



Western Cape E-Hailing Association (WCEA)

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Registration Number: 2022/733285/08

MEMORANDUM TO THE MEC OF TRANSPORT

Presented by the Western Cape E-Hailing Association (WCEA)

Date: 17th September 2024

To: Provincial Minister of Mobility – Honorable Sileko

cc. Minister of Transport: Honorable Minister Creecy

Subject: Addressing Grievances of E-Hailing Drivers and the Need for Immediate Government Intervention

We, the members of the Western Cape E-Hailing Association (WCEA), come before you to express our grave concerns and long-standing grievances regarding the abusive practices of e-hailing app companies. Our members have been subjected to exploitation for over a decade, and despite multiple appeals for intervention, the situation remains dire. We stand here today, calling on the government to fulfill its responsibility and immediate start with accelerating the regulatory processes in our sector, now that the NLTA Amendment Act has been signed.

Our grievances include, but are not limited to:

- **Unfair and unilateral deactivation:** of drivers' accounts by app companies, without any recourse or fair and transparent appeals processes, leaving drivers without an income overnight. *Unilateral deactivations continue unabated in complete disregard for the rule of natural justice and with absolutely no regard to the fundamental rights that everyone's is guaranteed too as enshrines in the constitution of S.A. Our constitution in bill of rights under section 23 , clearly states that "everyone has the right to fair labour practices." for the government to continue to allow foreign multi-national app companies to undermine the supremacy of our constitution is unacceptable.*

- **Excessive commissions charged:** by app companies, resulting in reduced earnings for drivers while these companies continue to profit from our labor.

- **Unfair vehicle age limit policies:** which hinder drivers' ability to remain on the road despite their vehicles being in good condition and safe to operate.

- **Falling ride fares:** that do not reflect the rising costs of living and escalating operational expenses, such as fuel and vehicle maintenance.

- **Lack of accountability and protection for drivers:** who daily face life-threatening situations, harassment, robberies, hijackings, damage to property and severe mental stress caused by criminals posing as riders. All of these onslaughts while App companies reap super profits at the expense of our safety and fail to take any accountability for the damage their exploitative business model has introduced within the South African transport eco-system and the rest of the world. Just yesterday, we sadly lost another driver, cde Marshal Tynash who was brutally killed and another one in Eldorado Park last night who was critically stabbed in the neck. Virtually every day innocent lives are lost through lawlessness and crime. It is reported that Cde Tynash was attacked in Delft and his body was later found in the Observatory mortuary. Last month, we also lost one of our leaders, cde. Johan Maphosa who drove for many years on the Uber and Bolt platform. He sadly died after struggling with his health whilst driving on the platform till the very last. Many of those who lost their lives due to this senseless killings and mental torture have left behind children and families who depended on them as the only breadwinners. The time has come in SA that these app companies must be held accountable for the hardship suffered by the families of the victims. Over and above this, the government needs to step in by taking decisive measures to curb this scourge of criminality.

- **Absence of social protections,** including no compensation for injuries or loss of life while on duty, leaving drivers vulnerable in a dangerous work environment

- **Lack of government intervention** to address the price-setting mechanisms and unfair competition. The mini-bus taxi industry is allowed to set its own fares, and meter taxis operate with regulated pricing (R13.50 per km). Yet, app companies are permitted to set drivers' earnings as low as R7 per km, a disparity that creates instability and places an unsustainable burden on drivers.

We have been waiting for meaningful change since 2016, and while we acknowledge that the abuse by these companies began long before that, it has only worsened over time. The NLTA Amendment Act must now be used as the foundation for urgent regulatory reform in the e-hailing industry. The lack of consistency and clarity in the pricing structures across different sectors of the transport industry not only fosters unfair competition but also generates instability, creating unintended consequences for both operators and riders alike.

We demand the following actions from the government:

- **Decisive intervention** to regulate the pricing mechanisms within the e-hailing industry to ensure fair competition.
- **The implementation of strict regulatory** measures to protect e-hailing drivers from arbitrary account deactivations and to establish clear channels for appeals and recourse. A recognized statutory dispute resolution system/mechanism in SA to determine/adjudicate unfair deactivations and unfair labour practices committed App companies.
- **Enforceable measures:** ensuring appropriate commissions are charged by app companies, allowing drivers to earn a sustainable income. Regulator to be appointed by the government to set fair pricing to prevent price fixing, manipulation and unfair competition as a corrective measures to counter act exploitation of operators
- **Regulations addressing vehicle age limits**, taking into consideration the operational safety of the vehicle rather than a blanket policy imposed by the app companies
- **Social protection and insurance coverage** for e-hailing drivers, ensuring compensation for injuries or loss of life while on duty – a (joint) dedicated fund to be established to cater for Social protection, including Compensation.
- **Independent Investigation into Multi-national App companies' compliance to SA TAX LEGISLATION**, *public transport is supposed to be exempted whilst Uber claims to deduct only VAT on the commission they take let alone the drivers who are left completely vulnerable in this entire equation. At the same time, operators/drivers are responsible for dealing with their own income tax. Our members have raised several concerns regarding the question of taxation, in that it might be true that the multi- national app companies are deducting tax, but to what extent are the really compliant in relation to the actual revenue they generate*
- **Independent Investigation into the Manipulation and Unfair allocation/granting of Operating Licenses:** *in respect of the unfair advantages historically enjoyed by the meter-taxi sector over the e-hailing sector and which they are still enjoying up to this point. Some of them are even on record as having a much as 14 Operating licenses and publically selling them for up to R30 000 per permit. This meter taxi cabal in the WC are now making it their business to migrate to the e-hailing sector at the expense of the previously disadvantaged e-hailing operators/drivers who are still struggling to obtain permits/operating licenses.*

WE DEMAND TRANSPARENCY, ACCOUNTABILITY AND FAIRNESS NOW !

To the App companies: We reiterate our demands as follows:

- An immediate end to unfair and arbitrary deactivations by the App companies
- App companies to implement 15% commission structure to increase driver/operator earnings,
- Improved safety standards, accountability by the app companies & compensation to victims of crime, the establishment of a dedicated Fund to cater for app workers in the E-hailing and food delivery service
- Uber to immediately revise its vehicle age limit policy in a manner that takes into account the negative impact on drivers/operators.

Conclusion

The Western Cape E-Hailing Association stands ready to engage with the government and relevant stakeholders to find lasting solutions to these issues. We urge the MEC of Transport and the broader government to act swiftly and decisively to regulate the e-hailing industry, ensuring the fair treatment and protection of operators/drivers as well as riders, who form the backbone of this vital sector. We wish to remind the App companies that we are getting tired on repeating the same demands all the time....their intransigence and arrogance is not helping the industry in creating stability. The independent e-hailing formations have been engaging these app companies and the government for several years, essentially on the same issues but they failed to meet our legitimate demands.

We demand that the government intervene now to end the abuse by e-hailing app companies and bring fairness, safety, and security to this industry.

We have further resolved to intensify our protest actions against the on-going hostility of the app companies and against all other forms of abuse in the industry. To this end, we are also engaging on a national level and international level to build solidarity to strengthen the voice of platform workers, particularly in the e-hailing sector. Our protest action will therefore continue on the following dates:

Tuesday October 22, 2024 Tuesday November 19, 2024 Tuesday December 24, 2024 subject to further review should we receive a positive response from both Government and the App companies.

We accordingly request the WC Government, in particular the Office of the MEC for the Department of Transport/Mobility to respond to our demands and concerns as articulated herein.

We shall await your written reply hereto within 14 days upon receipt of this memorandum.

Yours for Justice and fairness

On behalf of the WESTERN CAPE E-HAILING ASSOCIATION:

This memorandum is issued on this 17th day of September 2024, by:

Siyabonga Hlabisa

Provincial Chairperson

Received by:

MEC I.M Sileko – Dept of Transport:WC

Omar Parker

General Secretary (as witness)

(as witness)