

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

WRITTEN REPLY

FRIDAY, 30 MAY 2025

12. Prof N Mbombo to ask Mr I M Sileku, Minister of Mobility:

With reference to the R408 million committed by the national Minister of Transport in the national budget earlier this year, described as the balance of previous financial commitments made to the taxi industry:

- (1) (a) How much of this funding has been allocated or is expected to be allocated to the Western Cape's minibus taxi (MBT) sector and (b) what is the (i) anticipated time-line and (ii) process for disbursement of these funds in the province;
- (2) whether the Western Cape Government has provided financial support directly to the MBT sector in the (a) 2021/22, (b) 2022/23, (c) 2023/24, (d) 2024/25 and (e) 2025/26 financial year; if not, (i) what non-financial support has the Department of Mobility provided to the MBT sector over the same period and (ii) what specific programmes or initiatives were implemented to support the sector's recovery and development post-COVID-19; if so, what are the relevant details?

Reply:

- (1) (a) We assume that the funding referred to here is the COVID-19 Taxi Relief Fund. It is important to note that this is a National Department of Transport (NDoT) initiative, and the only involvement that the Western Cape Mobility Department (WCMD) has had is to provide the NDoT with the operating licence details that they needed to confirm eligibility of applicants. As a result, we have engaged the NDoT for the below breakdown:

The estimated amount to be spent in WC, based on the number of operating licenses on the system, is **R104 455 200** as per the table below

	Total Qualifying		Paid to Date	
	Value	Number of OL's	Value	Number of OL's
Top-Up Applications	R 20 856 000	9 480	R 9 941 800	4 519
New Applications	R 55 692 000	7 735	R 2 059 200	286
Scholar Applications	R 27 907 200	3 876	R -	-
Total	R 104 455 200	21 091	12 001 000	4 805

(b)

- (i) The project ends in March 2026 for the disbursement of funds. However, a cut-off date for the submission of applications will be published in due course.

- (ii) Operators must initiate an application process and provide supporting documentation to an entity appointed to disburse the funds i.e. Taxi Recapitalisation South Africa. The application is uploaded on the TRF system and verified and the operator is paid once the application passes verification.
- (2) The WCG has entered into a memorandum of agreement with SANTACO Western Cape during each of the financial years 2021/22, 2022/23, 2023/24, 2024/25 and 2025/26. In terms of this agreement, the WCG provides support to the SANTACO Western Cape executive council members with the performance of their duties. This includes office space and equipment, as well as meeting allowances where these are needed for SANTACO Western Cape to take part in Government programmes and carry out their constitutional duties. The purpose of this support is to provide SANTACO Western Cape with the resources needed to achieve the goals and objectives of transforming the minibus-taxi industry in accordance with their common vision.

In addition, the WCG has entered into the following arrangements with the MBT sector between 2021/22 and 2022/23, each of which had a financial component as described below:

- **Red Dot Minibus Taxi Service:** During the COVID-19 pandemic, the WCG contracted a formalised MBT company to provide specialised transport services, including transporting COVID-19 patients to / from quarantine and isolation facilities and providing transport services for healthcare workers to / from work. The contracted MBT company, which was established to represent the interests of the eight MBT regions within the Western Cape, received payment for services rendered and the service ran from May 2020 to May 2022.
- **Blue Dot Minibus Taxi Pilot:** In May 2021, the WCG launched the Blue Dot Taxi Pilot, an incentive programme aimed at improving passenger safety and service quality and beginning a province-wide process of formalising and empowering the MBT industry. Eight Regional MBT companies were formed to support implementation and operation of the project, and over 500 operators and 1,100 drivers from across the province participated in the pilot. Blue Dot included an incentive payment to participating operators who met certain eligibility and performance criteria relating to the safety and quality of their services, which was monitored with vehicle trackers. The pilot came to an end in November 2022, having demonstrated immense success in improving MBT service quality and safety. Speeding events reduced by 50%, and harsh driving events (such as braking and accelerating) dropped by 40%. Feedback from passengers was overwhelmingly positive, with 82% of passengers reporting that they felt safer when travelling with Blue Dot compared to normal MBTs.

In addition to the financial support outlined above, the WCG has provided / continues to provide non-financial support to the industry through the following initiatives:

- **Shayela Smart:** The WCG, together with the City of Cape Town and SANTACO Western Cape, is developing Shayela Smart, a programme designed to incrementally improve MBT operational efficiency, reliability,

and safety across the Western Cape through a range of regulatory and technology-based interventions.

- **Formalisation and Capacity Building:** The WCG supported the formalisation of the MBT industry into registered businesses through Red Dot and Blue Dot, and has continued to provide corporate governance support to the industry. The WCG also supports leadership and skills development.
- **MBT task team:** The WCG participates in a MBT Task Team with representatives from the City of Cape Town and SANTACO Western Cape. The purpose of the Task Team is to provide a platform for resolution of key issues affecting the MBT industry and its passengers. The Shayela Smart Programme is being developed through the Task Team, and aims to address some of the priority issues identified.
- **Business development:** The WCG provides business development support to these companies. The objective of this support is to enhance the industry's long-term financial sustainability and self-sufficiency through partnerships between MBT companies and private sector to leverage opportunities to reduce costs and generate additional revenue. This can contribute to increased stability within the industry and safer services. An example of this work is partnering with fuel companies to access fuel rebates.
- **Peace-building and conflict-resolution:** The WCG supports the industry to resolve conflicts and develop peace agreements, and to develop internal capacity and systems to better identify and address risks themselves, thereby promoting safety and stability in MBT services.

MINISTER OF MOBILITY

DATE: