



S A B O A

Southern African Bus Operators Association

voice of the bus & coach industry

AARTO LEGISLATION IMPACT

**“WHAT IS THE BUS AND COACH
INDUSTRY TELLING US”**

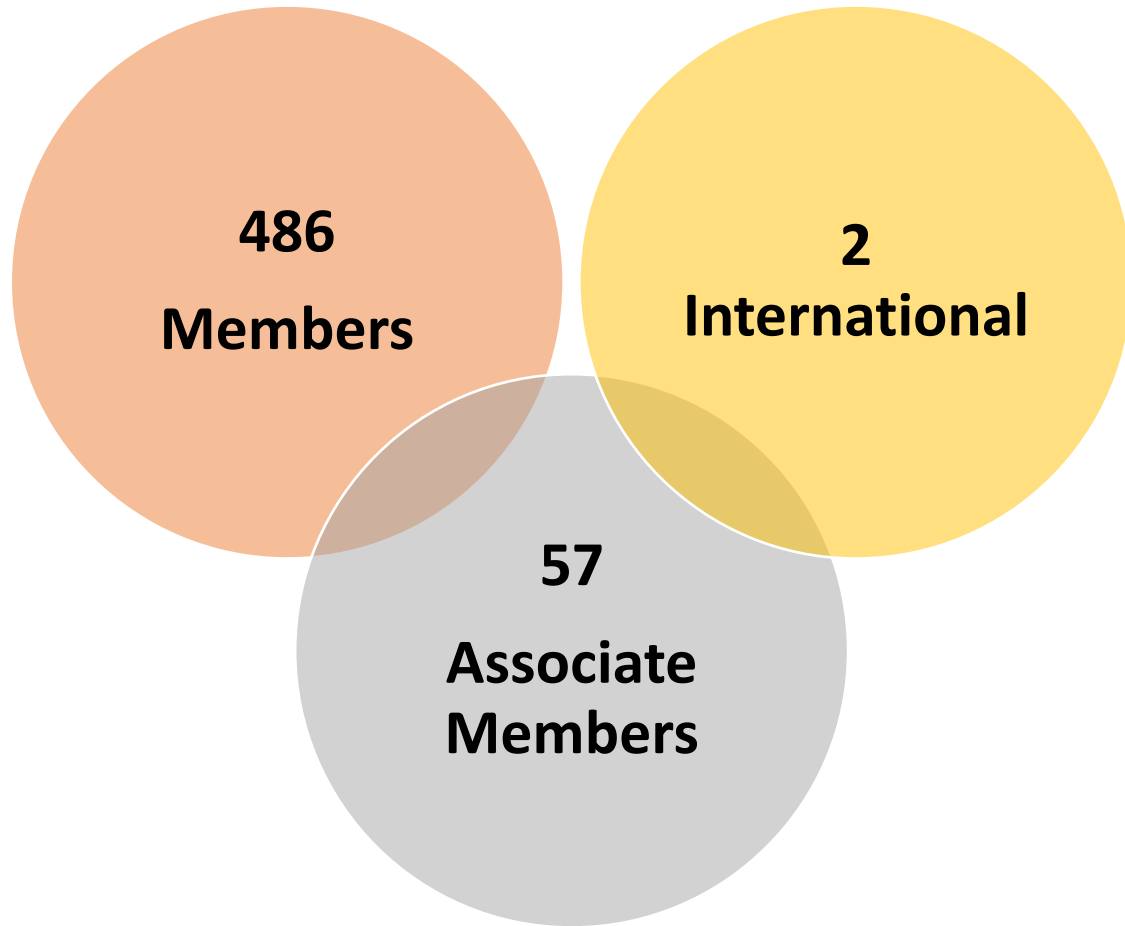
TRANSPORT FORUM SIG , THURSDAY 04 MARCH 2020

BAZIL GOVENDER, EXECUTIVE MANAGER SABOA

PRESENTATION

1. SABOA MEMBERSHIP OVERVIEW
2. AARTO ENGAGEMENTS AND REPRESENTATION BY SABOA
3. SABOA POSITION ON AARTO
4. SABOA BUS AND COACH INDUSTRY SURVEY ON AARTO
5. CONCERNS AROUND THE AARTO SYSTEMS
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7. PROMOTING AARTO – SABOA ROLE
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1. SABOA MEMBERSHIP

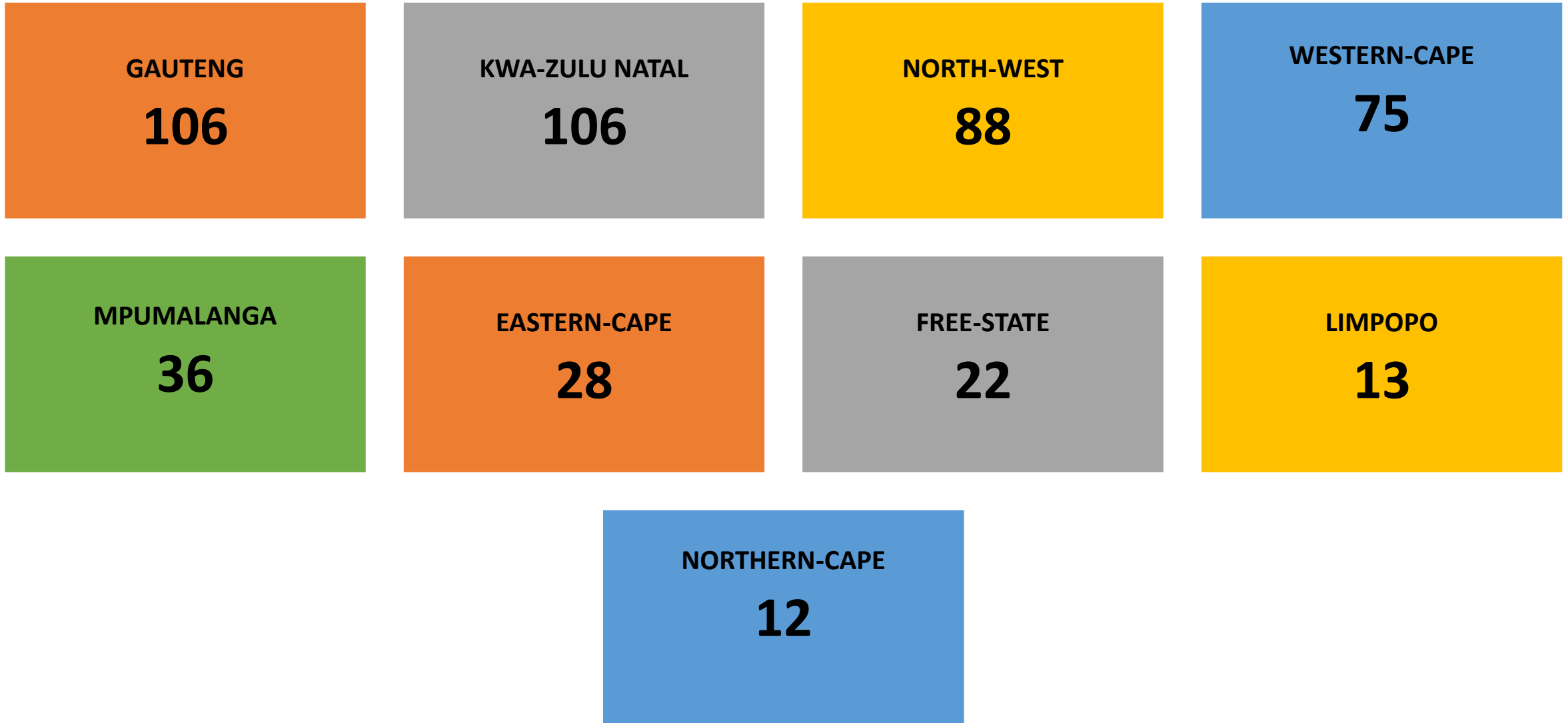


409 SMME Members
1-9 Buses/Coaches
Total Fleet 1058

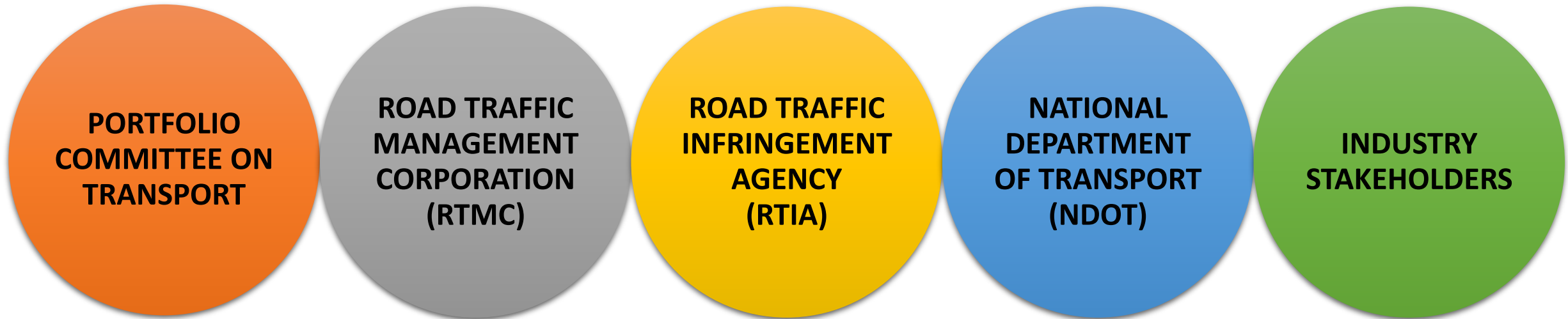
32 Principal Members
11-30 Buses/Coaches
Total Fleet 510

35 Principal Members
30+ Buses/Coaches
Total Fleet 6101

SABOA MEMBERSHIP



SABOA CONSULTATION / ENGAGEMENTS / SUBMISSIONS 2017 - 2020



SABOA POSITION ON AARTO

- SABOA welcomes any initiative and intervention that will improve South Africa's poor road safety record.
- **The industry strongly believes that the points demerit system ought to focus on the transgressions that are easily identifiable and *safety critical*, which, if addressed effectively by a points demerit system, will go a long way in making the roads safer.**
- SABOA has cautiously supported the introduction of the system over the years but raised concerns about the number of transgressions that would be penalisable by points (in addition to a fine) as well as the costs of accessing the system to determine a drivers' demerit points.
- Our view has also been that professional drivers ought to get more demerit points before a license is suspended/cancelled due to the number of hours behind a steering wheel and distances covered compared to a normal motorist.
- It appears that the latest version of the Regulations did not take, previous concerns raised on board and that over 2500 transgressions – some very minor, are penalisable.
- The impact of these measures will have a devastating effect on operators. It will kill off small and large businesses alike.
- **We would like to appeal to the Agency to review these measures so that the economic impact is lessened while still achieving the objective of having safer roads.**

SABOA INDUSTRY SURVEY FEEDBACK

QUESTION 1: Are you aware of the imminent introduction to the DPS on 1 July 2021? (Please indicate with a (x) in the applicable block)

QUESTION 2: What problems/issues do you foresee with the introduction of the DPS? (Please indicate with a (x) in the applicable block)

QUESTION 3: What benefits/advantages do you foresee with the introduction of the DPS? (Please indicate with a (x) in the applicable block)

QUESTION 4: Do you believe government has done enough to communicate its intentions to introduce the DPS and made the public aware of the DPS objectives and consequences? (Y / N)

QUESTION 5: Has your company discussed the introduction of the DPS internally as well as with organized labour? (Y / N)

QUESTION 6: Does your company support the objectives of the DPS? (Y / N)

SURVEY SUMMARY

1. Of the of respondents surveyed 19% were not aware of the imminent implementation of the AARTO Legislation.
2. Problems and Issues around the introduction drew **55%** strong agreement with the range of indicators set out, whilst **30%** agreed that they foresaw problems and issues with the introduction.
3. There was around 57% agreement that there will be benefits and advantages arising post implementation.
4. A total of 88% of respondents believe that Government has not done enough to communicate the impact and create awareness of the consequences of AARTO.
5. When it came to discussions and consultations, within entities and companies:
 - Internal Discussions: 58% have engaged internally with employees.
 - Organised Labour: Around 77% *have not yet involved labour or consulted with labour* – that stats needs to change quickly as proper consultation and engagement iro potential changes to admin and disciplinary process have to be well handled
6. And overall – 76% of respondents surveyed indicated support for the objectives of the DPS.

QUESTION 2: What problems/issues do you foresee with the introduction of the DPS? (Please indicate with a (x) in the applicable block)					
	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
Organised labour resistance to the DPS	34,62%	46,15%	19,23%	0,00%	0,00%
Additional company personnel costs to manage the DPS	57,69%	34,62%	3,85%	3,85%	0,00%
Large number of drivers losing their drivers licenses	46,15%	42,31%	3,85%	7,69%	0,00%
Pressure on companies to train and re-train drivers that will have lost their drivers licenses	57,69%	26,92%	0,00%	15,38%	0,00%
Amending the conditions of employment of drivers to take cognizance of the implications of the DPS e.g. suspended and cancelled licenses	73,08%	19,23%	0,00%	7,69%	0,00%
The need to increase the number of standby drivers	46,15%	34,62%	11,54%	7,69%	0,00%
Drivers driving buses without valid driving licenses (i.e. cancellation of license not picked up soon enough)	61,54%	23,08%	3,85%	11,54%	0,00%
Insurance claims being dishonoured due to invalid drivers licenses	53,85%	23,08%	11,54%	11,54%	0,00%
The high financial cost of accessing the DPS system to determine driver demerit points	53,85%	26,92%	7,69%	11,54%	0,00%
Increased bribery and corruption in road traffic law enforcement	73,08%	23,08%	3,85%	0,00%	0,00%
Major operational issues due to the uncertainty of drivers having valid driving licenses	50,00%	30,77%	11,54%	7,69%	0,00%
	55,24%	30,07%	6,99%	7,69%	0,00%

QUESTION 3: What benefits/advantages do you foresee with the introduction of the DPS?**(Please indicate with a (x) in the applicable block)**

	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
Improved driving behaviour displayed by drivers	28,00%	40,00%	24,00%	8,00%	0,00%
Fewer traffic accidents/incidents due to improved driving behaviour	4,00%	44,00%	28,00%	20,00%	4,00%
Reduction in the number of road traffic offences committed by drivers	8,00%	32,00%	44,00%	16,00%	0,00%
Lower bus maintenance costs due to better driving behaviour	8,00%	44,00%	20,00%	28,00%	0,00%
Better adherence to speed limits thus lowering fuel costs	16,00%	52,00%	24,00%	8,00%	0,00%
Drivers having an increased awareness of the "rules of the road"	12,00%	56,00%	20,00%	12,00%	0,00%
Improved overall safety of operations	19,23%	38,46%	26,92%	11,54%	3,85%
	13,64%	43,75%	26,70%	14,77%	1,14%

INDUSTRY SURVEY - THE KEY TAKE AWAYS

FINANCIAL:

- *The impact will be additional due to upskilling and resources requirements all round*
- *Possible staff and skills impact may arise from turnover of driver related employee base*
- *Potential savings in fuel costs from expected adherence to speed limits*
- *Impact will be across all sub sectors*

PROCESS FLOWS:

- *Possible amendment of Conditions of Employment (73%)*
- *Operational*
- *Maintenance*
- *Labour Relations Management*

AWARENESS / COMMUNICATION:

Given the survey feedback this needs to be elevated.

- *ALL stakeholders to get to grips with the proposed legislation*
- *Internal and external consultations to be heightened*
- *SABOA to propose that the matter goes via NEDLAC Forum, for inclusivity with labour, business and community*

CONCERNS AROUND AARTO IN CURRENT FORMAT

- The published documents on the proposed legislation appears to go “overboard” with what appears to be **thousands of transgressions that are penalisable by demerit points**.
- We are extremely concerned about the **number of transgressions** that carry penalty points and short of totalling these, the number appears to be **more than 2000**.
- **As we understand the regulations, once the vehicle points exceed 15, for every additional point the vehicle is taken off the road i.e. operating license cancelled and license disc removed, for THREE months.**
- For almost all small operators their vehicles are their livelihoods. When a vehicle is taken off the road for **THREE months**, when the demerit points exceed the 15 by **ONE point** will be totally devastating to such operators.
- Ministerial Level

FURTHER CONCERNS ON THE AARTO SYSTEM

- It is important to get the public on the side of the intended legislation and not against it and it appears that in the current form there will be anti AARTO sentiment.
- We feel that the penalisable areas should not exceed more than 15-20 transgressions (based on scientific evidence of safety critical transgressions). This can be further expanded once there is enough scientific based evidence confirming that it should be expanded to change driver behaviour.
- Some press coverage has indicated that each notification of a transgression will also carry a R 100 fee (which is exorbitant when considering that a fine of R 50 could end up costing R150). It could result in billions of Rand revenue generation for the RTIA.
- This is where the concern around the “money spinning” argument comes from and that this system is only focused on making money and not contribute to road safety. The fees should be revised downward and be subject to verification from an independent verification body (and should be cost based) to ensure that the RTIA monopoly situation in the management of the system does not appear to be exploited at the cost of the transportation industry.

COSTS RELATED TO ACCESSING OF AARTO SYSTEMS

FLEET SIZE	6 MONTHS	12 MONTHS
2 – 20	R 1 200	R 2 000
21 – 40	R 2 400	R 4 000
41 – 60	R 3 600	R 6 000
61 – 100	R 6 000	R 9 600
101 >	R 7 000	R 11 200

- **The cost of accessing the system to determine demerit points is exceptionally expensive** and cannot be justified given the progress that has been made with data capture, storage and access over the last number of years.
- **At present as incorporated into the Regulations, companies are “captive” to the system and will be forced to pay exorbitant fees just to access the system which is provided by a monopoly service provider.**
- **Companies will be forced to regularly enquire** about the demerit points of drivers and vehicles in order not to fall foul of the law (i.e. drivers with cancelled drivers licenses and vehicles that need to be taken off the road).
- **It can also not be expected of employees to submit such reports** at their own cost as traditionally, people employed as drivers do not fall within the higher income brackets.
- It does seem as if the cost to access the demerit points system is a way to generate revenue for the Agency??

SABOA INITIATIVES TO PROMOTE AARTO AWARENESS



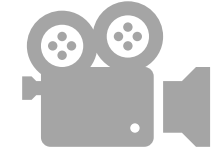
**Keep the Narrative
around AARTO
Legislation and
Implementation active**



**Host regional and
provincial focussed
Indabas for the
Industry stakeholders
to ensure
understanding and
transition.**



**Continue with
engagements and
submissions to
authorities.**



**Communicate Impact
and Benefits for the Bus
and Coach Industry via
media and other
platforms**

RECOMMENDATIONS

SABOA supports the objectives of the AARTO Act but is of the opinion the objective will not be achievable, despite the intention to phase in the regulations in three phases.

SABOA is in agreement that “safety critical” offences be penalized but not the myriad of smaller offences listed in Schedule 3.

The fee structure ought to be fundamentally reviewed (and regulated by an independent Regulator) to encourage drivers and employers to make use of the system without major financial implications. In our view the cost to access the system ought to be free or at most equal to the cost of accessing the banking system.

The majority of road traffic accidents, incidents, death, and injuries are caused through driver behaviour (speeding, reckless driving, alcohol usage).

The regulations must therefore direct focus on DRIVER BEHAVIOUR that has a negative impact on road safety.

The hundreds of small offences will lead to suspension of drivers licenses/operating permits/vehicle licenses of commercial operators and that will have major unintended consequences for the economy and employees within the sector. Recommendation is that most such offences ought to carry only a financial penalty.

TO CONCLUDE

The Bus and Coach Industry is a direct avenue for large parts of South Africa's population to get accessibility and mobility to otherwise unreachable services and facilities – employment (part and full time), education (basic and higher), health (primary and clinical). This is not just a means for the most vulnerable but is also a dependency for a major part of the middle-income groups as well.

SABOA agrees that safer roads must be the overall objective of the proposed AARTO legislation and through that driver behaviour ought to change and SABOA also supports these objectives to both enhance road safety and to introduce an administrative system that will alleviate the burden on the judicial system in dealing with offenders for infringements.

There appears to be some inconsistencies with regards to transgressions of a similar nature and the penalties and monetary value of the fines being issued.

In closing, SABOA and the Industry supports the objectives of the AARTO Act and all efforts to enhance Road Safety, and is of the view that the inputs and comments submitted, together with further engagements and consultations, are critical for review and inclusion in the finalization of the Act and regulations.

Thank You, Harry Van Huyssteen, Transport Forum,
Sponsors and all attendees for allowing SABOA to be a
part of the critical discussions around AARTO.

DISCLAIMER

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