I will travel without a ticket and will only pay ticket examiners R1.

Rail Commuter Corporation spokesman Connie Nkosi said the increase was "very conservative and below the inflation rate.

She pointed out that the increase was "unavoidable".

The last increase was in November.
First profit in five years for Transnet

BY ANN CLOTTY

Transnet has recorded the first net profit in its five years as a public company. For the financial year ended March, the giant transport group reported a profit of R118 million (R279 million loss) after contributions of just under R2 billion for the pension fund liability and medical aid liability of pensioners.

Transnet includes Spoornet, Portnet, South African Airways, Petronet, Autonet and parcel conveyor PX.

With the exception of PX, all divisions recorded net profits after financing costs.

SAA reported one of the best turnarounds, converting a loss of R23 million last year into a profit of R17 million.

Portnet remained the group's largest contributor to net profit. Helped by a significant increase in trade volumes, its net profit after financing costs surged 45 percent to R111 million (R766 million).

Spoornet's contribution increased 27 percent to R74 million (R57 million). Autonet reported a marginal improvement with its contribution up to R20 million (R17 million).

Petronet's contribution was squeezed down to R144 million (R149 million).

PX showed an improvement — its loss was down to R297 million (R344 million).
Transnet posts a profit for first time

Marcia Klein

TRANSNET yesterday showed the fruits of its long road to commercialisation, achieving a net profit for the first time in four years despite having to pay R1.9bn in a mandatory pension liability.

The transport group, now profit and cash flow-driven, benefited from an improved economy, rationalising assets and "significant pruning" of its workforce. It reported a net profit of R118m for the year to March compared with losses of R579m in financial 1994, R1.7bn in 1993 and R90m in 1992.

Chairman Marius de Waal said the R1.9bn annual obligation in respect of the pension fund had resulted in a net loss over the past few years. But in financial 1995 Transnet had turned in a net profit in spite of this and the fact that tariff increases had been held below inflation for five years.

The group, whose businesses include rail transporter Spoornet, harbour management and operations division Portnet, SA Airways (SAA), pipeline transporter Petrodel, road transport business Autonet and parcel transport and distribution business FX, increased turnover 15% to R10.2bn (R14.1bn) and operating profit 11% to R3.5bn (R3.8bn).

Mr Anton Moolman said that when Transnet started out on the road to commercialisation five years ago, the pension fund's deficit was R17.2bn. This was reduced to less than R8.5bn through the issue of Transnet debentures.

In the year to March Transnet had generated enough profit to cover the R1.9bn commitment. The results indicated it was "well on the way to overcoming the problems when it was formed".

Rationalisation, the improvement in the economy, a good year for agriculture, high imports and exports and the opportunities presented by SA's new democracy had all contributed to a successful year.

The increase in cash generated from operations to R4.8bn from R2.8bn indicated that Transnet was "inherently strong and that it holds the promise of being able to shake off the burden of its past".

Spoornet CEO Braan le Roux said the division had had "an exceptional year" with a 27% rise in net profit after finance costs to R734m. Tonnage transported, largely coal and ore export traffic, increased 7-million gross tons to 71-million tons.

Portnet, which moved record tonnage of 154.9-million tons, reported a sharp increase in net profit after finance costs to R1.1bn (R760m). Autonet also performed well, increasing net profit after finance costs to R207m (R179m).

But Petronet turned in marginally lower results after increased volumes transported were unable to offset its lower tariffs.

SA Airways moved from a R23m loss to a profit of R17m. CE Mike Myburgh said this was achieved through "attacking costs and going for increased revenues".

FX, which remained deeply in the red with a net loss of R297m, would be restructured into focused business units.

Transnet intended to increase capex to R2.2bn (R1.4bn) in financial 1996 to be spent mainly on SAA and ports.

Transnet was also implementing a strategy to increase margins to obtain a better return on assets and decrease the effect of the funding of its pension liabilities.
Govt helps
30 000
farm kids
to school
Sowetan 8/8/95
By Claire Keeton
Education Reporter

ABOUT 30 000 farm school pupils in Gauteng will, for the first time, soon receive transport subsidies, the ministry of education announced yesterday.

And subsidies to less needy pupils would be cut.

The farm school children in 13 districts would receive the financial assistance to help them go to school safely, Gauteng MEC for education Mrs Mary Metcalfe said yesterday.

She added that education departments in the past had never assisted African children with transport or transport subsidies, although they provided these to white, Indian and coloured children.

She said: "Many thousands of African children, particularly those living on farms, have had to walk extremely long distances (often up to 20km), in dangerous situations, to reach a school. Many arrive at school several hours late.

"In this province, several Grade One children in rural areas have died in the last year crossing streams to reach school. Others have been killed walking along dangerous roads.

"Others are subject to sexual abuse as they have accepted lifts walking to school when they are tired and hungry."
Portnet may run Congo’s cargo port

Local transport organisation Portnet is considering managing the Congo’s major port. Karen Harverson reports

PORTNET may enter into a joint venture with the People’s Republic of the Congo to manage and operate the country’s major port, Pointe Noire.

Portnet chief executive Neil Oosthuizen said in-depth discussions have been held with the Congolese ambassador and minister of transport who have expressed serious interest in the South African port authority taking joint control and management of the port.

“In the next two weeks, a Portnet delegation will fly to the Congo to do an on-site assessment of the port’s infrastructure and, thereafter, assess the feasibility of the venture,” Oosthuizen says.

The main requirements of a port are that the harbour has adequate depth and safe waters, and basic infrastructure such as breakwaters and quay wall structures.

Although uncertain of the exact size and port infrastructure at Pointe Noire, Oosthuizen believes it is a general, all-purpose port similar to Port Elizabeth, handling general cargo, containers and a small amount of bulk commodities using normal crane operations but without sophisticated belt-operation facilities.

“I believe some terminals are operating but the Congolese government is keen to improve the situation and has shown preference for South Africa to assist, despite interest shown by other foreign countries,” says Oosthuizen.

Financing details would be discussed within two weeks and would depend on the structure of the joint venture.

“Other options might include contracting the terminal facilities out to private operators.”

Oosthuizen says a major factor influencing Portnet to consider the venture has been the recent relocation of South African farmers to the Congo to build up the agriculture industry.

“There is great potential for the production of a large amount of agricultural produce for export as well as increased trade between South Africa and the Congo.”

At Transnet’s annual financial results held this week, managing director Dr Anton Mooiman said for the first time since its inception five years ago, Transnet had made a sufficient profit to make provision for the R1.5 billion contribution to its pension fund and still reflect a net profit of R118-million.

The public company inherited a deficit of R17.9 billion in the pension fund when it was first commercialised and has managed to get it down to R5.2 billion this year.

Improved turnover was reported by transport businesses Spoorntel, Petronet, Autonet, South African Airways (SAA) and Portnet, while goods distributor PX recorded a net loss of R297-million.

PX has now decided to modernise and unbundle into focused businesses to improve its operations.

“We’ll be moving away from rail transportation into road,” said chief executive Wicus Pretorius.

He added that plans were afoot to modernise depots.

“We plan to restructure the business and concentrate on commercial and industrial parcels, courier services and express services.”

Portnet’s net profit rose 45 percent on last year’s profit to R1.1 billion.

A record high of 154.9 million tons of cargo was handled by the port authority despite the labour unrest which had led to congestion in March and April this year.

Bulk cargo, which accounts for the major portion of its business, rose almost seven percent to a new record of 96.7 million tons, which equals 74 percent of the total cargo.

New records were set in the export of iron ore through Saldanha Bay of 20.9 million tons and wood chips through Richards Bay of 5.3 million tons.

Coal exports through the Port of Richards Bay amounted to 52.7 million tons.

Container traffic showed the greatest increase with the number of containers handled increasing by 20 percent to a record 1.2 million 20-foot equivalents (TEUs).

“The container business is very profitable, so the increased traffic in containers has contributed greatly to our overall performance,” said Oosthuizen.
Cargo handled exceeds expectations

PORT ELIZABETH — Portnet handled 118,3-million tons of cargo for the period April 1994 to February 1995, 4,13% up on the budgeted figure for fiscal 1994, and 5,11% higher than that of the corresponding period in 1993 (225,4-tn).

Exports constituted 85,8% of the total volume handled and imports 12,9%.

Portnet's annual report shows that Port Elizabeth handled a record number of container ships while maintaining the fastest container handling tempo in SA.

The container cargo is one of three types of cargo handled at Port Elizabeth, the others being bulk and general cargo. Portnet said improved trade relations with SA meant that Durban and Cape Town were now passing business on to Port Elizabeth.
Airports urged to gear up for privatisation

CAPE TOWN — An expert committee recommended yesterday that the public company which owned SA’s nine airports should take steps to facilitate privatisation, but that a final decision be delayed for at least two years.

In the meantime, government should consider selling a minority stake in the Airports Company to a “strategic investor” to help develop the company.

The Transport Department and the Airports Company have endorsed the principal conclusions of the committee, with Transport Minister Mac Maharaj declaring himself “comfortable” with the report’s findings. But he stressed the need for a public consultation process before a final decision was made on whether to privatisethe company, which was first commercialised two years ago.

The principal conclusions of the Airports Policy Review, which was established by the Transport Department and included leading members of UK airports group, BAA plc, were:

☐ That the airports system operated by the Airports Company should remain in its present form because it provided a sound foundation for future development and SA’s air transport needs.

☐ That the regulatory system to set traffic charges and maximize service standards appeared to be effective.

☐ That building new airports, infrastructural development should be based on existing airports and terminals, which should be sufficient to accommodate demand for the next decade.

☐ Capital expenditure of about R1bn would be required for five years, which could be funded with limited commercial borrowings of between R200m and R300m.

☐ The Airports Company was not yet ready for privatisation and a further two to three years would be necessary to establish a reasonable track record, improve efficiency and maximise the value of the company. Steps should be taken to improve its performance, which was a prerequisite to privatisation; and

☐ One route to speeding up the improvement process would be to sell a minority stake in the Airports Company to a strategic investor who could bring to the corporation experience in areas that needed to be addressed. “Significant benefits” would result from privatisation.

Maharaj said the strategy arising from the review did not entail an early commitment to privatisation, suggesting the proposed path forward would help the company in any event. Therefore, no immediate decision on privatisation was necessary while the decision on whether to sell a stake in the company to a strategic investor was open for public discussion.

The report tentatively forecast that total traffic demand at SA’s airports would grow at a rate of between 14% and 16% a year until 2000. Even with this rapid increase in growth, additional airports or terminals would not be required, as there was considerable scope for making better use of existing facilities.

The decision contradicts a recent all-party decision by the NATAL/KwaZulu government to press ahead with the construction of La Mercy Airport outside Durban. Maharaj said more studies were necessary.

Airports

and a decision should be taken on the basis of economic considerations alone.

Regarding Cape Town International Airport and the Olympic Games bid, the report advised against investing large sums for a one-off event. It suggested the costs be subsidised directly, although there was a case for the Airports Company to negotiate a contribution for the facilities. It suggested that about R700m would be needed for expansion at Johannesburg International Airport, R73m at Cape Town and R15m at Durban.

The capital expenditure programme would require a peak borrowing requirement of R300m, suggesting the funds be raised either commercially or by selling a minority stake to a strategic investor.

Sapa reports Maharaj also said three people had been appointed to the Airports Company board, increasing it to 11 members. They are Gloria Serobe of Standard Merchant Bank, Denel marketing director for Africa and Europe, Zulke Noorwally and Community Bank chairman and Kagiso Trust Investment deputy chairman Yusuf Mohammed.
Major transport plan sought for Cape Town

Municipal Reporter

A MAJOR transport plan for Cape Town is being mounted from within the city council.

The council has been asked by its planning department to approve a list of consultants who will work on the plan, entitled "Moving Ahead".

Attempts to get approval for the project come at the same time as an announcement by provincial Roads Minister Leonard Ramatlakane that he has appointed a four-person commission to look at metropolitan transport.

Apart from approving consultants, the council is also being asked to approve the Olympic kick-start budget, which will be fully funded by the department of transport.

Among the issues being considered are how the plan will fit in with existing plans such as the Metropolitan Spatial Development Framework and a review of existing conditions within the city.

Future scenarios, a long-term transport plan, an Olympic plan and a short-term implementation programme are also being called for.

Other issues to be assessed are finances, the RDP, environment, safety and security, tourism, the needs of the disabled and public involvement.

• Voter registration in rural areas is abysmal, says the Farmworkers' Support Forum.

Spokesman Terence File said in a statement that reports highlighting the progress in the Cape metropolitan area had skewed the picture of what was happening in the province and nationally.

Figures released by the provinces showed that on April 5, only 10.7 percent of rural people had registered in the Eastern Cape. In Natal the rural figure was 2.6 percent and in Gauteng it was 4.65 percent.

About 1.2 million workers lived on farms in the non-metro environment, in many cases experiencing extreme hardship with poor living conditions, low wages and low literacy rates. With their families, they accounted for about six million rural dwellers.

"If farm workers are to play a role in government, they must be seen as a meaningful constituency, irrespective of whether local government has an entirely different meaning for farm workers, since the farmer is usually the sole provider of services to farm workers and their families," the forum said.
CITY COUNCIL TO DECIDE ON PROPOSAL

Bus, taxi lanes plan for major city roads

A NEW transport plan is aimed at boosting the city in the Olympics stakes. PETER DENNEHY reports.

MAJOR roads in Greater Cape Town are set for a huge overhaul if proposals contained in a transport plan called Moving Ahead are accepted by the City Council.

In terms of the plan, lanes on the N1, N2, M5, Vanguard Drive, the airport approach road and several others would be set aside for use by buses and taxis only.

The council’s planning committee considered a report on the plan yesterday, but would not decide on it until a presentation on the plan had been made to councillors on Monday.

Central government has allocated R470 million for the planning and implementation of transport-related projects in the city over the next three years.

This money will be forthcoming only if certain conditions are met.

One is that the city and the National Olympic Committee of SA (Nocsa) sign their Endorsement Agreement, in terms of which the city’s name would be put forward as a candidate for the 2004 Games.

Another is that the spending must be in line with the RDP. A third condition is that an acceptable process for allocating the money be established.

The money will be released quarterly over three years when these conditions are met.

The new plan would integrate bus, rail and road transport. Venues at which commuters swap from one form of transport to another will be upgraded and may have an African Olympic theme, according to the report.

The money may be spent on the following routes (the choices will only be made after consultation with the public and interested parties):

- The extra bus and taxi lane on the N2, now being provided between Black River Parkway and Vanguard Drive.
- These “dedicated” lanes may be extended as far as the airport turn-off or even the Crossroads turn-off on the one side, and to the bottom of Hospital Bend in Mowbray on the other side where they link up with taxi lanes running into the city on Main Road.
- The airport approach road will be converted into a dual carriageway, and the public-transport vehicle lanes will be extended to the airport terminal buildings.
- Vanguard Drive will become a freeway that eventually links the R300 in the south with the N7 in the north. It will have two lanes for general traffic in both directions and a “transit lane” (for buses and taxis) each way.
- A “high occupancy vehicle” (bus and taxis only) lane is possible on the N1 from Bellville to the Cape Town CBD.
- An extra lane may be provided in each direction on the M5.

Last night, Western Cape Transport Minister Mr Leonard Ramatlakane said an independent commission had been appointed to oversee the use of the R470m on transportation projects to boost the city’s 2004 Olympic bid.

He said the commission would ensure all work done “was necessary for the Games and would meet public transport needs”.

It was crucial the projects matched RDP aims, the Metropolitan Spatial Development Framework and the long-term needs of the city, he said.
'Chaos' in SA ports: A lack of equipment combined with labour difficulties was causing a chaotic situation in South African ports. Ivan Clark, managing director of Unicorn Lines and newly elected president of the South African Shipowners' Association, said yesterday.
Trencor chief appeals for parastatals to be reined in

BY ROY COCKAYNE
PRETORIA BUSINESS EDITOR

An appeal has been made to the department of transport to limit the role of parastatals and prevent them from distorting the market—and to privatise Transnet.

Trencor joint managing director Cecil Jowell made the appeal yesterday at the Road Freight Association’s annual conference in Midrand.

Jowell said it was absolutely necessary that there be effective competition in most industries, including transport. It was the task of the government to create structures to ensure there was competition on a level playing field.

He said it was practically inevitable that a large parastatal would distort the market in which it operated.

As much as possible of Transnet should be privatised so that negative effects on the market could be minimised, he said.

Jowell said parastatals had often pursued independent policies and it seemed that management was too strong and the organisations too cohesive for an outsider, like a politician, to get inside.

"We see it in the ability of Transnet and its predecessors to spend large amounts of money on expansions in the 1970s and 1980s during periods of the utmost financial stringency by the treasury.

"And we see it in the late 1980s—SATS (SA Transport Services) management having the ability to appoint its own committee to consider its own privatisation and the chairman of that committee saying: 'SATS wishes to establish a proven track record as far as profits and dividends went before issuing shares to the public,'" Jowell said.

Whatever basis there was to have a parastatal in certain sectors of the transport industry, it was difficult to see how this justified the many excursions by Transnet and other parastatals, which had embarked on business well outside their core activities—increasing the scope for cross-subsidisation, arbitrary pricing and distortion of markets, he said.

Jowell pleaded with the transport minister to exert his influence so that the transport industry could be set free from such incursions.
related activity could mean a R1bn boost for the regional economy and creation of up to 30,000 new jobs.

The direct benefit of the initial investment will be the creation of about 3,000 jobs in the construction sector.

Maharaj says indirect benefits will include improved access by disadvantaged communities to new road networks.

All the proposed projects are already on Cape Town’s urban transport plan. Funds will be appropriated from the State revenue account to the urban transport fund and spent through the consolidated metropolitan transport fund of Cape Town’s metropolitan transport advisory board.

Planning will take up R70m of the funds and R400m will go towards the implementation of infrastructural projects.

Maharaj says the projects are chiefly aimed at improving public transport and the development of marginalised areas in the Cape area. They will provide the initial impetus to restore public transport as the primary mode of travel for commuters.

A nonprofit company to spearhead Cape Town’s Olympic bid has been established in the wake of the settlement earlier this month of a dispute over who should take charge of the initiative.

The settlement, brokered by Sports Minister Steve Tshwete, appears to have put the bid back on track although one member of the new interim bid committee says Cape Town is not yet out of the woods and sharp differences between leading personalities could still wreck the city’s chances.

Former bid committee co-chairman Raymond Ackerman was chosen at the “peace summit” earlier this month as interim CE of the bid, but not before a stormy session during which some delegates objected to his selection and he reportedly threatened to walk away from the process.
SPOTLESS: The new Parade concourse at Cape Town station, formerly the old third-class section, is spotless, although 30 000 people use it every day.

All-station blitzkrieg by Mr Clean

Mr Roman said the programme was started in mid-December 1994 when Cape Town and Bellville stations underwent a blitz clean-up programme — 638 black bags of litter were collected from Cape Town station and more than 600 bags from Bellville station.

The clean-up programme is a continuous process and the 15 stations at Salt River, Mutual, Parow, Elnies River, Bellville, Khayelitsha, Nonquhela, Nolungile, Nyanga, Philippi, Newlands, Mulzenberg, Steurhof and Plumstead are now cleaned on an ongoing basis.

Intersite's initiatives over the past eight months included the cleaning of toilets and ensuring toilet paper and soap were available.

"Janitors are in place to monitor conditions at stations and ensure these facilities are fit for use by commuters. However, theft of toilet paper and soap is a real problem at all our stations.

"We are also experiencing a tremendous problem in the abuse and vandalism of station property — we believe the damage to firehose reels, for instance, will stop only when commuters appreciate that this equipment is provided for their safety and protection." He added that all station gardens were now tended to and platform roofs and gutters were being installed. A R4-million investment in the old third-class concourse, now known as the Parade concourse, was also recently completed.

"The upgrade, which took about eight months, involved the overall improvement of facilities for commuters, including new ticket offices, security posts and public toilets. This new development has also ensured improved facilities for the informal traders."

According to Mr Roman, the success of the maintenance programme also largely depended on the co-operation of the commuters, as a joint effort was needed to tackle the huge litter problem.
Union plans to ensure profit

ERICA JANKOWITZ

ALTERNATIVES to privatisation – including re-structuring and more efficient use of resources – would be pursued to avoid government being compelled to sell national assets, SA Railways and Harbours Workers’ Union (Sarhwu) president Nelson Ndiniya said yesterday.

Ndiniya said the union would work with Transnet to ensure the profitability of all its divisions.

Joint ventures with the private sector with government retaining majority ownership would be investigated.

Ndiniya said Sarhwu had resolved to pursue a proposal that all wages and profits made on a specified day be donated to the government’s reconstruction and development programme fund.
CAPE TOWN — Parts of the transport parastatal could be privatised, Transnet MD Anton Moolman said yesterday, announcing that its productivity and operating profits improved further in the latest financial year.

Speaking at the Financial Times investment conference in Cape Town, he said Transnet had achieved about R2.2bn operating profit in the 1994/95 March financial year from R1.6bn a year earlier.

Transnet’s exposure to competitive pressure, due to its commercialisation in April 1990, had benefited it and privatisation could secure further advantages.

Privatisation could be pursued by separately selling part or all of government’s stake in certain divisions of the parastatal, which includes SAA, Spoornet, Portnet and Autonet.

Although Moolman refused to be drawn on whether a decision had been taken to privatises Transnet, he said privatisation would improve its economic performance and help promote domestic and foreign private investment.

“It also provides new economic opportunities for individuals who can become investors or part-owners in former state-owned companies.”

In other words, privatisation benefits the public, the private sector and consumers, not just the state-owned enterprises that are privatised.”

Transnet’s financial performance had been underpinned by a dramatic improvement in its productivity during the past five years. Its work force had been cut by 50% but the volumes handled by its three largest divisions had increased.

If the annual burden of about R2bn needed to bolster its pension and medical funds was stripped out, then Transnet had achieved a net profit of R200m in 1994/95, he said.

The shortfall in the pension fund, amounting to R175m in 1990, was being reduced and had amounted to R4.6bn in 1994. The shortfall would be cut further in the current year.

Private sector investment managers’ handling of Transnet’s investment portfolio, and an agreement with trade unions to scale down pension benefits, resulted in the lower shortfall.

Moolman said Spoornet had achieved an operating surplus of about R120m in 1994/95 while Autonet would report an increase in profits well in excess of the inflation rate from R15m in the 1993/94 financial year.

SAA had achieved net operating profit of R200m in the 1994/95 year, as route rationalisation by the international arm returned it to a profit following a loss in the previous year of R168m. — Sapa.
Head of Transnet says 'no' to privatisation

Business Staff
TRANSNET managing director Anton Moolman has poured cold water on arguments for the privatisation of the parastatal, saying it would yield few benefits that had not already been produced by commercialisation.

He was speaking yesterday at the Financial Times investment conference in Cape Town.

It was wrong to assume that the sell-off of a Transnet division such as South African Airways would raise substantial sums of money for the government because the proceeds of such a sale should go to Transnet to help service the gaping deficit in its pension fund, Dr Moolman said.

Down-playing the value of privatisation, Dr Moolman said private shareholders could adopt a short-term approach and put pressure on Transnet management to produce quick profits at the expense of the corporation's long-term health.

"South Africa needs fewer conglomerates and less concentration of wealth, not more".

Transnet's five-year commercialisation experience had been a success, Dr Moolman said.
The pressures of competition had resulted in a dramatic increase in productivity, and employee numbers had dropped from 172,000 in 1990 to the present 116,000.
During the same period, net annual operating profit had grown from R700 million to R2.1 billion — but R2 billion a year was needed to service the pension fund deficit.
SAA unveils multimillion upgrade plan

South African Airways yesterday unveiled and launched the first phase of a multimillion-rand upgrade programme, starting with the first of its older fleet of 747 aircraft.

SAA spokesman Zelde Roux said the programme would start with all the airline's older 747s which are used on international routes.

The first stage of the programme includes reducing the first-class seating on the 747s from 30 to 25 and increasing the leg room in both business and economy classes.

'African feel'

Roux said all first-class and business-class seats would be fitted with personal television sets.

She said it was hoped all plasticware such as cutlery and crockery, including on domestic flights, would be done away with by the end of September.

The airline has also introduced what it calls "a more African feel", with all seating to be in various shades of blue, and earthy colours to be used for tablecloths and napkins.

Roux said future training for airline staff would focus on people-to-people relationships. This would tie in with the airline's new slogan, Africa's Warmest Welcome.
International airports ripe for privatisation

CAPE TOWN – The international airports in Cape Town, Johannesburg and Durban could hold potential for investors over time if government decided to follow the privatisation route, Airports Company GM Henkie Taljaard said yesterday.

Addressing a Cape Afrikaanse Sakekamer function yesterday, Taljaard said that if privatisation was considered an option for the airports, private investment into individual airports should also be considered.

"Maybe we should not be looking at investment in nine business units of the Airports Company, but nine separate airports companies," said Taljaard.

The number of international airlines using SA's airports had grown considerably, but SAA still generated more than half of Airports Company's turnover.

The Airports Company was frequently criticised for appearing to favour SAA in the provision of facilities, but this criticism failed to take into account the large amount of turnover the airline provided, he said.

Cape Town International Airport provided 28% of the company's turnover. Compared with two years ago the number of airlines using it had risen to 14 from only three, while the number of international flights had risen to 52 a week from only 10. In addition, there was a long list of applications to fly into Cape Town.

SA's airport tariffs were low compared with the rest of the world. Out of the 10 busiest airports in Africa, SA's tariffs were the second lowest, while out of 100 airports worldwide, SA's airport tariffs ranked 68.

The Airports Company estimated that Cape Town airport would be handling 1.5 times its normal 10,000 passengers a day during the rugby World Cup. On June 18, the date of a semi-final match in Cape Town, an aircraft would be landing every half hour.
Protable Transient Looks Prime Target for Pneumocystis
Chopitic congestion in South African ports, which had led to shippers imposing surcharges on importers and exporters, would have an extremely adverse impact on the economy, the South African Chamber of Business (Sacob) warned yesterday.

In an urgent fax to the trade and industry minister, Trevor Manuel, Sacob director of economic policy, Ben van Rensburg, said crisis measures were required to alleviate the situation and its potential influence on the trade account of the balance of payments.

"The escalation of cost structures would exacerbate inflation and affect the global competitiveness of South African business," Van Rensburg said.

Costly delays in offloading and congestion of containers at ports in Durban and Cape Town have led shipping lines to pass on additional costs to importers and exporters, resulting in a surcharge of $100 on a 20-foot container and a $200 dollar surcharge on a 40-foot container.

A shipping industry spokesman said it was costing shipping companies an "arm and a leg" to operate at present, costs were in the region of $500 000 a voyage.
Minister calls for restructuring

CAPE TOWN — The Transport Department was underfunded, unfocused and needed major restructuring, Transport Minister Mac Maharaj said yesterday.

He told Parliament's transport committee he had persuaded Cabinet to recognise transport as one of the five high-profile areas in the reconstruction and development programme.

The department was underfunded and several structures needed to be recomposed, including Transnet. Some, like the Multilateral Motor Vehicle Accident Fund (MMF), should not be in the department at all, he said.

He envisaged separate White Papers on areas such as public transport, the MMF and the National Road Fund.

Department of Transport director-general Ketso Gordhan told the committee discussions would be held in Johannesburg on July 1 to consider the findings of six working groups appointed to look into several policy areas.

It was hoped this would lead to the appointment of six commissions to help draft the White Papers.

Priority areas would be the development of infrastructure and public passenger transport — receiving less now in real terms than in the early 70s. — Reuters.
Transport 'dangerous'

The present public transport system was inefficient, expensive and dangerous, the ANC said in a statement this weekend.

The ANC's Western Cape Local Government Commission said past urban planning had placed the poorest sectors of the community at city's periphery.

"...The Olympic Bid was a catalyst for much-needed development," Staff Reporter.
Congestion in SA ports easing

JOHANNESBURG: The congestion at South Africa's container ports is easing, Portnet said yesterday.

Cape Town port's delays had levelled off since May 8, and at Durban port on May 17 there were no vessels at outer anchorage and certain vessels docked directly on arrival.

Portnet said it had recorded the highest monthly volume of containers in March of 123,240.

The upsurge in container volumes had continued into April. The congestion was exacerbated by public holidays and long weekends in April, causing the average delay of vessels to peak towards the latter part of April and early May.

Portnet announced new measures to cope with the high volumes of traffic including:

- Establishing a problem-solving forum with the Cape Chamber of Commerce and the Durban Regional Chamber of Commerce.
- Consulting on an ongoing basis with shipping bodies.
- Reducing the dwell time for uncleared containers.
- Establishing a customer services centre in Cape Town and Durban.
- Manning levels had been increased and ship and landside operations remained fluid.
- Equipment procurement programmes had been accelerated and overseas suppliers had responded positively to reduce the delivery time.

Portnet's chief executive Mr Neil Oosthuizen warned, however, the delivery and collection of containers from the terminals was still being hampered by the limited business hours of many exporters and importers.

He was confident the new measures would help to resolve the congestion problem. — Sapa
Supplement
Gauteng
road budget'

By Jo-Anne Collinge

The rapid deterioration of Gauteng’s road system cannot be arrested and the standard of roads in the townships cannot be upgraded unless ways are found to supplement the province’s 1995/6 budget allocation for roads.

MEC for Public Transport and Roads Olaus van Zyl pointed out during his budget vote yesterday that only 50% of Gauteng’s roads were classified as being in a “good or very good” condition last year, while in 1987 the figure had been 80%.

“Many roads in our network are now more than 30 years old although they were originally designed for a 20-year lifespan,” he explained. “We should be reconstructing 175km a year, or at least 50km, but we are currently improving only 45km a year.”

Gauteng had received a mere 7% of the total amount allocated to provinces for roads, although it accounted for 40% of all registered vehicles and 22% of all vehicle kilometres travelled, Van Zyl said. This was because the extent of the provincial road network, rather than the load it carried, had been the main criterion.

The MEC said that hopes were pinned on the RDP Fund to close the “potential shortfall” of R150-million on the funding for roads. This was particularly the case in relation to the development of infrastructure in a number of informal settlements and townships.

Project applications totalling R222-million had been submitted to the RDP Fund. “So far we have received only R7,5-million, but we are confident we will qualify for further funds.”

The Standing Committee on Public Transport and Roads insisted that redressing the imbalance between communities actually meant switching the focus of spending to public transport and away from the private road user.

“Bias in spending on infrastructure in the past was massively to roads in white areas,” committee chairman Mathole Motshokga said. “We now need affirmative action.”
Extended SAA 'delighted'

South African Airways (SAA) has emerged "delighted" from the busiest three days ever at Cape Town Airport, and described its Rugby World Cup opening experience as "a good learning school" towards hosting other big events like the 2004 Olympics. Spokesman Jannie Van Vuuren said months of planning by SAA and the Airports Company and Aprons Services (which handled baggage) had come together "magnificently" on the days. — Own Correspondent

(269) SIAV 27/15 95
SA AIRWAYS has allied itself with Lufthansa to strengthen its global position and ensure survival in a growing market of foreign mega-carriers.

The South African and German national airlines have agreed in principle to form a wide-ranging alliance that will see them cooperate in almost every aspect of aviation.

The far-reaching alliance will mean substantial cost savings for both airlines, their passengers and cargo customers.

Announcing the agreement, SAA said on Friday that the alliance, to come into effect from January, would include the possible cross-utilisation of aircraft, joint staff training, the use of each other's cargo and passenger facilities, joint sales and marketing as well as aircraft maintenance and frequent flyer programmes.

SAA chief executive Mike Myburgh said: 'Detailed work is being done by six groups studying means of improving our operations between Germany and South Africa and into other destinations that each serves.'

'The alliance is designed to cut operational costs, boost profits and ensure our survival in a market which is increasingly dominated by mega-carriers.

'There will be obvious spinoffs for passengers, importers and exporters with improved flight frequencies and access to destinations not served by SAA. In a nutshell we are strengthening the global positions of Lufthansa and SAA,' Mr Myburgh said.

Lufthansa and SAA already have co-operative agreements with Thai, Ansett and Canadian airlines. Lufthansa has, in addition, agreements with United Airlines, Varig, SAS, Lauda Air and Cargolux. SAA has agreements with American Airlines, SA Express, Alliance and British Midlands.

This means that both carriers will now gain access to the services of the other's partners.
Airports get new names

SOUTH African airports—most of them named after heads of government—would now bear the names of the cities where they were located, the cabinet decided yesterday.

The cabinet decision did not pre-empt the government's comprehensive policy on renaming state assets, it said.

Neither was it an invitation to trigger off a spate of name-changing.

Johannesburg International; D F Malan, Cape Town; Louis Botha, Durban; J J Vorster, Kimberley; H F Verwoerd, Port Elizabeth; J B M Hertzog, Bloemfontein; and P W Botha, George. — Sapa
ROAD NETWORK PLAN SLAMMED

Province votes R70m for city transport

AS FUNDS were approved yesterday to upgrade the city’s transport system for 2004, a report said existing plans were inadequate. CHRIS BATEMAN reports.

The Western Cape cabinet yesterday approved R70m allocated by Pretoria to “kick-start” integrated transport planning in the Cape Metropole for the 2004 Olympics.

Within hours an advisory committee appointed by provincial Transport and Public Works Minister Mr Leonard Ramatlanane slammed sections of an existing provisional road network plan for high-occupancy vehicles.

In an interim report released yesterday, committee chairman Mr Niel Rossouw said the structural plan for high-occupancy vehicles “neither adequately prioritises the needs of the poorer and historically disadvantaged ... nor adequately responds to the need for spatial restructuring”.

He said it was “inconsistent with the RDP and the draft Metropolitan Spatial Development Framework”.

Mr Rossouw’s committee was appointed to ensure holistic planning between the RDP, the Metropolitan Transport Plan and the Metropolitan Spatial Development Framework and to secure long-term social, economic and environmental needs in Olympic transport planning.

Balanced

After taking public submissions from a wide variety of interest groups for 11 days, the committee’s main interim recommendations are:

- The current transport steering committee should be dissolved to allow for one with a more balanced membership, representing all key role players, which would be committed to redressing historical imbalances and reducing the fragmentation of the metropole.
- This committee should devise a planning framework, an agreed standard for evaluating projects and a procedure for appointing consultants, with an emphasis on affirmative action.
- A comprehensive transport plan for the metropole should reflect a “distinct and deliberate” paradigm shift from past planning.
- The plan should be based on RDP principles, especially in creating an efficient and affordable public transport system.
- Suitable qualified land use planners should be appointed to a broadly representative Metropolitain Transport Advisory Board.
- Mr Ramatlanane should ask the City Council for a short-list of consultants for appointment to a consultative advisory group of road and rail transport and land use planning experts.

Mr Rossouw said the plans should be in place within 12 months - in time for the visit by the International Olympic Bid Committee in September 1996.

His final report will be available by the end of this month.
delivery division
on the profit road

JOHN VILJOEN
Business Staff

AFTER three years of planning to overcome massive losses, inefficiency and poor security, the management at Transnet’s PX parcel and container distribution division believe they are on the road to profitability.

Few of PX’s competitors are likely to have survived the sickly giant’s R450 million loss on a turnover of R750 million in 1992.

In fact, the Transnet board was due to meet yesterday to discuss the future of this flabby and money-sapping division which lost R140 million in the 1993-94 financial year.

If Transnet decided to rid itself of PX it could save millions of rands, but the move would release about 8 000 people into the job market.

A better alternative was to invest in modernising the division, making it competitive and to put it in a position to deliver a profit instead of a loss, said PX chief executive Wicus Pretorius.

Especially in the light of its past losses, the PX mission statement is bold: The ambition of management, the workforce and the trade unions is to “reconstruct and develop PX into the most successful distribution and container shipment business in Southern Africa”.

PX had the strategies to achieve this goal and had already made progress, Mr Pretorius said in Johannesburg.

Formed in 1990 as part of the parcels section of Spoornet, PX became a separate business unit of Transnet in August 1992.

It inherited an infrastructure designed to meet the needs of railway transport characterised by huge, dusty depots and underutilised buildings.

These inefficient and unpleasant working conditions had contributed to the division’s poor performance, Mr Pretorius said.

Some of PX’s assets were simply unusable, he said. One example is its 21-hectare, roofed facility in Worcester, built “donkeys’ years ago”.

Its rambling 30-hectare Kaserne depot in Johannesburg has a 60 000 sq m area under roofing.

PX also has 45 000 containers, although it only needs 20 000.

“We are selling these so that we can have a streamlined operation. We want to rid ourselves of unnecessary assets.”

The unnecessary load PX finds hardest to get rid of are its staff, but even this area has seen a marked improvement since the implementation of rationalisation. The staff complement is down from 15 000 in 1992.

PX has a 42 000-strong client base and handles close on 30 million parcels a year.

Its 95 depots across South Africa and six African countries serve about 7 200 destinations.

The past year has seen a marked improvement in PX’s ability to meet its clients’ needs, Mr Pretorius said.

Months ago, PX set itself a five-day delivery target on mini-parcels and containers. By the end of March this year, this had been achieved.

The improved service has helped PX’s business grow among its core clients, even if it meant stopping unprofitable services, like transporting day-old chicks.

Turnover from major corporate customers such as Pep, which uses PX for all its distribution, Pick ‘n Pay, Toyota and Mercedes Benz grew 40 percent during the past 12 months.

Central to the new streamlined PX is a move away from rail transport. Within three years all PX’s commercial parcel and small container traffic will probably travel by road, resulting in dramatic cuts in transit times.

Already the transit time between Cape Town and Windhoek has been cut from 53 hours by rail to 23 hours.

Between East London and Durban the time has dropped from 52 hours by rail to 11 hours.

PX has also improved its methods of monitoring the movement of parcels, from dispatch to delivery, through its Track and Trace System which uses barcode technology and radio frequency scanning equipment.

The system enables PX staff to check that every consignment is complete and that customs documentation is in order before it is dispatched.

Using its computer network, PX is now also able to provide legally-binding proof of delivery within 24 hours — in the past this could take up to six weeks.

This has meant large savings for PX because claims for non-delivery have dropped.

Earlier this week PX announced a new price structure as a step toward competitiveness.

“Our pricing was based on the old railways rates structures,” Mr Pretorius said. “We frankly did not know how much it cost us to move parcels and containers around the country.

“The new PX price list was based on sound business principles rather than historical precedents.

“We now know exactly how much it costs us to move a parcel or container anywhere in Southern Africa. We found that some of the outlying areas were being heavily subsidised by the main routes.”
Transnet's got its

□ NETWORK: PX delivers to about 7200 destinations from 95 depots in South Africa and its neighbouring states.
SA's passenger transport 'poor'

Theo Rewana

THE rugby World Cup had shown up the inadequacy and inefficiency of the SA passenger transport system, and the country should address this area to meet more major events which were certain to follow, Fedhasa said yesterday.

Fears for the safety and convenience of tourists have grown in the past week with reports of illegal metered taxis flooding the market, in many cases bribing hotel staff to secure fares from overseas.

Fedhasa executive director Don Viljoen said the hotel industry was concerned, but this was an extension of an insufficient and inefficient passenger transport system.

SA Metered Taxi Association director Theo Schonveldt said his organisation had found the rugby tour a disappointing event because all types of operators, mostly pirates, flooded the market by engaging in transporting tourists.

"The pirates were bribing hotel staff, even managers, to get them fares, and these passengers were exposed to overcharging and the inconvenience of being transported by untrained taxi drivers," he said.

Viljoen said a survey conducted at matches showed people were highly critical of the inefficiency in public transport, with numerous informal agreements between transport providers and other hospitality facilities adding to the confusion.

He said SA should immediately set about preparing for future major events. There should not only be regulation and strict licensing rules "but there should be strict enforcement of the law".

Training formed an important part of these preparations. "There is a business opportunity for an organisation that will stick its neck out and provide training and build up a reputation as a provider of transport."

Transport consultant Paul Browning said the safety of people was the responsibility of the authorities. SA needed to ensure that high standards were maintained. "I do not know if we would have to resort to following the example set in London, where it took three years of learning to become a taxi driver," Browning said.

Schonveldt said his organisation was running courses for members, funded by the manpower department. "But the funding is running out soon, so we need help from the private sector."

Drivers would be granted certificates of accreditation by Satour after courses ranging from business skills to geographic knowledge of areas they operated in.
EFFICIENT TRANSPORT is vital to economic growth, the RDP document says. BARRY STREEK reports.

An underground transport system should be investigated for the Cape Town metropolitan area, the RDP policy document for the province says.

Noting that the "safe, efficient and affordable movement of persons and goods is a prerequisite for economic growth", the document said:

"The efficient management and operation of the transport sector can be viewed as a condition for the effective implementation of the RDP in the province of Western Cape."

The policy document was released on Friday by the Minister of Economic Affairs, Mr Chris Nissen, and the Premier, Mr Hermus Kriel.

It is to be discussed at an RDP summit on July 22.

It said the neglect of public transport in favour of the privately owned motor car had led to traffic congestion and environmental pollution.

"Rapid urban growth in the greater Cape Town area had created great demand for transport. Large amounts of money had been spent on "roads, parking facilities, public transport terminals and modal interchange facilities", chiefly because of the increase in the number of vehicles, including the growing fleet of minibus taxis.

However, because funds were limited, there was a vast backlog in meeting the demand for these facilities.

"Population and economic growth increase the demand for transport, while spatial growth and urban sprawl increase trip length and transport costs."

"Combined, these factors bring about massive increases in the demand for travel and the provision of transportation infrastructure and facilities — and consequently for finance to meet these demands."

Particular attention should be given to public transport in the rural areas, the document said.

Policy directives in the Western Cape should deal with the need to develop an integrated, efficient, cost-effective transport system.

**Road safety**

To achieve this, it would be necessary to promote public transport and make the best use of the existing transport system.

"The possibility, financial viability and desirability of an underground system for the Cape Town metropolitan area should be investigated, " the document said.

Controlling mechanisms should be established in consultation with stakeholders.

"Co-ordination of land use and transportation should be pursued with vigour."

"The unfortunate national road safety record, exploitative overloading of heavy freight vehicles (resulting in seriously accelerating deterioration of the primary road network) and the rapidly growing minibus taxi fleet demand urgent and specific attention."

The transport aspects of the provincial RDP would be detailed and implemented through developing "a meaningful consultative framework."

This would culminate in a white paper on provincial transport.
Transnet announces
ports' upgrade plans

01/6/95

Increased freight demands has prompted Transnet to bolster its capital expenditure budget to R388-million for its division Portnet for the financial year 1995/96, according to a statement released on Friday.

Transnet increased the allocation to Portnet by 22.7% from the previous year's R300-million in a bid to improve service efficiency and to meet increased freight demands at the seven South African ports.

Of the R388-million, R118-million would be allocated to the Port Authority division and R250-million to the Port Operations division.

Major projects include:

- **Richards Bay**: Strengthening of the north and south breakwaters, provision of additional berths adjacent to berth 609 and the construction of coal storage facility.

- **Durban**: Refurbishing of Demag container cranes, upgrading of the container terminal (which includes additional container gantries), and increasing the container stacking areas.

- **The reconstruction of**

Pier No 1 to a combi-terminal.

- **East London**: Conversion of the grain elevator for import purposes and the procurement of dust-control equipment at the grain elevator.

- **Port Elizabeth**: Upgrading of the container terminal and replacement of equipment.

- **Cape Town**: Increasing container stacking areas in the container terminal, replacing container equipment and spreaders, provision of two additional container cranes, and upgrading of wharf cranes.

- **Saldanha**: Extension of the general-cargo quay (for the Saldanha Steel Project), replacement of a tippler drum and dust-filtering system and upgrading of the electronic equipment for the ore-handling plant.

- **General**: To maintain the quality of aids to navigation to international standards, various radio beacons will be replaced and three tugs will undergo mid-life refits to maintain port operational standards. Emphasis will be placed on the replacement of mobile equipment. — Sapa.
City underground too costly

CLAIRES SEKER
STAFF REPORTER

TECHNICAL experts believe an underground rail system for Cape Town would be "extremely cost-
inefficient" given the city's high water table and hard base rock.
The RDP policy document for the Western Cape released on Fri-
day said an underground transport system should be investigated, but
most experts felt the existing rail network should be upgraded instead.
Former urban transport planning chief Mr Graham Greenhead
said an underground system was "a luxury".
A light surface rail system costs between R35 million and R40m per km, compared to an under-
ground rail which costs about R150m per km depending on the ground.

A national consulting engineer-
ing firm said: "The bottom line is
that there is no money to build
roads, which cost between R5m and R6m per km."
Transport - Private - General

1995

Oct - Dec,
More taxi killings, more talks

BY NIAIL AITCHISON
CRIME REPORTER

Gauteng Safety and Security
MEC Jesse Duarte was late last
night holding urgent talks with
senior police officers over the
Johannesburg taxi violence,
which claimed a further three
lives at the weekend.

And storm clouds are gath-
ering over Pietersburg, where
an alleged taxi "godfather" is
due to appear in court today
accused of orchestrating hits
squad in Northern Province.

In the latest outbreak of taxi
violence in Johannesburg, a dri-
ver and a queue marshall from
the Faraday Taxi Association
died when gunmen with AK-47s
launched an attack on the Bree
Street rank at 5pm on Saturday.
A passenger who was wounded
in the attack died later in hospi-
tal, and a second passenger
remains in a serious condition.

Witnesses said four men in a
Toyota car opened fire at ran-
dom before speeding away.

The Bree Street rank, scene
of numerous other shootings
this year, was open as usual
yesterday, but with a strong
police presence.

Duarte told The Star she
intended bringing city taxi
associations together to peace
talks this week. "There is a lot
of confusion, anger and mis-
trust among operators because
of the lack of proper regulations
governing the use of ranks. The
situation will remain volatile
until we rectify this problem."

Talks aimed at ending the
conflict have so far stalled, with
one of the main players, the
Lethlabile Taxi Association,
refusing to take part. Duarte
said it was crucial the LTA be
represented at the meeting.

Meanwhile, security forces
were bracing for trouble in
Pietersburg today ahead of the
appearance of LTA national
chairman Isaac Sereti on
charges of murder and attempt-
ed murder.

The LTA is involved in a bit-
ter fight for control of the lucrative
Johannesburg-Pietersburg
route with the SAA Long Dis-
tance Taxi Association and the
Federation of Local and Long
Distance Taxi Associations.
5 killed: Duarte meets taximen

GAUTENG safety and security MEC Ms Jessie Duarte yesterday met taxi industry representatives after the taxi violence at the weekend claimed five lives. Two people were killed in Northern Province taxi violence.

The meeting is believed to have lasted about two hours. No details were available and members of the South African Black Taxi Association and the South African Taxi Drivers' Union could not be reached for comments.

Three people died and one was wounded in renewed taxi violence in Johannesburg on Saturday night.

Police spokesman Lieutenant-Colonel Eugene Opperman said two people died instantly and two were wounded when an unidentified attacker, or attackers, opened fire with an AK-47 assault rifle on taxis at a rank in Bree Street, central Johannesburg, just after 6pm.

The wounded were taken to hospital, where one of them died shortly afterwards.

Opperman said preliminary investigations apparently linked two of the dead to the Faraday Taxi Association.

He added police were busy with investigations until late on Saturday night. Several AK-47 cartridges found at the scene would be sent for ballistic tests.

At Temba, north of Pretoria, two passengers were wounded when gunmen opened fire with an AK-74 on a taxi on Saturday.

"Shots were fired at a North West registered taxi from a white Jettu," police spokesman Captain Dave Harlington said.

The Lethlabei Taxi Association vehicle was hit 15 times.

"We are concerned that taxi operators' and drivers' unions are using hitmen," Harlington said in an interview.

"White Jettas have featured strongly in a number of drive-by shootings in the Pretoria area." — Sapa.
An alleged taxi "godfather," Isaac Seleti, from Alexandra, appeared in court in Pietersburg yesterday, accused of orchestrating hit squads in Northern Province.

Seleti, national chairman of the Lethabile Taxi Association (LTA), is the most senior taxi industry official so far arrested by detectives probing the conflict in which 24 drivers have been shot dead and 36 others wounded this year.

Police and SANDF troops were positioned in and around the magistrate's court when Seleti arrived to face charges of armed robbery and attempted murder.

Seleti was released on bail of R5 000 and is due to return to court later this month.

LTA drivers in Pietersburg had earlier threatened to block main roads in the city if Seleti remained detained in custody.

Meanwhile, police investigating the drive-by shootings of two taxi drivers from the Parnday Taxi Association and a passenger at Johannesburg's Bree Street rank on Saturday have yet to make any arrests.

Police spokesman Lieutenant Agyantini Ngcobo appealed for anyone with information to contact the Crime Stop number 0800 11 12 13.
Phoenix Airlines flights are suspended

Staff Reporters
ALL Phoenix Airways flights have been suspended and an official announcement on the airline's future is expected later today.

Official information was scant at the time of going to press, but the airline said it would hold a press conference later today.

Officials at Cape Town Airport confirmed that all flights scheduled for this afternoon had been suspended.

The Phoenix flight from Cape Town to Johannesburg at 7.30am today took off as usual, but the 12.15pm flight to Johannesburg, the 1pm flight to Durban and the 7.30pm flight to Johannesburg were all suspended.

Suspended incoming flights were the 12.15pm from Durban, and the 5pm and 6.30pm flights from Johannesburg.

In the arrivals hall of Cape Town Airport people waiting for the 12.15pm flight stood around confused, while unhappy would-be passengers were milling around the departures desk.

'A member of the Phoenix groundstaff at Cape Town Airport said nothing was definite or confirmed.

'Some people were on their way to Johannesburg to catch connecting flights overseas and we have to tell them we're not flying. People are very unhappy. One woman was in tears.

'This is terrible. It's the worst thing I've ever had to do. I can understand exactly how they're feeling but there's nothing I can do.'

She said she and colleagues were telling people that they would have to buy tickets for new flights from other airlines, but they did not know if they would be refunded.

Asked about her own job, she said she had worked for the company for about six months. "But if the company collapses there will be people who are in a worse position than I am."

Among the would-be passengers in the departure hall was the mother of model agency boss Sharon Mulligan.

Ms Mulligan said her mother was a pensioner who had deliberately booked her flight weeks in advance in order to qualify for a discount.

'The only people at the Phoenix counter are the check-in clerks. They said they could do nothing and other airlines we have approached say they refuse to honour Phoenix's tickets.'
Another airline goes bust

FURIOUS stranded passengers throughout South Africa besieged airport counters as budget airline Phoenix Airways cancelled all flights and applied for provisional liquidation.

In yet another airline collapse after the earlier Fitestar and Ayla debacles, Phoenix cited enormous inherited bad debts which came to light when a preliminary set of accounts was completed on Monday.

Chairman Johan Crouse told a news conference yesterday that one of the most surprising aspects of the business that emerged this week was that the company's previous directors had signed a surety on behalf of Phoenix for a R4.5 million overdraft for battling Logans Tour Operators, which collapsed a month later.

The surety was signed only days before Phoenix was taken over by Atlantic Air early in August. During the negotiations for the takeover, "the signing and/or existence of this surety was never mentioned and/or disclosed to Atlantic Air by the previous shareholders, nor their attorney", said Mr Crouse.

He added that when the new board took over, there had been no set of books on the company's business since its launch in December 1994.

The Association of South African Travel Agents said yesterday it had suspended Phoenix more than a month ago and sent cautionary notices to Asata members.

Mr Crouse said the company had not yet decided what to do about the passengers who were stranded at airports around the country yesterday, or about those people holding tickets or vouchers for future Phoenix flights. The airline was in the process of paying its staff.

The application for liquidation would probably be heard on Tuesday, he added. This was the only legal way to investigate a possible restructure of the company.

While Mr Crouse was addressing the media inside the airline's Rivonia, Sandton, offices, irate staff members crowded outside.

One of them was a pilot who had been flying a Phoenix plane to Durban yesterday morning when he was told to return to Johannesburg. On landing at Johannesburg, another radio message came over saying it was "all over" and he should park the plane at the Safair area on the tarmac.

The staff were joined by members of the public demanding refunds on their tickets.

The company's previous directors were Logans directors Russell Gain and Colin Loubser, and Gain's brother Richard. The three had signed the R4.5 million overdraft surety. Phoenix was preserving its legal rights regarding the three previous directors, Mr Crouse said.

At the time of the Logans collapse, the tour operators owed the airline R2 million.

Travel agencies told SATURDAY Argus they had been advised more than two weeks ago not to book passengers on Phoenix.
Phoenix in ashes as airline crashes

By BRONWYN WILKINSON

Budget airline Phoenix Airways has cancelled all flights and has applied for provisional liquidation, citing enormous inherited bad debts which came to light when a preliminary set of accounts was completed.

Chairman Johan Crouse told a news conference yesterday that one of the most surprising aspects to emerge this week was the fact that the company’s previous directors had signed security on behalf of Phoenix for a R4.6-million overdraft for struggling Logans Tour Operators. Logans collapsed a month later.

The airline was in the process of paying its staff but had hoped that there was enough money to give them the “majority” of their salaries.

The application for liquidation was made only days before Phoenix was taken over by Atlantic Air early in August. During the negotiations for the takeover, “the signing of statements as to the existence of this surety was never mentioned and/or disclosed to Atlantic Air by the previous shareholders, nor their attorney,” said Crouse.

He added that when the new board took over, there had been no set of books on the company’s business since its launch in December 1994. When the new books were received, the creditors far exceeded the information received during the takeover negotiations.

Asked why Atlantic Air had decided to buy out a company that could supply no financial statements, Crouse said Atlantic Air had still seen Phoenix as a viable proposition.

Roger Mackle, president of the Association of South African Travel Agents, said yesterday that Asata had suspended Phoenix more than a month ago and cautionary notices had been dispatched to Asata members.

Crouse said the company had not yet decided what to do about the passengers who were stranded at airports around the country yesterday, or about those members of the public who were holding tickets or vouchers for future Phoenix flights.

The application for liquidation would probably be heard on Tuesday, he added. The application was the only legal way to investigate a possible restructuring of the company.

While Crouse was addressing the media inside the airline’s Rivonia, Sandton, offices, 150 staff members crowded outside.

One was a pilot who had been flying a Phoenix plane to Durban yesterday morning when he was told to return to Johannesnburg. On landing at Johannesnburg, another radio message came over saying it was “all over” and he should park the plane at the Safari area on the farm instead of its usual Phoenix-allotted space.

He and colleagues demanded clarity on their salaries and jobs.
By MPHOKOBUE

MAGISTRATES and prosecutors in Ga-Rankuwa who are allegedly being continuously harassed by taxi operators and others have called on the authorities to increase security at the courts.

The plea followed a recent incident in which a group of taxi operators blocked the entrance to a regional courtroom.

The taxi operators claimed that one of three accused appearing on a charge of illegal possession of a firearm, had shot a colleague and threatened to shoot others.

The group allegedly abducted one of the three accused.

The accused was rescued by police – but the group later barred his attorney (Ms Groenewald) from leaving the courtroom after she had asked the magistrate to withdraw her client’s bail for his own protection.

Magistrate AC Kopper this week confirmed the incident and said police had to be summoned to defuse the situation and escort the attorney out of the township.

Sources told City Press the taxi operators had manned another roadblock in the township.

They later allegedly abducted the other two accused in the case and assaulted them. "The problem of taxi operators harassing court officials has been going on for some time now," Kopper said.
Phoenix's demise 'hasn't hurt Atlantic'
Chaos after speaker rules on chiefs’ pay Bill debate

Farouk Chothia

DURBAN — Four opposition parties walked out of the KwaZulu-Natal legislature yesterday after the speaker, Gibson Tisane, reversed an earlier ruling and allowed debate to take place on two Bills intended to prevent the Zulu monarch and other traditional leaders from accepting central government remuneration.

Tisane’s decision to allow one of the Bills to be debated before the coming in of the 38 IFP MPs present failed to make a quorum.

The legislature degenerated into chaos.

Angry ANC and IFP MPs toyed with the idea of moving a no-confidence motion against the speaker and the provincial cabinet.

IFP MP Khayelihle Mathaba said the Bills were in their final form after a long and laborious process and the House should debate them.

ANC chief whip Isak Cronje disagreed, arguing that the Bills had not been properly debated and should be suspended.

In his initial ruling, Tisane said he “morally” supported the IFP view that the Bills be suspended, but the House had to decide which rule to break.

The rule could be suspended only with the support of a two-thirds majority.

NP chief whip Rudi Redinger challenged the IFP to introduce a motion to have the rule suspended, knowing that the IFP would be defeated as it fell far short of a two-thirds majority.

But premier Frank Maluleke said he understood the speaker’s ruling to mean that the debate could proceed without the rule being suspended.

ANC spokesman MEC Peter Miller (IFP) said he was “somewhat confused” by what the speaker had said.

“Clarifying” his ruling, the speaker then said that in the absence of a motion to suspend the rule, the debate could proceed.

This triggered chaos, forcing the speaker to adjourn the legislature for about an hour.

He returned to say that the initial ruling did not accurately reflect his position. He had meant to say that the debate could continue as the Bills were not sub judice and there was no need to suspend the rule.

The speaker finally decided the Bills would be put to the vote at the next session of the legislature. This session ended yesterday.

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Taxi drivers in appeal for registration

Theo Rawana

TAXI drivers were insecure, exploited and underpaid players in an industry that refused to recognise them as full-time permanent employees because they were not registered, a taxi driver told the National Taxi Industry Employers Organisation yesterday.

Pleading with government to speedily formalise the taxi industry and register drivers, Gadi Sibanyoni of the 5,000-strong National Taxi Industry Employers Organisation told the task team that was set up to look into the problem that drivers were sometimes driven to the brink because they could not make ends meet.

Sibanyoni, whose appeal was rejected last week, said drivers were sometimes driven to the brink because they found it difficult to make ends meet.

“We cannot even apply for loans from the banks or open accounts at banks because we are not seen as full-time employees. And we are the first in the line of fire in the event of violence,” Sibanyoni said.

Caught between owners who demanded a high fixed overhead at the end of each day, passengers who complained of overloading, the prospect of loading potential hijackers, a Road Transport Board which did not boost the driver with any ancillary support, and traffic officers who penalised drivers, the driver always suffered from stress, Sibanyoni said.

Traffic officials would penalise a driver for the unroadworthy condition of a vehicle, only for the owner to tear up the driver’s pay slip, he said.

“We need to be given security, full employment with all benefits such as medical aid and need training so that taxi driving can become a career,” Sibanyoni said.
Integration a ploy — taxi official

Theo Rawana

THE taxi industry saw government's plans to integrate the various modes of transport as a ploy to reduce its sector to a small part of the transport scene, a SA Black Taxi Association (Sibta) official told a public hearing in Johannesburg yesterday.

Sibta Gauteng treasurer Tommy Muller was addressing the task team set up by Transport Minister Mac Maharaj, to investigate problems in the taxi industry and formulate recommendations to be put to government.

Muller said that in the 18 months since the new government had come to power, bus and rail operators continued to get "large amounts of subsidy" with no move to extend these to the taxi sector.

"Since 1980, when the taxi industry began to be a threat, our competitors have received at least R25bn in subsidies. They used this to strengthen their position, for training and capacity building, and for other activities which have given them stability while the government got on with its policy of destabilising the taxi industry," Muller said.

The taxi industry had expected "these distortions" would be put right quickly when the democratic government came into power, but that was not to be.

"The industry is ... very angry. It feels it has been betrayed by the government it helped to elect." But Muller had words of praise for Gauteng transport MEC Olaus van Zyl: "We want to acknowledge the actions of the MEC for public transport. Unlike the central government, he has shown a real ability to act rather than just talk."

The main criticism was the "attempt by Gauteng to hide behind the central government when it comes to talking about subsidies."

Task team law enforcement advisor Derek Moorhouse said the team had already set up subcommittees to investigate what type of subsidies would be suitable for the taxi industry. The taxi permit system was also being scrutinised.
PAC calls for tough stance on taxi crisis

BY MANDLA MTHEMBU

The PAC has proposed tougher law enforcement to deal with taxi violence, and has accused the authorities of being inept in addressing violence and intimidation in the transport industry.

The proposals follow the failure of various initiatives to end the violence besetting the lucrative Johannesburg-Pretoria taxi route, where the Lethabille Taxi Association, the South African Long Distance Taxi Association and the Federation of Local and Long Distance Taxi Associations are locked in battle over control.

"We are gravely concerned about the inexcusable manner in which the Government and police are managing taxi violence," PAC spokesman Maxwell Nonzizovhani said yesterday.

He accused officials of taking sides, saying only a few culprits had been arrested in connection with claims that police were fuelling taxi violence.

The authorities, he said, were making the violence worse by their treatment of victims.

"We have been put in a position where we are aiding and abetting the violence," he said.

He said the PAC is appalled at the way a number of police officers were operating in the taxi industry, which was being mismanaged.

He said the PAC wants the appointment of a special minister to implement its proposals and to ensure that the taxi industry has a code of conduct.

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Durban international airport, in serious need of upgrading, could face a lengthy holding operation, once a decision is made on its future.

Airports Company MD Dirk Ackerman confirms the airport is having problems coping with increasing air traffic.

The issue is: will millions of Rand be spent on upgrading the existing airport, or billions on building a new one at La Mercy, north of Durban.

Ackerman, who became MD on September 18, says: “We are working with two plans, one for each option. We are holding back on heavy investment in Durban International, in case La Mercy is preferred.” He is participating in a planning exercise with local businessmen and the KwaZulu-Natal government to arrive at a speedy decision.

If the La Mercy option is preferred, it will take years before it is in operation. “Meanwhile, we’ll have to use the existing airport. Its volumes are growing and we’ll have to spend something on improving it. It will be a holding operation,” says Ackerman. An upgrade of the existing airport can be done quickly, and it will still be able to operate normally while its facilities are improved and its runway extended. The existing runway is too short to allow fully laden Boeing 747s to take off.

Ackerman is aware the Airports Company cannot fulfill its role in fostering tourism, unless it also brings SA’s other two gateway airports up to acceptable levels.

The first phase of improving Johannesburg has almost been completed. Airline representatives have been asked to examine the master plan for the second phase and make suggestions.

“We are providing more space on the apron, spending R20m on improving the fuel dispensing system, and are looking at spending R90m on improving the interna-
Delivery firm branches out to Zimbabwe

Business Staff

Trencor Transport has added Zimbabwe to its range of daily cross-border delivery services.

The new service, which adds to Trencor's existing daily services to Botswana, Lesotho, Namibia and Swaziland, can take truck loads of goods as well as express parcels.

It is a joint venture between Trencor Transport and Swift Transport, a division of Unifreight in Harare.

The services will be run by Crosscape Express, Stuarts Transport and Swift Transport.

Trencor will also introduce the Unicooler, catering for smaller loads of perishable goods from South Africa's major urban areas to Zimbabwe and back.

Transit times depend on the time taken to clear consignments at the border at Beitbridge.
Taxi association threatens revenge

BY MANDLA MTHEMBU

The "destabilisation" of the taxi industry by the Government would be met with stern action which would bring the transport industry to a standstill, the Gauteng SA Black Taxi Association (Sabsa) warned last week.

Sabsa also called for the summoning of the previous government to the Truth and Reconciliation Commission for its "deliberate attempt to destroy a black economic powerhouse which threatened the bus and rail industries."

Speaking during the three-day Johannesburg taxi hearings, spokesman Tommy Muller described processes conducted by the Government – through the National Taxi Task Team (NTTT) – as "an attempt to give an impression of activity, and keep the industry talking while its economic position gets even worse."

Muller pointed out that thousands of operators could be out of business if they were not given any financial assistance, adding the bus and rail industries had received about R15-billion in subsidies since 1990, strengthening their position, training and capacity building.

"The delay in addressing problems would make the (taxi) industry a small part of the transport scene, and the Government would have solved its problem," said Muller.

"The industry is not prepared to sit by while this strategy is allowed to play itself out."

"We must make it clear that we are not fooled by the NTTT process."

To vent its anger against the lack of visible progress in addressing problems, Muller said "action would be taken against the Government."

He accused the NTTT of wasting time by "spending months asking the industry what it wants to see happen, when it should know."

As months pass and there is no action, there will be a reaction," he warned. They either deliver or face the anger of the industry at their failure to do so."

Dobsonville, Roodepoort, Letatoang Taxi Association chairman, Makalikhi Mabada said lack of control in the issuing of permits also compounded the problems.

"A person who has no vehicle might have six permits which he hires out," he said.

Muller said the most important issues were subsidies, conflict resolution, traffic safety and the relationships between associations.
Police ready to halt taxi blockades

BY CRIME REPORTER

Police are ready to "counteract any indications of a taxi blockade" following threats by a taxi association at the weekend to block major routes and intersections in Johannesburg this week.

The Lesotho Taxi Association (LTA) made its threat following the death of five people in an AK-47 attack on taxis at Hammanskraal, north of Pretoria, at the weekend. The LTA is demanding a commission of inquiry into the violence and allegations of police complicity.

Witwatersrand police spokesman Lieutenant Azswani Nengovhela said police had not received any threats from taxi organisations, but would "take action to counteract any indications of a blockade". According to investigators, a gunman sitting on the back of a bakkie and another gunman in a car opened fire on five LTA taxis with AK-47s on Saturday morning seconds after they had moved away from the LTA-controlled Sindwaver taxi rank.

The bakkie fired several shots at a minibus about 500m south of the rank before turning around in the road and firing indiscriminately at four other taxis along a 1km stretch of road, said Detective Sergeant Thomas Butler.

Police on Sunday released the names of four of the victims as: Phillip Malgasofa (40), Salome Malgasofa (37), Edward Masiwine (37) and Isaac Maropu (45). The fifth victim had not yet been identified.

Sally de Beer, a spokesman for Commissioner George Fivaz, said: "We take note of the latest allegations. If they have any validity, the police anti-corruption unit will be instructed to take action. Should members of the service be involved, they will face criminal investigations."

De Beer was responding to reports that North West Premier Pape Molefe would request the deployment of troops to combat taxi violence in the province.

Some taxi passengers alleged after the shooting that a white YBP-registered police vehicle followed the two vehicles used by the gunmen and failed to stop and render assistance. Other passengers alleged it was a yellow police vehicle that failed to stop.

A minibus taxi driver was shot dead by gunmen driving a white Cressida near the Graysfield Drive interchange in Sandton. At 4pm yesterday, police said the attackers fled on foot after hitting the driver. None of the passengers was injured and police found a 9mm pistol near the abandoned car. - Staff Reporter.
Comair expands to meet demand

BY AUDREY D'ANGELO

Comair will pay South African Airways R6 million a year to maintain its new fleet of six Boeing 737s under an agreement signed last week.

A spokesman for Comair said yesterday that it had bought the second-hand aircraft in Britain for an undisclosed amount.

"Most of them will be used on our Johannesburg to Cape Town route, which is by far the busiest.

"We have waiting lists for some flights, particularly for the December long weekend and the holiday period," he said.

To meet the increased demand the airline will put on more than 40 extra domestic flights from December 1.

The spokesman said the extra flights were not in response to the collapse of Phoenix.

"The extra aircraft were bought and plans made to increase the number of flights before Phoenix stopped flying."
Comair signs deal with SAA

A R43-million aircraft maintenance contract was signed between Comair and South African Airways recently. The year-long contract makes Comair the single biggest client of SAA Technical.

Since the inauguration of Comair’s first jet service between Johannesburg and Cape Town in September 1992, the Boeing 737 fleet has been maintained by SAA Technical.

Comair has experienced very rapid growth over three-and-a-half years in its jet network and frequencies, and in its fleet of six Boeing 737s (the latest two acquisitions go into service in December) and operates in excess of 172 Boeing flights weekly.

The current value of the R43-million contract is indicative of Comair’s position as the largest domestic carrier in southern Africa after the national carrier, according to Comair.

Piet van Hoven, managing director of Comair said: “Although we have a technical and engineering division that handles the maintenance of our turbo prop fleet, once we entered the jet services market, our decision was to make use of the established maintenance services of SAA.”

Sapa.
Comair and SAA sign R43m deal

Stephane Bothma (332)
50 17 10 95

A R43m aircraft maintenance contract has been signed by Comair and SAA, making Comair the single biggest client of SAA Technical.

Since the inauguration of Comair's jet service between Johannesburg and Cape Town in September 1992, the airline's Boeing fleet has been maintained by SAA's technical staff.

Comair MD Piet van Hoven said yesterday the value of the R43m contract was indicative of Comair's position as the largest domestic carrier in southern Africa after SAA.

"SAA has the most advanced and best-equipped aircraft maintenance facility on the African continent, and with its years of experience with Boeing aircraft, it was a decision that was both cost- and time-effective for us," Van Hoven said.

As the largest independent privately owned airline in Africa, Comair operates more than 268 flights a week.
Blockade of city planned

Johannesburg is under threat of a taxi blockade from the Letlhabile Taxi Association which seeks to "embarrass a government that takes sides and favours trains and buses."

The association complained yesterday that government had not heeded its appeal for a commission of inquiry into "feuds which this weekend claimed the lives of five members."

Spokesman Jacob Ledwaba said his organisation's 1,400 members from 44 affiliate taxi associations would blockade streets tomorrow and might target Sun International hotels.

"We are looking at hotels to draw the attention of foreign tourists. The blockade will not be long if we get a positive response," he said.

Johannesburg traffic director Titus Malaza said talks between Gauteng transport MEC Olaisie van Zyld and the taxi operators were scheduled for today.
Taxi drivers block road in Grassy Park

STAFF REPORTER

GRASSY Park's Fifth Avenue was blockaded yesterday morning by taxi drivers objecting to "poaching" in their area by pirate taxis.

Fifteen Grassy Park taxis blockaded the four-way stop adjoining their taxi rank — effectively stopping through traffic for more than an hour yesterday morning.

Grassy Park-Retreat-Steenberg Taxi Association spokesman Mr David Kruger said it was a campaign against "people working in areas where they don't belong".

He said about 150 taxis a day were poaching passengers illegally from the Grassy Park area.

He said the poachers did not have permits to work in the area.

A meeting was held yesterday between the Taxi Association, the Grassy Park police and traffic department and members of the Transportation Board.

'STOP POACHERS': Angry taxi drivers, who blockaded Grassy Park's Fifth Avenue for more than an hour yesterday morning, tell traffic officers their grievances about "illegal pirate" taxis who "poach" their passengers.

PICTURE: ANNE LAING
Southern African airline associations merge

BY AUDREY D'ANGELO

The Airlines Association of South Africa and the Regional Airlines Association of Southern Africa have merged to form a more powerful organisation.

The new Airlines Association of Southern Africa has 21 member airlines based in Africa, including the Indian Ocean islands. More are expected to join in the future.

Benefits

John Morrison, the chief executive, said yesterday that the association's main objective would be to reduce operating costs to the benefit of the travelling public.

The former Airlines Association of South Africa negotiated with the government on aviation policy and regulations, the commercialisation of state airports and air-navigation services, fuel and other operational issues. The new association intends to extend these activities into other countries.
JOHANNESBURG. — A taxi blockade of Johannesburg International Airport was lifted soon after 8am today, but not before the airport and surrounding highways were plunged into chaos, delaying flights and leaving thousands of passengers stranded.

Members of the 2,000-strong Le Refuselele Taxi Association (LTA) blockaded routes to the airport early today, preventing passengers access to the terminal building and keeping about 1,000 overseas visitors stranded inside the building.

Drivers of hundreds of taxis — estimates varied from 500 to 1,000 — voluntarily lifted their blockade after being promised a meeting with senior representatives of the Department of Transport later today.

Earlier, Transport Minister Mac Maharaj and Gauteng Safety and Security MEC Jesse Duarte had ordered police to move in to remove the taxis and promised strong action against those responsible for the blockade.

Outgoing domestic flights were delayed from 8am at the start of the blockade, which was launched on the N24 near the airport. Incoming passengers, including well over 1,000 overseas visitors who had arrived on international flights, were unable to leave the terminal building for almost three hours, said SAA spokesman Leon Els.

Police cut perimeter fencing to allow vehicles access along a private road through Isando to the airport, but many businessmen simply abandoned luxury cars and walked.

No outgoing international flights were affected as most leave at night, but Mr Els said delays to domestic flights had caused a chain effect on the departures schedule.

By 8am, eight SAA flights which had been delayed by the blockade were due to leave to maintain connections at other airports. SAA was hoping to accommodate passengers who had missed their flights on other planes in the off-peak times.

At 7.30am police gave the drivers half an hour to leave the blockade. But the drivers started leaving voluntarily at 8am, after Mr Maharaj had sent Dr Pak Patel of the National Taxi Task Group to talk to their leaders.

Jacob Ledwaba, spokesman for the LTA, said drivers had agreed to call off the action after speaking to Mr Patel, who had accepted a memorandum from them and agreed to set up a meeting with Mr Maharaj in Pretoria this afternoon.

"We agreed to call off the blockade because we did not intend to embarrass the government, but to draw attention to the demands of the industry.

"These include the setting up of an independent commission of inquiry to investigate taxi violence, which is ravaging our country. We believe syndicates, political organisations and the police are involved," Mr Ledwaba said.

He added that the World Trade Centre entrance to the airport had not been closed off, to allow delegates to a housing conference free access.

Mr Maharaj earlier said drivers who wanted to see him had failed to approach him with their request before launching the vehicle blockade.

"I am now liaising with the police. The blockade will be lifted. People who transgress the law will be prosecuted," Mr Maharaj said before the withdrawal of the taxi drivers.

The LTA warned yesterday that the city would be disrupted by a blockade to embarrass the government, which favoured trains and buses, but the protest action at the airport caught everybody off guard.

Gauteng Premier Tokyo Sexwale today condemned the blockade, saying it had caused "great inconvenience to the public, particularly to travelers on their way to different parts of the world; those involved in the transportation of goods, children who are going to school, people who are going to hospitals, and various emergency services."

It is "totally unacceptable to inconvenience the public in this manner, for whatever reason."

"The LTA's disruptions will make a mockery of their problems," a statement from Mr Sexwale's office said...
Angry taxi drivers block Caledon Square

**Road Jammed:** Angry taxi drivers blockade Caledon Square after a taxi regulator was arrested for alleged assault.

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**Staff Reporter**

ANGRY taxi drivers blockaded Caledon Square after police arrested a taxi regulator — a person who directs operations at a taxi rank — for alleged assault.

The taxi drivers refused to move their vehicles until police released regulator Simon Mawawah.

Mr Mawawah was arrested after talks between the Peninsula Taxi Association and a taxi owner from an opposing group, named only as a Mr Isaacs, who laid assault charges against him.

The taxi drivers were angry at Mr Isaacs because they believed the two parties had reached agreement.

Senior policeman Willem Snyman threatened to tow away the vehicles if drivers did not move.

An angry Colonel Snyman said: "I refuse to negotiate under such conditions. Somebody must take responsibility for the continuous blockading of roads."

Peninsula Taxi Association chairman Abduragman Toffy had a tough time trying to persuade drivers to remove their vehicles.

They finally removed the taxis after Mr Isaacs agreed during a telephone conversation with one of the association's executives to drop the charge.

Later, the taxi association executive and Colonel Snyman held further talks.

A spokesman for the association said the trouble had started after Mr Isaacs began operating his taxis in Vredehoek and loaded passengers, allegedly illegally, in Adderley Street.

Taxis were only permitted to load passengers on the station deck, which unfortunately did not have a designated Devil's Peak loading area, he said.

At talks between the association and Mr Isaacs, he (Mr Isaacs) had agreed not to load passengers in Adderley street and to use the station deck.
Gridlock nightmare ... soldiers keep watch on taxis blocking the route to Johannesburg Airport.

Airport taxi blockade causes chaos

BY SHIRLEY WOODGATE AND JANINE SIMON

A taxi blockade of Johannesburg International Airport early this morning, was lifted shortly after 8am, but not before the airport and surrounding highways were plunged into chaos, delaying flights and leaving thousands of passengers stranded.

The blockade by members of the 2,000-strong Lethalable Taxi Association (LTA) also kept about 1,000 overseas visitors stranded inside the building after their flights landed.

"The taxi drivers will be prosecuted," Transport Minister Mac Maharaj said before the withdrawal of the taxi men.

The LTA warned yesterday that the city would be disrupted by a blockade to embarrass the Government "which favoured trains and buses", but the protest action at the airport caught everybody offguard.

Hundreds of taxis - estimates varied from 350 to 1,400 - lifted their blockade after being promised a meeting with senior representatives of the Department of Transport later today.

Maharaj and Gauteng Safety and Security MEC Jessie Duarte had earlier ordered police to move in to remove the taxis.

Outgoing domestic flights were delayed from 5am at the start of the blockade which was launched on the R24. Incoming passengers, including well over 1,000 overseas visitors who had arrived on international flights, were unable to leave the terminal building for almost three hours, said SAA spokesman Leon Els.

Police cut perimeter fencing to allow vehicles access along a private road through Isando to the airport, but many businessmen simply abandoned their cars and walked.

No outgoing international flights were affected as most leave at night, but Els said delays to domestic flights caused a chain effect on the departures schedule.

By 8am, eight SAA flights which had been delayed by the blockade were due to leave to maintain connections at other airports. SAA was hoping to accommodate passengers who had missed their flights on other planes in off-peak times.

At 7:30am police gave the drivers half an hour to lift the blockade, but they started leaving voluntarily at about 8am, after Maharaj had sent Dipak Patel of the National Taxi Task Group to talk to their leaders.

Jacob Ledwaba, spokesman for the LTA, said drivers had agreed to call off the action after speaking to Patel, who had accepted a memorandum from them and agreed to set up a meeting with Maharaj in Pretoria this afternoon.

"We agreed to call off the blockade because we did not intend to embarrass the Government, but to draw attention to the demands of the industry.

"These include the setting up of an independent commission of inquiry to investigate taxi violence which is ravaging our country. We believe syndicates, political organisation and the police are involved."
Sabotage charge for taxi association

JOHANNESBURG: Thousands of commuters were delayed yesterday when taxi drivers blockaded the road to the airport to protest against violence in the taxi industry.

Police have charged the Lethal Taxi Association (LTA) with sabotage and illegally blocking a freeway after yesterday morning’s blockade of the highway leading to Johannesburg Airport, police spokesman Lt Jan Combrinck said yesterday.

Hundreds of minibus taxis affiliated to the LTA blockaded roads around the airport, delaying flights and disrupting traffic.

The association threatened more protests unless the government acted to put an end to taxi violence within a week.

Five people were killed and five wounded at the weekend when gunmen in two vehicles opened fire on taxis belonging to the association. At least 140 people have died in taxi violence this year.

Gauteng Transport Minister M. Olaus van Zyl said the blockade was unnecessary as the issues raised were being addressed.

“It is very unfortunate that this taxi association took the law into their own hands and affected the rights of other people. It reflects badly on our country.”

Conflict

Mr Van Zyl said taxi conflict was rooted in the collapse of an agreement signed last year by long-distance taxi associations servicing routes to the Northern, North-West and Mpumalanga provinces.

The agreement collapsed in May after a dispute over the sharing of taxi ranks.

Transport Minister Mr Mac Maharaj and LTA representatives met after the blockade was removed to discuss immediate measures to curb taxi violence.

After nearly three hours of talks, Mr Maharaj said the two parties had agreed that co-operation and not blockades was the way to solve problems.

The blockade, from 4.30am to 9am, threw Durban Airport’s schedule into disarray and delayed several flights from Johannesburg for up to 90 minutes. More than 1,700 incoming international passengers and 305 domestic passengers were stranded when they could not leave the airport building.

Several protesters were reportedly arrested.

“Police cleared the blockade by over 200 vehicles in just over one hour, and we congratulate them on their peaceful resolution of the crisis,” Gauteng premier Mr Tokyo Sexwale said. — Sapa
Wide condemnation follows taxi blockade

Theo Rawana

THE taxi blockade of roads leading to Johannesburg International Airport has been condemned by the tourism industry, government, the police and the ANC as "irresponsible and damaging to SA as a tourism destination".

Thousands of passengers on two international flights and 21 domestic flights were delayed by the blockade after members of the Lehlabile Taxi Organisation blocked roads to back demands to government.

The Airport Company said 1,746 incoming international passengers and 305 domestic passengers were stranded when they could not leave the airport building during the blockade.

International flights delayed were an Air Tanzania flight — by more than an hour — and an SAA flight to Cape Town and London, which departed almost an hour late.

SAA said more than 1,000 passengers booked on its domestic flights had been delayed by the protest. Other local airlines hit by the blockade — with an average delay of 45 to 60 minutes — were SA Express, Airlink, Metavia, Sunair, Comair, Transkei Airways and Air Botswana.

After meeting the taxi organisation yesterday, Transport Minister Mac Maharaj said the National Taxi Task Team would have to come up with solutions to the taxi industry's problems.

The airlines said it was too early to determine their financial loss, but Comair operations director Nic Vlok said the action had damaged the image of SA air transport.

Metavia MD Peter Farquhar, whose airline suffered five cancellations because of the blockade, said the major effect would be the "international ramifications" of the action.

The protesters lifted the blockade after police moved in to tow the vehicles.

Continued on Page 2

Blockade

Continued from Page 1

Gauteng transport MEC Claus van Zyl said provincial authorities would support legal action against those taking part in the blockade.

Commenting on a police decision to charge the association with sabotage and illegally blocking a freeway, Van Zyl said: "Our agreement with the police is that any blockades such as at the airport must be removed immediately. We condemn the blockade, which was illegal, and we support the police in whatever action they decide to take."

Van Zyl said there was no reason for the action as it was taken at a stage when mediators were to be appointed in a bid to resolve the organisation's feud with the rival SA Long Distance Taxi Association.

The ANC, saying the blockade was unacceptable, urged all organisations to use channels established by government to seek solutions to their problems, and warned that those resorting to unlawful actions should expect the security forces to step in.

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Boycott taxis, says Mandela

BY ANNA COX

Taxi commuters should boycott taxis to put an end to violence, President Nelson Mandela said this week at the Temple Emanuel in Parktown.

Commuters should mobilise themselves and take this action which would produce results, he said. In 1941 bus commuters boycotted buses and people walked from Alexandra to the city centre to protest over increased fares.

There were many complex issues relating to taxis, said Mandela. Deregulation had caused the industry to be "flooded". High-ranking police officers were also involved in taxi wars and hit squads ensured monopolies of routes.

Parties who had lost elections were also behind the taxi violence, he said.
A company which investigates illegal charges by banks has pinpointed the minibus taxi industry as the latest victim.

JEAN LE MAY
Staff Reporter

THE minibus taxi industry is being ripped off by banks in hire-purchase agreements and this is contributing to the cut-throat competition among taxi owners, according to a new investigation.

In 300 cases investigated, taxi owners were found to have been ripped off by an average of R20 000 a contract.

The problems taxi owners were having with financing their operations were partly responsible for the recurrent taxi violence, according to Dave Thomas and Laure Friedman of the Financial Research Foundation (FRF), which investigates over-charging by banks.

Taxi owners had to race against each other and compete for routes so as to get in more trips to meet their payments, said Mr Thomas.

He said banks made hire-purchase agreements with taxi owners including comprehensive insurance and life cover in the finance charges.

But in many cases the banks over-charged interest — and did not take out insurance although their clients had paid for it.

His organisation had many cases referred to it that substantiated his allegations, he said.

An FRF member had investigated more than 300 cases involving taxi owners and had found that the average amount over-charged in interest was R20 000.

"There is anger among taxi owners and the danger of violence is always present," he said.

He cited the case of taxi owner Tatise Twetiso of Crossroads, who approached FRF because of a problem with Stannic, the financing arm of the Standard Bank.

Mr Twetiso bought a second-hand Nissen Skyline for R35 705.88 in April 1990 and undertook to pay 42 monthly instalments of R850.14.

Finance charges of R14 000 were included in this amount.

The Stannic contract shown to Saturday Argus stipulated "annual finance charge compounded in terms of payment plan" as 30 percent, which was the maximum allowed under the Interest Act.

By February 1994 Mr Twetiso had paid R33 362.

But Stannic pressed further claims against him to the extent that he voluntarily surrendered the vehicle. It was sold by Stannic for "about R13 000", according to a Stannic spokesman.

In March 1994 Alan Chapman of Stannic said in an affidavit the amount paid by Mr Twetiso, including the R13 000 obtained from the sale of the vehicle, amounted to R47 668.

But an amount of R18 100 was still owing, he said, made up of arrear interest of R2 300, insurance amounting to R3 100, an unexplained amount for additional finance charges, of R4 300, attorney's costs, tracing fee, a valet charge for cleaning the vehicle, a valuation fee and VAT on the resale.

FRF said that according to its calculations, Mr Twetiso owed only R1 578.25 in capital and R885.55 in arrears on the day he voluntarily surrendered the vehicle.

However, Stannic took judgment against Mr Twetiso in the Mitchell's Plain magistrate's court for R6 100, plus interest and costs. Mr Twetiso's furniture was attached by the sheriff.

But FRF also calculated that Mr Twetiso had overpaid R12 236 in interest.

In a letter to Stannic, FRF said that Stannic continued to charge 30 percent interest throughout the contract although the law changed during the period, setting a maximum of 29 percent.

It said that credit life assurance was added to the contract capital payable over 42 months, which was illegal.

Short-term insurance was added to the contract, but Stannic could produce neither cession papers nor policies when FRF asked for them so these costs were not included in its calculations.

Allen Pentz, deputy general manager (corporate and fleet) of Stannic, said when asked for comment that Stannic disagreed with the figures quoted.

"Accounts are amortised over the life of the vehicle, which accounts for the discrepancy between the FRF's figures and ours."

"Analysis of the amortisation schedules will verify this."

He said the interest rate of 30 percent a year at the time when the deal was concluded was within the limit set by the Usury Act.

Credit life assurance of R651.25 was added to the principal debt, he said. "This was a once-off premium, repayment being made on a monthly basis as part of the principal debt."

"Comprehensive insurance of R3 659 was added to the account in March, 1993, in terms of the agreement, Stannic is entitled to debit insurance when the customer fails to produce proof of it on request."

Mr Thomas said that most minibus taxis were bought on hire-purchase agreements over two to five years by "relatively inexperienced" entrepreneurs.

"In a typical case, a prospective taxi owner gets a licence for a taxi route from a taxi association and buys a taxi on five-year HP with comprehensive insurance, costing about R9 500, and life cover included in the financing."

"Payments amount to R1 500 a month and he reckons he can afford that."

"But because the insurance is financed over four years, his instalments jump by R450 the first year, by R500 the next year, by R560 in the fourth year and by R1 000 in the fifth year."

"The taxi owner now has to find R4 110 a month. Small wonder he has to race against other taxis to get in a few extra trips a day."

Mr Thomas said he knew of a taxi owner who had committed suicide because of pressure put on him by a financial institution.
Taxi men 'refuse to be ignored'

NEWTON KANHEMA (332)

THE taxi war could be stopped if the police and the government were committed to peace on the roads, says Jacob Ledwaba, spokesman for the Lehlabla Taxi Organisation (LTO).

Mr Ledwaba, the man who organised the blockade of all routes to Johannesburg International Airport on Wednesday, said his organisation was not prepared to bury its members every week and let the government ignore their pleas.

"Innocent people are dying and we refuse to be ignored. We know the police are involved and the government seems so uninterested in the deaths of black people.

"We have gone to the president, we have gone to Mac Maharaj, to Jessie Duarte, to George Pivanz and we have got nothing. Tell me why we would not be frustrated. I am sure that if white people were dying at this rate, something would have been done," said Mr Ledwaba.

He said the Wednesday blockade was not done out of malice but as a result of frustration.

LTO has a membership of more than 4 600 and controls a fleet of 14 500 minibus taxis. It had gone to court and won its cases on routes and ranks, but the police were not monitoring whether other taxi organisations were abiding by laws and regulations, Mr Ledwaba said.

LTO members believed the taxi wars were fermented by the bias that the police had in favour of some organisations, Mr Ledwaba said.

His organisation was not in the habit of inconvenienting commuters, Mr Ledwaba said. "Its mission is to save lives."

After the blockade, LTO representatives met Mr Maharaj and agreed on a course of action.
Don't charge us,
say taxi operators
(32) State 21/10/95
South Africa would be frozen by
a massive taxi blockade if the
Government pressed charges
against taxi operators who
staged a blockade earlier this
week, the Lehighale Taxi Organi-
sation said yesterday.
"We have already contacted
all taxi associations country-'
wide, and they have pledged sol-
liarity and support to bring
South Africa to a standstill," the
organisation said.

Of Wednesday, taxi associa-
tions in Johannesburg blockad-
ed access to Johannesburg In-
ternational Airport.
The "Lehighale Taxi Associa-
tion" said taxi operators were
angry that the Government had
not done anything in spite of 140
deaths, attributed to violence,
and demanded an inquiry.--Sapa
Pirates blamed for attacks on metered taxi divers

Violence will go on if peace pleads ignored - taximen
Cops are blind to taxi wars.

By Miko Kube
Cape Town taxi drivers less stressed, study finds

Staff Reporter

LIFE in Cape Town is so laid-back that even our taxi drivers, whose driving is a constant pain to fellow motorists, have some of the lowest stress levels in the industry.

A Berocca stress barometer survey, focusing on mini-bus taxi drivers and commuters in the country’s major metropolitan areas, found that while city taxi drivers had high stress levels, they were not as extreme as the pressure felt by their counterparts in Gauteng, Free State and KwaZulu-Natal.

The survey found that Johannesburg drivers, on average, recorded a score of 45 on the Berocca meter, and that one third of drivers monitored experienced daily stress levels of between 77 and 105. This is an abnormally high stress score, indicating that the drivers are close to breaking point.

Costal city taxi drivers seemed less stressed, with Cape Town and Port Elizabeth reporting the lowest minimum stress levels of all the areas researched.

Both districts’ minimum levels were found to be a very low three, with 74 percent of the city’s drivers recording scores between zero and 30. In Port Elizabeth, 25 percent of the drivers and their passengers had stress levels of between zero and 30.

Sherene Cuthbert of Roche Consumers Health, who conducted the survey, said, “With the exception of Port Elizabeth and Cape Town, the strong trend found was high, unhealthy stress experienced by people who daily drive and use mini-bus taxis.

“Worry about disputes and violence in the industry added to the normal stress levels experienced by drivers and passengers, who work and travel in busy traffic every day, and has clearly created a pressure-cooker of stressed individuals on the roads.”
Taxi sector a litmus test for new SA, says traffic chief

Theo Rawana

SA would have lost a great opportunity for change, with blacks losing faith in the free enterprise system if the taxi industry failed to develop into a thriving, meaningful industry, Johannesburg traffic director Titus Malaza said yesterday.

Speaking at the "road ahead conference" outside Johannesburg, Malaza said the need for training was just as important in the taxi industry as in any other business. Furthermore, "policing must be improved and the permit system should be revamped."

Past governments and other transport operators had not accommodated taxia, but the industry had overcome this and many other obstacles to become the leader in the informal sector.

"The industry, especially the passenger transport sector, has historically been governed by protective unions and bus monopolies. Indeed the government now consults them on proposed legislation that may affect them, a far cry from the days when government was considering recommendations that they be driven off the streets."

"But it (government) also faces the challenge of eliminating the violence that sometimes characterises competition between the taxis, and bringing down the rate of accidents caused by these vigorous, young newcomers to SA urban life," Malaza said.

If the industry was properly managed, especially with regard to violence, the required personnel with skills would be attracted to the industry and have reason to stay there indefinitely. "Passengers will be rewarded by the quality of service rendered."
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Source: SALDRU Project for statistics on living standards and development

NOTE: Rounding off: this results in marginal differences in corresponding data.

(a) In some cases the gross wage has been estimated from stated net wage - and vice versa - through the use of a median tax to income ratio and certain demographic variables.
(b) Gross wage includes monthly benefits and bonuses in a
(c) As dependants are defined male household members under 65 years old and likewise female under 60 with no individual income.
Police to act against blockades

Safety and Security Minister Sydney Mufamadi said yesterday police would act firmly against blockades of highways and public roads by protesters. Mufamadi met with SAPS Commissioner George Fivaz, and with the Ministers of Transport and Labour on the matter. "The national commissioner has been informed of my views and requested to communicate them to the relevant police officials throughout the country," Mufamadi said. Reuters.
USAfrica still aiming for takeoff

BY PETER FABRICIUS
STAR BUREAU

Washington – USAfrica Airways, grounded in February, is still struggling to raise the finance to begin flying the US-South Africa route once again.

The fledgling airline – briefly the only US carrier flying the SA route – would probably decide by November 9 whether to relaunch in December or go out of business, company president Greg Lewis said yesterday.

November 9 is the date of a hearing in the Delaware bankruptcy court on whether the US Department of Transportation (DOT) should be allowed to execute an order to reallocate USAfrica’s six flights a week to two other US airlines, World Airways Inc and Southern Air Transport.

Both have announced plans to begin flying the SA route by December this year with both passenger and cargo flights.

The bankruptcy court earlier issued a temporary injunction, preventing DOT from carrying out the order on the grounds that this would put USAfrica out of business.

Lewis said yesterday he regarded November 9 as the provisional deadline for deciding the company’s fate. USAfrica began flying from Washington to Johannesburg twice a week last year.
PUTCO

Recovery prospect

Operationally, Putco's results for the year to June 30 add considerable weight to the promise that this mass transport operator has, after more than a decade of declining fortunes, re-established a base from which it can grow.

It has been less successful in convincing the investing public of its recovery potential: the share price over the past year has

done little more than track earnings. And, at a p/e ratio of 5.6 (against 5.3 at the time of the 1994 annual report), Putco's market rating is little more than one-third of the industrial average.

The biggest single factor inhibiting the share price is probably the lack of progress on virtually every front that affects the mass transport industry.

As chairman Albino Carleo points out in his annual statement, the list of problems is almost endless. They range from general factors such as continuing violence to issues directly affecting the industry such as the development of responsibilities and authority from central government (effectively still in control of the industry through the Department of Transport which is responsible for subsidies) to provincial and local authorities.

Another factor is continuing uncertainty over the whole subsidy system, which is under investigation and will presumably be dealt with in the White Paper on transport policy due to be published early next year.

But, while frustrating to operators like Putco, this unpromising background makes the group's achievements over the past year all the more commendable.

For the first time since 1982, there was improvement in virtually all operating statistics. The number of passengers carried, and the distance covered by Putco buses, increased by 6% and 7% respectively, leading to an improvement of about 12% in capacity utilisation. As in 1994, this was reflected in a widening of the trading margin. This, in turn, was the main factor behind the 36.6% gain in operating profit to R32.6m. Financial improvements extend to the balance sheet, where tighter current asset management has reduced the group's net asset build-up (the group borrowed R2.7m at year-end from 1993's R4.2m).

In that year, net borrowings from banks increased, but those in 1994 were lower than the carrying amount of R10.6m at the end of 1993.

What can be said is that the stronger financial position and rising interest rates should boost interest income which actually dropped by 22% of last year's R5.0m-

in 1994, but fell down on 1993's R3.2m.

Remidium may be further provided under the importation of passenger vehicles: on the international market, a putco share could still have a chance. An investment in Putco, as the historical dividend yield is 9.5%, as well as the authorities ever get their act together, may be a good support for the transport industry.
Hectic times as trade with SA increases

Container depots throughout South Africa are bursting at the seams following the dynamic growth in international trade with the country over the past months.

The industry has been forced to expand and upgrade facilities to cope with increased volumes, yet it must still offer the same standards of service to its clients.

Sometimes, however, unusual requests and strange cargoes are thrust upon the operators of these depots.

The Durban branch of South African Container Depots (SACD) recently received a request to move an abnormal cargo. Although the list of abnormal cargoes moved by SACD is numerous, the company pulled out all stops after it received this request from the Natal Parks Board.

A number of baby elephants had to be transported to Europe in open containers. This highly unusual and specialised cargo was transported by sea with concern for their safety being of prime importance.

With the pressure on space at SACD’s container depots, the company has now been forced to upgrade facilities. SACD’s port and inland facilities have been swamped with cargo handling requests, according to Geoff Popple, SACD’s Business Development Director.

“We have had to upgrade our operations extensively at all our depots to cater for increased demand for export and import cargo handling. Because of demand and increasing land costs, we have had no choice but to go up. This has resulted in a multi-million rand equipment replacement programme, which includes two seven-high container stackers, a first for South Africa.

“Upgrading of machinery and equipment is one thing but controlling the logistic container handling nightmare is another,” said Mr Popple.

SACD has implemented a major investment in computer technology, striving to give clients instant information about their cargoes and containers.
There were 70,000 unlicensed water-overload operators. Mrs. Kamali, the head of the National Civilian Committee for Water Overload, said the number of new permits issued annually had fallen to 0.5% of existing permits, so it was no longer an urgent issue.
Taxi owners plan to disrupt polls

By Joshua Raboroko

Two taxi associations have called for a boycott of tomorrow’s local government elections and have threatened to blockade all routes to Sun City and Botswana border posts if the Government does not act to end violence.

The North West Taxi Association and the Welkom Taxi Association announced yesterday that they would embark on a programme of peaceful mass action to discourage their families, communities and members of other taxi organisations from voting.

They said they were prepared to join other taxi groups in their plans to blockade national roads. They would also pressure Transport Minister Mac Maharaj to subsidise black taxis in the same way as trains and buses were.

Norta spokesman Mr A Xuma accused North West province of not heeding their demands, which included stopping violence, subsidising taxis and controlling routes. Free State taxis have also vowed to join the mass action.

North West MEC for transport and aviation Mr Stan Vlaar said yesterday that a great disservice would be done to the community if it was not afforded the opportunity to vote in the local government elections.

He said there were other means of protest action open to the taxi organisations than disrupting the elections.

In another development yesterday, a spokesman for Letlhabe Taxi Organisation Mr Jacob Ledwaba said they would mobilise their operators to embark on mass action if Gauteng MEC for transport Mr Olimus van Zyl did not address their demands at a meeting in Johannesburg today.

The LTO said it had the support of other taxi associations, despite denials by the Government and the Southern African Black Taxi Association, the National African Federated Transport Organisation and the South African Long Distance Taxi Association.

Their (LTO) operators blockaded routes to and around terminals to Johannesburg International Airport two weeks ago, disrupting the flow of traffic and business activity.

Sabsa spokesman Mr Einos Mabuza said they identified with the taxi problems. However, they believed that negotiations and not blockades were the only means to resolve the problems.

Nafio’s president Mr Peter Rabali said whatever form the taxi men’s action took, disruption of elections and blockades of roads would not resolve the problems.

The SA Long Distance Taxi Association said they would not join the blockade.

In a statement Van Zyl said the LTO’s renewed threat to blockade roads must be condemned.
Driven to fighting

‘Unprotected’ taxi operators may take on gangs

JOSEPH ARANES Staff Reporter

TAXI drivers angered by police “inactivity” on gangsterism have threatened to take the law into their own hands.

In recent months several Peninsula taxi associations have complained of gangsters terrorising them on the roads and at the ranks, demanding the drivers pay protection money.

In one incident, six people, three of them passengers, were injured when gangsters opened fire at a Belhar taxi rank. In Manenberg taxi drivers say they are continually threatened by gangsters, and in Bonteheuwel a taxi regulator — a person who directs operations at a rank — was seriously injured when gangsters shot him in the stomach.

In Mitchell’s Plain on Monday the simmering feud between drivers and gangsters at the town centre rank exploded when two drivers and a gangster were stabbed during a running street battle.

One of the drivers, who refused to be named, said it was time the police acted against the gangsters and kept them off the taxi ranks.

“We are grown men with families and it is very humiliating when we get slapped around and robbed of our hard-earned money in front of children and passengers.

“We are offering a good service to the communities and don’t deserve the treatment we are getting from the gangsters. Already we are forced to share our food and cigarettes with them and give them rides on request. They can’t expect us to support their drug, liquor and illegal activities as well.

“They have their gangfights at our taxi ranks and the commuters and drivers are forced to flee the area to avoid being injured. This situation must stop and the police must offer us protection or we will have to defend ourselves.’

One of the drivers involved in the fight at the town centre said the gangsters must be stopped as most of the drivers were working for taxi owners and were only being paid wages.

“We don’t have the money to pay their ‘protection tax’ and why should we pay them money to protect us from them. We are paying tax to the government and the police must protect us.

“Now I understand how Harry Joshua must have felt living in the shadow of these gangsters the whole time and continually being harassed by them.”

On Monday’s incident, he said the police were told twice but took their time before finally arresting the injured gangster, who the drivers claim was the ringleader and responsible for the stabbing of two drivers.

Police spokesman Raymond Dowd said gangsterism was the Western Cape police’s main priority and they kept a close watch on taxi ranks.

“The Community Safety Plan has a holistic approach to combating gangsterism and includes all venues and areas, including taxi ranks.

“Mitchell’s Plain has been indentified as a problem area and we do conduct regular checks at the ranks and on the routes the taxis follow, but policing taxis is a very difficult task as gangsters do not just attack and strike at one place but have their evil tentacles all over the place.”

Colonel Dowd said more resources had been placed in the area and the police were busy gathering intelligence on gang activity in the taxi industry.

He also urged taxi drivers not to take the law into their own hands but instead to report problems to local police station commanders.
FRIDAY
NOVEMBER 3, 1995 ★

No market for American Airlines "yet"

AVIATION EDITOR

ALTHOUGH there are long waiting lists for South African Airways direct flights to the US in the next few weeks, American Airlines managing director in SA Mr Mike Tyler says the market is not yet strong enough for his airline to fly here.

American Airlines opened a new office in Claremont last night. It has a code-sharing agreement with SAA under which they market seats on each other's planes.

Mr Tyler said it would not be worthwhile for the airline to enter the market with fewer than six flights a week, and there would not be enough demand at this stage to justify so many.

"We hope the market will soon grow to the extent that it will be worthwhile for us to fly here ourselves," he said.

While flights are in short supply, some passengers fly to the US on other airlines by way of destinations such as Cairo and Casablanca, and then take connecting flights.
Midrand groups unite to fight taxi-related ills

Projects for improving transport systems include driver-training programme, information system and new shelters

BY MANDLA MTHEMBU
Staff Reporter

Midrand transport authorities, community organisations and businesses have banded together to reduce taxi-related problems and provide a better transport infrastructure for residents.

The initiative includes a pilot scheme for passenger transport, planning for provision of lay-byes and ranks, an empowerment and training programme for taxi drivers, a public transport management information system and the provision of shelters by a private company.

The projects are being run by the Midrand Public Transport Forum, an organisation consisting of Midrand taxi associations, bus operators, SA Rail Commuter Corporation, commuters, ratepayers associations, civic, the management committee of Midrand Town Council and commerce and industry.

Representatives of SAPS, traffic department, town engineer's department, local road-transportation board and transport inspectorate department have observer status.

MPTF spokesman Heidi Fouche said other issues being addressed were conflict on routes and control over the issuing of permits.

In another development, the Lehlabite Taxi Organisation (LTO) and South African Long Distance Taxi Association (Saldta) met yesterday with Gauteng transport and roads MEC Olaus van Zyl to discuss their disputes.

LTO spokesman Jacob Lodwaba has accused other associations of lacking commitment.

LTO members recently blockaded routes surrounding the Johannesburg International Airport, delaying flights and leaving thousands of passengers in the lurch. The blockade followed the killing of six LTO members near Hammanskraal.
The Road Freight Association is pressing for the standardisation of axle weights in sub-Saharan Africa.

Association chairman Garth Bolton says if cross-border freight operators all accepted the “Mitchell Plan” it will simplify law enforcement and see the introduction of the same maximum weight limit per axle for trucks.

The plan, proposed by deputy-DG of the Transport Department, Malcolm Mitchell, calls for an increase in the maximum load of a single-axle vehicle from the current 8.2 t to 9 t, of dual-axle vehicles from 16.4 t to 18 t, and of a triple-axle tridem from 21 t to 24 t.

Bolton feels this may lead to law enforcement agencies treating all carriers the same, and “may end the practice of police turning a blind eye towards cross-border operators using our roads, as far as axle loads and truck combinations are concerned.”

The proposed heavier axle loads would improve truckers’ revenues which, says Bolton, have not kept pace with inflation. Margins are between 5% and 15%.

Cross-border truckers have other significant advantages over their SA competitors — notably cheaper diesel fuel and lower wages. It is also believed that they use that cost advantage to undercut local transporters to get internal loads, from one point of SA to another (cabotage). But that’s difficult to prove, says Bolton.

On the question of whether left-hand-drive trucks should be allowed to use SA roads, Bolton admits that they are more dangerous “but we cannot ask for them to be banned.”

The argument is that the driver of the truck, which is about 2 m wide, has to move his truck 2 m into the lane of oncoming traffic before he can see whether it’s safe to overtake, which poses a hazard.

Bolton agrees but says: “It’s a smokescreen being used to reject them.

“They are easily procurable in countries to the north, where there is no limitation on importing used vehicles from the Americas and Europe, where left-hand-drive vehicles are the norm.

“Operators in countries to the north can buy good second-hand trucks for R100 000, while we have to pay more than double for similar equipment.”

But Neville Roome of Freightliner, the Mercedes-Benz division that will sell the imported US trucks in February, says allowing the use of left-hand-drive vehicles in SA is dangerous. The Freightliners sold here will be right-hand-drive vehicles.
Ceasefire reached between warring taxi groups

JERMAINE CRAIG
and ANNELIES SMIT
Staff Reporters

A MEETING of the Mitchell's Plain Taxi Forum is expected to be held tonight to entrench a temporary peace agreement reached between warring taxi organisations.

Route Seven taxi drivers, who operate from the Mitchell's Plain and Strandfontein areas to Wynberg, began fighting and blockaded roads on Friday to protest against "pirate" taxis operating on their routes without valid permits.

A tentative peace agreement was reached when Route Seven and the Cape Amalgamated Taxi Association (Cata) — the two organisations involved in the dispute over the right to travel on this route — signed a peace agreement on Friday.

According to the agreement, all taxis, legal or illegal, would be allowed to operate on the route until tonight's meeting.

The meeting will be attended by taxi associations, the police and traffic department, which has been accused by the Forum of soft pedalling on taxis without permits.

Last week, however, the traffic department was ticketing "pirate" taxis.

The two men at the centre of the taxi conflict are Victor Philander, chairman of the Route Seven Association, and Turhan Yusuf Adams, formerly of Route Seven and now heading a group of drivers who have joined Cata.

Mr Philander is accusing Mr Adams of leading a group of drivers who he alleges do not have the necessary permits and who operate on this route illegally, so depriving the Route Seven drivers of their livelihood.

The Forum also alleges that Mr Adams prevents passengers who commute from Wynberg to Strandfontein from travelling on the Route Seven minibus services, which stop at Strandfontein on their way to Mitchell's Plain. This has caused friction at the Wynberg taxi rank.

Mr Adams counters that all the drivers now operating under him are permit holders and that he (Mr Adams) is the only one who does not have a permit.

Nine months ago the Mitchell's Plain Taxi Forum decided that Mr Adams would be allowed to operate on the Strandfontein-Wynberg route on a rotation basis, using 25 taxis at a time.

However, the Forum now alleges that Mr Adams has brought in other drivers who did not previously operate on the route.
Bus services brought to halt by strike over stabbing of driver

Crime Reporter

STRIKING bus drivers at Golden Arrow's Philippi depot today halted commuter services in Mitchell's Plain after the stabbing of a driver by a fishmonger.

Other areas affected include Wynberg, Mowbray and Cape Town.

Buses are being re-routed from other areas to relieve the problem.

A spokesman for Golden Arrow said the driver was stabbed in the hand during an altercation with the fishmonger in Mitchell's Plain town centre on Saturday.

The spokesman said hawkers were encroaching on demarcated passenger-loading areas and made it difficult for drivers to manoeuvre their buses.

Commuters were also finding it troublesome to squeeze past the hawkers during peak hours, the spokesman said.

A large section of the workforce at the Philippi depot stopped working today to air their grievances, which centred on what they claimed was a lack of support from company management.

A driver told The Argus that their lives were being put in danger while they worked, yet they were getting no backing from management.

The spokesman said senior company officials were addressing the issue and talking to the striking workers to defuse the problem. They hoped to restore the service before today's rush hour.
Theo Rawana

THE taxi industry is buckling under the strain of taxi fares that decreased in real terms by staying the same year after year, all because taxi associations met with resistance whenever they consulted community organisations about increases, say industry leaders.

With prices of fuel, spare parts, tyres, insurance, hire purchase and other running costs escalating almost every month, the taxi industry had not been able to raise fares during the past four years, SA Black Taxi Association (Samba) treasurer Enos Makena said yesterday.

Benoni Taxi Association chairman Bekokwabo Radebe, whose association's 25% fare increase was being opposed by "some unruly elements" in Daveyton, said the taxis lost increased fares in November 1991. The latest increase, from R2 to R2.50, came after the association consulted the local civic association and addressed residents in a local stadium.

"Although there were questions, the people were satisfied. It is not the commuters who are objecting to the increased fare, but hooligans who do not even use taxis," he said.

The taxi industry throughout the country was running at a loss, he said. "The fares we are charging are uneconomical — and you would be correct to say we are running taxis for the love of it. How can we be expected to run a sound service on sound vehicles, and pay a living wage to the people we employ?"

Gauteng government taxi spokesman Knox Matjila said there was nothing forcing the taxi industry to consult civic organisations before it raised fares.

"He said local people should see to it that the local structures came together with the taxi industry to iron out any problems there were."

The Lehlabile Taxi Organisation, which is embroiled in a dispute with two rival organisations over ranking facilities, said yesterday, it would occupy what it claimed was its rank in Quarts Street, Johannesburg, on Friday.

A Samba spokesman said that as far as he knew there were no official taxi ranks there.
Safmarine, foreign partner create major new company

Nicola Jenvey

DURBAN — Safmarine and Belgian-based company Compagnie Maritime Belge Transport (CMBT) have joined forces to create one of the largest liner shipping operations in the north-south trades with an initial annual turnover of $1bn.

Safmarine MD Tony Farr said yesterday conservative revenue growth would be about 5% a year in dollar terms, dependent on increased trading conditions in Africa, India and South America.

However, economies of scale would increase cost efficiencies within container logistics, operations and systems, while trading activities were expanded. Farr estimated Safmarine and its partner CMBT would jointly save R350m a year on logistics.

Safmarine is a wholly owned subsidiary of the Safren group, while 51% of its partner’s shares is held by Belgian-listed Compagnie Maritime Belge (CMB) and 49% by Safmarine.

The new company, a name would be announced next month, would be launched in January.

Safmarine would hold 51% of the new venture and its partner CMB 49%, but Safmarine’s effective shareholding would be 75% because it held 49% of its partner.

Farr said Safmarine had injected $38m worth of containers into the new venture to bring its holdings to 75%, but there would be no direct capital investment by another company.

“This venture puts us into a new league, as from inception it becomes one of the largest liner shipping operations in the north-south trades — and certainly the largest to and from Africa.”

The venture would operate 50 ships and more than 50,000 containers, resulting in about 400,000 full container moves annually. Other north-south trades moved between 200,000 and 250,000 full containers a year.

Existing trade routes would be served, with new routes considered in time. Safmarine operates between SA and Europe, North America and the Far East, while CMBT operates Europe to West Africa, East Africa, the South American east coast, and India and Pakistan.

The venture does not include Safmarine’s bulker container and aviation interests or its investments in Grinesaf Holdings and Peaow Marine.

Howard Boyd, Safmarine Liner Interests CE, will become CE of the new venture, and CMCT CE Graham Peirce deputy CE.
Safmarine venture to dominate Africa

BY AUDREY D'ANGELO

Cape Town — Safmarine and Antwerp-based CMB Transport (CMBT) are joining forces to launch a new company which will be the largest cargo liner operation serving Africa, with a fleet of more than 50 ships and a turnover of more than $1 billion a year.

Announcing the joint venture yesterday, Safmarine managing director Tony Farr said it would strengthen his company's position in the European market. The company, still to be named, would have a management company with its headquarters in Antwerp.

Strengthen

It would also strengthen Safmarine and CMBT in competition with alliances formed by shipping lines from the Far East, which were still mainly serving the east-west routes but were "spilling over into the north-south routes."

Safmarine bought 49 percent of CMBT, which was making a loss, in July 1991.

A Safmarine executive, Graham Peirce, was appointed CMBT chief executive and successfully turned the company around.

Howard Boyd, currently chief executive of Safmarine's liner interests, will be chief executive of the new venture and Graham Peirce deputy chief executive.

Safmarine will contribute between 1.500 and 2.000 containers to the new venture and will own 51 percent of it. CMBT will own 49 percent. But, Farr explained: "Safmarine's effective shareholding will be 75 percent of the new integrated operation as it presently holds 49 percent of CMBT."

The trading names of both CMBT and Safmarine will continue to be used and the joint operation will have two hubs, Cape Town and Antwerp.

"This new venture will put us into a new league," said Farr. "Right from inception, it will be one of the largest liner shipping operations in the north-south trades and certainly the largest to and from Africa."

It will own more than 50,000 containers and carry out about 400,000 container moves a year.

The European Union's strict regulations on competition discourage shipping consortia.

But these regulations will not apply to the joint venture, which will be one entity.

The SA Africa-European consortium to which Safmarine belongs has applied for a dispensation.

Farr said the joint venture would continue to serve existing markets and seek new ones. India was becoming an increasingly important market.

No jobs would be lost and more were likely to be created as the operation grew.
GOLDEN ARROW bus drivers and members of the company's management have formed an action committee to address the grievances of drivers at Mitchells Plain Town Centre terminus.

The move follows a weekend incident in which a driver was stabbed in the hand after he damaged a hawkers' stall.

A group of drivers blocked the Philippi bus terminus yesterday morning to demonstrate their dissatisfaction with conditions there. They claimed it was becoming "overcrowded with hawkers" and they were concerned about their safety, Golden Arrow spokeswoman Ms Jeanne Welsh said.

Drivers ended the blockade after talks with management.
Taxi industry demands state transport subsidy

Theo Rawana

THE Organised Taxi Industry demanded yesterday that the R2.36m passenger transport subsidy currently enjoyed by train and bus operators should be extended to taxis — with allocations being based on the number of commuters they conveyed.

The volume of commuters conveyed by minibus taxis has steadily increased over the past 15 years, and now equals that carried by both other modes of transport combined.

Industry co-convenor Boeti Letseola was making his representation in Pretoria before the parliamentary portfolio committee on transport, chaired by PAC MP Patricia de Lille.

He said the industry asked the committee to make public its views on the taxi industry and how government could offer assistance. The committee should not approve the budget of the transport department until it had shown that it would introduce a policy of equal treatment to all modes of commuter transport, Letseola said.

He said there was need for the utmost urgency "if the frustration of the taxi industry is not to express itself in anger."

The present state of affairs, in the transport industry was "blatantly unfair."

Subsidies for bus and rail services originated from the previous government's attempts to maintain apartheid.

"The taxi industry sees the government continuing to support operators who grew powerful as agents of apartheid," Letseola said.

Government stood accused of consistently refusing to consider the claims of the black-owned minibus taxi industry. "The mood of the industry is bitter, disillusioned with the government and angry."

Referring to recent demonstrations, he said: "These public outpourings of anger will certainly not be the last, unless very urgent action is taken by government."

Police investigate moonlighting

Renee Grawitzky

POLICE are investigating whether serving members of the SA Police Service were involved in moonlighting for Investment Surveys — the company commissioned by Dorbly's bus manufacturing division, Busaf, to investigate the activities of its competitor in the bus industry.

The SAPS anti-corruption unit said that during the police investigation to determine whether there was any link between Busaf and alleged "third-force activities" against the National Union of Metalworkers of SA, evidence came to light that SAPS members could have been moonlighting for Investment Surveys. The company has denied this, and said that it was unaware of the investigation.

The SAPS said if police personnel were using their official powers to enrich themselves, it would be classified as corruption. If evidence came to light of such activities, individuals involved would be prosecuted.

SAPS sources also indicated that a file relating to the Dorbly investigation had "disappeared". It is understood that the file may have contained details of the names and transactions relating to possible corrupt practices in government or parastatal organisations in the former Bophuthatswana.
A moratorium on the arrest of taxi drivers for not paying traffic fines was yesterday extended to December 15 following an appeal by Gauteng MPL and chairman of the Standing Committee on Public Transport and Roads, Dr Mathole Mothekga.

Mothekga, who led a delegation which met senior magistrate T Esteen to plan strategies for resolving taxi drivers' grievances and commuters' concerns — said his committee and Esteen had "no intention to defeat the ends of justice".

Esteen agreed to a provisional extension of the moratorium, subject to four conditions:

- Drivers must pay admission of guilt fines, where applicable;
- Drivers must pay the agreed reduced fines;
- The level of payment of fines should increase from the present 20% to 80% and above;
- The standing committee is to hold discussions with the traffic department on Friday to seek its endorsement and support.

Mothekga said meetings with taxi drivers and owners would be held on Sunday morning at the legislature in Johannesburg. — Sapa.
Minibus taxi-owners demand subsidy share

PRETORIA. — The organized taxi industry has demanded a fair share of a state subsidy for rail and bus services.

The present state of affairs in the transport industry was blatantly unfair, it told the parliamentary portfolio committee on transport in Pretoria.

It said subsidies for bus and rail services originated from the previous government's attempts to maintain apartheid.

"The taxi industry sees the government continuing to support operators who grew powerful as agents of apartheid."

The OTI said the annual R2.3 billion transport subsidy should be shared between rail, bus and taxi services, based on the number of commuters each conveyed.

It accused the government of consistently refusing to consider the claims of the black-owned minibus taxi industry.

"If there is a policy, it is one of inaction." — Sapa.

SAPS men may miss promotion

OFFICERS in the South African Police Service qualifying for promotion may not be promoted in the present rank structure but be given only a salary adjustment.

Police spokesman Johan Lourens said there were two main reasons for this: the limited number of posts available and the imminent new rank structure to be implemented which would "melt together" certain ranks.

Colonel Lourens gave two examples: lieutenants and captains to be combined into the rank of superintendents, and majors and colonels becoming chief superintendents.

Officers who were not to be promoted would be advised by letter.
Taxi drivers return to Quartz Street under police protection

BY TEFO MOTHIBELI

Lethlabile Taxi Organisation (LTO) members returned to Johannesburg's Quartz Street taxi rank yesterday, in line with a Supreme Court ruling handed down last month.

Taxi operators belonging to the organisation moved out of the rank in May after several bloody clashes with South African Long Distance Taxi Association members.

LTO media officer John Ledwaba said his organisation's members did not return to the rank last month at the request of Transport MEC Olaus van Zyl, who feared that the violence would escalate.

They returned to the rank amid stepped-up security with 180 police officers deployed at their request.

Safety and Security MEC Jessie Duarte said: "I informed them that they had a right to return to their rank in terms of the court order. I also informed them that I would request a police presence in and around Quartz Street to ensure the safety of all innocent civilians and taxi drivers."

Ledwaba was full of praise for the police's efforts to resolve the bloody conflict between taxi operators. "This action has lessened the doubts that you are serious and unbiased in your view of how these matters can be resolved," he said.

The LTO had asked President Nelson Mandela to intervene in the conflict.
Task team for KwaZulu taxi industry

Durban – A task team had been set up in KwaZulu Natal to oversee the development of the provincial taxi industry, Transport MEC Sbu Ndebele announced yesterday.

The task team, to include government and taxi industry representatives, would initially receive funding from and be part of the KwaZulu Natal transport department.

A statutory body would later be set up for the industry.

At a news conference in Durban, Ndebele said the task team would help to guide and monitor provincial programmes to develop the industry. Areas the programmes would cover included training, an information dissemination project and the formation of a provincial database incorporating permits, routes and drivers.

“We’re going to raise the industry as a major vehicle for black empowerment,” Ndebele said.

Prosperous

“I have every confidence that the transformation of the taxi industry into a dynamic and prosperous service industry is now at hand,” the MEC added.

Taxi representatives present at yesterday’s meeting stressed the need for a co-operative industry without the violent conflict evident elsewhere in the country.

-Supa
BULLY-BOY tactics by members of Cape Town's largest taxi organisation against a small suburban operator and his passengers have been detailed in a petition by 500 angry residents before the Cape Supreme Court.

Justice John Hope last week interdicted the Peninsula Taxi Association (PTA), from assaulting, intimidating or verbally abusing Mr Gamja Isaac, his staff or their passengers. The organisation must give reasons by December 14 why the order should not be made final.

"On numerous other occasions the PTA members swore, assualted, harassed and intimidated my family," Mr Gamja Isaac stated in court.

Mr Isaac, who runs a fleet of four taxis - pioneered a new route in Vredehoek at the request of residents in 1981.

Attorney Nazem Elbrahim, who acts for Mr Isaac, claimed yesterday that the harassment had continued in spite of the interdict, and he was considering returning to court this week to ask the judge to find the PTA in contempt.

The allegations before court range from forcing passengers out of the taxis to beatings, which began soon after the Isaac taxis started operating in the area.

According to court papers, Fagmie Isaac was forced out of his taxi by a 10-man gang, some armed with sjamboks.

He was allegedly abducted and taken to the station deck, the central taxi rank above the city's railway station, where he was beaten by the group of men.

"The men started to hit me with sjamboks," he told the court, adding that he was held down when he tried to run away.

Further affidavits produced by the Isaac family and residents of Vredehoek indicate that the clash was just one incident in a series of attacks.

The judge was told that 80 complaints of harassment and assault had been lodged with the police against the PTA.

A petition to the police, signed by 500 Vredehoek residents and workers in the area, was handed in to the court. It states: "We refuse to be subjected to these inhuman acts of harassment, violence and swearing." They demanded that the PTA taxmen leave the Vredehoek area.

Residents claim the authorities had lost details of complaints about assaults by the PTA and had failed to acknowledge the petition sent to them by angry residents.

"As far as I am aware there are approximately 80 charges pending against the PTA drivers, regulators and conductors," said Vredehoek resident Deborah Miller in her affidavit.

The charges of victimisation against the PTA were mainly lodged at the Caledon Square police station, but nothing had come of these, Ms Miller said.

Mrs Miller helped establish the Vredehoek/Devils Peak Community Service to act on the crisis.
Taxis may not run tomorrow

By JEFFERSON LENGANE

GAUTENG taxi commuters may be stranded tomorrow because of a drivers' strike announced by the National Taxi Drivers Organisation’s (NTDA) chairman, Gadi Sibanyoni.

Sibanyoni is inviting all taxi drivers, owners and commuters to a meeting at Joubert Park today at 9.30 am to explain matters resulting in the decision of taxi drivers to embark on an "azikhwele" campaign.

"We have held a number of meetings with government officials, including a march in May, to resolve the harassment of taxi drivers by traffic officers and the courts – to no avail. Several forums were formed and the issue still remains a problem for us. Therefore, in the spirit of consultation, we request all interested groups to attend our meeting so that jointly we can take a stand," said Sibanyoni.

He said the strike was in no way directed at taxi owners or commuters, hence the need for them to attend and contribute to an agreement between authorities and taxi drivers.

Mike Ndlovu, an official of NTDA, said: "There may be more than one day, depending on the response of the powers that be."
Dispute over taxi rank

By JEFFERSON LENGANE

THE South African Long Distance Taxi Association (SALDTA) has criticised Gauteng MEC for Safety and Security Jessie Duarte for deploying police at the Quartz taxi rank to protect members of the Lethlabile Taxi Organisation (LTO) on Friday.

LTO members were returning to the rank after leaving it in May following violent clashes with members of SALDTA.

A court ruling ordered in favour of LTO to return to the rank last month. However, at the request of the MEC for Transport, Olaus van Zyl, they did not return last month and only did so on Friday with a heavy contingent of police.

"This is the first time in the history of the taxi industry that a taxi rank has been opened by police. It is further in violation of our December agreement with the MEC for Transport. LTO and Federated Long Distance Taxi Association that there be no new taxi ranks and routes opened in Johannesburg."

"By opening the rank, the government is taking sides with LTO and this will further escalate the taxi violence. These people are from Alexandra and are plying our long established route," SALDTA acting public relations officer Wesley Mpawu said.

Mpawu said government needed to be reminded that it was not SALDTA but LTO that blocked the airport and threatened to disrupt local elections through blocking routes leading to polling stations.

"Are we also supposed to be rude and do the same to get the government to give us a hearing and protect our routes?" said Mpawu.

Mpawu said his organisation was busy consulting with their attorneys to reverse the court ruling and get LTO out of their business routes.
Rain foils strike
By Mongadl Mafata

INCESSANT rains which fell over most parts of Gauteng at the weekend somehow put the brakes on a taxi drivers' strike which would have left most commuters stranded today.

A meeting of the National Taxi Drivers Organisation which was due to be held at the Joubert Park taxi rank yesterday was called off when a few members turned up at the park.

National chairman of the organisation, Gashi Sibanyoni said the meeting had been postponed to a later date because of the weather.

Sibanyoni said the campaign was aimed at forcing the Government to formalise the taxi industry.

Some of their gripes include alleged harassment by traffic officers, unfair judicial treatment and bad working conditions.

Had the campaign got off the ground today, most commuters in Johannesburg, Pretoria, Vaal and the East Rand would have been affected, Sibanyoni said.
POOR COMMUNITY RELATIONS BLAMED

Four policemen a day attacked in SA

THE NUMBER of attacks has dropped, but a research report shows more police officers are killed in South Africa than in any other country. JACKIE CAMERON reports.

At least four police members are attacked nationwide every day, according to a police research report which reveals that more police officials are murdered in South Africa than any other country in the world.

The number of policemen killed between January and October this year decreased by about 14% from 223 to 191, but the total number of attacks declined by only eight incidents to 1,309, according to the report released at the weekend.

Gang violence was still a problem, but great progress was being made in places like Manenberg.

A police spokesman said: "On average 67 police officers are killed throughout the United States every year. This is significantly less than in South Africa, where an average of 200 police officers are killed every year. Our population is much smaller and we have fewer police members serving our community.

"In America most people honour their police officials. They have a great deal of pride in them and are shocked when a police officer is killed in the line of duty." According to a recent Human Sciences Research Council survey, only 66% of people in this country believe that attacks on police are unjustified.

This finding has led police to believe that poor community relations, as a result of police enforcing apartheid laws in the past, remain a major factor in the high incidence of attacks on police.
HOT ISSUES: A taxi association member, centre, makes her feelings known at a meeting to discuss problems with the taxi industry.

Ministers told:
Give us help or face taxi war

Cata accused of acts of intimidation

LINDSAY BARNES
Staff Reporter

HELP us or prepare yourselves for a taxi war, two Western Cape ministers have been told during a meeting to discuss problems in the local taxi industry.

The plea for help was made by a member of a taxi association, who asked regional Police Minister Patrick McKenzie and Minister of Transport Leonard Ramatilakane to investigate allegations of intimidation by the Cape Amalgamated Taxi Association (Cata).

Yesterday, the two ministers met taxi association members, taxi owners and drivers at the Westridge Civic Centre in Mitchell's Plain.

The man who called for the investigation expressed the fear that anyone acting against Cata would suffer reprisals.

His remarks were echoed by another speaker on the floor, and the media were asked not to photograph association members who spoke out.

He said: "Every interchange, every rank is being intimidated by Cata. The Minister of Transport must hold a commission of inquiry to eradicate this problem."

He said he belonged to a smaller and "weaker" association.
"We don't fight; we don't shoot guns. But it is coming. Prepare yourselves for war - unless the Minister of Transport, with the assistance of the Minister of Police, does something about it."

This was how violence started and it was the commuters who would suffer, he said.

"There are very few taxi association members whose lives have not been affected by Cata."
"We have been told to go home and stay home. They have said: 'You come back when we feel you can come back.' That is intimidation," he said.
Taxi drivers had approached the police for help and had been told nothing could be done unless a charge was laid against Cata.
But they had not been willing to lay an official charge because they had feared for their lives.
"Almost everyone has problems with Cata," said the man.
"It is a very powerful organisation and it intimidates one taxi line or one taxi association - at a time."

Mr McKenzie, in response to a question about the way police members handled complaints from taxi association members, said: "Any policeman who says his hands are tied should not be in the force."

Concerning allegations that policemen owned taxis - or that the taxis were registered in their wives' names - he said the community should provide names.

He said police were aware of which gangsters were asking local businesses for protection money and were planning to trap them.

He planned to meet Mr Ramatilakane and the Justice Department to decide what to do for people who experienced intimidation.
"We cannot live in fear in the new South Africa."

He also intended approaching Western Cape Attorney-General Frank Kahn.

In the first week of September, 17 vehicles had been hijacked - most in Lansdowne Road, Mr McKenzie said.

After police action this had been reduced to five incidents in the fourth week of the month.
"Operation Toy Gun", involving the Internal Stability Unit, two helicopters and an aircraft, would start in that area on December 1.

Responding to a plea from the floor to "get Cata into a meeting and stop them dictating to us", Mr McKenzie asked taxi association members to work with him, to "help to make the Western Cape a place where we can do everything in a nice, orderly fashion."

Mr Ramatilakane said progress had been made in the past 15 months since attempts to unite the taxi industry had been initiated.
"We are trying to organise the industry and patch up the disunity that exists. There are problems, but we have to find solutions."

He refused to allow the industry to "fall into the hands of the Mafia".
ANGRY Western Cape taxi drivers have threatened to go to war with a rival taxi association because they say it is encroaching on their routes.

The threat was made at a heated meeting yesterday between regional Minister of Police Mr Patrick McKenzie, Minister of Transport Mr Leonard Ramatikane and representatives of almost all taxi associations in the Western and southern Cape.

The opposition Cape Amalgamated Taxi Association (Cata) was not represented.

Taxi drivers told the ministers they were being intimidated and threatened because they would not make way for Cata.

Non-Cata members are apparently unhappy because they feel they cannot enter black areas whereas black drivers can come and go at will in coloured areas.

Mr McKenzie appealed to taxi drivers and owners not to become violent. Negative reports would scare off tourists when hotels were preparing for the Christmas season and could harm the city's 2004 Olympic bid, he said.

Mr Ramatikane handed copies of a draft transport policy to drivers for their comments and said another meeting would be scheduled soon for them to have their say.

The meeting was disrupted when about 20 drivers operating route seven from Wynberg to Mitchells Plain heard that Cata drivers were attacking their colleagues in Wynberg. They rushed out, but most returned later.

Mr McKenzie, using his cell phone, immediately called for police reinforcements to be sent to the area.

When the Cape Times visited the scene shortly afterwards, drivers from the Wynberg Taxi Association and Cata said there had been no fighting or intimidation.

Drivers who attended yesterday's meeting in Mitchells Plain refused to be identified as they feared intimidation.

"The ministers can say what they like, but when I get into my taxi and drive down the street I don't know what is waiting for me around the next corner," said one.

A spokesman for Cata in Wynberg, Mr Alfred Maseti, said a meeting had been held at the Wynberg police station last week, but a number of problems remained unresolved and further discussions were planned.

"There is nothing between us and them. We are friends. We don't want violence," he said.

Cata and its rivals voiced the need for proper security. They said they feared armed gangsters who threatened them on the road.

Mr Maseti said he believed the rivalry between the two taxi factions started when 25 Strandfontein drivers joined Cata seven months ago.

The old route seven drivers wanted them to move on to Cata's regular routes and not to continue on the Wynberg-Mitchells Plain run.
Police promise action after taxi war protest

Mduduzi ka Harvey

MORE than 300 taxis blocked downtown Johannesburg yesterday when SA Long Distance Taxi Association (Saldita) members marched on John Vorster police station demanding a single taxi rank in Johannesburg as a solution to escalating taxi wars.

The blockade and protest march, during which Saldita leaders presented a list of grievances to Johannesburg area commissioner Major-General Franz Malherbe, was sparked by clashes between Saldita and Pietersburg-based Lethabile Taxi Organisation (LTO).

Saldita officials claimed the LTO was operating at an illegal taxi rank in Quartz Street, Hillbrow and said they were dissatisfied police had been deployed there and not at legitimate taxi ranks.

Saldita vice-chairman Wesley Mpawu said the organisation was also dissatisfied by the decision of the Greater Johannesburg transitional metropolitan council to allow the area to be used as a public transport loading base.

Mpawu called on the rival LTO to halt hijackings of taxi owners and ambushing of taxi drivers.

Other demands included police action to shut down the Quartz street rank, an LTO commitment to peaceful resolution, and that police and traffic department prevent planned LTO blockades.

Malherbe told the drivers he would ensure their demands reached the highest authorities. The police could not be seen as acting partially because it created a bad working environment. He promised to try to find constructive solutions.
400 taxis move in protest convoy

By Joshua Raboroko

A motorcade consisting of more than 400 minibus taxis belonging to two associations congested major streets in Johannesburg yesterday as taximen drove to several offices of the Gauteng government to protest against the allocation of routes to a single taxi association.

The peaceful demonstration started at 11am from a rank in Noord Street and proceeded to the offices in Braamfontein and the inner city of MEC for safety and security, Mrs Jesse Duarte, Greater Johannesburg TMC Mr Abu Davids, MEC for transport Mr Olaus van Zyl, Gauteng police chief Lieutenant-General Sharma Maharaj and assistant chief traffic director Mr Tinus Malaza.

The motorcade by members of the South African Long Distance Taxi Association (Saluta) and the Federated Long and Local Distance Taxi Association (Fellta) was in dispute over the resumption by the Ledabaletle Taxi Organishep (LTO) of the Quartz Street taxi rank.

The three associations have been in dispute over the use of the Quartz Street taxi rank which has claimed the lives of more than 15 people in the last four months.

Saluta spokesman Mr Simon Sente said yesterday they wanted the authorities to resolve the dispute, which was threatening more bloodshed. Both taxi operators and commuters have been killed in clashes between taximen at the Quartz, Noord and Twist street ranks.

Sente said the protest was based on the “illegal occupation” of the Quartz Street rank by the LTO. “We want peaceful negotiations over the issue. Members are starting to lose their patience,” he said.

Spokesmen for the various government offices yesterday confirmed they had received memorandums from the taxi associations.
New rank triggers protest by 400 Johannesburg taxis

BY SHIRLEY WOODGATE

Johannesburg city centre traffic was disrupted for four hours yesterday when about 400 taxis belonging to members of the SA Long Distance Taxi Association Region One (Saldisa) and the Federation of Long Distance Taxi Associations (Feldisa) held a protest stretching from Nood Street via the Civic Centre to John Vorster Square.

After handing over memoranda calling for the closure of a new long-distance taxi rank for a rival group, the Lethable Taxi Organisation (LTO), Saldisa spokesman Wesley Mpawu addressed placard-waving drivers who had brought all traffic to a halt in Rissiki Street outside the Civic Centre entrance.

Holding posters reading “Police stop involving yourselves in the opening of taxi ranks in JHB”, the drivers chanted Mpawu when he condemned the opening of an official taxi rank, specifically for LTO, in Quartz Street on November 19.

Mpawu said the council had demarcated the facility for the sole use of LTO after originally warning the organisation that it was using it illegally.

LTO had subsequently illegally moved into the rank with police and traffic department blessing, in opposition to the long distance facility in King George Street, according to memaranda handed to the Greater Johannesburg Metropolitan Council, the Gauteng legislature, the SAPS, the Johannesburg Traffic Department and LTO.

“We support the one rank principle for servicing one route and disapprove of uncontrolled, unregulated and illegal ranking in Johannesburg by any organisation,” the memorandum said.

It called for the GTMC to announce that the Quartz Street rank was illegal and close it.

LTO leader Isaac Seni was told to start negotiating a peaceful and urgent settlement of taxi disputes and the memorandum called for an end to outside intervention in problems affecting the industry.

Mpawu said the two organisations represented at the peaceful protest had about 150,000 members each.

But LTO spokesman Jacob Ledwaba denied the Quartz Street rank was illegal and said the LTO had permits to prove it.

All three organisations had originally operated long distance services from Nood Street, but after being expelled earlier this year by Saldisa, LTO was forced to appeal to Gauteng transport chief Olaus van Zyl for help in getting another rank, Ledwaba said.
Taxiphone launched in Gauteng

Theo Rawana

THE minibus taxi looks set to become a safer and more convenient means of transport, with the advent of a revolutionary hands-free “taxiphone”, which both passengers and drivers can use.

The taxi driver would have a headset and microphone — like an aeroplane pilot — with a control panel and a phone keypad on the taxi dashboard.

The customised cellular telephone — a product launched by Mobile Telephone Networks and service provider Trust Telephone Corporation — was welcomed by Gauteng transport MEC Olus van Zyl and safety and security MEC Jesse Duarte yesterday as a boon for safety and service that would change the taxi trade in SA. Van Zyl and Duarte attended the product’s launch in Johannesburg.

A total of 500 phones would be distributed immediately, with 4 000 planned for distribution shortly, said Imran Jhetam, the MD of product developer Maxtel Limited.

The phone would cost R500, which owners would be able to pay off in instalments.
ready has 12 black bus owners with 45 buses subcontracted and is looking at joint ventures with others.

"It's not the vehicle but who owns it that is important. We're working with entrepreneurs, the unions and our staff to determine the best way to help blacks get into the mainstream," says Oldham. "Owning taxis isn't the only way for them to get a slice of the passenger transport market."

Putco is back on a growth curve and needs to enlarge its fleet of nearly 2,000 buses to cope with burgeoning demand. It carried 81m passengers in 1993. This rose marginally to 82m in 1994 and by 5m to 87m in its last financial year to end-June.

Oldham says he "hopes the trend will continue" but does not want to give any performance figures for this year. He says "three or even four months in a volatile business like transport is too short a period to be meaningful."

Subsidies still worry Putco and the industry. Government subsidises each coupon-buying commuter transported but not for the kilometres he travels. Oldham says: "It's hoped the White Paper on transport policy, due to be published at the end of February, will explain how government thinks subsidies should be handled.

"Some people ask why bus companies should be subsidised for transporting commuters, but they are subsidised in every major Western country. It's a way of making the fare more affordable. The average subsidy in SA is between 50%-60%. Without it, the cost of getting to work would be a hardship for every black commuter."

Government is working on a competitive tendering scheme and will probably subsidise successful tenderers per kilometre travelled rather than passenger carried. "That probably won't affect what it pays per commuter but will be much more transparent."

Putco refurbishes 200 buses a year and brings in 75 new chassis "but we'll need more buses this year," says Oldham. Before they are scrapped, older buses are stripped of their usable spares which are added to the large stock of spares Putco carries.

It builds its own bus bodies and carries out its own refurbishing, which includes engine and gearbox changes. Only a few of its bus bodies are built by outsiders and only when there is an urgent demand.

Oldham believes all forms of mass passenger transport - buses, taxis and trains - have their niches. In trying to find its niche, Putco restructured and reduced its fleet from 3,500. He advises taxi operators to try to find the right niche for their vehicles.

"They do have a niche but it isn't transporting daily commuters in peak periods for 20km or further. That's the domain of the bus. Five taxis would be needed to transport 65 people. One bus can do that and more economically. Black entrepreneurs should start thinking of acquiring buses."

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**Standing room only**

**Bus operator** Putco is to hive off part of its business to entrepreneurs in an attempt to attract black business to cater for growing demand.

MD Mike Oldham says the company al-
Taxi commuters now better connected

By SELBY BOKABA

Taxi commuters and drivers will now be able to make phone calls while on the road, following the launch of a newly designed cellular phone system called Taxiphone.

The product consists of a customised telephone which allows drivers and passengers to make calls from the taxi.

MTN marketing manager Sifiso Mzeli said Taxiphone was designed for local minibus taxis and would add a new sense of security, access to emergency services on the road and extra income for the taxi owner.

The Taxi driver will have a headset and microphone with a control panel, and keypad to enable him to make phone calls. Passengers will have full view of the meter, display fixed to the inside of the roof, showing the time and cost of their calls.
Drive-by deaths: Taxi group takes police to task over poor patrols

JOHANNESBURG. — The Leb- labule Taxi Organisation (LTO) is dissatisfied with police action following a fatal drive-by shooting at Johannesburg’s Noord Street taxi rank.

A spokesman for the organisation, Jacob Ledwaba, said despite agreements with the police that about 180 police would patrol the area on a regular basis, members had been told to leave the rank yesterday because they could not be provided with security.

Four people were killed at the rank yesterday morning.

"There were only about 15 police personnel on duty at the rank this (Friday) morning," Ledwaba said. "Police claims that our members asked to be escorted from the rank are not true.

"Senior police officers at the scene kept on chasing our members away from the rank."

Mr Ledwaba said the organisation was angry that only their members were removed from the rank.

"What really amazes us is that members of the South African Long-distance Taxi Association who did not even belong at the rank were allowed to stay.

"They rank at the King George rank, left their rank and came to our rank to impede our operation. They were hindering our service. Why didn’t police arrest them?"

Police spokesman Captain Jan Combrinck said police had not moved the organisation’s taxis from the Noord Street rank yesterday morning. Taxi drivers had asked to be escorted from the area after police told them of threats against them.

He confirmed that the Long-distance Taxi Association had asked police to move LTO taxis from the rank re-occupied by the LTO last week, but said there was no legal reason for police to do so. — Sapa.

Taxi driver fires shot to ward off attackers

Staff Reporter

MINIBUS taxi driver Achmat Carr, 23, of Athlone was surrounded by 20 men who smashed his taxi window and threatened him with a gun in Wynberg yesterday.

Mr Carr, who was sitting in his vehicle on the corner of Main Road and Church Street, drew his own gun and fired a shot, which hit a nearby wall.

The men scattered and Mr. Carr was able to drive off in his taxi, said a police spokeswoman.

"Nothing at this stage indicates this was a taxi-related incident. We believe it was an isolated incident," she said.

Fears were expressed earlier this week of a new upsurge in taxi violence in the Peninsula over taxi route rivalry.
PLAN TO SPEED UP FREeways RUSH-HOUR TRAFFIC

N2 fast lane for taxis, buses from Dec 11

MINIBUS taxis and buses are to have exclusive use of the new “fast lane” on the inward-bound section of the N2 freeway during early rush hour. PETER DENNEHY reports.

The “fast lane” of a stretch of the city-bound N2 freeway is to be reserved exclusively for buses and minibuses from December 11, the Provincial Administration announced at the weekend.

From then, it will be illegal for cars to use the right-hand lane of the inward-bound N2 between Vanguard Drive and Black River Parkway during the morning peak traffic period (6.30 to 9am).

The exclusive lane is called a BMCT lane, which stands for Bus and Minibus Taxi lane. A provincial pamphlet also attaches the slogan “bitter mass transport” to the same letters.

Provincial Roads Engineer Mr Roy Petersen said the idea of the bus and taxi-only lane was to give public transport an advantage over private transport.

Mr Petersen said having the bus- and taxi-only lane on the left had been considered, but this would have led to weaving and merging problems “for everybody, not just the taxis.”

Congestion

He said there would be a learning period for all road-users. The scheme could be modified if it did not work well, he added.

It would be introduced on the outward-bound freeway if it worked well on the inward route.

Mr Petersen said there was more road congestion in the morning than in the afternoon, which was why mornings were chosen for the introduction of the scheme.

A provincial Ministry of Transport press release said drivers of vehicles encroaching on the bus and taxi lane would be warned first, and fined only if they persisted.

Mr Petersen said no specific fine was envisaged. Offenders would probably be charged with reckless driving.

He acknowledged that there had been opposition to bus- and taxi-only lanes on the freeway from some transport planners, who wanted instead to encourage public transport vehicles to take routes such as Voortrekker and Kliphontein Roads, where they could load and unload passengers.

But he said commuting was a long-haul business for many public transport users in this city. Many buses and taxis were full by the time they entered the freeway, and their drivers often knew there would be no calls for stops to offload passengers on the way.
Driver killed, commuters hurt in attacks

By Joanna Andoh

Taxis: 14 Shot
Problems foreseen on lane of NZ reserved for buses and taxis in rush hour.
Independent mediator to broker taxi peace

Independent mediator Roger Odee has been appointed by the Gauteng government in the conflict between the South African Long Distance Taxi Association (Saldita) and the Leitshabile Taxi Organisation (LTO), the province announced yesterday.

Steve Emsmuns, private secretary to Gauteng public transport and roads MEC Ollus van Zyl, said Odee would chair the first meeting of the mediation in Johannesburg on Thursday.

Saldita and LTO have been invited to the mediation, which follows an earlier similar but unsuccessful attempt to mediate an end to the conflict.

LTO official Jacob Lechemba yesterday said his association had accepted the invitation.

No immediate comment was available from Saldita on whether they would participate.

The latest mediation is another attempt by the authorities to combat ongoing taxi violence which has claimed scores of lives.

Newspaper reports yesterday said that a taxi driver was killed and 14 people, including taxi operators and pedestrians, were shot and injured in Gauteng and Mpumalanga at the weekend.

Ledwaba called on Odee to conduct the mediation at a neutral venue, as LTO would not take part if it was held at the provincial legislature in Johannesburg.

He denied LTO was involved in taxi violence and accused Saldita members of killing LTO members.

Asked if LTO members had ever engaged in taxi violence, Ledwaba said: "I cannot say we are clean."

Emsmuns said the provincial government wanted to find a peaceful solution to the taxi problem. The mediator would be paid by the province.

The most urgent matter requiring a solution related to taxi ranks in Johannesburg, otherwise taxi violence would spill into the December holiday season.

"The mediation's objective is to have a violence-free holiday season," he said.

In December last year an agreement was signed between Saldita and the Taxi Executive Council (TEC), which then contained the LTO.

The agreement made provision for TEC and Saldita to service routes jointly and operate from the same ranks in Mpumalanga, Gauteng and Northern Province but collapsed in May.

LTO and Saldita accused each other of being responsible for its failure. — Sapa.
Taxi organisation pulls out of mediation meeting

By Mandla Mthembe

Prospects of resolving the dispute between the SA Long Distance Taxi Association (Saldita) and the Lethabile Taxi Organisation (LTO) were dealt a blow by the withdrawal of the LTO from a mediation meeting scheduled for today.

The failure of the meeting follows earlier attempts - also unsuccessful - to mediate an end to the conflict sparked by a dispute over the use of Johannesburg's Quart Street taxi rank.

LTO won the right to use the rank through a Supreme Court interdict, and the organisation's drivers started to operate from it a week ago.

Provincial government spokesperson Steve Erasmus said it was "a pity" that the LTO had withdrawn as this would delay peace efforts.

Erasmus said that mediator Roger Odey was talking with the associations to facilitate another mediation meeting.

LTO spokesman Jacob Ledwaba said they had not been consulted about the date and venue for the meeting and would request a new meeting to be held at a date agreed to by both organisations.

Mar 30 1998
working towards Somalian peace 30/11/95

By Joshua Raboroko

SOWETO taxi operators have committed themselves to work towards reconciling their differences and to end violence that has claimed the lives of scores of drivers and commuters in the past.

Members of the Witwatersrand African Taxi Association (WATA), representing most taxi associations on the Reef, made the undertaking at a peace rally held at the Orlando West Shell garage on Tuesday night.

Addressing the gathering, WATA chairman Mr Ellis Zwane said the members had decided to have a violent-free festive season. He congratulated the affiliates for resolving their problems after protracted negotiations.

Price of petrol

Zwane also announced that taxi fares would go up on all routes by 20 cents from tomorrow. The reason for the increase was the rise in the price of petrol, tyres, maintenance services and the cost of vehicles. There have not been any taxi fare increases since 1992.

At the same meeting, the Reverend Victor Phume, who conducted a prayer service, appealed to taxi owners to resolve their differences in an amicable way—for God’s sake.

Phume said that similar peace meetings will be held with other associations before the festive season in an attempt to deliver a message of goodwill to the taxi industry.

Meanwhile in another development the Lethlabile Taxi Organisation has pulled out of talks scheduled to take place in Johannesburg today. The talks are aimed at bringing peace to the strife-torn Noord Street taxi rank.

Pack of lies

Mr Steven Erasmus, private secretary to Gauteng MEC for transport and roads Mr Otus van Zyl, told Sowetan yesterday that LTO withdrew from talks after claiming that he (Erasmus) and van Zyl owned taxis.

It also claimed the two officials favoured a rival association and also objected to the Gauteng Provincial Legislature’s offices as the venue for the talks.

However, Erasmus denied the allegations saying they were “a pack of lies that needed to be rejected with the contempt they deserved”.

He said the MEC was prepared to resolve the problems between LTO and the South African Long distance Taxi Association amicably.
Plan to help commuters

By Khatshu Mamalia

Major bus company in former Venda buckles under growing subsidy crisis

Northern Province MEC for transport Mr Johan Kriek said yesterday his department would implement a contingency plan to provide transport after a major bus company resolved to stop its operations in the former Venda homeland.

Ventrans managing director Mr Wynand Dreyer said his company would shut down yesterday because it had lost more than R3,6 million after failing to get a subsidy from the government for its operations in Louis Trichardt.

The closure of the company would leave more than 3 000 commuters stranded. About 145 workers at the company would also be left without jobs.

In a statement, Kriek said the contingency plan would include issuing temporary permits to other bus companies operating in the Northern region.

"The department will take all necessary steps to assist passengers," said Kriek.

He said his department would not consider increasing subsidies in the former Venda before a task team charged with investigating the subsidy system had reported back.

Land transport director Mr Ben Mehale said Ventrans had received subsidies worth R1,8 million since April.

Managing director of Swangis Transport, Mr Eddy Maswanganyi, said no bus companies, other than Gaza Transport in former Gazankulu, received subsidies.
Taxiphone puts you in touch...

By ANDILE NOGANTA

THE South African minibus taxi industry will get a shot in the arm with the imminent launch of the Taxiphone, the first of its kind in the world.

This customised cellular phone, produced by Mobile Telephone Networks (MTN) and Service Provider Trust Tele- phone Corporation (TTC), will allow taxi drivers and the commuters and the drivers to make telephone calls while on the road.

The new Taxiphone is also expected to give taxi drivers and commuters a convenient access to emergency services on the road – while adding a new sense of security to the strife-torn local taxi industry.

"I see the Taxiphone as a lifeline for the taxi drivers and the commuters," said Gauteng MEC for safety and security, Jessie Duarte.

The phone will be installed inside the roof of the taxi and the driver will have a hands-free headset and microphone – like a pilot with a control panel and a phone keypad on the dashboard to monitor the calls.

The passengers will have easy access to a handset from their seats and they will have full view of the display screen showing the date and cost of their calls.

Marketing manager at MTN Sifiso Msibi said taxi owners will also gain financially from installing the taxiphones in their cars.
MPUMALANGA'S record of having one of the most peaceful taxi industries in the country may be about to change.

Members of the Southern African Long Distance Transport Association (Salda) have threatened to "violently defend themselves" after allegedly being victimised for not joining the newly created Mpumalanga Taxi Association.

Salda spokesmen, however, say they were excluded from the peace negotiations leading to the launch of the Mpumalanga Taxi Association this week.

Salda's provincial chairman, Tom Banda, has urged members to remain calm, but says his members felt that the new organisation had been forced upon them without any valid consultation.

"Salda wants nothing to do with the new Mpumalanga Taxi Association after being excluded from its creation and because of this, our members are now being victimised by members of this new taxi association," Banda said.

He said expecting Salda to join the Mpumalanga Taxi Association was as absurd as forcing the ANC and IFP to join and form a new political party.

"Shot at"

He said Salda members had been shot at while waiting at their taxi ranks in Malelane on Monday, and that the taxi drivers were also being prevented from using taxi ranks in the town, as well as taxi ranks in the town of Elukwatin, near Badplaas.

"If our members continue to be harassed for not wanting to be part of the new taxi association, we will have no alternative but to protect ourselves in any way possible," Banda added.

Malelane police station commander Lieut Andre Nel has confirmed the recent taxi shootings in Malelane.

Banda said it was ironic that the convenor of the negotiations and head of the House of Traditional Leaders, Chief Bhekis Mnisi, has now claimed to be responsible for bringing about peace in the province's taxi industry, when instead it had led to the victimisation of Salda members.

Although Chief Mnisi allegedly failed to invite Salda to negotiations for the creation of the new Mpumalanga Taxi Association, sources say he did invite them to the new association's official launch.

Chief Mnisi was out of the country at the time of going to press and could not be reached for comment.

African Eye News
Cape Town bus fares to rise by 20 percent

JOSEPH ARANES, Staff Reporter

CAPE TOWN bus fares will increase by at least 20 percent in January after a government announcement that it will not increase commuter subsidies for the financial year, which began on April 1.

Golden Arrow Bus Services general manager Hannes Grebe said the company would have to increase its fares by at least 20 percent to meet the shortfall.

"We are deeply disappointed by the announcement and the decision will inevitably have a negative impact on bus-users who will be required to pay an increased fee."

Mr Grebe said details of the new fares schedule would be made known before Christmas.

The Department of Transport told bus operators its decision only recently and this means the industry has been unable to avoid the costs associated with providing essential services.

These costs relate not only to actual service and employment levels but also to salary and wage adjustments and could see the bus industry not only reducing its service levels but laying off staff as well.

Another serious effect of the decision is that bus operators may be forced to consider cutbacks to loss-making services especially to rural areas and could force the postponement of vehicle purchase and refurbishment programmes.
Working conditions of doctors receive attention

Kathryn Strachan

At a meeting with the Medical Association of SA (Masa) last week, Health Minister Nkosazana Dlamini-Zuma agreed that a strategy be drafted to implement recommendations made by a ministerial working group on the working conditions of doctors.

The working group, made up of Masa and health department representatives, made recommendations on working hours for doctors, standardising overtime, an employment contract and the promotion of a caring ethos in the public health service.

Dlamini-Zuma believed the report of the working group would enable Zuma to effect improvements in doctors' conditions of service during further deliberations between the state and the public service employee organisations on restructuring the salary grading system next year.

The working group found the inhospitable working conditions and the fact that medical graduates were orientated more to a specialist environment led to a maldistribution of doctors.

Parliamentary brief slated

Mduduzi ka Harvey

THE Citizens’ Alliance for Parliament (CAP) has slammed as narrow and biased a constitutional development department brief to government on the cost of running SA’s dual parliamentary system for allegedly ignoring R6bn in costs.

CAP is a group lobbying for Parliament to remain in Cape Town. Its convenor, David Bridgman, said the brief given to Pretoria-based auditing firm KPMG meant the report would only investigate costs to government. It had not focused on total cost to the economy, job losses and compensation to the Western Cape, possibly billions, if parliament had to be moved.

Constitutional Affairs spokesman Izak Retief said that the ministry could not comment, as minister Roelf Meyer and deputy Valli Moosa were both in England on official state business.
Govt partnership with taxi service to bring peace

Main aims are to regulate, formalise and subsidise the industry

By Mandla Mthyeni

A partnership between the Government and the taxi service is emerging to solve problems such as the current taxi wars, Transport Minister Mac Maharaj said in Johannesburg yesterday.

He was speaking at the presentation of interim recommendations by the National Taxi Task Team (NTTT) which are designed to bring about a "more structured and economically viable minibus taxi industry", addressing taxi-related violence.

Maharaj promised an announcement early next year on which of the interim proposals would be implemented, adding that the NTTT should soon draw up final recommendations to enable him to present a white paper on transport next year.

The proposals focus on three core issues: regulation and control; restructuring and formalisation of the industry; and economic assistance.

To ensure that the views of all industry role-players (operators, drivers, passengers and government) were taken into account, the NTTT held 34 public hearings between August and December.

"The hearings have yielded an overwhelming plea for the Government to intervene to put minibus taxi businesses on a path towards greater order," said NTTT chairman Dr. J.B. Patel.

It had been decided that authority over the taxi industry should be returned to the Government without jeopardising the autonomy of operators.

Patel said this would be done through the formation of co-operatives which could receive subsidies for two years. Regulatory measures include disciplinary procedures, a code of conduct, numbered routes and withdrawal of permits for drivers using routes not allocated to them.

Meanwhile, one of the three victims wounded in Wednesday's drive-by taxi shooting in Wolmarans Street has died in the Flixborough hospital.

Two people died on the scene after unknown gunmen opened fire at a filling station controlled by the SA Long Distance Taxi Association/Saldia on the corner of King George Street.

Police are investigating the possibility of revenge after last Tuesday's shooting at the Leihlabale Taxi Association-controlled Quartz Street rank where four people were injured. — Crime Reporter.
Two more drivers killed in taxi wars

By ANSO THOM AND NICKI WHITFIELD

Two people were killed and two injured in two separate taxi shootings in central Johannesburg and Bryanston early today.

A protest by the SA Long Distance Taxi Association (Salda) at the Quartz Street taxi rank in the CBD resulted in a shooting in which one Salda taxi driver was killed and another wounded.

Unknown gunmen in a red minibus opened fire on the group of protesting taxi drivers staging a peaceful protest along De Villiers Street at about 7am against the Lehalible Taxi Association (LTA).

Salda and the LTA are involved in a dispute over the use of the rank. The LTA won a court interdict last week allowing it to operate from there.

Another person, also a taxi driver, was shot dead at about 7am at a taxi rank in Bryanston. Police were still at the scene early today and could not provide further details. The LTA's Jacob Ledwaba claimed the Bryanston victim was shot dead after a route in the area was "hijacked" by Salda members.

Markets in Motion

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BY ALFRED THOM AND BRIAND
WINTERBRECK

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Unknown gunmen in a red minibus opened fire on the group of protesting taxi drivers staging a peaceful protest along De Villiers Street at about 7am against the Lehhinde Taxi Association (LTA).

Saldta and the LTA are involved in a dispute over the use of the rank. The LTA won a court interdict last week allowing it to operate from there.

Another person, also a taxi driver, was shot dead at about 7am at a taxi rank in Bryanston. Police were still at the scene early today and could not provide further details. The LTA's Jacob Ledwaba claimed the Bryanston victim was shot dead after a route in the area was "jacked" by Saldta members.
Stiffer sentences for taxi killers

By Joshua Raboreko

TRANSPORT Minister Mac Maharaj yesterday recommended that stringent measures be taken against perpetrators of taxi violence in a bid to stop the damage that has claimed many lives.

He said he would recommend the ministries of Justice and Safety and Security to impose heavy sentences on perpetrators of taxi violence in an effort to deter the Mafia-style killings.

Maharaj said he would also propose that bail applications be refused to suspects arrested in connection with the violence after the killing of taxi operators at the Noord Street, Johannesburg, taxi rank on Wednesday night.

He appealed to passengers, taxi operators and Government officials to help stop violence by reporting all taxi-related incidents to the police. He said police and civil servant corruption in the taxi industry must also be stamped out.

"We cannot allow further bloodshed in the industry. Violence has manifested itself in problems which, if allowed to continue unchecked, would lead to a decline in the economy of the industry, Maharaj said.

The minister made the announcement after the National Taxi Task Team presented him with interim recommendations for a more structured and economically viable minibus-taxi industry. The ceremony yesterday was attended by members of taxi associations countrywide, including Lethalbine Taxi Organisations and South African Long Distance Taxi Association, Gauteng MEC for Transport Mr Olaus van Zyl and other dignitaries.

Maharaj welcomed the report and said his department would incorporate the recommendations into the National Transport Policy to be tabled in Parliament in February next year."
A ray of hope at last

The National Taxi Task Team has made recommendations to end violence and make the minibus taxi industry more viable. Joshua Raboroko reports...

- Taxi patrol facilities – to make a limited number available in each province.

The team strongly recommended that the Government takes an active interest in promoting and organising cooperatives and that support be given in the form of start-up aid, pilot projects and a limited term of managerial assistance.

- It is further proposed that economic assistance occurs through short-term "survival" packages to put the industry on a sustainable footing and government support for two years.

The development of a skilled and trained industry is essential, the report added. Minibus taxi operators lack business skills and an ability to make a sustained profit. The immediate introduction of an interim skills development programme, funded by the Government, is needed.

The team also recommends that the industry's labour relations be improved by forming a structure to investigate general employment practices and make recommendations on basic conditions of employment.

Patel said that operators will be entitled to a "living wage," an unemployment and pension fund, medical aid and other basic conditions.

It is further recommended that road traffic safety be improved through immediately forming data bases for minibus taxi accidents and casualties, taxis, operators and drivers, and a basic vehicle maintenance booklet.

Patel said the main causes of violence are disputes over ranks and routes. "The violence may take place elsewhere, but will originate in a contested route or rank," he said.

Pirates will not be allowed and should be stamped out, Patel said, adding that transgressors will be prosecuted or suspended from the industry. Vehicle theft, hijacking and illegal dealings will be monitored by provincial inspectors because all taxis will be registered and routes numbered.

In the light of present problems, the longer-term vision set out by the NTTT is ambitious, and its achievements will require commitment from both the industry and government.

Proposed time frames for the introduction of the recommendations are 1-3 months for immediate solutions, 3-12 months for short-term problems and one to four years for medium-term and 4-10 years for long-term problems.

Patel was optimistic that Mahajraj would introduce most of the recommendations in order to bring peace to the industry.
Police commissioner threatens to close Joburg taxi ranks if violence escalates

BY TEOF MO IBHE and SAPA

Police Commissioner Solly Madikizela said that police would not allow the violence that had erupted in taxi ranks in Johannesburg to continue, and had already started to implement measures to stop it.

The violence began on Thursday when a group of taxi drivers rioted in the taxi rank near the N3 highway in Lenasia, north of Johannesburg. The violence spread to other areas in the city, and there were reports of shootings and looting.

On Friday, the police commissioner said that the police would not tolerate any violence and had already deployed additional officers to the affected areas.

He said that the police would not allow the violence to continue and that they would take action against those who were involved.

The violence has caused disruptions to transport services in the city, and businesses have been forced to close.

The police commissioner said that he would not allow the violence to escalate and that he would take all necessary measures to stop it.
Taxi organisation tells Shell to pull out or else
New quest for peace as taxi death toll rises

By Anso Thom
Crime Reporter

Taxi associations operating in Johannesburg will start a mediation process this week to end the violence between rival groups that has already claimed many lives.

Letshabele Taxi Organisation spokesman Jacob Ledwaba said: "We need to involve everybody in order to achieve success," while Gauteng police commissioner Sharna Maharaj has threatened to close taxi ranks in the city centre after two more people were killed and four injured in two shootings in Johannesburg and Diepsloot squatter camp outside Pretoria on Friday.

A 24-hour cordon put up by police on Friday around a taxi rank near Quartz Street in the city centre was lifted on Saturday.

No taxis were allowed to enter the area during the 24-hour period.

The Johannesburg shooting near the Quartz Street taxi rank involved members of the Letshabele Taxi Organisation and the South African Long Distance Taxi Association.

Three men with two 9mm pistols, suspected of being stolen, were arrested in Alexandra hours later.

Police spokesman Capt Azwinndini Nengwethla said the men had admitted being at the scene of the shooting.

Maharaj called for the "senseless taxi violence" to stop.

"The rival taxi groups must now act responsibly and get together in order to find lasting solutions to their problems," Maharaj said.

View from a security seat ... a police presence at the Noord Street Taxi Rank in central Johannesburg seems to be holding violence at bay. The police closed off the area for 24 hours on Friday after two people were shot dead and two others were wounded in clashes between taxi groups fighting over passengers.
Bus, minibus lane on N2 open

Motorists using restricted lane face R50 fine.
Taxis expect boom

By Joshua Raboroko

An economic boom is expected in the taxi industry with the formation of cooperatives to be set up next year.

This and other key interim recommendations handed to National Transport Minister Mr Mac Maharaj may restructure the minibus taxi industry, return it to profitability and offer an improved standard of service to communities in a well-regulated environment.

The recommendations were made by the National Taxi Task Team which is an advisory group set up by the Minister in March to investigate problems in the industry.

It is estimated that there are more than 150,000 minibus taxis providing transport for about 2.2 million commuters in South Africa.

Chairman of the task team Mr Dipak Patel said the industry should be restructured into more formal business units or cooperatives, which would train and channel economic help to the industry.

It was expected, he said, that these units would form the basis for sound economic empowerment at the time when the industry's financial position was on the decline due to large scale violence.

Patel said the cooperatives would enjoy a range of facilities, enabling them to reduce costs and increase their income. The cooperatives would also have a stronger bargaining power, allowing them to buy in bulk and allow them to draw a pool of commercial expertise.

Among the proposals was:

- A financial-guarantee fund to enable banks to reduce the high interest rate on taxis - usually 12 percent above prime;
- An insurance guarantee to reduce the risk banks associate with taxis thus lowering their high premiums;
- Capacity building to equip and empower the industry to be professional and develop its own institutions; and
- Direct purchase of vehicles from manufacturers to bring down prices - now as much as R120,000 for a minibus.

The team has recommended that the government make available R450,000 for each cooperative to set up either on local, provincial or national levels.

A representative of the taxi industry, Mr Joe Mabaso, said none of the recommendations could come to fruition unless the industry itself was prepared to accept the need for change.
Training for taxi drivers boosts safety

The Department of Transport and Roads and metropolitan authorities in Gauteng have started a training programme for unskilled taxi drivers and others in the industry.

The scheme began last month when more than 200 taxi officials, drivers and owners were trained and another 150 were presented with certificates by the province’s transport MEC, Olaus van Zyl, last week.

The training programme is the brainchild of the Gauteng Taxi Initiative, which was formed to address the many problems facing the industry.

Participants are enthusiastic about the training scheme.

Vaal Taxi Forum chairman Elias Phalt said the training “heralds the dawn of a new era for the taxi industry”.

Van Zyl said that low skill levels lay “at the heart of many of the crippling problems being experienced in the industry”.

He said a general lack of training was a key factor which had great impact on the economic viability, road safety record, operations and efficiency of taxis.

“Many operators do not know how to run their businesses successfully,” he said. “Many drivers lack the skills needed for their job and many taxi associations do not have personnel with adequate administrative skills.

“Training offers the hope of a better future for the industry.”
Another subsidy battle

Putco’s announcement that it is considering its options after being told by the Department of Transport that subsidies will not be raised for the 1995-1996 year is turning out to be the tip of a bizarre iceberg.

The department’s refusal to adjust the subsidy — apparently due to lack of funds — came after it had agreed that bus operators such as Putco were entitled to an inflation-based 10% increase in revenue.

Putco, meanwhile, had adjusted its fare structure by 10% with effect from July 1 in anticipation, firstly, that its application for a 10% increase in revenue would be approved, as turned out to be the case, and, secondly, that the status quo would be maintained in terms of the share of total revenue to be derived from the subsidy.

MD Mike Oldham says subsidies represent about half of the group’s revenue. This means it got R250m from the department for the year to June 30, which is how the R25m effect flowing from the department’s decision, noted by Putco in its announcement, was calculated.

Two key points, however, were not mentioned. One is that the R25m represented 77% of last year’s total operating profit before investment income; the second is that despite the additional funds from the department the group’s gross return on total assets was still a meagre 10.7%. This underlines that, in a low-margin business, operators such as Putco do not have much room to manoeuvre when it comes to pricing.

It also means that the options available to Putco are similarly limited. The two most obvious are that additional revenue will need to come from passengers if existing services are to be maintained, in which case one can expect another bout of bus burning or at least vigorous protest. Or services will have to be cut by eliminating the least profitable routes to re-establish an acceptable cost-to-revenue structure.

One glimmer of hope is that the effect, either on passengers or routes, could be minimised if agreement is reached with the Department of Education over the question of contributing to unsubsidised scholar fares. Oldham estimates this would add about R10m to revenue and reduce the overall shortfall to about R15m.

But he also gives the impression that he is not holding his breath in anticipation of assistance from this source. That is probably wise given, for example, the cuts in the Gauteng education budget.

Considering the potential effect on 1996 profits, market response to the announcement has been remarkably subdued. Though Putco’s price has dropped 8% from its 515c high, at 475c it is still no worse than in October when the FM reviewed the 1995 annual report.

The implication is that investors do not believe Putco will lie down quietly and watch three-quarters of its profits fly out the window.

Brian Thompson
More taxi rank shootings hit Johannesburg

At least 10 people were wounded in taxi-related violence when gunmen opened fire near the Noord Street taxi rank in central Johannesburg yesterday afternoon, police said.

Capt Deon Peens of the SAPS said a group of gunmen started shooting near the taxi rank in the area of Noord, Quartz, De Villiers and Wanderers streets around 4.45pm.

According to a witness, an SA Long Distance Taxi Association member was injured in Quartz Street and then a Saldita member was shot at.

Two passengers, a man and a woman sitting in a Lethabile Taxi Organisation taxi, were also injured.

Some minutes later, the witness said, a man shot randomly at pedestrians behind the Afrikaner National Congress head office in Plein Street, wounding two people and an off-duty policeman.

Peens said the injured were taken to the Hillbrow Hospital where they were being treated for flesh wounds.

A special unit charged with investigating taxi violence would investigate the shooting, he added. - Sapa
Future of Sun
Air uncertain

THE privatisation of
Sun Air would have to
stay on ice until the
Northwest and central
governments had agreed
on who owned the a-
line, Sun Air chairman
Dirk Ackerman said at
the weekend.

He said President
Nelson Mandela signed
a decree last year trans-
ferring Sun Air's assets
to the public enterprises
department, but since
then the Northwest
provincial government
had complained about
some of Sun Air's re-
structuring and, at
times, claimed owner-
ship of the airline.

Ackerman doubted
there would be any
decision on the airline's
privatisation until Par-
lament reconvened ear-
ly next year.

He said Sun Air, which
operates five
DC9s and two leased
Boeing 727s, was worth
between R80m and
R90m.

Government has la-
belled Sun Air, Autonet
and Transkei Airways as
some of the "non-strat-
egic" assets it intended
selling during the first
wave of possible sales —
including stakes in
Telkom and SA Airways.

An Industrial source
said if Sun Air did not
succeed in teaming up
with the strategic part-
ner it wanted, the most
likely buyer was Comair
— which was experienc-
ing stiff competition
from it on key routes —
or SA Airways.
Future of Sun Air uncertain

Mango Sogbht
DD 18/12/95

The privatisation of Sun Air would have to stay on ice until the Northwest and central governments had agreed on who owned the airline, Sun Air chairman Dirk Ackerman said at the weekend.

He said President Nelson Mandela signed a decree last year transferring Sun Air's assets to the public enterprises department, but since then the Northwest provincial government had complained about some of Sun Air's restructuring and, at times, claimed ownership of the airline.

Ackerman doubted there would be any decision on the airline's privatisation until Parliament reconvened early next year.

He said Sun Air, which operates five DC9s and two leased Boeing 727s, was worth between R30m and R80m.

Government has labelled Sun Air, Autonet and Transkei Airways as some of the "non-strategic" assets it intended selling during the first wave of possible sales— including stakes in Telkom and SA Airways.

An industrial source said if Sun Air did not succeed in teaming up with the strategic partner it wanted, the most likely buyer was Comair—which was experiencing stiff competition from it on key routes— or SA Airways.
Taxi drivers protest outside parliament

Staff Reporter

ABOUT 60 Codeta taxi drivers from Khayelitsha protested outside parliament today calling for protection from the rival Cata taxi organisation at ranks throughout the Peninsula.

The drivers demanded to see justice minister Dullah Omar or, failing that, a representative from the department.

They also threatened to disrupt all public places over the festive season if their problems weren't attended to.

The Codeta drivers claim that they are being intimidated by Cata drivers at Khayelitsha, Wynberg and Mowbray ranks, and want their own separate ranking facilities.
And the violence and fiction, a year of initiatives to bring about more stability and control.

**Solution:**

Solutions sought for industry at war with itself.
Shot down ... a recent victim – among the many – of taxi violence in downtown Johannesburg.
Hell ride to Bara and back
at R2 for hurtling journey

BY SHIRLEY WOODGATE

You know the feeling. The sticker on the back of the taxi within spitting distance of your car says: "This taxi stops anywhere, anytime."

And it does. After the last time it happened, it seemed logical to ride by taxi, take a hell ride on a regular route through the city, find out why taxis are the tarmac villains.

Which is why I joined hundreds of commuters being jostled into line by a whistling, arm-flailing marshal at 7.30am recently at the Park station rank, probably risking life and limb to Baragwanath and back.

Forget passive queues waiting patiently under cover for municipal buses lumbering up at scheduled times to demarcated stops in Loveday Street.

Out there it’s all action, people and vehicles miraculously dodging each other as they race to meet at designated spots on the vast tarred rank open to all weather conditions.

Destinations? Bus kiosks? There are no signs telling passengers where to stand, when to go, what to pay. That is the job of the marshal, king of the parking lot, keeping the minibuses moving to the front of the queue, jostling the commuters in, up, before the doors slam and taxis speed off in less than two minutes flat.

Jabu Esau (28), a member of the Baragwanath City Taxi Association – one of the 200 that have proliferated in Gauteng, half of them in Greater Johannesburg – has been driving the 22km to Bara and back, virtually seven days a week, for more than 12 hours a day ever since he obtained his licence.

Never had an accident, never been hijacked, never been involved in taxi shootouts. But seen it all – the smash-ups, the bodies and the blood. Heard the guns dodged the bullets exchanged in regular taxi violence, all for the R200 a week that the taxi owner pays him. Esau just drives his vehicle, turns up the radio and ignores the passengers next to him who collect the R2 fare that each passenger voluntarily passed forward, and deposits in the ashtray.

Swaying on to the highway, push up the speed to 100 until a voice from the back murmurs "O’Connor Road", and Esau hurts the taxi down the next off-ramp with seconds to spare.

One off at O’Connor, then back on the road until another voice says "Stop sign" as he draws level with the stop street. Two off, then four at the robot, three at the Bara slip road – 21 minutes flat to the Bara rank.

Then wait until the marshal signals the taxi to the front of the queue between the makeshift stalls selling fruit, watches, split peas, toilet rolls, medicinal herbs and cool drinks.

Just keep waiting, listening to country music. There’s a big laugh when a fellow driver whips off his belt and metes out rough justice to two boys tackling each other with fists and feet.

Esau has had this taxi since July and the speedo reads 26 000km.

Steph Erasmus, clerk of MEC Olus van Zyl’s transport committee, says Gauteng has up to 50 000 taxis. That is about half the total number plying the country’s roads.

"Some 70 000 are licensed, and there are probably up to 50 000 pirates vying for a share of the business.

"Drivers who average R200 a month have to push themselves to increase their income because there is often no regular employer/employee agreement between driver and owner, who wants his R2 000 a week and no more contact with his staff."

Erasmus adds: Passengers often have justifiable complaints against the drivers.

"The Gauteng Taxi Initiative aims to address these problems, focusing on the most important issues."

In the meantime Esau keeps driving to Bara and back, 15 up, slam the doors, hit the road, brake, then hit the gears and the accelerator.

"It’s not my dream job. But it’s okay and maybe one day I will own my own taxi."

"The Star," I say to Esau, half way down Sauer Street.

He brakes, grins, roars off. Next time I’ll take a taxi.

Well, maybe.
Teachers will be faced by locals

021/12/95

The department had discovered that some expatriate teachers were receiving salaries of up to 40% more than locals, but this would not stop the department from paying the expatriate teachers what was due to them in pensions and provident funds.

"There is no way we can deny them their rights. They will be given what is due to them," Sehune said.

IFP calls for decisive action to end taxi wars
Theo Rawana

GAUTENG taxi wars were continuing because the provincial government was indecisive in allocating ranking facilities and inept in enforcing law in the industry, IFP MP Thembu Khoza said yesterday.

Khoza told a news briefing in Johannesburg that his party, concerned at the loss of life among taxi operators, drivers and commuters, had been holding a series of meetings with the parties involved to seek ways of bringing the violence to an end.

He said he had gathered that the NP, which heads the provincial transport department, was so indecisive on who should occupy what rank that there were duplications in allocation of the numbers.

Transport MEC Olaus van Rensburg was at pains to show that he was not following policies of the old regime. "And this he is doing at the expense of the law. Government needs to have a firm hand in enforcing the law," Khoza said.

He was aware that national and provincial governments were working on plans for the overall improvement of the lot of the taxi operator, and thereby the ending of violence. "But these are long-term plans. People are dying now, and we need to do something about that," Khoza said. "The provincial government needs to have an interdepartmental committee" for liaison purposes, he said.

The IFP had received proposals from the SA Long Distance Taxi Association, and its meeting with the Lehelabie Taxi Organisation yesterday would continue today. A meeting with the Federated National Transport Organisation would be held later.

The provincial transport ministry could not be reached for comment yesterday.
SA Travel Industry Represents at Mart
IFP MP Themba Khoza addresses journalists at a news conference in Johannesburg yesterday on the violence gripping the taxi industry.

IFP calls for decisive action to end taxi wars

Theo Rawana

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EME MEETINGS

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Sekimpi said.

Education ministry

Schume said the

in the process of

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teachers and was

employment of teach-

cause of the large

employed local

preference would

now be given to them.

Regarding the fact that about

500 expatriate teachers' contracts

had expired, he said the depart-

ment could not be forced to renew

these as it would constitute an un-

fair labour practice.

Affected foreign teachers could

submit arguments in writing why

they felt their contracts should be

renewed, he said.

The department had discov-

ered that some expatriate teach-

ers were receiving salaries of up to

40% more than locals, but this

would not stop the department

from paying the expatriate teach-

ers what was due to them in pen-

sions and provident funds.

"There is no way we can deny

them their rights.

They will be given what is due

to them," Schume said.
Plot to assassinate top officials thwarted, taxi group claims

By MANDLA MTHEMBU

The Limetile Taxi Organisation has stepped up security around its top officials after discovering an alleged plot to assassinate them.

LTO spokesman Jacob Ledwaba, himself on the alleged hit list, said the plot came to light after police arrested four men belonging to a rival association following the killings of operators, drivers and commuters in North West.

Commenting on the SAFS, he said the arrests "signalled the beginning of a comprehensive strategy to bring to justice faceless forces aimed at frustrating negotiations".

"All those responsible for the killings of innocent civilians should be brought to book to the fullest extent of the law," he said.

Other officials on the alleged hit list are Isaac Serite, Watson Moloisane, David Mandiwana, George Lekgau, Gilbert Nkomo, Phineas Makhumisane and Gideon Mukatuni.

Although the LTO has taken measures to address the security of officials, Ledwaba said the prime responsibility lay with the Government.

"While we are not asking police provision of personal security, it is the responsibility of the Government to ensure the safety of all citizens," he said.

"LTO will use whatever legal possible means to protect its members from the assassination."

An SAPS spokesman yesterday said police would investigate the assassination plot allegations.
Taxis account for one in four deaths

Minibus taxi accidents contributed to 20% (136 deaths) of the 672 people who died on South African roads since the start of the Christmas season at the end of November.

The National Traffic Information Centre, in releasing these figures yesterday, said the highest figures were in Gauteng and KwaZulu Natal.

Authorities urged taxi owners to assign more experienced drivers on long trips. "I appeal to taxi owners not to coerce drivers to make more trips than they can manage," traffic safety directorate spokesman Bjorn van Oort pleaded.

"Driver fatigue is one of the causes of serious accidents. Minibus drivers must make frequent rest stops or take turns," he urged drivers to avoid overloading and to eliminate distractions that could affect their ability to control their vehicles. - Sapa.
Holiday truce call in taxi and gang feuds

POLICE have appealed to feuding taxi groups and gangs to lay down their arms over the Christmas period following a violent run-up to the festive season.

In the past few days there have been seven drive-by shootings between rival Cats and Lincross taxi groups, apparently the result of a dispute over taxi ranks in Claremont and Wynberg, and routes to Khayelitsha.

A meeting between the feuding groups, the Centre for Conflict Resolution and the police was being negotiated to defuse the situation, Superintendent Raymond Dowd said.

Patrols along the routes have been stepped up and members of the public order policing unit would be patrolling taxi ranks; he said. Violence would not be tolerated.

— Sapa
Simmering taxi rank violence

Committee reports on last month’s ‘incidents’

ARG 28/12/95 (332)

Staff Reporter

WYNBERG taxi rank is one of three Western Cape ranks plagued by taxi violence, the Human Rights Committee reports.

In its monthly report for November the committee said six of the ongoing disputes in the Western Cape were in the Wynberg, Bellville and Mitchell’s Plain areas.

There had been “at least” three injuries in 13 known incidents of taxi violence in November, they said.

“It is known that the figure is far higher and that many victims of intimidation — in the form of assaults, threats, forced unloading of passengers or damage to vehicles — are unwilling to make statements.

“Corruption surrounding permits for routes and ranks is another source of tension,” the report stated.

Eight deaths and 11 injuries were recorded during the same time in Gauteng and three people died in taxi-related violence in KwaZulu.

The report said of seven associations involved in the Western Cape, six were traditionally coloured. The seventh is the predominantly black Cape Amalgamated Taxi Association (Cata) which was involved in five disputes, four of which were centred around poaching on traditionally coloured territory.

According to the Human Rights Committee, Cata, notorious for its gangster-style “protection unit”, has grown enormously in the year since its launch as smaller associations find it safer to be under its protective umbrella.

It was formed in the first half of the year when former members of the predominantly black Cape Organisation for a Democratic Taxi Association (Codeta) changed loyalties. More recently a number of coloured taxi association members, or whole associations, have followed the same trend.

“This has not improved the simmering racial tension in the Western Cape,” the report said.

Twelve of the 13 incidents were the result of coloured taxi associations jealously protecting their territory from Cata’s aggressive drive to expand.

In November:

• Two Belhar/Delf Taxi Organisation members were given death threats and 10 others were intimidated into not operating on their routes for more than a week until police intervened.

• A feud between Peninsula Taxi Association (PTA) members, angry at the Wynberg Main Road Taxi Association’s perceived “defection” to Cata, led to a series of revenge attacks. Tyre sappings and unloading of passengers culminated in a fist fight with gun-shots fired near the Groote Schuur hospital. Later a WMTA member was stabbed at the station deck rank during a meeting to discuss the situation.

• PTA members and Cata exchanged death threats at the Cape Town station deck before a rapid response police team arrived.

• A Supreme Court interdict was served against the PTA to prevent them from assaulting or intimidating Vredehoek Taxi Association members. The VTA cited over 90 incidents in support of its application.

• Cata is also accused of poaching on the Mitchell’s Plain Taxi Association’s Strandfontein route. In one incident the tyres of a vehicle owned by a driver who “defected” from the MPTA to Cata were slit.

The main route from Mitchell’s Plain to Strandfontein was also blocked for about 20 minutes during one incident and passengers were forced out of all Cata vehicles.

• A false rumour of a Cata attack at the Wynberg rank was spread during a heated meeting of the Provincial Taxi Task Team between taxi operators and provincial ministers of police and transport.
Lukewarm response to next phase of Park Station project

The first two phases of the R2bn redevelopment of Johannesburg’s Park Station are well under way, but there are indications that progress on the remainder of the project, including a convention centre, has become bogged down.

The project, undertaken by the SA Rail Commuter Corporation’s property management arm, Intersite, involves the development of housing, retail and commercial schemes on about 550ha of state-controlled land. It would ultimately link the CBDs of Johannesburg and Braamfontein.

Intersite MD Jack Prentice said the first two phases involved the building of a transit centre for long-distance trains and luxury coaches at a cost of R47m and the construction of a commuter centre.

“Our Park City project has been on the drawing board for some time, and we are extremely pleased to see the first two phases now being implemented. We believe investment in the Johannesburg CBD is imperative if urban decay is to be addressed and eventually stopped,” he said.

Work had begun on a reinforced concrete deck which would link the Rose Street bridge with the concourse building, providing parking for about 600 cars.

However, the remainder of the project, which included the construction of a convention centre as well as low-cost housing, retail and commercial projects, appeared to be making slow progress.

One of the main reasons was the lukewarm response of the business community to calls for investment in a range of projects which have long been mooted in the CBD, such as Turbine Square.

Research recently conducted by Strategic Property Research (SPR) for Intersite into the perceptions of CBD space users to the Park City development, as well as their general attitude to the CBD, showed many were ambivalent.

SPR MD Leora Ruikin said the response from decentralised space users was mixed. Some believed that an investment had to be made in the CBD now, while others would look at moving back only if crime was significantly reduced.

“There are some major CBD space users who are considering leaving the CBD. This will have a major impact on Johannesburg and steps need to be taken to halt the outflow of tenants,” she said.
Taxi bodies show willingness to work for peace in new year

A fall in taxi violence since December 15 was a sign that rival taxi bodies would work together early next year, two major taxi bodies said yesterday.

In separate interviews, officials of the SA Long Distance Taxi Association and the Lebile Taxi Organisation said taxi violence had fallen since December 15 mainly due to negotiations involving independent mediators, the national and provincial governments and the Johannesburg council.

Salita chairman TP Kubheka said the fall could be attributed to co-operation by rival bodies at the local level influencing developments at the national level.

He said that Pietermaritzburg's Indian Centre taxi rank was used by taxis and drivers from Salita, LTO and the Federated Local and Long-Distance Taxi Association without any problems. They were setting an example of unity and everybody in the industry could learn from them.

The taxi industry's duty was to transport passengers, not kill them, Kubheka said.

Salita's recommendations to Transport Minister Mac Maharaj and the National Taxi Task Team would, if implemented, bring improvements.

"Policy and a code of conduct are the core of every industry. Our programme of action for next year is to achieve one proper and united taxi industry in which operators can raise demands and suggestions and set goals for themselves," he said.

LTO spokesman Jacob Ledwaba said his association was committed to peace and mediation.

"We are available 24 hours a day. We are not easily provoked. If provoked, we have decided not to retaliate in order to give peace and negotiations a chance."

The situation within the industry had improved since the police arrested prominent taxi body leaders a few weeks ago, Ledwaba said.

"The taxi industry belongs to the people. We must be united, disciplined and make it grow. We must respect commuters and not let them suffer during taxi violence, otherwise the whole industry will be in tatters."

Ledwaba said individual operators should give their leaders the chance to resolve their differences by negotiation. He hoped that all the industry's problems would be resolved before March and that rival bodies would work together.

Ledwaba said certain Johannesburg council officials owned taxis and this contributed to feuding between rival bodies. — Sapa
Threat to
taxi peace

HBB police said between two rival taxi organisations concerning the use of the King George Street rank in Johannesburg — the centre of violence which claimed the lives of scores of people — hangs in the balance.

The Lethlabile Taxi Organisation, which was this week ordered by the Johannesburg Council to vacate the Quartz Street rank and return to King George Street, yesterday went back to the former taxi rank.

LTO's spokesman Mr Jacob Ledwaba said they went back to Quartz because the return to King George was not implemented as agreed.

Saldia's chairman Mr Thulani Kubheka said they were committed to peace and had no objection to LTO's return to the King George rank.

Superintendent Andy Plaks said police would act against LTO if violence erupted due to their move.
Minister awaits SAA posts probe

Renee Grawitzky

PUBLIC Enterprises Minister Stella Sigcau's commission of inquiry investigating the recruitment, selection and appointment procedures of SAA and Transnet will present its findings to her on Monday.

The commission was set up after complaints by senior managers in SAA and Transnet about the appointment of its ambassador to Denmark Conrad Sidego to a senior position in SAA.

Sidego was initially supposed to start at SAA in January next year.

Allegations that company recruiting procedures were not being followed, and claims that the applicant was not "politically correct", have surrounded Sidego's appointment as executive manager, strategic development.

There is a view in Transnet that Sidego should not have been appointed because he had aligned himself with the previous NP government by accepting his appointment to Denmark in 1991. But sources claimed that Sidego cleared his appointment with the ANC at the time.

Deputy President Thabo Mbeki has not commented despite repeated attempts to obtain comment.

Different vested interests within the organisation were jockeying for the position, sources said.

SAA and Transnet said the case was still sub judice and they awaited the findings of Sigcau's commission.

Sidego said he had been offered the position by SAA after undergoing a rigorous testing process.

Sidego's legal counsel Willem le Roux of Brink Cohen Le Roux & Roodt said Sidego had a valid contract as SAA had faxed him a letter of acceptance.

Le Roux said if the contract was not complied with, Sidego had a valid right in terms of common law and the Labour Relations Act to challenge this.

A report outlining the procedure followed in terms of the proposed appointment of Sidego was presented to the Turning Strategy Council — a council established to ensure transparency regarding promotions so that black applicants were given a fair chance.

The council is said to have raised a number of questions and asked for clarity before giving its opinion on Sidego's appointment.

Shortly after the council met, Sigcau was allegedly told of this development, and appointed the commission.

The minister said she rejected Sidego's appointment. She had not been informed of the decision before the appointment was made.

SAA head of human resources Martin Sebesho, an applicant for the position, said he did not know where the allegations about Sidego being "politically incorrect" had originated. He said that when interviewing applicants for positions, he never asked about their political allegiances.

In response to accusations of "sour grapes" on his part, Sebesho said he had been an applicant for the position. What he objected to, he said, was the fact that Sidego had been offered the position and the opportunity to be trained so he could move up to the next level, whereas he had not been offered the same opportunity.
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The decision to go ahead will be based on a
gotechnical report giving the nod for hous-
ing to be built on a large, dolomitic area;
- Extending the Khayelitsha line and the
Bevilville-Strand line in the Cape;
- Building the Blue Downs connection to
Khayelitsha;
- In Port Elizabeth, building a 7 km spur to
serve Motherwell;
- In Durban, adding 3 km-10 km to the rail
corridor so it stretches to developed Inanda.

Two stations are being built, one at Or-
age Farm on the New Canada-Vereeniging
line, the other at Mamelodi in Pretoria, at a
cost of R2m each. A third will be built at
Fellside, on the Katlehong-Wadeville line in
the corporation’s 1996-1997 financial year.
The Khayelitsha project will be done
first, followed by Blue Downs.

Says Burger: "The climate has changed
and if we don’t take bold decisions now,
nothing will happen." He says consultants
have been appointed and project managers
are looking at preliminary plans and con-
sulting communities.

"Even if we start today, it will take three
or four years before everything is ready. We
can borrow the money. Government will
have to guarantee it, but we will have to pay
the interest, which will form part of our op-
erational budget."

Until the lengths of the lines have been
determined and engineers have mapped out
where they will be laid, he can only esti-
mate the total cost — several hundred mil-
lion rand.

"We will need approval from govern-
ment, represented by the Minister of Trans-
port If we get that, we will start within two
years," says Burger.

The investigations may prove more than
12 lines are needed or that rail may not pro-
vide the solution in some cases.

Care will be taken not to alienate other
transport modes. "We don’t want them to
think we’re muscling in on their territory.
Where building a line is the most sensible
way to go, we’d prefer them to act as our
feeders rather than fight with us," he says.

Burger warns that nothing will be done
until it’s proved the lines are needed and
will be supported by communities and local
authorities.
A case for privatisation?

Container bottlenecks in Cape Town and Durban have created havoc with shipping line schedules because port infrastructure is inadequate. There is also a shortage of skilled personnel. As a result cargoes and ships have been delayed with concomitant costs to the economy.

Since SA re-entered the world trading arena, many aspects of our protected and inadequate infrastructure have been highlighted — but none more so than at the country's ports.

A dire lack of planning and the failure to implement Capex programmes have firmly placed our shipping facilities in the emerging countries bracket. Capex inadequacy has been particularly conspicuous in Portnet, the managing authority of SA ports.

Portnet, in spite of problems, is one of the most profitable enterprises in the Transnet stable. From a turnover of R2.5bn it made net profit after finance costs of R1.1bn. Its total operating assets were worth R4.1bn at book value, yet capex in 1995 was only R224m.

For the past four years the post-retirement benefit costs (pensions) of the old SA Transport Services has wiped out all of Transnet's net profit each year. Profit after finance costs — 1992: R478m; 1993: R972m; 1994: R1.6bn.

In financial 1995, these benefit costs, together with an additional R528m retirement Transnet costs for the year, reduced Transnet's attributable profit of R1.5bn to a meagre R1.18bn.

With this nose around its neck, Transnet's capital expenditure has been inadequate. In 1995 it was R1.36bn. That's peanuts when depreciation is R1.6bn, inflation is running at 10%, the country's economy is growing by 3% and assets are valued at R33.5bn. In fact, it's retrogression.

Portnet is valuable to Transnet because its profits subsidise Transnet's loss-makers. But it could be worth considerably more in the private sector which would evaluate its earnings capability on a pre-tax basis. Of all Transnet's businesses, Portnet has the best track record. If sold it could attract a relatively high price.

The proceeds from a free market sale could be used to bolster the pension fund which has been dragging down profits.

It would be Transnet MD Anton Moolman's finest moment if he could persuade the powers that be to privatise SA's ports. It would unlock huge value, create badly needed efficiencies and generate additional taxes for the State.

But as with every other State enterprise, unions are having an increasing say. Now a committee known as the Turn Strategy Council has been established under the chairmanship of Moolman to promote cooperation with the Transnet trade unions.

In practice, one of its functions is to monitor, guide and audit all affirmative action appointments in Transnet. Presumably it was not working effectively because it is being restructured.

Under these circumstances it is understandable that part of Portnet's problem arises from the fact that for the past two months, appointments of white staff have been zero. The problem is not that they are not needed, they are — desperately. It is that the hiatus is being caused by trying to do the right thing politically.

Now, not only is Portnet unable to employ on merit, it is unable to employ at all. It's symptomatic of the sort of bureaucratic madness and bungling that placed Transnet in the problem-ridden predicament it now finds itself. It is also the sort of problem that breaks the economies of countries.

As proposals now stand, when the restructuring is complete the council will meet bi-monthly. It has developed a policy that Transnet is to employ blacks in the ratio of 70:30 and the committee — drawn from all the unions, management and stakeholders — purports to be as representative as it practically can be. Commendably, the council is planning ahead. It describes in detail its Human Resources Plan 2000. Each section of a division or a business unit is to formulate its own human relationship plan which has to conform with the overall plan for Transnet to achieve a similar demographic profile to that of the country.

But whatever policies the council eventually manages to forge, there is a clear message from all successful companies and indeed countries. Employ on merit in the short term; educate and train for the long term. Any deviation from this lesson causes jobs to disappear with profits and the spectre of poverty to rise. That's why Moolman must privatise Transnet's assets as soon as possible.

Make each division answerable to its stakeholders and operate on the inseparable basics for success — efficient workers and management excellence. First privatise the ports then concentrate on making profits rather than trying to correct faults of the past 50 years in months.

CROSSING THE LINE

Cruise ship tourism is back in fashion. It is again believed to be the most desirable way to travel and estimated to be the fastest growing sector in international tourism.

When Cape Town was the gateway to Africa, SA was served by Union Castle and other famous passenger lines that plied the seas between the Cape and Europe. They are all extint, replaced largely by the airline. Now, contrary to expectations, a new breed of liners could emerge if Portnet's Captain Johan Carse has his way.

He has been instrumental in bringing together seven southern and east African countries to promote cruise tourism — Kenya, Mauritius, Tanzania, SA, Mozambique, the Seychelles and Zimbabwe.

According to Carse, the traditional cruise ship routes have reached saturation point and operators are looking for new destinations. Considerable interest is being shown in the ports of the western Indian Ocean and the eastern and southern seaboard of Africa as places that could rival the traditional Caribbean, Mediterranean and northern European cruise areas.

To promote the new destinations, the Port Management Association of Eastern and Southern Africa has been formed with 14 members. A standing committee chaired by Carse has been established. Its prime function will be to package and market promos of regions as complementary destinations for cruise ships. Carse is to present a marketing plan to association members at a conference in Durban on November 20–24.

There are already cruises from Durban or Port Elizabeth to Cape Town and between Cape Town and the UK. Safmarine has a few berths on its container ships. Though the dining and sporting activities associated with the traditional cruise liners are not offered, prices and level of luxury are reasonable. You can eat the well-presented fare, drink and be merry with the senior officers, rest, read, watch videos and sleep. And if the weather is good, there is always the pool to enjoy. This is a highly recommended way of taking a break.

Gerald Nortman

108 • FINANCIAL MAIL • NOVEMBER 3 • 1995
South African Airways is in a major expansion programme, the new Boeing aircraft at a cost of R3,5 billion, with a possible addition of 200 new aircraft. The new fleet will include a mix of single- and twin-engine aircraft, and will be used to increase capacity on existing routes and to expand services to new destinations. The deal includes the purchase of 200 new aircraft, bringing the total Boeing fleet to 300. This will be the largest order of new aircraft in South African history, and is expected to boost the company's revenue by 20%.

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SA AIRWAYS has snubbed European aircraft manufacturer Airbus Industrie by placing the largest single order of airliners in its 61-year history with US arch-rival Boeing.

SAA announced on Friday it would spend R3.5-billion on nine new Boeing aircraft — seven twin-engined Boeing 777s and two four-engined Boeing 747-400s.

This effectively means that the national carrier prefers its long-haul fleet to be equipped by Boeing while Airbus A320s share the domestic service with Boeing 737s.

Competing for orders against Boeing was the long-range Airbus A340 and the McDonnell Douglas MD11 trijet.

The deliveries of the first 777s, which will be used on routes to Europe, the Far and Middle East, will begin in 1997.

Initial financing will be from Transnet’s own resources, but further pre-delivery finance will be negotiated with the US Export-Import Bank and other SA and international banks.

The Minister for Public Enterprises, Stela Sigeau, said that both the airframe and engine manufacturers had agreed to place offset contracts in South Africa.

Should the offset be in the form of cash contributions for training programmes, the amount payable by Boeing and the engine manufacturers would be about R100-million, Ms Sigeau said.

The Boeing order brings to about R10-billion the amount of contracts offered by public sector corporations to multinationals this week.

On Thursday Telkom announced a shortlist of five telecommunications giants for its million-line project valued at about R6-billion.

Another R10-billion in contracts will be on offer over the next few years as Telkom announced a further 3-million line expansion into rural and underserviced urban areas.
Gatwick link clinched

THE Department of Civil Aviation has granted a year-round charter permit for flights between London's Gatwick airport and Johannesburg in what could be the beginning of liberalisation in the licensing of flights into the country.

From December 4 Caledonia Airways will fly between the cities twice a week with a short stop in Mombasa. The flights are chartered by tour company Bluebird Holidays.

Peter Hopkins, Caledonia's general manager for southern Africa, said this was the first charter flight ever allowed into South Africa and the first "serious year-round charter flight".

Bluebird will charter the flights from Caledonia and market them to travel agencies and tour operators. It is already supported by Thompson Tours and Ned-travel-Americal Express.
Boeing to back RDP after SAA’s jet order

By AUDREY D’ANGELO

Cape Town — Boeing Aircraft — winner of a R3.5 billion order to supply nine aircraft to South African Airways — has offered to set up a training school for pilots in this country.

Announcing the order last week, the minister for public enterprise, Stella Sigcau, said it was a pre-condition that a contribution would be made to projects in South Africa in the spirit of the RDP.

"Both the airframe and engine manufacturers have agreed to the 'placing of offset contracts in South Africa' to the value of R2.6 billion, and my department will work with the department of trade and industry in monitoring this process.

"Should the offset be in the form of cash for training programmes, the amounts payable by Boeing and the 'engine' manufacturers will be approximately R110 million."

SAA has ordered seven of the new Boeing 777-200s — which will be used mainly on flights to Europe and the Far East — and two Boeing 747-400 jumbos for the heavily used routes to the United States and the United Kingdom.

A spokesman for SAA said they were needed to help cope with a 20 percent rise in demand for passenger seats and cargo space, and to replace older aircraft.

"The first Boeing 777s will be delivered in 1997. The first Boeing 747 will be delivered in 1997 and the second in 1999."

Initial financing will be from Transnet’s own resources but further pre-delivery finance will be negotiated with the United States’ Export-Import Bank and other South African and international banks.

SAA’s decision to order nine planes from Boeing came on the same day as Japan Airlines announced an order for five 777s.
**Lawyers back attorneys-general**

PRETORIA — Recent events involving KwaZulu-Natal attorney-general Tim McNally serve to underscore the need for the political independence of attorneys-general, says the Association of Law Societies (ALS).

According to the November editorial of the ALS monthly journal De Rebus, “prosecutorial independence is a necessary precursor to meaningful judicial independence.”

The editorial said: “Political action, were it to be permitted, would undermine that independence.”

The ALS has called for the appointment of a national attorney-general in the light of the events surrounding McNally.

Meanwhile, De Rebus reports, attorneys have been assured by the Legal Aid Board that outstanding fees will be paid to them, in spite of reports in the media about a lack of contingency reserves.

The assurance came from board director Nic Pretorius after deputy auditor-general Bertie Loots told journalists the board would be underfunded by at least R40m.

The board had failed to provide for at least R65m in contingent liabilities for claims not yet disposed of, Loots said.

“I wish to assure legal practitioners who perform legal aid services on instruction of the LAB that they will indeed be paid for their services,” said Pretorius. — Sapa.

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**Boeing wins contract for SAA’s R3.5bn fleet upgrade**

Stephanie Bothma

SAA has placed a R3.5bn contract with the US Boeing Company for the purchase of nine new aircraft to meet the growth in the carrier’s international passenger and cargo services, Public Enterprises Minister Skosana Sisulu announced on Friday.

This is SAA’s largest single order in its 61-year history and includes two Boeing 747-400s and seven Boeing 777-200s. The new aircraft will meet SAA fleet requirements up to 2000.

In terms of the contract, Boeing and the company which will supply the engines had agreed to place offset contracts in SA to the value of 60% of the contract constituting R2.8bn, Sisulu said at Johannesburg International Airport.

The suppliers of the engines of the aircraft have not yet been selected.

Three manufacturers, General Electric, Pratt & Whitney and Rolls Royce will compete for the contract and the successful supplier will be announced later this month.

Details of the nature of the counter-trade has not been finalised, but SAA deputy CE John Hare said Boeing was currently looking at training facilities in the country.

“My department will work with Trade and Industry in monitoring the process.”

Should the offset be in the form of cash contributions for training programmes, the amounts payable by Boeing and the engine manufacturers would be approximately R1.1bn.

Initial financing for the aircraft will be from Transnet — a minimal down payment — but further pre-delivery finance will be negotiated with the US Export-Import Bank and other SA and international banks, Transnet chairman Anton Moerland said.

Sisulu said the new aircraft would be major earners of foreign exchange and of major importance to the development of new job opportunities in operating and maintaining the aircraft.

An increase in passenger and cargo growth of more than 20% has put pressure on the availability of capacity on SAA international aircraft. This, together with the need to replace some of the older aircraft — all five Boeing 747-200s at SAA’s fleet are already more than 22 years old — has necessitated the acquisition of the new aircraft.

The world’s three largest aircraft manufacturers, Boeing, Airbus Industries and McDonnell Douglas had tendered for the contract.

Deliveries of the first Boeing 777s will start in 1997 and they will be used mainly to Europe and the Far and Middle East. The two 747s will be delivered in 1997 and 1999 and will compliment the existing four aircraft on routes to the US and UK.

SAA currently operates 29 Boeings.
Boeing to back RDP after SAA's jet order

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SAA's decision to order nine planes from Boeing came on the same day as Japan Airlines announced an order for five 777s.
DURBAN — The transitional metropolitan council executive committee has welcomed further investigations into establishing an international airport at La Mercy north of the city, which could result in closing down Durban International Airport.

KwaZulu-Natal international airport initiative task team leader Mhlanhle Gasa said yesterday a detailed options report would be made public on December 7, which would outline alternatives for continuing with the airport project.

Options currently under consideration include expanding the present Durban airport, retaining the light aircraft airport at Virginia and scuttling the La Mercy airport initiative.

The most dramatic option would mean closing down both Durban and Virginia airports and concentrating the city's air traffic through La Mercy.

Airport Initiative co-ordinator Wally Meyer said the city had an advantage with developing La Mercy, because the site had been bought in the '70s and several million rand's worth of excavation and substructural work had already been done there.

At yesterday's meeting, Meyer and Gasa declined to comment on estimated costs of developing a new international airport for the city.
SA AIRWAYS

One cannot help but feel sorry for aircraft manufacturers McDonnell Douglas and Airbus Industrie.

Both companies were left in the cold when SA Airways announced that all of its R3,5bn new aircraft requirements had gone to arch rival Boeing. That is common in the fiercely competitive aviation industry; but what persuaded the powers that be at Airways Towers to opt for Boeing?

SAA CE Mike Myburgh says the decision was based on technical analysis. “We squeezed all of them to their lowest prices. We also evaluated the aircraft with and without capital cost and decided Boeing offered the best option.”

The contract, for nine aircraft — seven Boeing 777-200s and two Boeing 747-400s — will see the airline through to the next century.

But SAA drove a hard bargain. Though the total deal is worth R3,5bn, the direct capital cost of the nine aircraft, without spares, will be US$830m, an average of $94.4m each, and well below the list price of $110m for a 777-200 and $160m for a 747-400.

The three companies tendered on the understanding that the winner would contribute R110m to the RDP and 85% of the tender price would be paid in countertrade. It is understood Boeing will establish a cadet pilot training school in SA for SAA, which will eliminate the need to send cadets to Australia to be trained.

Though the acquisition of the two 747-

ON MERIT

The PM’s associate editor (transport) David Pincus, has won a merit award in the hard news section of this year’s Transnet Transport Journalism competition. His entry dealt with Spoonnet’s unimaginative approach to intercity trains leading to that form of transport “becoming an endangered species.”

400s was a foregone conclusion, the real competition was for the 300-seater long-range aircraft needed on SAA’s less popular routes, such as those to India, the Middle East and across the south Atlantic. Here Boeing had to compete with McDonnell Douglas which offered its tri-jet MD11s and Airbus Industrie which came in with its four-engined A340s.

SAA felt the MD11 was the end of a line, and the A340 wasn’t a new development, and it can be fitted with only one make of engine.

Myburgh says: “The 777 is the best deal. We also came to the conclusion that though it can be fitted with fewer seats than the other two, and it doesn’t have their range, it beats them in terms of cost per seat-mile.”

“We also asked ourselves which of the three our customers would prefer and decided it would also be the 777, because it’s the newest development.”

“It still has a few bugs, but they will be sorted out by the time we take delivery in 1997.”

Though they have been included in the price, the engines to be fitted to all nine aircraft haven’t yet been named. But SAA has made its requirements clear and Boeing will have to sort that problem out with the three manufacturers: Rolls-Royce of the UK, and General Electric and Pratt & Whitney of the US.

The first 747-400 will be delivered at the beginning of 1997 and the second in 1999; the first 777 will be delivered in early 1997, and the last in 1999.

When SAA initially called for tenders it planned to get rid of its fleet of 747-200s, all more than 20 years old, and its 747-SPs, but now it is planning to refurbish them. That’s a clear indication of the size of current demand and anticipated future demand.

The decision to refurbish the fuel-hungry SPs is surprising — they were available for lease or for sale at bargain-basement prices not long ago — but it illustrates the airline’s desperate need for more capacity.

What was not announced is that SAA has also arranged to buy a used Boeing 747-300, to be delivered on January 6. It will be completely refurbished and will be put into the fleet in February.

When the new aircraft have been delivered, SAA’s fleet will be boosted to 60 which puts it in the top 50 category in the world — no mean feat for an airline which not long ago was struggling to remain profitable.
Concern grows over how easily drugs and illegal immigrants enter the country.

Security poor at most SA airports.

Star 16/11/93
Packing up ... Park Station squatters take stock of their belongings yesterday, ahead of today's move to shelters around the city, to allow the revamp of the facility to go ahead.

Removal of squatters from Park Station will begin today

BY SHELLEY WOODRIFE

May 20 11 95

The biggest planned removal of squatters from Johannesburg's CBD starts today with the relocation of more than 1,000 homeless people who have taken illegal shelter at Park Station over the past four years.

The move precedes the multimillion-rand revamp of the station as part of a R400-million face-lift commissioned by SA Rail Commuter Corporation aimed at creating a world-class transit centre for long-distance trains and luxury coaches.

The first phase was started in August by the SARCC's property management arm, Intersite Property Management Services, said managing director Jack Prentice.

Plans to move the homeless will be carried out in phases. To start with, about 650 people, who have been registered as permanent station dwellers, will be moved to shelters within the CBD.

Steps will be taken to prevent further influx as squatters are being moved out.

In recognition of the emotive nature of the move, a management structure drawn from Park Station community leaders has been set up and each registered squatter will be given an identity card.

Security will be stepped up to ensure that only those with IDs will have access to the station until they have been moved, said Prentice.
Public transport to be given priority in new road policy

Routes serving mostly private cars downgraded

BY PATRICK PHOSA

Priority will in future be given to roads carrying public transport, rather than roads used primarily by private cars, the Gauteng Department of Public Transport and Roads (Gautrans) has announced.

A careful study will in future be done before money is spent on designing or upgrading roads – with preference being given to roads used extensively to transport commuters and goods.

Speaking at yesterday’s official opening of the P119-I road – linking Johannesburg and Johannesburg International Airport – Gauteng MEC for Public Transport and Roads, Claus van Zyl said his department would design roads with a bias towards the transportation of commuters and goods.

Gautrans head Jack van der Merwe said 80% of trips in Gauteng were made on roads and 20% on trains, which meant they had to focus their attention on roads which were often used.

“If there is a road which carries many people on a daily basis, compared to another which carries a few people, we will concentrate on the one that has many people,” he explained.

He cited the P119-I road to and from the airport as a good example, considering it was daily used by about 74 000 cars.

“The road had to be rehabilitated because reconstruction would cost five times more than the R25.5m used to upgrade it. It was important we repair the road rather than completely close it. We wanted to avoid a disastrous situation whereby there would be traffic jams on the road,” said Van der Merwe.
Zukile Nomvete faces a daunting task in his bid to transform Metro Rail from a service no one cared for and at the same time justifying its continued existence. Business Editor Mzimkulu Malungu explains why...

Metro manager Zukile Nomvete ... took to the air initially but has now decided to come down to earth.

PIC CLEMENT LEKANYANE

transportation

But in these days of transformation, Nomvete argues, this is not the route to take. Currently, out of the company’s 650 train drivers, there is not even a single black train driver.

Increasing the challenge to the agents of transformation is that Metro Rail has yet to produce a single black traffic controller. "We still have a long way to go," Nomvete says.

The South African Rail and Harbours Workers’ Union has already sent a memorandum to the Department of Transnet requesting that management has any specific plans to ensure blacks become traffic controllers too.

Traffic controllers are crucial to the railway system as they deal with the signals which ensure that trains operate orderly, without running into each other.

Also, out of the six regional managers who manage the company’s six operational areas, there is no black among them.

Although Metro Rail does not want to predict how many black regional managers Metro Rail will have next year, it is certain that there will be some movement towards changing the company so that “it reflects the demographics.”

In addition to training, the company needs to improve its customer service.

“Our trains are dirty and not user-friendly, and we want to change that. We want to bring people back to the trains.”

Customer service

Metro Rail, it says, is already making some progress in addressing the issue of customer service. A number of stations have been upgraded and work is due to commence on Johannesburg Station.

Nomvete says safety is being looked at as well. “For instance, we are looking at a system where a train will not move before its doors close. We are also looking at the air-conditioning system.”

Another issue related to customer service, which could create a few enemies for Metro Rail, is that of hawkers in the trains. "We are considering banning hawking on the trains, but this will be done in consultation,” he says, adding that the company is in the process of discussing the issue with hawkers’ associations.

Improved customer service will assist the company to reduce its dependence on Government subsidies. Metro Rail gets a R1.3 billion subsidy from the state every year.

Nomvete hopes that as the services improves, and it is worth the money people pay, then the "sput of masakhane" will prevail and those who evade fares will stop doing so.

“Once our main problems are solved, but we hope we will address this soon,” he says, but declines to give details as this could hamper plans to deal effectively with an issue that costs Metro Rail millions of rand every year.

Like Metro Rail’s head Mr Mafika Mkwana, Nomvete adds that he foresees a situation where transport will be fully integrated, and people can use one ticket for trains, buses and taxis.
Toll Bridge

Continued on Page 5

Majadala could face freight group in court over border toll bridge.
Road builders learn from the past

TRADITIONAL road building techniques used in the early part of the century are emerging again in SA, says SA Bitumen and Tar Association (Sabit) vice-chairman Adriano Swanepoel.

"These methods extend beyond the mere provision of roads because they employ labour-enhanced methods of construction, empowering small contractors in the process."

Swanepoel said improved materials used for binding the surface had revitalised in the construction of roads which were as durable as conventional roads. A capital outlay of R10 000 per-construction team should allow small contractors to "get into business" and tender for road construction projects.

"This method is taking off and already roads in Doornkop and pavements at Baragwanath are being built this way. Instead of machinery costs taking a major slice of the contract amount, 35% to 40% is being paid directly to wages."

The techniques were similar to those used by the great road builders of the past, Swanepoel said. High strength was obtained by stone-to-stone contact of larger than normal stones in the surface layer.

Chris Potgieter, a partner at Potgieter, Hattingh & Schultz, consultant to the Greater Johannesburg Metropolitan Council on the Doornkop project, said there were four levels in empowerment of road-building contractors.

The first was where a labour force did work on a pay-per-day basis. This method was not linked to productivity and was used while labourers acquired basic skills.

The second option was task work, where the labour force was advanced to a productivity-linked basis, and work was measured and paid for per task. Another level saw emerging contractors being financially and technically assisted in becoming managing contractors. Financial help was given through the provision of material, machines, guarantees and assurance.

The fourth level on the empowerment ladder was when small contractors were able to tender for projects on suitable lengths of street.
New seat-belt regulation will upgrade road safety

From next year rear-seat passengers and children must buckle up in vehicles fitted with restraining devices

BY Anna Cox

The use of rear seat-belts and child restraints is to become compulsory from January 1 in vehicles fitted with the safety measures.

This move is seen as a major breakthrough by road safety organisations who have for years been campaigning to bring South African Department of Transport regulations into line with most western countries, where rear seat-belt use is compulsory.

Previously only drivers and other front-seat passengers were compelled to wear seat-belts.

Drivers will now be legally obliged to ensure that all children between the ages of three and 14 are restrained in front and back seats with seat-belts or child restraints.

Vehicles not fitted with rear seat-belts or child restraints are not affected, but motorists will be prosecuted if seat-belts are removed from a vehicle.

The new regulations also do not compel additional seat-belts or child restraints to be fitted to a vehicle.

Said director of Traffic Legislation Friskie Loots: “Although seat-belts themselves are not a foolproof insurance against collision-related deaths and injuries, research shows that they can reduce the number of such injuries to drivers and passengers by up to 50% and reduce fatalities by between 30% and 40%.

“It has been conclusively proved that front and rear seat passengers not wearing seat-belts will most likely be flung through the windscreen in a front-end collision.

In rear-end collisions, unbelted passengers can be flung head first against the rear window and in some cases right through it.”

Although the regulations do not cater for infants, the department strongly advises that appropriate child restraints are purchased and used.

If a child restraint has not been fitted it is suggested the mothers sit behind the passenger or driver and wear a seatbelt with the baby on their laps.
Rear seatbelts, child restraints compulsory

SPECIAL CORRESPONDENT

DURBAN: The use of rear seatbelts and child restraints is to become compulsory from next January 1.

This move is seen as a major breakthrough by road safety organisations who have for years been campaigning to bring South African Department of Transport regulations in line with most Western countries, where rear seatbelt use is compulsory.

Drivers will be obliged to ensure children between the ages of three and 14 are restrained at the front and back seats, using seatbelts or child restraints. Vehicles not fitted with rear seatbelts or child restraints are not affected.

Director of traffic legislation Mr Priekie Loois said: "Research shows they (seatbelts) can reduce injuries to drivers and passengers by up to 50% and reduce fatalities by between 30 and 40%."
Old style road construction leads to job creation for unemployed

By Mandla Mthembu

Traditional road building techniques used in the early part of the century are again being utilized here to successfully empower small contractors.

A spokesman for the SA Bitumen and Tar Association (Sabita), Adriano Swanepoel, said the traditional materials for bonding road surfaces under construction have a result as durable as modern methods.

And the relatively modest R10 000 capital outlay per construction team should allow small contractors to get into business and to tender for road construction projects.

The method has already taken off, with roads in Doornkop and pavements at Baragwanath Hospital being constructed this way.

"Instead of machinery costs taking a major slice of the contract amount, 35-40% is paid directly to wages," said Swanepoel.

"These road building methods go beyond the provision of roads because they employ labour-enhanced methods of construction and empower small contractors."

He said the techniques are very similar to those used by the "great road-builders of yesteryear."

"High strength is obtained by way of stone-to-stone contact of larger than normal stones in the surface layer," he pointed out.

Greater Johannesburg TMC consultant on the Doornkop project, Chris Potgieter, said the method had set up the route to full empowerment of the road building contractors.

"And with local communities providing both contractors and labourers, we should get sustainable job creation," he added.
Commuters attack
govt for fares rise

Theo Raivana

THE SA Commuters' Organisation has expressed shock at the transport department's decision not to increase subsidies, and has attacked the SA Bus Operators' Organisation (Saboa) for reacting by increasing fares.

Saboa announced this week that "substantially increased fares" were likely in the new year because of government's decision not to increase subsidies. The organisation said also substantial staff layoffs and non-replacement of ageing equipment were likely.

The bus organisation said after the subsidies decision became known on November 23, it had submitted an alternative proposal which was rejected by Transport Minister Mac Maharaj.

The effect of a decision on the availability of funds having been taken so late in the financial year was that the industry had been unable to avoid the costs of providing essential services. As a result the industry would now be unable to recover these costs which related to service and employment levels and planning for salary increases.

Saboa said the R770m subsidy was insufficient to meet the costs of providing services already operated. Had a decision been made earlier, bus operators could have tailored their service levels in line with state assistance.

Davi Sekgobela, the commuter organisation's general secretary, said commuters had expected government to give public transport "the attention it deserved" since 80% of the population relied on it.

Government's decision flew in the face of its stated aim to "promote public transport over private transport" as contained in the passenger transport policy framework of November 1995.

Government's decision not to increase subsidies, and Saboa's reaction, were taken without regard for the "devastating effects" these would have.

"The majority of the people, relying on public transport, can ill afford the envisaged bus fare hikes next year. Most people are already spending more than 40% of hard-earned, low salaries on public transport," Sekgobela said.

Government should rescind the decision, he said.

Saboa said the fact that the department had agreed to a fares increase to cover increased operating costs meant commuters would have to pay a larger slice of the total fare.

At present subsidy levels bus commuters paid about half of the true ticket value of their journey.
R20m will go to rural roads

Farouk Chothia

DURBAN — The R20m motor tax subsidy KwaZulu-Natal had received from the transport department would be used in the next financial year to construct community access roads in rural areas, provincial transport MEC Sibusiso Ndebele said yesterday.

The subsidy had previously been allocated to local authorities under Natal's provincial administration for maintenance of the roads under their jurisdiction.

Ndebele said it was unfortunate these local authorities would no longer benefit from the subsidy, but it had to be recognised that funds would be used for areas where the need was "undoubtedly the greatest".
SAA to sign co-operation agreement with Lufthansa

CAPE TOWN — South African Airways chief executive Mike Myburgh will sign an agreement for close co-operation with Lufthansa on Friday, taking another step towards making his airline part of a global alliance.

It will result in more direct flights between South Africa and Germany, better connections, more intensive use of aircraft and other advantages which will help members of the alliance to withstand competition.

The chief executives of Lufthansa’s other partner airlines — United from America, Thai Airways, the Scandinavian group, SAS and Brazil’s Varig — will be in Frankfurt for the ceremony.

SAA already has a friendly relationship with Thai Airways which includes enabling passengers to earn points on each other’s frequent flyer programmes.

Both Myburgh and Lufthansa’s president and chief executive, Juergen Weber, think such alliances imperative in an increasingly competitive industry in which other strong groupings are forming.

South Africa’s Department of Civil Aviation has so far withstood pressure to allow foreign airlines unlimited access to this country and the freedom to pick up passengers bound for other destinations without calling at their own home airport en route.

But talks with the US traffic authorities, which broke down this year on a failure to agree about liberalisation of bilateral agreements protecting SAA, will be resumed in January. The department is virtually certain to have to make concessions.

In the latest edition of Lufthansa’s magazine, Weber said that the globalisation of business meant that today’s passengers expected airlines to offer global services and networks.

Lufthansa’s partnerships with other airlines aimed at providing “tight-knit, well co-ordinated services across the world”.

Discussing the agreement with SAA, Weber said both airlines planned to increase their services between Germany and “South Africa. They would improve links between the two traffic networks and co-ordinate their frequent flyer programmes.”
SA AIRWAYS's alliance with Lufthansa, signed in Frankfurt this week, has positioned the national carrier as a global player.

The alliance not only opens up South Africa to tourists from all of Lufthansa's 120 destinations, but also gives SA passengers direct access to 110 countries served by the German airline.

However, Lufthansa ruled itself out as a potential equity partner in SAA following last week's announcement by government that a minority stake in the national airline may be sold.

Lufthansa spokesman Chris Click commented: "That is not our style. We seek partners and co-operation, not acquisition."

Instead, SAA sources indicate a strategic partner is likely to come from the ranks of South Africa's financial institutions. It has been mooted that 25% could be up for sale.

The co-operation agreement between Lufthansa and SAA, which comes into effect in April, includes sharing of maintenance and training facilities, lounges, reservation systems, cargo capacity, frequent flyer programmes and ground handling. It should see huge savings in costs for both operators.

Benefits for passengers include travel on both airlines using only one ticket, common frequent-flier miles, wider international package choices and access to the discounted fares offered by both carriers.

SAA chief executive Mike Myburgh said at the signing: "This agreement sees us joining the clubs of the superior global airlines."

Jürgen Weber, Lufthansa's chairman, said: "Southern Africa is no longer a blank space in the network of global alliances. With SAA we have gained a partner to offer our passengers the best of connections in a region of growing economic importance."

Pending approval of traffic rights, Lufthansa and SAA will offer 29 code-share connections weekly to five destinations in Germany and South Africa. Lufthansa will operate three and SAA five flights weekly from Dusseldorf to Cape Town with a stopover in Johannesburg.

Cargo capacity for two-way shipment is now on offer at least daily to both airlines' customers, making it the largest service of its kind between South Africa and Europe.
Future of Sun Air uncertain

Friday 18 December 1992

THE privatisation of Sun Air would have to stay on ice until the Northwest and central governments agreed on who owned the airline, Sun Air chairman Dirk Ackerman said at the weekend.

He said President Nelson Mandela signed a decree last year transferring Sun Air's assets to the public enterprises department, but since then the Northwest provincial government had complained about some of Sun Air's restructuring and, at times, claimed ownership of the airline.

Ackerman doubted there would be any decision on the airline's privatisation until Parliament reconvened early next year.

He said Sun Air, which operates five DC9s and two leased Boeing 727s, was worth between R80m and R90m.

Government has labelled Sun Air, Autonet and Transkei Airways as some of the "non-strategic" assets it intended selling during the first wave of possible sales - including stakes in Telkom and SA Airways.

An Industrial source said if Sun Air did not succeed in teaming up with the strategic partner it wanted, the most likely buyer was Comair - which was experiencing stiff competition from it on key routes - or SA Airways.
Deal between SAA and Lufthansa signed

By Eric Jansen

South African Airways will soon have one of the largest networks in the world.

An alliance deal signed with Lufthansa in Frankfurt at the weekend literally opens the world to local travellers.

From April 1, passengers of both airlines will enjoy increased capacity, the interlinking of frequent flyer programmes, and streamlined check-in, ground-handling and lounge facilities.

Effectively, the deal combines SAA's 34 destinations in 27 countries with Lufthansa's 420 destinations in 118 countries.

Altogether 29 weekly code-share connections will be offered, linking Cape Town and Johannesburg with Frankfurt, Dusseldorf and Munich. Further services are yet to be introduced.

The agreement includes the interlinking of cargo operations. Although the deal takes effect only on April 1, cooperation in the cargo business is well under way. SAA recently introduced a new Johannesburg-Nairobi-Frankfurt route, doubling capacity from two to four weekly shipments and now providing the largest cargo network of its kind between South Africa and Europe.

Other benefits for SAA and Lufthansa will include joint marketing, technical co-operation, joint purchasing as well as the use of each other's maintenance centres, reservation systems and training centres.

Lufthansa chief executive Jurgen Weber said the agreement meant that southern Africa was no longer a blank space in its network of global alliances.

Jurgen Weber ... Lufthansa chief.

(267) Mar 19/12/95
Irate KwaMashu passengers torch and damage Putco buses

DURBAN — Three Putco buses worth R1.2m were set alight and two damaged by irate passengers in the Newlands main road near KwaMashu’s Lindelani squatter settlement north of Durban yesterday.

Public order policing unit spokesman Inspector Chris Overall said a group of about 500 Lindelani residents torched the buses at about 10am, apparently to protest against the bus service to their area being temporarily discontinued.

Townships’ bus services were reduced due to a drop in passenger numbers in the holiday period.

Putco managing director Michael Oldham said in Johannesburg the company always ran according to a holiday schedule over the Christmas period from December 16 until the first week in January.

Oldham said that Putco was operating according to the schedule “year in and year out”, in line with reduced transport needs in the Christmas period.

He said, however, had the Lindelani residents communicated the need for transport in their area, the company could have accommodated them and an agreement could have been reached.

Overall said the buses were set alight while drivers were waiting for passengers from the Newlands residential area.

No one was injured in the incident and no arrests were made. — Sapa.
Idasa calls for help in Eastern Cape

CAPE TOWN — Bureaucratic malaise in the Transkei and Ciskei was seriously hampering the Eastern Cape government's attempts to address poverty in the province, the second poorest in the country, according to the Institute for Democracy in SA (Idasa).

Central government should seriously consider seconding capable officials to help the provincial government address this problem, Idasa's poverty reduction monitoring service co-manager Conrad Barberton said in a publication by Idasa's public information centre.

Barberton stressed the importance of provincial governments and departments becoming more involved in the national planning and budgeting processes.

He said the government failed to prioritise its reconstruction and development programme goals with the result that MPs and bureaucrats were left to "mill around like a flock of sheep at an abattoir".

"They know there is a crisis but they have no effective plan for escaping from it."

The inability to prioritise development goals permeated all levels of government, Barberton said.

The government was short-sighted in not recognising some issues were more important than others.

Getting the basic nutrition programme off the ground, for instance, was more urgent than attending to land claims even though they might be equally important.

Prioritisation was vital if the government was to use all the resources at its disposal as effectively as possible to meet the challenges facing the country.

It would also minimise the likelihood of politicians and officials using policy and public funds to further their own interests, he said.

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No-one was injured in the incident and no arrests were made. — Sapa.
MAJOR delays in air, rail and road transport services are expected today as the Congress of SA Trade Unions (Cosatu) begins the first leg of its anti-privatisation programme with a call to its 1.6 million members to stop work for two hours.

The work stoppages, which will take place at different hours throughout the day countrywide, are expected to spill over into other forms of action, with the Post and Telecommunications Workers' Association (Putwa) threatening sit-ins at post offices and Telkom plants.

And although many companies have closed for the holiday season, Cosatu spokesman Nqutu Mtati said yesterday the action would have a huge impact on the economy and would be a "wake up call" to the government.

The strikes are aimed at getting the government to review its proposals, announced two weeks ago, to sell off part of Telkom and SAA, sell some "non-strategic" assets outright, and re-organise wasteful and inefficient state enterprises.

Unions are concerned many jobs will be lost by privatisation.

Business bodies, which have largely welcomed government's proposals on privatisation, have condemned the strikes as being detrimental to the economy.

Afrikaanse Handelsinstituut communications director Emmanuel da Silva said the body was "concerned" at the action and called on the government and labour to resolve the differences on the issue without delay.

The second biggest union federation in the country, the Federation of SA Labour Unions (Feduel), will not take part in today's action. Feduel assistant general-secretary James Abraham said the union was "not rigid" on privatisation and would await the report of a task team set up with other stakeholders to investigate the issue.

The National Education Health and Allied Workers' Union (Nehawu) called on its 14,000 members including hospital workers in the Western Cape to stop work from 11am to 1pm today.

The call is in support of the union's anti-privatisation campaign and in protest at what it regards as the Western Cape Provincial Administration's failure to try to resolve a dispute over dismissed social workers before Christmas.
Nyanga public transport terminus ready next month

THE R7-million Nyanga public transport interchange, designed to be used by over 50,000 passengers a day, was unveiled by the Cape Metropolitan Council yesterday.

The interchange is expected to be operational from next month.

Mr Tony Murray, acting chief director of engineering services for the CMC, said the CMC had undertaken the financial and project management responsibilities.

A maximum of 270 minibus taxis in 30 destination rows, 26 buses and 100 informal trading stalls could be accommodated.

The two taxi organisations, Codeta and Capa, Golden Arrow Bus Services and the informal traders had set up a management body to run the terminus, and the Ikapa town council was responsible for keeping it clean.

CMC chairman Mr Willie van Schoor said the interchange would greatly improve the quality of commuter transport in Ikapa.

Staff Reporter
Training to form basis of N1 project

CONTRACTOR Northern Toll Road Construction had made training and subcontracting an important part of the R500m road construction project on the 122km section of the N1 toll road from Warmbaths to Pietersburg, manager LTA said.

The financing, construction and maintenance of the road was awarded to the construction company by the SA Roads Board. Management of the project was in turn awarded to the Northern Toll Road Venture, a joint venture between LTA and Murray & Roberts. Actual construction is being undertaken as a subcontract by LMG, a joint venture between LTA, Murray & Roberts and Grinaker Construction.

LMG's training school, run in conjunction with the Civil Engineering Industry Training Scheme, was opened on July 10. "It employs four full-time

multilingual instructors headed by chief instructor Piet Potgieter.

"The capacity of the school, based at LMG's site offices in Potgieterarus, is 20 to 30 trainees a week. Some 25 different courses are offered, most of them at the school and a few on site," LTA said.

By the end of November a total of 452 trainee certificates had been issued, 300 of which were to members of LMG's 850-strong labour complement, 113 to employees of emerging contractors involved in the project, and the balance to core employees.

The skills training involves intensive week-long sessions in skills such as measuring, scaffolding and support work, excavation, shutter erection and concrete pouring, installation of subsoil, drains and gabions and fencing erection.

"One significant aspect of this ambitious SARB project is the contractor's commitment to award contracts worth R50m to emerging contractors and to provide training for some 2 000 people," LTA said in a statement.

LMG project manager Eugene Erasmus said 53 reconstruction and development contracts — plant hire and supply orders — valued at more than R35m, had been awarded by his company by the end of November. The success of this programme could result in the RDP portion of the contract exceeding the stipulated R50m by contract completion in July 1997.

At least 14 orders had been placed with emerging businesses by LMG's subcontractors.
BUS fares are set to rise by between 5% and 20% on January 1.
Golden Arrow Bus Services general manager Mr Johannes Grebe said yesterday the increases were
the result of the Department of
Transport's decision not to sub-
sidise bus commuters.
His firm was "deeply disapp-
pointed" by the decision.

The increases will not only
affect cash fares, but also discount
clipcards, monthly tickets and
concessionary fares for senile citi-
zens and school pupils.
A trip from Atlantic to the city
will go up to R11.90. (Previously:
R11.20), Hout Bay to the city R5
(R4.70) and Manenberg to the city
R3.10 (R4.60).
All fares for pupils and senior
citizens will increase by 20%.
All 30-tide and monthly clip-
cards bought up to December 31
will be valid until the expiry date.