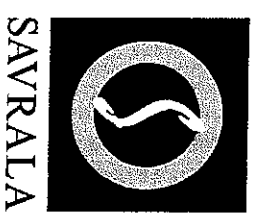


Fin. 1



Southern African Vehicle Rental and Leasing Association

presentation to

Parliamentary Committee on Transport

Represented by

Winston Guriah (President)

Sandile Ntseane (General Manager)

Cape Town, 23 March 2017

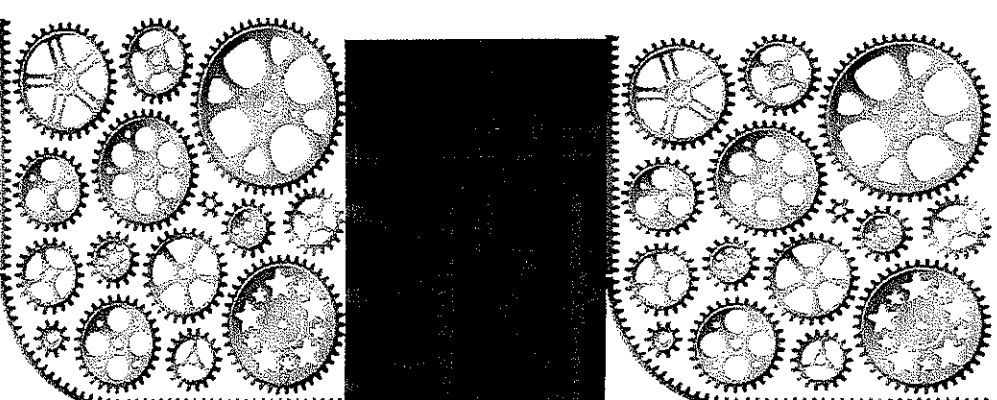
PREAMBLE

We have, for several years now, participated in various meetings and workshops to try and ensure that AARTO is more focused on;

1. changing driver behaviour and not just revenue generation by the various authorities
2. an administrative process which takes advantage of the available technology without compromising a road users rights and access to the justice system
3. applying demerit points directly and proportionality to those factors that account for the greatest cause of road deaths and injuries.
4. simplifying the Act so that it can be easily understood by all road users.
5. ensuring that accurate and timeous road traffic infringement, including road user death and injuries, data is collected and made available to both inform policy and focus action campaigns



SAVRALA



PREAMBLE

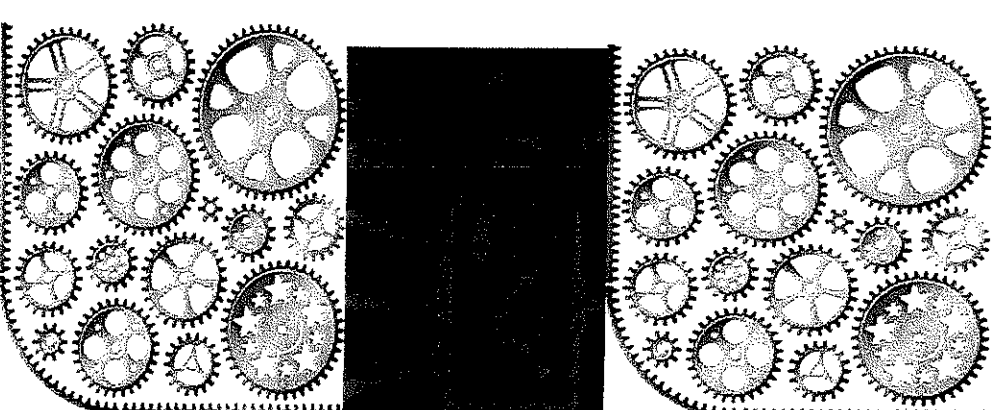
SAVRALA, through the Tourism Business Council of South Africa (TBCSA) as a Business Unity South Africa (BUSA) member, was fortunate to attend the various NEDLAC AARTO discussions over the past years.

It is regrettable that after much effort by all and having reached some key principle agreements by all partners, the process halted without any notice or communication.

We hope that the Department of Transport, as the Government representative, will reconvene the NEDLAC AARTO team to ensure that any planned implementation is discussed with NEDLAC's key Business, Labour and Community partners.

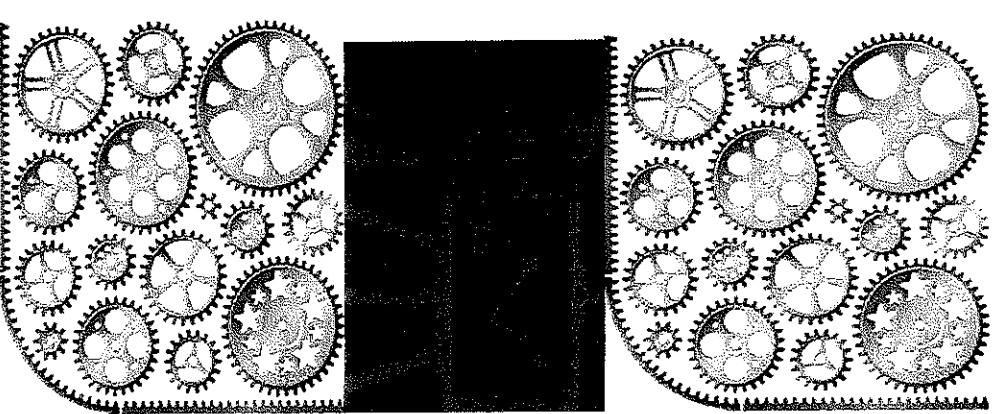
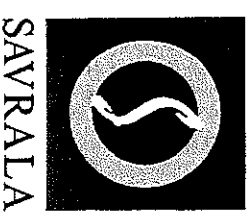


SAVRALA



Content

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2. SAVRALA Members
3. Overview
4. Background
5. Our Comments
6. Practical examples
7. Proposals to consider
8. Conclusion

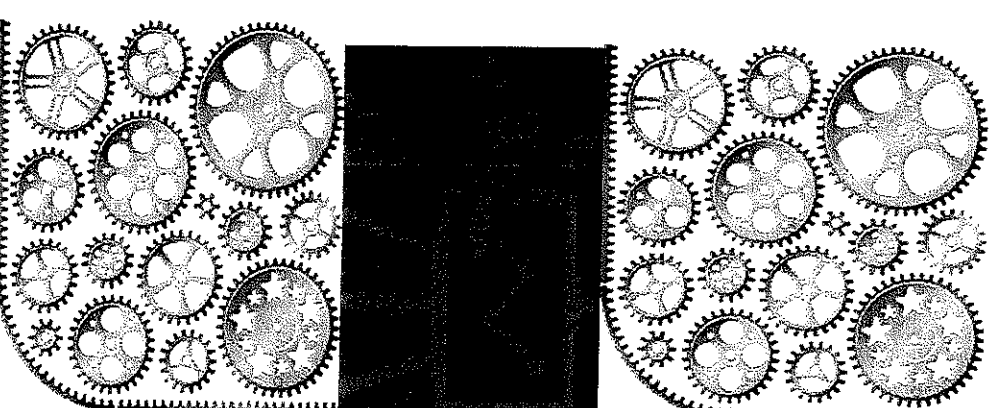


SAVRALA - INTRODUCTION

- The South African Vehicle Rental and Leasing Association was established to ensure that members maintain highest standards of service, ethical and trading practices.
- The Industry is self-regulated and members commit to SAVRALA's Constitution and Code of Conduct (www.savrala.co.za)
- SAVRALA represents members interests and seeks to constructively engage with its stakeholders.
- National Executive Council (NEC) is drawn from the industry but retains a General Manager.



SAVRALA



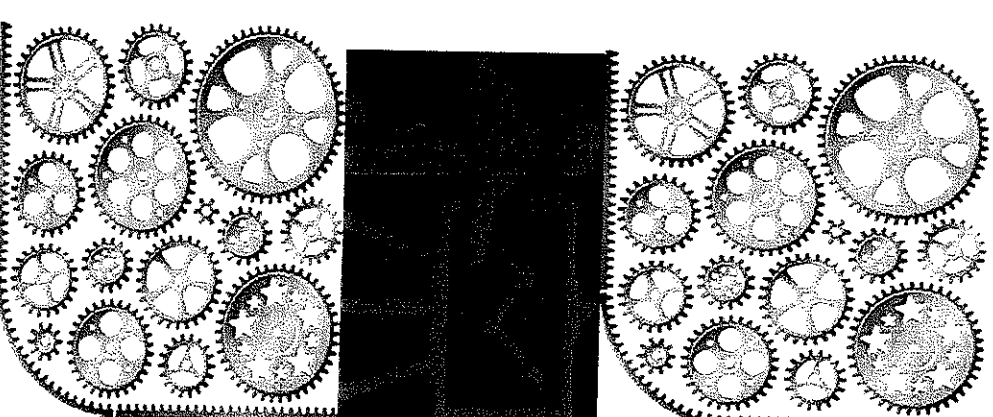
SAVRALA – INTRODUCTION cont.

- General car rental statistics – 2016 Jan to Dec
 - Annual Gross revenue exceeded R5bn
 - Average fleet 65,000 (utilisation 71.2%)
 - Annual number of rental transactions - 2,7m
- Some key car rental concerns:
 - Increasing cost of new vehicle prices
 - Poor driver/renter behavior
 - Impact of new Tourism B-BBEE scorecard
 - Traffic fine/infringement redirection (ie: AARTO)

SAVRALA positively engages with stakeholders to find mutually beneficial solutions



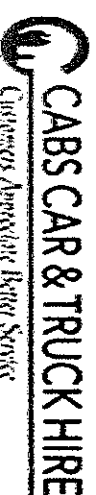
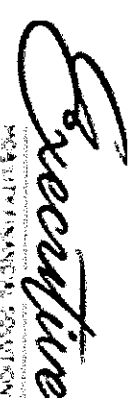
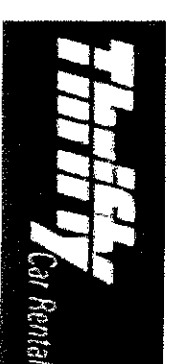
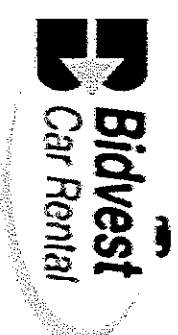
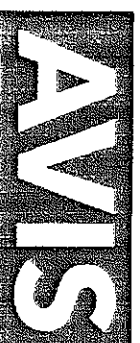
SAVRALA



SAVRALA Rental Members



SAVRALA



SAVRALA Leasing Members



NEDBANK



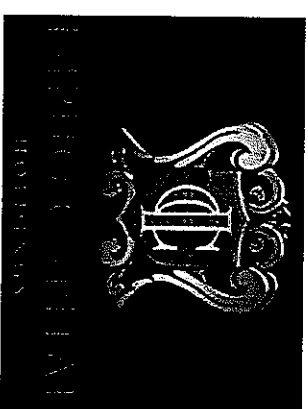
FLEET

Member of
ABSA

Member of
BARCLAYS



Bidvest Bank



KEMPSTON GROUP



WesBank

Executive
WesBank

LIQUIDCAPITAL



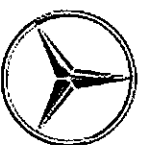
Standard Bank

EQSTRA

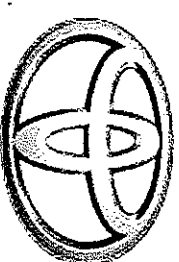
FLEET MANAGEMENT



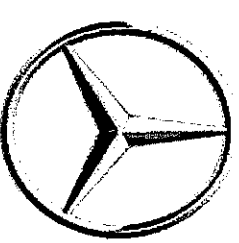
Overview SAVRALA's Associate Members



Mercedes-Benz

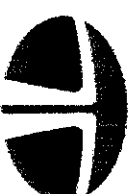


TOYOTA

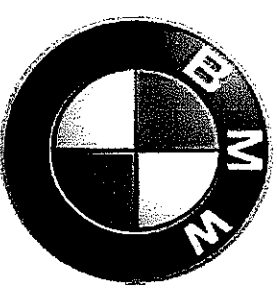


Go Further

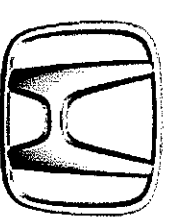
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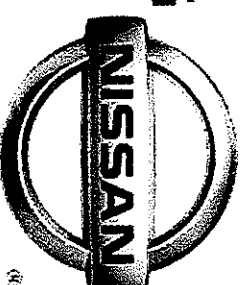
TATA



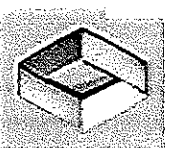
SSANGYONG



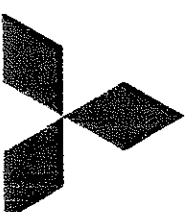
HONDA



Volkswagen



RENAULT



MITSUBISHI
MOTORS



CITROËN



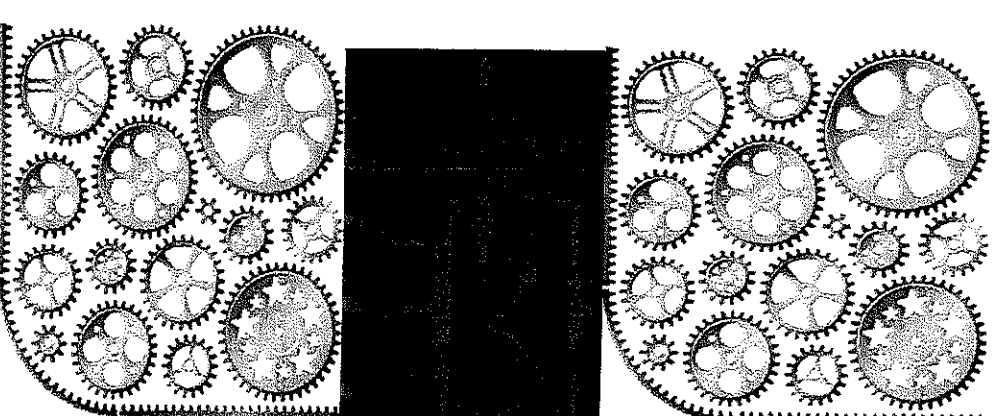
MAHINDRA

SAVRALA – OVERVIEW

- SAVRALA welcomes the opportunity to present our comments on the proposed Amendments to the PC
- SAVRALA supports any intervention which will lead to a reduction in the unacceptable level of death and carnage on our roads.
- It is our intention to try and actively participate in any initiative driven by the Department of Transport to achieve our Decade of Action goals and we looking forward to a constructive engagement and partnership in this regard.



SAVRALA

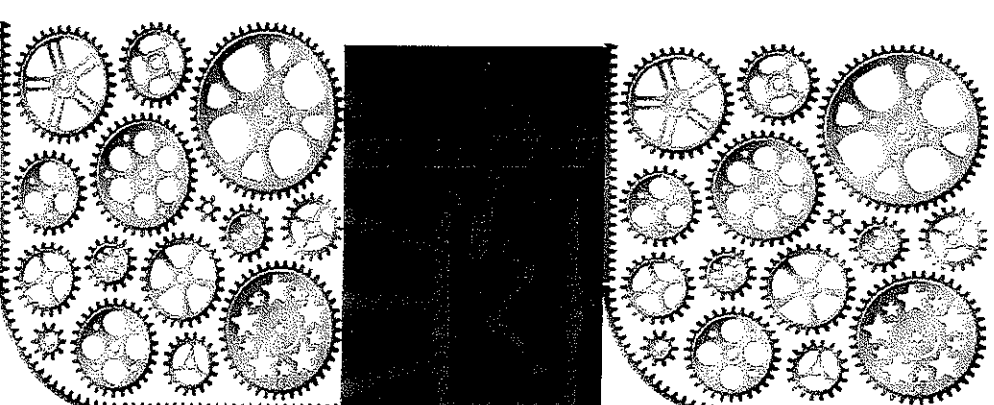


BACKGROUND

- Over the years, SAVRALA has engaged with the various authorities and agencies with regard to the AARTO Act and has submitted, where practical and when made aware, comments to represent our member's particular AARTO administrative challenges.
- Regrettably this has not led to any successful outcome and, as a result, has led to a number of members instituting legal actions against the Department of Transport and its road traffic agencies.
- Further legal action is being contemplated by our members, as our members are still unable to get thousands of traffic fines successfully redirected.
- The consequence of such an administrative challenge can result in Enforcement Orders being issued incorrectly against our members, in particular our car rental members, rendering them, for example, unable to operate their fleet when seeking to either register a vehicle or purchase a vehicle license copy.



SAVRALA

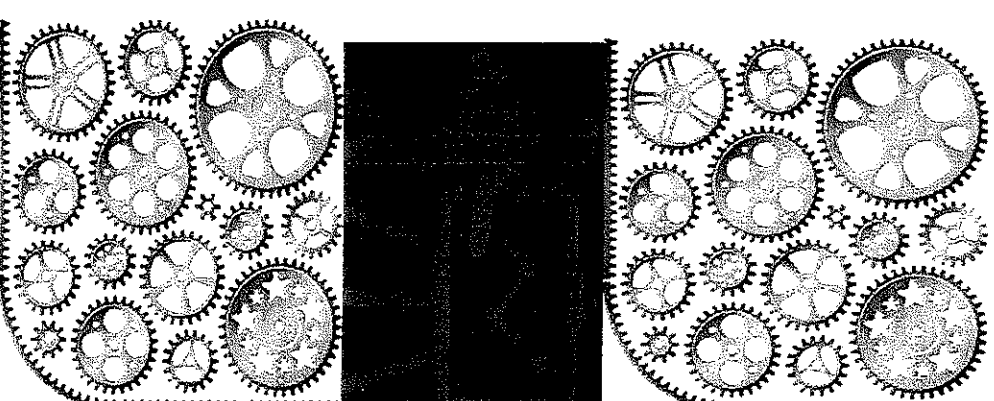


BACKGROUND OVERVIEW

- As a consequence, over the years significant financial loss has been suffered by our members.
- The current proposed Amendments only creates further administrative challenges aside from being founded on questionable legal prescripts.
- Our industry is acutely aware of the need to collectively work together to address the current and continuing carnage on our roads, which robs the country of future leaders and causes enormous hardship on those left behind, but we continue to hold the strong view that the various AARTO Amendments over the years have been designed to do little more than expedite the revenue generation capacity of the respective agencies and not encourage a change in behavior of our road.



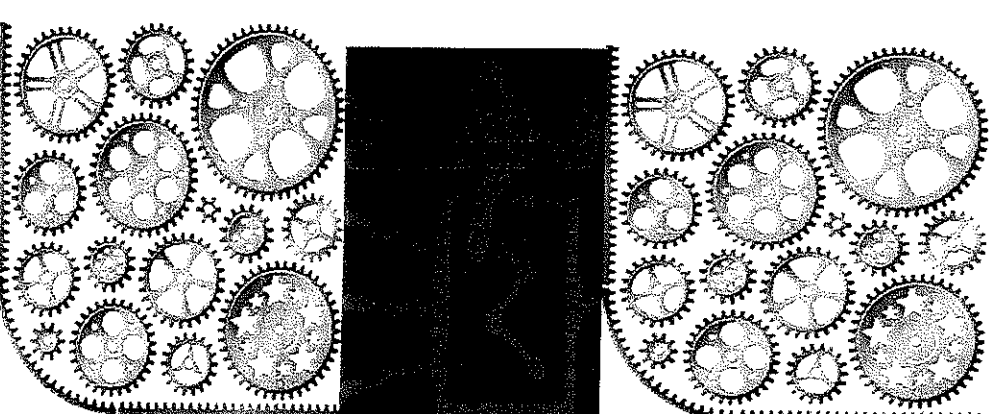
SAVRALA



BACKGROUND OVERVIEW

SAVRALA would like to offer its input to assist the Parliamentary Portfolio Committee on Transport to assess the impact of the amendments as outlined by the invitation.

Herewith are our comments:



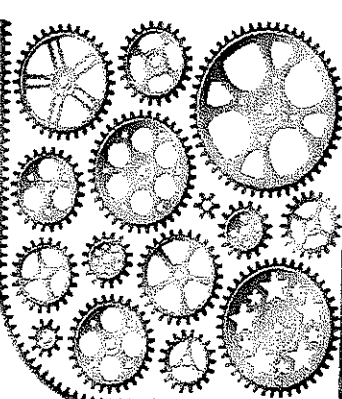
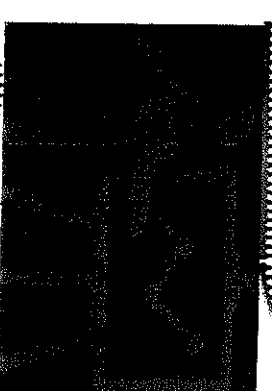
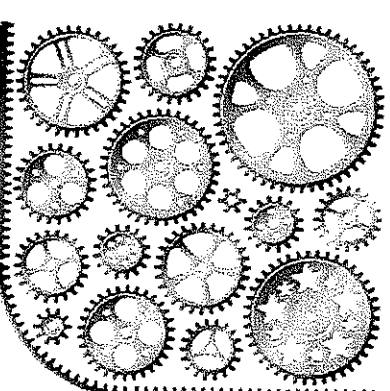
SAVRALA COMMENTS



Page 2: Clause 1 (1):

"(f) a clear certified copy of the applicable certificate or document referred to in paragraphs (a) to (e);".

This is neither a practical, feasible nor necessary requirement for car rental fleet owners. Our car rental members have always maintained that should a case be presented before the courts, all efforts will be made to ensure that the necessary infringer (ie: the renter) details will be presented to the Prosecutor for their docket. The industry processed almost 3 million rental transactions last year. For members to obtain, retain and commission such volumes, in the event that some of these renters incur traffic violations which may lead to court proceedings, only creates burdensome administration and creates the potential risk of data theft or impersonation without assisting the actual outcome of the process.



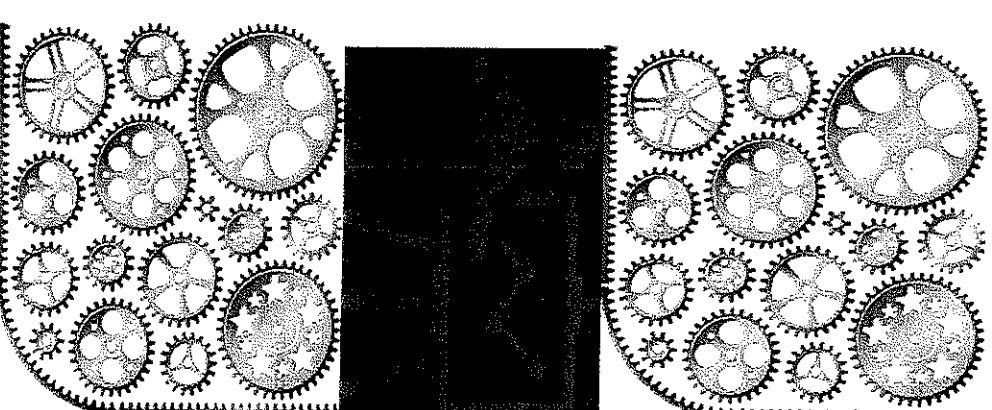
SAVRALA COMMENTS (Cont'd)



Page 2: Clause 1 (3):

"electronic service" means service by means of an electronic communication as defined in the Electronic Communications Act, 2005 (Act No. 36 of 2005);".

While we welcome opportunities to use technology, in the context of AARTO and service, we are very concerned about how this will be applied with due regard to the nature of the infringement in a car rental environment. As mentioned above, our members have serious and material issues with regard to the redirection of traffic fines. Given the AARTO administrative challenges already experienced, aside from the precarious and general nature of how electronic service could be applied in our industry, we believe that justice is currently best served by either registered mail or personal service. .



SAVRALA COMMENTS (Cont'd)

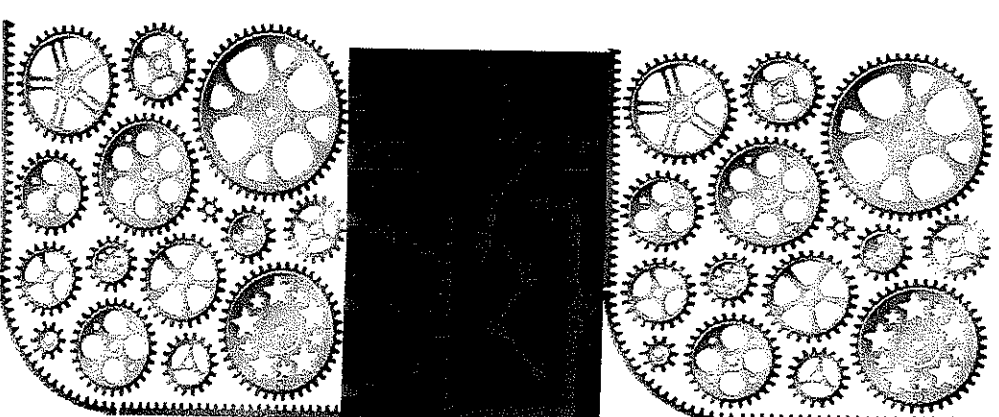


Page 3: Clause 4 (e):

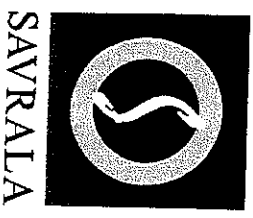
"habitual infringer" means an infringer, operator or a juristic person who, in terms of section 25, incurs demerit points resulting in a disqualification more than two times;

As illustrated previously, in the context of infringement notices not being redirected timeously, the application of the term 'habitual infringer' will result in car rental proxies being identified as such, even though, the offender was the renter resulting in the proxy being disqualified as a legal driver.

In addition, we suspect that this provision will not find support as it prejudices the proxy and others, in terms of section 34 and 35 of the Constitution.



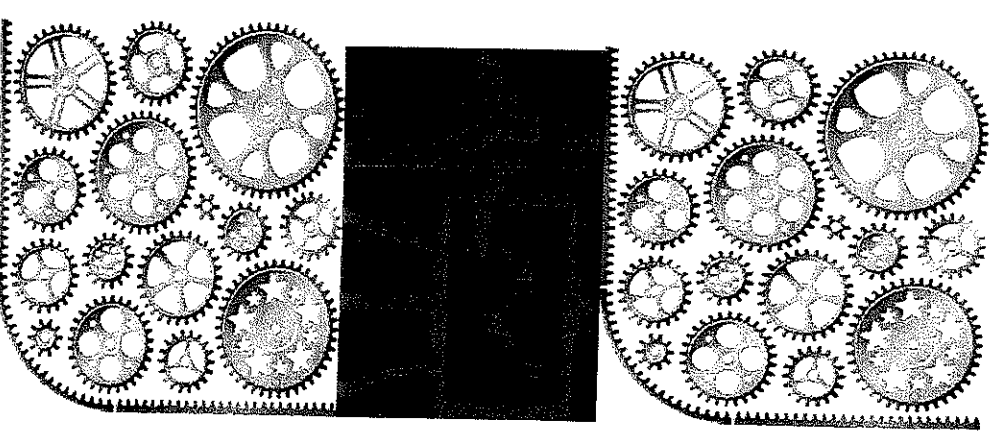
SAVRALA COMMENTS (Cont'd)



Page 5: Clause 2 (2 f):

"(h) administering prescribed rehabilitation programmes for habitual infringers."

- As identified earlier, all car rental proxies will be identified as habitual infringers. While the ambition is noted, this type of intervention needs much greater engagement and clarity , for example, how the whole process will be managed, funded, oversight, design and quality of rehabilitation programmes etc.

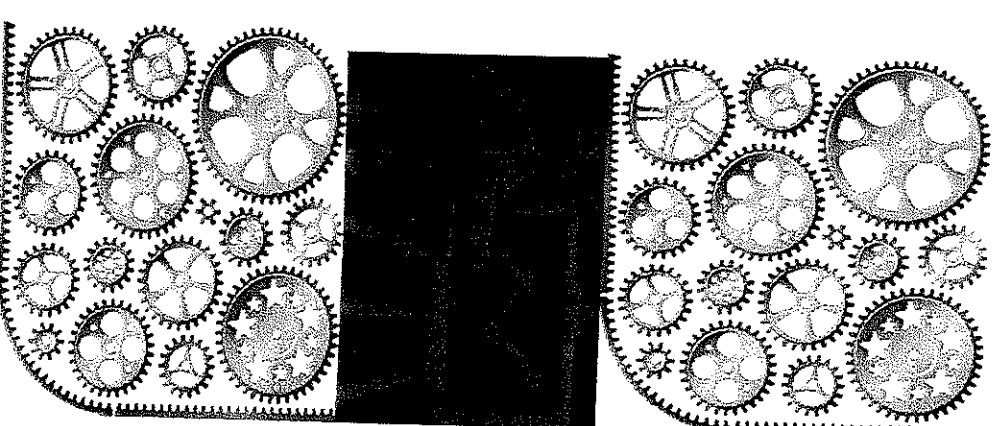


SAVRALA COMMENTS (Cont'd)



Page 6: New Clause 1;
"Repeal of section 12 of Act 46 of 1998"

- This is a surprising move and the absence of any motivation, rationale, or analysis, raises various concerns. Similar to other sections, this proposal needs a broader level of interrogation with a broad base of transport stakeholders.



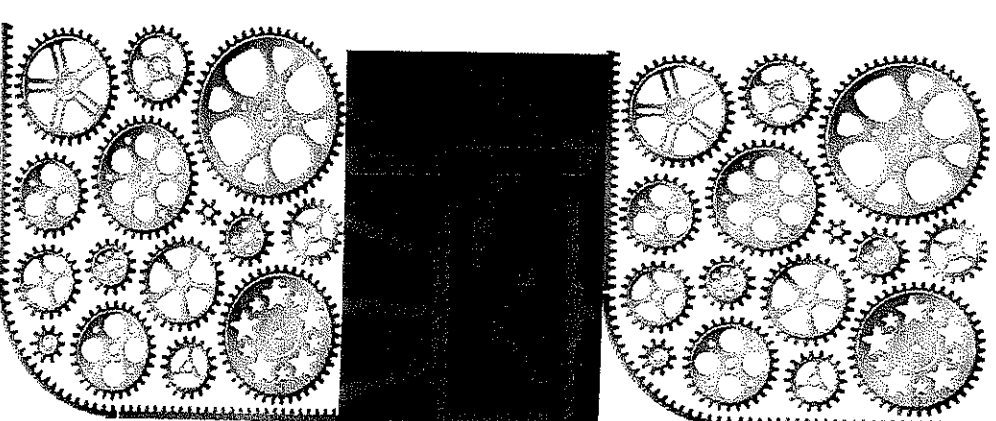
SAVRALA COMMENTS (Cont'd)



Page 7: New Clause 1 (c):

"(5) The owner or operator of a motor vehicle who permits any person to drive such vehicle or otherwise to exercise any control over such vehicle, without having ascertained the full names, [acceptable identification and] residential [and], postal and where applicable business and e-mail address of an infringer, such person is [guilty of an offence and] liable [upon conviction to a fine or imprisonment for a period not exceeding one year or to both a fine and such imprisonment] for the prescribed penalty and fees. "

- The above places an impractical administrative burden on car rental operators who often do not have the ability to capture all customer details, particularly e-mail addresses, during the rental check out process as customers increasingly require speed of service methods.

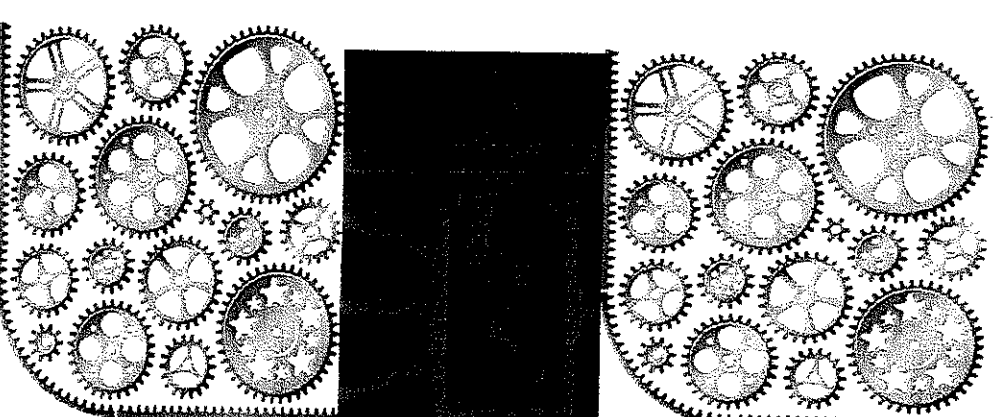


SAVRALA COMMENTS (Cont'd)

- Our industry has often, but unsuccessfully, tried to engage with the authorities on the nature of rental data to be collected to serve the administration of traffic infringements. Even if it was collected there is no ability to validate that the personal data submitted by a renter is correct. We need to work constructively to resolve this matter which is even more problematic when we consider international visitors who rent our vehicles and commit an infringement.



SAVRALA

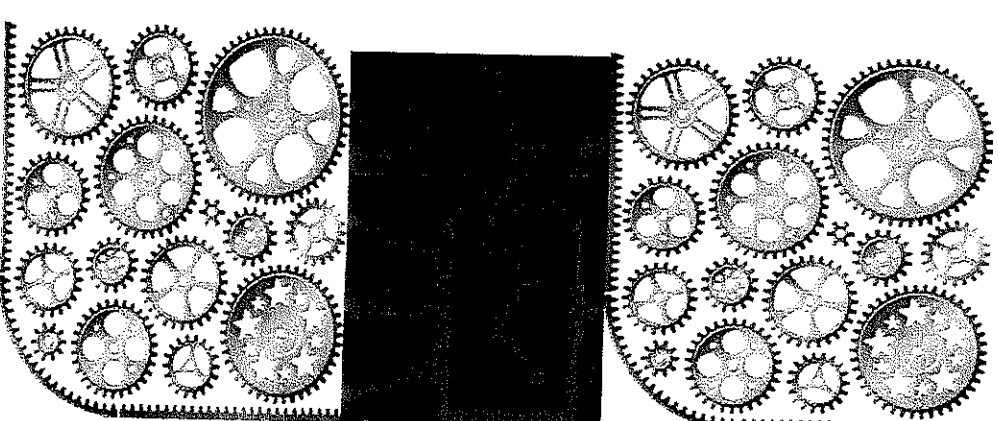


SAVRALA COMMENTS (Cont'd)



Page 12: New Clause 9 (a, b, c d);

- Similar to earlier comments, given the nature of the car rental transaction, these provisions prejudice the proxy who will be penalized for offences merely by virtue of being a proxy



SOME PRACTICAL EXAMPLES..



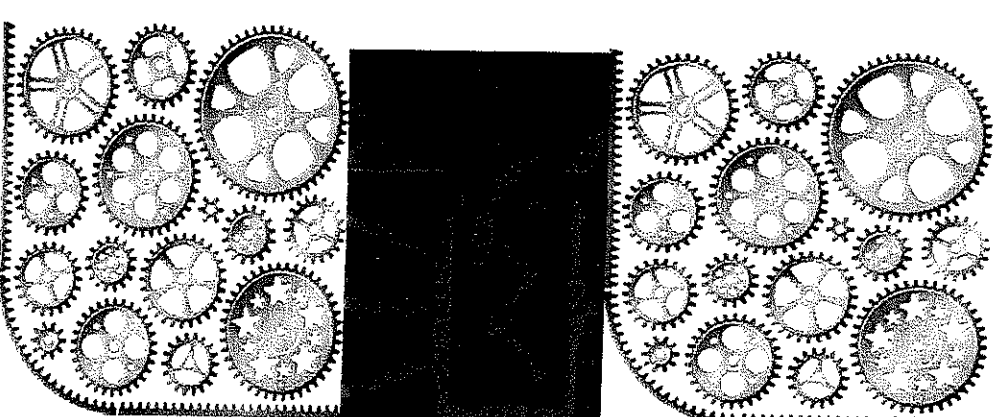
SAVRALA

Electronic Fines Redirection

- Tasima push fines information linked to BRN numbers to a member
- Member system links all drivers to a vehicle linked to the offence time and date this is then push back with all relevant driver information pertaining to the offence.
- Tasima would through its system identify if the information is correct and the fine would be redirected to the driver.
- We currently have an 80% success rate

Challenges

- Driver License expired via Tasima system and fine is rejected - Need to be able to redirect on a id number and not be rejected due to driver's license being expired
- Drivers id not a valid id according to Tasima system and fine rejected
- Old fines aren't made available to redirect electronically- There should be a process to push through all fines to be redirected electronically



SAVRALA presentation to Parliamentary

Committee on Transport

23 March 2017

SOME PRACTICAL EXAMPLES..(Cont.)



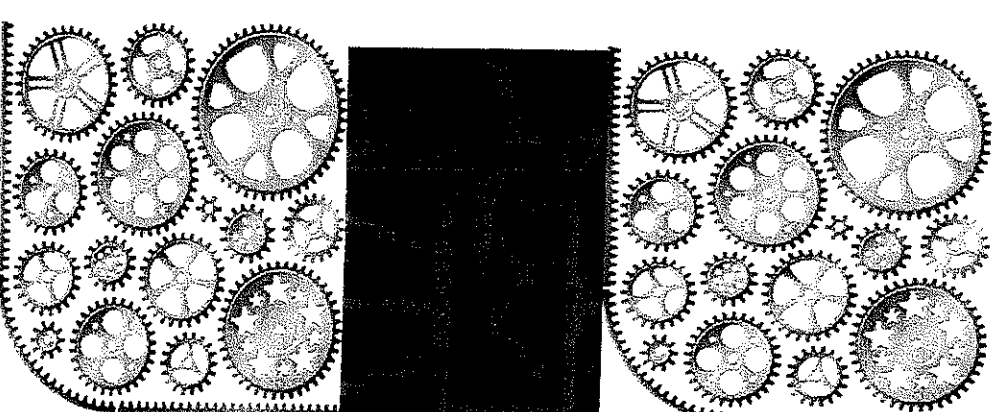
Manual Process:-Fines via the postal service

Challenges

- Fines not delivered correctly via the act,
- Fines not received at the post office-various samples had been submitted as proof of fines not been delivered and process followed.
- Fines going into Courtesy and Enforcement orders without notice received-Results in vehicle license/s not been issued
- Fines not re-directed once delivered for redirection
- Fines redirected on the system showing nomination of driver-and not removed from the fines reports against the BRN numbers
- Fines paid and not allocated

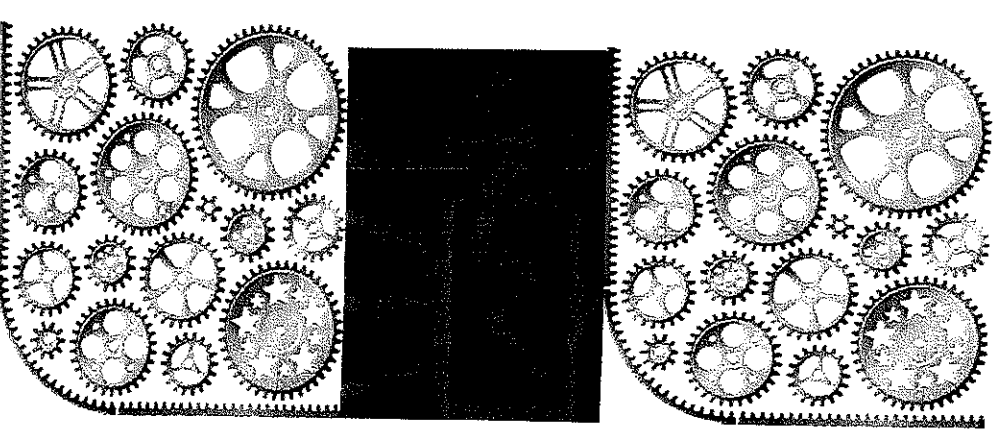
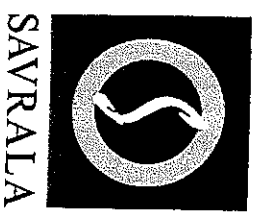
Concerns

- New draft legislation makes mention of fines being emailed. Consider or take into account the administrative cost to fleet members. Has the pricing been made available to-date?



CONCLUSION

- These Amendments create many more challenges for fleet operators without any indication from the legislator of how the changes will lead to better road behaviour and improved road safety. In fact, it is surprising that road safety is not mentioned once in the proposed Amendments.
- We view the motivation for the establishment of an Appeals Tribunal as challenging , and a decision that needs much more stakeholder engagement. It would appear that the consequence of such a development would be to remove an infinger's opportunity to seek legal recourse which we suspect will be challenged legally.
- Given that the current AARTO process is already administratively challenged, it is disappointing that a further layer would be viewed as being progressive.



CONCLUSION

- The above comments by no means preclude many other concerns with the proposed Amendments, however, we believe they give a clear signal that a much broader, deeper and sincere engagement is required between the Department of Transport, its agencies and its stakeholders to ensure that the legislative focus is firmly placed on road safety and not on more efficient methods to generate volumes of infringement notices to raise revenues.

- We thank you for the opportunity to comment and look forward to engaging with you in order to move South Africa's road safety priority forward.

WE THANK YOU

QUESTIONS



SAVRALA

