

PUBLIC SECTOR — TRANSPORT — GENERAL

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Alternative routes to toll roads may go

(269) BD 9/1/95
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 R3bn 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

MICK COLLINS

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 (13km). The total cost was about R1,45bn.

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 200 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.

SA AIRWAYS

(269)
FM 27/1/95

Trooping the colour

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 Lyonnaise 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. ■

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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 flier, 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 Sun Air — 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 believes infringes his constitutional rights.

"Also, it is a discount airline which would attract many pensioners, 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 Witt 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.

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NEWS IN BRIEF

Strike at AECI plant

BUILDING at AECT's new lysine plant in Umbogintwini near Durban ground to a halt yesterday when contract workers downed tools over an apparent wage dispute.

The factory's main entrance was opened by mid-morning.

'Whites will lose jobs'

NEARLY 1-million whites would lose their jobs because of affirmative action, Free State University labour economics lecturer Louis Bothma said at the white Mineworkers' Union's annual conference in Midrand yesterday.

Through normal means, this would take about 30 years if no new whites were appointed.

Officers in SANDF

ABOUT half the 10 000 "non-statutory soldiers" integrated into the SANDF had been ranked as non-commissioned officers, Deputy Defence Minister Ronnie Kasrils said yesterday. Another 1 500 had been appointed as officers, he told a delegation of the French Institute for Advanced National Defence Studies in Cape Town.

Mboweni's honour

LABOUR Minister Tito Mboweni was not the first South African to be awarded membership of the World Economic Forum's Global Leaders for Tomorrow network, as reported yesterday. Mboweni's office has pointed out Sapa misquoted its statement, which said Mboweni was the first SA Cabinet Minister to receive the honour.

REPORTS: Business Day Reporter, Sapa.

Maharaj wants fuel levy back

(269) BD 31/1/95

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-Reuter 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 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 redress past inequities."

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

Zimbabwe top trading partner in Africa

JOHN DLUDLU

represented 24% of SA's total exports to African markets.

During the same period, SA consumed R669m 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 Afri-

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 R2,5bn, reflecting a 14% average growth between 1989 and 1993.

SA's exports of R1,8bn to Zimbabwe in 1993 represented an average growth rate of 16,5% between 1989 and 1993. Exports to Zimbabwe

can trading partners' list were Zambia, Malawi, Zaire, 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 vehicles parts and accessories.

Fuel levy mooted⁽²⁶⁹⁾ to pay⁽¹⁸⁾ 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% ⁽²⁶⁹⁾

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.

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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.

The new tariffs will appear in the Government Gazette tomorrow. — Reuter.

Huge harbour business

boom — tonnage up 18%

JENNY VIALI, 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 3,09 million tons in 1993 to 3,8 million in 1994.

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

Citrus, cement and beverage exports 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.

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Dedicated fuel levy welcomed

BD 2/2/95

AMANDA VERMEULEN

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

(269) star 3/2/95

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 concessionary 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 10c. 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 Grasmere toll plaza on the N1, tariffs would increase by 50c to R4,80 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 (269)

TOLL road tariffs would increase an average 10,2% from March 1, Transport Minister Mac Maharaj said yesterday.

"Every effort has been made to keep the adjustments to a minimum while concessionary tariffs and discounts for frequent users will still apply. The increase is below the inflation rate calculated over a 17-month period." BD 3/2/95

The announcement, which has been criticised by the taxi industry, followed Maharaj'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 Kranskop 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 (Sabta) executive vice-president Joe Mabasa said the industry would not accept the moves if it continued to operate without state subsidies. Taxis transported more than 50% of the population but did not receive government assistance.

Mabasa urged government to discuss the issue with Sabta. If they failed to find a reasonable solution, "there will be a con-

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frontation the government and the country will find unacceptable".

Maharaj welcomed Sabta'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.

Sacob economic policy director Ben van Rensburg said there was a need for increases in tariffs. But the latest increase emphasised the need to restructure SA's transport and road provision policy, including the role of the taxi industry.

Grindrod posts 36% earnings rise

DURBAN. — Improved trading conditions in the shipping and transport sector saw Durban-based Grindrod Unicom Group increase operating income by 36% to R68,5m in the year to December 31, 1994. Chairman Murray Grindrod also said operating income was enhanced by a foreign exchange surplus and an adjustment to the depreciation of South African-owned ships. Grindrod said while pre-tax income was 64% up at R58,6m,

income after tax was 1% better because the previous year's results were boosted by a deferred taxation adjustment of R9,1m. Without this, attributable income for the 1994 year would have increased by 15%.

Preliminary results released on Friday showed last year's tax adjustment effectively led to a 4% fall in earnings per share to 92,4 cents. Also impacting on this was a stronger-than-expected rand

dollar exchange rate in the second half and a slight increase in the weighted average number of shares in issue. A final dividend of 24 cents a share was declared, making 35 cents for the year, or 6% more than last year.

A translation adjustment of R5,3m was included in Grindrod's income for the first time, reflecting the impact of exchange rate movements on the reporting of foreign currency denominated subsidiaries. As this made 1994 results not strictly comparable with those of the previous year, pro-forma figures for 1993 were included (269). Grindrod forecast better operating profits from core activities in 1995 as a result of domestic economic upturn and stronger relations with international trading partners.

In readiness for this the group incurred capital expenditure of R229m, which included the purchase of three bulk carriers and payments on new container ships, the third of which was due for delivery in April. Capital expenditure increased the group's interest-bearing debt by R85,2m to R360,2m. Proceeds from a rights offering linked to the Johannesburg-listing of group subsidiary Griffin Shipping Holdings in August 1994 provided additional capital for the ship purchases, Grindrod said.

ISG 'to outpace industry'

From CHARLOTTE MATHEWS JOHANNESBURG. — Information Services Group (ISG), which is controlled by IBM of the US, reported an exceptionally good year for 1994 and expects to grow faster than the industry in 1995. Figures released yesterday for the 15 months to December 1994 — the group has changed its year-end in line with IBM's — show attributable profit of R64,1m was made on turnover of R1,7bn, translating into earnings of 42,9c a share.

The 26c dividend for the period was announced in November. A more meaningful indication of trading in recent months is that earnings for the 12 months to December at 44,7c a share were 28% better than the 34,9c in the same period in 1993. Turnover in the last 12 months grew by 17% to R1,5bn, but a sharp improvement in margins to 7,1% (5,4%) was evident from the 55% surge in operating income to R104,5m.

An unusual feature of the results is a R39,6m charge to pre-fund the medical aid costs of group pensioners and the service history of employees to date. ISG financial director Jim Tennant said this item would not be repeated, but it would result in future savings because up to now the costs of pensioners' medical aid had been funded from current earnings and there would be a future tax benefit.

CE Brian Mehl said future profits would come from normal revenue growth and increased market share. ISG is now in a position to grow faster than the industry because of the advantages to customers of using IBM's global expertise.

World stock markets

Fish blue chips their early gains rise in interest day, although remained quiet using on deal index closed at and floor trade ing new direc s forecast until heir reaction to at the German x closed down n post-bourse down 8,98 at over on falling aking on the ednesday. The CAC-40 index closed down 11,68, or 0,6%, at 1 816,10. Tokyo stocks closed easier on profit-taking and foreign selling, but were off the day's lows. The key Nikkei average closed down 135,17 points or 0,72% at 18 604,30. It fell to the day's low of 18 521,16 in the early afternoon but recouped some losses on buying on dips. The stock market remained closed for the three-day lunar new year holiday. Trading will resume today. The Australian share market closed on a positive note as confidence returned to the market. Dealers said there was a strong demand for bank stocks as investors chased high yielding industrial stocks. The All Ordinaries index ended 23,4 points or 1,28% higher at 1 856,4 points. — Sapa-Reuters

Portnet sees surge in cargo tonnages

Business Staff PORTNET handled 11,741 million tons of cargo during December 1994. This is 25,50% up on the figure for the same period last year. Of this figure, 84,33% constitutes exports (9 901 million tons), 11,94% imports (1 401 million tons), 1,83% coastwise traffic (215 362 tons) and 1,9% transshipment cargo (222 766 tons). December saw the highest number of TEUs handled in one month through the Port of Durban (76 226) and also a record for the ports in total (103 681). The gross-registered tonnage (41 227 013) also shows an increase of 9,0% compared to December 1993. The Port of Saldanha handled the highest tonnage of iron ore in one month (2,33 million tons), which is 82% up on the figure for December 1993.

Afcor set to build five top hotels

From THABO LESHILLO JOHANNESBURG. — The previously marginalised black majority could soon become a significant player in the growing tourism industry, if several planned forays into the hotel industry bear fruit. The black economic empowerment group, African Development Corporation (Afcor), said yesterday it had secured the backing of overseas financiers to build five international hotels. MD Tiny Naidoo said work on the first of the five-star hotels would begin in Pietersburg in a few months' time. Others would be set up in Johannesburg's Bruma Lake area, and in Durban, Cape Town and Nelspruit. He said such big names in the hotel industry as Sheraton, Marriott, Intercontinental and The Taj had been invited to manage them. All should be operational within three years. Naidoo said talks were at an advanced stage to have an Austrian airline charter planes to bring at least 600 European tourists a week. Afcor is currently setting up a consortium of black businessmen to buy a block of shares in the R200m Hilton International Hotel, to be built in Sandton. The aim is to take a 20% stake, amounting to R36m, in the five-star hotel. Naidoo said 100% of the money for the Sandton project was already in place. The Business Focus Group from Malaysia had provided 70% of the capital and Hilton five percent. Another five percent had come from local developer Team Development Concepts. The remaining 20% is held by Investec Merchant Bank. It is envisaged that this shareholding will eventually be acquired by the group being set up by Afcor.

SUN AIR (269)

A wing and a prayer

FM 3/2/95

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 CE 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 CE 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

BUSINESS

clear that Sun Air and Transkei Airways are operating on a strictly business basis?"

Pieter van Hoven, 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 a costly 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

ARG 6/2/95

(269)

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — The suspension of USAfrica 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 USAfrica officials, "it didn't sound to me they were optimistic they would be up and running".

The jobs of about 400 USAfrica 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.

TRANSPORT
Into Africa

(269)
FM 10/2/95

Plans for a multi-billion rand rail and harbour network linking southern African states have emerged after a two-year study by a Rand Afrikaans University transport

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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 Buchu Bay north of Port Nolloth for transporting lead, copper, beryllium and zinc;

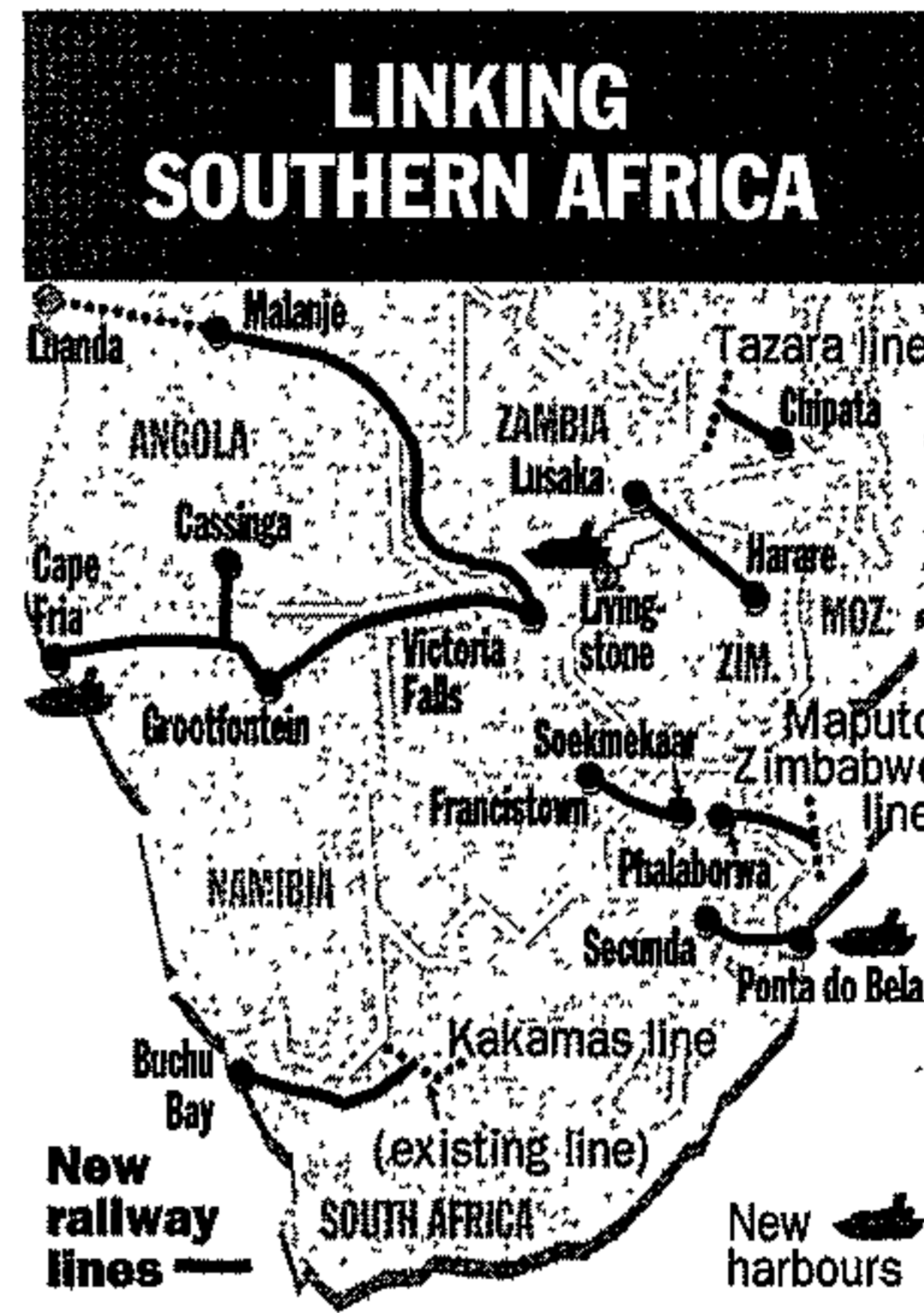
□ A line from Phalaborwa through the Kruger National Park to Mozambique, where it will link up with the Maputo/Zimbabwe line. This aspect of Pretorius's plan will undoubtedly receive much criticism;

□ 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 Soekmekaar in the Northern Transvaal near Louis Trichardt, which will link up with Francistown in Botswana for the export of soda ash from the Suapan 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.

Eddie Botha



ROADS

Who will smooth the surface?

269
FM 10/02/95

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 creams 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 levy 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 its begging bowl and plead with gov-

ernment 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 Welgemoed, 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 incontrovertible 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 rehired 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, he 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."

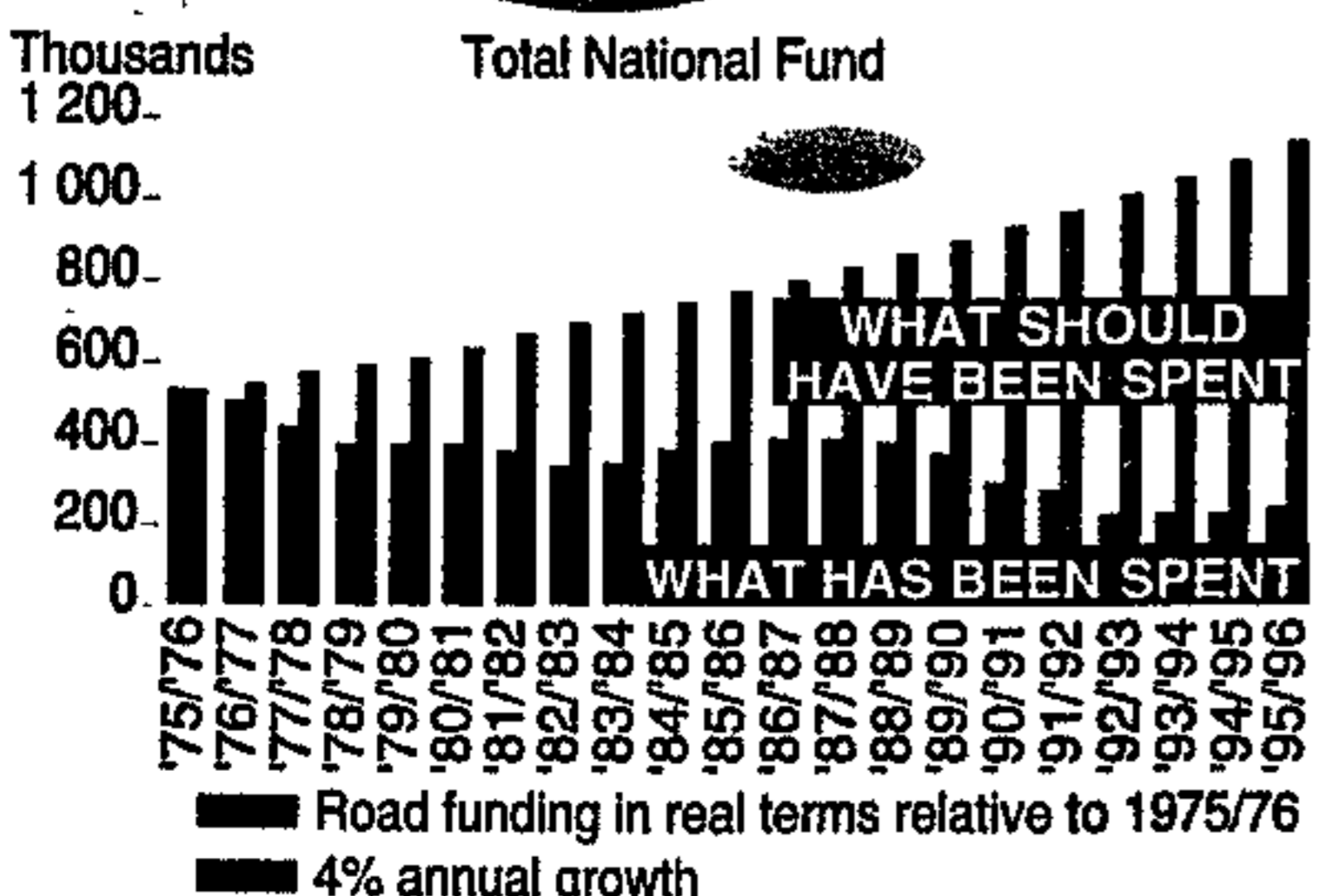
But the problems begin to escalate soon after they appear. Maharaj says in 1985 35% of SA's roads were considered very good but this had dropped to 18% by 1992. In 1985, only 1% of the country's national roads were considered very bad. This rose to 8% by 1992. Unless more money is spent on national roads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

New road fund tax	?
Transport & distribution	13,4c
Retail margin	15,6c
Wholesale margin	14,06c
MVA & NRSC	9,2c
Equalisation fund levy	9,6c
Price before tax per l	107,6338116c
Fuel tax	60,9c
Customs & Excise duty	4c
Pump price	173c

POTHoles



idence in other countries to prove this is the most efficient way of financing them. Those who don't use roads won't pay fuel levies."

Maharaj is confident "we won't need a great deal of assistance from the Treasury if we get a certain level of levy" but won't divulge how much he intends creaming off the top of the retail price of fuel. The concept still needs more study.

"We must try to explain to government and the Minister of Finance that we're not asking the public to bear a bigger tax burden but that this is a commodity they're buying. It will be a higher burden on the consumer but he must arrange his spending. Those who buy it are spending on a commodity they want. If the principle is approved, we'll work fast."

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

GT(BT)12/2/95 (269)

THE Transvaal Supreme Court this week rejected a private bus operator's attempt to stop the State Tender Board awarding a R240-million deal to a contractor claimed to be backed by a state-owned bus company.

Umfoloji 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 JC Coetzer 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 Umfoloji managing director Abel Erasmus claimed the board was not objective in awarding the tender to TAS. He claimed that Mamelodi Transport, a subsidiary of Bophuthat-

By CIARAN RYAN

swana Transport Holdings, was the real tenderer and TAS its agent. Mamelodi will supply 100 buses and a further 148 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 R42-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 BTI fare structure and favourable interest rates.

Counsel for the respondents argued that Umfoloji 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 BTI.

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

In 1993, Umfoloji 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 R357-million.

Although TAS tendered R478 000 below Umfoloji, 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

22
269

CT 20/2/95

Own Correspondent

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 R2,29m.

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

CT 23/2/95

(269)

By AUDREY D'ANGELO
Business Editor

THERE is an urgent need for a Metropolitan Transport Authority to "co-ordinate 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 more 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 1979, "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-

lel thrust to grow the economy and create sustainable jobs.

"Growth has returned to our economy and we are hoping to notch up a real growth of 4% in 1995, but our spending on socio-economic projects will require growth of 6% at least.

"We need to accelerate our growth through real and productive investment, but foreign investment particularly is still only a trickle of our expectations.

"That must change and if we listen to the leading global players we need three vital components.

"Firstly we need an attractive investment incentive scheme such as we find in the Pacific Rim and elsewhere. We can currently offer little compared with India, Indonesia, Chile and elsewhere and we are therefore not attracting significant investor interest.

"Secondly, we need the urgent abolition of exchange control regulations, which will permit unfettered capital flow. While we understand the fears of outflowing capital we must not underestimate what we are losing in potential investment capital inflow.

"The third component is to prove to the potential investor that the Cape especially, and SA in general, is serious about the urgent business of becoming more internationally competitive."

This could be done by intensive training, by transparent and constructive joint ventures with the trade unions in productivity bargaining and by focusing on research and development.

This would be a green light for investment, for job creation and a sustainable funding base for the ongoing needs of empowerment and upliftment of the disadvantaged.

However, Wilson said, it would be an exercise in futility to attract new industries while failing to consolidate and expand those already in existence. With tariff barriers tumbling over the next few years, traditional exporters "must be assisted by an enlightened and positive export incentive policy to replace the General Export Incentive Scheme (GEIS)."

Govt reviewing transport policy

(269) BD 23/2/95

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.

THEO RAWANA

"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 fields" 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

A SA 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 Spoornet 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 programmes of action entails bringing Metro Rail into line with the population demographics of this 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 legislative such as job reservation to deter his ambitions and he went on to become one of the few black mining engineers in the country.

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

Like many government-owned corporations, 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 policy to eventually sell off 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 Malunga** about the challenges that lie ahead as the Government is likely to reduce its subsidy to the rail company.



(269) Sowetan 27/2/95



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 Mrs Stella Sigcau 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 wrecked 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 gruelling

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

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 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 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 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.

City transport revamp



OLYMPIC MEETING President Nelson Mandela in a lighter moment at a meeting he called at Genadendal yesterday to discuss the conflict among players in Cape Town's Olympic bid. With him are Minister of Sport Mr Shaye Tshwete, and Mr Raymond Ackerman and his wife, Wendy.

Fshwete brokers Olympic agreement

Staff Reporters

THE City Council and the Cape Town Olympic Bid Committee last night reached a breakthrough at a "stormy" meeting chaired by Minister of Sport Mr Shaye Tshwete, when it was agreed the council would decide who would sign the bid contract with the National Olympic Committee of South Africa (Nocosa).

It was very difficult. The sparks were flying but eventually sanity prevailed and everyone understood the responsibility not only for tens of thousands of Cape Townians, but to the country and Africans." Mr Tshwete said after the meeting.

It was agreed that the contract (which must be signed by March 13 to enable Nocosa to submit Cape Town's candidature to host the 2004 games officially to the International Olympic Committee) would be

signed between Nocosa and the Cape Town City Council or its delegated authority."

Mr Tshwete said he had appealed to those present to "let bygones be bygones as we must emerge fully united behind the bid without any witch-hunt".

"It was never the intention of anyone here to sideline the private sector. Everyone understood their role was central," he added.

Sources at the meeting, however, revealed that the legality of a City Council trust fund established for the games bid was still being resolved and R70 million in sponsorship money had not yet been transferred into the fund.

Until the legality of the fund had been established, several small companies involved with the bid could not be paid.

The meeting was barred to the press and Mr Ackerman was taken to task by Nocosa officials

for speaking to the media about the recent wrangle.

It was agreed that only Mr Tshwete would speak to the press after the meeting.

Earlier exco chairperson Ms Nomindla Mkekele said: "President Mandela had urged all the players at a meeting at his residence Genadendal on Saturday to sort out their differences."

"The President said he had an interest in solving the issue. He said it would be the country's pride to have the 2004 Olympics in South Africa, not only Cape Town's. He urged everyone involved to find some solution," Ms Mkekele said.

Mr Mandela's intervention came after earlier attempts by Mr Tshwete, regional Premier Mr Hennis Kriel and regional Sports Minister Mr Lerumo Kalako failed to get the bid back on track.

"President Mandela also said the row in the media with

statements by various people was damaging the bid. A decision was taken at the meeting that only Mr Tshwete would issue statements until the matter had been resolved."

Ms Mkekele said: "She said she believed the rift between the players was not so serious that it could not be solved."

City Council spokeswoman Ms Gill Peelman said last night returned from Barcelona and returned from Barcelona and returned from Barcelona, where he and three other councillors met the International Olympic Committee.

"They came back with some useful information and will be briefing councillors on Wednesday. They were told about the requirements and implications of the bid by the city, and things like where the ideal Olympic village should be situated," Ms Peelman said.

Govt will put in R500m over the next two years

By ANTHONY JOHNSON
Political Correspondent

THE government will spend R500 million on improving Cape Town's transportation system over the next two years, Transport Minister Mr Mac Maharaj said at the weekend.

The massive cash injection for the city's road and rail systems was designed to improve its chances of hosting the 2004 Olympic Games, he said in an interview.

In addition, the state-aided Airports Company was set to undertake a major overhaul of the city's D F Malan airport to meet International Olympic Committee specifications.

It was important that South African airports build up their capacity to handle the huge growth in traffic to the country.

"This is particularly the case in Cape Town, so that we see a successful bid for the Olympics," he said.

Experts from the United States and Britain were looking at ways to modernise D F Malan and South Africa's other major airports to bring them up to international standards.

Mr Maharaj said that apart from funds that might come from second and third-tier government and the private sector to beef up Cape Town's transport network, the central government had set aside half-a-billion rand in preparation for the Olympic bid.

R70m would be spent this year and over R100m in 1998, he said. An important condition for the funding was that development take place in a "holistic" way. Whatever might be done to improve mobility in Cape Town, simultaneous efforts had to be made to deal with matters such as housing and development.

"The conditions set by International Olympic Committee chairman Mr Juan Antonio Samaranch are clear. When Cape Town makes the bid formally next year, they have to show certain things are already done, and certain things are already moving," he said.

"The half-a-billion for the city will be devoted to improving road and rail facilities."

"The Airports Company is a commercial entity, that is outside the R500 000."

He said D F Malan needed a "complete overhaul — there has been a 38% increase in traffic to Cape Town airport recently". The minister said the World Cup rugby tournament could provide important lessons for planning for the Olympic Games.

**Men
Guns
Green**

Big rail changes

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Already Public Enterprises Minister Mrs Stella Sigcau 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 wrecked 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 gruelling



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

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 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 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 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.

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 Kluever.

"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 Kluever said the internal investigation had shown procedures were not always effective in controlling ex-

penditure.

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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 R1,285 billion. Income was R454 868 000.

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 Kluever 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. (269)

The weekend conference accepted the second draft produced by the strategic management team set up last year. BD 6/3/95

Delegates generally accepted the strategic management team's discus-

THEO RAWANA

sion 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-effec-

tive 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.

SA AIRWAYS

(269)

Fleeting moments

PM 24/3/95

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 Pheiffer, 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 servi

269 25/3/95

Man with a new sta

NEWTON KANHEMA

EACH day, more than 860 000 commuters ride the trains in South Africa's cities and simply don't bother to pay. That practice is costing Metro Rail Services a staggering R80 million a year.

MRS is a new, autonomous body created out of Spoornet to run all commuter rail services in the country. It transports 2.2-million commuters every day. Right now, Metro's biggest task is convincing 30% 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 organised rent boycott aimed at crippling the system, has now become an entrenched bad habit, mainly in the black communities.

Johannesburg is the worst hit of all the metropolitan areas, with as many as 35% of commuters riding the trains without paying.

Non-payment eats deep into the subsidies the Government gives MRS to run the urban train 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 Mafika Edmund Mkwanazi, who was appointed chief executive of MRS in January.

Young, smart, confident and articulate, Mkwanazi works from a 21st floor office in Braamfontein. He says he is all too aware of the fact that while he is the one providing the transport, thousands are taking him for a ride.

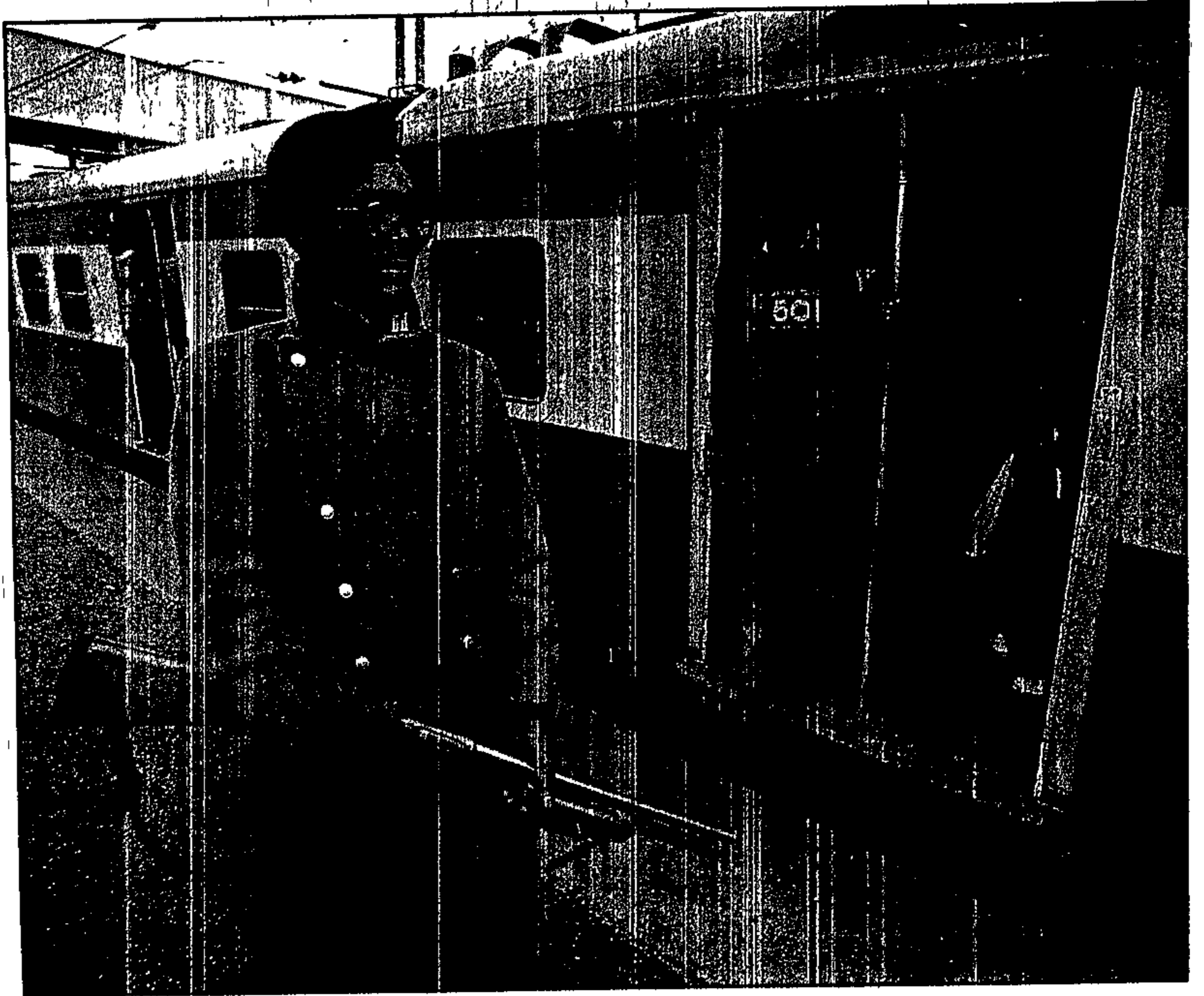
"I am aware that we have such a problem," he says. "But you must understand that we have 510 stations throughout the country, of which about 160 are not manned at all because of the downsizing which started five years ago. In addition, there are no tickets sold and not a single staff member to see to it 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 some employees who either sell used tickets or collect the fares and pocket the money."

Mkwanazi says some of the trains "have been turned into shebeens. People sell liquor on these trains and commuters should stop this practice."

MRS, he says, is poised to put new strategies in place to ensure that all commuters pay their fares and will be introducing access controls at which it will seal off stations and put in efficient ticket control. Security will also be stepped up.

In Durban, MRS introduced a campaign called Masibambane — "let's join hands" — which re-



ON THE LOOKOUT: Peace has finally descended on South Africa's trains. And that peace needs protection together with the commu Fidelity Guards spends 12 hours of his day checking out trouble at Dube station.

sulted in a halving of the number of fare evaders. The campaign seeks to seal off stations and put more security and checks on every passenger. 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 culprits. And we need the co-operation of the paying commuters as well. The community will have to stop encouraging fraudulent practices," Mkwanazi says.

He says this de facto fare boycott, if it continues, 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 will automatically impact on other essential services such

as education, housing and health.

Metro receives a government subsidy of R700-million a year. Those commuters who pay their fares — about 70% of all passengers — contribute another R354-million a year.

"People must understand that if they want services to improve, they have to pay their fares," Mkwanazi says. "By doing so they will give the administration an option to buy more trains, build more stations and create employment."

Mkwanazi, an electrical engineering graduate from the University of Natal, has been in the corporate world for several years. After working in the mining, brewing and pharmaceutical industries, he joined BMW where he reached the position of plant manager.

"I did not take this job for 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 role models within the black communities. I came to change an Afrikaner organisation. When I took this position I made it clear that I would not be a candidate for tokenism."

Mkwanazi is now in control of an organisation with an annual operating expense of R1.75-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. "I want to bring business ethics from the private sector into this organisation. That culture is

missing."

Mkwanazi is also critical of "the exclusive culture at the top" — one that excludes Africans and tends to favour whites. "Just look at the train drivers, there are no black train drivers and it's exclusive to white people," he says.

His management team is committed to the Black Management Forum figures on affirmative changes, but he believes those figures are too conservative.

The BMF stipulates that blacks should be recruited into management positions to understudy their experienced superiors. In five years, 20% of managers should be black.

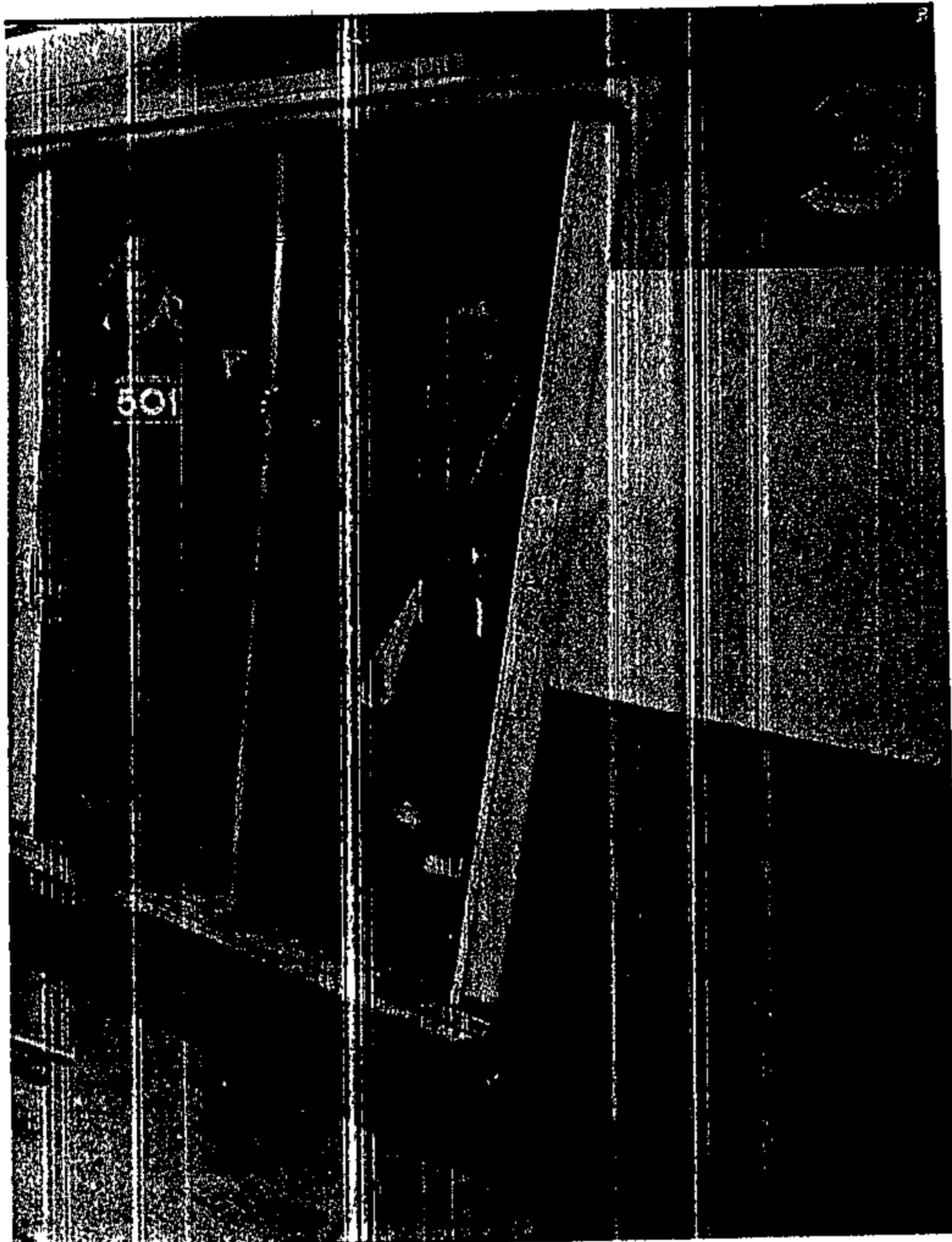
"They (Metro's present management) have accepted my views, and I have committed myself not to retrench anyone for the purpose of affirmative change. We will only retrench for non-per-

loaders taking rail services for a ride

New station in life

(269) STAR 25/3/95

Dube to Jo'burg on the house



And that peace needs protection together with the commuters. Malan Msimango of Dube station
PHOTOGRAPHS MYKEL NICOLAOU

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formance," says Mkwanazi.
He adds that he has already
put his commitment to black eco-
nomic empowerment into prac-
tice by allocating R200-million
worth of business to black-owned
companies. Contracts such as ad-
vertising, supply of stationery,
security and consultancy will be
awarded to either black-owned
or joint-venture companies.
"I am trying to validate capital-
ism for black communities in view
of the fact that no one else in the
corporate world seems to be of-
fering opportunities for black
business.
"Without black participation in
the economy, capitalism is
doomed to fail and that is why
I want to do business with black
companies," Mkwanazi says.
"This should have been done
10 years ago. If this step had
been taken then, we would have
a better economy today."

NEWTON KANHEMA

AS WE walked into Dube station in Soweto, heading for the train, we passed through two entrances without anyone asking us for tickets.

There were railway officials at each entry point, but nobody paid us the slightest attention. We boarded the train for the 30-minute trip into Johannesburg.

Each day, 35% of train commuters in Johannesburg do just that — jump on and off the trains without paying a cent.

While the number of South Africa's rail commuters continues to swell, the train services' administrators are not very encouraged as this increase is not reflected in their revenue.

"I was at the station last week and I saw that the trains were full, but this does not have a corresponding increase in the total fares we net," says Metro Rail Services spokesman Honey Mateya.

According to MRS figures, more than 660 000 train commuters evade paying fares daily across the country.

Mateya says Gauteng commuters are the biggest culprits, followed by the Western Cape (30%), Durban (20%) and Pretoria (18%).

Talking to passengers as we rolled towards Park station from Dube, we found people well satisfied with the railway service.

"Taxis are not safe. They are more expensive and the drivers are rude to their passengers. Trains are faster," said one commuter who did not want to be named.

Cost seems to be a major at-

traction. A return fare on a taxi from Soweto is R5 a day, which amounts to about R30, on average, spent a week by taxi commuters. In stark contrast, their counterparts travelling on trains spend only R8 a week for the same journey.

A monthly train ticket costs R39, while those travelling by taxi have to fork out R120 a month.

"I think the train is very safe and one feels more in control in a train. Taxis are expensive and the drivers behave like they own you. I also find the train faster during peak hour," said Alice Nhlapo from Zola.

At the stations, private and uniformed armed security men are visible, patrolling the stations around the clock.

Metro recently added facilities such as tuckshops and hawkers' stalls at some stations.

The revamped stations look decent, and during the busy hours the influx of commuters is handled smoothly, without any fuss or the stampedes common in many urban centres.

At present the rail services command 25% of the public commuter market.

But from last month, when the taxi wars resurfaced, the number of people catching trains has increased dramatically.

Although the taxi and bus industries transport 70% of public transport users, MRS is confident that it will be able to snatch another 5% of that market before the end of the year.

The biggest task, though, will be to convince commuters that this is no longer a free ride.

MAFIKA EDMUND MKWANAZI: People must understand that if they want services to improve, they have to pay their fares. By doing so they will give the administration an option to buy more trains, build more stations and create employment.
PHOTOGRAPH MYKEL NICOLAOU



Jan 27/5/95 (269)

US, SA to swop 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 Killian 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

BD29/3/95

THEO RAWANA

(269)

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 duo-bus — 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 1986."

He said the final abandonment of the system in Johannesburg was based on a Transport Department report whose findings were disputed by leading researchers.

and prepare the ground for a White Paper on the subject. All interested parties were invited through the media to submit nominations of suitable persons to represent their interests in such a task group and a group of 23 persons was selected from more than 300 submissions.

The members of the task group function in eleven subcommittees: performing arts, arts education, community arts and culture, arts and culture administration and funding, language and literature, film, visual arts and crafts, heritage, future of the performing arts councils, national council for the arts and the future of the Foundation for the Creative Arts.

The members are Prof K Skawran (arts education), Prof A. Vredendal and L Callinacos (archives), M Moitsepe (theatre), A Verster and V Mzimbe (visual arts), W Doubell (musical theatre), P Zungu (language), G Mholope (oral history), Prof J S Mphahala, J Deacon and W Kuse (monuments), S Ngqobe (crafts), L Marais (arts administration and funding), G Mashini (community art) and U Kusel (museums), T Rantso and A Sing (film), J Parther and M Ngema (dance), S Khumalo (music) and A Oliphant and Prof E Botha (literature).

This task group has broad contact with the various task groups established throughout the country at the initiative of the provinces and in which the various interest groups (including the performing arts) can state their case at grassroots level. All requests received in my Department are also referred to the task group.

Reports of the task group are to be published for comment shortly. A national conference for all interest groups is also planned for later this year so that everyone can have the opportunity to state their case. My Department will eventually be responsible for drafting a White Paper on an arts and culture policy for our country, which will be published for comment by all interested parties and experts.

- (2) My Department and I consult regularly throughout the country from the grassroots level to academic circles and with a

variety of bodies on all aspects of arts and culture

Senator A E VAN NIEKERK: Mr President, arising out of the hon the Minister's reply, I would just like to ask him to react to question 1 (b), which he did not reply to.

The MINISTER: Mr President, the people I mentioned are all experts in their fields. They are professors at universities, arts practitioners, etc. The PRESIDENT OF THE SENATE: Order! If the hon Senator wishes to have greater clarity on that, he may table another question.

Improvement of transport system in Cape Town

*2. Sen A E VAN NIEKERK asked the Minister of Transport:†

- (1) Whether any amount has been earmarked to be spent on the improvement of the transport system in Cape Town during the following two years; if so, (a) what amount, (b) how is it envisaged that this amount will be applied and (c) (i) how and (ii) by whom will this improvement be financed;

- (2) whether he will make a statement on how this project will fit into the priorities in respect of the Reconstruction and Development Programme?

S98E

THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION (on behalf of the Minister of Transport):

- (1) (a) Yes, an amount of R470 million has been approved.

- (b) R70 million will go towards planning and R400 million will go towards the implementation of infrastructure projects.

These funds will be used for preparatory planning to support the Bid as well as the detailed planning and construction of the upgrading of public transport infrastructure projects which are on Cape Town's Urban Transport Plan and which will support the Bid; and

- (c) (i) and (ii) These funds will be appropriated from the State Revenue Fund to the Urban Transport Fund, to be expended through the Consolidated

Metropolitan Transport Fund of the Cape Town Metropolitan Transport Advisory Board.

- (2) The proposed projects are primarily directed to improve public transport as well as the development of marginalised areas in the Cape Metropolitan Area. All proposed projects are measured against the principles and objectives of the Reconstruction and Development Programme (RDP). Initial indications are that the majority of projects, as proposed, supports the RDP very strongly.

The direct benefits arising from the "initial investment" is the creation of approximately 3 000 direct jobs in the construction of the infrastructure itself. The indirect benefits are

- In the road transit infrastructure area alone over 60% of the projects will directly serve disadvantaged communities throughout Cape Town
- All the remaining projects are designed to complete a system which will serve all citizens of Cape Town
- The economy of the region will be boosted by approximately R1 billion through the direct and induced expenditure arising from the R400 million invested in infrastructure
- This will increase the number of jobs created to some 30 000
- The commitment to the "Kick Start" Programme will provide tangible evidence and encouragement to potential foreign investors of the commitment of South Africa to macro-development

- The RDP will be perceived as being a sound programme in its ability to genuinely deliver—certain projects could be implemented in disadvantaged areas almost immediately.
- The "Kick Start" Programme will provide the initial impetus to restore public transport as the primary mode of travel for commuters which is essential for our cities to survive and grow effectively.

The PRESIDENT OF THE SENATE: Order! At this point in time, I would like to draw the Senator's attention to the visitors' bay where we have a very strong delegation from the Dutch parliament. That delegation is led by the deputy Speaker, Mr Zijlstra. We would like to say they are welcome to our Parliament. [Applause]

Public Service: 11 000 posts advertised/filled

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- (1) Whether any of the 11 000 posts advertised in circular minutes 22 and 22A of 1994 have been filled, if so, (a) how many persons had been appointed as at the latest specified date for which information is available, (b) (i) when and (ii) where were they appointed and (c) what is the total cost to the State of filling these posts,

- (2) whether each of the provinces has been consulted in respect of these appointments; if not, why not; if so, what was the nature of these consultations?

THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

- (1) Yes, (a) according to available information 112 persons have been appointed thus far, (b)(i), (ii) and (c) in view of the detailed nature of the information required by the hon member, it had not been possible to obtain the full information to this question in time from each department/provincial administration/organisational component. As soon as this becomes available, this will be supplied by the hon member in writing. It must be kept in mind, though, that these posts represent funded vacancies, which means that their filling do not entail any real additional expenditure for the State. Despite that, the Public Service Commission is still trying to get the necessary information from the departments and the various provincial administrations

- (2) No, the authority to finalise appointments to the level of Deputy Director has been delegated to departments/provincial administrations. As such, the provinces are thus empowered to finalise appointments on their fixed establishments with due regard to the specific prescriptions applicable to them

and prepare the ground for a White Paper on the subject. All interested parties were invited through the media to submit nominations of suitable persons to represent their interests in such a task group and a group of 23 persons was selected from more than 300 submissions.

The members of the task group function in eleven subcommittees: performing arts, arts education, community arts and culture, arts and culture administration and funding, language and literature, film, visual arts and crafts, heritage, future of the performing arts councils, national council for the arts and the future of the Foundation for the Creative Arts

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† HANSARD 4/4/95 S99E
THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

(1) Yes, (a) according to available information 112 persons have been appointed thus far, (b)(i), (ii) and (c) in view of the detailed nature of the information required by the hon member, it had not been possible to obtain the full information to this question in time from each department/provincial administration/organisational component. As soon as this becomes available, this will be supplied by the hon member in writing. It must be kept in mind, though, that these posts represent funded vacancies, which means that their filling do not entail any real additional expenditure for the State. Despite that, the Public Service Commission is still trying to get the necessary information from the departments and the various provincial administrations.

(2) No, the authority to finalise appointments to the level of Deputy Director has been delegated to departments/provincial administrations. As such, the provinces are thus empowered to finalise appointments on their fixed establishments with due regard to the specific prescriptions applicable to them.

Regional road policy encouraged

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BD4/4/95

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 ineffectual 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."

Council has no mandate — alliance

THE Cape Town City Council has no mandate to speak on behalf of ratepayers at the Olympic summit meeting in the city on Wednesday, says the Good Hope Alliance, the umbrella body of ratepayer, resident and civic associations.

GH A executive committee member and Metro councillor David Erleigh said it was a disgrace that the city council, whose members had not yet been democratically elected, could make such decisions without consulting ratepayers' bodies. *ARLT 5/4/95*

"Once again the ratepayers are being ignored by an unrepresentative, nominated body," Mr Erleigh said in a statement.

According to informal information, R75 million had been budgeted for June this year.

"The Cape Town ratepayers have yet to be informed of exactly how this R75 million is going to be raised — never mind how much of their money is going to be spent over the next 10 years," said Mr Erleigh.

R500-m boost for Cape Town transport system

CLIVE SAWYER
Political Correspondent

CAPE TOWN'S transport system is to get a kick-start of almost R500 million to serve all its citizens.

About 30 000 jobs will be created.

The regional economy will be boosted by about R1 billion from the investment.

Transport Minister Mac Maharaj told the senate yesterday that R470 million had been earmarked for improvements to Cape Town's transport system in the next two years.

Of this, R70 million would go to planning, including for the Olympic bid, and R400 million to infrastructure.

The money would come from the state revenue fund to the urban transport fund, and would be channelled through the Cape Town Metropolitan Transport Advisory Board's

consolidated metropolitan transport fund.

Mr Maharaj said the proposed projects were designed primarily to improve public transport and the development of marginalised areas in the metropole.

All proposed projects were measured against the principles and objectives of the reconstruction and development programme.

"Initial indications are that the majority of projects, as proposed, support the RDP very strongly."

Direct benefits from the initial investment would include the creation of about 3 000 jobs in building the infrastructure.

Indirect benefits included the fact that about 60 percent of the road improvement projects would benefit disadvantaged communities throughout Cape Town.

"All the remaining projects are designed to complete a system which will serve all the citizens of Cape Town."

The R1 billion boost to the regional economy would increase the number of jobs created to about 30 000.

Mr Maharaj said the programme would provide tangible evidence to potential foreign investors of South Africa's commitment to macro-development.

"The RDP will be perceived as being a sound programme in its ability to genuinely deliver. Certain projects could be implemented in disadvantaged areas almost immediately."

The "kick-start" programme would provide the impetus to restore public transport as the primary way to commute. This was essential for cities to survive and to grow effectively, Mr Maharaj said.

SOIL



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. PICTURE: AP

Olympics: R1bn boost for city

(257) (269) ~~269~~

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 initial 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 pub-

lic 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.

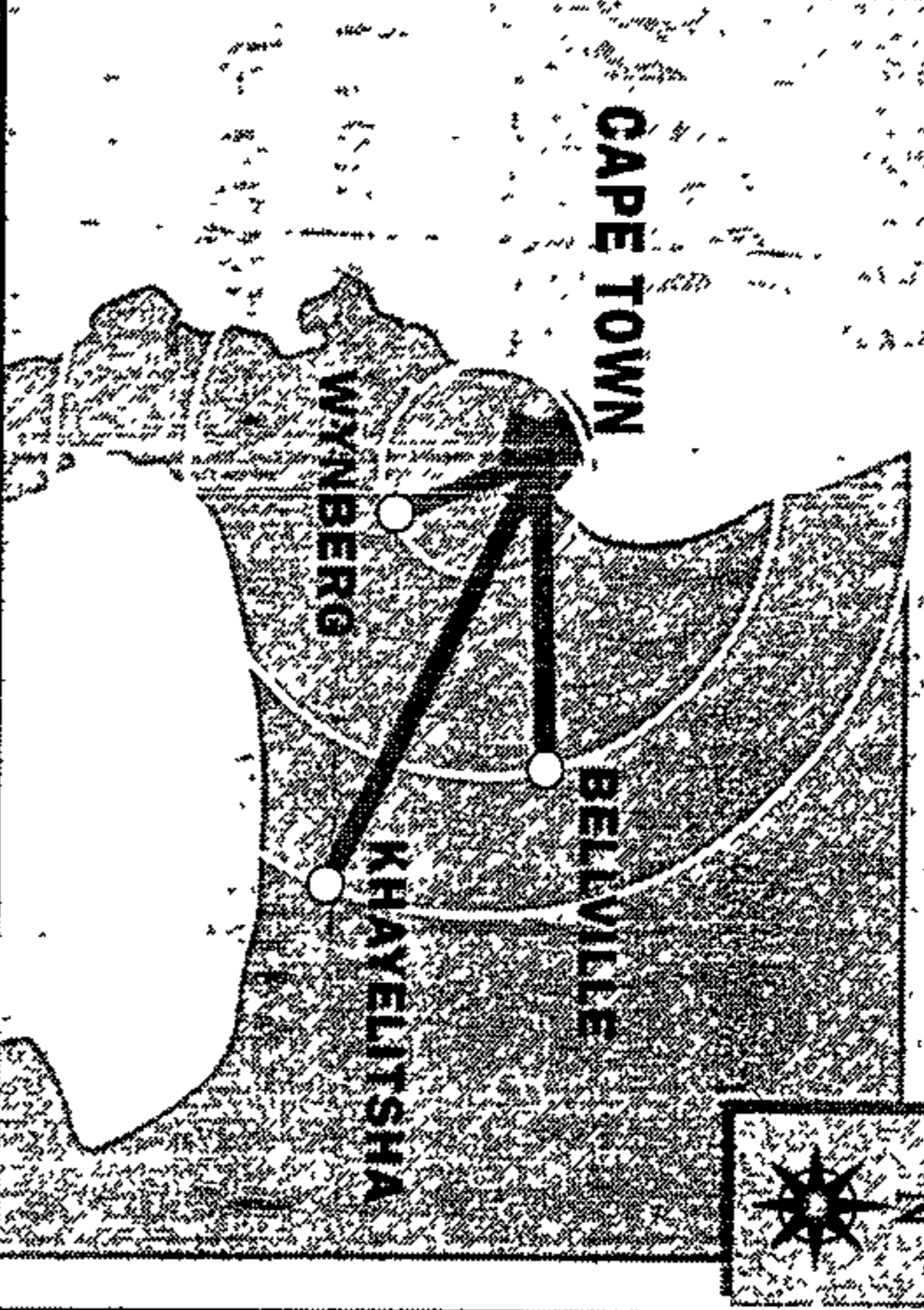
It was crucial that the summit meeting put an end to the acrimony surrounding the Olympic bid, he said.

"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 rollerskating, trampolining and 15 other sports undergoing two-year trials before applying to join the official Summer Olympic programme. — Staff Reporters, Reuter, The Telegraph plc

DAILY COMMUTING COSTS AND OPTIONS TO THE CITY



	Cape Town to Wynberg (13kms)	Cape Town to Bellville (20kms)	Cape Town to Khayelitsha (38kms)
BUS	R3,10	R4,40	R5,60
First Class	R2,80	R3,70	-----
TRAIN			
Third Class	R1,20	R1,60	R2,60
MINIBUS TAXI	R2,50	R4,00	R3,20
1,41 Motor vehicle (Petrol only)	R2,26	R3,48	R6,61

Graphic: Matthey's Moss Cape Times

Commuting by car remains tops

CLAIRE BISSEKER

MOST people are still commuting to work daily by car, even though this is by far the most expensive mode of transport into the city, a Cape Times survey has found.

Companies spend more on parking subsidies for employees in a year (about R60 million) than the entire annual metropolitan bus service subsidy, said the city's chief transport engineer, Mr Peter Clark.

According to the City Council's most recent statistics, more than 100 000 commuters enter the city at peak hour every morning — 54% by car, 32% by train, 10% by taxi and four percent by bus.

Commuting is generally cheapest by third-class train, followed by minibus taxi and first-class train, and lastly by bus.

Commuting by car is still relatively competitive when calculated on petrol costs alone, but becomes by far the most expensive option if vehicle wear and tear and parking costs in the city are included.

Daily parking rates in the city vary from as little as R2,50 for

unpaved vacant lot sites to an average price of about R13 a day for undercover parking.

More than half the commuters who travel by car have subsidised company parking, Mr Clark said.

In the 10 years up to November 1993, peak-hour traffic into the city increased by 11% from 97 580 commuters to 108 373.

Morning market

While patterns of car and train usage have hardly changed, there has been a marked shift away from commuting by bus in favour of cheaper and faster minibus taxis.

In 1991 taxis and buses enjoyed an equal six percent share of the morning market. But by 1993, only four percent of commuters used buses, while taxis' share had increased to 10%.

According to the City Council's 1993 commuter survey, this shift was part of an "ongoing national trend" which was contributed to in the Peninsula by the murder of bus drivers and intimidation of passengers in Khayelitsha.

... KANAM SIIM QTAIQUY AMEM I

Privatise road building, Tanzanian expert advises

(269) BD 5/4/95
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

THEO RAWANA

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 slowed 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 STREEK
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)

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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.

Transnet puts

privatisation

ST(BT) 9/4/95

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On a side-track

ANTON Moolman, Transnet's managing director, is contemplating a future without privatisation as the parastatal shows the first benefits of its drastic commercialisation programme.

In 1990 Dr Moolman was appointed to head the newly formed Transnet and was horrified at the financial mess which appeared once proper accounting standards were introduced — most notably a R17-billion deficit in the pension fund.

Five years later and commercialisation is beginning to pay dividends, including a maiden net profit expected for 1994/5 after paying off obligations linked to the pension fund deficit.

As he looks ahead to the end of the decade Dr Moolman sees an even greater business orientation at Transnet, one that relies on better co-operation between its various transport arms.

By SVEN LUNSCHÉ

man's plans for the future.

"Most of the things that privatisation would have achieved in terms of efficiency and profitability we have achieved through commercialisation," he says.

"My philosophy is that we have to perform solidly as a business and we will continue to do so even if the state remains our only shareholder."

Dr Moolman admits that privatisation has been discussed at Transnet's board meetings and judging from talk in Transnet corridors, it might be more of a reality than he lets on.

But even if it were a consideration, he says, "it is early days, the government first has to issue its guidelines on the policy".

The latest results give Dr Moolman ample ammunition to make a case against privatisation.

He expects to report net profits in excess of R2,2-billion when the full results for financial 1994/5 are released later this year. This is well up on last year's R1,8-billion and the first time that profits will exceed the R2,05-billion spent yearly on providing for medical aid and interest on R10-billion in government stock — issued in 1990 to partially fund the pension fund liabilities

There are other milestones, notably a continued reduction in the deficit from R4,6-billion in the year to end-March 1994 "to well under R4-billion in 1994/5" as recently as three years ago the deficit was over R10-billion.

Dr Moolman hopes the deficit will be fully funded in five years

As part of the strategy to wipe out the deficit in the pension fund, Transnet handed over its investment portfolio to the private sector. This portfolio is now worth nearly R12-billion, making Transnet a significant player on the market.

However, funding the pension fund deficit has left the group devoid of substantial financial resources to expand its operational divisions.

"During the recession that was not really a problem and we funded expansion from our own funds, but now that we are seeing an upswing things could be getting a bit tight," Dr Moolman says, adding though that Transnet was averse to borrowing and would rather seek to continue funding growth from its own re-

sources

The growth experienced by the group is widespread but particularly evident at Portnet (the old SA Harbours) where 15% volume growth last year has left it short of capacity.

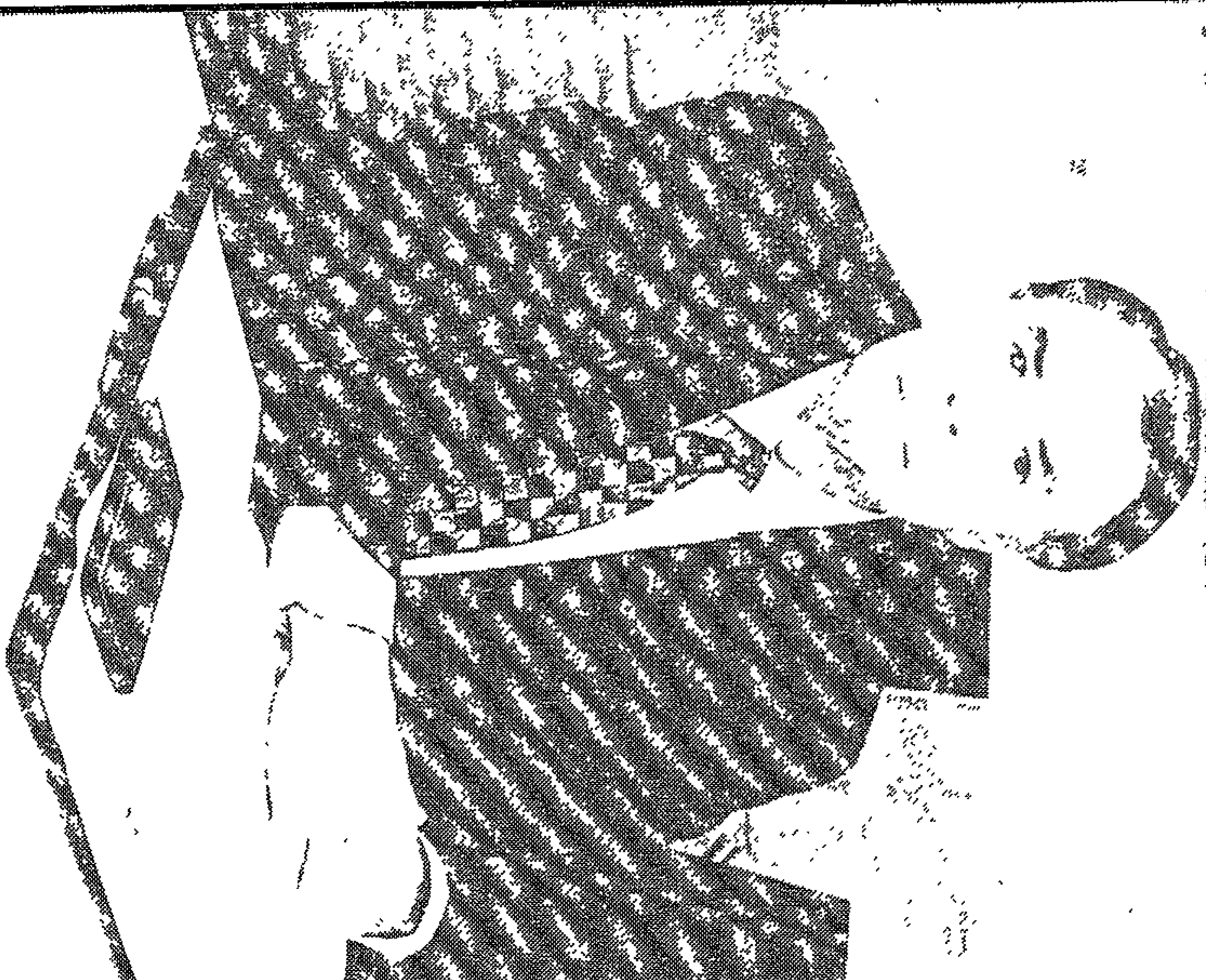
"We will have to spend between R300-million and R400-million every year to meet growing demand there," Dr Moolman says.

The other strong performer in 1994/5 was SA Airways. Net operating profits of its domestic operation closely matched last year's R155-million while route rationalising returned the international arm to profits following last year's R180-million loss.

The group's balance sheet remains a problem as the debt equity ratio, including the pension fund liabilities, remains high at 2,3-1.

"Just to improve the gearing by 1%, debt must fall by R400-million with no change in assets," Dr Moolman says. Transnet's long-term aim is to reduce the ratio to 1,5:1 by 2000.

A government announcement on the new Transnet chairman is imminent and, while Dr Moolman would not comment, it is widely believed the choice will fall on Development Bank chairman Wiseman Nkuhlu.



TURNAROUND: Anton Moolman, Transnet's chairman

Picture: RUSSEL ROBERT

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 10 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.

The delegates — members of the Southern African Transport and Communications Commission — adopted a set of recommendations which included a call for the creation, by Act of Parliament, of independent and autonomous roads boards, with independent chairmen and strong private sector representation.

The boards would oversee operation and management of roads and promote public awareness on the importance of roads.

The seminar also recommended the establishment of statutory roads funds and a clear set of road user charges, such as a fuel levy, licence fees, international transit fees and toll roads. The money, collected on contract, would be deposited directly into a roads fund.

There was a strong call for government commitment to the reforms.

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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 has since disbursed more than 4-billion kwacha for road maintenance countrywide".

Revenups needed at Jo'burg, Cape Town and Durban

R1-billion plan for SA airports

(269) Show 19/4/95

Madiba goes bust . . . in a big way

BY SHIRLEY WOODGATE

Ask anyone in Orlando West where to find Mpho Ngwanya and they will point out his modest Mkokale Street home, where none other than the president has taken up residence for the past week.

The neighbours have all seen the bust of Madiba, standing 2,5 metres high, which Ngwanya has fashioned over six days out of clay bought for R1 000.

There it stands, President Mandela's head, dominating the 3m by 3m room, perched on a makeshift wood and metal stand held together with nails, and kept in place by wire strands tied to the walls.

Self-taught

A self-taught artist —
excitant for the four years



BY PATRICK BULGER
POLITICAL CORRESPONDENT

Cape Town — South Africa's three international airports are in urgent need of a R1-billion upgrade to cope with an expected influx of business and tourist traffic, according to a top-level study released yesterday.

The final report of the SA State Airports Policy Review, conducted on behalf of the Department of Transport, found that the three international airports at Johannesburg, Cape Town and Durban needed R700-million, R175-million and R150-million upgrades respectively.

With 51 international airlines now flying into SA as opposed to 19 just nine months ago, the committee found that "the urgency in moving ahead with this programme cannot be overstated if the unacceptable standards in certain areas at all three airports are not to deteriorate further".

Transport Minister Mac Maharaj welcomed the report and said it would be the subject of further discussion before going to the Cabinet for approval.

It recommends that the state-owned Airports Company, which runs the airports, declare a four-year "dividend holiday" during which profits would be ploughed back into

URGENT Improvements required to cope with huge increase in traffic

the refurbishment programme. A "strategic investor" was needed to provide external financing of about R300-million.

The report estimates that international passenger traffic could climb by 10% a year, and domestic traffic by 6% a year, over the next five years.

The experts found that no significant capital outlays in the form of a new terminal at Johannesburg and a new airport at Le Meray, outside Durban, were necessary. Instead, it suggested an "incremental approach" rather than major new development.

It found that while the domestic facilities at Johannesburg were adequate, the international facilities, catering to about 3,7-million passengers in

1994/95, were below par.

The report found shortcomings at check-in counters, the departure lounge, customs areas, immigration areas, the arrivals concourse and the road forecourt.

"There is ample scope within the envelope of the existing terminal-building capacity for quality of passenger services to be rectified," the report said.

The committee also advised against major refurbishments at Cape Town airport to accommodate the growth in international travel from 300 000 to 500 000 passengers a year.

Nor did it find it necessary to invest large sums of money in increasing capacity for a single event like the Olympic Games.

The report recommended that privatisation of the airports be held back for up to four years if the Government was to realise the full value of its investment.

However, a beginning should be made immediately to maximise the value of the Airports Company when the time for privatisation arrived.

Maharaj said yesterday the Cabinet would be asked to make it official policy that South Africa's airports be named after cities or towns.

It had been reported that Jean Simons Airport would be renamed after Johannesburg.



Keeping an eye on the road money

Municipal Reporter

PROVINCIAL Transport Minister Leonard Ramatlakane has set up a ministerial commission to advise the city on how it should spend R470 million allocated to it for an Olympic upgrade 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 reconstruction and development programme and metropolitan spatial development framework.

Members are Neil Rossouw of the attorney-general's office, F 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 process" 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 possible so that work can begin.

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

Those interested in submitting proposals or making presentations 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 commission's meetings.

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(269)

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Airport upgrade proposals 'within months'

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

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 Kotbra, and head of airport strategy at the British Airports Authority, Alstair McDeimid

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 R175 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."

BUSINESS

TRANSNET

Gathering steam

(269)

AM 11/8/95

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 R330m 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, Kenya and Congo.

Most divisions have continued to shed staff. Spoornet is down over the year by 1 028, at 65 452; 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

benefit liabilities.”

Restraint 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. ■

Privatisation mooted in Transnet bid

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ST (SAA) (BT) 13/8/95

By SVEN LUNSCHÉ

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 staked 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 remains 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 infrastructural and operational charges be split to bring down "the extraordinarily high wharfage 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.

ARG 17/8/95 (26A)
Dr Rajoo pointed out that last year's 467 997 road accidents — with a toll of 138 000 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

(269) star 17/8/95

■ 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 coloureds 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 mainline passenger service spokesmen maintained that it was not 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

(269)

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.

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.

20/2/8/95

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) ARG 29/8/95

Transport ⁽²⁷⁰⁾ talks 'stalled'

Russ Grawitzky

(269) 002418195

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 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

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 20c, 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 R18,50, 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 R5 to R6,20 will rise to R6,20, while monthly fares currently between R20 to R24 will now be R24.

(269) (M) 29/8/95

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Rail commuters to pay more

(269) 30/8/95
■ BY CHERYL HUNTER

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 had helped to save on the required state subsidy.

Levies on private cars

suggested

30/8/95

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 pro-

ARG 31/8/95 (269)
vide 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

(269) (S) star 31/8/95

■ 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 Jodi-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 Smit 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.

'22 percent of W Cape train deaths are violent'

☐ Metro aims to improve rail commuter safety

ARC 1/9/95 (269)

JENNY VIAL
Health Reporter

VIOLENCE on trains in the Western Cape accounted for 22 percent of deaths on the metropolitan railway system, with the majority of people — 70 percent — being killed when crossing or walking along the lines.

These are the findings of a Medical Research Council study on rail commuter safety commissioned by Metro Rail.

The report found that most rail injuries occurred when people fell out of trains, were caught in doors, or jumped in and out of moving trains.

Researchers found that of the 952 people injured during the two-and-a-half year study period, 379 had died. Of these, 259 were knocked down by trains.

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 88,5 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

(269) ARG 2/9/95
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 per cent 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.

Percentage increase in police personnel

201. Sen J SELPE asked the Minister for Safety and Security:

- (1) By what percentage did the number of personnel in each rank in the police increase between (a) 1990 and 1991, (b) 1991 and 1992, (c) 1992 and 1993, (d) 1993 and 1994 and (e) 1994 and 1995;

	The MINISTER FOR SAFETY AND SECURITY.				
	(b)	(b)	(c)	(d)	(e)
(1)	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995
General	+11,11%	-20,00%	-12,50%	-7,14%	+53,85%
Lt-General	+64,29%	+10,87%	-23,53%	+10,26%	+37,21%
Major-General	+36,17%	-18,75%	-8,17%	+12,04%	-15,42%
Brigadier	+35,22%	+13,27%	+29,50%	+2,85%	-12,05%
Colonel	+59,03%	-15,87%	-16,69%	+75,26%	-2,29%
Lt-Colonel	-1,70%	+51,91%	+5,73%	-11,04%	+7,40%
Major	-37,77%	-8,21%	-7,03%	+24,75%	+12,17%
Captain	+9,58%	+22,67%	+16,66%	+25,11%	+21,36%
Lieutenant	+15,03%	+5,88%	+4,40%	+19,97%	+19,15%
Warrant-Officer	+71,14%	+10,90%	+3,79%	+19,02%	+24,08%
Serjt/L/Serjt	+3,19%	-6,65%	-5,52%	+8,09%	+25,45%
Constable					

The MINISTER OF TRANSPORT:

Up to 1994 the figures represent the members in the South African Police, while the figures for 1995 represent the members of the new SAPS. The members in the top three ranks have already been appointed in the SAPS, while the other ranks have not been finalised yet.

- (2) No.

At this stage no personnel are being appointed in the place of those who have retired or resigned.

Launching of Gauteng Taxi Initiative

203. Sen Dr G W KOORNHOF asked the Minister of Transport:

- (1) Whether the launching of the Gauteng Taxi Initiative has been brought to his attention; if so,
- (2) whether his Department is (a) actively assisting and (b) financially supporting the said Initiative; if not, why not; if so, to what extent;
- (3) whether his Department intends taking similar steps in any of the other provinces; if not, why not; if so, what are the relevant details?

S416E

Unrest-related incidents: deaths

206. Sen Dr G W KOORNHOF asked the Minister for Safety and Security:

- How many persons died in unrest-related incidents in each of the provinces in each month during the period 1 January 1993 up to the latest specified date for which information is available?

S419E

The MINISTER FOR SAFETY AND SECURITY:

From 1 January 1993 until 23 August 1995 a total of 6 671 people were killed in unrest-related incidents.

During the above-mentioned period the following deaths were reported per province:

Western Cape	195
Western Transvaal	81
Witwatersrand	3 030
Northern Transvaal	68
Far Northern Transvaal	15
Eastern Transvaal	40
Natal	3 011
Eastern Cape	145
OFS	77
Northern Cape	9
Total	6 671

Note:

See attached statistics for the number of deaths per month.

1993	WC	NC	OFS	EC	Nl	ETvl	FN	NTvl	Ww	WTvl	Total
January	8	0	1	2	118	0	2	0	61	0	192
February	1	0	1	4	78	0	0	0	57	3	144
March	3	0	8	3	84	0	0	1	45	2	146
April	4	1	5	6	70	1	2	0	76	3	168
May	21	1	3	2	79	4	0	8	143	11	272
June	14	0	2	5	108	3	0	2	139	3	276
July	31	0	2	1	174	1	1	2	343	1	556
August	11	0	1	0	108	0	1	2	276	10	409
September	11	0	4	1	101	0	0	2	303	0	422
October	0	0	0	5	143	3	0	0	253	8	418
November	10	1	4	3	140	4	0	5	189	3	359
December	7	1	1	7	131	3	2	0	176	1	329
TOTAL	121	4	32	39	1 334	19	8	28	2 061	45	3 691

Handwritten signature: Hans Sarda

Handwritten number: 332

Kunene Brothers secures a 30% interest in Grinaker Electronics

CT(BR) 5/9/95 (269)

By ROY COKAYNE

PRETORIA BUSINESS EDITOR

Grinaker Electronics and black-owned Kunene Brothers have signed a shareholders agreement which will secure Kunene a 30 per cent 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

PHOTOS ENTERPRISE MAGAZINE

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 equip-

ment, 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

CT(BR) 5/9/95 (269)

By PETER FABRICIUS

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 SAA 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 increas-

ing traffic which left passengers battling 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 liquidators work around the clock to unravel the tangled web.

Whispers that Logans,

directors Russel Gain and Colin Loubser 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 (Asata) said it was unlikely any attempt to start up again would be successful because "who would book with them?"

Gain and Loubser were also directly linked to the closure of the Johannesburg-to-Gatwick 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 "reasons" beyond its control for the move.

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

Munro 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 where Russel Gain was.

Although there have been rumours that Gain was overseas, The Star ascertained yesterday that he was still in this

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. Loubser 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 rands after the collapse of Avia Airlines, the Sudan Airways route and the Logans shutdown, are battling to deal with the flood of calls 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 of clients' damage.

"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 according to 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 Diner's 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. There might be some claim on the airline ticket part of the package, according to bank spokesmen.

An Absa spokesman said the bank was in close contact with the liquidators, Syfrets, 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 R200 000 for people who paid with their credit cards.

The man instrumental in getting the group started, Roy Miller, paid more than R6 000 to bring his ailing parents to South Africa for a visit from Britain. The couple were booked on Sudan Airways.

"People in a similar situation should contact me. I will put them in touch with the relevant banks from which we have had tremendous support so far," Miller said.

He can be reached at (011) 762-1952 between 5pm and 9pm.

Swimline Holdings, which advertised a six-day, all-expenses paid holiday to the Maldives with Logans as the co-sponsor, was inundated with calls yesterday from people demanding to know whether the competition was still relevant after an advertisement appeared in a Sunday newspaper magazine.

Swimline's Gary Kieser said Logans' collapse had come too late to retract the advertisement, but added the holiday would still go ahead with another tour company. Phone Kieser on (011) 805-1711 for more information.

'SKY CARS PROPOSAL ON TABLE'

C.T. 7/9/95

Experts set to advise on inner city transport

(269)

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 Culemborg 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 pre-judge 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 Eadie 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

ARG 8/9/95
(269)

Staff Reporter

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 30 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 kilo-

metres had increased from R20 to R24, an increase of 20 percent.

Rail Commuter Corporation chief Wynand 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

WM(BM)8-14/9/95 (269)

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



Seeking new routes to the sub-Saharan continent: Mac Maharaj

THE South African government has proposed to the Southern African Development Community (SADC) that the trunk roads 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.

Students to study to become entrepreneurs

Mduduzi ka Harvey  60 11/9/95

GOVERNMENT aims to develop a national core education curriculum which will not only prepare students for formal sector employment but create a multiskilled labour force that can help build the economy, says the education minister's special adviser, Sheila Sisulu.

Opening the third annual SA Entrepreneurship Education Forum in Johannesburg last week, Sisulu said equipping students to work in the formal sector, as well as empowering them to create jobs in the context of a competitive successful economy, required a shift towards an open learning approach.

This approach had to combine the principles of lifelong education, accessible and flexible learning, student support and high quality study materials.

She encouraged more than 100 delegates from Namibia, Swaziland, Lesotho and Uganda to liaise with the relevant committees to promote the incorporation of entrepreneurship education into national school curriculums.

At the heart of all developmental initiatives was the need to build partnerships for consultation, advocacy, planning and resourcing. The ministry's framework provided fertile ground for further deliberations on entrepreneurship education.

Free Market Foundations of Southern Africa executive director Leon Louw said meaningful reconstruction and development depended on the extent to which entrepreneurship training was recognised as a key component of the RDP.

Seventeen southern African technicians offered entrepreneurship training, and 20 technical colleges were running pilot courses. The education department had decided in principle to introduce entrepreneurship education and more private schools were incorporating courses.

Airline body calls for closer ties to agents

Theo Rawana

PORT EDWARD — A joint onslaught by the Airlines Association of SA (AASA) and the Association of SA Travel Agents (Asata) to "claim a leading edge in the international travel market" would definitely win if the two drew closer, AASA CE John Morrison said at the weekend.

Addressing Asata's annual congress at the Wild Coast, Morrison said the two had been interfacing for sometime, but the time had come for them to work for closer co-operation.

The AASA represents the airline's interests, in particular with government and the civil aviation department where the industry has found that it is easier to negotiate with government collectively rather than each airline attempting to present its problems individually, Morrison explained.

In a speech read on his behalf, Morrison said both organisations and the travel industry stood to gain from the forthcoming merger (next month) of the AASA and the Regional Airlines Association of Southern Africa, which is open for membership to all scheduled air-

lines domiciled in Africa. South of the Equator, including the Indian Ocean airlines.

"The benefits of this merger are likely to be significant since the new association will be managed from SA but will be in a position to make collective representation in all of the countries of the member airlines and will be able to deal with issues affecting both the airlines and the travel industry in an enlarged geographical area," Morrison said.

"Resulting from the history of the association, the developing relationship between Asata and the AASA and the position and potential of our industry, domestic airline's conditions are in a critically challenging phase. A balanced and very necessary level of support exists between travel agents and the airlines and must be continuously developed for the ultimate benefit of all in the industry, as must co-operation between the airlines themselves," he said.

He concluded: "On behalf of the airlines and the association, we assure you all that we not only realise but greatly appreciate the value and the support of our agents."

Messina to store water in shafts

Mduduzi ka Harvey  60 11/9/95

THE transitional council for Greater Messina in Northern Province has launched a water conservation plan which involves the pumping of flood water from the Limpopo river into empty mine shafts.

The project has so far cost R180 000, compared to about R10m if the council had constructed a conventional open surface water retention dam.

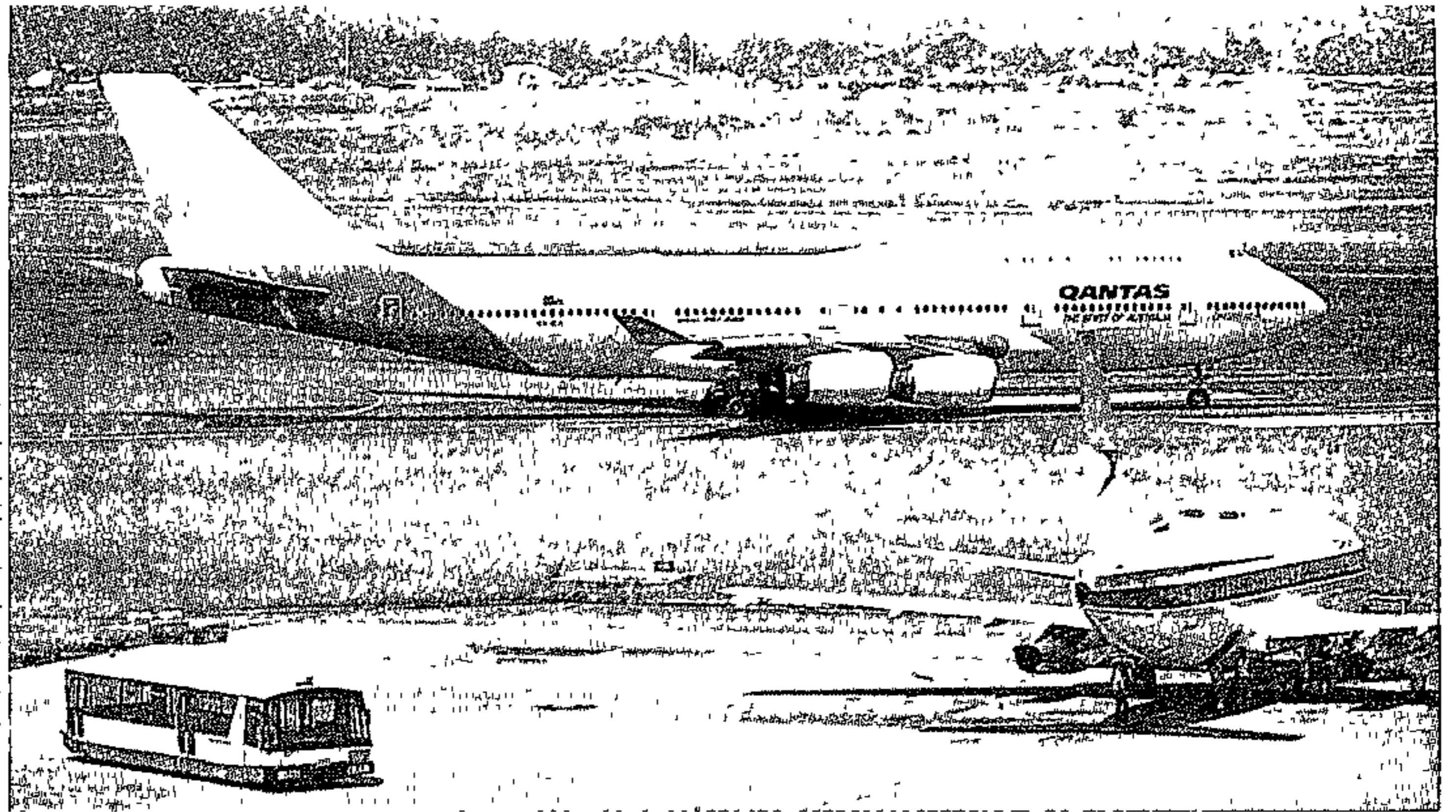
The stored water, which will be used during drought periods, will ensure that residents, businesses and industries in the area will have sufficient water.

Messina and surrounding areas are usually supplied with water from wells in the river, but during the rainy season kilolitres of flood water flow towards Mozambique without being utilised along the way.

The council will launch the plan as soon as it receives the geographical report required by the water affairs department which will then issue a permit for pumping water from the river.

The pumping of water will start as soon as the Limpopo is in flood — within the next month.

The water will provide for the community's needs without being refilled for two-and-a-half years.



BITTER ROW Australian airline Qantas has been accused by Cathay Pacific of poaching passengers in Hong Kong and offloading them in Bangkok en route to Australia

US issues ultimatum and denies SAA more flights

(269) CT (BR) 14/9/95

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 two 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 Els, 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 rights 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. Larger European countries are also resisting American persuasion 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

intensified level of American competition. Neil Kinnock, 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 in a stronger position against South Africa than against any European country. It seems almost certain that South Africa will have to give way to pressure 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. This would enable the American airline to sell its own tickets to Johannesburg and 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

(269)ST(BT) 17/9/95

By CIARAN RYAN

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 50 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 this 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 inten-

tion 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 slug-

gishness 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

A NEW black-owned technology company is marketing state-of-the-art telephone switching gear that will save hundreds of millions of rands in bad debts for Telkom and cellular phone companies.

The pre-paid system will also allow telephone companies to move their telephone facilities into rural areas without fear of running up bad debts.

"There is no gap for fraudulent use in this system, which was developed in America. Not only is it a pre-paid system, it has significant safety features

A black-owned South African company is employing a piece of equipment that could put an end to the problem of bad debts among phone subscribers, writes **JEREMY WOODS.**

(267) ST (PT) 17/9/95

built into it to help determine fraudulent usage," says Peter Volkwyn, managing director of Cominex SA, which owns the southern African rights to the system.

Cape-based Cominex is part of SourceCom, a wholly-owned black enterprise launched last week by Trade and Industry Minister Trevor Manuel.

SourceCom plans to become a major force in the telecommunications industry in South Africa.

Apart from the new pre-paid telephone system, the group also offers products and services ranging from cabling to computer hardware, network designing, software support and manufacturing.

SourceCom directors in-

clude Crispin Sonn, Peter Carelse, the marketing director.

The new telephone system and its switches, run by pre-paid cards, operate from a computer installed by Cominex next to existing telephone computers.

"Calls come in from pre-paid cards and, once identified, are switched to the

Cominex computer, which is programmed for verification of available funds," says Mr Volkwyn.

"Cominex not only instals the computer system and runs it at no charge, we also undertake to sell the cards through a national marketing strategy," he says.

"The Cominex system is the perfect way for telephone companies like Telkom to fulfill its RDP requirements. It can supply pre-paid telephones at no risk and improve its cash flow as Cominex will ensure payment on

billing."

Mr Volkwyn says bad debt subscribers are a perfect base from which to launch the system before moving into high-risk subscribers with a record of bad payments.

"This way subscribers cannot get disconnected and expensive telephone machinery is not left lying idle," he says.

SourceCom, which is backed by Pleiade Investment Corporation, the merchant banking arm of Nhatto Mollana's Corporate Africa, is currently negotiating a joint-venture deal in South Africa with ECI Telecom, the Israel-based telecommunications company.

The two companies are planning to co-operate in the manufacture, installation, and maintenance of ECI's telecommunications products in southern Africa.

ECI is internationally recognised for its telecommunications technology and has sales in over 100 countries, says Mr Sonn.

The joint-venture will cater for the training and development of employees from previously disadvantaged communities.

Discussions are also taking place between Pleiade and SourceCom with a view to Pleiade taking a minority stake in SourceCom.

"We want to develop strategic alliances with local and international partners to improve the profitability of the company."

"We also want to create opportunities for employment in the company while establishing it as a leader in the telecommunications industry," says Mr Sonn.

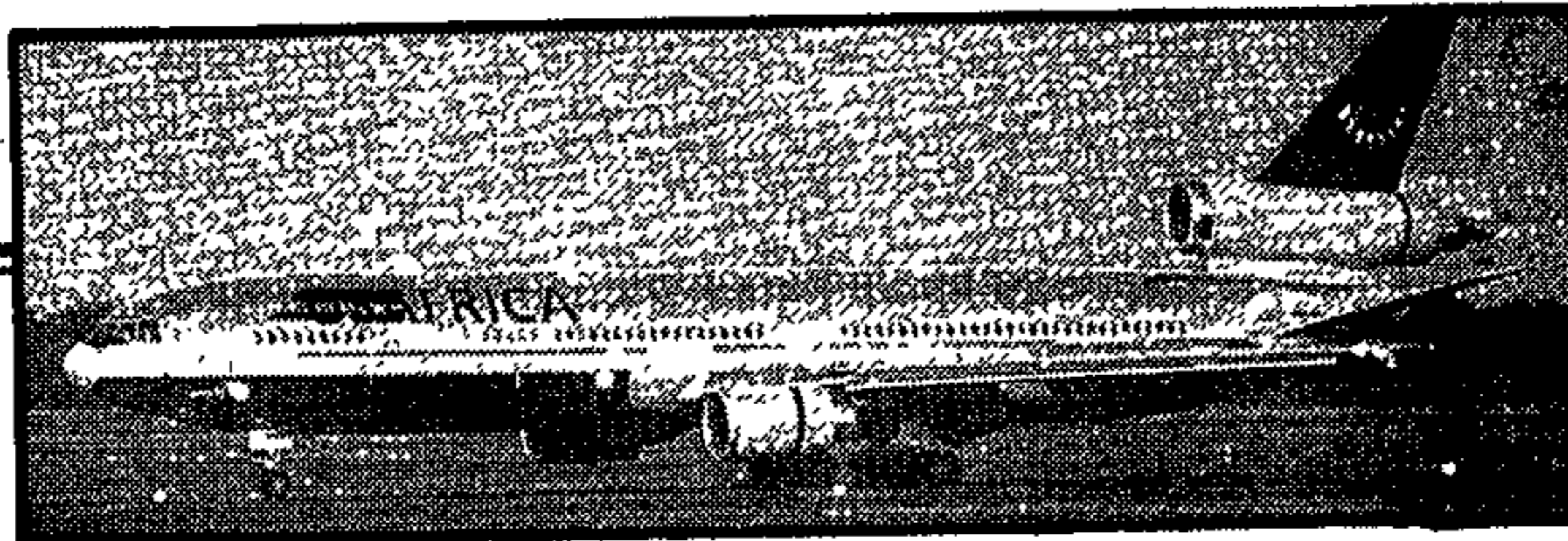
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TALKING PROFIT ... SourceCom directors Crispin Sonn and Peter Volkwyn Picture: JON HRUSA



USAFRICA AIRWAYS: Another blow to its prospects of getting airborne again.

The US clips SAA's wings

PETER FABRICIUS of The Argus Foreign Service

(269) AR reports from Washington. 18/9/95

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 re-organise. 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 other carriers that was being wasted. 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.

MONDAY
SEPTEMBER 18, 1995

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. **PETER DENNEHY** reports.

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 Martland 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

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should alleviate the congested Koeberg Interchange.

Other proposals include: direction signs, park and ride facilities, extending Borchard's Quarry Road to provide a link between Modderdam Road and Klipfontein 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 Conradie 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 premier Popo Molefe and transport MEC Frans Vilikazi at a news conference announcing the demise of North West Transport Investment Company and the restructuring of parastatals in the province.

Picture: ROBERT BOTHA

Northwest legislature moves to restructure bus company

BD 19/9/95 (269)

Sello Motlhabakwe

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 had 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 R250 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 66,2% owned by the North West Development Corporation, with the Public Investment Commission holding 33,3%.

Turnover for the 1995/96 financial year was R1,103bn. Current expenditure was R1,107bn with a R594m asset base.

■ BY JOVIAL RANTAO
POLITICAL REPORTER

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 exception 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 operations. 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.

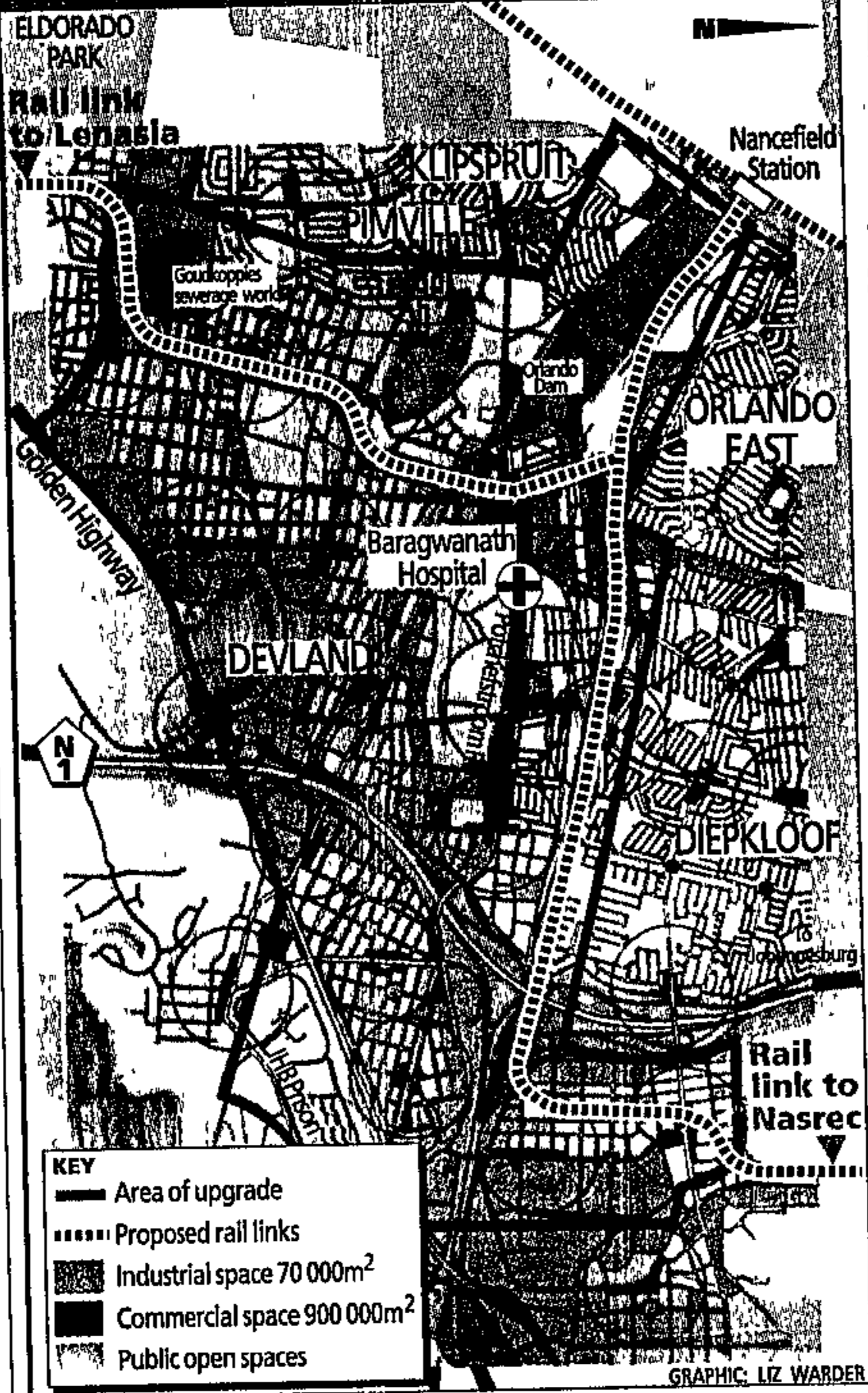
The boards have been replaced by a seven-member interim board chaired by his legal adviser, Advocate Martin Mabiletsa.

The cost of the exercise has been estimated at R250 000 - Staff Reporter.

Molefe sacks 'old order' transport board

Star 19/9/95 (269) (E/E)

The Baralink plan



Access to city bid on track

(269)
Star 19/9/95

BY HOPEWELL RADEBE
CITY REPORTER

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

Metro planning manager Ryan Gould said rail transport had been identified as an essential form of commuting for easy access to the city in the "Baralink Developmental Framework", which will occupy an area of 1500ha from Old Potchefstroom Road near Baragwanath Hospital, moving south to Eldorado Park up to Nasrec, Naturena and Meredale.

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

Acting director of urbanisation (Johannesburg Administration) Tsepliso Mashinini said this major development plan to link Johannesburg with Soweto between Baragwanath Hospital, Devland up to Ridgeway

will open more than 80 000 jobs opportunities in an attempt to balance an 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 900 000sq of commercial space.

Architect and urban designer Stephen Thorne said industries that would qualify as community- and environment-friendly were catered for especially in areas near the freeways and main roads like Old Potchefstroom Road and the Golden Highway in a 700 000sq m 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 those industries," he said.

The Greater Johannesburg Metropolitan Council has finished a planning and consultation phase which was started by the former Johannesburg City Council and aimed at

reaching consensus between local and international business sectors, provincial and local government as well as the communities about a common vision in developing the area.

Mashinini said the result was a preliminary draft plan for the nature of housing, business, roads and rail as well as industrial areas which had already received substantial support from the interested parties.

"We believe the Baralink Development will complement the idea of improving and strengthening Johannesburg's CBD as the most powerful area in the country and pull back business development from improving only in the north towards Sandton and Midrand as has been happening," said Mashinini.

"Now the Greater Johannesburg Council has begun inviting responses from the private sector, provincial and central government to start investing in the area within the concept of the Reconstruction and Development Programme with the construction of the infrastructure to boost investor confidence," he added.

Popo names new board for NTI

(269) sometan 19/9/95

By Pamela Dube
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 Mabiletsa, 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.

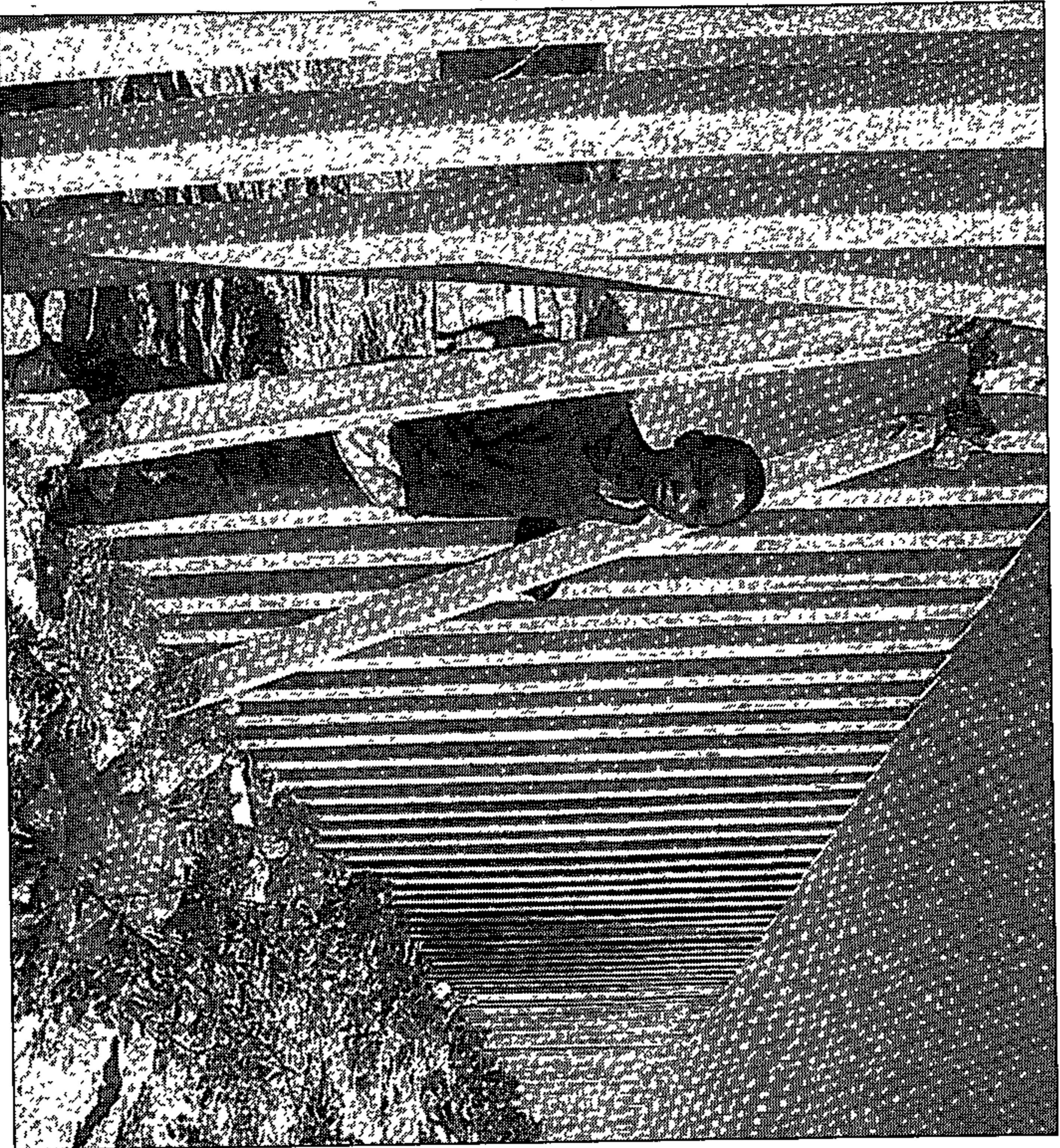
Another abnormality in the corporation was that the corporation fell under the North West Development Corporation, which is MEC for economic affairs Mr Amy Venter's portfolio.

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 Obed Segabutla, Mr Mangel Panchai, Mrs M Kgantlitswe and Marike 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.

DATE - 19/09/95 PAGE - 20/112/95



ANOTHER BREAK IN THE WALL: Eleven-year-old Thobela, from "Boystown", Crossroads, stands in a broken section of fence beside the N2. It is costing about R400 a day to repair the breaks that are continually being made in the fence.

PICTURE: CLIVE SMITH

R400 a day to repair N2 fence

(269) ~~CT 19/9/95~~ CT 19/9/95
PETER DENNEHY

THE concrete palisade fence separating shack settlements from the N2 freeway is being broken so often that it is costing the provincial administration on average over R400 a day — R12 000 a month — to fix it.

Provincial press liaison officer Ms Karen Liversage said yesterday that about eight slats a day were broken.

Yesterday the Cape Times found 27 breaks in 11km of the fence.

One was big enough to drive a vehicle through.

Ms Liversage said the provincial roads department was responsible for only 3,5km of the road and the fence.

Beyond the Swartklip Interchange the national roads department was responsible.

"The cost of repairing 25 slats is R1 330," she said.

Repair workers had been threatened by residents and had stones thrown at them.

An official, who may not be

named, said the community that had fought hardest to get its pedestrian bridge was now so proud of it that both the bridge and the fence in its area are well looked after.

Officials say repairing the fence is only a short-term solution.

In the end the solution was in the hands of the community. This was why considerable importance was attached to getting the co-operation of people living near the fence.

Inconvenient

People the Cape Times approached near the fence did not want to say much about it, but it was clear that some need to cross the N2 to fetch firewood or to take their animals out to graze and find it inconvenient to walk around to the bridge.

For people who are not carrying much, one slat has been broken for them to get through. But two slat gaps are enough for wood carriers, whereas three or four slats need to be broken to allow cattle through the fence.

SA could become the Asian Tiger of ports

CT(BR)19/9/95 (269)

BY JON BEVERLEY

SPECIAL WRITER

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

between 1989 and last year.

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 forecast 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 19,76 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

CJ(BR)19/9/95 STAFF WRITER

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, Attendgeville Bus Services, Mam-

elodi Bus Services, Newtra Services Centre, Vaal Transport, Vaal Body & Coach Builders and 13 others. The company controls about 2 000 public buses that move about 133 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

CT(BE) 19/9/95 (450)

BY DEREK TOMMEY

MINING EDITOR

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 TBVC 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, com-

pared with last year, rose R467 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 R462 million or 38,1 percent in production to R1,67 billion.

Other sectors showing substantial higher production included paper products (33,9 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

BY DEREK TOMMEY

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 9 154 workers in the first three months of this year bringing to 1 419 131 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 10 646 jobs in mining, the number employed there falling to 589 973.

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.

CT(BE) 19/9/95

'Port conditions must improve'

BY JON BEVERLEY

(269) (SPECIAL WRITER)

South African harbours can look forward to becoming an important transshipment base for ocean cargoes, Stephen 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 back-

ground 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 transshipment 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 shipped 46 500 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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Tyre sector 'leaking R20m'

John Dladu

THE SA tyre industry is losing more than R20m a year because of illegal imports, according to industry sources.

In an interview this week, SA Tyre Manufacturers' Conference chairman Gavin Hardy said the industry was suffering as a result of imports. "Things are tough at the moment," he said, referring to the flood of "grey" or illegal imports estimated to total "well more than R20m" a year.

These imports, which were "causing confusion to the consumer", were entering the SA market through "unofficial channels" or were entering the country without being detected by customs and excise officials.

The complaint by the tyre industry comes soon after similar grievances were raised by the textile and clothing industries, which claimed to be losing about R1bn a

year to illegal imports.

This underscores the serious weaknesses in the customs and excise department in monitoring imports as SA embarks on tariff reduction programmes in terms of its international obligations.

The complaint by the tyre manufacturing industry comes amid calls by importers for the state to relax import controls on the tyre market, which is regarded as one of the most heavily protected in the world.

Protection of the local tyre market is enforced via a 25% tariff duty and an import permit.

Importers want government to relax these measures. But speculation that the permit would fall away last July failed to materialise when the state decided to retain it.

The matter, Hardy added, was now being discussed between the trade and industry department and the Board on Tariffs and

Trade, a state agency whose job it is to recommend new tariff levels to Trade and Industry Minister Trevor Manuel.

Hardy said industry sales had been adversely affected by uncertainty about government's views regarding the relaxing or total lifting of import controls.

Tyre manufacturing leaders including Dunlop, Tycon and General Tyre favoured a three-year liberalisation programme. If the permit was scrapped, the 25% duty should be retained and be raised to adequately perform its protective function.

He said: "A 25% tariff duty is okay in G-7 countries (the group of the world's richest nations), not developing nations like SA."

Hardy said the general upswing in the economy had not yet started to filter through to the tyre market, which exported about 30% of its production to neighbouring countries in Africa.

Transport and the RDP

Mduzuka Harvey

THE long-awaited White Paper on transport would be released in January next year, Transport Minister Mac Maharaj said at the opening of the Transport Expo '95 in Johannesburg yesterday.

Maharaj stressed the important role of transport within the reconstruction and development programme, and said the revision of transport policy was at an advanced stage.

He said input reports from six working groups on infrastructure, land passenger transport, land freight transport, road traffic, maritime transport and civil aviation would be finalised in January.

Maharaj called on leading players in the transport industry to join forces to reduce the costs of commercial and industrial transport, especially where they threatened the competitiveness of SA products on world markets.

Gauteng finance and economic affairs MEC Jabu Moleketi called on SA's printing and publishing industry to ensure it remained internationally competitive. For the country's economy to grow in a sustainable manner, creating jobs for SA's 5-million unemployed in a GATT-dominated world, SA would have to be more internationally focused.

Challenging printing to become more involved in literacy training, he said literacy was the key to achieving the 5,5% growth the country needed.

Upgrading roads will smooth the way for beleaguered taxi drivers

Star 20/9/95

(269) (269)

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.

Way being paved for road revolution

Star 20/9/95

(269)

NEW projects are revolutionising the way infrastructure will be delivered to the townships, writes Andrea Vinassa

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

She is one of 13 trainees taking part in a road construction training 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 teach 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 70% unemployment rate, is one of many economically sterile 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. Existing roads are deteriorating. Following a CSIR study commissioned by the South African Bitumen and Tar Association (Sabita), which identified some 220 000km of "lost" or unnumbered roads, the roads branch of the N-DOT has initiated several roads projects as its commitment



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.

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 Basie Nohmagel, 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 Med Kwestiga, a Ugandan civil engineer who visited the Phutaditjaba project and a research fellow at the Wits Centre for Employment Creation in Construction.

"Thousands of kilometres of road was built by hand in countries like Malawi, Kenya and Lesotho. South Africa must get its act together because the projects

were only successful when they were devised and planned at a national level.

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

Project leader Phil Hendricks emphasises quality training to ensure trainees can work independently later on. "Communities are in desper-

ate 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 as units to offer their skills to larger contractors. They will also be taught to operate independently and given the necessary business skills to start up on their own.



FLY LIKE AN EAGLE From left are John Hare, the deputy chief executive of SAA, with Ned Windsor, the financial resources manager of UPB Aircraft Ventures. Looking on are Howard Weber, the managing director of BT Securities Corporation, and Wilna Pretorius, a cabin attendant

PHOTO ANDREW BROWN

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 inter-

national 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.

CT (BR) 20/9/95 (269)

Transport policy to have a face-lift

(269) Sowetan 20/9/95

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 pol-

icy. 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

BD 2217195

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.

Sarhwu president Nelson Ndinisa 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.

SPOORNET

Capex on track

(269)
FM 22/9/95

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 con-



Le Roux . . . demand for transport is growing

verting 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.

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 Trains will eventually cost R50m, but only R8m has been budgeted for this year. ■

TRANSPORT

Show stopper

(269)
PM 22/9/95
Minister of State Enterprises Stella Sigcau could be forgiven if she thought Cabinet colleague Transport Minister Mac Maharaj was attempting to steal her thunder at the Chartered Institute of Transport in Southern Africa conference at Nasrec this week.

Sigcau has been reticent to unequivocally commit to privatisation, but Maharaj came out strongly in favour of it. He told delegates privatisation was one of the ways in which the principles of the RDP could be

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

ET 28/9/95 (269)

THE Western Cape cabinet will visit the controversial proposed 360-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 Fick has to decide whether to change development guidelines or whether to agree to rezoning the site. — Political Staff

TRANSPORT (269)
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. *FM 28/9 29/9/95*

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-

BUSINESS

pinos, who traditionally crew a large number of ships, were pricing themselves out of the market.

He warned, though, that the RDP had to be founded on the provision of education. "If you don't have it, forget about the RDP."

One of the few speakers to sound a positive note was Comair MD Pieter van Hoven, who said the aviation industry was creating jobs. "The combined effect of the growth of international carriers, from 18 a few years ago to 54 now, mainly on the east-west axis, is to add 1,3m seats a year to what was previously available. Bearing in mind estimates that inbound tourism will grow by about 30% a year for the next decade, it is reasonable to expect that a country such as Japan, which now sends around 7 000 visitors a year to SA, could eventually send 250 000-300 000 each year." ■

Sins of the past (269)

Conrad Sidego 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. Sidego had been earmarked for a senior appointment.

Among Sidego'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, Sidego received the symbolical kiss of death from F W de Klerk when the former president appointed him as SA's ambassador to Denmark, a post he still holds.

Now a storm has broken out over Sidego'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,

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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 Turn Strategy Council, 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 Sidego'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 Sidego 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 Sidego. Strydom, a political science graduate, was specifically taken along because of the political sensitivity of the appointment.

Sidego 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 — Nawal Taneja, an aviation academic from Ohio, US, and Dick Nyaga, a Kenyan member of Iata.

Although the names of the other seven candidates are kept secret, the *FM* has learnt that SAA executive manager Martin Sebesho, who had been with SAA for about three years, had also been shortlisted. It appears that although other black SAA employees have been upset by Sidego's appointment, it was mainly Sebesho who complained about it.

Myburgh says he is confident that the selection procedure was transparent and objective. "As far as Sidego is concerned, I have gone out of my way to determine whether his political orientation would not be on a collision course with that of the new government. Instead, I found him to be

sympathetic towards them. At this stage he still represents the new government as an envoy.

"I do not ask to which political party a candidate belongs. Their political affiliations are no concern of mine."

Myburgh would, however, not confirm that he had discussed the matter with Sigcau on Friday.

**Sidego****Sebesho**

Neither would he comment on Sebesho's unhappiness over Sidego's appointment. Sebesho attended a meeting on Tuesday and at the time of going to press was not available for comment.

Speaking from Denmark, Sidego said he believed the matter can be resolved with dignity. "The whole saga is sad comment on the political tolerance that we as the rainbow-people should be displaying."

It is expected that Sigcau will instruct the subcommittee to report to her as soon as possible.

Eddie Botha

SAA must look beyond its

(269)

BD 2/10/95

bottom line

How are corporations managing political change in SA? In the first in a new series, **Simon Segal** looks at SAA.

JUST as South African Airways reaches profitability for the first time since 1989, it finds that its new-found commercial success is not sufficient. The state-owned national air carrier is under pressure from its new shareholder which brings its own demands on broader RDP-related issues.

For SAA, fashionable issues such as affirmative action, training, social investment, affordable fares, greater access to air travel, regional co-operation, empowerment, more open organisational structures etc are more than politically and strategically correct. They are obligatory. At the same time SAA operates in an increasingly competitive global industry where the deregulatory trend is leading towards the establishment of airline alliances.

Operating profitably is a necessary prerequisite for SAA to meet these challenges. Hence the added importance of its financial turnaround. In its 1992-1993 financial year the airline was faced with record losses of R120m, a R2,3bn debt costing R400m to finance (leaving a debt-equity ratio of 3:1) and a load factor averaging 59%.

Something had to be done. A rationalisation programme resulted in its staff numbers dropping from 11 000 to 9 300 (costing around R60m); a 15% reduction in its fleet size with leases brought in some R2,6bn; and routes have been "beneficiated" — unprofitable routes have stopped (to Lisbon, Milan and Athens) and profitable routes opened (Bangkok and Bombay).

By 1994-1995, SAA reported a R217m profit, one of only 30 of the world's 220 airlines to do so. Its return on equity is 13%. Costs are R200m down from 1993-1994 and its debt-equity ratio is a comfortable 1:1. It is also more efficient. Its load factor is now 70% on domestic routes (52% is break-even) and 80% on international routes (55% break-even). Revenue/flight (yield) is up 18%. All SAA's routes are profitable. CE Mike Myburgh says "unprofitable routes are shut".

Of its R5bn turnover, cargo accounted for R500m (a 30% growth) and sales of technical maintenance to about 30 airlines brought in R150m. Of the remaining R4,35bn turnover, domestic routes account for 40% and international 60%.

Myburgh is confident this performance is sustainable. Even though the number of passengers carried by SAA has dropped every year from 5,3-million in 1990 to 4,5-million in 1994, Myburgh expects that with growth in tourism local and international traffic

will increase by 15%-20% a year over the next five years. "This will help further improve our load factor and yields". In addition, he feels there is further scope to reduce overheads, especially in the technical operating areas, and to further spread maintenance costs among other airlines.

Increasing profitability puts pressure on fares. SAA has not increased its domestic prices in 15 months and international prices in three years. "We price in terms of what we can get, not primarily costs," explains Myburgh. Hence the factor of competition. Increasing domestic and international competition will not necessarily reduce SAA's profitability — it will not be lost that its improved performance comes in an era of unprecedented competition. Until October 1991 it enjoyed a domestic monopoly, and 59 airlines now fly into SA compared with 17 in 1989. And this excludes about 20 bilateral agreements. The only international route on which SAA has no competition is to the US. SAA's domestic market share is put at 70% and international market share at 40%-50%. This can be expected to drop. Myburgh thinks complete deregulation of the global airline industry is unlikely in the medium-term. "Not too many countries are following the route of the US."

SAA's response has been to forge alliances, be they maintenance contracts, marketing arrangements or code share agreements.

SAA's regional commitment is via its 40% ownership in Alliance airline, a joint venture with the national airlines of Tanzania and Uganda.

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 airline companies but older than successful airlines such as Singapore Air. "Most expert opinion puts the optimum fleet age at 10-20 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 R130m annual cost to finance the pension fund of parent Transnet, its entire profit goes

to Transnet and the state prevents it from increasing its share capital.

It is becoming increasingly clear to government that the undercapitalised SAA cannot deliver on its capex programme without a different capital structure. However politically awkward for a government that frets about privatisation, new guidelines being drawn up by government task groups are most likely to result in the go-ahead for "strategic minority equity partners", while ensuring SAA retains its status as the national carrier.

SAA is known to have its eyes on the type of structure adopted by Kenya Airways — a strategic investor bought 20%, local institutions 30%, individuals 20%, 10% was allocated, and the state kept the remaining 20%.

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 ensure 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 — about 7,5% of SAA's R850m labour bill goes 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, bears this out".

As part of the drive to improve efficiency and service, SAA has introduced a bonus scheme. Promised 30% of any profit above R152m, all employees shared R25,5m last year.

SAA's major black empowerment initiative is SA Express (SAX), the Thebe Investment company. SAX, 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

BD4/10/95

(269)

Mike Myburgh

IN TWO recent articles (September 12 and September 26), Simon Barber dealt 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 1986 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 "comity and reciprocity". This means SAA 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 USAfrica 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, not 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.

□ Myburgh is CE of SAA.

Study finds SA has doubled its roads

BD 11/10/95 (269)

Robyn Chalmers

A SERIES of CSIR studies has found an estimated 220 000km 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 220 000km, 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 35 000km of urban roads which needed upgrading while World Bank norms indicated the upgrading of 9 000km of roads could be readily justified.

The studies showed the needs of disadvantaged communities for roads had not been adequately met. People living in shack 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 R20bn. 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

Star 11/10/95 (269)

■ BY MANDLA
MTHEMBU

About R20-billion is needed to maintain South Africa's roads and extend the road system to keep 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

Star 12/10/95 (269)

■ 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 in this financial year for engineering services (roads, water and sanitation) in Greater Soweto alone.

The roads project, which will see 39 streets being upgraded in Soweto, started yesterday with the construction of Tsoletsi 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.

Developers take step forward in providing filling stations

Power from above is on the cards

BY SHIRLEY WOODGATE

Multimillion-rand plans are in the pipeline for 15 skydecks housing petrol stations above major metropolitan highways circling Johannesburg, Durban and Cape Town

These are the brainchild of developers Fuelfin, whose directors are Dr Van Zyl Slabbert, Harald Pakendorf, S P Gouws and T Marshall

The pilot fuel-in-the-sky project could get off the ground east of Johannesburg next year with a R70-million development over the N3 motorway, between the Modderfontein and Linksfield off-ramps. Pakendorf said permission

NO FUELLING ... freeways are likely to get new facilities to help inter-city traffic

had been obtained from the Transport Department's National Road Transportation Board, which controlled the road reserve on which the garage would be built.

The Edenvale metropolitan substructure, which did not have to sanction the project, had indicated its backing for the skydeck, which would benefit the council financially.

But Linksfield and Edenvale residents are heading for a showdown with Slabbert's company

According to Edenvale Skydeck Action Committee spokesman Walker Ebeling, 2 000 people have signed a petition protesting against the 24-hour petrol station with take-away and toilet facilities, which they say will increase noise and crime levels in the area and pollute the environment, which includes a stream running into the Jukskai River and the Rietfontein nature reserve.

He denied the board had given a blanket go-ahead; it had merely given approval in principle, subject to acceptance by the local community, which had not been consulted.

(269) Mar 12/10/95

Pakendorf said of the planned skydecks: "The Edenvale skydeck will be situated in a cutting, making it barely visible to residents 150m away. We will also plant a line of trees to beautify the area."

"We are backed by a legal precedent, but would prefer to have the people's co-operation," he added.

The 15 proposed skydecks were the fruit of four years of planning, and the eastern Johannesburg operation, which was currently being discussed with a major oil company, was the first formal application.

Others were envisaged on inner-Gauteng roads carrying an average of 75 000 cars a day,

including weekends, in areas where no land was available for a conventional garage.

This included a planned skydeck on the road leading from the city to Johannesburg International Airport, Pakendorf said.

Local garages which supply petrol to motorists who filled up near to home would not suffer as skydecks would serve inter-city rather than inner-city traffic.

This was denied by Ebeling, who said local garages objected to the skydeck, which would inevitably trespass on their business. The matter was far from cut and dried and would be thrashed out at a public meeting at the Edenvale Community Centre on November 7, he said.

With international investor confidence in SA rising, this is an ideal time for Stals to make another decisive move towards the goal that will put 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

(269)
FM 13/10/95

Forensic specialists from auditor Ernst & Young have been called in by Transnet to investigate the transport giant's multimillion-rand funeral insurance scheme.

The probe follows the final liquidation of XB Holdings, an insurance brokerage commissioned 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 increases in return for funeral benefits.

The deal with XB Holdings was signed by Transnet human resources manager Willie Coetzee in August 1992.

According to Transnet documents, of which the *FM* has copies, Prestasi Brokers chairman Jan Erasmus, who also chairs Segefin financial and insurance brokers, introduced XB Holdings chairman Moss Nxumalo to Transnet.

Documents at the Registrar of Companies, on December 31 1994, put shareholders in XB Holdings as Mandlakazi Investments CC with Nxumalo as sole member (84%); former Prestasi 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 Prestasi 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 vouched 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 Funeral Services, XB Financial Services, XB Brokers, XB People's Funeral Services and XB Employee Benefits, all XB Holdings subsidiaries, are in provisional liquidation.

Transnet handled the claims under the funeral policy and XB dealt with the underwriters.

Transnet did not realise the policy had originally been placed with ACA Insurance at R6 a person and then, for about 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 memorandum referred to information obtained from the liquidators of XB Holdings, the attorneys for the liquidators and an ITC Commercial Credit Scan:



Erasmus

□ R6,8m had been paid by XB Holdings for commissions, managerial services and directors' fees. Of this amount, it was calculated 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 brokers;

□ 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 Schindehütte says all deals with XB have been terminated and Transnet now deals directly with African Life.

The contract with XB, which had been meant to run until March next year, was terminated "after we had become aware of the difference between the premium paid by Transnet and the real cost of the African Life premium," says Schindehütte. 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 investigation initially conducted by Transnet's internal audit team under Nigel Payne, it was decided to refer the matter to the forensic section of Ernst & Young.

Westrust's Peter Bothomley, who has been appointed liquidator for the XB funeral brokerage, says he should meet Transnet officials this week. He has already met Nxumalo and is studying figures and financial statements given to him.

Cooper Trust's Brian Cooper and Coopers & Lybrand's Basil Nel have been appointed 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. *Eddie Botha*

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 company is "in the business of money lending."

The Appellate Division of the Supreme Court has come down heavily against the taxpayer in a case about the deductibility of a loss from an irrecoverable loan.

In *Sentra-Oes Koöperatief 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 Ferreira says the taxpayer was a short-term insurer offering crop insurance to member cooperatives. To increase the funds available to pay claims, it invested premium income in short-term deposits with banks and financial institutions. One deposit — of R5m — became irrecoverable because of the insolvency of the borrower. Revenue disallowed 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 capital 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 enough to qualify it as a money lender. The taxpayer'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

Maputo Corridor' gets priority

By SVEN LUNSCHÉ

THE Department of Transport is finalising plans to upgrade road and rail links between Gauteng and Maputo at a cost of between R500- and R700-million.

The project is part of a far more ambitious proposal to establish a "development corridor" between the two areas, a project that would see the economic, social and infrastructural development to the transport network.

The development corridor concept is enjoying increasing support among Cabinet members after it was raised by Transport Minister Mac Maharaj at the first meeting of the super-economic cabinet two months ago.

Roy Page-Shipp, national projects director in the RDP office, confirms that substantial amounts of next year's R7,5-billion RDP fund could be devoted to larger infrastructural projects such as those suggested in the development corridor proposals.

Khetso Gordhan, director-general of Transport and one of the architects of the proposal, explains that transport is only a small element of the project.

"Transport systems improve the competitiveness of existing industries and create new industries, with a concomitant impact on social and economic upliftment," he says.

"Our premise is that some start-up facilities are essential to get economic growth going. The public sector involvement in the corridor will have to fit in with the need to promote growth and development," Mr Gordhan explains.

Funds for the project will come from relevant government departments, private sector investors and the RDP fund, the latter financing social development projects, such as improving water and en-

ergy provision in Mpumalanga province. Mr Gordhan says the project could also be used to support small-scale mining ventures in the province.

The World Bank's International Finance Corporation has already earmarked substantial funds for investments in the corridor, particularly rebuilding the Maputo harbour.

The work to date has focused on the so-called Maputo Corridor, but Mr Gordhan says three other areas are being investigated: Durban to Richards Bay, Cape Town to Saldanha and Port Elizabeth to the Border region.

He says his department will go ahead with the upgrading of traffic links in the Maputo Corridor even if the concept is not backed as a broader economic strategy.

In negotiations with the Mozambique government, agreement has been reached to improve the road between Nkomatiport and Maputo at a cost of R140-

million. The improvement will include extensive security measures.

Other elements of the project include R25-million for dredging Maputo harbour, R40-million on rail improvements and about R300- to R500-million on upgrading the N4 highway.

SA companies are already assisting in improving Maputo harbour at a time when SA ports struggle to cope with increased exports and imports.

A Maputo Corridor Company is being formed as a vehicle to channel private and public sector funds.

Mr Gordhan says the Industrial Development Corporation, the Development Bank and private sector consultants should complete their viability study and infrastructural assessment of the project by early November.

"We will then formulate detailed proposals in a joint meeting of ministers of the two countries," he says.

(269)SP/15/10/95

Dorbyl report to destabilise union 'forged'

(267) ~~(11077)~~
Renee Grawitzky

BD 16/10/95

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 go-

Continued on Page 2

Dorbyl

BD 16/10/95

(267) ~~(11077)~~
Continued from Page 1

ing 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 sub-

siary of Comark, having captured between 75% to 80% of the market.

Comark forms part of the Northwest Transport Investment Company, previously known as the Bophuthatswana Transport Investment Company, now owned by 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

ANNELIES 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.

ARG 17/10/95 (269)
"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.

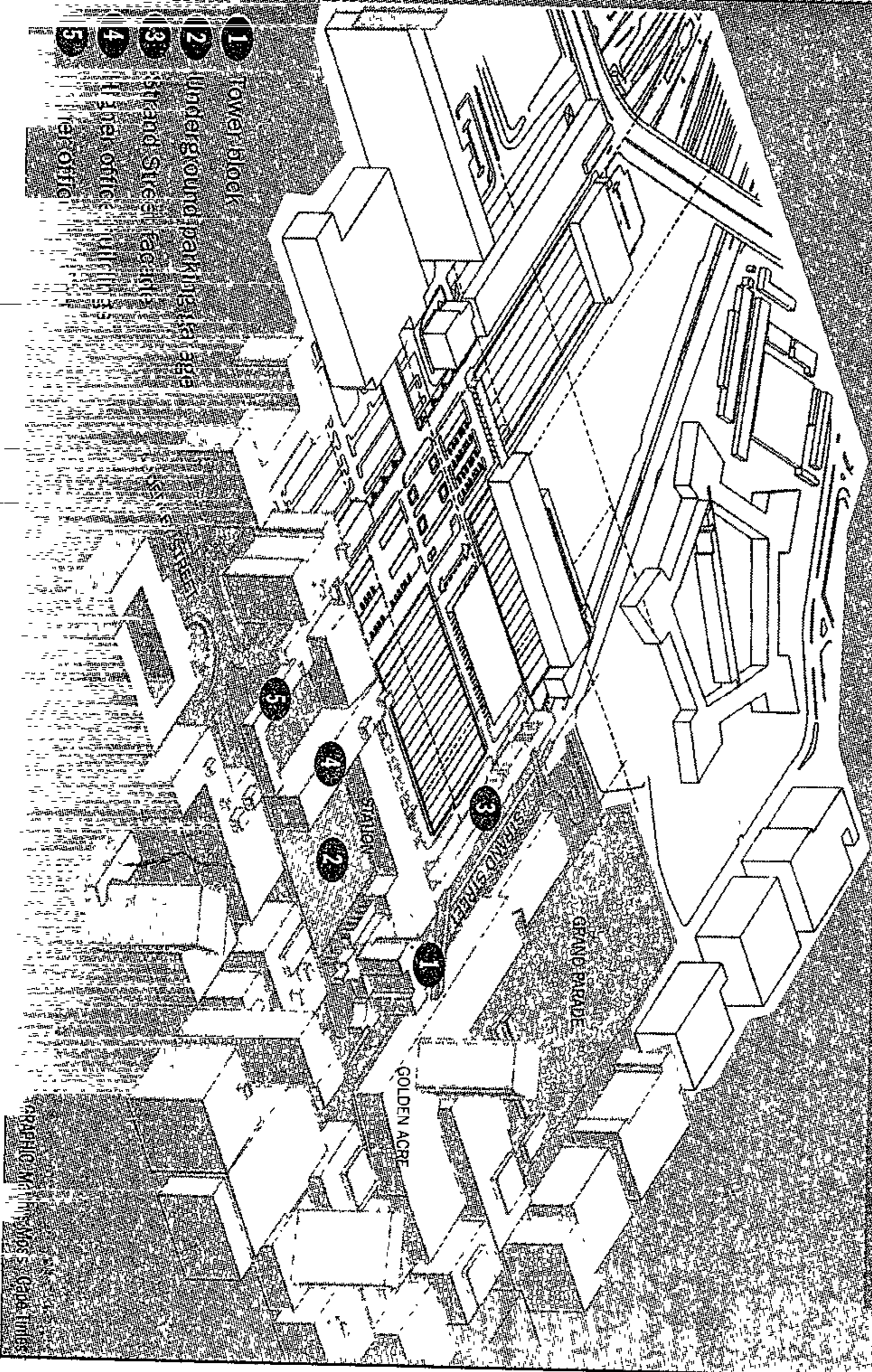
"It's in our national interest to adjust the capacity. Not only benefits to the aviation industry should carry weight but rather benefits to the whole tourist industry."

OFFICE BLOCK, UNDERGROUND PARKING TO CHANGE FACADE

R250m station revamp plan

ET 24/10/95
(267)

NEW CAPE TOWN STATION DEVELOPMENT



CAPE TOWN Station is likely to undergo a major revamp, which will integrate it into the CBD. PETER DENNEHY reports.

A MASSIVE R250-million plan for a series of developments for Cape Town Station, including a 12-storey office block and underground parking for 450 cars, was unveiled yesterday.

The lawns in front of the station are to be dug up, only to be replaced almost entirely after a parking garage has been built beneath them. The only portion of lawn lost will be on the corner of Adderley Street and Strand streets, where the office block will be sited.

The development framework comprised four major projects, Mr Kevin Roman, regional manager of Interste, the property arm of the SA Rail Commuter Corporation, said.

● The first of these is the nine-to-12 storey, R60-70m office block, on the grass lawn on the corner of Strand and Adderley streets.

● Associated with this, the larger main lawn right in front of the station will need to be temporarily lifted, and then completely restored after a 400 to 450-bay parking garage is built below it.

● The Strand Street facade of the station will be extensively rebuilt to be another storey higher, providing extra shops. A canopy behind this will protect traders on the station deck. All existing traders will be able to remain on the station. There will also be more retail space.

above the main station concourse. Together with the Strand Street development, the extra space should amount to R120m.

● An additional storey, will be built around most of the existing long-distance bus terminus, which will be known as Travel City.

There will be two extra storeys of office above the administrative wing of the station and a budget hotel (costing R60m) may be established in the Travel City complex.

These plans have been put to four Cape Town City Council committees.

Public comment

Council assistant director of planning Mr Shahied Solomon said councillors had requested more information, but the development framework may be approved early next year, depending on public comment between then and now. Construction could begin by June next year.

He said the development framework accepted Cape Town Station precinct as primarily a transport interchange and that it should remain so. But it should be developed into a safer, more pleasant and more convenient place which better fits its city surroundings.

Private sector partners will be sought, but the land will not be sold. Instead the land will be available for 45-year lease, with the option to renew.

Profits will be ploughed back into the Rail Commuter Corporation, to subsidise train fares, Mr Roman said. Interste had a profit-motive as well as a social motive for developing its property holdings.

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 R200m 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 R16bn to R18bn. 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 Cross-Keys 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 25% in commercial sales to the local market.

The net income after tax amounted to R260m which showed growth over the previous year. A dividend of R70m had been declared compared to R60m 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.

BD 7/6/95

(269) (269)

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 (269)

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. BD 8/6/95

"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.

NEWS BUS COMMUTERS'S HELL

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 pot-holes caused by both vehicles and by nature.

Vice-chairman of the Moutse Transport Committee Mr Phineas Malefahlo, welcomed the visit by the minister "At least he will know what we are complaining about."

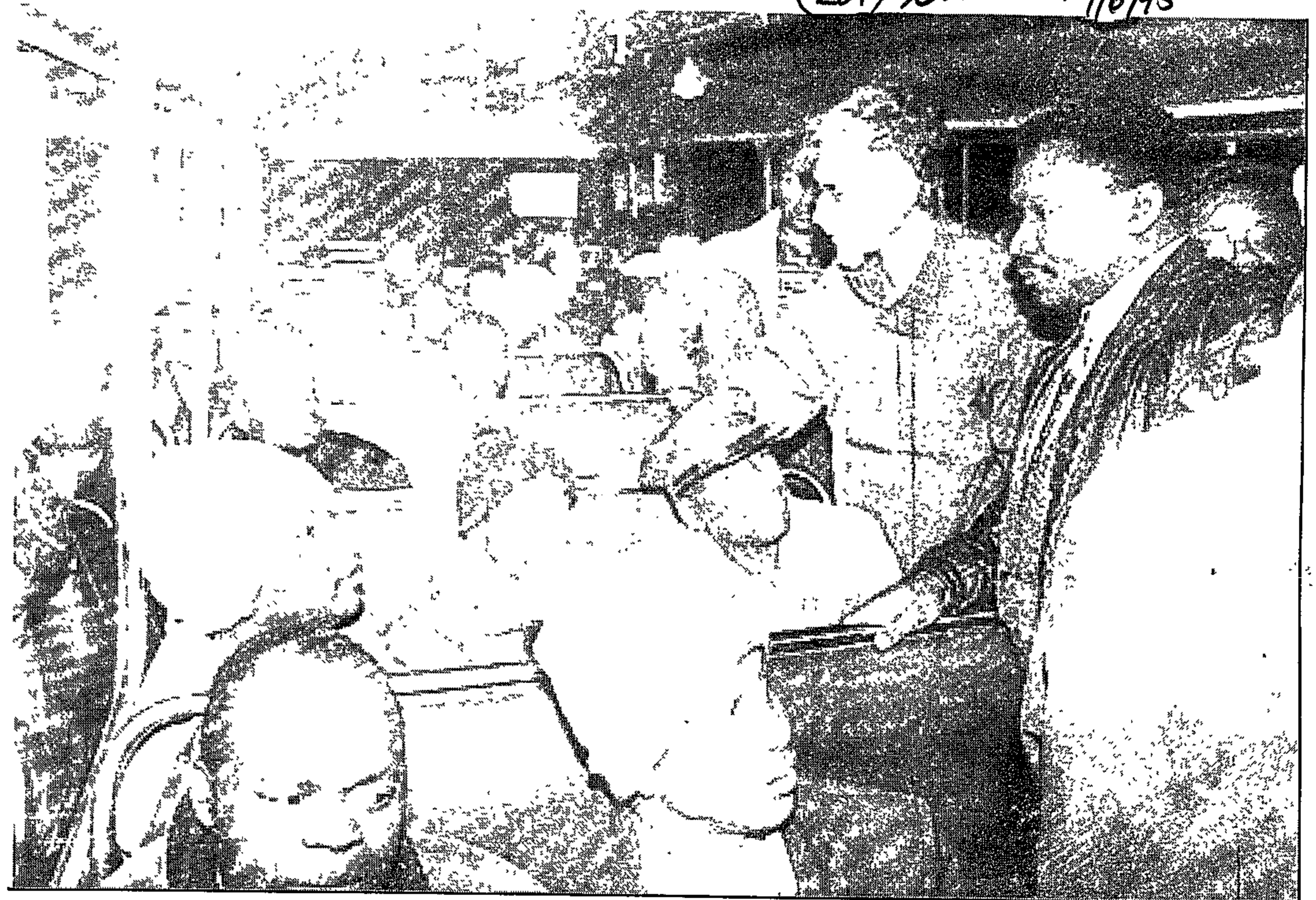
Malefahlo said they had faxed their complaints to the minister's office after their daily complaints about the lack of buses went unheeded by Putco officials.

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 Ntoane 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



Transport Minister Mac Maharaj joined commuters this week on their daily pre-dawn trip to work.

PIC: LEN KUMALO

have to do our best 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 dur-

ing 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 to and from his place of employment at Kaalfontein, 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 Kaalfontein.

Mrs Christina Motau (47), a widowed

mother of six who is a washerwoman doing piece-jobs in the Rooikraal area between Pretoria and Johannesburg, 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 R940m 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 re-

duce 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 9c/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.

183 269

MO 12/6/95

Fuel levy to mend roads proposed

Political Staff

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 4c a litre.

"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 CLARKE

ARGUS FOREIGN SERVICE

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 Baginolle, 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.

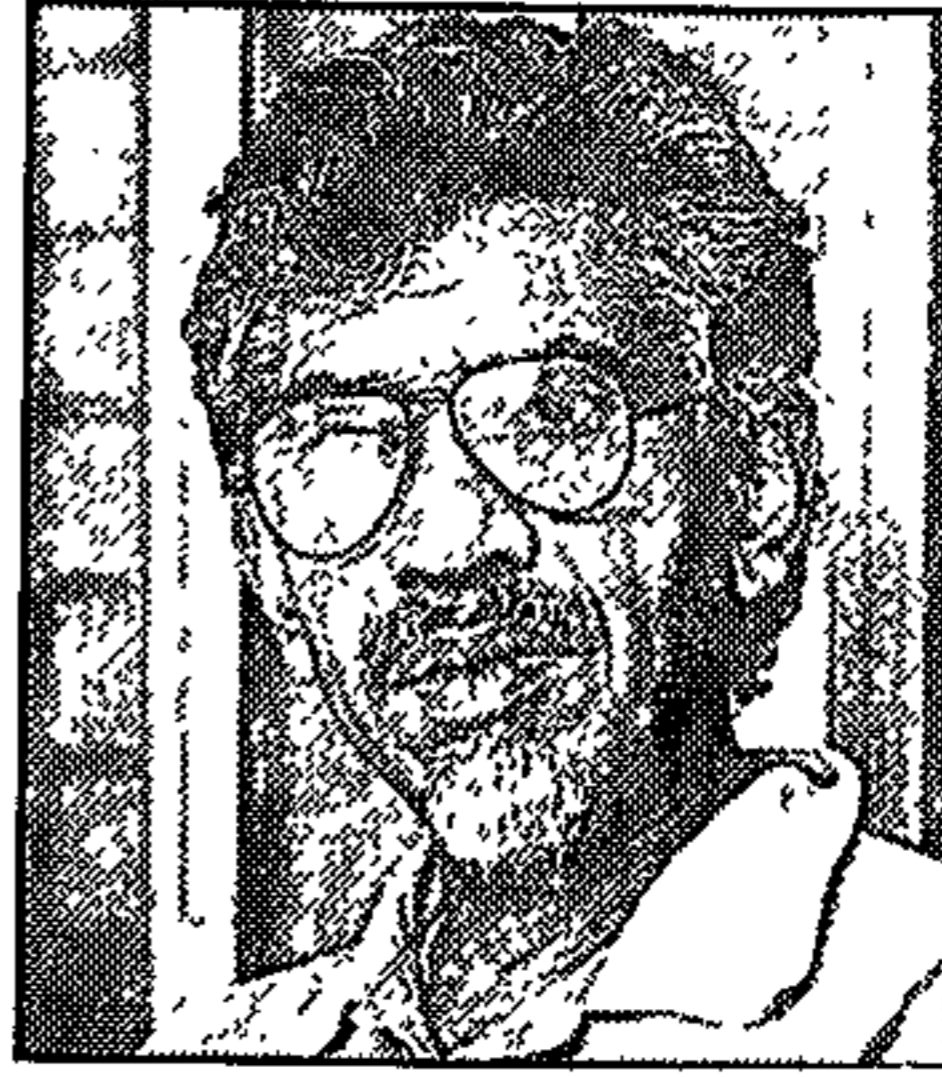
Maharaj seeks fuel levy for roads

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 Elsa 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, not something 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.

Star 13/6/95

(269)

Committee will oversee Transnet

Tim Cohen

(269) 10/14/95

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 Mac Maharaj that talks had begun which he hoped would result in a more coordinated 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)

10/14/95

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, Portnet was a small part of Transnet as a whole, but contributed a huge amount to Transnet profits, primarily because of its 1% wharfage 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 had demonstrated that such a body did 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. (276)

"At the moment 300 drivers are involved. (269)

"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. ARG 23/6/95

Townships around the city were also affected, he said.

The strike started at 2 am this morning, he added. — Reuter.

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 Ramatlakane is to submit its final report next week. This is expected to confirm an interim report calling for a "paradigm shift" in transport planning.

The committee, headed by former Cape attorney-general Neil Rossouw, 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 R91 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 R65 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 Eadie, 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 level 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.

● See page 2

INSIDE

OUR new personal finance page: YOUR MONEY on page 4 AND in our expanded media and marketing section on pages 9 and 10:

- Malawian ad agencies get ready for television
- Zimbabwe's agencies in the dark without media stats
- Admonito
- South African agencies forge links in Africa

ALSO:

- Zimbabwe aims to compete as foreign investors eye its stock market — page 2
- Meet ABSA's new Western Cape chief — page 3
- Agricultural futures ripe for trade — page 3
- R150 million shopping mall for Worcester waterfront — page 5
- Britain's bustling Humber side harbour hub — page 7
- French carrier steps up its service to South Africa — page 7

Commuters could pay ⁽²⁶⁹⁾ about 50c more a ride



Collin Matjila ... executive committee chairman.

■ 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.

Star 26/6/95
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 R66 to R76.

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 56% 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.

Long-distance travel subsidies 'unaffordable'

Stephané Bothma

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. 261

From the KwaNdebele area alone about 23 000 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'

(269)
Political Staff

SUBSIDIES for long-distance travellers — "a legacy of apartheid planning" — was 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. ARG 27/6/95

Mr Maharaj gave as an example subsidies being paid to thousands of commuters who travelled 232km 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

CT 27/6/95

(269)

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.

TAXPAYERS 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 Selfe (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 per cent 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

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 neces-

sary 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".

and well-maintained road network to encourage and underpin economic and social development.

For the programme to succeed he believed it was necessary to re-introduce a dedicated fuel levy.

Govt can't subsidise long-distance travel - Maharaj

(269) STAN 27/6/95

■ BY NORMAN CHANDLER
PRETORIA BUREAU

The subsidisation of long-distance travellers — "a legacy of apartheid planning" — was uneconomical 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 232km 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 subsidies

The country simply cannot afford this type of transport subsidy

Source: 27/6/95 (289)

By McKeed Kothoko and Sapa

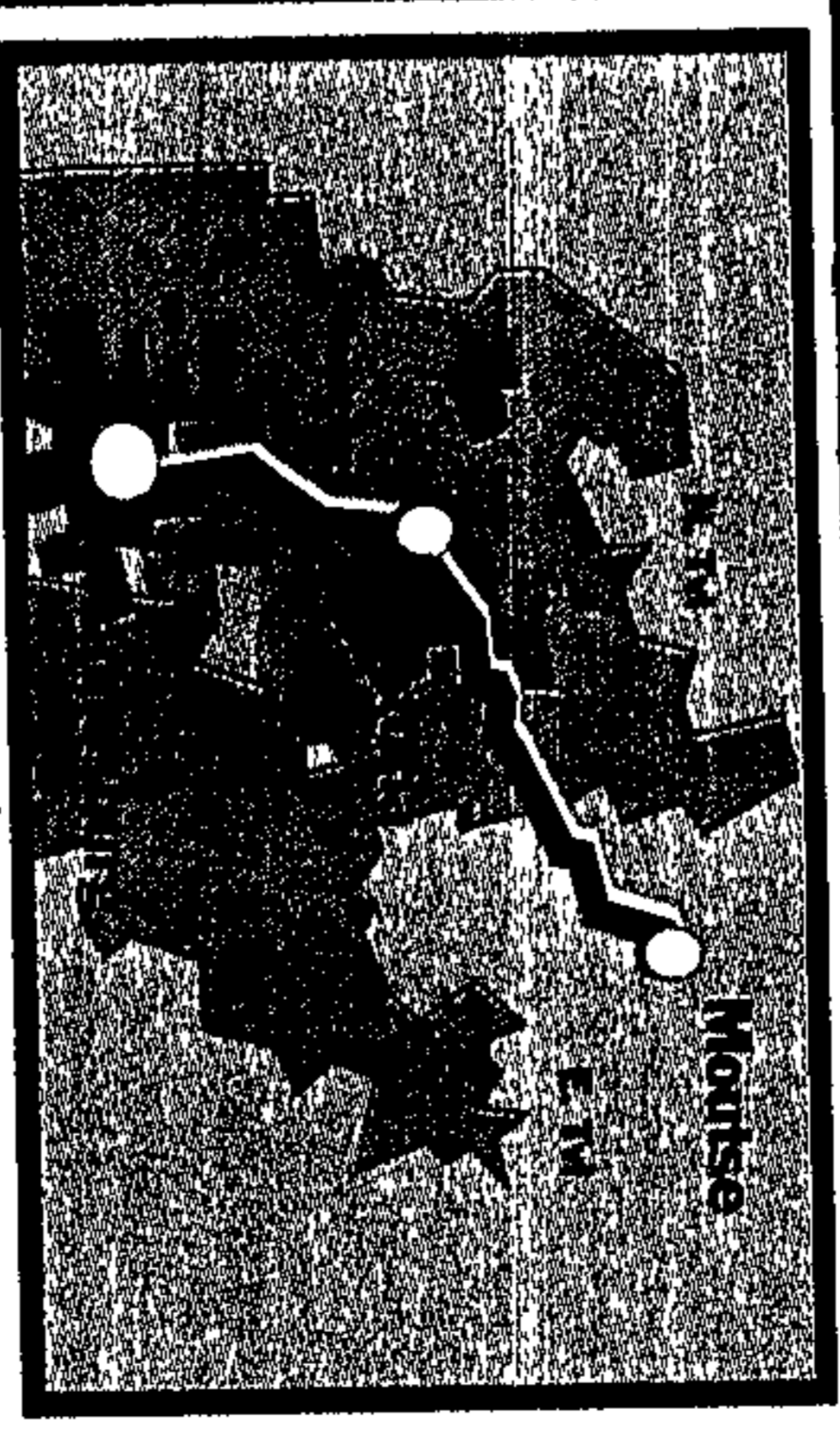
LONG-DISTANCE bus commuters travelling between the KwaNdebele and Moutse areas in the Eastern Transvaal and Pretoria will have to pay more than three times the current fare if the Government carries out its threat to cut the subsidy.

This follows yesterday's announcement by Transport Minister Mr Mac Maharaj at a transport convention in Pretoria that South Africa could not afford to continue subsidising long-distance commuters.

He was addressing the 15th Transport Convention held at the University of Pretoria. The Government's threat, if implemented, would adversely affect about 23 000 bus commuters from the Eastern Transvaal. Most of these commuters have told *Sowetan* that they did not earn much and complained that they could not afford even the subsidised fares.

A spokesman for the Puroco Bus Company said if the Government withdrew the subsidy, commuters travelling between Moutse, Waterkloof and Rosslyn in Pretoria — a trip of about 154 kilometres — will have to pay R153 for a five-day ticket. They are currently paying R37 for the same ticket, which is subsidised by R116,60.

Commuters travelling the same distance and using monthly tickets, which



Distance: Moutse to Pta — 154km, Pta to Jhb — 60km. Cost (Moutse to Pta): Now — R164,10 monthly. Without subsidy — R677,10 monthly.

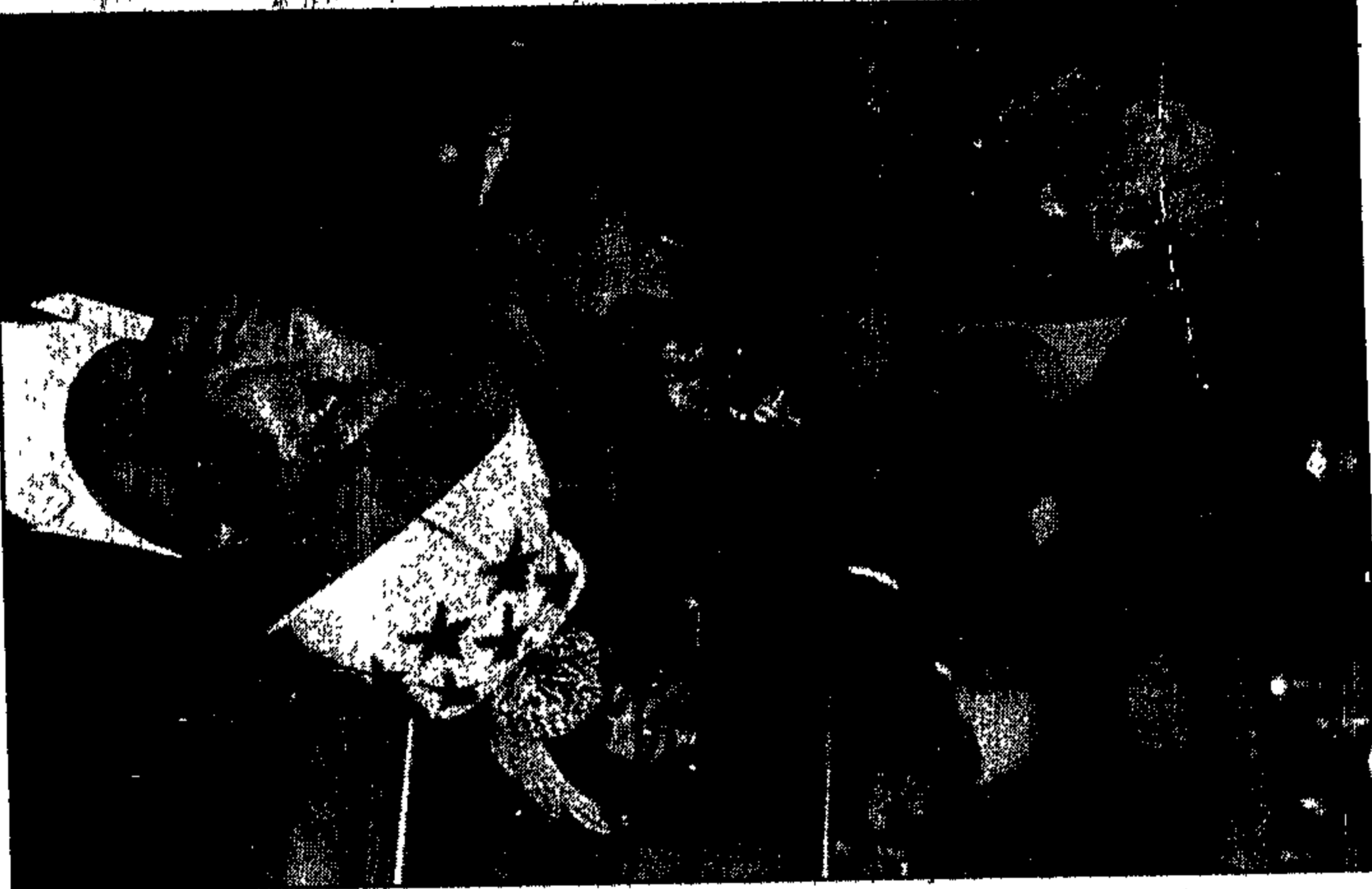
presently cost R164,10, will pay R677,10. These tickets are currently subsidised at R513. Puroco regional manager for Pretoria and the Eastern Transvaal Mr Neil Groenewaldt confirmed that the Government was subsidising long-distance commuters to an average of 70 percent a year.

Groenewaldt was optimistic, however, that the Government would not withdraw the subsidy and said if it did, "no one will be able to afford to pay the fares".

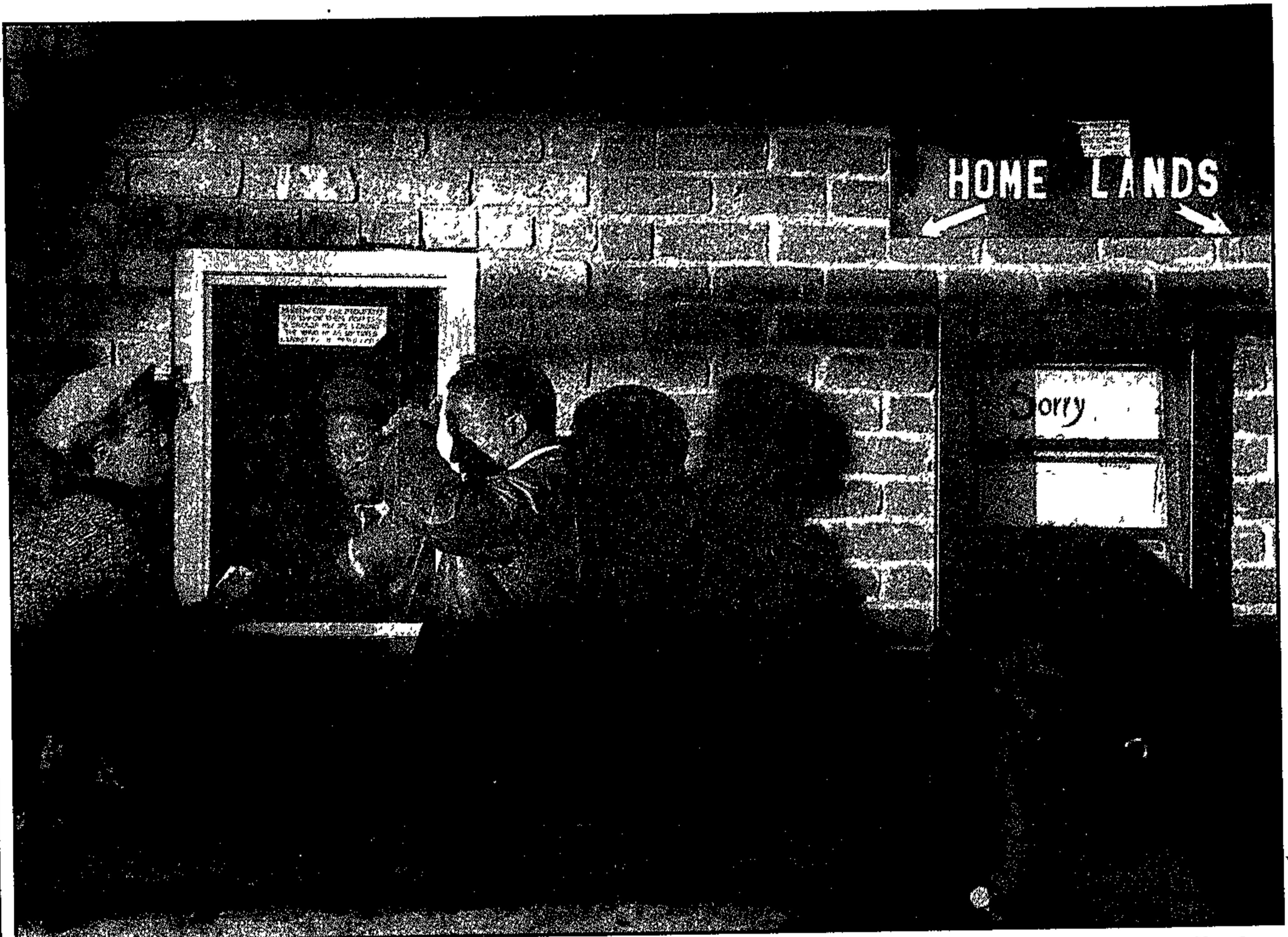
He added that these fares did not include the 10,5 percent increase to be effected from July 1.

Year. Opening the convention, Maharaj said: "The country simply cannot afford this type of transport subsidy. It is economically unsustainable and cannot possibly meet any value-for-money test."

He said the "legacy of apartheid planning" existed in varying degrees in several parts of the country.



Transport Minister Mac Maharaj on a bus trip from KwaNdebele to Pretoria to experience the hardships commuters have to endure daily. The picture was taken earlier this month. PIC: LEN KUMALO



Living under a shadow . . . many commuters, forced to find jobs far from home, would not be able to afford to travel to work if long-distance bus subsidies were cut by the Government.

PICTURE MOTLHALEFI MAHLABE

Star 29/6/95

End of bus subsidies could mean job losses

(269)

■ 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 — R153 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 Mabena 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 Sofy Mahlangu, who only works three days a week, said: "What have we done to deserve this? Is this the freedom we were fighting for?"

y June 30 1995

7

ARL 30/6/95
Minimum
bus fare to
rise to R1,70

Staff Reporter (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."

Bus subsidies' poor mileage under review

ST (BT) 2/7/95 (269)

THE government is reconsidering its subsidies for commuter transport as the payouts continues to escalate despite declining passenger numbers.

By SVEN LUNSCHE

Transport Minister Mac Maharaj said this week increasing costs had forced his department to discourage the further provision of bulk transport services for long distances.

He said the government paid out R100-million alone in subsidies to support the route between Kwa-Ndebele and Pretoria on which 23 000 commuters travel an average 232km a day.

“In some cases it would be cheaper to pay commuters to stay at home.”

Figures provided by the Department of Transport show that in the year to March 1995 the 50-plus bus companies carried a mere 214-million passengers, compared with over 600-million in 1983.

At the same time the nominal subsidy has increased from R160-million in 1983 to R175-million, although in real terms — taking inflation into account — the subsidy has held steady.

In view of declining passenger numbers, however, the real subsidy per passenger has increased from 21c per trip in 1983 to just under 60c last year.

Putco is a major beneficiary. The subsidy regularly accounts for about half

current apartheid-established patterns of land use force people to travel long distances to their place of work.

“It is also not feasible to transport the large number of passengers by taxi. In Johannesburg alone buses transport 50 000 peak-hour passengers. The road system could not cope with the 3 300 taxis required to ferry similar passenger numbers,” he says.

While the current subsidy would remain in place for the interim, he says it would be reviewed when drafting a new national transport policy, which

would devolve public transport to lower levels of government.

Mr Gordhan says the fact that fewer passengers are transported does not necessarily mean operators can adjust to these changes over the short-term “due to the large fixed costs involved in rendering bus services”.

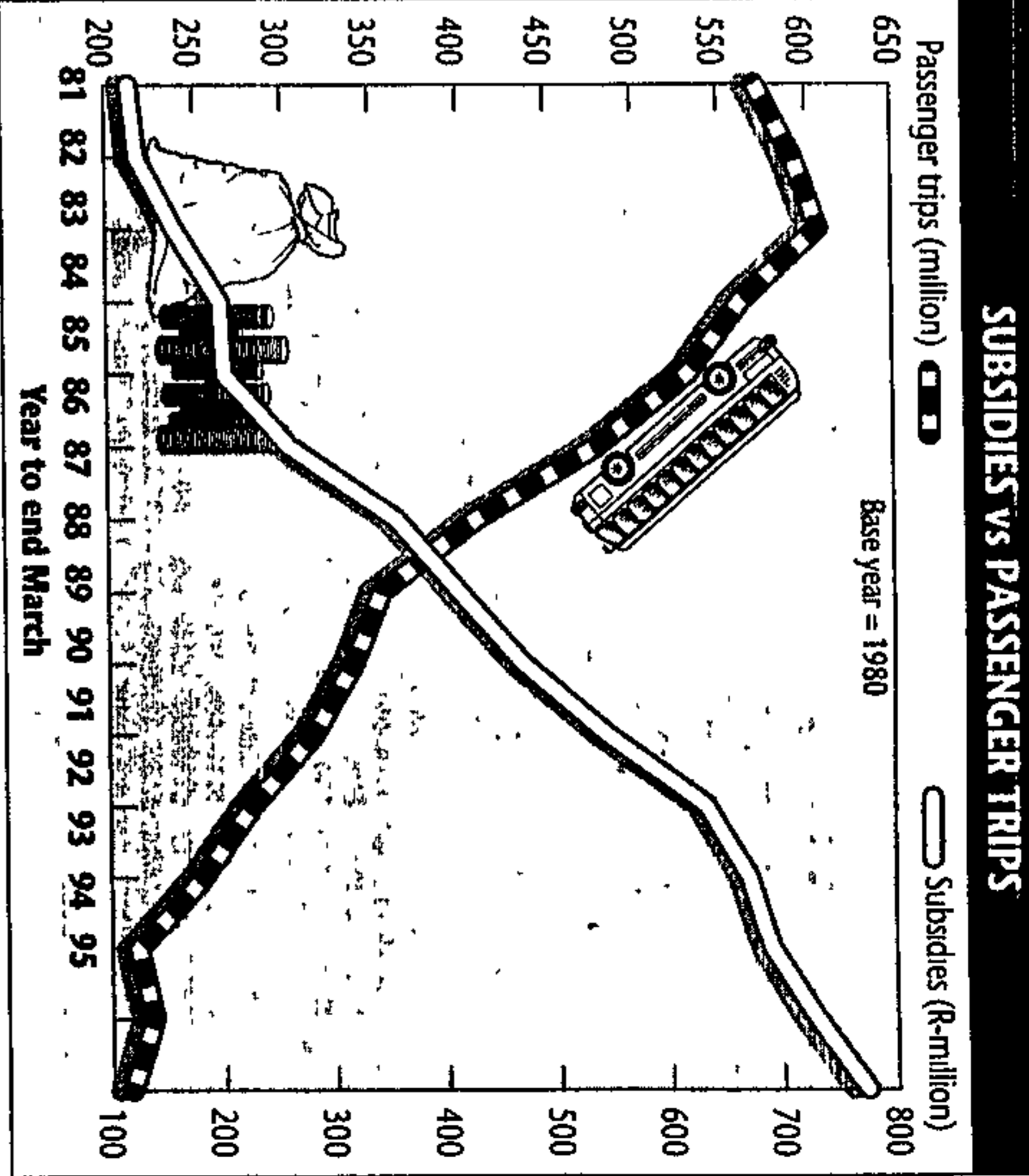
In explaining the higher subsidy in the face of declining passenger numbers the department points out that bus companies get subsidised only for peak hour passengers who use weekly or monthly tickets, whereas off-peak cash fare

commuters, scholars and pensioners are not.

In the meantime the department says it has reacted fully to criticism of the commuter subsidy system expressed by the Auditor General in a report issued in September 1993.

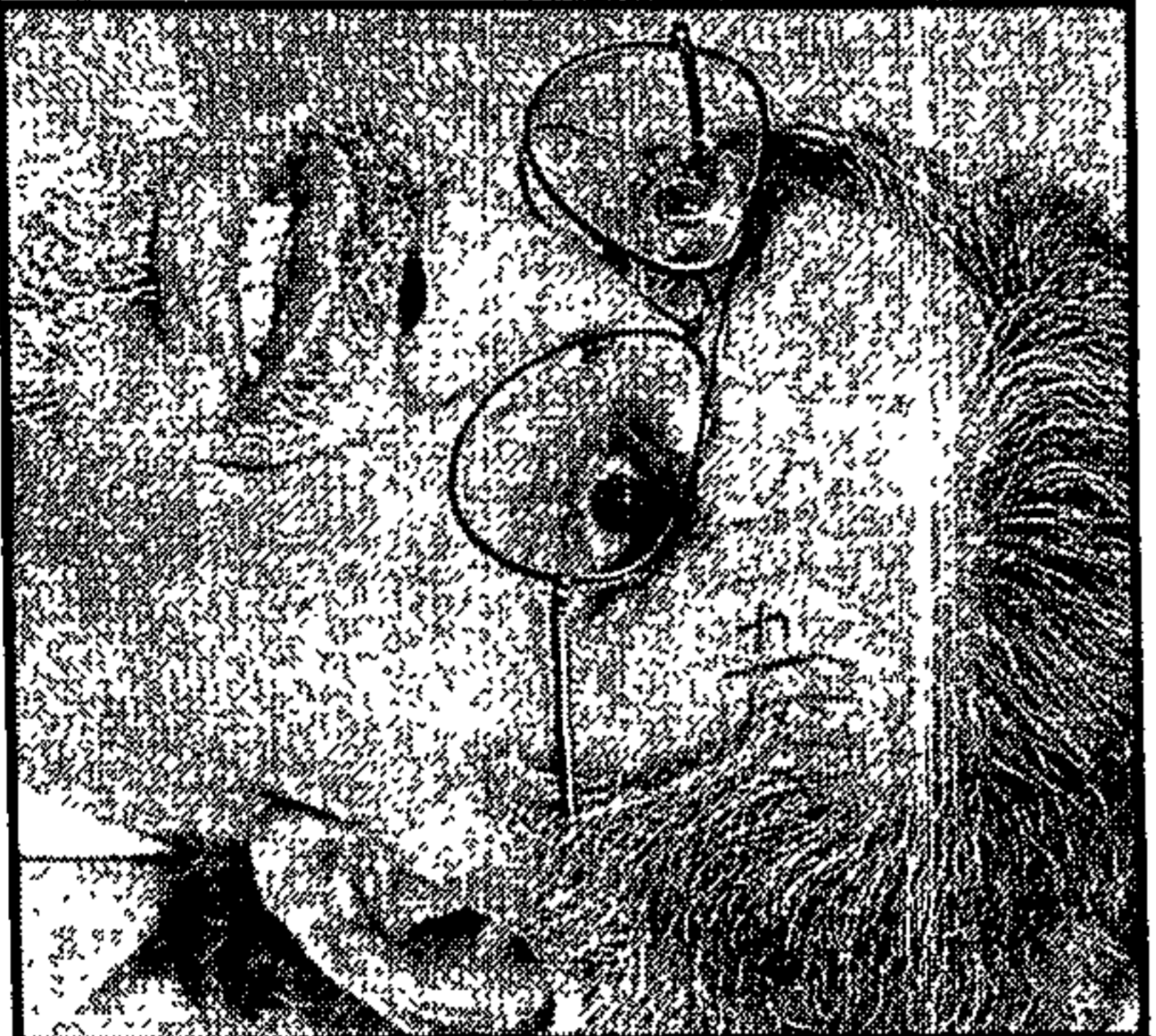
“All subsidy claims by bus companies are audited externally. Bus companies are required to submit audit certificates with their monthly claims on a six monthly basis,” Mr Gordhan says.

All subsidy payments are audited by the office of the Auditor-General.



Graphic: FONK RRSCH

Source: DEPARTMENT OF TRANSPORT



THINKING OF HOME: Transport Minister Mac Maharaj

May imports widen trade deficit

ST (BT) 2/7/95

SOUTH Africa's monthly trade balance slipped into the red again in May, registering a deficit of R134,8-million following April's R305,7-million surplus, according to figures released on Friday by the Customs and Excise department.

Imports in the first five months of May were more than R10-billion up at R336,7-billion on the same period last year of R27,1-billion.

Exports in the year to May amounted to R39,6-billion compared to R33,5-billion a year ago.

South Africa continued to source the lion's share of its imports from Europe.

Imports in May surged to R9,05-billion from R6,65-billion in the previous month, as the import of machinery and electrical appliances, transport equipment, and mineral products escalated.

Economists have been predicting a continued surge in imports this year, as companies replace ageing machinery and restock.

Most viewed April's slowdown in imports as an aberration.

Exports also increased in May

Exports to Africa showed further strong growth, and exports increased slightly to Asia and Europe, but the flow of goods and services to the US fell.

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SAA spreads its wings into Africa

Staff Reporter

(269) APC 3/7/95

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 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 opportu-

nities on the African continent.

Alliance consists of a partnership between SAA, the governments of Tanzania and Uganda and private investors from the two East African countries.

Alliance is leasing a Boeing 747 SP and a cockpit crew from from SAA. The cabin crew comprises 29 Tanzanian and Ugandan nationals who were selected from several hundred applicants.

By CHRIS BARRON

BY THE time she gets to work at 7am, Christina Ngwenya is already four hours into her day.

Scrambling down a hasty breakfast before starting her chores as a domestic servant in the Sunnyside suburb of Pretoria, the 68-year-old grandmother can look forward to getting back home 12 hours later, if she's lucky.

More often than not, however, the train that takes her to the bus that drops her half a kilometre from home is late. Not much, but enough to prevent her reaching the bus depot in time for the bus that leaves, with crass punctuality, at 5pm.

Sometimes when the train is on time, she says, it spoils things by grinding to an incomprehensible halt for five minutes or so between stations.

Either way this means a wait of one and a half hours until the next bus lurches north-east from Pretoria through Villeria, East Lynne, Roodeplaat Dam, Wadri, Moloto, kwa-Mhlanga, Kwaggafontein, Dennilton, etc, in all, about 140km to a nowhere place — certainly nowhere on the map — called Zondagsfontein.

As her weary limbs separate themselves from the surrounding blackness of an unlit winter's night at about 8.45pm, six children and two sleepy grandchildren form a welcoming committee at the front gate. Quiet, but beaming, they haven't seen her since 10.30pm the night before. When she rises at 3am they're still fast asleep.

Another four grandchildren are usually out for the count by the time she gets home. She gets to see them for an hour or so on Saturday evenings, but properly only on Sundays.

Mrs 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. On Saturdays she adds about R50 to this income by selling sweets and fruit from a pavement stall in the Pretoria city centre.

Since ill-health forced her late husband to resign his job as a Pretoria City Council police sergeant in 1981, she has been the family's sole breadwinner. Three of the six children who stay with her are at school, and two are full-time mothers. Her son Ezekiel, 28, has no paying job, because she cannot afford the bus fare he would need to look for a job in Pretoria.

No layabout, however, he pays his way by diligently adding homemade bricks, window frames and cement floors to the slowly expanding family home.

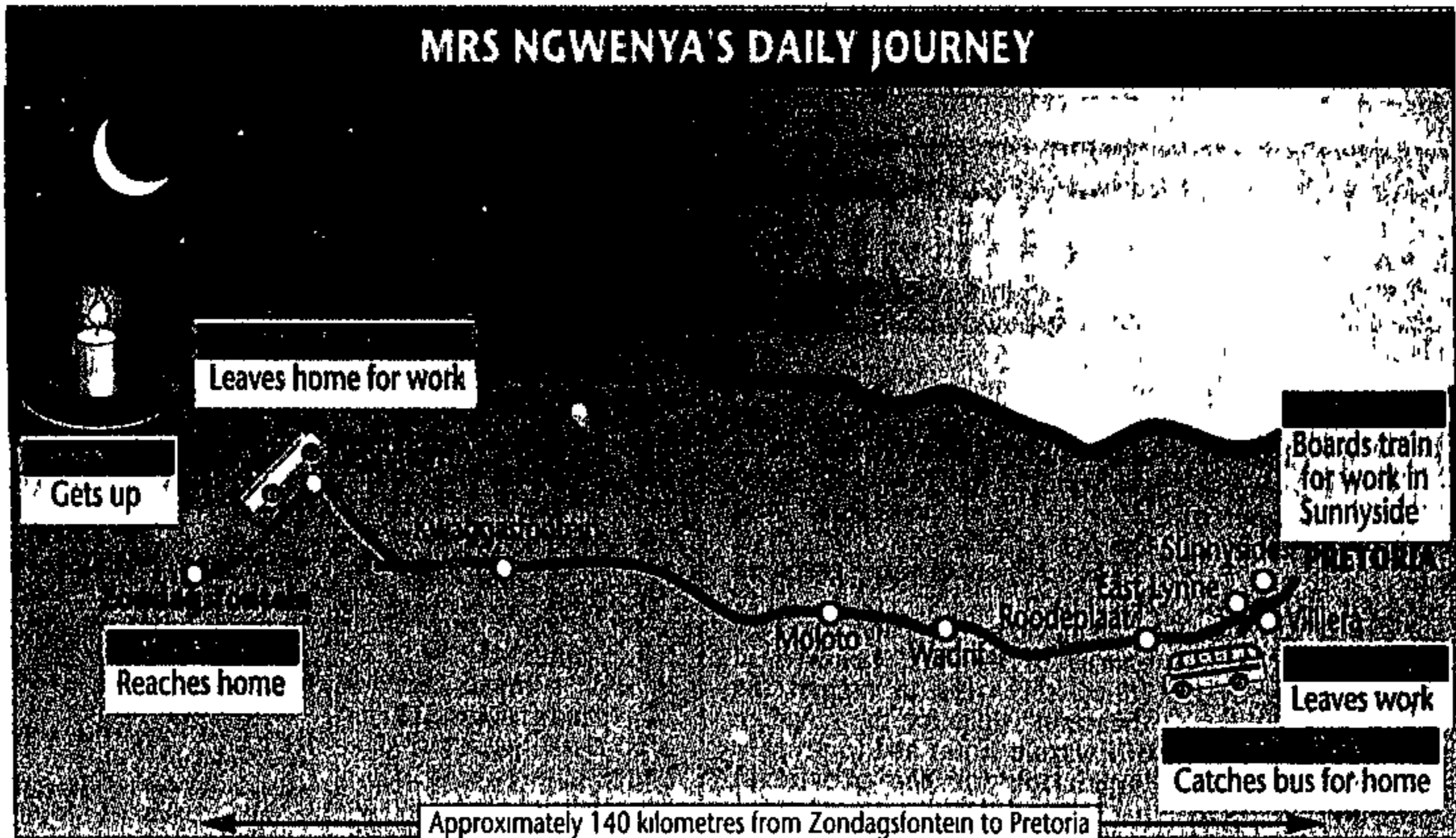
To cry for Mrs Ngwenya, or not to cry for her? To the Department of

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.



HOMEWARD BOUND ... Christina Ngwenya spends an average

The long jour



Graphic: FIONA KRISCH

Transport she — and 23 000 others who commute daily to Pretoria and beyond from the sterile bowels of what used to be the homeland of Kwandebele — represent a huge headache.

They were moved here 20 and 30 years ago to satisfy the apartheid blueprint of a National Party government that was will-

ing to pay whatever this madness cost.

Today the cost is staggering — R109-million of taxpayers' money this year alone was paid to the privately-owned Putco bus company to subsidise its daily transport to and from Pretoria of the Kwandebele outcasts.

An irony already pointed to by the Minister of

Transport, Mac Maharaj, is that if his department simply paid this money — R5 400 a commuter — straight to the people themselves rather than to Putco, they would earn more money staying at home, than they do by going to work.

The cash-strapped department has hinted at withdrawing this subsidy.

It is quietly desperate for these marathon commuters to move back to their once forbidden territories closer to the workplace.

But, irony of ironies, "they don't want to move", says chairman of the Moutse Transport Committee, Velaphi Mabo-goane. "They like it where they are. If their fares could only be reduced, they

would be The N. in the bu plots for running electricit

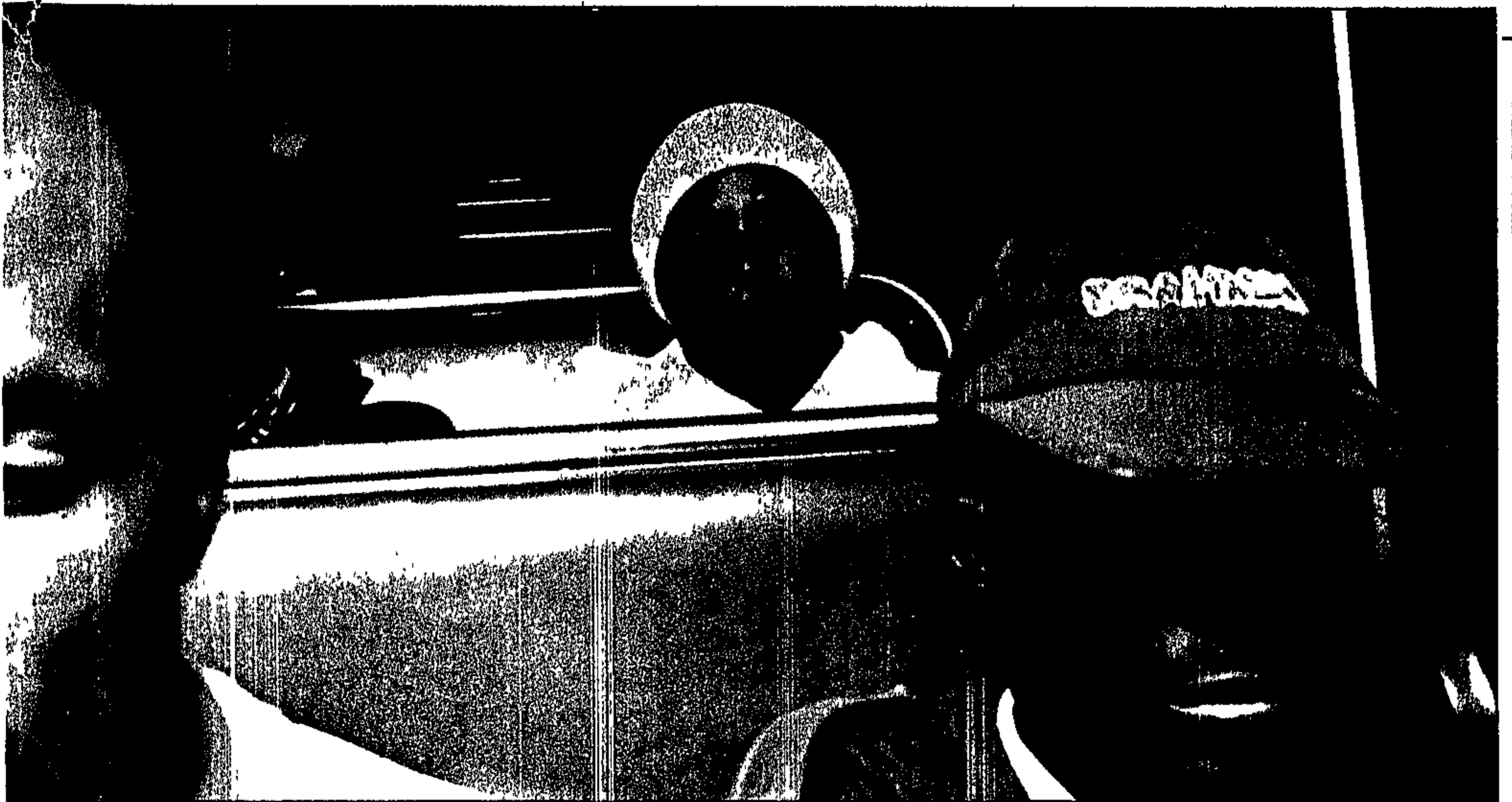
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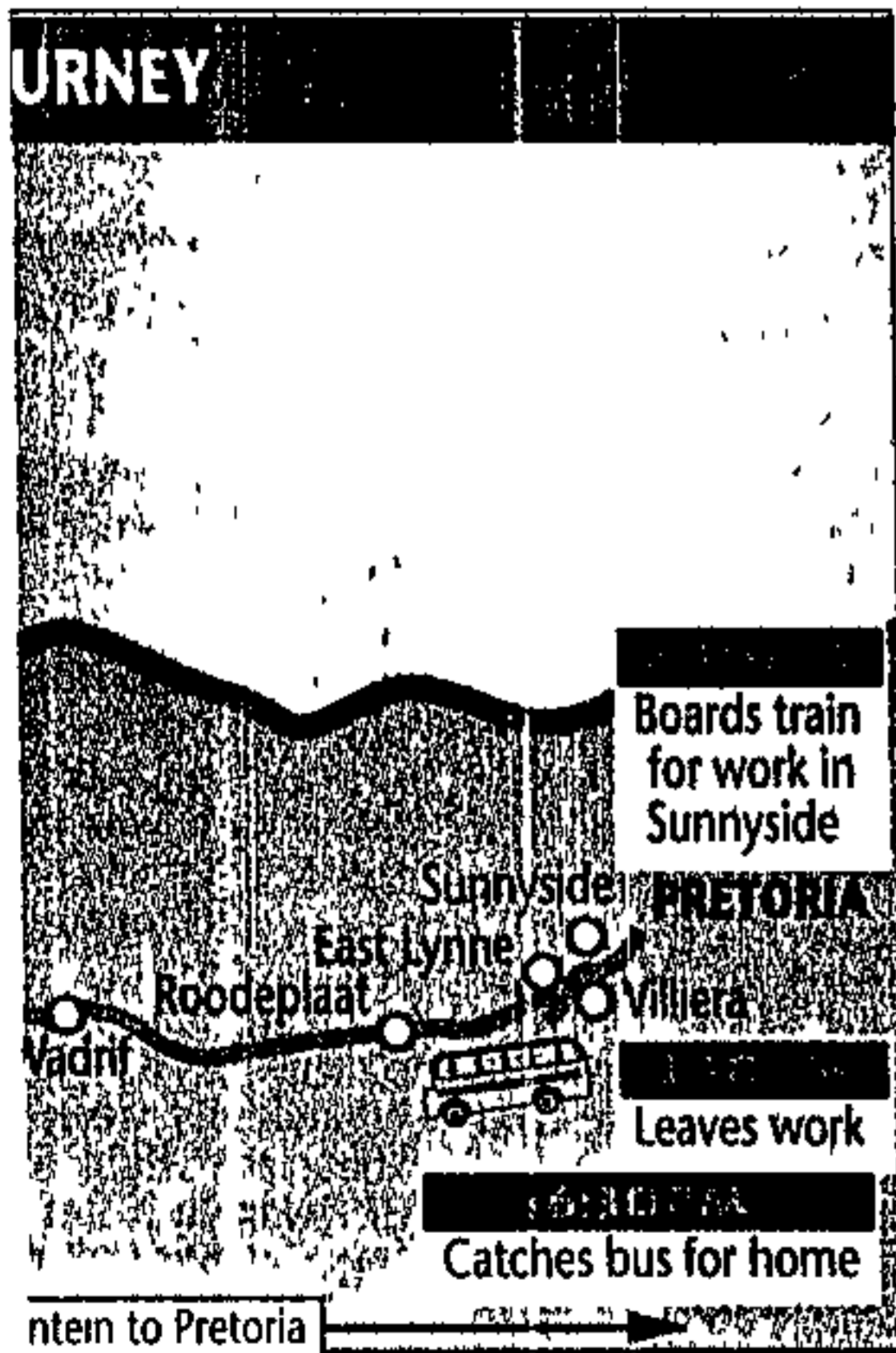


BOUND . . . Christina Ngwenya spends an average of six hours a day travelling to and from work

Pictures: RUSSELL ROBERTS

g journey home

(269) ST 9/7/95



Mac Maharaj, is department this money — commuter — the people rather than to would earn y staying at they do by go-

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would be happy"

The Nats dumped them in the bush, but gave them plots for next to nothing, running water and, later, electricity.

Inadvertently they also gave them what have now become havens from the violence that wracks communities closer to "civilization".

The scattered, isolated villages have dusty, badly rutted roads, and no street lighting. But they're crime-free and residents, time permitting, use them for carefree, gossip sessions.

Talk to Maria Makua, 47, who earns R100 a week as a domestic in Pretoria, talk to Mrs Ngwenya, who often has to stand for two hours on the crowded buses to Pretoria — the 18-hour days they can live with. The stress and expense of going "home", they cannot.

"The Nats," says transport spokesman Coenrad Pieterse, "wanted their scheme to work, so they made sure they were happy."

Somebody must be laughing at this. Mr Maharaj is decidedly not.



PRECIOUS MOMENTS . . . the family's sole breadwinner, Mrs Ngwenya spends little time with the children and grandchildren who depend on her for food

Blood on the tracks as rail commuters rise

By CAS St LÉGER

AT LEAST one rail commuter dies every day in SA — by falling from a train, as a victim of violence or being hit by a train while crossing railway tracks.

Last year there were 400 rail fatalities.

In the United Kingdom, with a larger rail network and a greater population, there were only 250 rail deaths.

The rail commuter safe-

ty project, launched last year under the helm of Dr Len Lerer 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

TOLL ROADS (269)

Highway robbery?

PM 14/7/95

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

Italians could revive rail plan

Own Correspondent

(269)

BD 14/7/95

by former governments.

EAST LONDON — The Eastern Cape government is considering a proposal to build a R1bn 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 Rensburg to discuss the project, which is based on a 1984 feasibility study never taken seriously

Jalc worked in Transkei for many years, building houses and factories. Its financial activities were probed by various commissions of inquiry.

Van Rensburg 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'

ARG 17/7/95

The Argus Correspondent

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 rands 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 returns 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 and capacity development, democratisation of the state and the economy, and economic restructuring and growth.

Sigcau and Maharaj locks horns for control over Transnet

David Greybe

(269) 80 17/2/95

CAPE TOWN — Transport Minister Mac Maharaj and Public Enterprises Minister Stella Sigcau are locked in a fierce tussle for control of Transnet policy — currently Sigcau's domain — a top government source said yesterday.

Maharaj, whose department is working on a transport White Paper, contends that only a "holistic and integrated" approach can produce a more efficient transport system. That meant Transnet policy matters should fall under his control.

However, the government source said, Sigcau was displaying "a lot of animosity" towards Maharaj's proposal.

As a result of their differences, Maharaj and Sigcau and their directors-general had met a number of times recently to discuss the issue. According to the source, however, "Sigcau is still shying away from Maharaj's proposal".

Maharaj defended his proposal for an integrated transport system yesterday, and said it was the most logical way to deal with the fragmented transport situation. If his proposal was not implemented, the con-

sumer would be the first to suffer, either through unnecessarily high transport costs or unnecessarily poor levels of service.

The current situation had produced excessively high transport costs, "which send inefficient signals to the market economy, from non-economic and inequitable causes. We are not talking about building empires," Maharaj said.

In a bid to resolve their differences Maharaj had proposed to Sigcau that she remain Transnet's "shareholding minister". "I want to avoid a fragmented physical planning or financial planning situation,"

he said. "I do not care who the shareholding minister is."

Public Enterprises refused to comment on the matter.

Maharaj said he expected the transport White Paper to be submitted to the Cabinet early next year, on completion of a comprehensive consultative process now under way. All major stakeholders including Transnet, the private sector and labour, were involved.

As part of the process, a "plenary structure" of stakeholders was established at a recent workshop to develop a new trans-

port policy. This structure was, in turn, being "guided" by a smaller steering committee Maharaj had appointed. However, the steering committee would not make any policy decisions — that would be left to the plenary structure. A second plenary meeting was planned for November before finalisation of the new policy.

Part of the process was the establishment of six working groups to look into specific areas: infrastructure, road traffic, land passenger transport including urban

Transnet

(269) 80 17/2/95

Continued from Page 1

transport, land freight transport, civil aviation and maritime policy.

Maharaj said he envisaged a strong regulatory body, "which will report to me", to oversee the implementation of a new transport plan.

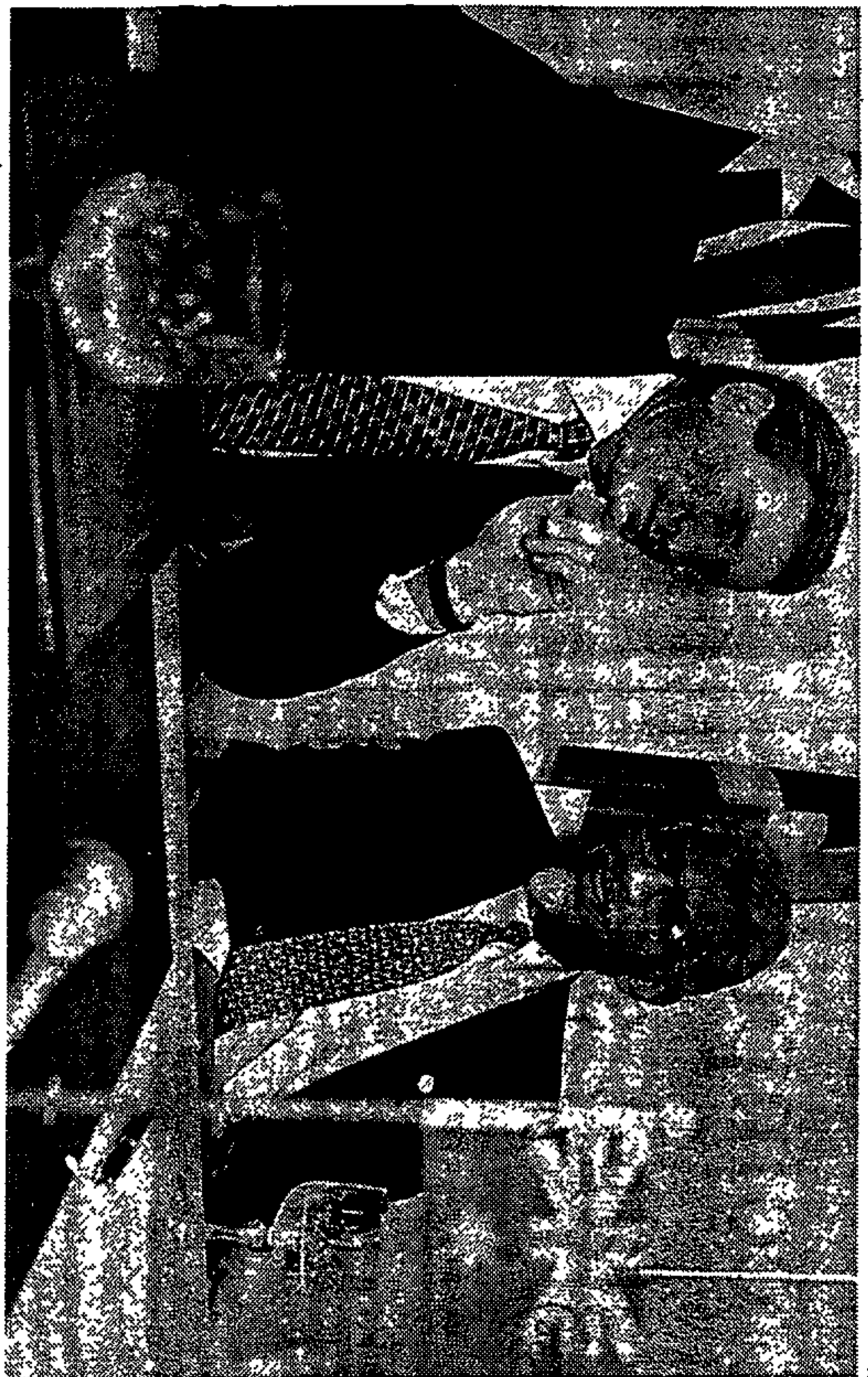
Transport was too important for the wellbeing of SA and the subcontinent to allow fragmentation to continue. It was

therefore necessary to define clearly who the decision-makers should be in the development of a new transport system, and which aspects of the system the decision-makers could change.

The implication was not that the present degree of competition in the transport sector should be reduced and replaced by more central planning. "In fact, still more competition may be desirable."

Continued on Page 2

Policy



Australian Transport Minister Laurie Brereton, left, and SA Transport Minister Mac Maharaj at the signing of an air services agreement between the two countries in Pretoria yesterday.

Picture: NICKY DE BLOIS

Ceremony cements air links between SA and Australia

Stephane Bothma
(299) 601917195

PRETORIA — Air services arrangements between SA and Australia were cemented yesterday as the two countries' transport ministers signed an Air Services Agreement.

The agreement entitles the Australian carrier Qantas and SAA to each operate up to three weekly Boeing 747 services between the countries.

Although the two airlines have been operating two weekly flights each on the route since January 1992, the agreement formalised air services arrangements for reciprocal flights. Transport and Industrial Relations Minister Laurie Brereton said at yesterday's signing ceremony.

Qantas would add a third service at the end of

October this year, operating through Harare, Zimbabwe on the return leg, Brereton said.

Brereton said Australia was well-positioned to take advantage of the emerging SA opportunities which included the potential growth of SA as a stop-over for passengers flying between Australia and Europe.

SA Transport Minister Mac Maharaj said although SA had a fairly liberalised approach to air services agreements, it was not in a position to afford a totally open skies policy.

He said until such time that SA had stimulated and developed its markets to their full extent, it was only natural that the country adopted an approach of protectionism to the extent that a balance of benefits could be achieved.

SA and Mozambique broker deal to develop the Maputo

David Greybe

CAPE TOWN — SA and Mozambique were set to conclude a multimodal transport agreement to develop the Maputo corridor, SA transport department director-general Keiso Gordhan said yesterday.

It included extensive upgrading of the highway linking Gauteng, Eastern Transvaal and Mozambique; a planned second corridor linking Northern Province, Eastern Transvaal and Mozambique; upgrading and dredging Maputo harbour; a shipping agreement; an aviation accord; and

tourism promotion. (269) 1019/7/95

Gordhan said work on the project — the first economic-based intergovernmental agreement to be signed between SA's new government and Mozambique — would begin before the end of the year. Transport Minister Mac Maharaj would meet his Mozambican counterpart Paulo Mushanga in Maputo on August 21 to finalise details.

Maharaj said yesterday his meeting with Mushanga would be followed by a meeting between Presidents Nelson Mandela and Joachim Chissano "to seal the deal politically".

Gordhan said Gauteng and Eastern Transvaal would benefit most from the accord. He was unable to quantify the terms of the agreement in rands, but said it was "a very sizeable economic development project".

Gordhan said the tendering process would be open to participants throughout the southern African region and "will be biased towards the creation of opportunities for skilled and capacity enhancement as well as employment".

Maharaj said he was confident the project would "kick off pretty fast" once the

two presidents had signed the accord. He said the necessary studies had been completed and the project was being finalised at joint working group level.

Gordhan said the first phase of the project would focus on developing the Maputo harbour and a twin "development corridor system" between the two countries.

One of the two development corridors — the N4 — would link Johannesburg, Pretoria, Nelspruit, Komatipoort and Maputo. The other highway-based corridor, which was still at a conceptual stage, would link Phalaborwa to Maputo — possibly via

Pietersburg or a new highway.

Gordhan said Maharaj would, at his meeting in Maputo, offer SA assistance with dredging Maputo's harbour. By increasing the harbour's capacity and allowing larger ships entry, shipping pressures would be relieved at Richards Bay.

Gordhan said Transnet would be involved in upgrading the railway line from SA to Maputo. Border controls between SA and Mozambique would not be scrapped, but a technical working group "is studying ways to harmonise and rationalise border charges and tariffs".

CORRIDOR

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. (269)

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 R450 million. Now the estimate was about twice that amount.

ARG 20/7/95

DEDICATED ROAD FUND

Driving up fuel prices

AM 21/7/95 (269)

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, he has 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 tollroads 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 R5bn it estimates will be needed to repair damage that has been done to roads since former

State President P W 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.

City plans 'green' road and CBD rail system

□ Aim to make Cape Town the place where 'you don't need a car'

Andy 21/7/95

(269)

Municipal Reporter

Education transport subsidies are to be cut

Star 21/7/95 (269) (269)

■ EDUCATION REPORTER

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.

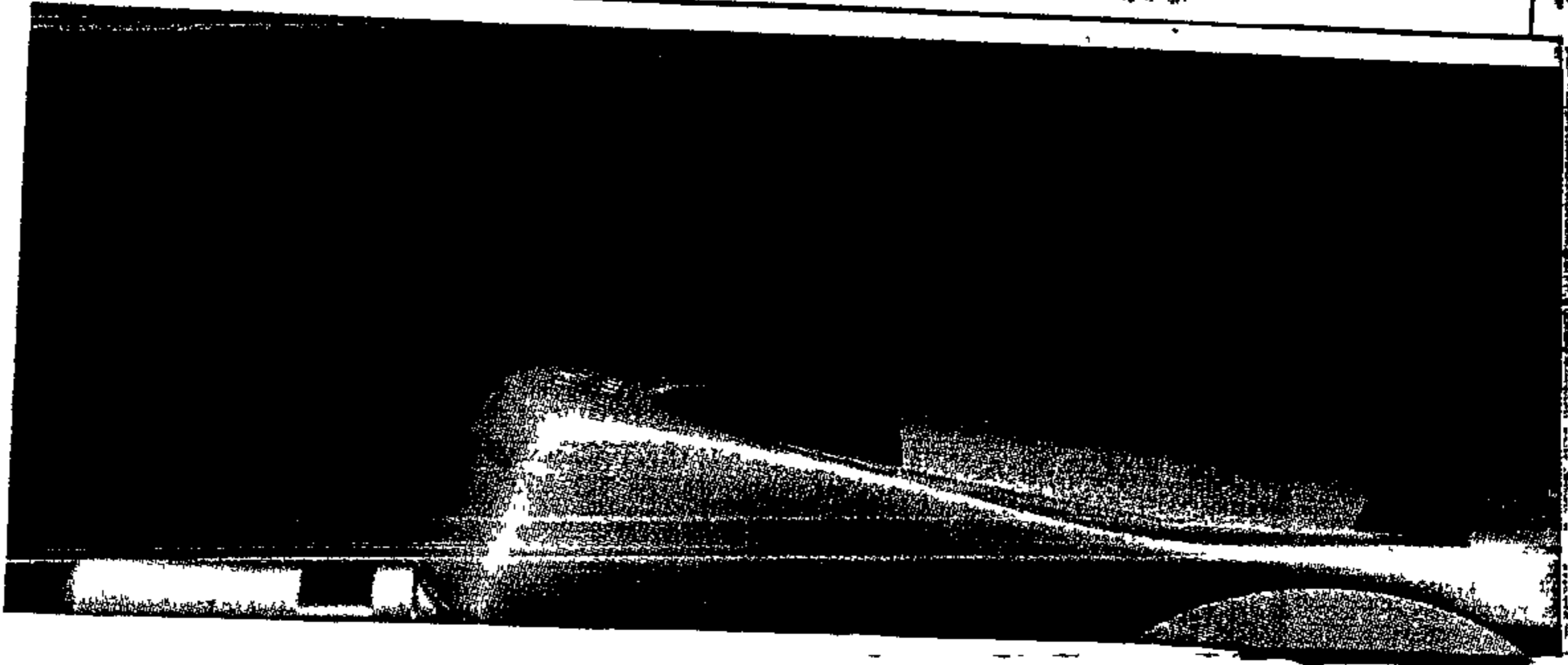
The subsidies, ranging between R900 and R1 300 per pupil, were awarded on a sliding scale to children whose parents could not afford the cost of their travelling to and from school.

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.



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NEWS

Project will benefit city's cultural precinct

(269)
STAN 25/9/95

Bid to improve traffic flow

TRANSITWAY will accommodate all types of public transport and provide a better urban environment

BY PAULA FRAY
CITY EDITOR

Public transport lanes designed to decrease traffic congestion and speed up travelling times in the inner-city will soon be up and running on the west side of Johannesburg's CBD.

The CBD Transitway Project, which will turn Bezuidenhout and West streets into one-way public transport lanes and upgrade the surrounds at a cost of R12,6-million, is expected to be operational "within the next couple of months", says Johannesburg administration acting town clerk Stan Verrier.

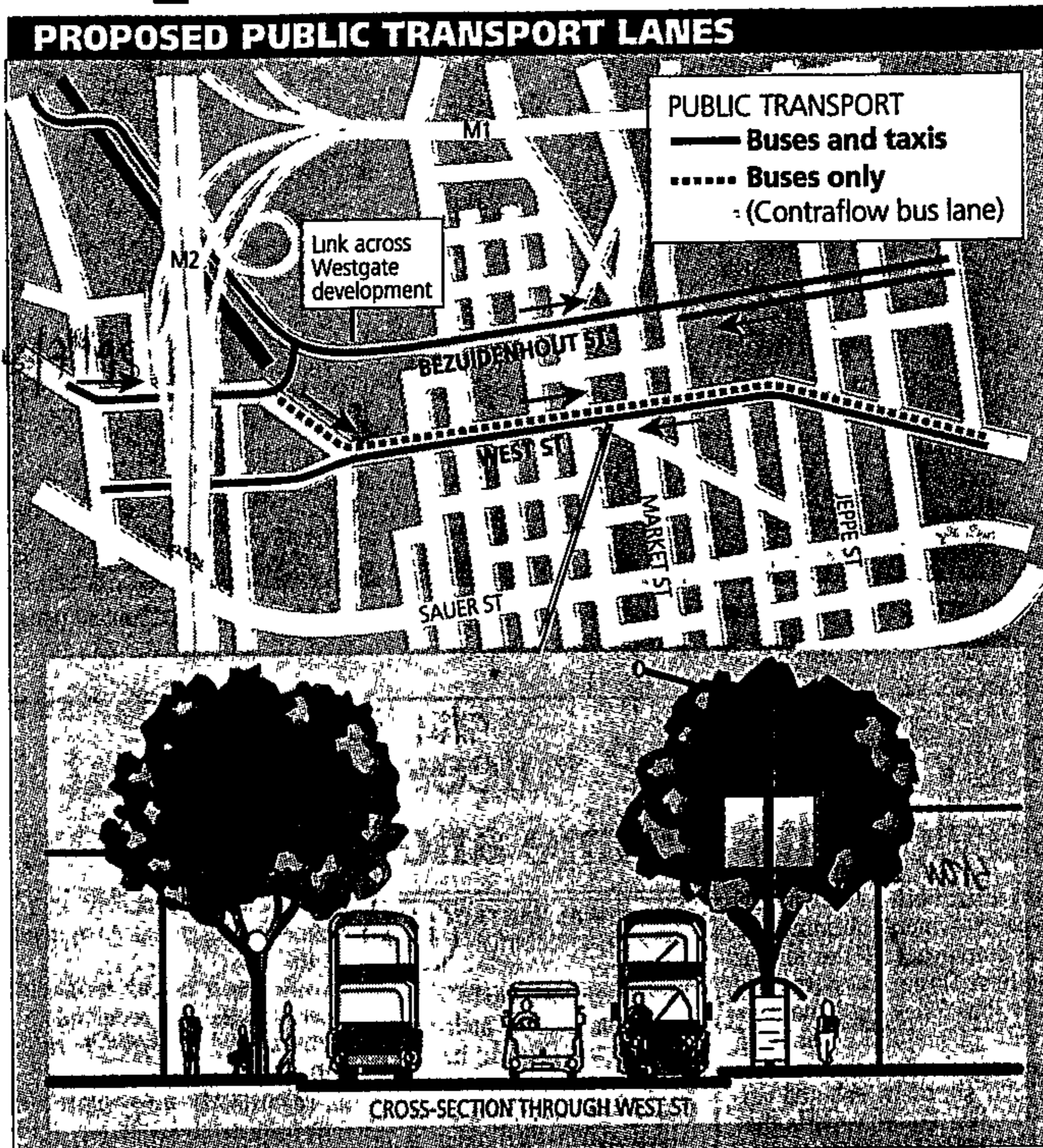
"The proposed one-way flow of Bezuidenhout Street will provide a continuous flow into the CBD from the Pat Mbatha Public Transportway and will constitute a high-speed link into the current east-west taxi routes along Market, President and Bree streets," Verrier says.

The transport lanes are expected to be completed after the changes have been advertised in terms of government legislation.

"Approval for implementation of future phases will only be sought after detailed planning and public involvement has been undertaken."

The scheme is expected to have a beneficial spin-off for the city's cultural precinct, as the area is to have a distinctive identity.

The transitway's streetscape will be designed to accommodate and organise facilities required by taxis, buses and associated com-



muter 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 257 000 people leave the CBD each morning.

"About 70% of daily commuters travel by public transport (either minibus taxi, 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 specialised 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.

The streets earmarked for public transport include Bezuidenhout, Pim, West, Eloff, Joubert, Main, Plein and Delvers streets.

Verrier says the council is investigating the use of east-west transitway streets — such as President, Pritchard, Commissioner and Market.

The transitway proposals were tested with the aid of computer-generated traffic simulation nodes. Although the tests showed a slight increase in travel distance, there was a 45% drop in public transport passenger travelling times.

SAA's 50th anniversary bonus

CF/RR) 26/7/95 (269)

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 Palmietfontein 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 R602 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

BUSINESS

CAPE TOWN

(269)
FM 28/7/95

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 transshipments 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 Odendaal 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 (269)

Joy ride?

FM 28/7/95

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."

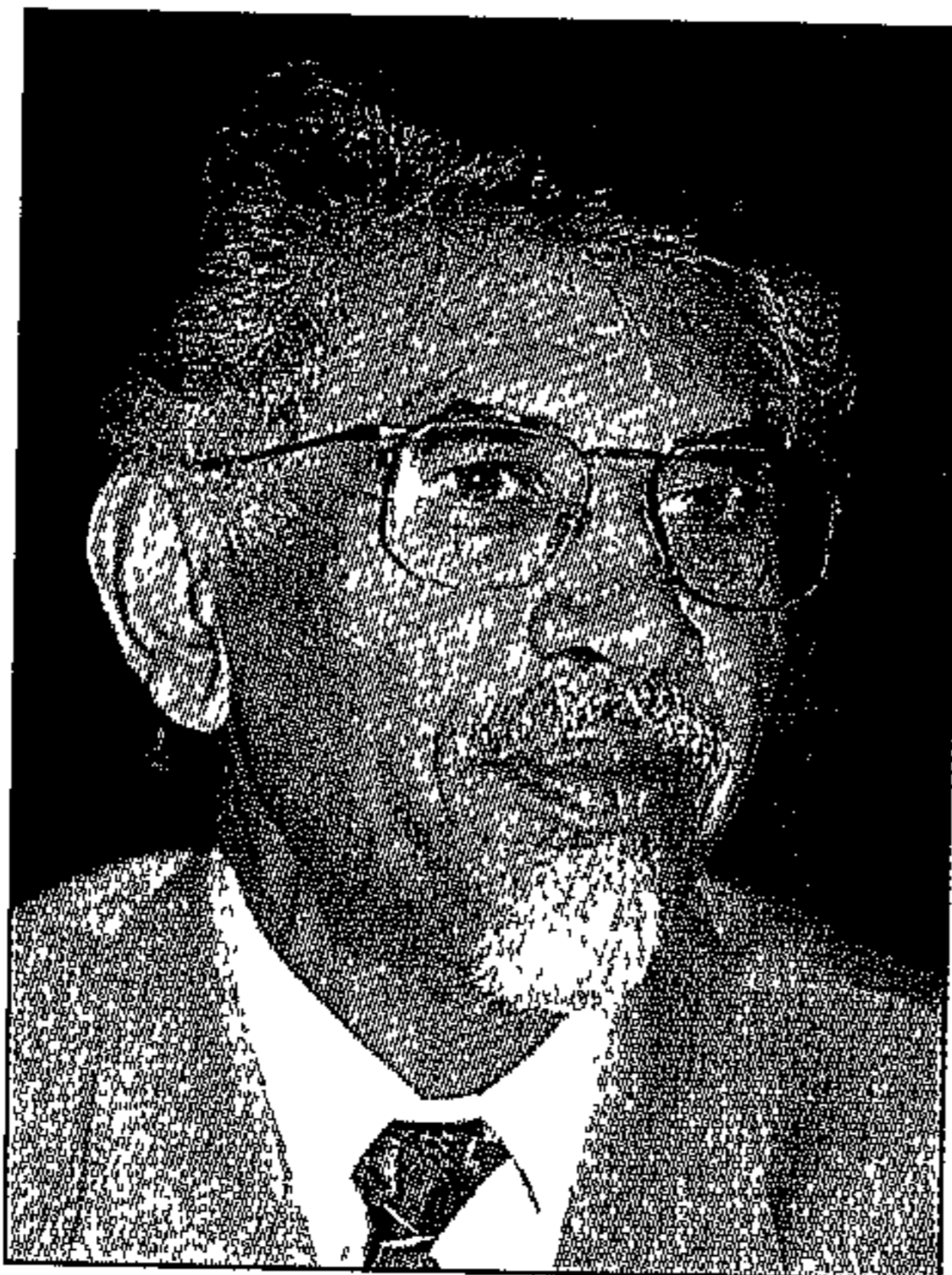
He acknowledges that the present system compensates bus operators for operational losses, but does nothing to improve infra-structural development

"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



Maharaj . . . subsidies a legacy of apartheid

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 1980 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 Jervoy (269)
20 28/7/95

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 50% of Portnet's 1995/96 capital expenditure budget, amounting to R251,6m, 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.

Star 28/9/95 (269)

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 ten-trip tickets for adults and scholars can be used until finished, said the TMC.

Transnet to help house employees

Star 2/8/95

(269)

■ 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 850 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 Richard's 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.

CONTROVERSIAL BILLS RATIFIED

Cabinet hikes rail fares

PRETORIA: Higher commuter rail fares, a ban on scab labour during offensive lockouts, a fund to aid victims of violence and the provision of unleaded petrol were approved by the cabinet yesterday.

COMMUTER rail fares will increase by 7,5% from September 1, the cabinet decided yesterday. Trade and Industry Minister Mr Trevor Manuel said the Department of Transport would give details on the increase closer to the date of implementation.

The cabinet also ratified the Land Reform Bill, a ban on the hire of scab labour during offensive lockouts, and a new fund to assist the victims of violence. An offensive lockout is when an

employer introduces a lockout before employees can strike, to try to persuade employees to accept the employer's final offer.

Briefing reporters on the cabinet meeting at the Union Buildings in Pretoria, Mr Manuel also announced that the government had endorsed a fuel tax structure to promote the use of unleaded petrol.

Unleaded petrol would cost four cents a litre less until it reached a market penetration of 30%.

The cabinet also decided that the profit margin of petrol service stations would improve by one cent a litre immediately but the fuel price would remain the same.

Mr Manuel said the increase had been granted to prevent smaller service stations closing down because of increased costs, such as higher wages.

Approval was also given for a 0.6 cents a litre improvement of the whole-sale service margin.

A Ministry of Energy Affairs spokesman said the improved whole-sale service margin would come into effect later, pending decreases in the overall cost of petrol.

The one cent a litre granted to ser-

vice stations would not result in a rise of the petrol price, he said. The price, which had been due to drop by one cent a litre yesterday, would stay the same.

The cabinet also approved an amended version of the controversial Land Reform (Labour Tenants) Bill, an act which has angered the South African Agricultural Union.

Minister of Land Affairs Mr Derek Hanekom said yesterday the original bill had been submitted before to the cabinet without consultation because of the serious and very real danger of an increase in pre-emptive evictions once its contents became known.

However, after consultation at an

intensive workshop in Dundee in July and 170 written submissions, changes were introduced after general agreement.

A technical team had then amended the bill and this was approved by the cabinet yesterday.

Mr Hanekom said the bill protected the existing rights of labour tenants and the acquisition of property rights for existing labour tenants.

The SA Agricultural Union said yesterday it opposed the bill and wanted an urgent meeting with President Nelson Mandela, who, it said, had given an undertaking that farmers' property rights would remain secure. — Sapa-
Reuter, Staff Reporter

ET 3/8/95

(269)

CAPE TOWN HARBOUR

Odds stacked against container traffic ⁽²⁶⁹⁾

FM 4/8/95

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.

Mac's Shipping MD Felix Scheder-Bieschin doesn't believe Cape Town harbour caters for 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 CE 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,

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

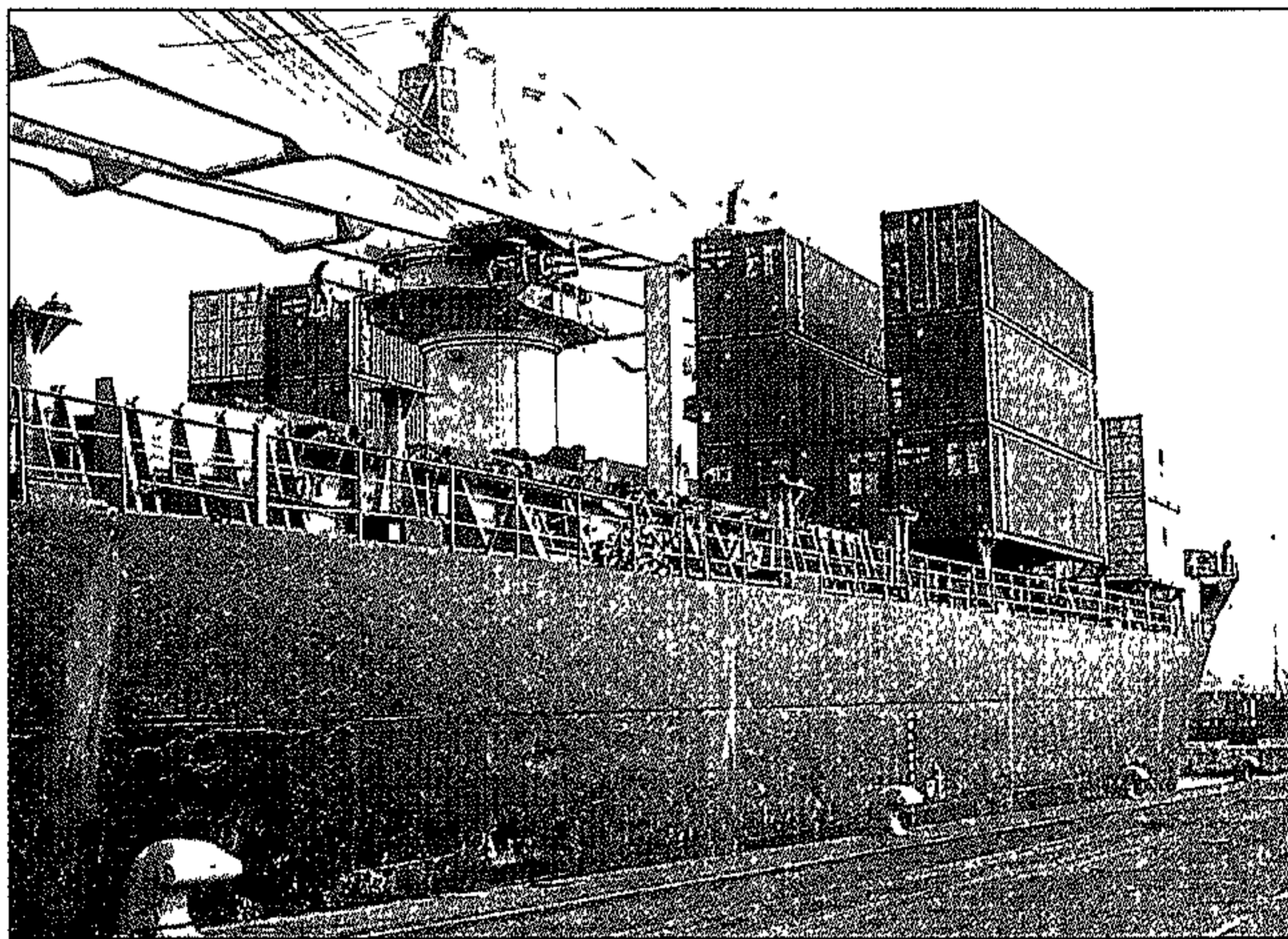
we import all our raw materials we are totally dependent on the smooth running of the harbour," says a company spokesman.

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." Cranes are old and frequently break down.

In recognition of the shortcomings at the harbour, Portnet said it had accelerated its labour training programme.



Cape Town . in the First World and battling to cope

deliver a new product to international markets in conjunction with his launch campaign because of strike-related delays at the harbour.

Importers are equally hard-hit when urgent spares, machinery and raw materials fail to arrive on time.

SA Nylon Spinners, the biggest importer in the Western Cape, has been on the point of shutting off its polymer plant on four occasions in the past year, each time as a result of congestion at the harbour which delayed shipments of raw materials.

"The impact of harbour delays has run into millions over the past six months. As

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.

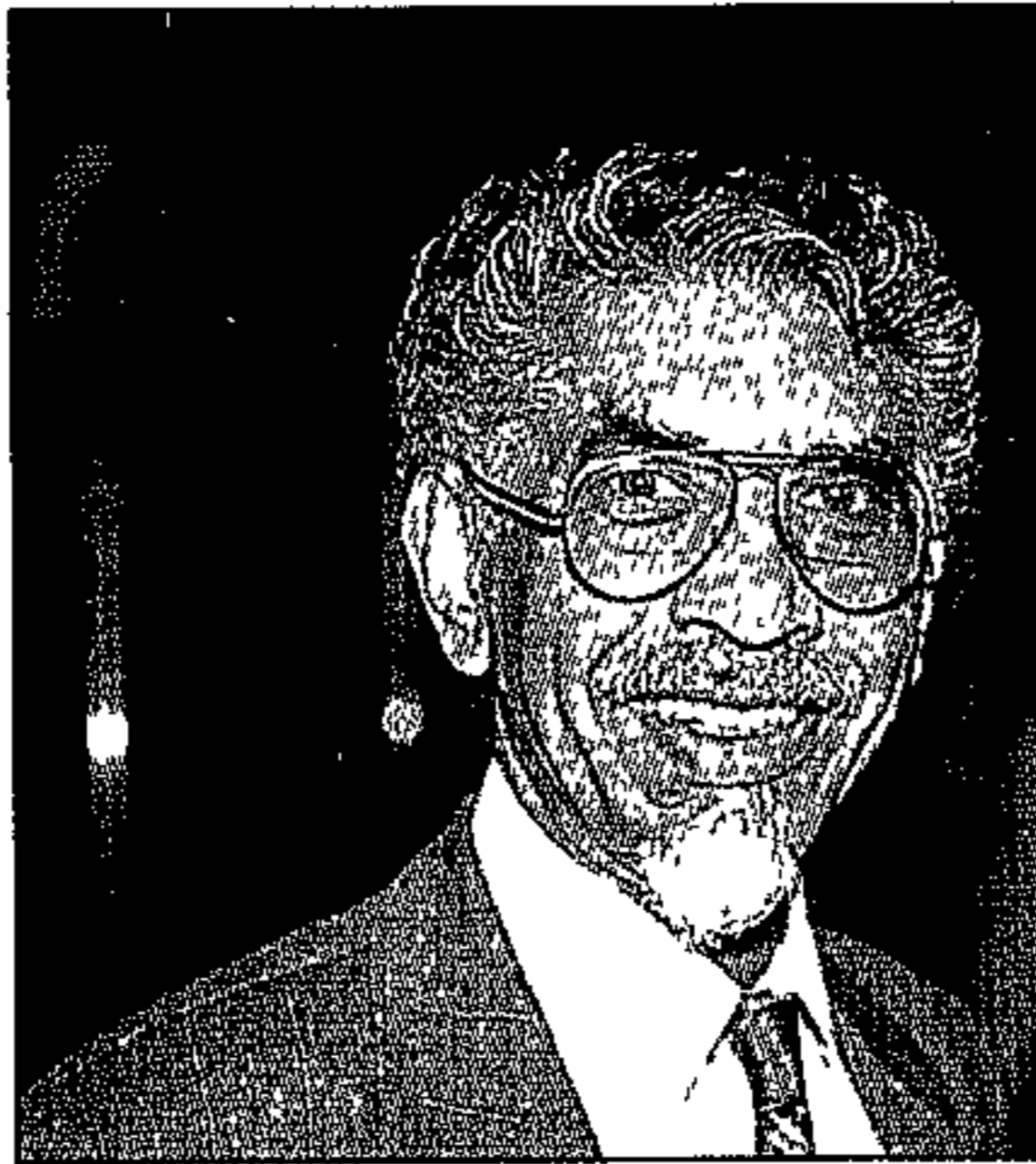
Right now transport is fragmented: Transnet falls under Public Enterprises Minister Stella Sigcau; the other governmental transport functions — roads, traffic legislation and control of civil aviation, airports — fall under his department.

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 Sathyandranath Ragnanan, 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



Maharaj . . . would like one Minister in charge of transport

(269) FM 4/8/95
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 Amilcar 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." ■

Commuter resistance to 7,5% increase in rail fares

(269) Star 7/8/95

■ 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 Gqibela 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," Gqibela 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 Gqibela'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 a "very conservative one" 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

(269)

BY ANN CROTTY

SPECIAL WRITER

CT (MAR) 8/8/96
 Transnet has recorded the first net profit in its five years as a public company. For the financial year to end 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 R217 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 R1 111 million (R766 million).

Spoornet's contribution increased 27 percent to R734 million (R576 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).

Pension fund obligation overcome

Transnet posts a profit for ⁽²⁶⁹⁾ first time

MD 8/8/95

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 R279m 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 Petronet, road transport business Autonet and parcel transport and distribution business PX, increased turnover 15% to R16,2bn (R14,1bn) and operating profit 11% to R3,1bn (R2,8bn).

MD 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 R6,8bn 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 R4,3bn 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 CE 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 171-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 (R766m). Autonet also performed well, increasing net profit after finance costs to R20m (R17m).

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 R217m. CE Mike Myburgh said this was achieved through "attacking costs and going for increased revenues".

PX, 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

(269) ~~SP~~

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 schoolchildren 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 conditions, 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

WMM(BM) 11-17/8/93

(269)

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 says 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 operation 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.

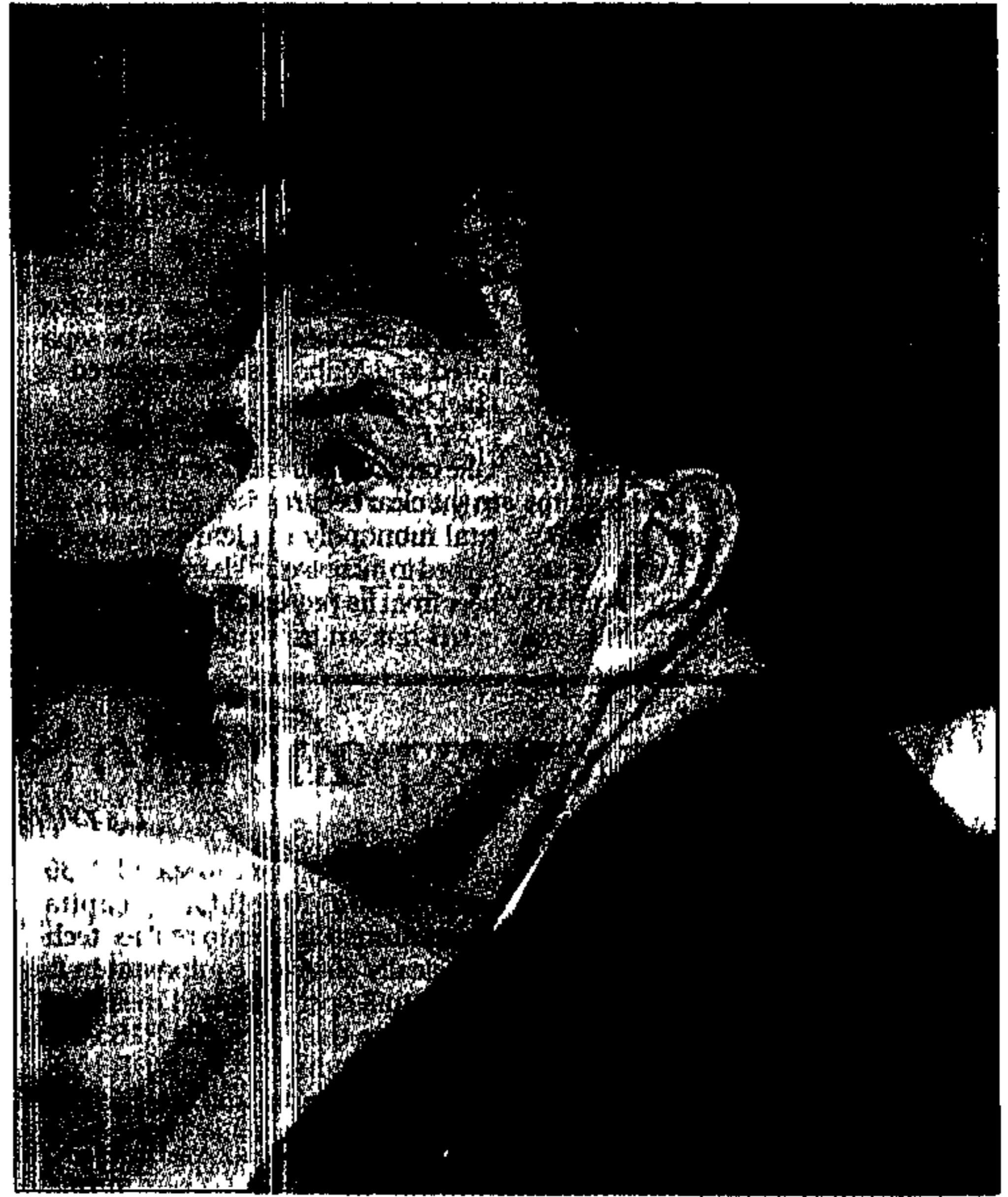
"There is great potential for the production of a large amount of agricultural produce for export as well as increased trade between South Africa and the Congo."

At Transnet's annual financial results held this week, managing director Dr Anton Moolman said for the first time since its inception five years ago,

Transnet had made a sufficient profit to make provision for the R1,9-billion contribution to its pension fund and still reflect a net profit of R118-million.

The public company inherited a deficit of R17,2-billion in the pension fund when it was first commercialised and has managed to get it down to R4,2-billion this year.

Improved turnover was reported by transport businesses Spoornet,



Dr Anton Moolman: Finally a Transnet profit to report

PHOTOGRAPH HENNER FRANKENFELD

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 53,7-million tons.

Container traffic showed the greatest increase with the number of containers handled increasing by 20 percent to a record 1,20-million 20-foot equivalent units (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 118,2-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. (269)

Exports constituted 83,8% of the total volume handled and imports 12,9%.

Portnet's annual report shows that Port Elizabeth handled a record number of con-

BD 17/4/95
Own Correspondent

tainer 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.

'Minority stake should be sold soon'

Airports urged to gear up for privatisation

BD 19/4/95

(269)

TIM COHEN

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 privatise the 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 monitor service standards appeared to be effective;
- Rather than 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 which 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 19% 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

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Airports

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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 scope 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, R175m at Cape Town and R150m at Durban.

The capital expenditure programme

would require a peak borrowing requirement of R200m, 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, Zukile Nomveti, and Community Bank chairman and Kagiso Trust Investment deputy chairman Yunus Mohammed.

Major transport plan sought for Cape Town

Municipal Reporter

(269) ARG 20/4/95

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, safe-

ty 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 Fife 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 4,05 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.

THURSDAY
APRIL 20, 1995 ★

CITY COUNCIL TO DECIDE ON PROPOSAL

Bus, taxi lanes plan for major city roads

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CT 20/4/95

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



COMMISSION: Transport Minister Mr Leonard Ramatlakane.

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 taxi 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.

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Trencor chief appeals for parastatals to be reined in

CT(BE)21/4/95 (269)

By ROY COKAYNE
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.

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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



Maharaj . . . R1bn boost for regional economy

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. ■

(269)
TRANSPORT

F1121/4/95
Carrying the Co.

Government has allocated R470m for the planning, upgrading and construction of public transport infrastructure in Cape Town over the next two years to help support the city's bid for the 2004 Olympics.

Transport Minister Mac Maharaj says

On the road again (267)

■ No country can recover from

recession if transport is ignored

FM 28/4/98

Three years ago it was fashionable to divert money from transport and use it on health, housing and education.

Those needs still exist but it has since

turned for most chemicals, and for the mining products of the new R2,8bn/year group. In the case of polyethylene and polypropylene prices, have risen substantially in the past six months.

Polifin CE Pieter Cox confirms that the prospectus is being prepared for a JSE listing. He expects Sasol to make about 20% of its shareholding available for the listing, thus reducing its own 60% stake in Polifin to the same level as AECL's — 40%.

The outlook is also bullish for a more competitive and cost-effective PVC plant.

"The new 160 000 t/year, R535m ethylene-based PVC production plant (using Sasol feedstock at an internationally competitive cost) being built and installed by UHDE at Midlands, Sasolburg, is on schedule and on budget for commissioning by the second quarter of 1996. It will replace Polifin's uncompetitive, 120 000 t/year car-bide-based PVC plant that will simultaneously be phased out. The additional capacity will go into the local market where there is growing demand for PVC," says Cox. The project involves the installation of a new vinylchloride monomer (VCM) plant (its product will be used as feedstock for the production of PVC), as well as the uprating to 160 000 t/year of the larger of the polyvinyl chloride (PVC) plants at Midlands.

Says Cox: "The restructuring project will make the Midlands PVC division inter-

nationally competitive and ensure that future PVC operations are viable. This will ensure that Polifin grows and prospers."

The Polifin project's second, R101m phase will focus on producing chlorine and caustic soda. Contracts have been awarded to Fluor and Debex.

Cox says Polifin is also looking into trying to debottleneck its 140 000 t/year polypropylene capacity to about 220 000 t/year. Additional volumes would be targeted at booming and lucrative export markets. But in the case of Polifin's 180 000 t/year polyethylene capacity, no exports are envisaged as the plant can hardly meet surging local demand.

Cox expects the bullish local and international markets for most of Polifin's chemical products to continue into 1996, with the possibility of a downturn in 1997. And with the local PVC market underpinned by growing demand for the product as a result of the RDP (which is spurring demand for mass housing, water, electricity and sewerage), Sasol and AECL's faith in the future of Polifin's PVC project seems to have been fully justified.

Meanwhile, both Sasol and AECL are proceeding apace with several other projects:

□ According to Sasol's 1994 annual report, Sastech Engineering Services is currently handling projects to the value of R2,4bn on behalf of Sasol operating divisions. This includes the R636m Polifin project. Other

Capital Projects

been realised that much of the country's transport infrastructure has deteriorated alarmingly. There can be no talk of the RDP working properly without efficient transport. So the amount that will be allocated this year to restoring transport's infrastructure is constantly increasing.

The national roads are a case in point. R3bn was allocated to them in last year's Budget but Transport Minister Mac Maharaj says this is insufficient to restore them to a state where they can support a growing economy. Consequently, he is badgering Cabinet to allow him to reintroduce a dedicated levy on fuel which could add billions of rands to the road fund. That money will be used only on intercity roads. He says other roads are the responsibility of the RDP.

At the time of writing Portnet had yet to announce what it had allocated to capital expenditure for calendar 1995. It's financial year ended on March 31. However, it is in the process of spending the R300m it allocated to capex for the current financial year. The 1994 allocation was R206m.

Much of it is being used to replace radio beacons and mobile equipment, such as cartage vehicles, trailers and fork-lift trucks. But R127,7m is being spent on the port of Durban, followed by Richards Bay (R36,6m) and Saldanha Bay (R31,8m).

In Durban, Pier No 1, a general cargo complex, is being reconstructed as a combination with overhead cranes.

This entails demolition of the old sheds and removal of the marshalling yard to create large, open storage yards that will help increase throughput from an annual

2,6 Mt to an expected 4,6 Mt.

A second paper shed and an unloader for aluminium are being built at Richards Bay, and in Saldanha a start has been made with replacing a tuppel drum and dust filter at the ore tippler, as well as replacing the floating fenders at the ore and oil berths.

Spoornet is increasing its fleet to cope with likely increases in traffic. Its capital investment programme for the current financial year is R524m and a provisional R600m is being budgeted for 1996.

In the current financial year R122m was allocated to locomotives and R53m to rail trucks. Next year R33m will be invested in locomotives and R143m in rail trucks. The infrastructure is also being improved to speed up the handling of trains, with R46m being spent on signalling this year and R61m next year. R15m is being spent on overhead track equipment this year and R27m next year.

Spoornet spokesman Johan Hugo says: "The money will be raised internally and externally."



□ **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

ARG 29/4/95

Weekend Argus Reporter

INTERSITE, the property arm of the Rail Commuter Corporation, has bounced back on accusations of the "apparent collapse" of all its maintenance functions at railway stations.

The accusation came from city council executive committee member Clive Keegan, who made the remark in comments regarding the neglected state of the city generally.

Kevin Roman, Western Cape manager of Intersite, said the objective of Intersite's maintenance programme was to keep all stations in the area clean and provide hygienic toilet facilities by December 31.

"After Intersite took over the maintenance function at the more than 82 stations in the Western Cape in July last year, on-site inspections were made to assess their condition. An extensive maintenance programme was implemented soon after and an amount of R9 million has been budgeted for station cleaning alone"

Mr Roman said the programme was started in mid-December 1994 when Cape Town and Bellville stations underwent a blitz clean-up programme — 635 black bags of litter were collected from Cape Town station and more than 660 bags from Bellville station.

"The clean-up programme is a continuous process and the 15 stations at Salt River, Mutual, Parow, Elsies River, Bellville, Khayelitsha, Nonqubela, Nolungile, Nyanga, Philippi, Newlands, Muizenberg, 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

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Union plans to ensure profit

~~269~~ (269)
ERICA JANKOWITZ

ALTERNATIVES to privatisation — including restructuring 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 Ndinisa said yesterday.

Ndinisa 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. 00 3/5/95

Ndinisa 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.

'Parts of Transnet' could be privatised

DD 3/5/95

(269)

(932)

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 privatise 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 maiden net profit of R200m in 1994/95, he said.

The shortfall in the pension fund, amounting to R17bn in April 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 R150m 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 R180m. — 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's management to produce quick profits at the expense of the corporation's long-term health.

Also, it would be "no good" to sell Transnet to a single buyer.

"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.

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ARL 3/5/95

SAA unveils multimillion upgrade plan

(269)

■ BY JOHN MILLER

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 Zelda 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 18 and increasing the leg room in both business and economy classes.

stan 10/5/95
'African feel'

Roux said all first-class and business-class seats would be fitted with personal television sets.

She said it was hoped all plastic wear 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'

~~EDWARD WEST~~ (269) EDWARD WEST

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 Hennie Taljaard said yesterday. **BO 11/5/95**

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 18% 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 66.

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 semifinal match in Cape Town, an aircraft would be landing every half hour.



Profitable Transnet looks prime target for privatisation

South Africa's largest multimodal transport organisation, Transnet, looks a prime target for privatisation as speculation on the future of the country's parastatals grows.

With annual sales approaching R15 billion and a dramatic improvement in profitability since commercialisation five years ago, Transnet (or parts thereof) is an attractive prospect.

But the company's managing director, Anton Moolman, says: "I can't really talk on privatisation because the jury's still out. Privatisation to me is just one element of the direction Transnet might be taking."

Nevertheless, Moolman is happy to discuss the options and broad privatisation criteria, relating to parastatals in general.

Structuring

On Transnet, he questions whether, from a pure business perspective, it makes sense to separate the company into divisions.

"For example, I have three different divisions dealing with containerisation. Do we put them together or do we keep them separate in order to approach the market from different angles? Are we structured as we should be structured? We'd need to have another

look at everything," he says.

Whatever the answers, Moolman is aware that South Africa is considering privatisation as a strategy for economic restructuring, and that Transnet must examine the option closely.

One of privatisation's carrots for Transnet is that it could solve the group's biggest problem — its R4.6 billion pension fund liability — in one fell swoop.

Obviously, however, there are other considerations.

"It's our responsibility to go to the government with a formula

"We won't be certain that it dovetails with what the government has in mind, but there's no doubt that we need a privatisation model specifically suited to South Africa — a model which should be innovative."

Privatising Transnet piecemeal is one possibility; another is to partially privatise the whole group and then sell off the component parts.

The prime consideration, says Moolman, is that the process needs to ensure some form of empowerment of the disadvantaged.

"We need to hear what restrictions the government will place on foreign ownership.

"It wouldn't be acceptable for foreigners to gain complete control of the key parastatals"



JURY'S OUT Dr Anton Moolman

One of the models which Transnet and government have been examining is the one used in Malaysia. Although it would need adaptation, says Moolman, it could

well serve as a basic template since circumstances in Malaysia are similar to South Africa's. Before privatisation, Malaysia's indigenous people, the Bruni-

putra, controlled a mere two percent of the country's wealth but comprised 60 percent of the population. The Chinese and Indian minority populations were economically dominant.

With a view to redressing the disparity, the government accepted the principle of privatisation, executed in such a way that a large portion of the proceeds of privatisation were placed in a trust. The Bruni-putra were encouraged to buy units in the trust, which yields a return of 20 percent a year.

Benefit

In any privatisation, 30 percent of the shares are made available at issue price to the trust. The policy of the government is such that the price at which the shares come to the market exceeds the issue price by far. The trust thereby makes a capital profit from which it pays its investors, the Bruni-putra, the 20 percent return.

The object of the exercise is to ensure that all the wealth does not remain in the hands of the Chinese and Indian Malaysians.

While Moolman feels the model requires adaptation for South African conditions, he does see it as a means of ensuring that the wealthier whites will not be the only beneficiaries of privatisation.

STEELE (269)

"I know that the government is carefully looking at this model, but they're also looking at what's happening in South America and Eastern Europe.

From what I've been able to gather, I'm very much at ease, because the government is approaching privatisation in a very pragmatic sort of way.

Moolman says the company has learned a lesson through its pension fund problem: "When we discovered the extent of the pension fund underfunding, we issued R10 billion worth of Transnet stock to the fund. We have to generate R2 billion a year to service that stock and provide for future medical expenses for pensioners.

"In other words, we have to cover a sum of R2 billion before we can make a profit. In the past year we succeeded in doing so. We drove our costs down and increased our market share. We haven't got there yet, but we've gone pretty far along the learning curve."

Now that Transnet has clawed its way into the black, will the improving momentum continue?

"I don't see any reason why, in the next few years, we shouldn't extend this trend, bearing in mind that a large portion of the surpluses will go toward reducing the pension fund shortfall."

ET (BR) 18/5/95

Ports congestion hurting business

(269) (14)

By CLAIRE GEBHARDT

ECONOMICS EDITOR

Chaotic 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 onloading 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

BD 19/5/75
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. (269)

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. — Reuter.

Transport 'dangerous'

(269) CT 22/5/95

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

CT. 23/5/95. (269)

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'

(269) B Star 24/5/95

■ 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 very least 90km, 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 Motshekga 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 Janie 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) stov 27/5/95

SAA embarks on sky pact

ST(DX) 28/5/95 (269)

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 carriers have agreed in principle to form a wide-ranging alliance that will see them co-operate 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

By ROGER MAKINGS

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, Luda 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.

Flea market by day, urban squatter camp by night

BY MANDLA MTHEMBU

Johannesburg Station is the sleeping quarters for hundreds of the homeless at night. It is in danger of deteriorating into a slum, a spot check by The Star showed.

Hundreds of men, women and children have found shelter inside and outside the station, some setting up stalls.

Some of the people say they were staying in flats, but were evicted for inability to pay rentals after losing their jobs.

"With no other alternative, we had to stay in the station," said Ciskein Lucky Nombwa.

From platforms 11 to 16, the place is in a terrible state. The homeless, most of whom are foreigners, have turned the blocks leading to the underground platform into dwellings.

Their belongings — bags, clothing and pots — are packed untidily around the area, so commuters had to excuse themselves to reach the platforms.

During the day, the place is a flea market, at night a squatter camp.

Some of the squatters could be seen cooking on pressure stoves, while others watched a large television set hanging on a wall. Nearby, a woman was breastfeeding her baby.

Most of the homeless seem not to bath, but those who do find it difficult. At one stage a blanket was held up while behind it a person sponged down. Others bath in toilets with cold water.

About 20 people, tired of sleeping on the floor of the station hall, have built a row of about 15 shacks on the eastern side of the station. They were erected just after the general election last year.

Shimpwe Mangaliso, one of the dwellers, said: "The ANC's victory gave us freedom."

The tiny shacks have beds and wardrobes. The dwellers cook in a brazier outside, where they also do their washing.

Although they claim to be staying in better conditions than at the station, their main problem is water. Mangaliso said they go to nearby buildings to ask for water as they were not allowed to get water from the taps at the station.

Most survive by collecting recyclable cans and doing casual jobs.

"We are desperate for jobs as we often sleep without food," said Mangaliso.

Moving along the shacks, we came across a visibly sick woman who cried for help. "My husband is in jail and I'm hungry."



Station deteriorating . . . the Johannesburg station has become home for hundreds of men, women and children, and is in danger of becoming a slum.

PICTURE: ETIENNE ROTHBART
Star 31/5/95 (269)

Another woman, on returning from jail, found she has lost an eight-month-old baby.

Inkerette Public Involvement manager Gill Sesoko said negotiations are still under way for the establishment of a Public Involvement Programme.

She said programmes to improve the station were on the cards.

Airports get new names

(269) CT 1/6/95
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.

Jan Smuts airport becomes Johannesburg International; D F Malan, Cape Town; Louis Botha, Durban; B 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 R70 million of the R470m 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 Ramatlakane 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.

- Suitably qualified land use planners should be appointed to a broadly representative Metropolitan Transport Advisory Board.

- Mr Ramatlakane 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.

ET 1/6/95

(269)

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 un-

pleasant 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 "donkey's 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 had 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 Pepsi, 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, stream-

lined 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."

(269) ARG 3/6/95

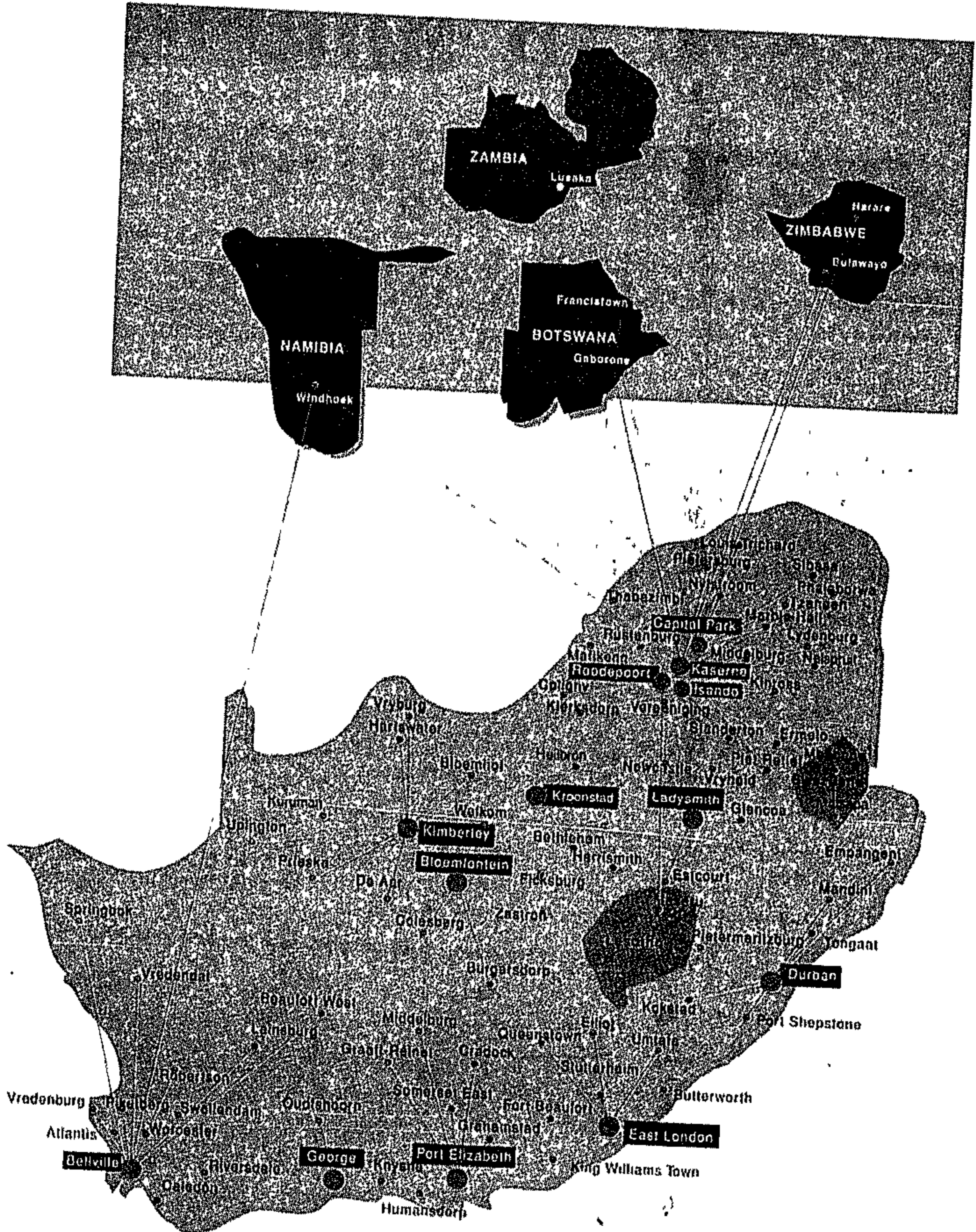
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ARCT

5/6/95

BUSINESS

Transnet's got its



□ **NETWORK:** PX delivers to about 7 200 destinations from 95 depots in South Africa and its neighbouring states.

SA's passenger transport 'poor'

Theo Rawana

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 Dion 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 laws".

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.

BD 5/6/95

(269)

City underground train plan

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 Hennis 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 terminuses 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.

CT 5/6/95 (269)

Transnet announces ports' upgrade plans

(269) saw 5/6/95
Increased freight demands has prompted Transnet to bolster its capital expenditure budget to R368-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 years' R300-million in a bid to improve service efficiency and to meet increased freight demands at the seven South African ports.

Of the R368-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 coking 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'

CLAIRE BISSEKER
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 Greathead said an underground system was "a luxury".

A light surface rail system costs

between R35 million and R40m per km, compared to an underground rail which costs about R150m per km depending on the ground. (269)

A national consulting engineering firm said: "The bottom line is that there is no money to build roads, which cost between R5m and R6m per km."

ET 6/6/95

TRANSPORT - PRIVATE - GENERAL

1995

OCT - DEC,

More taxi killings, more talks

Star 2/10/95 (332)

■ BY NIAL AITCHESON
CRIME REPORTER

Gauteng Safety and Security MEC Jessie 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 gathering over Pietersburg, where an alleged taxi "godfather" is due to appear in court today accused of orchestrating hit squads in Northern Province.

In the latest outbreak of taxi violence in Johannesburg, a driver and a queue marshal from the Faraday Taxi Association died when gunmen with AK-47s launched an attack on the Bree

Street rank at 6pm on Saturday. A passenger who was wounded in the attack died later in hospital, and a second passenger remains in a serious condition.

Witnesses said four men in a Toyota car opened fire at random 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 mistrust 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 attempted murder.

The LTA is involved in a bitter fight for control of the lucrative Johannesburg-Pietersburg route with the SA Long Distance Taxi Association and the Federation of Local and Long Distance Taxi Associations.

5 killed: Duarte meets taximen

*Sowetan 3/10/95
(332)*

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 comment.

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 AK47 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 Jetta," police spokesman Captain Dave Harrington said.

The Lethlabile Taxi Association vehicle was hit 15 times.

"We are concerned that taxi operators and drivers' unions are using hitmen," Harrington said in an interview. "White Jettas have featured strongly in a number of drive-by shootings in the Pretoria area." - Sapa.

Taxi 'godfather' released on bail

(332) Star 3/10/95

■ BY NIALL AITCHESON
CRIME REPORTER

An alleged taxi "godfather" from Alexandra appeared in court in Pietersburg yesterday, accused of orchestrating hit squads in Northern Province.

Isaac Sereti, national chairman of the Lethlabile 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 Sereti arrived to face charges of armed robbery and

attempted murder.

Sereti 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 Sereti remained detained in custody.

Meanwhile, police investigating the drive-by shootings of two taximen from the Faraday Taxi Association and a passenger at Johannesburg's Bree Street rank on Saturday have yet to make any arrests.

Police spokesman Lieutenant Azwinndini Nengovhela appealed for anyone with information to contact the Crime Stop number 0800 11 12 13.

Phoenix ⁽³³²⁾ Airlines ARG 6/10/95 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 8.30pm 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 she did not know if they would be re-funded.

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.

"There are other passengers here with children... I don't know what we are all going to do."

Earlier, it was reported that the airline had failed to pay its staff for September, with chairman Johan Crouse claiming it was merely a temporary cash-flow hitch.

Mr Crouse confirmed about 200 salary cheques had bounced, but said this did not reflect general financial difficulties.

He promised his staff they would be paid by close of business yesterday, but evidently this was not done.

The problem arose from banking difficulties which the previous owners had not disclosed, Mr Crouse said. He assumed chairmanship of the company on August 7.

Telephone lines to the company's head-office in Johannesburg and regional office in Cape Town were either permanently engaged or off the hook.

An Airport Company staffer said she could not confirm anything. It was up to Phoenix to pass on relevant information.

The woman who answered the general flight information line at Cape Town Airport said as far as she knew the airline had not collapsed, but had suspended its flights.

● Two other domestic South African airlines have collapsed in the past few years. Flitestar went under nearly two years ago, and Avia Air a few months ago.

There are three other airlines flying the Durban-Johannesburg-Cape Town triangle — South African Airways, Sun Air and Comair.

International carrier US-Africa Air suspended all flights in February.

Another airline just besiege airport counters

(332) ARG 7/10/95

■ Budget airline Phoenix Airways, which "rose from the ashes" this year, has collapsed amid a financial debacle.

Own Correspondent
and Staff Reporter

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 Flitestar and Aya 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 surety on behalf of Phoenix for a R4,6 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 R4,6 million overdraft surety. Phoenix was reserving 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.

There was pandemonium at the domestic departure hall of Cape Town Airport yesterday as furious passengers booked on Phoenix Airline demanded "at least an explanation". A Phoenix Air staff member said passengers had been told that the aircraft, which landed from Johannesburg yesterday morning had been instructed to return to Johannesburg empty. He also said that staff had not been paid for the last two months and that recent salary cheques had bounced.

Phoenix in ashes as airline crashes

(332) Star 7/10/95

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 surety on behalf of Phoenix for a R4,6-million overdraft for struggling Logans Tour Operators. Logans 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 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 Mackie, 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 airline was in the process of paying its staff and he hoped that there was enough money to give them the "majority" of their salaries.

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, irate 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 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 instead of in its usual Phoenix-allotted space.

He and colleagues demanded clarity on their salaries and jobs.

2/News

FROM PAGE 1

◆ Phoenix crashes (332) Star 7/10/95

The staff were joined by some members of the public demanding refunds on their tickets. A notice on the door of the offices had the trading hours removed.

Speculation had been rife about the state of the airline when Atlantic Air took it over. The company's previous directors were Logans directors Russell Gain and Colin Loubser, and Gain's brother Richard.

The three had signed the R4,6-million overdraft surety. Phoenix was reserving its legal rights regarding the three previous directors, Phoenix chairman Philip Crouse said.

At the time of the Logans collapse, the tour operators owed the airline R2-million. Travel agencies also told the *Saturday Star* they had been advised more than two weeks ago not to book passengers on Phoenix.

Rupert Lawlor, operations director of Rennie's Travel, said it had also become difficult to book Phoenix passengers when the airline was removed from the Galileo computer reservations network. Many passengers had booked directly from Phoenix and not from agencies.

Crouse said Absa Bank had frozen the airline's account this week on instructions from its card division. This had made it impossible for accounts to be paid.

The Association of South African Travel Agencies expelled the airline last month. Asata laid the responsibility of the debacle at the door of the Department of Civil Aviation "for allowing carriers such as USAfrica, Avia, Sudanair and now Phoenix to operate in an undercapitalised state". The association then advised members of the public to approach offers of cheap air packages with extreme caution.

FROM PAGE 2

B

Ga-Rankuwa courts 'under siege'

By MPH0 KOBUE

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

blockaded 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 rescu-

ed by police - but the group later barred his attorney (a Ms Groenewald) from leaving the courtroom after she had asked the magistrate to withdraw her client's bail for his own protection.

Magistrate AC Klopper 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 harrassing court officials has been going on for some time now," Klopper said.

CP 8/10/95

(332)

Phoenix's demise 'hasn't hurt Atlantic'

By AUDREY D'ANGELO

Although domestic airline Phoenix Airways is in provisional liquidation, Cape Town-based charter airline Atlantic Air Services, which bought it less than three months ago, is "stronger than ever".

Johan Crouse, the chairman of both companies, said at the weekend that Atlantic Air Services had taken over two of the four Boeing 727s leased by Phoenix, its Sandton offices and that it was expanding into the Transvaal.

He said Atlantic was not a holding company for Phoenix and Phoenix was not an Atlantic subsidiary.

"The two companies remained entirely separate, with separate bank accounts, and Atlantic is not affected by Phoenix going into liquidation. Staff of Atlantic have been paid their salaries, as normal."

He would not divulge the identities of the backers of Atlantic's investment in Phoenix, except to repeat a previous statement that they were successful businessmen.

Crouse said Phoenix would have been profitable except for the previous owners' debts and that the directors decided to apply for voluntary liquidation when they discovered the extent of its debts.

He said there had been no books available at the time of the purchase and it was only on Monday last

week that they discovered there were claims against Phoenix totalling R10 million. These included a suretyship for Logan's Tours signed by the former directors.

Crouse said the new directors had decided to put money into expanding Atlantic Air rather than "throw it into the black hole" of paying Phoenix debts for which they did not consider themselves responsible.

Deal

They reserved the right to take court action against the former directors of Phoenix.

Crouse denied that Atlantic Air had bought Phoenix "voetstoets" (as is), as stated by former director Russell Gam, or that it had paid only R1 for the airline.

"I was amazed to hear him say so. The legal documents will show that is not the case."

Hans Klopper of attorneys Hofmeyr Inc in Johannesburg, Brian Cooper of Cooper Trust and Paul Kruger of Cape Trustees were appointed joint provisional liquidators by the Master of the Supreme Court in Pretoria on Friday evening and took charge of Phoenix assets on Saturday.

Ticket holders should telephone 011 803 9773 today for further details. Voucher holders and other creditors were asked to provide

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details of their claims in writing to PO Box 78223, Sandton.

Crouse said Phoenix staff were preferential creditors. Those who had not been paid their salaries by last Friday would find almost all the money owing to them in their bank accounts today. They would receive the balance from the liquidators, who had assured him that they "would not have to wait months for the money".

He did not regret the purchase of Phoenix because it had been of benefit to Atlantic Air. Atlantic had existed for nine years and increased its profits every year. It ran scheduled services down the Garden Route but its core business was charter flights and it would concentrate on this side in future.

As a result of the Phoenix purchase it had made valuable contacts in the Transvaal which had led to lucrative business with large companies including car manufacturers.

Crouse said that when Atlantic took over Phoenix "between 15 000 and 18 000" vouchers for cut-price flights had still to be honoured. He believed there were "less than 4 000" outstanding vouchers.

Crouse said he did not know whether Phoenix would ever resume flying after being restructured. "Anyone starting up a new airline will have to set up a trust fund if people are to have confidence in it."

Chaos after speaker rules on chiefs' pay Bill debate

BD 10/10/95 ~~(332)~~

Farouk Chothia

DURBAN — Four opposition parties walked out of the KwaZulu-Natal legislature yesterday after speaker Gideon Mdlalose 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.

Mdlalose then proceeded to allow one of the Bills to be put to the vote, but nullified the vote when it emerged that the 38 IFP MPs present failed to make a quorum.

The legislature degenerated into chaos.

Angry ANC and IFP MPs toyed, moved tauntingly towards each other, hurled insults, and shouted at each other to "get out".

IFP MPs Khayelihle Mathaba and Blessed Gwala were present with their shields and sticks. Mathaba brandished his stick at ANC MPs.

The ANC, NP, DP and PAC staged a walkout in protest against Mdlalose's decision to discard the legislature's rules by

yielding to the IFP's demand that the Bills be debated.

One Bill aimed at preventing chiefs from accepting payment from central government, while a second imposed similar restrictions on King Goodwill Zwelithini and his family.

The ANC, NP and DP mustered the required one-third of signatures to petition Mdlalose to have the Bills referred to the Constitutional Court on the grounds that that they violated the rights of traditional leaders to earn an income from other sources.

IFP chief whip Mike Tarr said a one-third minority could not have a veto power, and the legislature should debate the Bills.

ANC chief whip Ina Cronje disagreed, arguing that the legislature's rules clearly stated that debate could not take place on a matter which was sub judice.

In his initial ruling, Mdlalose said he "morally" supported the IFP view that the debate take place, but the legislature had to first suspend the relevant rule.

The rule could be suspended only with 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 Mdlalose said he understood the speaker's ruling to mean that the debate could proceed without the rule being suspended, while local government 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 rules.

The speaker finally decided the Bills would be put to the vote at the next session of the legislature. This session ended yesterday.

Taxi drivers in appeal for registration

BD 10/10/95 (332)

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 Task Team in Johannesburg yesterday.

Pleading with government to speedily "formalise the taxi industry" and register drivers, Gadi Sibanyoni of the 5 000-strong National Taxi Drivers' Organisation said drivers were sometimes driven to pocket a fraction of the day's takings because they found it difficult to make ends meet on R100 to R150 a week.

The task team, set up by Transport Minister Mac Maharaj to investigate problems in the taxi industry and formulate solutions for

recommendations to him and his provincial counterparts, was in Johannesburg yesterday in the first of a three-day session which was part of a national process of public hearings.

Led by national transport management and support services chief director Dipak Patel, the task team was scheduled to complete the hearings on December 6.

Sibanyoni said: "Taxi drivers are people who are not recognised by anyone, looked down upon as daily workers whom owners can get rid of any time."

"We cannot even apply for loans from the banks or open accounts at shops because we are not seen as full-time employees. And we are the first in the line of fire in the event of violence."

Caught between owners who demanded a high fixed turnover at

the end of each day, passengers who complained of overloading, the prospect of loading potential hijackers, a Road Transportation Board which did not build loading or off-loading zones and traffic officers who penalised drivers, the driver always suffered from stress, Sibanyoni said.

Traffic officers would penalise a driver for the unroadworthy condition of a vehicle, only for the owner to tear up the ticket and throw it away, knowing that the driver would be the one stopped and locked up for the offence — and the owner would easily get another driver, he said.

"We need to be given security, full employment with all benefits such as medical aid — and we need training so that taxi driving can become a career," Sibanyoni said.

Integration a ploy — taxi official

Theo Rawana

BD 12/10/95 (332)
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 (Sabta) official told a public hearing in Johannesburg yesterday.

Sabta 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 R15bn 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 "attempts 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

(332) Star 13/10/95

■ 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-Pietersburg taxi route, where the Letlhabile 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 inept manner in which the Government and police are handling taxi violence," PAC spokesman Maxwell Nemaadivhanani said yesterday.

He accused officials of taking sides, saying only a few culprits had been arrested in connection with claims that police were fomenting taxi violence.

For the authorities to address the violence, he said, impartial arbitrators

should be appointed to bring key rival taxi associations together to negotiate an "all-inclusive and all-binding agreement" to govern and regulate the industry.

He said such an agreement should have built-in clauses to ensure offenders and violators were brought to book.

He added that a traffic management plan should be put in place by the Government to ensure the strict control of vehicles and to create intimidation-free taxi ranks.

No taxi should be allowed to operate without a permit and pirate operators should be charged.

Nemaadivhanani also called for the uniform registration of taxi associations and for taxi ranks to be placed under the control of town councils instead of individual taxi associations.

He also demanded the removal of police officers who were either taxi owners or taxi operators without due clearance from the department.

"Thorough investigations and arrests of police linked to violence in the industry must be carried out," he said.

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AIRPORTS COMPANY
FM 13/10/95
Holding pattern

Durban International airport, in serious need of upgrading, could face a lengthy "holding operation" once a decision is

FINANCIAL MAIL • OCTOBER • 13 • 1995 • 93

BUSINESS



Ackerman . . . problems coping with increasing air traffic

tional arrival and departure terminals," says Ackerman. The international departure terminal was somehow overlooked when the Department of Transport drew up plans for the recently completed improvements.

Cape Town must be upgraded and, should it be awarded the 2004 Olympics, it will have to cope with a large, once-off flow of passengers. "But," he complains, "its architecture poses problems." ■

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 fulfil 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

(332)

TRENCOR Transport has added Zimbabwe to its range of daily cross-border delivery services.

AAU 14/10/95
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 Uni-freight 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 Beit-bridge.

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 (Sabta) warned last week.

Sabta 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 1980, strengthening their position, training and capacity building.

"The delay in addressing problems would make

8/10/95 (332)
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, Leratong Taxi Association chairman, Malakiah 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.

5 killed in weekend shootings

Police ready to halt taxi blockades

Star 16/10/93

(332)

BYCRIME 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 Letlhabile Taxi Association (LTA) made its threat following the death of five people in an AK-47 attack on taxis at Hamanskraal, 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 Azwinndini 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, gunmen 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 Stinkwater 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 Philip Makgafola (40), Salome Makgaslele (37), Edward Masimine (37) and Isaac Maropa (45). The fifth victim had not yet been identified.

Sally de Beer, a spokesman for Commissioner George Fivaz, said: "We take note of these latest allegations. If they have any validity, the police anti-corruption



George Fivaz ... warned of conflict of interest.

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 Popo 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 Grayston Drive interchange in Sandton at 6pm 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.

► Revenge threats - Page 8

Comair expands to meet demand

BY AUDREY D'ANGELO

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CAPE BUSINESS EDITOR

CT (PR) 17/10/95
Comair will pay South African Airways R43 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

(332)

17/10/95

Comair and SAA sign R43m deal

Stephane Bothma (332)

BD 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 con-

tract 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

Theo Rawana

332
20 17/10/95

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 Olaus van Zyl 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 blocked 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

CT 18/10/95 (332)

Southern African airline associations merge

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

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

CT(BR)18/10/95 (332)

Taxi demo causes chaos at airport

(332)

ARG 18/10/95

The Argus Correspondents

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 Letlhabile 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 350 to 1 400 — 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 Jessie 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 5am at the start of the blockade, which was launched on the R24 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 lift the blockade. But the drivers started leaving voluntarily at 8am, after Mr 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 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 cause 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 travellers 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.



Picture LEON MULLER, The Argus.

ROAD JAMMED: Angry taxi drivers blockade Caledon Square after a taxi regulator was arrested for alleged assault.

Angry taxi drivers block Caledon Square

ARLT 18/10/95 (332)

□ *Arrest for alleged assault sparks off heated confrontation*

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 Abduragmaan Toffy had a tough time trying to persuade drivers to remove their vehicles.

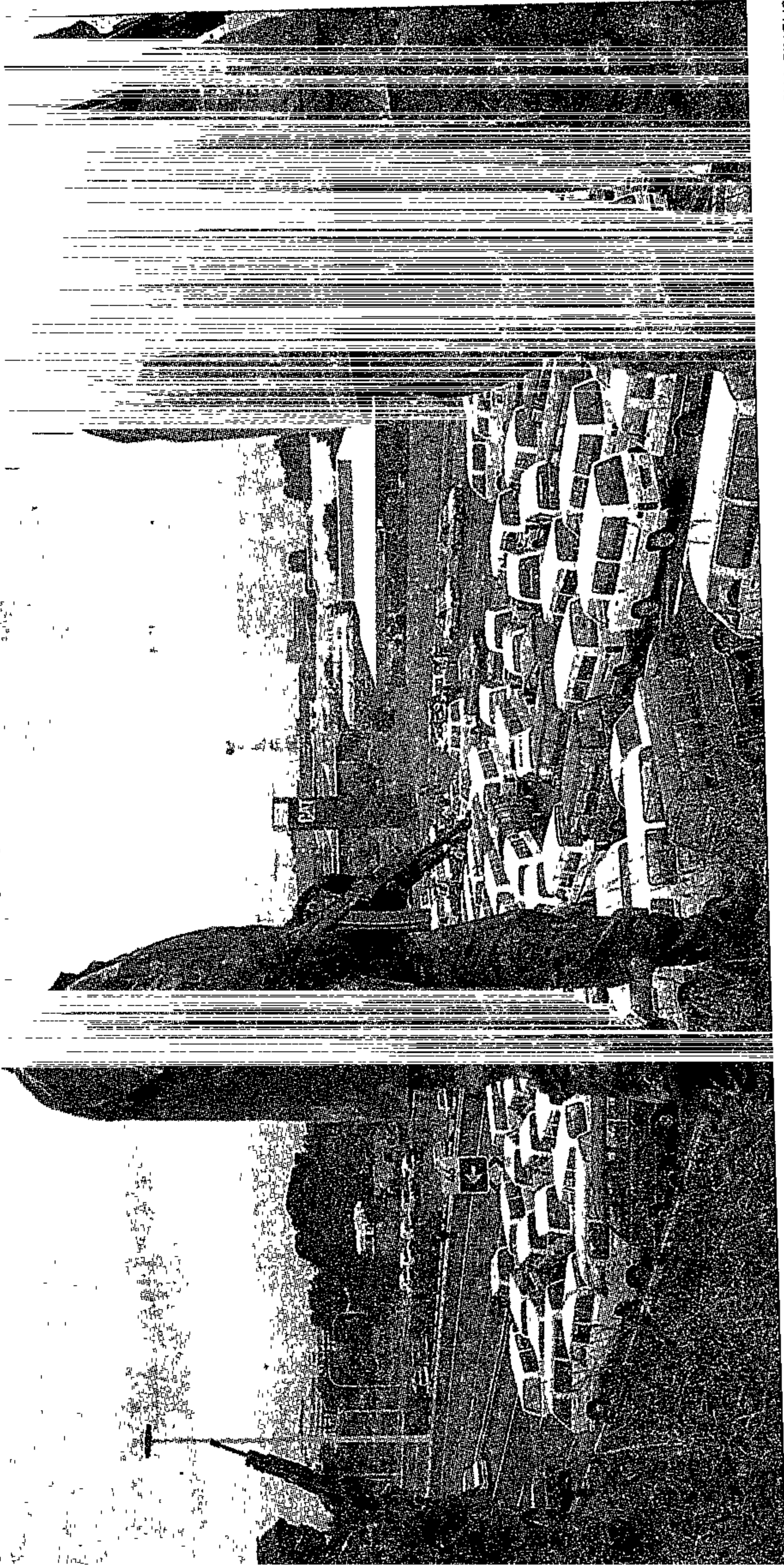
They finally removed the taxis after Mr Isaacs agreed during a telephone conversation with one of the association's executives to drop the charge.

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.

PICTURE NATASHA PINCUS

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 Lethabile 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 organisations and the police are involved."

North Rand police spokesman Colonel Dries Jacobs said taxi drivers agreed to move their vehicles shortly after 8am and traffic was flowing freely by 8.30am.

Star 17/10/96

DRIVERS BLOCKADE ROAD

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 Lethlabile 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 Mr 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

27/10/95 (332)
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 Airports 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 vehi-

Continued on Page 2

Blockade (332)

Continued from Page 1

cles away on the orders of Gauteng safety and security MEC Jesse Duarte. Gauteng premier Tokyo Sexwale's office said several protesters had been arrested. It congratulated the police on resolving the crisis peacefully.

Tourism Minister Dawie de Villiers said the action harmed SA's international image and the tourism industry. The Association of SA Travel Agents condemned the action as "doing more harm to our already tarnished image as a civilised destination".

Gauteng police commissioner Gen Sharma Maharaj said the blockade was "not only irresponsible but reprehensible". A criminal investigation into the incident had been launched.

The taxi organisation, which lost five members in a shooting at the weekend, had demanded that government set up a commission of inquiry into taxi violence and dismantle the

National Taxi Task Team established to look into problems in the industry.

Gauteng transport MEC Olaus 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.

Boycott taxis, says Mandela

Star 20/10/95 (332)

■ 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 cen-

tre 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.

Bank ripoffs fan flames of taxi war

ARG 21/10/95 (332)

■ 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 Laurie 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 at the time under the Usury Act.

By February 1994 Mr Twetiso had paid R33,382.

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 688.

But an amount of R18 100 was still owing, he said, made up of arrear interest of R2 300, insurance amounting to R8 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 deal, 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 R691,95 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 R660 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

Own Correspondent

ARG 21/10/95
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 Lehlabile 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 Fivaz 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 4 000 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 inconveniencing 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

(332) Star 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 Lehlabile Taxi Organisation said yesterday.

"We have already contacted all taxi associations country-wide, and they have pledged solidarity and support to bring South Africa to a standstill," the organisation said.

On Wednesday, taxi associations in Johannesburg blockaded access to Johannesburg International Airport.

The Lehlabile Taxi Association 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

SEE PAGE 5

Violence will go on if peace pleas ignored - taximen

By NEWTON KANHEMA

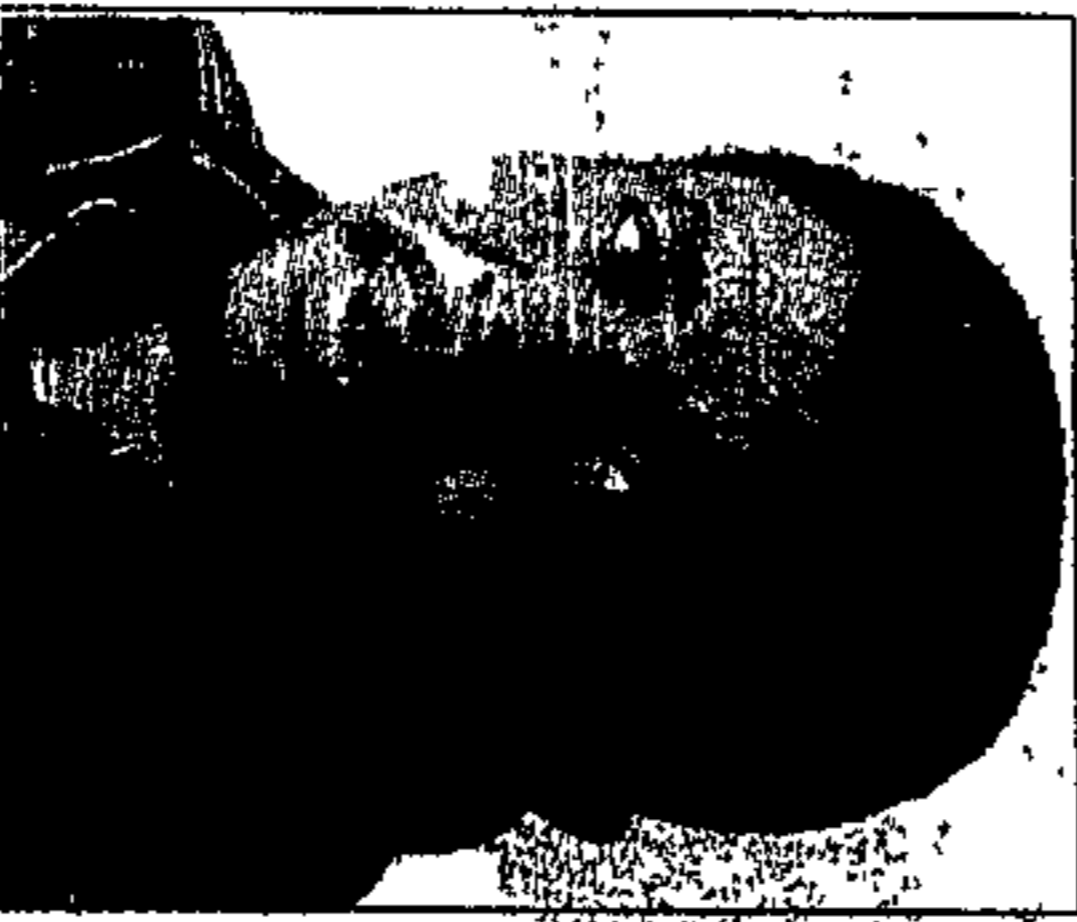
The taxi war can be stopped if the police and Government are committed to peace on the roads, says Jacob Ledwaba, spokesman for the Lehlabile Taxi Organisation (LTO).

Ledwaba, the man who organised the blockade of all routes to Johannesburg International Airport on Wednesday, said his organisation was not prepared to hurry its members every week and let the Government ignore its pleas.

"Innocent people are dying and we refuse to be ignored. We have done everything possible to get to the bottom of the war, but we know that the police are involved and the Government seems so disinterested in the deaths of black people.

"We have gone to the president, we have gone to Mac Maharaj, to Jessie Duarte, to George Fiyaz, 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 Ledwaba.

He said the Wednesday blockade was not done out of malice but as a result of frustration.



UNHAPPY: Jacob Ledwaba, leader of the dissident taxi owners

come out of it. There are some policemen who own taxis and this has compromised their impartiality," said Ledwaba.

In a letter in August to General Mbo for Safety and Security Jessie Duarte, the LTO said: "I, despite our best efforts and numerous meetings with the MECs for safety and security, the department of transport and the police to try to resolve this, there appears to be a strong element of bad faith on the part of senior officials in regard to this matter.

"Despite many complaints to the police and charges laid, proper protection was not given to our drivers and vehicles. There's a strong suspicion among our members that senior officials are biased."

Ledwaba said his organisation was not in the habit of inconveniencing commuters, but its mission was to save lives. After the blockade, LTO representatives met Minister of Transport Mac Maharaj and agreed with the Government on the course of action to be followed.

"We had a few agreements and we will give it another chance. But this does not mean that there will be no other action from us if the Government makes empty promises," said Ledwaba.

The LTO had a membership of more than 4 000 and controlled 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 on their licences.

Ledwaba said LTO members felt that the taxi wars were fomented by the bias that the police had in favour of some organisations.

"We have submitted evidence plus names of some people involved in the killing, and the police have done nothing. Last week we had 14 taxis hijacked by people we have identified and nothing has



COLLISION COURSE: Taxi drivers blocked off routes to Johannesburg airport on Wednesday morning, causing disruptions to air services. They said their protest was because the Government was ignoring their pleas for meaningful intervention in the spiralling taxi wars

PHOTOGRAPH: NATASHA PANCUS

Pirates blamed for attacks on metered taxi drivers

By TOMMY MAKOE

Between one and three metered taxi drivers in Johannesburg are either hijacked or robbed by people pretending to be customers each week, according to a senior source in the taxi industry.

An official at the Rose Travel taxi service, who refused to be named, said there was nothing much his company could do to protect its drivers except to communicate through radio contact with the drivers and

report the matter to the police, "who usually cannot help".

"Last Thursday, one of our drivers was dumped in Gray Street, Linksfeld, after he was shot three times in the chest during a hijack.

Not reported

"We also have a driver who is still in hospital after he was shot in Berea.

"There are many robberies. I cannot give a number because some of the drivers do not report them."

the official said.

He added it was also difficult for the drivers themselves to come up with protective measures "because they operate in different areas at different times".

Karin Schoenfeldt, a director of Maxi Taxi, a Johannesburg-based taxi company, believes that the violence in the industry is a result of the growing number of pirates in the business.

"There are now hit squads because of the deregulation. Some dri-

vers want to have more than four taxis operating and, when we refuse, they resort to piracy.

"It is so easy for a person to buy a meter without registering with a travel company and to wait for passengers on the streets. There is no control," he said.

William Botha, who has been a metered taxi driver for 28 years, said he had never been assaulted or robbed by customers, but they had often run away without paying their fees.

(332) Star 21/10/95

'Cops are blind to taxi wars'

CP 22/10/95

(322)

By MPHLO KOBUE

THE TAXI violence in the North West has claimed more than 60 lives since June this year — and the local taxi associations have blamed the police for the lack of safety and security in the industry.

The associations accuse the police of deliberately avoiding steps to curb the taxi war. The secretary of the North-West Taxi Forum,

Alfred Matshane, said the taxi violence had escalated immediately after the downfall of former Bophuthatswana president Lucas Mangope.

“Our province had been a very organised one, but since Mangope was dethroned we started seeing minibus taxis with strange registration numbers and the mushrooming of endless taxi associations,” said Matshane. “All the violence tak-

ing place in this province has been started by the free-for-all type of taxi business. The main problem is the routes for long distance and local taxis.

“The police and members of the transportation board are also causing serious problems by receiving bribes from taxi drivers operating illegally,” he said. Captain Peter Mothibe of the Temba police station denied the allega-

tions. He said taxi drivers were not cooperative. “At times they refuse to give us information, saying they fear for their lives.

“Our investigating officers are sitting with piles of dockets with no information because taxi drivers are not prepared to talk or come to court as witnesses. “Many people have died in this taxi violence. The drivers and owners blame us for not doing

our work — while they are sitting with information and watching their brothers killing each other,” said Mothibe.

The head of the CID branch in Temba, Lieutenant Solly Mabusela, said about 60 people had died since June this year in the Hammanskraal area alone. Some had not yet been identified. According to Police Commissioner George Fi-

vaz about 200 policemen — among them top-ranking officials — own taxis or have vested interests in the taxi business, causing confusion in the escalating violence that has plagued the industry.

Fivaz said his office had the officers' names and would deal with them as soon as possible. He said some magistrates, traffic officers and prosecutors also had vested interests in taxis.

Cape Town taxi drivers less stressed, study finds

(332) ARLG 23/10/95
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 24 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."

Naidoo said.

Taxi sector a litmus test for new SA, says traffic chief

Theo Rawana

(332) ED 25/10/95

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 taxis, but the industry had overcome this and many other obstacles to become the leader in the informal sector.

The industry filled a gap in the passenger transport sector which had historically been governed by protected train 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."

Duos

Household's second source of income	Number of bracket members in cat.	Net wage's contrib. to tot. hh. inc. (%)	Avg. number of dependants pr. household (b)	No living in hh with no dependants (b)
Same bracket wage income	48800	54.9	0.0	48800
Lower bracket wage income	24600	65.7	0.0	24600
Other income	42200	56.1	0.1	35900
None of the above	117800	79.7	0.7	31100
Total:	233400			
Sample size	239			

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

Stern action on blockades

PRETORIA: Safety and Security Minister Mr Sydney Mufamadi warned yesterday of tougher police action against anybody blockading public roads and highways.

"Nobody should labour under any illusion that the ministry sees negotiations rather than firm police action as the answer to such acts."

He said the unlawful blockading of public roads directly affected commerce, trade, industry and tourism and had a negative impact on the country's economy. — Sapa

(332) ET 26/10/95

Police to act against blockades

Staw 26/10/95 (332)

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.

► Farmers' threat - Page 7

Politicians, Sabta oppose today's taxi blockade in Johannesburg

Theo Rawana

TAXI drivers are set to blockade Johannesburg streets today to protest against arrests for traffic offences—a move which comes in the face of warnings by politicians and opposition to such action from the SA Black Taxi Association (Sabta).

Safety and Security Minister Sydney Mufamadi and Gauteng transport MEC Olaus van Zyl warned recently of strong action against a repetition of the taxi street blockade mounted last week by the Lehlabele Taxi Organisation to back demands for government to investigate taxi violence.

National Taxi Drivers' Organisation chairman Gadi Sibanyoni said about 10 000 drivers would take part in today's blockade.

Sibanyoni said that after a march in May, agreement had been reached with Van Zyl that there would be a moratorium on arrests of drivers with warrants against them until a solution was found.

"Now (traffic director) Mike Davis is sending his men to arrest drivers. We are not happy with that," Sibanyoni said.

Sabta spokesman Enos Makena

said his association understood the legitimate grievances of the Lehlabele Taxi Organisation, and supported the view that government should take effective action.

"However, Sabta cannot condone the airport blockade. Johannesburg International Airport is the gateway to SA for investors, tourists and others who can help stimulate our flagging economy."

Makena also said the taxi industry was concerned about the reported call by President Nelson Mandela that commuters should boycott taxis to put an end to violence.

He said if Mandela was reported correctly, this raised questions as to whether government would like to see the taxi industry disappear.

Sabta might then be forced to reconsider its involvement in government-sponsored negotiating forums, Makena said.

Van Zyl attacked threats by the Lehlabele association to mount a national blockade this time.

He said that blockades bordered on sabotage. "I have no problem with peaceful protests and demonstrations, provided they stay within the law and do not affect the rights of other citizens. The organisation

should instead get involved in efforts to solve the problems of the taxi industry."

Sapa reports Mufamadi warned of tougher police action against those responsible for blockading public roads and highways. He said his ministry had noted "with concern" the recent blockading of highways and public roads by vehicles.

"Nobody should labour under any illusion that the ministry sees negotiations rather than firm police action as the answer to such acts.

The unlawful blockading of public roads directly affected commerce, trade, industry, tourism and had a negative effect on the country's economy.

"I want the public to know that I have met with the ministers of transport and labour to discuss our future approach towards such blockades. I am of the view that in future police action directed at blockading public roads and highways by vehicles should be such that it discourages the continuation of these illegal practices."

Meanwhile, a ceremony at which the warring Soweto taxi associations were to sign a Gauteng peace agreement was cancelled at the last

minute when one — the Meadowlands, Dube Station and Noord St Taxi Association — pulled out.

Gauteng transport ministry spokesman Steph Erasmus said the association was not happy with some aspects of the agreement with rival Diepsmeadow Taxi Association. Taxi affairs official Knox Majila was trying to get the two organisations into further negotiations, Erasmus said.

Northern Province safety and security MEC Seth Nthai yesterday hailed the recent arrest of suspects allegedly involved in taxi violence as a major breakthrough.

He said 26 people, including several prominent taxi operators, had been charged with armed robbery and murder in the past six weeks.

Illegal firearms, including 9mm pistols, 38 special revolvers and AK-47 rifles had been confiscated.

Nthai said police would strongly oppose bail applications.

Two members of the Lehlabele Taxi Organisation, were among those charged. It was significant that a brother of one of those members was being sought for 12 murders and 27 attempted murders, Nthai said.

(332) PD 26/10/95

USAfrica still aiming for takeoff

Star 27/10/95 (332)

■ 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 Transport (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.

COMPANIES

hind the 36% gain in operating profit to R32,6m — its best level in years.

Financial improvements extend to the balance sheet, where tighter current asset management has returned the group to a net cash position. In 1994 a working capital bulge resulted in an outflow of R29m, which was the main reason for Putco ending that year with net borrowings of R18,1m, a R32,1m turnaround from 1993.

Last year, however, most of this was clawed back. The investment in net working capital declined by R23,4m (notwithstanding a 15% increase in turnover), accounting for all but R5m of the R28,7m improvement in the cash position. The group ended the year with a debt-free balance sheet and R10,6m in the bank.

This understates the true liquidity position as there was still R38,4m in subsidiaries owing at June 30 which, once paid, would increase cash resources to R49m.

Carleo makes no mention of prospects. This is hardly surprising, because to forecast results one would first have to forecast what the industry is likely to look like in a year's time.

What can be said is that the stronger financial position and rising interest rates should boost interest income (which accounted for 12% of last year's pre-tax profit; proportionately unchanged from 1994 but well down on 1993's 32%), thereby providing an underpin to earnings.

Provided the improvement in passenger numbers can be maintained, there is probably little downside risk to profits. The share could thus have attractions both on income considerations (the historical dividend yield is 9,3%) as well as recovery prospects — if the authorities ever get round to establishing a coherent framework for the transport industry.

Brian Thompson

PUTCO

Recovery prospect

FM 27/10/95

Operationally, Putco's results for the year to June 30 add considerable weight to the premise 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

Activities: Mass transport service operator

Control: Carleo Enterprises 52,5%

Chairman: A Carleo. MD: E M R L Oldham

Capital structure: 26,4m ords. Market capitalisation: R125,4m.

Share market: Price: 475c. Yields: 9,3% on dividend, 17,9% on earnings, p.e ratio, 5,6, cover, 1,9 12-month high, 495c; low, 300c Trading volume last quarter, 246 620 shares.

Year to June 30	'92	'93	'94	'95
ST debt (Rm)	—	—	20,4	—
Debt equity ratio	(0,19)	(0,10)	0,13	(0,06)
Shareholders' interest	0,56	0,61	0,54	0,61
Return on cap (%)	10,3	8,3	9,2	10,7
Turnover (Rm)	398	424	480	552
Pre-int profit (Rm)	23,3	19,0	24,0	32,6
Pre-int margin (%)	5,8	4,5	5,0	5,9
Earnings (c)	53,2	77,2	66,4	85,2
Dividends (c)	30	40	38	44
Tangible NAV (c)	476	527	534	708

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.

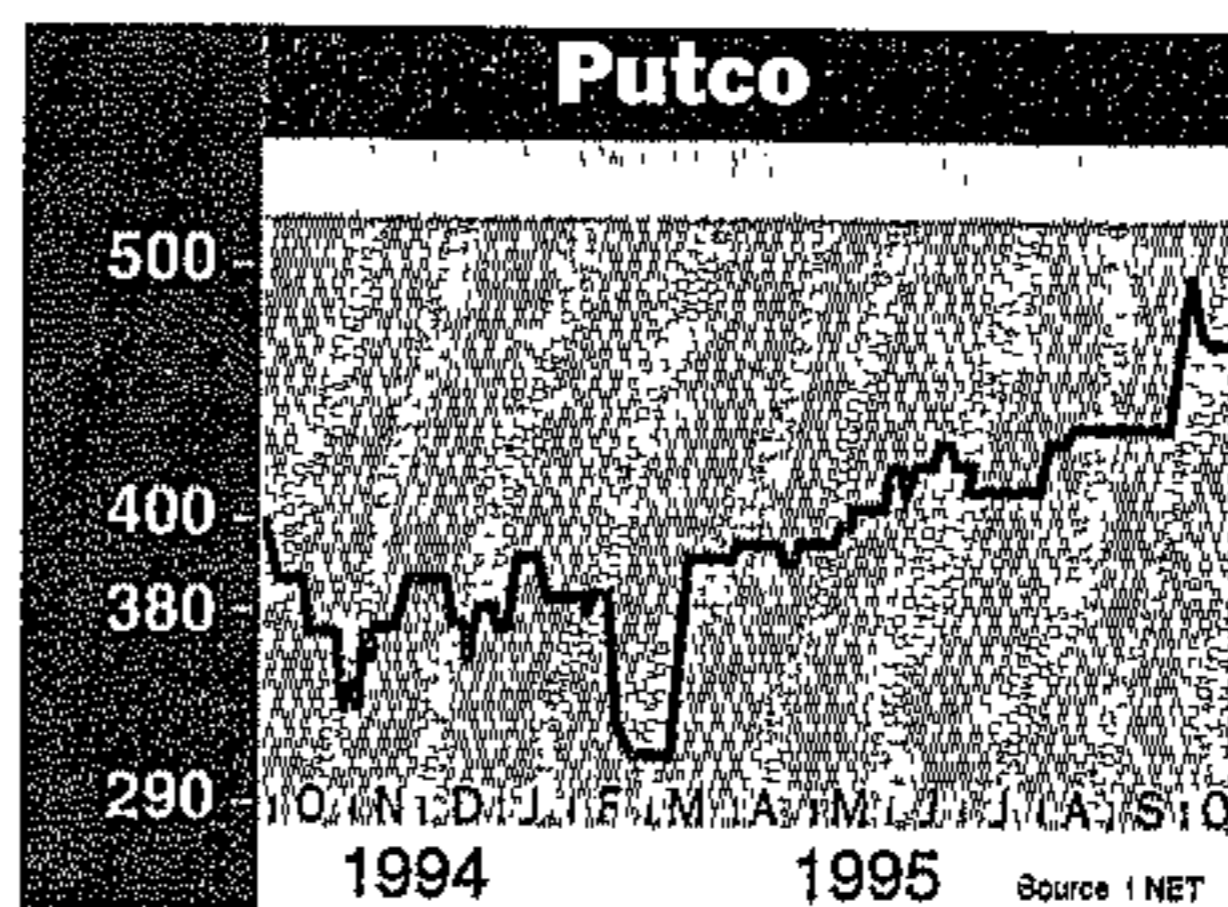
As chairman Albino Carleo points out in his annual statement, the list of problems is almost endless. They range from general factors such as continuing violence to issues directly affecting the industry such as the devolvement of responsibilities and authority from central government (effec-

tively 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 be-



COMPANIES

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 re-

■ The industry has been forced to expand and upgrade to cope with new volumes.

quest 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 Develop-

ment 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.

ARG 28/10/95

50 000 taxis

'are illegal'

CT 38/10/95

THERE were 70 000 minibus-taxi permit holders countrywide as well as an estimated 50 000 illegal operators, Mrs Kamilla Toefy, of the Western Cape Taxi Industry Task Team, said yesterday.

Speaking at a workshop at the Sea Point Civic Centre, she said the number of new permits issued annually had fallen to 0,5% of existing permits, so it was no longer so urgent to overhaul the system.

National regulation should be the minimum. "National solutions will not always be effective in the Western Cape." — Staff Reporter

Taxi owners plan to disrupt polls

Sowetan 31/10/95

(332)

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.

Nowta 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 Stai Vilakazi 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 Letihabile Taxi Organisation Mr Jacob Ledwaba said they would mobilise their operators to embark on mass action if Gauteng MEC for transport Mr Olaus 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.

Sabta spokesman Mr Enos Mabuza said they identified with the taxi problems. However, they believed that negotiations and not blockades were the only means to resolve the problems.

Nafto's president Mr Peter Rabali said whatever form the taximen'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 identified 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.

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ARG 2/11/95

FRIDAY
NOVEMBER 3, 1995 ★

No market for American Airlines 'yet'

AVIATION EDITOR

CT 3/11/95

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

Star 10/11/95 (332)

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, civics, 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 Lehlabile 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 Ledwaba 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.

ROAD FREIGHT (332)
Balancing act PM 10/11/95

The Road Freight Association is to press 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 dual-wheeled single back axle from the current 8,2 t to 9 t, of dual-wheeled twin axles 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



Mitchell . . . calls for increase in maximum load

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

ARG 13/11/95 (332)
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 softpedalling 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 Phi-

lander, 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 minibuses, 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

332

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.

Taxi industry in fares rows

BN 14/11/95

332

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 (Sabta) 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 last 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 Quartz Street, Johannesburg, on Friday.

A Sabta 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 49%, but Safmarine's effective shareholding would be 75% because it held 49% of its partner.

Farr said Safmarine had injected \$30m worth of containers into the new venture to bring its holdings to 75%, but there would be no direct capital investments by either 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."

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BN 74/11/95
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 bulk container and aviation interests or its investments in Grinsaf Holdings and Pentow Marine.

Howard Boyd, Safmarine Liner Interests CE, will become CE of the new venture, and CMBT CE Graham Peirce deputy CE.

Safmarine venture to dominate Africa

ET(BR) 14/11/95 (332)

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



CONFIDENT The managing director of Safmarine, Tony Farr

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.

Management, drivers agree

(332)
(23) (157)
STAFF REPORTER

CT 14/11/95

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 hawker's stall.

A group of drivers blockaded 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 R2,3bn 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 Letsoela 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, Letsoela 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," Letsoela 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 Dorbyl'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 Dorbyl 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.

(332) BO 17/11/95

Taxi moratorium extended

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 Motshekga.

Motshekga, who led a delegation which met senior magistrate T Eksteen to plan strategies for resolving taxi drivers' grievances and commuters' concerns - said his committee and Eksteen had "no intention to defeat the ends of justice".

Eksteen 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.

Motshekga said meetings with taxi drivers and owners would be held on Sunday morning at the legislature in Johannesburg. - Sapa.

332 Star 17/11/95

Minibus taxi-owners demand subsidy share

(332) ARG 18/11/95

PRETORIA. — The organised 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

Staff Reporter

(332) ARG 18/11/95

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 Led-

Star 18/11/95 (332)
waba 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 left us with little doubt 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

Star 18/11/95 (332)
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 form 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 dis-

semination 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.
- Sapa

Taxi war erupts in

By JAMES BOWYER

suburbs

ST(M) 19/11/95 (332)

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 Hlope last week interdicted the Peninsula Taxi Association (PTA), from assaulting, intimidating or verbally abusing Mr Gamja Isaacs, 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, assaulted, harassed and intimidated my family," Mr Gamja Isaacs stated in court.

Mr Isaacs — who runs a fleet of four taxis — pioneered a new route in Vredehoek at the request of residents in 1991.

Attorney Nazeem Ebrahim, who acts for Mr Isaacs, 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 Isaacs taxis started operating in the area.

According to court papers, Fagmie Isaacs 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 taximen 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

332

CP 19/11/95

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 "azikhwela" 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: "The strike may take more than one day, depending on the response of the powers that be."

Dispute⁽³³²⁾ 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 publicity relations officer Wesley Mpawu said.

Mpawu said government needed to be reminded that it was not SALDTA but LTO that blockaded the airport and threatened to disrupt local elections through blockading 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.

NATIONAL NEWS

Rain foils strike

(332) Sowetan 20/11/95

By Mongadi 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 Gadi 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.

Taxi violence
'smashed in
Western Cape'

POLITICAL STAFF

CT 20/11/95

(332)

TAXI violence had been smashed in the Western Cape — the only province in the country where this had happened, Minister of Police Services Mr Patrick McKenzie said at the weekend.

There had also been a dramatic decline in train violence since the deployment of an extra 50 policemen on trains, Mr McKenzie said at the NP's provincial congress in Somerset West.

However, he strongly criticised the national government for limiting funds to the police, pointing out that only 170 new officers had been recruited in the Western Cape this year and there would be no new recruits next year.

This year there had only been six incidents of taxi violence and one death, compared to 353 incidents and 44 deaths a couple of years ago.

Gang violence was still a problem, but great progress was being made in places like Manenberg.

POOR COMMUNITY RELATIONS BLAMED

Four policemen a
day attacked in SA

CT 20/11/95

(253)

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.

Small calibre firearms were used in most of the attacks, and most of them occurred in Gauteng and

Natal, followed by the Eastern Cape and then Western Cape.

In the Western Cape, 104 police members were attacked between January and October this year compared to 442 in Gauteng during the same period.

The lowest number of incidents was reported in the Northern Cape, where there have been 13 attacks since the beginning of the year.

Most police members are attacked while off duty, the report said.

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.



Pictures: BRENTON GEACH, The Argus

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

ARG 22/11/95
□ 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 Ramatlakane 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 yourself 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.



QUESTIONED: Minister of Police Patrick McKenzie answers questions from taxi association members.

"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 Ramatlakane 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 Ramatlakane said progress had been made in the past 18 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".

RIVAL BODY ACCUSED OF ENCROACHING

Taxi drivers threaten war

ET 22/11/95

(332) 304

TAXI DRIVERS have told two regional ministers of their fears. **CAROL CAMPBELL** reports.

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 Ramatlakane 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 Ramatlakane 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.



ROUTE TO RECONCILIATION: Enjoying a lighter moment during a meeting with taxi drivers and owners in Mitchells Plain yesterday are regional Minister of Transport Mr Leonard Ramatlakane (left) and Minister of Police Mr Patrick McKenzie.

PICTURE: ANNE LAING

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

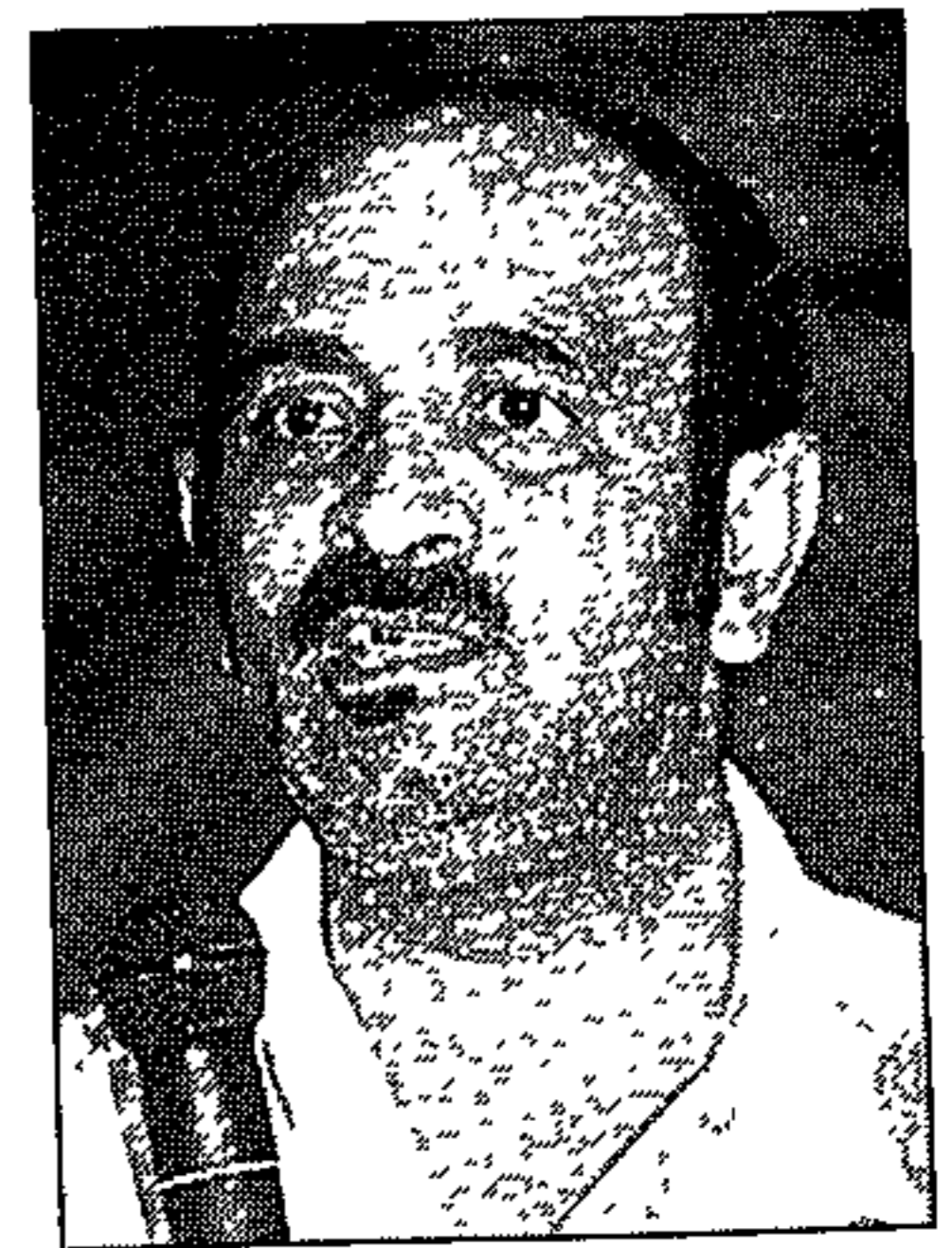
unresolved and further discussions were planned.

"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.



TALKING PEACE: Mr Yusuf Wag-gie of the Mitchells Plain Taxi Association speaks at a meeting between taxi drivers and Minister of Police Mr Patrick McKenzie yesterday.

PICTURE: ANNE LAING

Police promise action after taxi war protest

Mduduzi ka Harvey

BD 23/11/95

332

MORE than 300 taxis blockaded downtown Johannesburg yesterday when SA Long Distance Taxi Association (Saldta) 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 Saldta leaders presented a list of grievances to Johannesburg area commissioner Major-General Frans Malherbe, was sparked by clashes between Saldta and Pietersburg-based Letlhabile Taxi Organisation (LTO).

Saldta 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.

Saldta 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.

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400 taxis move in protest convoy

332
Sowetan 23/11/95
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 Titus Malaza.

The motorcade by members of the South African Long Distance Taxi Association (Saldta) and the Federated Long and Local Distance Taxi Association (Felltda) was in dispute over the resumption by the Leflhabile Taxi Organisation (LTO) using 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.

Saldta spokesman Mr Simon Sentle 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.

Sentle 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 (Saldta) and the Federation of Long Distance Taxi Associations (Feldta) held a protest stretching from Noord 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 Letlhabile Taxi Organisation (LTO), Saldta spokesman Wesley Mpawu addressed placard-waving drivers who had brought all traffic to a halt in Rissik Street outside the Civic Centre entrance.

Holding posters reading "Police stop involving yourselves in the opening of taxi ranks in JHB", the drivers cheered 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 memoranda 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 GJTM to announce that the Quartz Street rank was illegal and close it.

LTO leader Isaac Seriti 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 178,000 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 Noord Street, but after being expelled earlier this year by Saldta, 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

BD 24/11/95 (332)
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 Olaus van Zyl and safety and security MEC Jessie 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 Imraan Jhetam, the MD of product developer Maxtel Limited.

The phone would cost R500, which owners would be able to pay off in instalments.

PUTCO (332)
FM 24/11/95
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-

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 20 km or farther. 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." ■

Taxi commuters now better connected

Star 24/11/95
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 cellphone which allows drivers and passengers to make calls from the taxi.

MTN marketing manager Sifiso

(332)
Msibi 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 driver will have a headset and microphone with a control panel and keypad to enable him to monitor 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

ARG 25/11/95 (332)

JOHANNESBURG. — The Lehlabile 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 FREEWAY RUSH-HOUR TRAFFIC

N2 fast lane for taxis, buses from Dec 11

CT 27/11/95

(332)

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 BMT lane, which stands for Bus and Minibus Taxi lane. A provincial pamphlet also attaches the slogan "better 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 Peterson 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 Klipfontein 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.

Taxis: 14 shot

Driver killed, commuters hurt in attacks

Howe Jan 27/11/95

(332)

By Joshua Raboroko

A TAXI DRIVER was killed and at least 14 people, among them operators and pedestrians, were shot and injured in attacks at taxi ranks in Gauteng and Mpumalanga at the weekend.

SA Police Services spokeswoman Captain Elize Visser said yesterday that in the latest incident two operators were injured and three minibuses were injured when gunmen opened taxis damaged when gunmen opened

fire at the Quartz and De Villiers streets taxi rank in Johannesburg yesterday morning.

In other incidents:

● A taxi driver was found apparently after he was shot by three men hanging over the cement barrier separating lanes on the Soweto Highway near Booysens on Friday. He had been robbed of his vehicle.

● Four people, two taxi drivers and two pedestrians, were injured in a drive-by shooting at Johannesburg's

beleaguered Noord Street taxi rank on Friday. Police video-taped the incident.

● At least nine people were injured when gunmen travelling in a Nissan Skyline opened fire on a taxi, apparently belonging to a member of the Lethabile Taxi Organisation (LTO), between Skilpadfontein and Witlaagte in Mpumalanga on Saturday.

SAPS KwaNdebele spokesman Lieutenant Malcolm Makomane said

yesterday the injured were admitted to Garankuwa Hospital.

Strategic points

Visser said several surveillance cameras had been placed at strategic points on Thursday afternoon to help identify perpetrators and as a warning to taxi associations to stop violence.

She said a police videotape showed a white Toyota approaching Noord Street and slowing down. Shots were fired from the car, which

was then abandoned. Police took possession of the car which was found to have false registration numbers.

The cameras were supplied and manned by SA Defence Force personnel - the first time the equipment had been widely used to help the police.

Mr Stephen Nkutha, an adviser to Gauteng MEC for safety and security Mrs Jesse Duarte, said the long distance video monitoring came after several weeks of negotiation between the MEC's office and security forces.

Fast lane to controversy

Problems foreseen on lane of N2 reserved for buses and taxis in rush hour

JERMAINE CRAIG

Staff Reporter
THE new traffic lane on the N2 freeway, scheduled to open on December 11, is headed for controversy with many parties, including Golden Arrow Bus Services, predicting problems and the possibility of more accidents.

The new lane, known as the Bus and Minibus Taxi (BMT) lane, stretches between Vanguard Drive and Black River Parkway, and is reserved exclusively for buses and taxis between 6.30 and 9 am on weekdays.

However, problems are predicted because the BMT lane is on the right-hand side of the freeway. It is feared that buses and taxis could cause accidents when trying to cross from the right through the fast lane, which has a maximum speed of 120 km/h, and across another lane before turning off at an off-ramp.

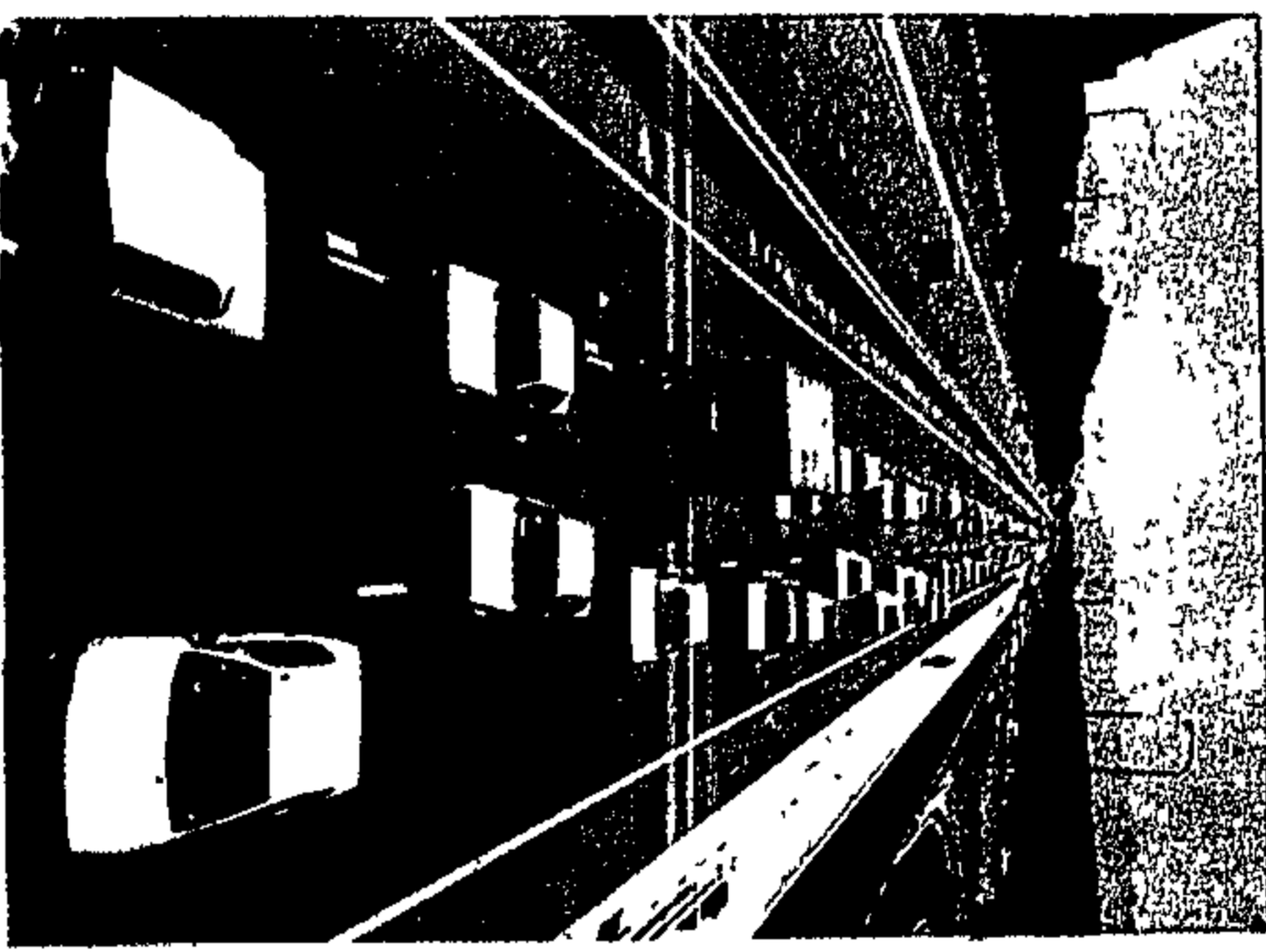
Another potential problem is that it will be difficult and dangerous to transfer passengers from a broken down vehicle with the BMT on the right-hand side of the freeway.

The BMT project was undertaken by the Roads, Transport and Public Works Department.

Jeanne Welsh, public relations manager for Golden Arrow, said in a statement: "Golden Arrow was not consulted prior to the new lanes being painted on the right hand side (inside) of the N2 freeway. The company's recommendation was that the high-occupancy vehicle lanes should be placed on the left (outside) for the following reasons:

"Safety: Any bus or taxi that breaks down on the inside lane will cause a major safety hazard to passengers who would be trapped on the inside lane. There are no emergency lanes — therefore a breakdown would close the whole bus/taxi lane.

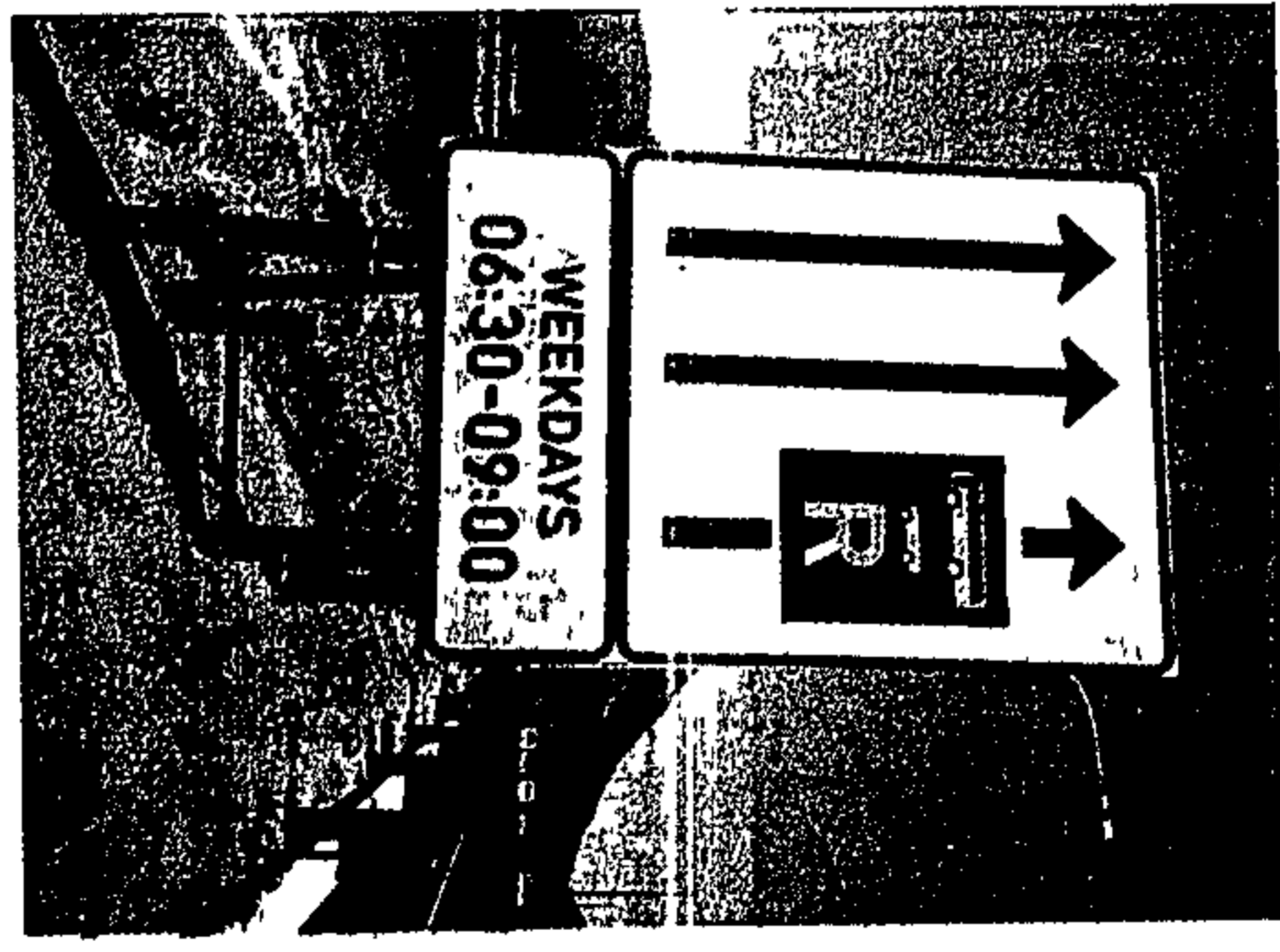
"In Golden Arrow's view there will be far fewer buses and taxis during peak hours than private cars, and it would be much easier for cars to cross



NEW LANE: The third lane towards Cape Town is reserved between 6.30 am and 9 am buses and minibus taxis.

Pictures: Courtesy of the Ministry of Transport and Public Works. Western Cape.

a relatively empty bus/taxi lane on the left to exit from the freeway than for buses and taxis to cross two crowded lanes which would be necessary with the current placing of the lanes.



TRAFFIC SIGN: The sign indicates that buses and minibus taxis only may use the median lane at certain times.

"Having the lanes on the left would also allow better linking with existing bus/taxi lanes along Vanguard Drive and Main Road." Ms Welsh said the province had gone ahead with

placing the taxi and bus lanes on the right despite Golden Arrow's recommendations.

"The reason given was that structural engineering work required to extract buses and taxis out of the system on to other roads, as well as to discourage the loading of passengers on the left lane, would be too expensive.

"Golden Arrow is of the opinion that the system will require continuous and very strict policing for it to function at all efficiently. As it is, policing on our roads is inadequate and it is difficult to envisage how adequate policing will be provided."

Ms Welsh did, however, say that Golden Arrow was pleased that, after lobbying for bus lanes in Cape Town for almost 30 years, such lanes were being developed and that they would like to see this as the first of many new opportunities for the development of public transport in Cape Town.

Cape Town traffic chief Wouter Smit did not foresee any problems with the new BMT lane and felt that his department was capable of policing the new lane.

"The mere fact that the bus lane is on the right-hand side makes it no different from any other three-lane traffic. We will have the adequate infrastructure to monitor it," said Mr Smit.

He felt that the shoulder on the side of the road would be adequate to deal with the problem of breakdowns in this lane.

However, Mr Smit acknowledged that there could be a problem when buses transferred from the BMT lane and joined the traffic in the other lanes.

"We do have some concerns in the interim where the bus and taxi lane will merge with the centre lane, but we will certainly monitor it," said Mr Smit.

Chairman of the Western Cape Taxi Task Team, Basil Nagel, felt that with proper policing the new lane could be successful.

been agreed that promoters would liaise with police station commanders well in advance of boxing matches to arrange security. Police had been notified only four hours before Sunday's event. National Police Commissioner George Fivaz has ordered a full report on the shooting. Sunday's tournament commissioner, Mr Joe Guwa, confirmed yesterday that he had told police

Cape Town's Olympic centre has been gravely damaged by the fatal shooting at the Guguletu sports centre, according to Mr Ngconde Balfour, a senior member of the bid committee. "Cape Town has taken quite a knock," he told sports management students last night. "If we don't move quickly and take concerted action, we're dead." — Staff Reporters, Sapa

Waterfront cabs fear

minibus competition

DAN SIMON

CT 28/11/95

(332)

SEDAN taxi drivers at the V & A Waterfront say a new minibus shuttle service launched there last week is taking away business.

The Waterfront Minibus Shuttle Service cc was launched last Thursday to transport tourists from four Waterfront hotels to the lower cableway station and Cape Town International Airport at R5 and R45, respectively, per person per trip, shuttle service co-ordinator Mr Essa Jacoob said yesterday.

However, because the service had proved so popular over the past four days, it was decided to

extend the service to transport tourist groups from the Waterfront to city hotels and other city destinations.

Waterfront sedan taxi driver Mr Eric Jansen said it had come to the attention of sedan taxi drivers at the Waterfront that the shuttle service was charging R20 a person for a trip from the Waterfront to the Cape Sun Hotel and a ride to the Cape Swiss Hotel cost R25.

Mr Jacoob said: "We only cater for groups of five or more and we are charging R20 for a trip to the Cape Sun, which works out to about R4 per person. This is cheaper than a sedan taxi."

SAA crew stops

flights taking off

SPECIAL CORRESPONDENT

JOHANNESBURG: SAA cabin crew members prevented domestic and international flights from taking off at the airport here last night when they embarked on a solidarity strike after a shop steward was suspended.

About 200 South African Workers Union (Sawu) members refused to board flights at 5pm when they heard their colleague Mr Sarel van Wyk had been suspended for "questioning a captain", said the union's on-board chairman, Ms Lynette Hugo.

Mr Van Wyk was allegedly suspended yesterday morning after he questioned a captain in Rome, Italy. The crew had been working for over 17 hours when the captain told them they would depart for Germany, Ms Hugo said.

When the shop steward questioned him, the captain became irate and started shouting and screaming. Mr Van Wyk told Ms

Hugo.

She added that the captain suspended him once they had arrived in Dusseldorf. He was not allowed to return to South Africa with his crew and has been made to wait for four days until he flies back as a passenger.

The strikers handed their demands for his reinstatement to management yesterday afternoon.

Contingency

CT 28/11/95

Two international flights and at least two domestic flights had been cancelled at the time of going to press.

● No Cape Town flights were affected last night, SAA groundstaff said. To keep flights going, SAA relied on contingency plans by calling in other SAA employees to work as stewards and air-hostesses.

An SAA employee said the reserve cabin crew were not properly trained for the task, but were used to keep flights going.

Independent mediator to broker taxi peace

Independent mediator Roger Oxlee has been appointed by the Gauteng government in the conflict between the South African Long Distance Taxi Association (Saldta) and the Letlhabile Taxi Organisation (LTO), the province announced yesterday.

Steve Erasmus, private secretary to Gauteng public transport and roads MEC Olaus van Zyl, said Oxlee would chair the first meeting of the mediation in Johannesburg on Thursday.

Saldta 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 Ledwaba yesterday said his association had accepted the invitation.

No immediate comment was available from Saldta 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 Oxlee 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 Saldta members of killing LTO members.

Asked if LTO members had ever engaged in taxi violence, Ledwaba said: "I cannot say we are clean."

Erasmus said the provincial government wanted to find a peaceful solution to the taxi problem. The me-

diator 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 Saldta and the Taxi Executive Council (TEC), which then contained the LTO.

The agreement made provision for TEC and Saldta to service routes jointly and operate from the same ranks in Mpumalanga, Gauteng and Northern Province, but collapsed in May.

LTO and Saldta accused each other of being responsible for its failure. - Sapa.

(332) Star 28/11/95

Taxi organisation pulls out of mediation meeting

By MANDLA MTHEMBU

Prospects of resolving the dispute between the SA Long Distance Taxi Association (Saldta) and the Letlhabile Taxi Organisation (LTO) were dealt a blow by the withdrawal of the LTO from a mediation meeting scheduled for today. (332)

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 Quartz 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 Oxlee 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.

MAN 30/11/93

working towards peace

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 Elison 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 Olaus van Zyl, told *Sowetan* yesterday that LTO withdrew from talks after claiming that he (Erasmus) and Van Zyl owned taxis.

LTO 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.

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NEWS NATIONAL

Plan to help commuters

By Khathu Mamalia

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.

(332) Sowetan 11/12/95

Taxiphone puts you in touch...

By ANDILE NOGANTA

CP 3/12/95
(332)
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 Telephone Corporation (TTC), will allow taxi 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 driver 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.

We will (372) 'defend' ourselves CP 3/12/95

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 (Saldta) have threatened to "violently defend themselves" after allegedly being victimised for not joining the newly created Mpumalanga Taxi Association.

Saldta spokesmen, however, say they were excluded from the peace negotiations leading to the launch of the Mpumalanga Taxi Association this week.

Saldta'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.

"Saldta 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 Saldta 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 Saldta 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 Elukwatini, 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 Bhekie 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 Saldta members.

Although Chief Mnisi allegedly failed to invite Saldta 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



TAKING THEIR CHANCES ... Commuters and drivers in Mpumalanga may now be facing the taxi violence that plagues other parts of the country, as a recently formed taxi body is reported to be causing tensions.

Pic:
ANDRIES MCINEKA

Cape Town bus fares to rise ⁽³³²⁾ by 20 percent

AR 6/12/76
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 of 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.

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Working conditions of doctors receive attention

BD 7/12/95

Kathryn Strachan

AT A meeting with the Medical Association of SA (Masa) last week, Health Minister Nkosazana 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.

Masa 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.

The report concluded these problems needed to be addressed to restore the credibility of the public health sector and the morale of doctors.

During the meeting Zuma expressed deep disappointment at the spate of negative reaction to the announcement that she would be recruiting doctors on government-to-government contracts to provide primary health care in underserved areas.

Her decision was motivated by the urgent need to attend to the current needs of both doctors and the community, following the unsuccessful advertising of numerous vacant posts for doctors in all the provinces.

She said the priority was definitely to improve the working conditions to make the public service more attractive to locally qualified doctors in the long term.

She assured the Masa delegation that the clinical competence of the Cuban doctors had been independently assessed by the interim National Medical and Dental Council, and the same procedure would be followed in respect of agreements with other countries.

Taxi task team maps out industry solutions

(332)

BD 7/12/95

Thao Ravans

FAR-reaching changes are contained in the interim recommendations the National Taxi Task Team will present to Transport Minister Mac Maharaj today for a more structured and economically viable minibus industry.

The team, formed by Maharaj in March to seek solutions to problems in the taxi industry, is an advisory task team which includes provincial representation of the taxi industry, all three levels of government and specialist advisers.

Key recommendations in the package, which will be presented to Maharaj in Johannesburg, include regulation and control of the industry, its restructuring into more formal business units or co-operatives, and economic assistance through a short-term "survival" package.

The team proposes

the development of a skilled and trained industry and improvement of labour relations and traffic safety.

Task team chairman Dipak Patel said the proposals were well considered solutions to the problems which beset the industry.

"We believe these recommendations can be implemented in the short term to lay the foundations for restructuring and sustainable long-term solutions." Because these were interim recommendations, an announcement would be made by Maharaj early next year.

Patel said violence was the most serious manifestation of problems in an industry which had been allowed to grow unchecked.

The hearings had yielded an overwhelming plea for government to intervene to put minibus taxi businesses on a development path.

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 R5bn 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.

Taxi industry may opt for co-ops

By THABO LESHULO

Johannesburg — Taxi co-operatives, similar to those used in agriculture, may be set up next year to restructure the minibus-taxi industry and return it to profitability.

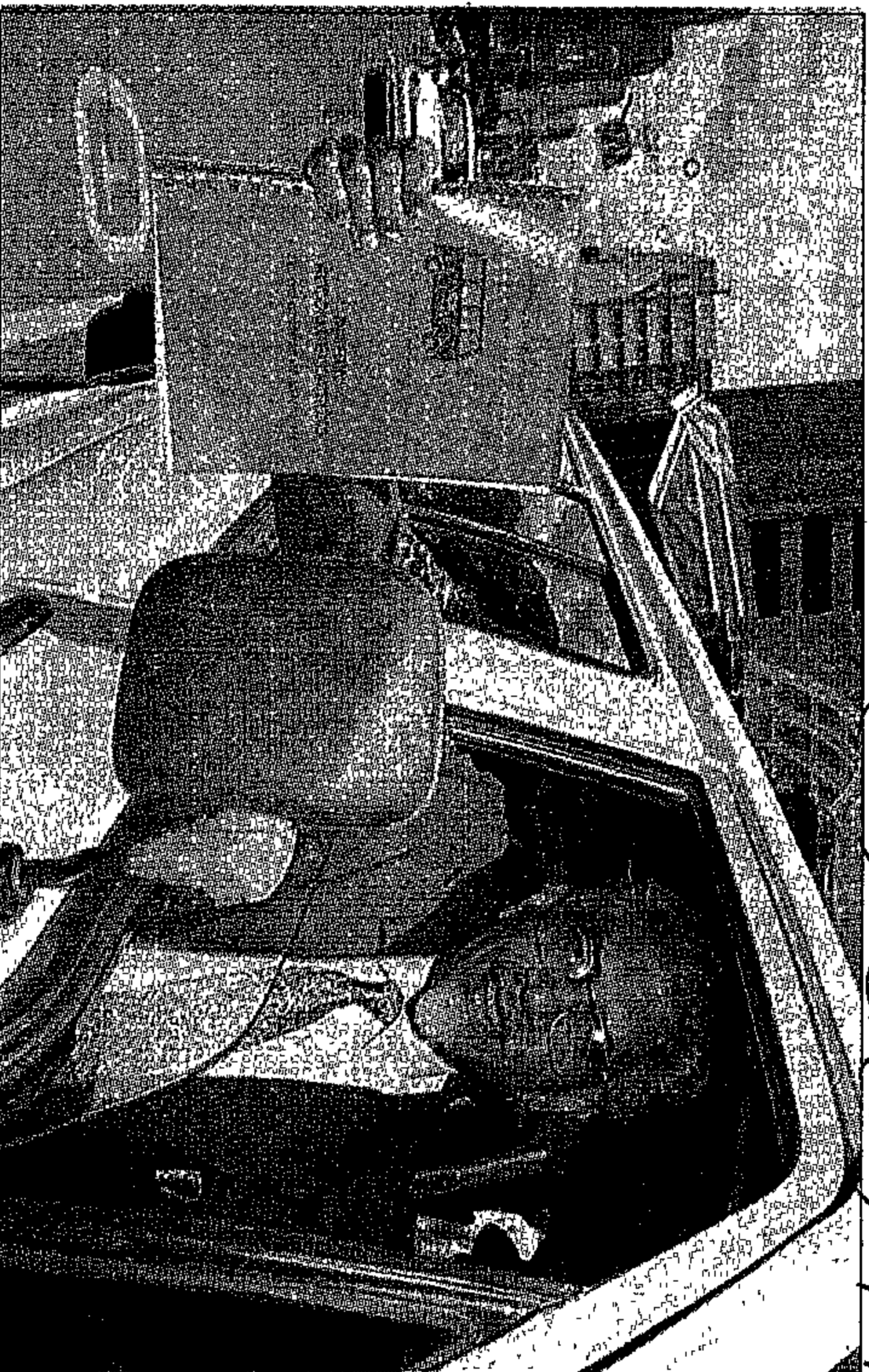
This and other key recommendations were handed to Mac Maharaj, the minister of transport, by the National Taxi Task Team yesterday.

The task team is an advisory group set up by the minister in March to investigate problems in the industry. It is estimated that there are at least 120 000 minibuses in South Africa, providing transport for 2,2 million passengers.

Dipak Patel, the chairman of the task team, said the industry should be structured into more formal business units or co-operatives. Such co-operatives would facilitate training and channel economic assistance to the industry.

It is hoped that the co-operatives will form the basis for the sound economic and business development of an industry which suffered neglect under apartheid.

Patel said taxi owners would continue to operate as individuals but would, as voluntary members of the co-operatives, enjoy a range of benefits, enabling them to reduce costs and increase their income.



DRIVING SEAT Mac Maharaj, the minister of transport, with the far-reaching interim report set to bring about changes in the minibus-taxi industry

PHOTO JOHN WOODROOF

"Individuals, through co-operatives, will also have a stronger bargaining position, allowing them to reap the major benefits of bulk-buying and enable them to draw from a pool of commercial expertise," said Patel.

It is proposed that the co-operatives provide the taxi operators access to economic assistance including:

- A financial guarantee fund to enable financial institutions to reduce the extraordinarily high

interest rate on taxis — usually 12 percent above prime;

- Insurance guarantees to reduce the risk banks associate with taxis, thus lowering their high premiums — up to 26 percent or R30 000 a year;

- Capacity building to equip and empower the industry to be professional and develop its own institutions;
- Taxi petrol facilities. At least 25 such facilities are to be made available countrywide;
- Direct purchase of vehicles from manufacturers to bring down prices — now as much as R120 000 for a minibus; and
- Capital grants for vehicle purchases to enable each co-operative to buy vehicles at auctions on behalf of its members.

Patel said the government should be involved in setting up the co-operatives and supporting them during the first two years.

The task team proposed that the government immediately implement a short-term survival package to put the industry on a sustainable footing. This should include alternative financial support mechanisms, with the emphasis on reducing input costs.

Other key recommendations call for the radical improvement of labour relations and safety standards, the establishment of provincial taxi offices and ending violence.

Accepting the task team's report, Maharaj said it would make a useful input to the government's draft White Paper on public transport to be released early next year.

Name
Co-ops

1 1

Taxi industry may opt for co-ops

By THABO LESHLIO

Johannesburg — Taxi co-operatives, similar to those used in agriculture, may be set up next year to restructure the minibus-taxi industry and return it to profitability.

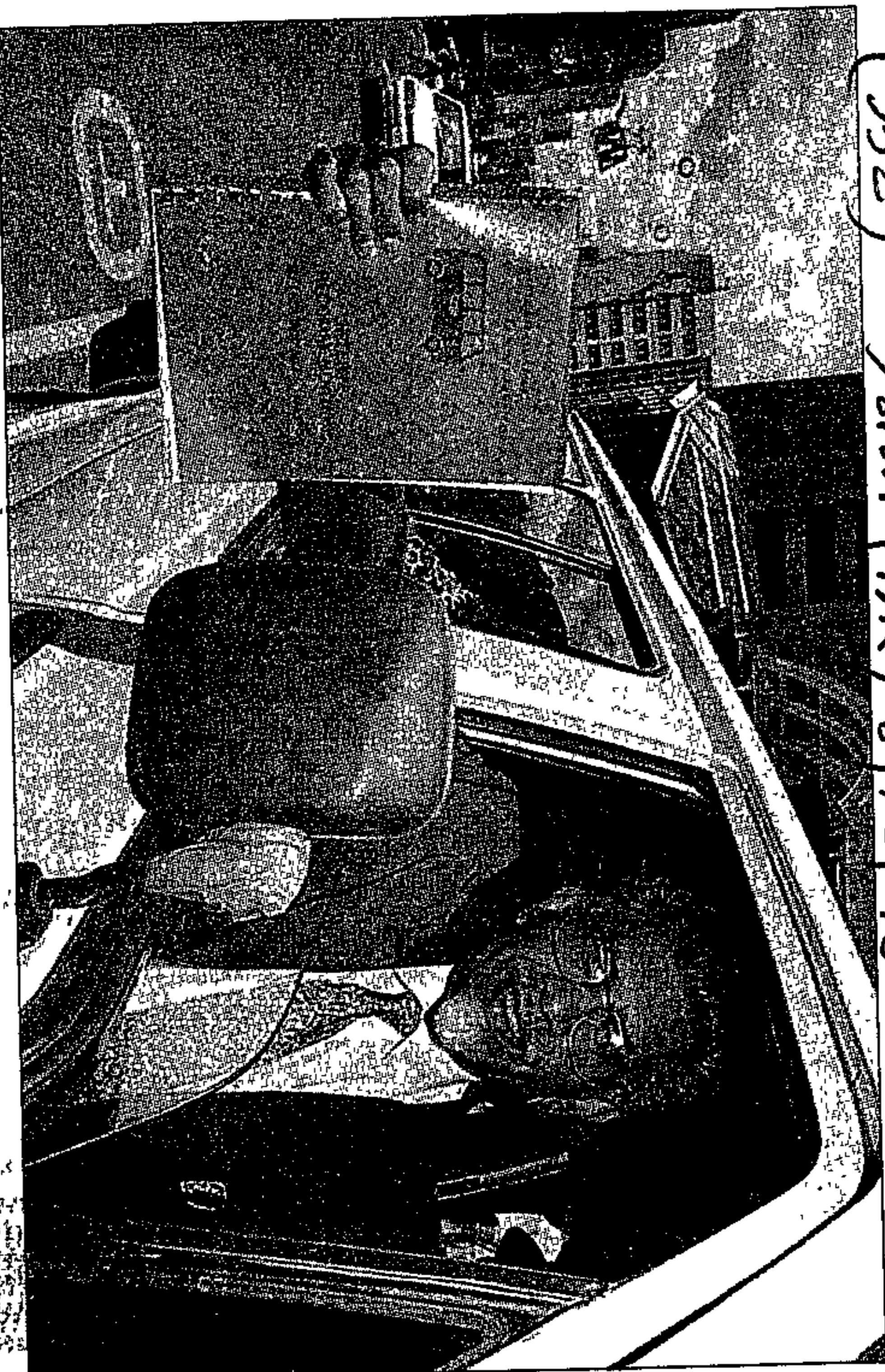
This and other key recommendations were handed to Mac Maharaj, the minister of transport, by the National Taxi Task Team yesterday.

The task team is an advisory group set up by the minister in March to investigate problems in the industry. It is estimated that there are at least 120 000 minibuses in South Africa, providing transport for 2,2 million passengers.

Dipak Patel, the chairman of the task team, said the industry should be structured into more formal business units or co-operatives. Such co-operatives would facilitate training and channel economic assistance to the industry.

It is hoped that the co-operatives will form the basis for the sound economic and business development of an industry which suffered neglect under apartheid.

Patel said taxi owners would continue to operate as individuals but would, as voluntary members of the co-operatives, enjoy a range of benefits, enabling them to reduce costs and increase their income.



DRIVING SEAT Mac Maharaj, the minister of transport, with the far-reaching interim report set for being about changes in the minibus-taxi industry

“(Individuals, through co-operatives, will also have a stronger bargaining position, allowing them to reap the major benefits of bulk buying and enable them to draw from a pool of commercial expertise,” said Patel.

It is proposed that the co-operatives provide the taxi operators access to economic assistance including:

- A financial-guarantee fund to enable financial institutions to reduce the extraordinarily high

- interest rate on taxis, usually 12 percent above prime;
- Insurance guarantees to reduce the risk banks associate with taxis, thus lowering their high premiums — up to 26 percent or R30 000 a year;

- Capacity building to equip and empower the industry to be professional and develop its own institutions;
- Taxi petrol facilities. At least 25 such facilities are to be made available countrywide;
- Direct purchase of vehicles from manufacturers to bring down prices — now as much as R120 000 for a minibus; and
- Capital grants for vehicle purchases to enable each co-operative to buy vehicles at auctions on behalf of its members.

Patel said the government should be involved in setting up the co-operatives and supporting them during the first two years.

The task team proposed that the government immediately implement a short-term survival package to put the industry on a sustainable footing. This should include alternative financial support mechanisms, with the emphasis on reducing input costs.

Other key recommendations call for the radical improvement of labour relations and safety standards, the establishment of provincial taxi offices and ending violence.

Accepting the task team's report, Maharaj said it would make a useful input to the government's draft White Paper on public transport to be released early next year.

(332) Star (Pr) 8/12/95

Govt partnership with taxi service to bring peace

(370)

Main aims are to regulate, formalise and subsidise the industry

BY MANDLA MTHEMBU

Nov 8/12/95

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 Dipak 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 Hillbrow hospital.

Two people died on the scene after unknown gunmen opened fire at a filling station controlled by the SA Long Distance Taxi Association (Saldta) on the corner of King George Street.

Police are investigating the possibility of revenge after last Tuesday's shooting at the Lehlabile Taxi Association-controlled Quartz Street rank where four people were injured. - Crime Reporter.

Two more drivers killed in taxi wars

Star 8/12/95 (332)

BY ANSO THOM AND NIKKI 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 (Saldta) at the Quartz Street taxi rank in the CBD resulted in a shooting in which one Saldta 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 Lehlabile 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 "hijacked" by Saldta members.

side story

Dinosaur egg is X-rayed at Memorial Regional Hospital in Miami, Florida, today. Scientist scanned 70-million-year-old egg.

MARKETS IN MOTION

Rand/dollar	3,6650 (+0,0005)
Rand /pound	5,6360 (+0,0118)
JSE Gold	1354,00 (+3,90)
JSE M	

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Stiffer sentences for taxi killers

By Joshua Raboroko

TRANSPORT Minister Mr Mac Maharaj yesterday recommended that stringent measures to be taken against perpetrators of taxi violence in a bid to stop the carnage that has claimed many lives.

Sowetan 8/12/95
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 Lethabile 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

(332) Jowetan
8/12/95

THE NATIONAL Taxi Task Team (NTTT), appointed by Transport Minister Mr Mac Maharaj nine months ago to probe problems in the taxi industry, has completed its work and has made far-reaching recommendations

These were delivered to Maharaj in Johannesburg yesterday. They are expected to create conditions for greater order and a more structured relationship between the Government and the taxi industry.

The recommendations are the culmination of 36 public hearings nationwide between August and December. Roleplayers included taxi associations, operators, drivers, passengers and government officials

In its 76-page report, the team proposed cooperation, peace and stability as the first step in making the industry viable.

As NTTT chairman Mr Dipak Patel put it "Violence in the minibus taxi industry is the most serious manifestation of problems in an industry which has been allowed to grow unchecked and which is therefore in a state of economic decline.

"The hearings yielded an overwhelming plea for the Government to intervene to put the taxi business on a development path, towards greater order, professionalism and profitability, and offering an improved standard of service to commuters in a well-balanced environment."

Patel said the recommendations were a well-considered solution.

"We believe they can be introduced in the short term to lay the foundations for restructuring and sustainable long-term solutions," he said.

The recommendations focus on three core issues: regulation and control, restructuring and formalisation of the industry, and economic assistance.

Regulation and control – which will return authority to Government – will occur through:

- A proposal that taxi operators and their associations be required to register with the authorities, with each province forming a provincial register of associations;

- A proposal that only permit holders will be eligible for registration. A permit should contain the owner's name and ID, vehicle number, chassis number, route description, a permit serial number and specify the number of passengers allowed;

- A proposal that taxi associations and their members adopt a standard constitution that contains a code of conduct and a disciplinary procedure;

- A conflict-resolution structure with three stages: conciliation, mediation and arbitration; and

- Regulating the present permit system, in

The National Taxi Task Team has made recommendations to end violence and make the minibus taxi industry more viable. **Joshua Raboroko** reports...



NTTT chairman Mr Dipak Patel ... violence in the taxi industry is the most serious manifestation of its problems.

which "illegal" taxis can be brought into a well-structured framework.

The NTTT also proposes that the taxi industry be restructured into more formal business units or cooperatives. This will ensure that training is available at all levels and will make it easier for economic assistance to be channelled to the industry. This approach will lay the basis for sound economic and business development of an industry which has been historically neglected.

Taxi owners will continue to operate as individuals but, as voluntary members of a cooperative, they will have access to a range of benefits which will enable them to reduce costs and increase their income.

Through cooperatives, individuals will also have a stronger bargaining position, allowing them to reap the benefits of bulk-buying. It is proposed that cooperatives provide access to the following forms of government help:

- A financial guarantee fund – to allow finance houses to reduce the interest rate on hire purchases of minibus taxis;

- Insurance guarantees – to reduce the risk associated with the minibus taxi industry, thus reducing insurance premiums;

- Capacity building – to equip the industry to professionalise and develop its institutions, and

- Taxi petrol 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 Maharaj would introduce most of the recommendations in order to bring peace to the industry.

Driving towards success

MTG (PMM) 8-14/2/95 (332)

Strong medicine, negotiated by all stakeholders, has been prescribed to salvage the taxi industry, reports **Karen Harverson**

THE embattled taxi industry may be on the road to recovery following the interim report of the National Taxi Task Team (NTTT) which was presented to Transport Minister Mac Maharaj yesterday.

The report's recommendations — which could cost the government some R200-million to implement over a two-to-three-year period — outline ways to salvage an industry which epitomises black economic empowerment.

With its estimated 40 000 players, the taxi industry has a capital base of about R15-billion in rolling stock — the most significant black ownership of assets in South Africa.

Three core issues — the regulation and control of the industry; restructuring and formalisation of the industry; and economic assistance — were identified as the most urgent by the NTTT which used a participative framework to include all stakeholders.

NTTT chairman Dipak Patel says the eight-month-long process, which cost some R3,5-million, included the holding of 35 public hearings throughout the nine provinces, from remote Karaman in the Northern Cape to densely populated Johannesburg.

"The hearings fulfilled a two-fold purpose — to ensure that the real issues affecting the people in the industry were heard, and that the findings had a high degree of support as a result of the widespread participation," says Patel.

The major thrust of the recommendations requires setting up co-operators in the industry. "Structures through which the government could channel assistance in an accountable way."

No individual or company would be precluded from becoming a member of a co-op which could form a base for bargaining power, and ownership of facilities which are regarded as economic



PHOTOGRAPH: HENNER FRANKENFELD

Taxi tribulations: Baragwanath taxi drivers hope for a better deal

inputs for the industry, such as petrol, tyres, parts, and maintenance facilities. In the same way co-ops regulated the once unsophisticated agricultural industry, so could the taxi industry be regulated with membership incentives used to bring players into the fold.

Some of the incentives being considered for co-ops are the awarding of 25 petrol licences — already set aside by government for such a purpose — as well as the setting up of a financial guarantee fund to carry some of the loan risk which forces financial institutions to charge taxi operators the highest interest rates in the business (11 percent above prime).

Similarly, an insurance fund could be set up to help reduce the high insurance premiums being charged.

"Once recommendations are in place to regulate and manage the industry, the risk perception of insurance companies of it is likely to improve, reducing the initial burden on government," explains Patel.

The amendment of existing permits and the withdrawal of certain permits will also be undertaken and an audit of all routes to determine capacity will be data captured. "We envisage vehicles becoming route specific and so numbered or colour-coded," adds Patel.

He believes implementation of some of the proposals could begin as soon as February 1996 following feedback from the Transport Ministry early next year.

"It is imperative that all players begin to develop the capacity requirements needed to implement these proposals successfully."



Mac Maharaj: Will provide feedback

Maharaj backs NTTT taxi peace plan

(332) 9112/95
9/12/95

JOHANNESBURG. — "Black empowerment" will be the ultimate benefit of implementing the National Taxi Task Team's interim recommendations. So says Transport Minister Mac Maharaj.

Mr Maharaj welcomed the recommendations, but highlighted the taxi violence as "one of the two remaining endemic sources of violence in South Africa".

He cited the example the taxi-related shooting in the Johannesburg CBD which left five people dead on Wednesday.

Two taxi associations are blaming each other for the deaths.

"The violence may occur elsewhere, but will originate in a contested route or rank. Power bases exist in the industry and are used as a form of control and as a means of enrichment by illegal means," the

NTTT wrote in its 76-page proposal document.

The NTTT saw the shift of power from a few operators to law enforcement agencies as an imperative in the search for a solution to the problem of violence.

Minibus taxis provide transport for 2.2 million people daily, making up just over 50 per cent of the country's commuter service.

However, the industry faced serious problems. It was not profitable, and this led to violent competition, lawlessness, poor wages and bad working conditions for drivers, compromised safety and service standards, said the NTTT.

Mr Maharaj established the NTTT in March this year to address the problems and during discussions the team realised there were a number of issues which could be addressed im-

mediately, said its chairman Dipak Patel.

The NTTT believed the industry needed the government recognition and also that assistance could not be channelled into the industry as it stood.

The team recommended a degree of formality be introduced to the taxi industry through a route-specific registration system.

Operators choosing to join registered co-operatives and amend their permits according to routes would also have access to a wide range of government assistance, said Mr Patel.

It was hoped the benefits co-operative members would have access to would serve as incentives for others to join, but even without membership all operators would be registered.

Information on routes, would be kept on computer and legislation would hopefully be

passed. Improvements in areas such as safety, dispute resolution and labour relations could and should be implemented soon, said Mr Patel.

He hoped minibus-taxi operators would be working with provincial registrars in order to police the industry.

Taxi operations qualifying for registration would have to adopt a standard governance containing broad governance measures, external auditing measures, a code of conduct, a disciplinary procedure, an appeal procedure, a grievance procedure and conflict resolution.

Permits would be amended to be route-specific.

"The minibus taxi industry demands a permit system that describes the operation that is actually being carried out by the holder and not a radius-based permit," said the NTTT.

A route-based permit would give legal operators the advantage. Membership of a co-operative would give access to a range of benefits.

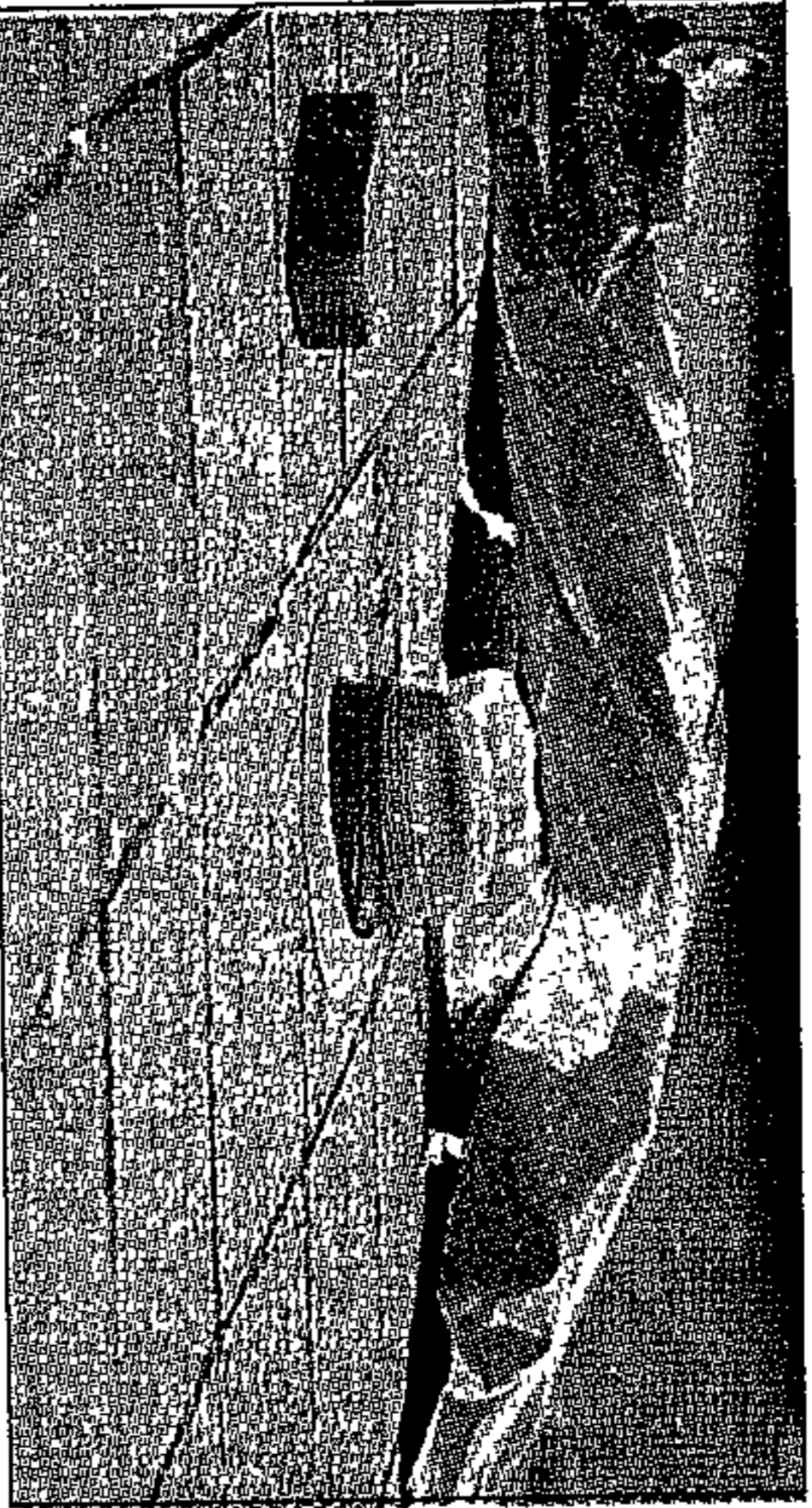
It would give the structural change needed to pump financial and educational assistance into a long-neglected industry, said Mr Patel. It would also give operators a better bargaining base.

Co-operatives would own or lease facilities including fuel installations, workshops and other service equipment. This would enable them to provide members with services at cost, especially because they would be able to buy in bulk.

Training in driving skills and business administration within the co-operative would mean the passengers received a better service and the drivers and operators a better vision of the service they were providing. — Sapa.

Police commissioner threatens to close Jo'burg taxi ranks if violence goes on

By TEFO MOTHIBELL and SAPA



TAXI TO DEATH: A victim of Thursday's Noord Street shooting lies in a pool of blood

PHOTOGRAPH: NATASHA PINCUS

Gauteng Police Commissioner Sharma Maharaj yesterday threatened to close down taxi ranks in Johannesburg if there was no immediate decline in the violence plaguing the industry.

In a dramatic move, the commissioner ordered the cordoning off of the Noord Street taxi rank from 2pm yesterday until 2pm today after the shooting earlier yesterday of a man at a shop near the rank. Three people were wounded. The order prohibits any vehicle or taxi from entering the rank.

In another development, police arrested three men and confiscated two 9mm pistols after searching a car in

Alexandra. The three allegedly said they were present at a shooting at a Hillbrow taxi rank.

Maharaj said rival taxi organisations "must act responsibly and get together in order to find lasting solutions to their problems".

If there were no immediate signs of the taxi violence abating, he would seriously contemplate using his authority to close all taxi ranks in Johannesburg.

One of the injured, said to be a Lehlable Taxi Organisation (LTO) member, is in a critical condition in Hillbrow Hospital. The attack came after the release on Thursday of recommendations by the national taxi task team aimed at stabilising the industry.

LTO spokesman Jacob Ledwaba said police were not present at the time of the shooting despite an agreement that they patrol taxi rank areas from 5.30am.

Police were patrolling the area and were on the scene within seconds, an SAPS spokesman said. But witnesses to the shootings had refused to co-operate with police, he claimed.

Two of the four victims of yesterday's shootings were connected to the LTO and the others to the SA Long Distance Taxi Association (Saldta). Five Saldta members were shot on Wednesday. Saldta members reportedly blamed the LTO, which has denied involvement.

Taxi organisation tells Shell to pull out – or else



TAXI WARS: General Abacha (above) and Shell under pressure

The Lehabile Taxi Organisation has given Shell a seven-day ultimatum to pull out of Nigeria or face a countrywide consumer boycott in South Africa.

The LTO has called on the country's taxi operators – and motorists – to boycott the oil giant if Shell does not meet the demand.

LTO spokesman Jacob Ledwaba said the decision was taken recently at a meeting in

Johannesburg attended by chairmen of the organisation's 49 affiliates. The move was aimed at ensuring the speedy withdrawal of Shell Nigeria from the west African country.

"They (Shell) should stop funding the military junta of Sani Abacha that is directly responsible for the substantial and systematic violation of human rights," said the statement.

"LTO joins calls by President Mandela, the Commonwealth and the broader international family of nations in expressing our unequivocal condemnation of Shell's financial support to General Abacha and his military regime.

"Our condemnation is directed at Shell, whom we have supported for years as an industry, but there is absolutely nothing Shell has invested in

our business.

"Instead, Shell is eager to financially support a regime that is oppressive and is responsible for the suffering of the Nigerian people."

Seventeen Ogoni civil rights activists had been arrested and charged with the execution of author Ken Saro-Wiwa, and eight others, the LTO added. Sapa

(332) Star 9/12/96

By JEFFERSON LENGANE

Too late for some

ep 10/12/95

332

TAXI VIOLENCE continues to throw spanners in the works of an ambitious interim report of the National Taxi Task Team (NTTT) containing recommendations aimed at curbing the scourge and making the industry sustainable.

The unabated violence prompted the Gauteng provincial police commissioner to issue a written instruction that the Noord street taxi rank in Johannesburg be cordoned off. The order, which was issued in terms of the new Police Act, was effective for 24 hours - from 2 pm on Friday to 2 pm yesterday.

On Wednesday, the eve of NTTT's presentation of its interim recommendations to Transport Minister Mac Maharaj, gunmen in a white Toyota Cressida opened fire on taxi operators who had parked their mini-buses at a filling station on the corner of Wolmarans and King George streets at 6.30 am.

Two drivers belonging to the South African Long Distance Taxi Association (SALDTA) were killed in the incident. Three were injured, one seriously, and taken to hospital.

On Friday at 6.45 am, about 20 hours after presentation of the recommendations, one person was killed and three others were wounded in taxi-related violence.

The incident occurred in the vicinity of Quartz street taxi rank, Gauteng media liaison officer Captain Azwinnidini Nengovhela confirmed.

Later, around 7.45 am, an unknown man was shot in front of shops in Klein street near Noord taxi rank. He is reported to be in a serious condition.

Quartz and Noord taxi rank has been a field of running battles between SALDTA and Lethabile Taxi Organisation. Ironically, both joined other stakeholders in the taxi industry in welcoming the recommendations as a step in the direction of curbing taxi violence.

The recommendations, resulting from 35 public hearings over a period of two and a half months, were presented to Maharaj on Thursday in Johannesburg.

They were immediately welcomed by SALDTA, LTO, Southern African Black Taxi Association (SABTA), South African Taxi Drivers Union (SATDU) and the South African Commuters Organisation (SACO) in separate interviews with City Press.

Accepting the recommendations, Maharaj commended the taxi operators for their "significant compromises".

Presenting the interim recommendations, NTTT chairman Dipak Patel said the industry had been allowed to grow unchecked and was therefore in a state of economic decline.

"The hearings have yielded an overwhelming plea for government to intervene to put the industry on a development path towards greater order, professionalism, profitability and offering an improved standard of service to commuters."

The recommendations focused on three core issues: regulation and control; restructuring and formalisation of the industry; and economic assistance.

Regarding allegations that there are some officials in public and civil service who have vested interests in the industry and are thus hampering impartial resolution of problems, Patel said they should be given "a final option to either remain in their jobs or enter the industry."

Jubilation at Sun Air sell-off

By Audrey D'Angelo

Cape Town — Some stakeholders are delighted while others are furious over the government's new strategy for partial or complete privatisation of some of its prize assets.

A jubilant Johan Borstlap, the managing director of regional airline Sun Air, predicted rapid growth for the airline once it is privatised and controlled by investors who understand the industry.

Borstlap said he was "very happy—over the moon" after the announcement last week that Sun Air would be among the first government assets to be sold off.

Deputy President Thabo Mbeki unveiled a three-tier strategy on state assets: some firms such as Sun Air, Transkei Airways and Autonet would be sold off entirely; others such as Spoorneet would be kept but restructured to become more efficient, and a third group, including SAA and Telkom, would form alliances with private partners who would invest but not take control.

SAA chief executive Mike Myburgh also expected faster growth through investment in SAA by "a suitable partner", which he said would help his airline bring more tourists to this country.

"Naturally all stakeholders will need to be engaged in discussion of the matter. The selection of a suitable partner, and determining the degree and timing of their invest-

ment requires detailed study, but this decision now gives the airline the green light to start the process.

"The key advantage to SAA is the growth opportunity and the chance to improve SAA's contribution to tourism. Coming as it does with the enlargement of the fleet, it also gives the staff new incentives."

SAA will sign an agreement next week for increased co-operation with German carrier Lufthansa. The alliance will enable both airlines to make maximum use of aircraft and give them joint purchasing power.

But other parastatals were less forthcoming. Company spokesmen for Spoorneet and Portnet said it was too early to comment.

Bitter

Autonet's chief executive, Jan Venter, who is currently overseas, told Business Report earlier this year that he expected it to be privatised. Venter returned Autonet to profitability this year.

A number of trade union federations complained bitterly that they were not consulted on the strategy, and warned that they would not allow the government to force privatisation down workers' throats.

A showdown meeting between the ANC-led government and the main union federations was scheduled today in Johannesburg.

Sun Air, which was formerly Bop Air, has already achieved rapid

growth since it started trading under its present name in May 1994. It made an after-tax profit of R2 million in the past financial year.

As Bop Air, its main business for 14 years was ferrying tourists between Johannesburg and Sun City. Now it offers 142 scheduled flights a week and is popular with business travellers on the Cape Town to Johannesburg and Durban to Johannesburg routes.

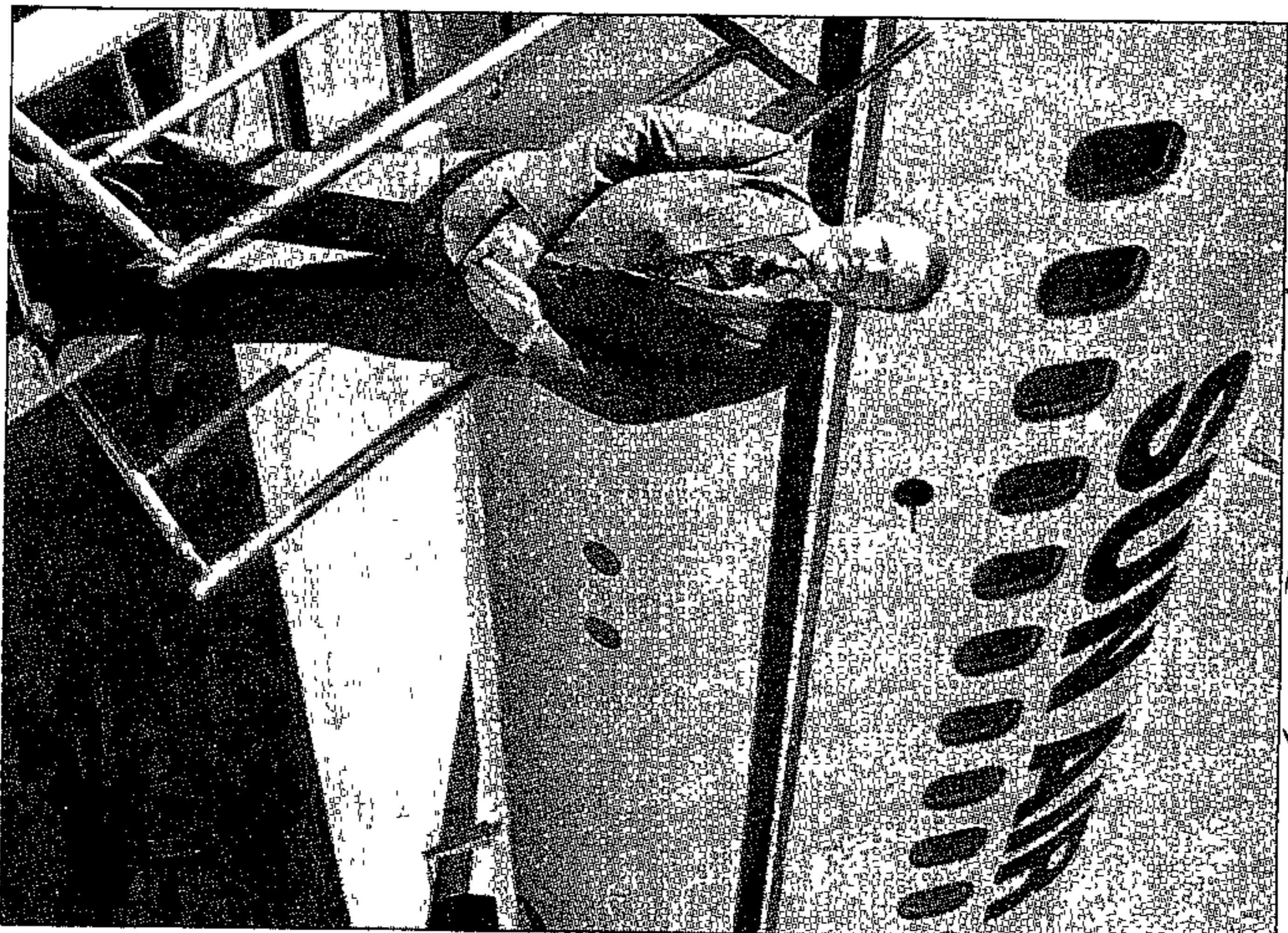
Borstlap said it was already planned to introduce a service between Cape Town and Durban early in the New Year, "completing the golden triangle."

Its three return flights a week between Sun City and Victoria Falls were "showing enormous growth". He expected demand to grow even faster in the coming year "because now the foreign tour operators are showing it in their brochures."

Borstlap said he expected shares in Sun Air to be allocated to all the airline's 320 employees, 50 percent of whom were black.

"Until now Sun Air has been like an orphan. The government inherited it from the former government of Bophuthatswana without really wanting it. When we are in private hands I expect tremendous growth. The sky's the limit."

Sun Air's Dirk Ackerman said in September that he thought the airline was "worth about R60 million as it stands now but we could push it up to R80 million."



FLYING HIGH Sun Air's managing director, Johan Borstlap, is 'over the moon' about the government's decision on privatisation

ET(BR) 11/12/95

332

New quest for peace as taxi death toll rises

(332) Stan 11/12/95

Police blockade closes off busy central-city ranks after latest round of shootings

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.

Lethabile Taxi Organisation spokesman Jacob Ledwaba said. "We need to involve everybody in order to achieve success," while Gauteng police commissioner Sharma 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.

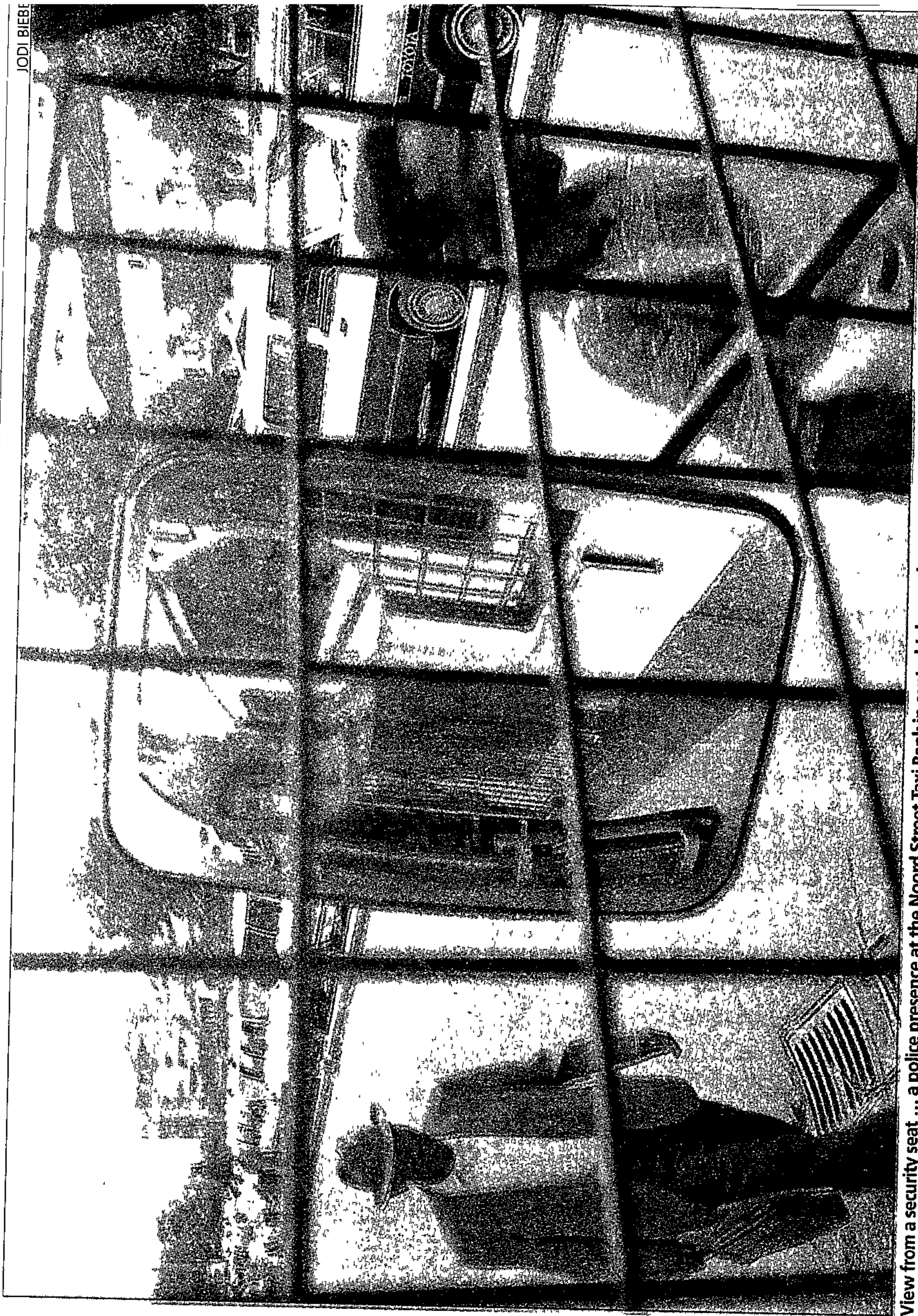
The Johannesburg shooting near the Quartz Street taxi rank involved members of the Lethabile Taxi Organisation and the South African Long Distance Taxi Association.

Three men with two 9mm pistols, suspected of being stolen, were arrested in Alexandra hours later.

Police spokesman Capt Azwindini Nengovhela 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.



JODI BIEBE

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.

MOTORIST USING RESTRICTED LANE FACE R50 FINE

Bus, minibus lane on N2 open

DESPITE MISGIVINGS by bus drivers the new bus and minibus lane on the N2 freeway was officially opened yesterday. Motorists using the lane during restricted hours face a R50 fine.

THE bus and minibus taxi lane on N2 was officially opened by local Transport Minister Mr Leonard Ramatlakane yesterday.

The lane, for the exclusive use of buses and minibus taxis during peak periods only, is on the N2 from Vanguard Drive to Raapenberg Road which in recent years has seen some of the worst traffic jams.

Motorists who use the lane during restricted hours face a R50 fine.

But there is little to cheer about for ordinary motorists as they are still likely to face heavy traffic.

"This is the beginning of a long process where we prioritise public transport over private vehicles. This is just the beginning of many more such initiatives in the Western Cape," Mr Ramatlakane said.

Most buses and minibus taxis took people from the disadvantaged areas of Cape Town and carried as many as 50% of daily commuters on the N2 in spite of making up a relatively small percentage of the traffic volume, he said.

"This shows the benefit of having an effective public transport system."

A national pilot project, the new scheme allows buses and minibus taxis to use one of three lanes, the one closest to the centre, usually reserved for the fastest traffic. It is known as a BMT lane, and now applies on the in-bound lane to the city centre between Vanguard Drive and Raapenberg Road, from 6.30am and 9am.

Should it prove successful, it will be implemented on the outgoing lane as well. Despite its enthusiastic launch, it has already run into problems with one of its main beneficiaries, bus drivers.

The president of the Transport and Omnibus Workers' Union, Mr Mogamat Soeker, says his members have reported serious misgivings.

The BMT lane is in the wrong place, he feels. It should have been the lane closest to the outer edge of the road, and not the one nearest the centre.

"When it comes to on-ramps and off-ramps, our members are going to have a tough time negotiating across two heavy lanes of impatient and frustrated motorists to and from the BMT lane. We need to educate motorists first to allow public transport the right of way."

"And because that will take a long time, we are calling for legislation to enforce it. But the wheels of government move slowly, which means that we could see many more snarl-ups and accidents." — Staff Reporter

(332) 2712/12/95

332
See me on 14/12/95

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 set up either on local, provincial or national levels.

A representative of the taxi industry, Mr José 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

(332)
Stow 15/12/95
BY MANDLA MTHEMBU

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 Phali 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

FM 15/12/95
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 de-



Putco chairman Albino Carleo . . . limited room to manoeuvre on pricing

partment 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

Star 16/12/95 (332)
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 Saldta member was shot at.

Two passengers, a man and a woman sitting in a Letlhabile Taxi Organisation taxi, were also injured.

Some minutes later, the witness said, a man shot randomly at pedestrians behind the Af-

rican 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

(332) (2/19)
Future of Sun
Air uncertain

Mungo Soggo

BD 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 R60m 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.

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(332) (339)
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Taxi drivers protest outside parliament

ARG 20/12/95
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. (332)

Solutions sought for industry at war with itself

(332)

Amid the violence and friction, a year of initiatives to bring about more stability and control

Star 20/12/95

By MANDLA MTHEMBU

Murder. Mayhem. Chaos. This is how the situation in the taxi industry could be described.

Although 1995 has been the worst year for this embattled industry - with conflicts between rival associations claiming many lives, including innocent commuters - there is some hope, following proposals by the Government to end taxi wars.

Since 1987, and gaining momentum in the 1990s, taxi violence has become part of everyday life, leaving broken families and a cycle of revenge in its wake. The reasons are complex and are rooted in a myriad socio-economic influences.

Various economic and political policies, including a period of extreme government intervention, have been applied to the sector.

In 1986 a seemingly viable solution emerged when the Government adopted a policy limiting its economic activity in relation to

the provision of goods and services. Deregulation of the transport industry followed, which gave rise to the taxi industry.

The industry provides manufacturers of minibus taxis (Toyota, Volkswagen, Samcor, Nissan) with an annual turnover of about R50-million. It also accounts for

The business has become victim of its own success

almost 10% of all petrol sales, consumes 3,5 million litres of oil each year and requires R220-million worth of vehicle tyres. With its estimated 40 000 operators, the industry has a capital base of about R15-billion in vehicles - the most significant black ownership in SA. But, sadly, the industry has become the victim of its own success

GAUTENG WRAP-UP: TAXI INDUSTRY

and is barely viable. Hundreds died as the disputes between associations continued. Angry commuters, many of them caught in crossfire, often threatened to boycott taxis or take the law into their own hands.

Disputes between taxi bodies have often dragged on unnecessarily because one or other would refuse to attend meetings. The Soweto Taxi Association and the Soweto Taxi Service have now buried the hatchet, but the SA Long Distance Taxi Association and Lehlabile Taxi Association are still at loggerheads, apparently over the use of the Quartz Street park - scene of recent shootings.

One of the contributory causes of taxi-related violence is the lack of adequate policing. In some cases, it is claimed, SAPS members own taxis belonging to particular associations and use their

positions of authority to undermine rival associations.

Throughout the year the Government and the industry have sought answers; handing control to provinces, to find focused solutions, was one result. The Gauteng government and taxi bodies launched the Gauteng Taxi Initiative in June.

Of the 23 issues identified by the GTI as needing urgent attention, regulation and control were described as the most important. Solutions to many other problems such as illegal operators, overlapping permits, and taxi associations' registration and recognition were also proposed.

To show its commitment to resolving the taxi crisis, the Government recently forged a partnership with the industry. The National Taxi Task Team (NTTT) presented its interim recommen-

dations, which are designed to bring about a "more structured and economically viable industry", to Transport Minister Maharaj.

A delighted Maharaj promised an announcement early next year on which of the interim proposals would be implemented. The recommendations could cost the

Solutions to many problems proposed

Government about R200-million to implement over a two to three-year period.

The proposals focused on three core issues: regulation and control, restructuring and formalisation of the industry, and economic assistance. NTTT chairman Dipak Patel

said the recommendations could be implemented in the short term to lay the foundations for restructuring and sustainable long-term solutions.

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-operators that would be eligible for financial assistance, not subsidies, from the Government for the first two years of operation.

Other regulatory measures in the proposals include disciplinary procedures, a code of conduct, numbered routes and corresponding numbers displayed on vehicles, and withdrawal of permits for drivers using routes not allocated to them.

In a nutshell, 1995 has been a year of identifying problems and suggesting solutions. So 1996 should be a year of action and implementation - and, hopefully, peace on the taxi routes.

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The Star ... Wednesday December 20 1995

NATASHA PINCUS



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

(332) Star 20/12/95

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, 15 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, 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 smashes, 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 passenger

“
**He has
seen the
bodies,
dodged
the bullets**
”

next to him who collects the R2 fare that each passenger voluntarily passes forward, and deposits in the ashtray.

Swing on to the highway, push up the speed to 100 until a voice from the back mutters "O'Connor Road", and Esau hurls 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 Olaus 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 R700 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 R1 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

“
**There
are about
50 000
pirates
out there**
”

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.

Taxi men vow to fight for rights

JERMAINE CRAIG
Staff Reporter

MINIBUS taxi operators say the government and police are failing to protect them from intimidation and they are prepared to fight for their rights.

This was the message from about 60 Codeta-affiliated taxi drivers and Lincross taxi associations who protested outside Parliament yesterday.

The protesters demanded to see Justice Minister Dullah Omar but instead met department officials.

The Codeta drivers alleged that they were being intimidated by a rival taxi organisation, Cata, on the routes from Khayelitsha to Mowbray and Wynberg.

Codeta said police were not offering them protection at the Wynberg and Mowbray ranks.

The Codeta drivers also called for ranking facilities in Khayelitsha.

Spokesman Howard Dyubeni said: "Our grievances are with the government itself. It does not care about the black people in the taxi industry. Police are also failing to protect us from hooligans who intimidate people operating in those ranks. We have licenses to operate there. We are demanding that the police monitor the ranks. Is that so difficult?"

George Metfield of the Wynberg police said the taxi problem was being addressed and more patrols were being put in place in the Wynberg area.

Inspector Metfield said the taxi drivers had approached the police with their grievances and a crime prevention unit had been placed in Wynberg near the taxi rank.

He added that the Internal Stability Unit had moved in and a Casspir was in place at the rank.

21/12/95

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IFP MP Themba Khoza addresses journalists at a news conference in Johannesburg yesterday on the violence gripping the taxi industry. Picture NICKY DE BLOIS

Teachers will be replaced by locals

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Regarding the fact that about
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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 discover-
ed 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," Sehume said

IFP calls for decisive action to end taxi wars

Theo Rawana

332

BD 21/12/95

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 Themba 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 indeci-
sive on who should occupy what rank that there were
duplications in allocation of the facilities.

Transport MEC Olaus van Rooy was at pains to
show that he was not following the policies of the old
regime. "And this he is doing at the expense of the
law. Government needs to have a firm hand in en-
forcing the law," Khoza said.

He was aware that national and provincial gov-
ernments were working on plans for the overall im-
provement of the lot of the taxi operator, and thereby
the ending of violence. "But those are long-term
plans. People are dying now, and we need to do some-
thing about that," Khoza said. "The provincial gov-
ernment needs to have an interdepartmental com-
mittee" for liaison purposes, he said.

The IFP had received proposals from the SA Long
Distance Taxi Association, and its meeting with the
Lehlabile Taxi Organisation yesterday would contin-
ue today. A meeting with the Federated National
Transport Organisation would be held later.

The provincial transport ministry could not be
reached for comment yesterday.

MEETINGS

Language group set up

Wynndham Hartley **BD 21/12/95**

CAPE TOWN — Language intolerance in SA has led Arts, Culture, Science and Technology Minister Ben Ngubane to establish a task group to advise him on language matters and to urgently prepare a language plan for the country.

Ngubane, who announced the formation of the "Langtag" yesterday, said that in past months it had become clear that there was a tendency towards "unilingualism" in the country which was contrary to the multilingualism provisions of the constitution.

He said there was growing criticism of unilingualism and a lack of tolerance of language diversity.

All South Africans, he said, should have access to all spheres of society through the language of their choice. African languages which were marginalised in the past should be elaborated and maintained. These issues were aspects of the national language plan, he said.

Langtag will be headed by Western Cape academic Neville Alexander.

Ngubane said that, because of the urgency of developing a language plan, the task group had been asked to report before the end of July next year.

SA travel industry represented at mart

Theo Rawana **(332) BD 21/12/95**

THE SA tourism and travel industry would get exposure to the 420-million people of the seven-nation grouping, the Association of South Asian Nations (Asean), at a travel mart in Kuala Lumpur, Malaysia, in March, SA Travel Mart organisers said at the weekend.

The event — presented by consultant Marketing Resources and held under the auspices of the SA high commission in Malaysia and Malaysia Airlines — would be held in Kuala Lumpur on March 20, said Marketing Resources co-ordinator B P Tan.

It was the second in a series of travel marts to bring the SA and Asian travel industries together in a convenient one-stop session.

The inaugural mart held earlier this year attracted more than 60 buyers.

"The mart features business exchange sessions at which sellers representing different parts of SA will showcase quality travel products and services to a select group of buyers from most of the Asean member countries," said Tan.

At the mart, to be held at the Concorde Hotel in

Kuala Lumpur CBD, each seller would meet individually with a buyer in a private one-on-one session at intervals of 10 minutes each. "The business sessions are strictly for registered sellers and buyers," Tan said.

He said the Asean region's economy was expected to grow by 7,8% with Malaysia, Vietnam and Thailand leading the way, followed closely by Singapore and Indonesia.

The seven-nation grouping had a burgeoning market of 420-million people enjoying vibrant economic growth and increasing levels of prosperity.

Tourists

"Against a backdrop of eight consecutive years of high annual growth averaging 8,9%, the Malaysian economy is expected to repeat its strong growth next year with an 8,5% increase," Tan said.

In terms of purchasing parity, Malaysia's per capita income was estimated at \$1 328 this year; an increase of 14,2% over 1994.

He said about 18-million outbound trips were made each year against an estimated population of 20-million.

Malaysians would spend \$1,87bn on overseas travel, he said.

"With the forging of special political, economic and cultural ties between the governments of SA and Malaysia, as well as the latter's policy of promoting south-south alliances, it is intended that Kuala Lumpur will become the leading Asian gateway to southern Africa," Tan said.

Business Day



IFP MP Themba Khoza addresses journalists at a news conference in Johannesburg yesterday on the violence gripping the taxi industry. Picture NICKY DE BLOIS

Teachers will be replaced by locals

BD 21/12/95 (Handwritten initials)

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MEETINGS

IFP calls for decisive action to end taxi wars

Theo Rawana (332) BD 21/12/95

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Transport MEC Olaus van Zyl was at pains to show that he was not following the 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 those 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 Lehlabile 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.

Plot to assassinate top officials thwarted, taxi group claims

332 Nov 21/12/95
BY MANDLA MTHEMBU

The Lehlabile 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.

Commending the SAPS, 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 assassins."

An SAPS spokesman yesterday said police would investigate the assassination plot allegations.

Taxis account for one in four deaths

(332) Star 23/1/95

Minibus taxi accidents contributed to 26% (136 deaths) of the 524 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 Cata 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 (332) ST(M) 24/12/95

Simmering taxi rank violence

ARL 28/12/95

(332)

□ Committee reports on last month's 'incidents'

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 re-

lated 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/Delft 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 slittings 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 80 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 blockaded 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

Robyn Chalmers

332
BO 28/12/95
THE first two phases of the R3bn 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 Rissik 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 Raikin 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.

In early January, 500 community health workers will be trained in basic

handed over to the district authorities in April.

Taxi bodies show willingness to work for peace in new year

(332) BD 28/12/95

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 Lethlabile 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.

Saldta 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 Pietersburg's Indian Centre taxi rank was used by taxis and drivers from Saldta, 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.

Saldta'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

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29/12/1985
Threat to

taxi peace

(332)
THE peace pact 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.

Saldta'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 Pieke said police would act against LTO if violence erupted due to their move.

Minister awaits SAA posts probe

170 1/11/95 (269)

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 SA 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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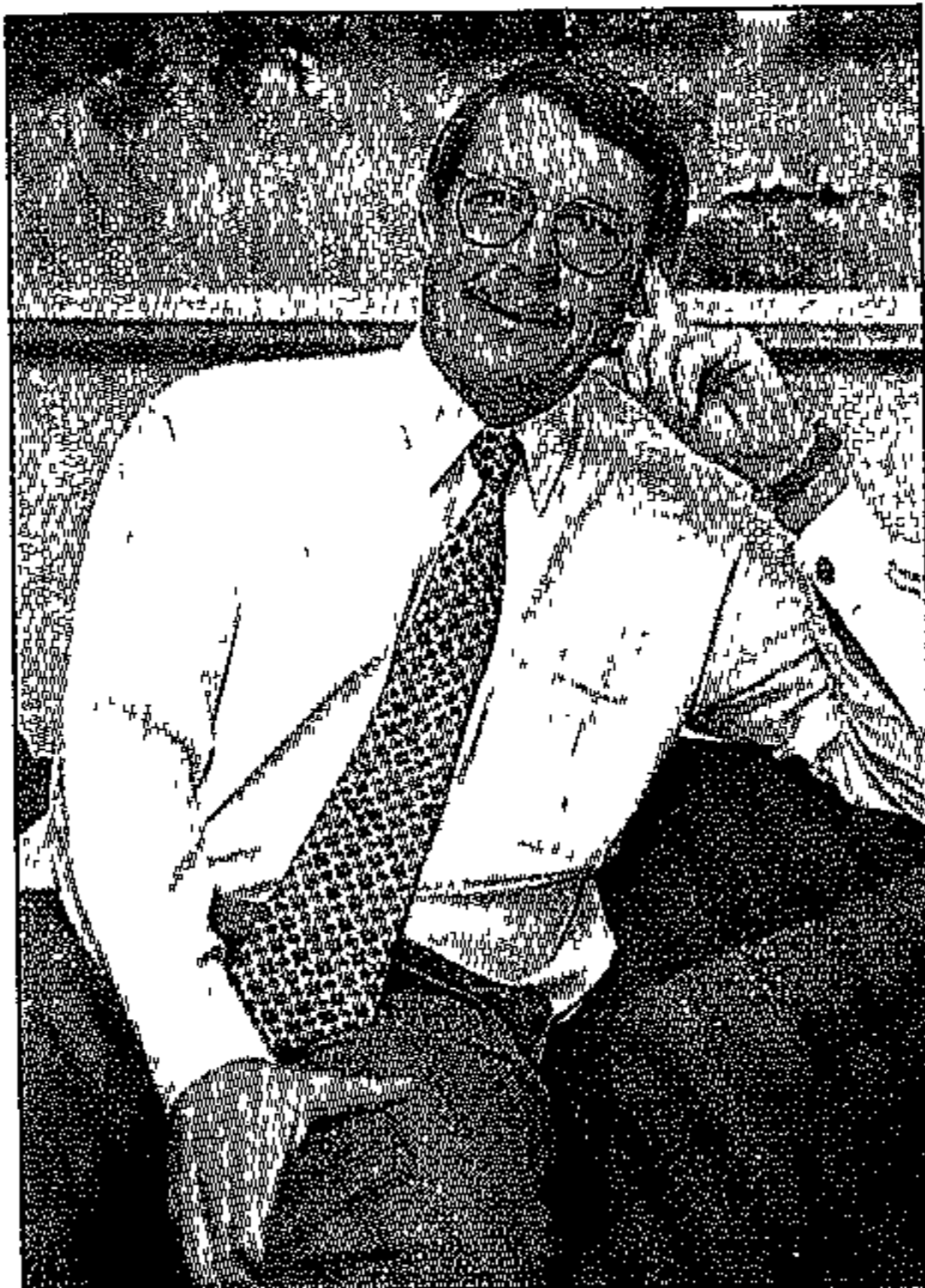
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It was too much of a...



Burger . . . bold decisions must be taken now

The decision to go ahead will be based on a geotechnical report giving the nod for housing to be built on a large, dolomitic area;

- Extending the Khayelitsha line and the Bellville-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 Orange 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 consulting 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 operational budget."

Until the lengths of the lines have been determined and engineers have mapped out where they will be laid, he can only estimate the total cost — several hundred million rand.

"We will need approval from government, represented by the Minister of Transport. 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-

TRANSPORT (269)

Expansion on track

RM 3/11/95
SA Rail Commuter Corp is to spend R2bn refurbishing its fleet of 4 500 coaches. It is also about to call for tenders for six commuter trains to be paid for with a US\$60m loan from the Japanese government

And MD Wynand Burger says adding 12 new lines to the suburban infrastructure serving townships is under consideration.

The drive to improve services and infrastructure will take place over 10 years.

Possibilities being investigated include:

- Extending the Daveyton line to Etwatwa on the East Rand and the Tembisa one through a loop linked to the Johannesburg-Pretoria line;
- Building a track between KwaThema and Vlakfontein in Springs;
- Extending the Katlehong line which ends at Kwesine Station by 9 km to Zonkeziwe.

BUSINESS

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 R118m.

With this noose 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 p:e basis. Of all Transnet's businesses, Portnet has the best track record. If sold it could attract a relatively high p:e.

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 co-operation 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 arise. 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.

Gerald Hirshon

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 extinct, replaced largely by the airliner. 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 promotions 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 dancing 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 Hirshon

WILLEM STEENKAMP

Staff Reporter

IN a major expansion programme, South African Airways has signed a deal for nine new Boeing aircraft at a cost of R3,5 billion.

The deal includes seven Boeing 777-200s and two Boeing 747-400s. The first aircraft will be delivered in 1997. SAA also announced it had bought separately a second-hand Boeing 747-300.

As an added bonus, SAA managed to convince Boeing to commit both itself and the engine manufacturers to placing RDP-friendly offset contracts of R2,8 million — 80 percent of the total purchase price — in South Africa.

The deal is the biggest in the airline's existence and SAA also is poised to continue its expansion programme by buying more aircraft next century.

Announcing the contract in Johannesburg yesterday, Minister of Public Enterprises Stella Sigcau said the increase in passenger and cargo growth of more than 20 percent, as well as the need to replace some of the older aircraft in the fleet, had put pressure on the airline.

"It was a pre-condition that the successful suppliers make a contribution to projects in South Africa in the spirit of the RDP. The offset orders will provide a significant contribution to the RDP through training opportunities and other benefits to various

■ South African Airways is spreading its wings worldwide with a R3,5 billion fleet expansion programme.

industries and communities.

"These aircraft will be major earners of foreign exchange and will allow SAA to further improve its service to passenger and cargo clients. They will be of major importance to the development of new job opportunities in operating and maintaining these aircraft," said Miss Sigcau.

The three largest civil aircraft manufacturers — the Boeing Company, Airbus Industrie and McDonell Douglas — were asked to put forward proposals for the expansion and renewal programme of SAA.

Boeing was chosen and this means the company will be, in all probability, also the supplier of new aircraft after the year 2000.

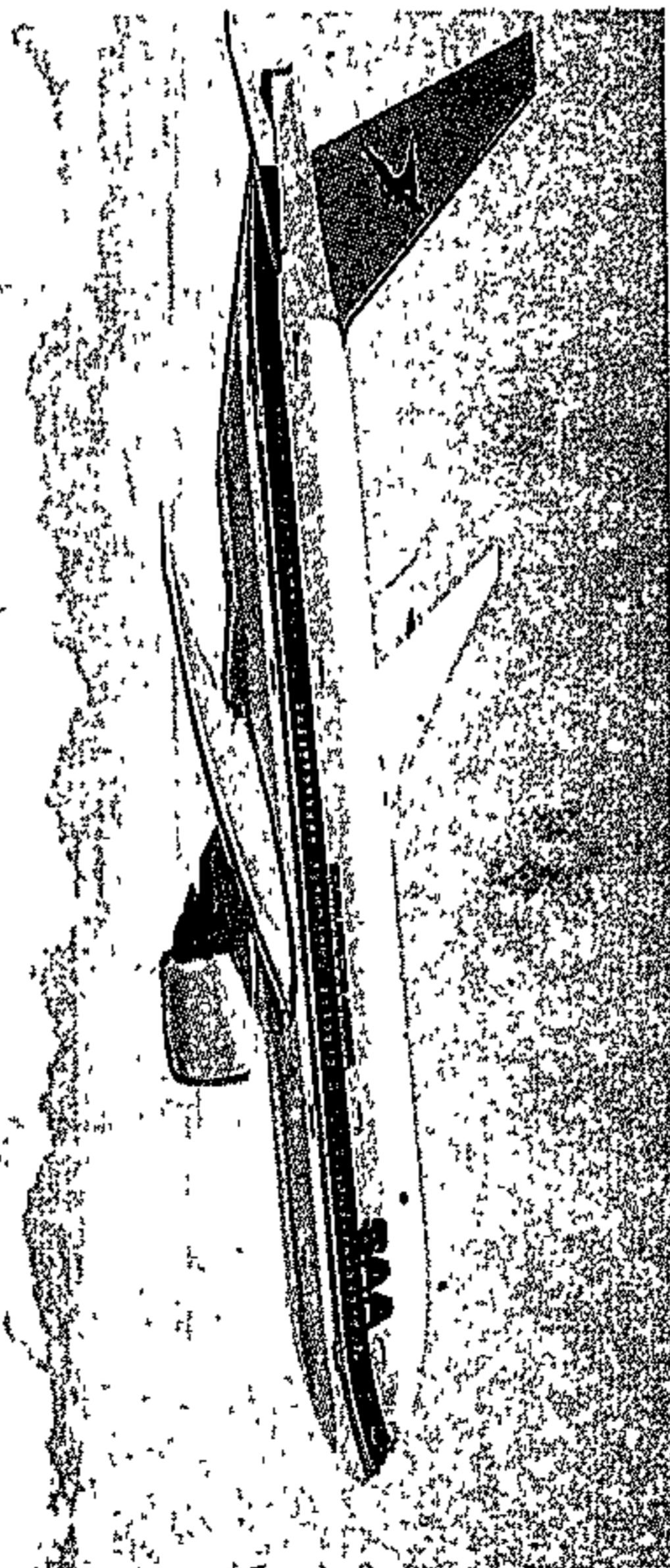
The suppliers of the engines that will power the new aircraft will be selected later this month. Three manufacturers — General Electric, Pratt and Whitney and Rolls Royce — will compete for these contracts, but it is believed Rolls Royce may get the nod because of its close connections with local industry.

The Boeing 777-200s will be used mainly on the Europe and the Far and Middle East routes, while the two Boeing 747-400s will be used on routes to the United States and London.

SAA in R3,5 bn deal for seven new Boeings

(269)

ARG 4/11/95



□ FLYING HIGH: One of the seven Boeing 777-200s bought by South African Airways in a R3,5 billion expansion programme.

Big-spending SAA going for Boeings

ST(BT) 5/11/95 (269)

By ROGER MAKINGS

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 Dou-

glas 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, Stella Sigcau, 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 contribu-

tions for training programmes, the amounts payable by Boeing and the engine manufacturers would be about R100-million, Ms Sigcau 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 underserved urban areas.

Gatwick link clinched

(269) ST (BT) 5/11/95

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

By **MARCIA KLEIN**

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 would charter the flights from Caledonia and market them to travel agencies and tour operators. It is already supported by Thompson Tours and Ned-travel-American Express.

Boeing to back RDP after SAA's jet order (2b9)

ET (BR) 6/11/95
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 R2,8 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 and Middle 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. at

BD 6/11/95

torneys 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 aid 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 R55m in contingent liabilities for claims not yet disposed of, Loots had 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.

Boeing wins contract for SAA's R3,5bn fleet upgrade

Stephané Bothma

BD 6/11/95

(269)

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 Stella Sigcau announced on Friday.

This is SAA's largest single order in its 61-year history and includes two Boeing 747-400 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 80% of the contract constituting R2,8bn, Sigcau 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 R110m.

Initial financing for the aircraft will be from Transnet — a minimal down-payment — but further predelivery finance will be negotiated with the US Export-Import Bank and other SA and international banks, Transnet chairman Anton Moolman said.

Sigcau said the new aircraft would be major earners of foreign exchange and of major importance to the development of new jobs 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 in 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 Industrie 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

(269)
BY AUDREY D'ANGELO

Star 6/11/95
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 R2,8 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 and Middle 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.

La Mercy (269) revisited

Nicola Jenvey

BO 10/11/95
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 Nhlanhla 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 included 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 coordinator Wally Meyer said the city had an advantage with developing La Mercy, because the site had been bought in the '70s and several million rands' 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 (269)
FM 10/11/95

Seattle smiles

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\$850m, 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 FM'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 Spoor-net's unimaginative approach to inter-city 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



Myburgh

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. ■

Security poor at most SA airports

Star 16/11/95

Concern grows over how easily drugs and illegal immigrants enter the country

By ANSO THOM
Crime Reporter

Security at Gauteng's international airports is either non-existent or riddled with loopholes, paving the way for drug traffickers, illegal immigrants and smugglers.

During a visit to Lanseria Airport, The Star's reporter and photographer walked undetected and unhindered through immigration and customs points on to the tarmac and back again. Both were carrying travel bags.

And at Johannesburg International Airport, the machines used to scan baggage when travellers enter the country have been out of order for the past four years. Customs and Excise spokesman Gavin Collinet said customs was using an Airports Company machine "as and when required", but the machines were out of order when The Star visited the airport.

Six customs officials are sometimes faced with three flights landing at the same time, with Boeing 747s each carrying about 400 passengers. Customs officials are forced to search passengers manually, allowing easy entry for most people entering the country.

Illegal immigrants manage to enter the country with false passports that are done so professionally that it is almost impossible for immigration officials to pick up during peak hours, a senior police source said.

Concern over Gauteng's airport security has led to urgent meetings between the various stakeholders including the SAPS and customs and immigration departments, who are trying to stem the flow of drugs and illegal immigrants into the country, Collinet added.

The Star has established that Lanseria, which has international status, has no policeman, immi-

gration or customs official on duty at night. The only person on duty between 5pm and 6am is a fireman, which means passengers landing are able to enter the country absolutely unhindered. Even during the day, only one customs official was on duty.

Machines used to scan bags out of order for four years

Collinet confirmed. No customs officials are stationed at Grand Central Airport (Midrand), with a call-out service provided at Rand Airport (Germiston).

He said customs officials could be reached after hours on a cellphone or at home. A Home Affairs spokesman

confirmed that immigration services were only available at Lanseria between 6am and 5pm, but added that immigration officers could be made available if prior arrangements were made, or called in when international flights arrived.

He said a call number was displayed for use of the public, leaving it up to passengers to call a 24-hour number once they arrived.

According to the head of the Internal Tracing Unit, Warrant Officer Willem Lottering, similar problems are experienced at Grand Central, Rand Airport and Vereeniging Airport.

The tracing unit has only six people to handle the forgery of identity documents and passports, import and export of contraband, illegal immigrants and the illegal import and export of goods, specifically at airports.

"Customs, home affairs, police and airports are addressing

the security problems at airports as a matter of urgency. You can't keep the owner of the airport responsible for the loopholes," said Lottering.

"We need to make a big bust at a smaller airport for everybody to take notice and realise we have an enormous problem," he said.

Lanseria Airport handles an average of 40 international flights per day. An aircraft landing at Lanseria after hours may have its passengers met on the tarmac in a private vehicle.

Russian Antonov planes arriving from African destinations frequent Lanseria Airport. "Most international flights which arrive are from Africa," said Lottering.

According to a paper presented by Lieutenant-General Wouter Grove in May this year, cocaine and heroin are mostly smuggled into South Africa from South America and the Far East via African countries.



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 SHERLEY WOODGATE

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 R47-million facelift 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.

(SFP) (269) Mar 20/11/95

SAA 'not strong enough' to withstand open skies policy

(269) CT (BR) 21/11/95

By Audrey D'ANGELO

Cape Town — South Africa would open its skies to all airlines only after its national carrier had become part of a global alliance strong enough to withstand competition from the US mega-carriers, said Anton Moolman, the chief executive of Transnet.

He said an alliance formed between South African Airways and Lufthansa, the German carrier, was a step towards this, particularly as both were co-operating with Thai Airways. But they had different US partners.

SAA had a codeshare agreement with American Airlines while Lufthansa was co-operating with United, another US airline.

Moolman said the airlines would have to agree on one American partner and the alliance would have to be extended to give it more clout before it would be safe to abandon the system of bilateral agreements under which foreign airlines were permitted to serve South Africa with an agreed number of flights.

Under the present system, SAA can object to applications to the department of civil aviation for permission to introduce or extend services to this country.

Although SAA and other major airlines cannot cope with the demand for seats, Moolman said a truly open skies policy at this stage would result in a few mega-carriers taking over. He said SAA was earning valuable foreign exchange and if



BI-LATERAL BATTLE Although SAA cannot cope with the demand for seats, it claims that abandoning the system of bilateral agreements would force it out of business and result in the takeover of a few large carriers

it were forced out of business, the loss of its overseas marketing efforts and those of the South African Tourism Organisation, would dash hopes for a growing South African tourism industry.

At present, foreign airlines are putting on supplementary flights and some have increased their scheduled services.

But with about three-quarters of the seats on outgoing aircraft taken up by foreign tourists going home, South Africans are finding it difficult to go abroad over Christmas.

Major airlines say they are heavily booked well into the new year. Airlines such as Royal Air Maroc,

Emirates and EgyptAir, which offer connections to London, Europe and America by way of exotic destinations, also have waiting lists for their flights.

Simone Wickenhagen, the outspoken southern African general manager for KLM Royal Dutch Airlines, has blamed protectionist policies for the seat shortage and urged the civil aviation authorities to open the skies to reputable airlines. She said KLM wanted daily flights to Johannesburg instead of the present five a week.

The situation is worst on routes to the US, where SAA has a monopoly following the suspension of

USAfrica's six flights a week earlier this year.

The US department of transport cancelled permission for SAA's six flights a week to be increased to eight after the breakdown of talks with the department of civil aviation on the relaxation of bilateral agreements.

Talks have not yet resumed. Although SAA has ordered nine aircraft from Boeing, the American manufacturer, permission to put on two extra flights was not made a condition of the purchase.

"We hoped they would be nice about it," Moolman admitted. Although other US airlines have

applied to take over the traffic rights USAfrica is not using, the airline has opposed this on the grounds that it expects to be able to resume its services.

Bluebird Holidays, a British-based tour group, has applied to the department of civil aviation for permission to run two-way charter flights between Johannesburg and London's Gatwick airport.

A spokesman for the department of civil aviation said yesterday that it was unlikely this would be granted in time for South Africans to fly to London for Christmas.

"If the commissioner for civil aviation decides that this could impact on existing air services, he will have to advertise it and ask for objections and thus will take 28 days," he explained.

Bluebird Holidays has permission to organise charter flights bringing passengers from Britain twice a week from early December, but not to take South Africans on the north-bound flights.

Sudan Airways was negotiating last week for credit facilities to enable it to resume flights from November 20.

The department of civil aviation has agreed to allow this, provided the airline organises the flights itself, using its own aircraft and crew.

Previously, Sudan Airways' flights were organised by a subsidiary company in the Logan's group, using chartered European aircraft and crew and the Sudanese national carrier's traffic rights.

Public transport to be given priority in new road policy

(269)

Routes serving mostly private cars downgraded

Star 24/11/95

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 P119-1 road - linking Johannesburg and Johannesburg International Airport - Gauteng MEC for Public Transport and Roads Olaus 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, com-

pared to another which carries a few people, we will concentrate on the one that has many people," he explained.

He cited the P119-1 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.

Nomvete's challenge

ZUKILE Nomvete's mission at Metro Rail Services is to instill a business culture and improve customer service in the metropolitan railway system

For a man who has flown 3 300 hours as a flight engineer at Ethiopian Airways, one of Africa's leading airlines, transport is not an unfamiliar terrain

Nomvete, who became Metro Rail's new executive manager responsible for strategic marketing in October, is also in charge of the company's transformation process

"We inherited a service no one cared for but now we have to justify our existence," he argues. But before rocking the boat, Nomvete emphasises the need to get the basics right

"These include time-keeping, customer service and cleanliness. Once these are in place, we will start seeing people coming back to the trains."

Metro Rail is a member of the Transnet group, which is responsible for the train service in the metropolitan areas Johannesburg, Pretoria, Cape Town, Port Elizabeth, Durban and East London

In order to implement its ambitious plans, the company has budgeted R10 million for staff training.

But, says Nomvete, "The investment is not just going to focus on training, but changing the mindset as well."

Thorny issue

Perhaps the thorniest issue that confronts Nomvete and the company's top management - which is increasingly becoming black - is ensuring that the training enables the company to reflect the country's demographics

For his part, Nomvete already fired the first salvo during this month's train strike, when he revealed that Metro Rail will train black train drivers to reduce its dependence on white drivers.

Although the plan to train black drivers was announced during the white train drivers' strike, Nomvete says it was in the pipeline for a while. The driver training programme is part of the process of transforming Transnet, called the "Turn Strategy", he says.

He is optimistic that, by this time next year, Metro Rail would have trained about 300 black train drivers.

Negotiations are continuing with trade unions to determine how to go about implementing the programme and how long the training should take

Most of the present train drivers earned their skills on the job. Many started as mechanics, then became assistant train drivers and goods drivers before graduating to passenger

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 Malunga** 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 him inquiring whether 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 Nomvete does not want to predict how many black regional managers Metro Rail will have next year, he is certain there would have been some movement towards changing the company so that "it reflects the demographics"

In addition to training, he says, Metro Rail 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, he 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, but which could create a few enemies for Metro Rail, is that of hawking in the trains. "We are considering banning hawking on the trains, but this will be done in a 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 improve, and it is worth the money people pay, then the "spirit of *masakhane*" will prevail and those who evade fares will stop doing so.

"One of our main problems is *mangobe*, 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 rands every year.

Like Metro Rail's head Mr Mafika Mkwanazi, Nomvete adds that he foresees a situation where transport will be fully integrated, and people can use one ticket for trains, buses and taxis

Maharaj could face freight group in court over border toll bridge

BD 27/11/95 (269)
David Greybe

CAPE TOWN — Transport Minister Mac Maharaj could soon face a court challenge over the controversial new toll bridge at Beitbridge, which gives a private consortium monopoly over road traffic between SA and Zimbabwe.

Road Freight Association CEO Herman Lemmer said yesterday his association, representing SA's heavy hauliers, would decide within the next four weeks whether to go to court. He said in terms of SA legislation,

motorists had to be given an alternative route where a toll was charged. This was not done at Beitbridge.

Maharaj said in reaction he was "not unmindful" of the association's concerns, and his department had undertaken a number of practical initiatives to resolve the problem.

"We need to reduce our travel costs in the region if we want to make our goods more competitive." He said it was premature to comment on the threat of court action. However, confrontation would not be a solution.

Officials in the road transport industry fear the bridge could add significantly to the cost of imports and exports. Much of the R3bn annual trade between Zimbabwe and SA will cross the bridge. Under Zimbabwean legislation, light vehicles will pay the equivalent of US\$6 and heavy vehicles US\$12 for each crossing. There are no charges on the SA side.

Transport experts said last week there was no need to build the bridge, the brainchild of vice-president Joshua Nkomo's Development Trust of Zimbabwe. They argued that the bridge — an old structure shipped in from Bulgaria — would not reduce the costly delays suffered by heavy goods vehicles.

Road transport consultant Dave Burman, who is author of an investigation into regional road harmonisation for the Southern African Development Community, said the main reason for the delays was administrative. Lemmer said heavy goods vehicles were delayed by up to five days, at a standing cost of between R1 200 and R2 000 a day.

His association might consider alternatives to court action, including a sizeable reduction in the toll fees or the purchase of the bridge by the transport department. If it managed the bridge, the department could waive toll fees.

Lemmer said his association had discussed the question of delays with the transport department, but "we have not had much joy". The new government maintained it had inherited the problem from the for-

Continued on Page 2

Toll bridge

BD 27/11/95 (269)
Continued from Page 1

mer NF administration.

Maharaj outlined various initiatives he had undertaken which he hoped would reduce the delays by at least 20% in the short term, "which will more than compensate for the toll fees". These included a commitment from the Zimbabweans not to increase the toll fees without first discussing the matter with him.

Other measures were:
 Discussions with Finance Minister Chris Liebenberg — responsible for customs and excise — on improving ef-

iciency at Beitbridge and stamping out corruption among officials;
 Talks with Home Affairs Minister Mangosuthu Buthelezi on immigration officials and reducing paperwork;
 The Maputo development corridor project which, when completed, would help reduce the need for trucks to use Beitbridge;
 Discussions within SADC on the establishment of an independently controlled "road fund" for the rehabilitation of truck transport in the region. Talks had been held on removing red tape around regional transport; and
 Plans to improve the region's "dilapidated" transport network, thereby making roads more efficient and less damaging to vehicles.

Fast lane to controversy

Problems foreseen on lane of N2 reserved for buses and taxis in rush hour

IRMAINE CRAIG

Staff Reporter

THE new traffic lane on the N2 freeway, scheduled to open on December 11, is headed for controversy with many parties, including Golden Arrow Bus Services, predicting problems and the possibility of more accidents.

The new lane, known as the Bus and Minibus Taxi (BMT) lane, stretches between Vanguard Drive and Black River Parkway, and is reserved exclusively for buses and taxis between 6.30 and 9 am on weekdays.

However, problems are predicted because the BMT lane is on the right-hand side of the freeway. It is feared that buses and taxis could cause accidents when trying to cross from the right through the fast lane, which has a maximum speed of 120 km/h, and across another lane before turning off at an offramp.

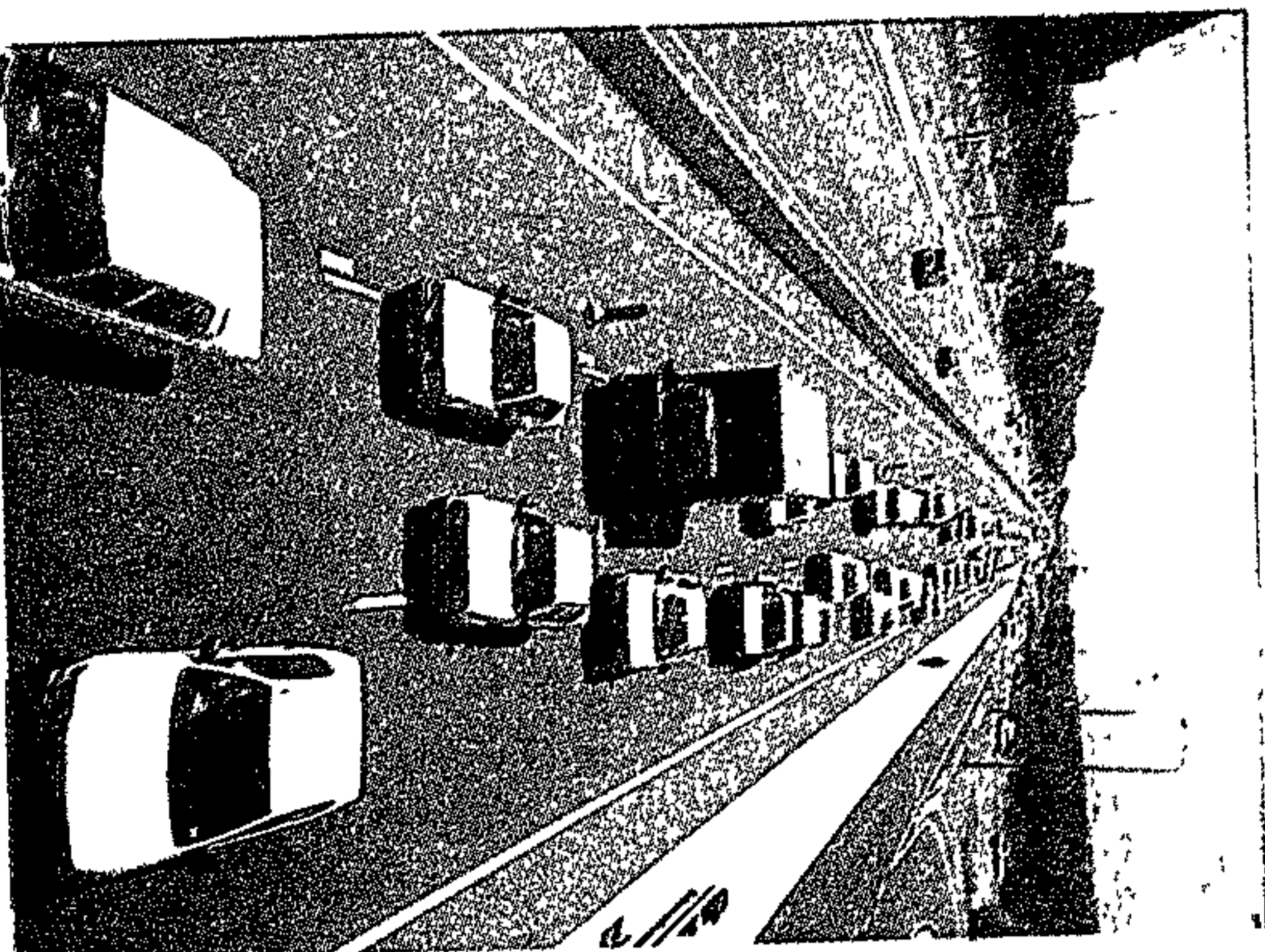
Another potential problem is that it will be difficult and dangerous to transfer passengers from a broken down vehicle with the BMT on the right-hand side of the freeway.

The BMT project was undertaken by the Roads, Transport and Public Works Department.

Jeanne Welsh, public relations manager for Golden Arrow, said in a statement: "Golden Arrow was not consulted prior to the new lanes being painted on the right hand side (inside) of the N2 freeway. The company's recommendation was that the high-occupancy vehicle lanes should be placed on the left (outside) for the following reasons:

"Safety: Any bus or taxi that breaks down on the inside lane will cause a major safety hazard to passengers who would be trapped on the inside lane. There are no emergency lanes — therefore a breakdown would close the whole bus/taxi lane.

"In Golden Arrow's view there will be far fewer buses and taxis during peak hours than private cars, and it would be much easier for cars to cross



NEW LANE: The third lane towards Cape Town is reserved between 6.30 am and 9 am buses and minibus taxis.

Pictures Courtesy of the Ministry of Transport and Public Works Western Cape

a relatively empty bus/taxi lane on the left to exit from the freeway than for buses and taxis to cross two crowded lanes which would be necessary with the current placing of the lanes.



TRAFFIC SIGN: The sign indicates that buses and minibus taxis only may use the median lane at certain times.

"Having the lanes on the left would also allow better linking with existing bus/taxi lanes along Vanguard Drive and Main Road."

Ms Welsh said the province had gone ahead with

placing the taxi and bus lanes on the right despite Golden Arrow's recommendations.

"The reason given was that structural engineering work required to extract buses and taxis out of the system on to other roads, as well as to discourage the loading of passengers on the left lane, would be too expensive.

"Golden Arrow is of the opinion that the system will require continuous and very strict policing for it to function at all efficiently. As it is, policing on our roads is inadequate and it is difficult to envisage how adequate policing will be provided."

Ms Welsh did, however, say that Golden Arrow was pleased that, after lobbying for bus lanes in Cape Town for almost 30 years, such lanes were being developed and that they would like to see this as the first of many new opportunities for the development of public transport in Cape Town.

Cape Town traffic chief Wouter Smit did not foresee any problems with the new BMT lane and felt that his department was capable of policing the new lane.

"The mere fact that the bus lane is on the right-hand side makes it no different from any other three-lane traffic. We will have the adequate infrastructure to monitor it," said Mr Smit.

He felt that the shoulder on the side of the road would be adequate to deal with the problem of breakdowns in this lane.

However, Mr Smit acknowledged that there could be a problem when buses transferred from the BMT lane and joined the traffic in the other lanes.

"We do have some concerns in the interim where the bus and taxi lane will merge with the centre lane, but we will certainly monitor it," said Mr Smit.

Chairman of the Western Cape Taxi Task Team, Basil Nagel, felt that with proper policing the new lane could be successful.

PROPERTY

Road builders learn from the past

Business Day Reporter

(269)

BD 29/11/95

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 resulted 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

(269) Star 1/12/95

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 Frikkie 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 be-

tween 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.

Getting Spoorneret back on track



Change doesn't happen overnight, but Spoorneret's new managers are confident about the future, writes Gave Davis

On the soccer field at the Vasco da Gama sports club in Parow teams of men are competing in events involving buckets of water and sliding along lengths of black plastic while the smell of potjiekos and the sound of *sakke* music fill the air.

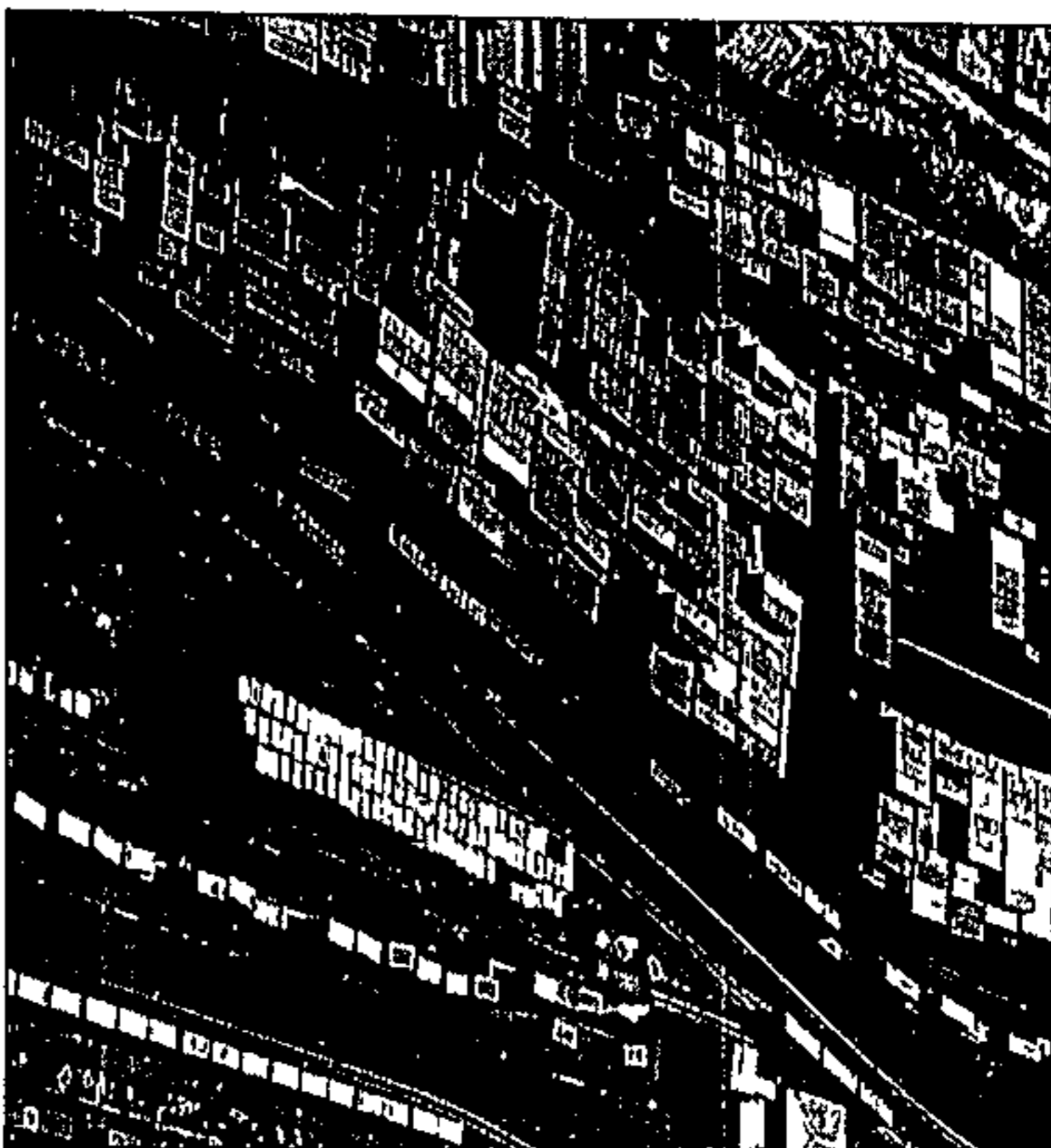
It's Transnet's Family Day, and members of the organisation's various divisions in the Western Cape have gathered to eat, drink and beat the merry hell out of each other in friendly combat. There are burly men in aprons that say "Real Meat — Real Food" and others in rugby jerseys with Springbok emblems pranking on their chests. Couples dance *lang-kamas* as an old South African flag flutters from a makeshift flagpole.

It's by no means an all-white affair, but the occasion bears the unmistakable stamp of a culture that enjoyed its heyday in the days when, if you were white, male and Afrikaans-speaking, you knew there'd be a job for you on the railways, just as there had been for your father and grandfather.

But those days were over by 1990, when the state-owned South African Transport Services became Transnet, a public company concerned more with making a profit than providing sheltered employment for a particular race group. The old South African Railways became Spoorneret, and Gerold Boshoff, senior human resources manager in the Cape, was among senior staffers called in by Transnet MD Dr Anton Moolman.

"He said change the company from a chauvinist white male culture to an indigenous South African one. There was so much wrong with the company. It was rule-bound, authoritarian. We were the custodians of apartheid, we kept it in place."

Boshoff and his colleagues visited England and talked to the Equal Opportunities Commission. And they started confronting the racism and exclusivity entrenched in virtually every nook and cranny of the organisation. They took flak. Their families got



Blood on the tracks: Rationalisation and job cuts affected morale among employees — but Spoorneret has begun to post record profits

PHOTOGRAPH: HENNER FRANKENFELD

death threats. "What we had to do was change conservative whites' thinking ... open up what we found in terms of unequal facilities."

A shrinking economy meant lower volumes of traffic, forcing a rationalisation of assets and pruning of a bloated workforce. In 1991, when Transnet's affirmative action policy found expression in its Turn Strategy document, it employed more than 162 000 people. Under its four-year Manpower Utilisation Programme, now ended, jobs were cut by a third.

Spoorneret is the largest of Transnet's divisions, carrying freight, containers and passengers by rail. It now employs just over 65 000 people. When Patrick Dada, the man now in charge of driving the Turn Strategy and one of a crop of new, deft, black managers, arrived at Spoorneret in 1993, he found an organisation "totally traumatised" by the job cuts.

He had his own problems: the culture shock of working with people whose only experience of black people was with those who brought them tea. The 13-point Turn Strategy, aimed at transforming the organisation into an equal opportunity company with a 70 percent black by the year 2000 looked good but was still "just paper".

Spoorneret was in the throes of restructuring its rail services, putting in place entrepreneurs to inject a new

-7/12/95

Turn Strategy something more "than a PR exercise". It was apparent immediately the unions had to be on board. "though we knew top management wouldn't be comfortable with this," recalls Dada. Consulting the seven Spoorneret unions began in 1993 they are represented on Transnet's national Turn Strategy Council and its regional counterparts, overseeing the affirmative action process. Jobs are now allocated on the basis of two black appointments for every white one and people must be promoted from within the company where possible.

Taking Transnet as a whole, employment patterns now reflect significant entry of black employees — mainly at management and professional level. The Turn Strategy focuses on bringing black people into the higher grades, still dominated by whites. The job cuts, however, saw unskilled workers mostly affected — and most of them were black.

Dada says having more black managers in key positions is essential. "People are stars and they're black and the whites say things like, 'I never knew you people could also think'." The company sets aside five percent of its salary and wages bill on training ranging from adult basic education to specialised skills; last year 80 000 Transnet employees, most of whom were black, received some kind of training. Spoorneret is looking at evaluating skills on the basis of competency rather than qualifications.

While unions say industrial relations have improved, officials say little has changed on the shop floor. Researcher Ian Moxam of Wits Univer-

sity's sociology department feels the rapidity of change and severity of the downsizing has created a climate of insecurity in which developing a new culture can only take second place.

Robert Pinnce, regional manager of the Turn Strategy Council in the Western Cape, recognises the length of the road ahead. "There's a sense of optimism at management level," says Pinnce. "But on the shop floor you still find racism — though we send a clear message it's unacceptable."

Dada is frank about the many problems that must still be worked through. "We've got weak first-line management, so implementing changes is difficult. You get AWB supervisors and managers feel vulnerable and exposed. But we're looking at addressing this through rewarding people for being part of the process."

The upside is that business is better than ever before. Spoorneret's annual report for 1995 reflects a net profit of R734-million, up on the previous year's R576-million. Productivity has gone up eight percent since the company was formed.

For Dada, getting Spoorneret on track involves more than ensuring the country has an efficient rail network to serve a growing economy. "This country's got new owners and I've helped put them there democratically. By falling, I make them fall too."

Says Boshoff: "You don't wipe out 300 years of discrimination and suspicion in two or three years. But the process has made me optimistic for the country. You see guys from conservative Afrikaner backgrounds sharing the same vision as guys with ANC or communist backgrounds. It's shown me we can survive and prosper, not as black and white, but as South Africans. We have our ups and downs, but the trend of the graph is up."

From Idasa's Public Information Centre

Idasa's Public Information Centre is an information gathering and policy evaluation service that aims to enhance transparency, accountability and efficiency in government.

Affirmative Action Towards an Equitable Environment

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By **Mamphela Ramphele**

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Rear seatbelts, child restraints compulsory

(269)
SPECIAL CORRESPONDENT

CT 1/12/95

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 Frikkie Loots 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 utilised here to successfully empower small contractors.

A spokesman for the SA Bitumen and Tar Association (Sabita), Adriano Swanepoel, said the traditional materials for binding 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.

(269) Star 5/12/95

Commuters attack govt for fares rise

BD 7/12/95 (269)

Theo Rawana

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 (Saboia) for reacting by increasing fares.

Saboia 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.

Saboia said the R770m subsidy was insufficient to meet the costs of providing services already operated. Had a decision been made earlier, bus oper-

ators 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 Saboia'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.

Saboia 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

(269)

Farouk Chothia

SD 7/12/95

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".

ACCESS ROUTES TO DEVELOP POOR AREAS

Plan to revamp city

CT 7/12/95

(269)

THE METRO SOUTH EAST PLAN proposes extending three railway lines and access roads to link Khayelitsha, Philippi, Crossroads and other areas of high poverty to develop these areas and avoid the creation of ghettos. **BARRY STREEK** reports.

DETAILS of a far-reaching plan to develop some of the poorest areas of Cape Town and reintegrate them with the rest of the city were released yesterday by the Cape Metropolitan Council.

The Metro South East Plan, drafted after two years of consultation with representatives of the 1,2 million people in the sub-region, calls for the extension of three railway lines and the development of high density "activity spines" on main access roads.

The plan, the first major post-apartheid development strategy in Cape Town, also calls for "nodes" of urban activity at transport interchanges, with a metropolitan "node" in Philippi East.

The area covered by the plan includes Khayelitsha, Mitchells Plain, Philippi, Crossroads, Gugulethu, Belhar and Delft.

No estimates have been made yet of the costs involved if the Metro South East Plan is approved.

Its proposals are to be discussed at a two-day conference this weekend by representatives of the communities, the 17 councils involved, and financial

and engineering experts, as well as representatives of the Olympic Bid Company and Cape Town International Airport.

One of the thorny issues the conference will discuss is whether Mitchells Plain and Khayelitsha should be directly linked by turning the Swartkops buffer zone into a recreational area and whether Spine Road should be extended into Khayelitsha.

After this weekend's conference, the plan will be finalised and submitted to the Cape Metropolitan Council for approval in the normal statutory manner, which means it will ultimately have to have final approval by the Western Cape cabinet.

"This plan is different. It has emerged from dialogue," a consultant to the plan, Mr Adam Jordan, said yesterday.

Another consultant, Mr Simon Nicks, said the plan was an overriding framework of coordinating development in the sub-region.

He said areas in the Metro South East, where there had been very little development and which were characterised

by massive movement every day out of the area, were in danger of becoming ghettos.

This sector is fragmented into non-functional residential areas "slap-dorpe" (sleep towns), which do not have easy access to employment opportunities, recreation and commercial activities, he said.

"In addition, there is limited investment in the form of industry or other employment and revenue-generating activities."

Mr Nicks said the majority of the Cape Metropolitan's disadvantaged people lived in this area.

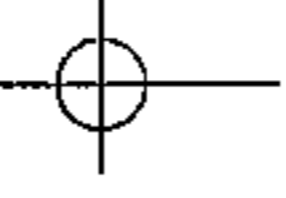
The development of transport links were critical to the development of the area and this included the extension of the R300, the so-called Cape Flats freeway, and the upgrading of roads. The extension of three railway lines

were being investigated, including the Khayelitsha line, linking the Blue Downs line to the Khayelitsha line and linking Bellville to the Philippi area.

Without this, the development of activity spines of the main transport routes would be more difficult and this was essential if people were to find jobs, start up businesses or take part in leisure activities, Mr Nicks said.

Other problems identified in the Metro South East Plan included housing shortages, with an increase in squatting, overcrowding and backyard shacks, and inadequate public transport, with complaints that buses were slow, minibus taxis were expensive and sometimes dangerous, and trains were violence-prone.

Other problems raised were the high levels of poverty, gangsterism and low literacy levels.



SAA to sign co-operation agreement with Lufthansa

(269) ET(BR) 14/12/95

BY AUDREY D'ANGELO

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.

SAA jets into big league

ST(BR) 17/12/95

(269)

By ROGER MAKINGS

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 420 destinations, but also gives SA passengers direct access to 118 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 fi-

nancial 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 carriers using only one ticket, common frequent-flyer 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."

Juergen 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.

SAA co-operation agreement with Lufthansa to benefit

Stephané Botima

FRANKFURT — SAA ensured its survival in the global airline industry this weekend by entering a co-operation agreement with Europe's largest carrier, Lufthansa.

Immediate benefits for SAA passengers include sharing airport lounges, improved reservation systems and frequent-flyer programmes, direct access to 118 countries served by the German airline, wider international package choices and access to discounted fares

offered by both airlines.

SAA CE Mike Myburgh said finding an international partner had been vital to securing the airline's future.

"If we did not align ourselves with this international partnership, there was no way SAA would have survived into the next century," Myburgh said after the deal was signed on Friday.

Although SAA is the largest airline in Africa with about 50 aircraft, it is a relatively small carrier compared to Lufthansa, which has 342 aircraft and is acquiring 18 more.

Government last week announced that SAA could be privatised. Lufthansa was not considering becoming an equity partner. However, the German airline would "assist with advice" should SAA be privatised.

Myburgh said the agreement would have a positive effect on SAA's balance sheet through cost savings and access to new markets. "The alliance has been set up in such a way that the advantages could be measured every step of the way," he said.

Lufthansa chairman Jurgen Weber

(2697) BD

said the alliance signalled that southern Africa was no longer a blank space in the worldwide network represented by Lufthansa's global alliances.

Lufthansa had links with strong partners in all major and emergent economic regions from which SAA would now also benefit. They include United Airlines in the US, Thai Airways and Varig. "They are all blue-chip companies in the airline industry with an international reputation for excellent service and customer orientation," Weber said. "Our network of alliances

is now the most closely woven in the industry. It has been put in place... to accommodate and coincide with the globalisation we are now experiencing on the economic front."

In April SAA and Lufthansa would be operating 29 codeshare connections weekly to five destinations in Germany and SA. Direct flights to Cape Town were on the cards. The alliance envisaged expanding its cargo service with two-way shipments between SA and Germany daily. The airlines will share maintenance and training facilities.

Passengers

(222)
Future of Sun
Air uncertain

(269)
Wungo Soggot

BD 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 R60m 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.

Deal between SAA and Lufthansa signed

By **ERIC JANSSEN**

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, co-operation in the cargo business is well under way.

SAA recently introduc-



Jurgen Weber ... Lufthansa chief.

ed 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.

(269) Star 19/12/95

Irate KwaMashu passengers torch and damage Putco buses

(269) BD 19/12/98

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

(252) BD 19/12/95

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. — Sapa.

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Financial and legal adviser



ARTHUR ANDERSEN

INC

Irate KwaMashu passengers torch and damage Putco buses

(269) BD 19/12/95

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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.

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 (Potwa) threatening sit-ins at post offices and Telkom plants.

And although many companies have closed for the holiday season, Cosatu spokesman Nowetu Mpati 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 two.

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 (Fedsal), will not take part in today's action. Fedsal 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.

The Argus Correspondent
and Staff Reporter

Strike threat to air, rail service

ART 19/12/95

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TERMINUS: Grouped around a model of the Nyanga public transport interchange yesterday are (from left) Mr John Asiya, Mr Leslie Homela, Mr Willie van Schoor, Mr Sydney Ncate, Mr George Ndesi and Mr Colin Hall.

PICTURE: ASLAM LEVY

Nyanga public transport terminus ready next month

(269)

CT 22/12/95

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 Cata, 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

Theo Rawana

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 Potgietersrus, 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 680-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 (269)

set to soar

ET 28/12/95

STAFF REPORTER

BUS fares are set to rise by between 5% and 20% on January 1.

Golden Arrow Bus Services general manager Mr Hannes Grebe said yesterday the increases were the result of the Department of Transport's decision not to subsidise bus commuters.

His firm was "deeply disappointed" by the decision.

The increases will not only affect cash fares, but also discount clipcards, monthly tickets and concessionary fares for senior citizens and school pupils.

A trip from Atlantis to the city will cost R11,90, (previously R11,20), Hout Bay to the city R5 (R4,70) and Manenberg to the city R5,10 (R4,80).

All fares for pupils and senior citizens will increase by 20%.

All 10-ride and monthly clipcards bought up to December 31 will be valid until the expiry date.