
Date: 5 July 2020

Our Ref: D Maharaj

Your Ref:

The Minister of Tourism
The Honourable Mmamoloko Kubayi-Ngubane
17 Trevenna Street
Tourism House
Sunnyside
Pretoria

Per Email: zndudane@tourism.gov.za
nmadlala@tourism.gov.za

Dear Madam

Re: **MEMORANDUM ON BEHALF OF PRIVATE CHARTER PASSENGER OPERATORS ASSOCIATION**

1. We act on behalf of the Private Charter Passenger Operators Association, an entity comprising passenger transport operators who are exclusively involved in the private charter passenger transport industry in South Africa.
2. We address this letter to you as we have received no response from the Minister of Transport despite repeated requests for a response. We fail to understand on what basis our clients must again be treated different to other transport activities. Our clients never received subsidies, contrary to other modes of bus transport. In lockdown our clients businesses came to

Directors

Dev Maharaj, Teboho Putsoane and Shikar Maharaj

Senior Associate

Mayuri Mangla

Consultant

Tarisai Gonyora

P O Box 70758, Bryanston, 2021 | Docex 10, Bryanston

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a standstill by not being able to operate at all and remain to be under lockdown. In fact, our clients are the only mode of transport still under lockdown. Yet, other transport modes, such as taxis, were allowed to operate, albeit on a more limited scale. Now again, subsidies are being made available to taxis but our clients are not considered for any assistance. We need to make it clear, we do not object to subsidies to the taxi industry, rather, we fail to understand why our clients are continuously disregarded and left in the cold. It becomes more concerning when our clients plight and request for rational and equal treatment or at least for some consideration, did not even evoke the courtesy of a reply from the Minister of Transport. It is with the above in mind that we address this to you.

3. All our clients' members are duly registered passenger transport operators of long-standing servicing the travel and tourism as well as private hire sectors and are not contracted to government to provide transportation services to any of its departments. In particular, they are not plying any particular routes nor providing scholar transport to any provincial Department of Education, countrywide.
 4. Throughout the tenure of their respective businesses, the members of PCPOA were completely reliant on their vehicles being chartered by tour operators and the private sector. They never obtained any state aid either
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in the form of contracts or subsidies yet they contributed to the fiscus by way of direct and indirect taxation as well as through job creation and sustaining of all businesses providing services to the charter industry. Consequently, our clients are responsible for an entire chain of businesses and employment that contributes significantly to the state coffers and to the national economy.

Cumulatively, our clients' members own over 1200 vehicles, many of them are members of the South Africa Tourism Services Association (SATSA) and make a significant contribution to the transportation of tourists and delegates to the conference/events industry. We can safely state that the majority of tourists to our country are transported by our clients members without whose services, the bulk of the tourism industry will come to a standstill.

5. As you are well aware, our client's members had to stop work completely since the introduction of the lockdown from 26 March 2020 and none of the members have generated any meaningful income since then. In fact the vast majority of them have not generated a single cent since the lockdown and that position is set to endure for some time and possibly well into the New Year until the tourism industry returns to some semblance of normality.
 6. However throughout this lockdown our clients members have been expected to meet their financial obligations relating to their respective
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businesses including paying licensing fees, operating costs, staff salaries and taxes (either in the form of input VAT or income tax/company tax/employees tax) whilst having no income whatsoever.

7. Our client's Industry is facing a crisis of survival. With this in mind, all the significant players in the industry have come together for the common purpose of ensuring the survival of their industry and those of their supply industries.
 8. Our clients' members have tried to take advantage of the various relief schemes that the government has made available including the Temporary Employee Relief Scheme ("TERS"), tax relief scheme ("ETI"), The Tourism Relief Scheme and the Debt Relief Finance Scheme put together by National Treasury. However these schemes have been exhausted and, although laudable, have hardly provided any meaningful assistance to our clients' members.
 9. We believe that the second round of Treasury's Debt Relief Finance Scheme is about to be rolled out but this scheme is a loan with highly burdensome conditions being placed thereon by the commercial banks administering these funds including a projection of expected income which is unrealistic to determine in light of the industry being grounded without any clear indication of when services will resume.
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10. Whilst your Department has published regulations on 29 June 2020 opening up the conference industry, it is reasonable to appreciate that this industry will simply not resume as infection rates are rising rapidly and conferences will be held virtually, which is the new method of communicating with multiple people simultaneously.

 11. The domestic travel industry is barely off the ground with only business travel allowed at this stage whilst international tourism is a distant dream. This situation simply means that our clients' members, who for decades have been the mainstay of the tourism industry, are really facing a hopeless situation and unless there is urgent intervention and assistance from your Department and your colleagues in government, we are afraid that many well-known transporters providing vital services to the tourism industry will be no more.

 12. Our client instructed us to make representations to the Minister of Transport with recommendations and initiatives to save the industry from collapse, which we duly did, and we are taking the liberty of attaching hereto, for your easy reference, copies of representations sent to that Ministry and copied to the Department of Trade and Industry. Despite follow-up correspondence, save for acknowledging receipt thereof, no tangible relief has been forthcoming.
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13. You will note that very tangible and non-burdensome financial recommendations were made to your colleagues but unfortunately there has hardly been any attempt to address the plight of those whom we represent let alone any engagement with them at all. This is despite extensive engagements having taken place with the taxi industry and massive financial relief having been made available to that industry. You are respectfully referred to the suggestions contained in the attached correspondence and we repeat those suggestions as if specifically included in this communication.
 14. We are appealing to you to engage with our client and its members to find a meaningful way to address their extremely serious concerns, failing which you may well find that when the travel and tourism sector opens, there will be very limited private charter passenger transport services available to move tourists around in this country.
 15. It would be appreciated if you would kindly acknowledge receipt hereof and advise when you will be available to convene a virtual meeting with our clients national executive committee that has been nominated to represent the 84 passenger transporters in each province and across all ethnic groups.
 16. Whilst we appreciate that you have major issues that you are dealing with on a daily basis, we nevertheless believe that it is imperative that some
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time is devoted to addressing the concerns of the extremely important industry players whom we represent as they have made a significant contributions of many of the successes enjoyed in the past by your Department.

17. We thank you for your consideration hereof and look forward to hearing from you as a matter of urgency.

Yours faithfully.

Dev Maharaj
(devm@dmalaw.co.za)