Laphum’ililanga
Transport Services

Company Profile

Directors: M. Madwara (Chairman), M. Mlanjana (vice Chairman), T. Faltein, G. Rockman (CEO), A. Qoko, (Exec), A. Andries, C. King, T. Ngqokwe, C. Potgieter, N. Soka

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August 2013
1. Background

a. Company History

Laphum’ilanga Transport Services was established in 2010 by the taxi industry in Nelson Mandela Bay to harness their collective strength and deliver collective benefits through their participation in the metro’s Integrated Public Transport System (IPTS).

Prior to this, in 2008, the 10 taxi associations operating in the metro formed the NMB Public Transport Forum in order to present a unified and coordinated approach in negotiating with the municipality and other bodies on their role in the IPTS.

The Forum compiled a strategic business plan for the IPTS in March 2009, which was accepted by all taxi operators and today guides implementation of the system.

The first step in formalising the industry, in preparation for its role in the IPTS, was the registration in October 2009 of five primary co-operatives, formed from the 10 taxi associations, each representing a specific contract area planned for the IPTS.

Each of the five primary co-operatives nominated its own board of directors. These boards each resolved in December 2009, in line with the business plan, to join with the other co-operatives to form a secondary co-operative that would negotiate contracts with the Nelson Mandela Bay Municipality for public transport services to be provided by the primary co-operatives, in order to ensure consistency across all the contracts.

Laphum’ilanga Transport Services was registered in February 2010 in terms of the Co-operatives Act 2005 and from that point took over from the Forum in negotiations on behalf of the taxi industry.

Laphum’ilanga facilitated the taxi industry’s participation in effectively delivering public transport services for the city’s hosting of the Soccer World Cup 2010 and AFCON 2013.

b. Our purpose

Laphum’ilanga’s mission is to ensure that the metro’s taxi associations make the transition from the informal sector to a formal, regulated and sustainable business sector – delivering effectively to the city’s public transport needs, and benefiting from the economic opportunities presented by improved public transport and infrastructure.

The taxi industry carries 75% of Nelson Mandela Bay’s economically active population – thousands of people in this city of more than a million people, whose daily transactions and interactions are made possible by public transport. The Integrated Public Transport System (IPTS) is a catalyst for the economic transformation of the metro – creating a more networked and accessible city, with world-class infrastructure that benefits citizens and business, and makes the metro more attractive to investors.
The taxi industry is the nucleus of the IPTS, and Laphum’i lunga Transport Services represents the industry’s interests and acts as an enabling organisation:

- Ensuring that the taxi industry is equipped to participate effectively in the IPTS and deliver safe, reliable, accessible and affordable public transport to its customers in Nelson Mandela Bay.
- Facilitating the transformation of the taxi industry into a formal, regulated sector that plays a key role in the economic life of the metro.
- Securing employment of skilled people from the industry in the IPTS, and facilitating skills development and training opportunities for under-skilled workers in the industry.
- Unlocking economic opportunities for the taxi industry to derive maximum benefit from participation in the IPTS.
- Delivering professional, shared services to the industry to ensure it is supported in the transition and in performing its obligations as an employer and large-scale business operation.

2. Strategy & Vision

a. Vision statement

Our vision is to ensure full and effective participation of the taxi industry in an Integrated Public Transport System that serves the needs of the people of Nelson Mandela Bay.

b. Mission statement

Our mission:
- A metro that offers safe, reliable and accessible public transport to its citizens.
- A metro that offers world-class infrastructure for residents, business and investors.
- A public transport system that acts as an economic enabler for the city.
- A taxi industry that is transformed into a formal business sector.
- A taxi industry that participates fully in, and benefits from, the economic opportunities presented by the Integrated Public Transport System.
c. **Values**

**Respect** – for commuters, employees, stakeholders, and the environment in which we operate.

**Empowerment** – ensuring economic opportunities for industry stakeholders and the community we serve.

**Local** – serving the community of Nelson Mandela Bay and supporting local procurement, investment and employment.

**Integrity** – acting transparently, fairly and equitably.

**Accountability** – taking responsibility for our actions.

**Best practice** – adopting world-class standards to meet local needs.

**Longevity** – building a sustainable public transport system.

**Efficiency** – optimising our resources to deliver safe, reliable and accessible services.

d. **Strategic objectives**

Our immediate, key strategic objectives are to:

- Successfully finalise the negotiation of the 12-year public transport contracts with the NMB Municipality.
- Establish operating companies with sound governance and administration systems to deliver public transport services in the contract areas.
- Deliver effective shared services to the taxi industry that meet the needs of owners and commuters.
- Establish an Academy of Excellence to provide skills development for the public transport industry.
- Ensure that taxi owners receive appropriate compensation in exchange for the economic rights surrendered through participation in the IPTS.
- Develop secondary businesses through the public transport supply chain to benefit the taxi industry.

e. **Growth strategy**

The evolution of the taxi industry from informal to formal business sector holds significant prospects for Laphum’ilanga to develop business opportunities to benefit role-players in the industry while diversifying and maximising our income streams.

Our growth strategy is founded on three pillars:

- Our foremost priority is ensuring the effective and sustainable participation of the taxi industry in the IPTS in line with national government’s undertaking that no loss of profits or jobs will be incurred as a result.
- Secondly, Laphum’ilanga’s role is to facilitate the development of secondary businesses that will enable the taxi industry to derive maximum economic benefit from the entire public transport value chain. Opportunities currently under
consideration include fuel and parts supply, vehicle repairs and cleaning, and insurance. Further opportunities exist in other modes of public transport, the provision of public transport on routes not covered by the IPTS, and in long-distance transport.

- The above two pillars are closely linked to our third priority of providing skills development and training to workers and owners in the taxi industry, in order to ensure maximum, meaningful employment opportunities in the IPTS and associated businesses.

3. Products & Services

a. Services

Laphum’ilanga’s core business is the provision of public transport services in the IPTS in Nelson Mandela Bay. We will also seek to maximise business opportunities for our members in the taxi industry to provide public transport services on routes outside of the IPTS and on long-distance routes servicing passengers’ needs for transport between the metro and other major towns in the region and into the rural Eastern Cape.

As the “umbrella body” for the taxi industry in Nelson Mandela Bay, Laphum’ilanga provides shared, professional services to the industry in:

- representation and contract negotiation,
- administration,
- finance,
- human resources,
- skills development, and
- centralised information management.

This ensures that resources and facilities are coordinated, and minimises uneconomical duplication of services.

b. Products

A host of opportunities exist for development of secondary businesses and products to service the taxi industry, and from which the industry in turn can derive economic benefit. The industry stands to benefit not only from the provision of public transport services, but from owning businesses throughout the entire value chain. Areas such as fuel and parts supply, repairs, and insurance, have been identified.

The taxi industry will own the modal interchanges that will service the IPTS. These are to be developed as economic hubs to house and formalise the informal businesses that naturally operate as spin-offs from, and service providers to, the taxi industry and commuters. These commercial centres also provide the opportunity to locate government services and other public services such as post offices and medical practitioners in a centralised hub serving communities previously marginalised from economic activity and access to services.
c. **Business competitiveness**

The taxi industry is the biggest provider of public transport services to commuters in the Nelson Mandela Bay metropolitan area, carrying 75% of the metro’s economically active population. The obligations that come with the size of the industry are forefront in the deliberations of the Laphum’ilanga Board, mindful of our role as an economic enabler, our duties as an employer and service provider, and our responsibility as a corporate citizen of the Metro.

d. **Quality policies**

Laphum’ilanga ensures that vehicles used in providing public transport services are of the highest standards in terms of roadworthiness and passenger safety. Vehicles are sourced from manufacturers that meet SA Bureau of Standards specifications, and both vehicles and drivers must have the necessary licences in place in order to provide public transport services.

The ongoing development and evolution of Laphum’ilanga into a fully-fledged transport services company includes the development of internal quality management policies and systems.

4. **Management & Ownership**

a. **Ownership**

Laphum’ilanga is owned by the five primary co-operatives that were formed by the 10 taxi associations operating in the metro. Each primary co-operative is linked to a contract area of the IPTS. The co-operatives own Laphum’ilanga in equal shares of 20% each, and their boards nominate two directors each to the Laphum’ilanga Board.

The primary co-operatives and shareholders in Laphum’ilanga are:

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<th>Primary Co-operative</th>
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<td>Uncedo Service Taxi Association (PE)</td>
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<td>UbunyeNgamandla Transport Service</td>
<td>PE &amp; District Taxi Association (PEDTA)</td>
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<td>Northern Areas Transport Service</td>
<td>Algoa Taxi Association</td>
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<td>Western Suburbs Taxi Association</td>
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<td>Eastern Cape Long Distance Taxi Association</td>
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<td>Norwich Long Distance Taxi Association</td>
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**August 2013**
b. Directors
Mtutuzeli Madwara (Chairman)
Mlungiseleli Manjana (Vice-Chairman)
Terence Faltein (Secretary)
Gregory Rockman (CEO, Executive Director)
Ayanda Qoko (COO, Executive Director)
Andile Andries (HR Manager)
Christian King
Thozamile Ngqokwe
Cedric Potgieter
Nomalizo Soka

c. Executives
Gregory Rockman – Chief Executive Officer (CEO)
Mary Brennan (CA (SA)) – Chief Financial Officer (CFO)
Ayanda Qoko – Chief Operating Officer (COO)

d. Office and administrative personnel
Senior management
Andile Andries – HR manager
Mbulelo Ndudula – Marketing & communication manager

CEO’s office
Thami Ngeno – PA to CEO & Executives

e. Employment Equity
Laphum’ilanga Transport Services is an equal-opportunity employer, both within the administration of the company itself and within the taxi industry. First preference for employment is given to owners and workers currently in the industry. Laphum’ilanga is also responsible for ensuring that training and skills development are made available to improve skills levels, and thus employment prospects, within the industry.

f. B-BBEE contribution
Laphum’ilanga Transport Services is a 100% black-owned company (black defined as per legislation as African, Coloured and Indian). There is a significant element of ownership in the taxi industry, and in turn of Laphum’ilanga, by black female and disabled persons.

Ownership in the taxi industry is primarily vested in previously disadvantaged communities, and these will be the major beneficiaries of the economic empowerment and advancement opportunities presented by the formalisation of the industry.

Formalisation of the taxi industry will enable the owners of the industry to play a significant role in the local business environment as a service provider and employer of considerable size.

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5. **Portfolio**

**Co-operatives and Companies**

Laphum'ilanga is responsible for building the taxi industry’s business holdings through facilitating the establishment of:

- The five primary co-operatives, as the industry’s governance structures.
- An operating company for each co-operative, to provide public transport services in each of the five contract areas.
- Kyoscan, a special purpose operating company through which the primary co-operatives participate in the pilot project running prior to formal launch of the IPTS.
- TransBay, the 50:50 joint venture between Kyoscan and Algoa Bus Company that has contracted with the NMB Municipality to operate the pilot project routes.
- The Laphum'ilanga secondary co-operative as the industry “umbrella” and holding body for ownership of the IPTS busses and delivery of shared services to the industry.
- The NMBM is the owner of the busses, in line with the commitment to empowering the Taxi industry, it has granted the right of use and management of the buses to Kyoscan (Pty) Ltd.

Secondary business opportunities, as they are developed, will further add to our portfolio.

**Customers, stakeholders and strategic partners**

Our primary customer is the commuting public of Nelson Mandela Bay, of which the taxi industry currently transports 75% of the metro’s economically active population.

Individual taxi owners and associations have numerous public and private sector customers, large and small businesses, for which they provide transport services for employees, students, customers and so on.

Laphum’ilanga’s shareholders are the five primary co-operatives.

The IPTS is a public-private partnership that will deliver to national government’s vision of an Integrated Public Transport System that is Reliable, safe, affordable and sustainable. Our key strategic partners in this venture are the Nelson Mandela Bay municipality, provincial and national government.

6. **Corporate Governance**

Deloitte are our external auditors. Currently they also perform a full monthly review of all expenditure, in line with the requirement in the Memorandum of Agreement signed by Laphum’ilanga and the Nelson Mandela Bay Municipality in October 2012. This includes a full review of all expenditure to ensure compliance with Laphum’ilanga Supply Chain Policy, budget authorised and International Financial Recording Standards (IFRS).