

**NEWS**  
SA'S CANCER-CURE PIONEER PAGE 5



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**REVIEW**  
GWEN GILL SAYS SO LONG, AND THANKS FOR ALL THE FUN **REVIEW, P16**



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# EXPOSED: DEADLY TAXI RACKET

- Owners unwittingly buy illegally converted panel vans that endanger thousands
- Car dealers, banks and licensing authorities blame each other for deathtrap fiasco



DUPED: Taxi owner Phola Katsisi with the Toyota Quantum she bought in 2007, which she has now discovered was illegally converted and should not be on the road

● Read her story on Page 2

## SPECIAL INVESTIGATION

STEPHAN HOFSTATTER and ROB ROSE

**M**ORE than 4 000 deathtrap taxis — some of which have already caused grisly deaths — have been let loose on South Africa's roads by banks, car dealers and the Department of Transport.

The Sunday Times has established that about 4 000 illegally converted Toyota Quantum panel vans have been operating as taxis, although they do not meet the government's safety standards.

Seats are bolted onto the paper-thin steel floor instead of being fixed to the chassis, windows cut into the van weaken the structure and there is no rear roll bar. Roofs crumple on impact and seats rip loose, hurling passengers to their deaths, according to a notice sent to banks last year by private vehicle investigation firm International Vehicle Identification Desk (ivid).

"Even in the smallest crash, passengers' legs break like twigs," said a department official who did not want to be named. "We have 4 000 time bombs driving around, costing lives, and nobody is doing a thing about it."

Some of these vehicles — many of which have been involved in serious accidents with high fatalities, including six children on one occasion — were even officially accredited to transport tourists during the recent Fifa Confederations Cup. And they could even be in use during the World Cup next year.

"We will continue to take the risk and work with these taxis, unless we're physically forced to stop," says Michael Yende of the Gauteng Taxi Council.

"We could have transported many tourists to the Confederations Cup with these taxis. We just wouldn't know," said William Thembe, chairman of the Alexandra Taxi Association.

Now minister of transport Sbu Ndlebe has vowed to make it a priority to pull these unsafe vehicles off the road.

Branding it a "concern", Ndlebe was alarmed that the vehicles had been used to ferry foreigners during the Confederations Cup. He said this must



## OFF THE BEATEN TRACK

Felipe Massa is taken to hospital after crashing his Ferrari at more than 200km/h during qualifying laps yesterday for the Hungarian Grand Prix. The crash occurred after Massa, the winner of 11 grands prix, was hit in the face by a spring that flew off the car of Rubens Barrichello. Massa, 28, was momentarily concussed and his car skewed off the circuit and into a wall of tyres. He was lifted out of his cockpit after being attended to by medical staff and then taken to the circuit medical centre and treated by Formula One's chief medical officer, Gary Hartstein.

● SEE SPORT Picture: REUTERS



## Readers donate 140 000 books

ANGIE Motshekga, the minister of basic education, has pledged her department's support for the Sunday Times's Storybook campaign, by sponsoring 100 000 books.

"Teaching young children to read and creating in them a love of reading will help to lay a solid foundation for their future success," said Motshekga.

"The Sunday Times Storybook campaign is a wonderful initiative to harness the goodwill of every South African towards turning young South Africans into a nation of readers," she added.

The campaign, which was launched in the Sunday Times on July 12, aims to see 2 600 primary schools nationally receive 500 Sunday Times Storybooks for their libraries — in five of South Africa's official languages.

The 132-page Story time books contain 10 children's stories, written and illustrated by South African authors and artists.

The stories have been donated by Oxford University Press, Maskew Miller Longman, Macmillan and Cambridge University Press, and readers have already started sending their donations via SMS. Printing company CTP and paper supplier Mondi Shanduka are both contributing to the project, and Cell C and Virgin Mobile have waived any SMS response revenue.

In the two weeks since the campaign was launched we have received funding for just under 140 000 Storybooks. The Department of Basic Education has donated funding for 100 000 Storybooks and Exclusive Books' social investment fund has donated 10 000 Storybooks.

As readers, you can help raise the money needed to publish the story book and distribute it to schools: SMS the word "story" to 39973 to donate R15 or to 42973 to donate R30.

If readers or companies want to club together and donate more, please e-mail: storybook@sundaysundaytimes.co.za.

● For more details see Page 6 of Sport

## SA girds for new strike wave

NASHIRA DAVIDS

SOUTH Africa lost more than half a million working days due to strikes in the first six months of the year — nearly double the number over the same period last year.

Now the country is on the brink of yet another major strike, by 150 000 municipal workers. And more strikes are in the pipeline.

About 10 000 Metrorail workers plan to down tools and wage disputes are making headlines at the SABC, Telkom, and in the retail and chemical sectors.

not allowed to happen at next year's tournament.

"We don't want to hear of people dying in taxis getting to a match, particularly if we know that those vehicles are not suitable."

The illegally converted panel vans are estimated to ferry up to 400 000 passengers a day across South Africa.

The country's banks, the department, roadworthy agencies, Bureau of Standards and car dealers have been blaming each other for indifference, negligence or incompetence.

The Quants were bought under the government's taxi

Andrew Levy Employment Publications tracks strike activity around the country. Jackie Kelly, labour analyst for the company, said that by the end of last month more than 500 000 working days had been lost to strike action.

"At the end of June 2007, however, we had lost 11.5-million working days. This was largely due to the public sector strike ... what we are finding is that we don't have as many strikes as we used to have, but we have more workers involved in a particular strike," said Kelly.

Because there were more par-

ticipants, she said strikes lasted longer. In total, 12.9 million working days were lost in 2007 and 991 000 days in 2008.

Major strikes this year have hit the road freight industry — involving 60 000 employees — the metro police in Johannesburg, South African Airways, and health services.

The South African Municipal Workers' Union (Samwu) said its members would go on strike tomorrow.

"In an overwhelming display of unity, over 150 000 workers em-

ployed by municipalities and belonging to both Samwu and the Independent Municipal and Allied Trade Union across the country rejected the latest wage offer of the SA Local Government Association," said the union.

Union demands include a minimum wage of R5 000, a wage increase of 15% or R2 500, "whatever is greater", and housing loan assistance.

Economist Mike Schüssler estimated the Metrorail and municipal strike would cost the country about R15-million a day.

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# 'No one takes responsibility'

● From Page 1

recapitalisation programme, which aimed to improve the safety of the 180 000 taxis carrying 12 million people every day.

The banks, including Absa, Nedbank, Standard Bank and Wesbank, as well as vehicle industry credit provider SA Taxi Finance, have financed 973 converted Quantums used as taxis since August 2007, which is when regulations came into force designating these vehicles "illegal", according to an analysis of the government's vehicle database, eNatis.

The rest were either paid for in cash or financed by the banks before August 2007, eNatis confirmed there were more than 4 000 of these converted Toyota

**We have fallen into a trap because the banks didn't raise objections to financing these vehicles'**

Quantum panel vans operating as taxis on SA's roads.

The banks have admitted to the Sunday Times that they had more than 700 of these vehicles on their books, at an estimated value of R140-million.

SA Taxi Finance said it had 584 on its books, Wesbank and Absa "less than 50", Standard Bank 40, and Nedbank only three. Toyota Financial Services has not quantified its exposure.

Taxi owners were lured by dealers into buying Quantum Panel Vans from 2005 because they are up to R30 000 cheaper and had more seats than the Toyota Quantum Sesfikile, the vehicle legally mandated to operate as a taxi.

The problem was flagged in a 2005 memo from Toyota, which said illegal conversions must not happen because it placed passengers at risk of "death or injury" and the company "in a situation where the client could sue us".

Taxi last week launched another investigation into illegal conversions of panel vans after fresh allegations surfaced of dealers supplying vans for conversion. Toyota spokesman Ferdi de Vos confirmed this week.

Absa has now decided to treat every deal as fraudulent. "We will either go after the customer, the dealer or the person who converted that taxi," said the bank's head of vehicle finance, Marcel de Klerk.

But a letter sent in February 2008 by the department's Kuben Pillay to the taxi financing committee, which included all the banks, suggests that banks will have to share liability. It says the government was alerted

that banks were "financing vehicles that were not compliant to the September 2006 regulations". It warns: "Financiers would be held accountable for financing non-compliant vehicles despite being aware of the requirements."

Alarmingly, authorities have done little more than pass the buck. Though some vehicles have been pulled off the roads by police, there appears little concerted effort to do this.

Documents in the Sunday Times's possession show the issue was repeatedly raised by the department's vehicle technical committee, with the regulatory arm of the SABS coming under fire for failing to conduct regular inspection of companies licensed to modify vehicles, as they are required to do by law.

Roadworthy centres, which provided certificates of fitness to these vehicles, were also blamed.

Insiders in the department said illegal conversions had been on the committee's agenda at every quarterly meeting for more than two years, including last week.

"Everybody is trying to blame everyone else," said an official, who attended the meeting but did not want to be named.

"No one wants to take responsibility."

Bafana Mwabane, the deputy director-general of transport who chairs the committee, declined to confirm this. "No official will talk to the media about this," he said.

Yende blamed the banks for the problem. "The banks require a taxi permit, so they knew they were financing taxis. We have fallen into a trap because the banks didn't raise any objections to financing these vehicles. The banks just look to see if you are creditworthy. They just want sales," he said.

James Chapman, who runs Santaco Trading — essentially the business arm of the SA National Taxi Council — agreed: "Banks may have been negligent to have allowed these vehicles to have ended up on their books."

But SA Taxi Finance CEO Martin Bezuidenhout laid the blame squarely on the government. "We as financiers saw documents that were legitimate, and these vehicles were registered by the government as taxis. It's unacceptable that their systems didn't identify these vehicles," Bezuidenhout said. He was first informed in October 2008 that SA Taxi Finance had financed these vehicles "and we immediately stopped financing new vehicles that fell into this category".

Wesbank head of sales and marketing Christ de Kock said: "We expect the regulatory authorities (to) inspect the vehicle before a taxi operating permit is issued, or before it is registered as a taxi."

Absa's De Klerk said the VIN number — a registration num-

ber on the government system — clearly showed that a vehicle was a panel van, so Absa would not have financed these vans as taxis.

Johann de Beer, head of taxi finance at Nedbank, confirmed that the VIN number clearly showed which vehicles were Toyota panel vans. He said banks did not have too many options once they had financed these vehicles, other than "trying to rectify it".

"If these vehicles slip through, I suppose we're responsible. Can (authorities) do something to us? Probably they can, because the responsibility is on us to ensure the vehicles we finance are authorised and legal," he said.

Standard Bank's Patrice de Marigny said: "These vehicles came to us through the franchise dealer network", adding that those responsible for converting the vehicles illegally "should be in jail".

Lee Dutton, who heads Ivid, agreed that the primary culprits are the conversion shops and dealers. "These are the guys who knew that what they were doing was illegal, but who knew they could make a quick buck by converting these vehicles and selling them as taxis," he said.

But with everyone decrying responsibility, passengers involved in accidents may find themselves unable to claim from insurance.

Insurance company Clarendon provides insurance for about 65 000 taxis — about 80% of the insured taxi market. But CEO Louis Fivaz said when a converted panel van was involved in an accident "we might not pay out" for either the vehicle or passenger liability.

Fivaz said this was especially if the "conversion to an illegal vehicle contributes to the loss".

**'These are the guys who knew what they were doing was illegal, but knew they could make a quick buck'**

Meanwhile, the department was investigating and promised to take action "against all concerned", said spokesman Sam Monareng.

The SABS was also investigating van converter companies and would suspend any found doing so illegally, he added.

Responding to reports that the vehicles had been used during the Confederations Cup, local organisers' committee spokesman, Jeanine Craig said: "It's unclear the extent to which these vehicles were used during the Fifa Confederations Cup, but we have raised the issue with the relevant government transport departments."

When the dealer asked Katsisi if she wanted a 14-seat Toyota Quantum for R255 000, or a



TAXI DECAPITALISATION: Phola Katsisi from Soweto outside her minibus, which she has been informed is an illegal conversion and may not be used to ferry passengers

## Illegally converted taxis could ruin their owners

'Checks and balances' failed entrepreneurs who were fooled by unscrupulous dealers

STEPHAN HOFSTATTER and ROB ROSE

PHOLA Katsisi is a single mother who lives in Pinetown, Soweto. She supports two families — her two daughters at home, and her mother and caregiver in faraway Zeerust — from the money she earns ferrying commuters in her minibus taxi to and from Johannesburg's oldest township, Alexandra.

When Katsisi, 45, was scouting around for a reasonably priced minibus two years ago, she tried a dealership in Durban, 25km south of Johannesburg.

Friends in the taxi industry had told her there were bargains to be had. At the time, government's recapitalisation programme was in full swing, with dilapidated Toyota Hi-Ace vehicles to be replaced by fancy new minibuses, which typically cost more than R200 000.

Months earlier, in August 2007, new safety regulations that applied to all vehicles operating as minibuses came into force. They required taxis to be fitted with seat-belts and roll-over bars to prevent passengers' skulls being crushed during an accident.

When the dealer asked Katsisi if she wanted a 14-seat Toyota Quantum for R255 000, or a

16-seater model parked in the showroom for R288 000, it was an obvious choice. After paying a R60 000 deposit she took the necessary documents to the offices of SA Taxi Finance in Johannesburg, and a week later collected her taxi.

Next she took it for a road-worthiness, receiving it for an official licence disc authorising her to carry 15 passengers plus a driver, and authorisation from the transport department's licence board to ply her trade. Last month Katsisi was lucky to be among 3 000 taxi owners accredited by the Gauteng Transport Department to ferry Fifa Confederations Cup spectators between Johannesburg and Pretoria, getting paid R1 400 a day for her efforts.

Things were looking up.

So it came as a nasty shock when Katsisi discovered this month her taxi was on the road illegally. She only found out after fellow Alex Taxi Association members, with the same vehicles, started being pulled off the road by metro police.

"I took this to the government to get a road-worthiness and a permit, and they approved it," she says. "How can they say now that it's not legal?"

It turned out her dealer could offer bargain prices because

PANEL-BEATEN: The seat in this Quantum panel van has been welded to the floor, instead of the chassis, to turn it into a taxi. Picture: KATHERINE MUICK-MERE

you can say to the police that we're allowing unroadworthy vehicles because we have a grand plan. That's not our approach".

But Katsisi isn't alone.

James Chapman, who runs Santaco Trading — essentially the business arm of the SA National Taxi Council (Santaco) — knows of dozens of Santaco members who are in the same predicament.

"What upsets me is that the taxi owners are now the ones taking the flak. But in most cases, they were simply presented with a vehicle they were told was cheaper," he says.

At each level the system failed. Despite warnings from Toyota as far back as 2005, that converting Quantum panel vans was illegal and dangerous, dealers bought these vehicles from converters and sold them to unsuspecting taxi owners.

Then the regulatory arm of the SA Bureau of Standards didn't raise any red flags and didn't check on the converters who were turning panel vans into taxis. Neither did the government, whose roadworthy agencies duly handed over a certificate of fitness for these vehicles to be used as taxis, and whose eNatis system registered the panel vans as taxis.

Then the banks, which many people expect to be prudent enough to check that they're not financing an illegal vehicle, simply registered the vehicles.

So where does this leave the taxi owners?

SA Taxi Finance CEO Martin Bezuidenhout says the risk can be mitigated.

"These vehicles still have a value, and they need to be taken off the roads. But they can even be converted so they can be used as taxis again". But to do this will cost between R15 000 to R40 000 per vehicle — and with no one owning up to the problem, it seems unlikely a willing funder will step forward.

And it will be the taxi owners like Katsisi, who were caught up in a network of events beyond their control, whose businesses stand to be destroyed by this collective botch-up.

"My 5-year-old is in a crèche and 17-year-old daughter goes to school at Bryanston High and I pay over R8 000 in monthly instalments," she says. "It will ruin me if I can't use my taxi."

— roser@sundatimes.co.za

TELL US: What should be done about illegal taxis on SA's roads? Write to tellus@sundatimes.co.za

## Achmat weighs in on Israeli 'war architect'

LAUREN COHEN



WITHDRAW: Zackie Achmat

### ON THE WEB

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- SA spends more on VIPs than borders
- ANC ready to rethink nationalisation

#### MATTER OF FACT

IN today's article "Now is the time for a united opposition" (Review Page 11), we incorrectly state that Mbhazima Shilowa is the second deputy president of the Congress of the People. He is, in fact, the deputy president. We regret the error.

### TODAY'S WEATHER

#### MAIN FORECAST

Black frost is expected over the northern interior of the Eastern Cape, the Free State and southwestern highveld of Mpumalanga. Gauteng, Mpumalanga, North West Province and Free State will be fine and cold. Limpopo will be fine and cool. Northern Cape is expected to be fine and cold, but cool in the north and warm to hot along the coast with moderate northwesterly winds. The Western Cape will be warm in the northwest, otherwise cool and cool. The wind along the coast will be light to moderate southeasterly. The western half of the Eastern Province will be partly cloudy and cool along the coast, and the wind along the coast will be light to moderate southwesterly. The eastern half will be partly cloudy along the coast, and the wind along the coast will be light to moderate southwesterly. KwaZulu-Natal will be partly cloudy along the coast, but cold over the western high ground. The wind along the coast will be moderate southwesterly.

Cape Town: 12/22 (15°)

Johannesburg: 1/17 (10°)

Durban: 10/18 (15°)

Bloemfontein: 2/16 (10°)

Port Elizabeth: 08/18 (15°)

George: 07/19 (15°)

East London: 10/18 (20°)

Musina: 06/23 (20°)

Polokwane: 03/18 (15°)

Mafikeng: 01/17 (10°)

Potchefstroom: 3/16 (10°)

Johannesburg: 1/16 (10°)

Welkom: 1/16 (10°)

Kimberley: 3/17 (10°)

Beaufort West: 08/18 (10°)

Cape Town: 12/22 (15°)

Johannesburg: 1/17 (10°)

Durban: 10/18 (15°)

Bloemfontein: 2/16 (10°)

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Mafikeng: 01/17 (10°)

Potchefstroom: 3/16 (10°)

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