

Unpacking the New Dispensation for e-tolls

Questions & Answers



REPUBLIC OF SOUTH AFRICA



GAUTENG PROVINCE
REPUBLIC OF SOUTH AFRICA



GENERAL QUESTIONS	1
QUESTIONS ABOUT FUNDING OPTIONS	3
QUESTIONS ABOUT IMPLEMENTATION	4
QUESTIONS ABOUT THE IMPACT OF THE NEW DISPENSATION	7
QUESTIONS ABOUT COMPLIANCE	8
CUSTOMER QUERIES	9

What it is and what it is not:

It is	It is not
a new tariff structure	an amnesty for unpaid e-toll bills
a model that reduces payable e-toll fees	a system that does away with e-tolls
an equitable system where the user benefits and pays	a system where those that do not use the roads have to pay
a simplified model as the many tariffs from the previous system, have been reduced to a standardised rate of 30c per kilometre (light vehicles)	a complicated model that will make things more difficult for you
a system that retains all benefits: multiple lanes, alternate routes, lessened congestion, improved safety, freeway lighting, cameras to monitor incidents and improved responsiveness; and stimulates economic growth and development	a system that restricts benefits to only those who pay
a system that is affordable with a reduced monthly maximum cap for all users	a system that burdens the poor
a system where infrequent users – less than 30 gantry passes per year – do not have to pay anything	a system where a visit or two to Gauteng using the network requires you to pay

GENERAL QUESTIONS

Q *The system is perceived to be very unpopular – why did you not scrap it?*

A This was not an option. The Gauteng Advisory Panel did not recommend the scrapping of the e-toll system. It recommended that elements of the system should be reviewed to address the negative impacts but reaffirmed the user-pays principle. The panel further recommended a hybrid funding model which includes the e-toll system with reduced tariffs and contributions by national and provincial government.

Also, the IPSOS survey quoted by the advisory panel does not indicate that the system is unpopular. It shows that 34% of people agree the tariffs are reasonable, 27% are neutral and 38% say the tariffs are unreasonable. The Gauteng Provincial Government's Advisory Panel Report shows that the financing burden on the poor in terms of the existing toll tariff structure is 0,4% and rises to 1,3% and 2,7% if other hybrid options are considered.

We listened to citizens' concerns and responded to legitimate perceptions about the high costs of transport associated with the e-toll system.

This dispensation was concluded after comprehensive consultation through the advisory panel that met with communities, stakeholders, interest groups and experts, and only after it was attended to at the highest level of Government through the intergovernmental committee led by the Deputy President.

Q *Will any of the gantries on the Gauteng highways be switched off?*

A No. All existing gantries and SANRAL infrastructure on Gauteng freeways will remain in place.

Q *Why has there been such a long delay in announcing the New Dispensation?*

A The question about e-tolls has been a long-running one and it would have been an injustice to not take our time to settle the issue once and for all. As Government we applied our minds, considered the recommendations of the advisory panel and their full implications before deciding on the New Dispensation. We needed more time to look at the various options and modelling to ensure that the New Dispensation fully addresses the negative impacts of the current system.

Q *Why did you not consider a referendum as proposed by opponents to e-tolls such as the DA and OUTA?*

A A referendum will not tell us anything that the advisory panel did not reveal. The advisory panel went through a thorough process which resulted in concrete recommendations that offer a sustainable solution to the problems identified. There is no need for a referendum on this matter.

Q *How can you refer to improvements when the roads remain congested?*

A Unfortunately, the opposition to the system and the concomitant court cases delayed the second and third phases of the projects.

This has meant that the capacity improvements as a result of Phase 1 of the Gauteng Freeway Improvement Project are reaching the designed capacity growth – as SANRAL had foreseen. Urbanisation has led to the roads again reaching their design capacity.

It would be welcomed if more people could switch to using the Gautrain – to reduce congestion on the highway – especially as the train is subsidised.

QUESTIONS ABOUT FUNDING OPTIONS

Q Why are you so reliant on tolls?

A The user-pays principle is a globally accepted, preferred method to pay for improved road and other strategic infrastructure. Tolling is a policy of government and forms part of the 1996 White Paper on Transport policy. It is used as a means to mobilise funds from the private sector to deliver road infrastructure much quicker than would be the case if traditional tax-based funding was exclusively relied upon. It is carefully and selectively applied in our country. The truth is that out of our 750 000 km network and the 21 403 km looked after by SANRAL, only 3 120 km are tolled and of that only 201 km constitute the GFIP toll roads.

Whether looked at from the perspective of the country's entire road network of 750 000 or from the network SANRAL looks after, tolling is used limitedly and the bias remains toward non-toll roads.

Q Why did you not use the fuel levy – it has been increased after all?

A The advisory panel's findings and recommendations reaffirmed the user-pays principle. The fuel levy is already being used as part of general taxation to raise revenue to meet the country's financial needs and obligations. This year there was a substantial increase in the fuel levy to address the fiscal pressures. The fuel levy is not ring fenced or earmarked for a specific budget item.

Due to its indiscriminate nature, a fuel levy can be an anti-poor form of tax. In a country like ours where the majority live far from their places of work, this would definitely impact the working class more as it would be impossible to exclude public transport – their preferred mode of transport. Currently, registered public transport is exempted, thus cushioning the poor and working class.

Also, the average fuel consumption per vehicle is declining every year as a result of improvements in vehicle engine technology and the introduction of alternate fuel vehicles. The relative revenue per vehicle is therefore declining. In the long term, this is not a sustainable solution.

Q Why did you not institute a provincial fuel levy?

A The advisory panel has dealt with this issue and correctly advised against its application. A provincial fuel levy would be approximately 3,44 times higher than a national fuel levy, without considering the potential of reduced fuel sales due to vehicles rather filling up outside the province.

Q How are you able to give this new standardised rate and caps – won't there be a huge shortfall?

A Yes, there will be shortfall. As part of the panel's recommendation of a hybrid funding model, both National Government and the Gauteng Provincial Government should make financial contributions to the project.

Q Who will pay for the shortfall?

A As part of the New Dispensation, National Government and the Provincial Government will make up the shortfall.

Q How does this impact on the repayment of debt incurred to improve the Gauteng freeways?

A With affordability and simplicity addressed, compliance will increase. Higher levels of compliance and part-funding by National Government and the Gauteng Provincial Government means SANRAL will still be able to service its debt and retain investor confidence.

Q Does this not have an impact on SANRAL or the country's rating?

A We believe that policy and legal certainty about the future of the toll road system will be restored. It will enable SANRAL to meet its infrastructure mandate, enable it to raise capital on the bond market and improve its credit rating. SANRAL will also be able to meet its debt obligations. This will reflect positively on the country's debt rating.

Q Is it worth paying so much for these roads?

A World-class road infrastructure is essential to the implementation of the National Development Plan and key government programmes such as Operation Phakisa. A well-designed and well-maintained national and provincial road network contributes to the realisation of government's development objectives to address the triple threats of poverty, inequality and unemployment.

Q Why did you not select the other proposed options?

A The lengthy and rigorous process we went through in deciding on this New Dispensation, showed conclusively that this tariff structure will have the least burden on the low and middle income earner.

QUESTIONS ABOUT IMPLEMENTATION

Q When will the New Dispensation become effective?

A The New Dispensation will be rolled out in phases, as changes are made to legislation, the e-toll system and administrative processes.

The details of implementation, including time frames, will be published by the Minister of Transport in the Government Gazette. These details will also be communicated to the public via the media and direct correspondence to our registered customers.



Q What does 'rolled out in phases' mean? What are the phases?

A Changes will be phased in over 18 months, i.e. by the end of 2016. Specifically:

10 to 12 weeks:

Announcement and gazetting of:

- a. Monthly caps
- b. Single tariff.

3 to 4 months:

Announcement and gazetting of outstanding debt payment arrangements and discounts.

6 to 18 months:

Implementation and gazetting of:

- a. a prohibition of issuing a vehicle licence disc if there are outstanding toll fees. SANRAL and the Department of Transport have already started with the administrative and legal processes as required by the Promotion of Administrative Justice Act (PAJA).
- b. Infrequent Discount Regime (30 free gantry passes per annum)
- c. New cap for customers who pay through the existing vehicle licencing process
- d. Integration with SAPO and Licencing Offices.

Q Is the system ready to implement / make the changes?

A No. Not immediately.

As this is a technology dependent system software changes and system reconfiguration will be needed and these require some time to complete.

Q What is the implication of this?

A Additional savings and changes will be felt as changes to the system are rolled out.

All tariff changes, discounts, new caps and free gantry passes for infrequent users, will be effective from the dates they are gazetted in the Government Gazette.

Q You call this a 'New Dispensation'. Isn't it a new system, and does it have contractual implications?

A No. The system remains the same: the use of gantries to collect data which is used to bill road users.

However, there are changes to the fees, as well as limited changes to operational processes and the toll system itself. In essence, the system remains the same. The changes to the system will address the issues of affordability for the middle and low income groups, equity and simplicity as recommended by the advisory panel.

Q Is the New Dispensation backdated to the start of the project in December 2013?

A No, it will only be applicable from the effective date as noted in the Government Gazette.

Q Have the billing problems been resolved? How will road users receive e-toll accounts from SANRAL?

A There were technical challenges which led to billing problems – mostly for those road users who have not registered.

Cleaning up databases and ensuring that contact information is correct is an ongoing process.

Most negative perceptions about billing issues were because the system was new and little understood. This is constantly being addressed by educating road users.

The SANRAL account holder will have a unique e-toll account number and may use the e-toll website, www.sanral.co.za at their own convenience to check their account. The account holder may also visit an e-toll customer service centre or call the e-toll call centre (0800 SANRAL (726 725)) to enquire about any outstanding e-toll fees. The road user will receive a monthly invoice to reflect e-toll payment.

For those without an account set up directly with SANRAL, SANRAL will make use of the vehicle owner information contained in the existing vehicle licencing database and issue invoices to these contact details. It is therefore important that users without a direct account with SANRAL ensure that their details on the vehicle licencing database is up to date, and updated if changes in vehicle owner details such as address changes takes place.

Alternatively, users can set up a direct account with SANRAL, and receive correspondence electronically.

Users who want to enquire about outstanding e-tolls may go to the nearest e-toll customer service centre, e-mail info@sa-etoll.co.za or call the e-toll call centre (0800 SANRAL (726 725)) to find out about any outstanding fees. The road user can also check the outstanding e-toll fees, by using the vehicle licence plate number and ID number of the owner on the e-toll website and by making use of the "Manage my e-toll /VPC Account" options.

Q What if road users don't get accounts for a reason beyond their control?

A A vehicle owner is legally required in terms of the National Road Traffic Act, 1996 to have an address for service and the Act also requires the owner of the vehicle to inform the registering authority within 21 days of a change in address.

Failure to do so is an offence in terms of the legislation. The National Road Traffic Act, 1996, as well as Regulation 6 of the e-Road Regulations, simply require that an invoice must be mailed to the last known address. A road user who does not receive an invoice may obtain one from an e-toll customer service centre, phoning the customer service centre on 0800 SANRAL (726 725) or e-mailing info@sa-etoll.co.za or by visiting www.sanral.co.za Manage my e-toll / VPC Account.

The legal obligation to pay toll fees arises from using the toll road and passing underneath a toll gantry that is signposted in accordance with the required legislation.

The legal obligation to pay toll fees does not arise from an invoice that is forwarded to a user.

For example if a road user is caught by a speed camera, he/she may not be aware of the offence until a fine is sent. By contrast, a toll road and a toll gantry provides ample signage indicating that you are on a toll road which lists contact details to obtain more information. Users are aware that they are on a toll road and/or passing under a gantry and that a fee is payable.

QUESTIONS ABOUT THE IMPACT OF THE NEW DISPENSATION

Q How does the New Dispensation simplify the billing process?

A It is easier to understand. The many tariffs of the previous system have been reduced to a single 30 cent rate per kilometre for light vehicles.

Monthly caps for all users will be implemented, making it easy for individuals and companies to budget.

Additionally, road users will now have a choice whether they make payment through an account with SANRAL or by way of the existing vehicle licencing process.

Q What are the major differences between the old and the new systems?

A For users with a SANRAL account:

- Following rates will apply:
 - o Class A1: 18c per km
 - o Class A2: 30c per km
 - o Class B: 75c per km
 - o Class C: 150c per km.
- Monthly toll fee caps reduced to:
 - o Class A1 – R125
 - o Class A2 – R225
 - o Class B – R875
 - o Class C – R2 900.
- Time of Day Discounts will continue to apply if paid within the Grace Period.

For users who do not have a SANRAL account:

- A rate of 30c per km (Class A2)
- Monthly toll fee caps introduced:
 - o Class A1 – R125
 - o Class A2 – R225
 - o Class B – R875
 - o Class C – R2 900
- No Time of Day Discount outside of the Grace Period.

For users who do not pay within 30 days of invoice:

- Will be liable for double the Toll Tariff but new monthly caps will apply as follows:
 - o Class A1 – R250
 - o Class A2 – R450
 - o Class B – R1 750
 - o Class C – R5 800

Infrequent user discount:

100% discount (i.e. free use) for vehicles with fewer than 30 gantry passes during a year. The year starts on 1 April and ends on 31 March. However, should the vehicle exceed 30 gantry passes during this time, all gantry passes including the first 30 would need to be paid for.

Outstanding toll fees dating back to, from 3 December 2013 to date of gazetting:

Road users who have outstanding toll fees will have six months to pay. Once the administrative and legal processes have been concluded, road users will have to settle outstanding arrears before a vehicle licence disc will be issued.

Q How will visitors to Gauteng benefit from the New Dispensation?

A Should they only visit Gauteng once or twice a year, they would not pay any toll fees as the first 30 gantry passes in a year are free. Payment is only due on the 31st gantry pass (which will include the cost of the preceding 30 gantry passes).

Q Is the New Dispensation applicable to all vehicle classes?

A Yes.

Q Will there still be exemptions for public transport operators, taxis and buses?

A Yes, provided they meet the legislative requirement, have an account with SANRAL and have an e-tag. These administrative processes have been put in place to minimise the risk of fraud.

QUESTIONS ABOUT COMPLIANCE

Q How will you get people to pay when they have refused to do so until now?

A We believe the advisory panel has helped us understand the negative impacts of the e-toll system on the people and the changes we are making will address these negative impacts.

With this New Dispensation we have also shown that we listened to the concerns raised and have made concessions that should address the issue of affordability.

The New Dispensation makes it possible for those making use of the road to pay for that which they are enjoying: world-class infrastructure.

In addition, the New Dispensation includes compliance measures such as withholding the licence disc until all outstanding toll fees have been paid.

Q How can you refuse to issue a licence disc before the outstanding toll fee is paid?

A We are not denying vehicle owners the opportunity to renew their vehicle licence. Licences will be renewed, but, once the legislative process has been finalised and successfully concluded, and if there are outstanding toll fees, the licence disc itself will not be issued. This process would result in an administrative process to recover outstanding toll fees. It will not burden the courts with having to deal with non-payment of toll fees.

Q What about those instances where the vehicle registration system has not been updated?

A The Department of Transport already published regulations that requires the owners of all vehicles to undergo a FICA-like process where they will have to confirm their vehicle details and related information (e.g. owner, address and contact details) on the registration system. This will come into effect from October 2015.

This will resolve the issue and will be a blow to those who have defrauded the system and unsuspecting citizens through cloned or false number plates.

Q Why are some taxi associations complaining that they are unable to obtain operating licences?

A The issue of taxi operating licences falls outside the purview of SANRAL. However, where possible, SANRAL has been working with taxi associations to get their operators registered in the system while the issue of operating licences is being resolved by the Gauteng Department of Transport and Public Works.

CUSTOMER QUERIES

Q How can road users calculate what their e-toll fees will be?

A Until the e-toll calculator has been updated, please call the e-toll call centre on 0800 SANRAL (726 725), or visit the nearest e-toll customer service centre for assistance.

The e-toll calculator (www.sanral.co.za) will be updated with the latest information within 2 weeks of announcement.

Q Where can e-tags be obtained and how much will it cost?

A e-tags can be obtained from a participating e-tag stockist. Or when registering through any of the e-toll customer service centres, by ordering it through the e-toll website www.sanral.co.za, or by calling the e-toll call centre at (0800 SANRAL (726 725)). There is even an option of collecting e-tags at the nearest e-toll customer service centre or by having it delivered to you for a nominal fee. Please refer to the e-toll website for locations of all the e-tag stockists and e-toll customer service centres, with the applicable operating hours.

e-tags are effectively free. The R49.95 you pay is loaded onto the tag to pay for e-tolls as soon as you use the roads. Please top up your account so as not to fall into arrears.

Q Can a single e-tag be used on more than one vehicle?

A No, but one registered account can be used for multiple vehicles each with its own e-tag. Please note that an e-tag is linked to a specific vehicle licence plate number and may not be changed between vehicles.

Q What discounts and special dispensations are in place?

A Time of day discounts for those making payment within the specified timeframes.

Also all road users will benefit from reduced monthly caps.

In addition, those who have not stayed up to date with their e-toll debt will benefit from a once-off 60% discount on the arrears. There is the added option of making the repayment over a period of 6 months.

Q Is the 60% discount on debt also available to those with e-tags who stopped paying?

A It is available to all road users who have fallen behind with payments.

Q Will penalties be applied for non-payment or accounts that are in arrears?

A If a user has not paid an invoice within 30 days of the invoice date, the toll tariff applicable will be double that of users paying within 30 days.

Additionally, in terms of planned regulations, outstanding e-toll fees would need to be paid before the renewal of a vehicle licence, as it is intended that the vehicle's licence disc will not be issued if the outstanding toll fees have not been paid.

Q Will road users have to renew their SANRAL account or change their existing e-tag?

A No. All your details remain unchanged and existing e-tags remain valid.

Q Will the existing arrangements for settling e-toll accounts remain in place?

A Yes. There will be no changes to the billing or payment systems for e-tolling. However, those who want to settle their arrears will receive a 60% discount if they settle their debt within 6 months.

Q Will the new standardised rate and monthly cap be backdated and will road users be refunded?

A No. There will be no refunds but road users will benefit from the new lower cap from the day the New Dispensation becomes applicable.

Q Should road users decide to sign-up now – will they have to settle what they owe?

A Yes, they will be required to settle existing accounts. There will be no amnesty arrangements as this would be unfair to road users who have been paying. However, they have an opportunity to settle their debt over a period of 6 months.

Q Is this not unfair to road users who have been paying all along as they are not benefiting from the 60% discount?

A Not at all. They have paid less than the discounted 60% amount. We thank them for doing the right thing.

This table explains it simply using a R10 example:

	<i>Compliant with e-tag</i>	<i>Paid within Grace Period</i>	<i>Not Paid</i>
	R10-00	R10-00	R10-00
<i>e-tag discount (48%)</i>	R4-80	not applicable	not applicable
<i>Paid within grace period</i>	YES	YES	NO
<i>Alternate rate applied(x3)</i>	not applicable	not applicable	R30-00
<i>New Settlement Discount (60%)</i>	not applicable	not applicable	R18-00
TOTAL PAID	R5-20	R10-00	R12-00



Q Is there a process in place to contest accounts or raise a dispute with SANRAL?

A Yes, transactions can be disputed through a Nomination, or a Representation process.

Nomination: a nomination is when the responsibility for the payment of the e-toll transaction is re-directed to another party. An example of a nomination is if the registered owner of the vehicle (e.g. the father) nominates another (e.g. his son) to pay the e-toll transactions.

Representation: a representation is when the responsibility for the payment of the e-toll transaction is being denied. An example of a representation would be if the e-toll transaction is for a vehicle that the user did not drive or own.

To lodge a dispute, the following information is needed:

- The relevant Nomination or Representation Form, signed by a Commissioner of Oaths.
Details of the specific e-toll transaction/s that are being disputed.
- A sworn affidavit and relevant supporting documentation.

In the case of a Nomination, a certified copy of the nominated driver's Identification Document (ID) or driver's licence is required.

Full details and forms are available on the e-toll website.

Q How will payment plans with SANRAL be made?

A Contact the e-toll Call Centre at 0800 SANRAL (726 725), visit an e-toll Customer Service Outlet or log an enquiry at info@sa-etoll.co.za to arrange a payment plan.

Please only do so once the kick off date for the 60% discount and payment arrangement plan is announced.

Q What are the advantages for a company or organisation to register as a key account holder?

Key account holders such as banks and fleet owners have direct electronic integration with the

A e-toll system to monitor usage, collection of monies owed to them and payment due.

A key account holder also has a dedicated Key Account Liaison Officer to assist.

Q When one has a fleet of 30 or more vehicles, what is the requirement?

A In those instances, you must have an account directly with SANRAL.

Q Must those not living in Gauteng, still obtain a day pass when visiting Gauteng and driving on the Gauteng freeway network?

A This will depend on how frequently they visit Gauteng. With the New Dispensation only the first thirty gantry passes in a year are free. Once that number is exceeded, they will have to pay for ALL gantry passes – this includes the first 30 passes.

As an alternative to day passes, they can also settle their invoiced outstanding toll amount or set up an account with SANRAL.

Q Will road users be required to pay for all their journeys / gantry trips once they have exceeded the free pass limits?

A Yes. Once they have exceeded the 30 free pass limit per year the full amount will be billed and so reflected on their accounts.

Q Will the free passes be rolled over from year to year?

A No. The free passes will only be applicable for a year (1st April to 31st March) and cannot be rolled over to the next year.



Q Can road users “bank” their gantry passes for one year and roll it over to the following year?

A No. The free passes will only be applicable from 1 April to 31 March in a year and cannot be rolled over to the next year.

Q Why should I have an account with SANRAL if the toll tariff is the same even if I do not have an account?

If you have an account with SANRAL, you;

- can choose the way in which you receive your account and the way in which we communicate with you
- can set up a method of payment that is most convenient to you
- will receive low balance and other notifications.

Q Why should I have an e-tag if the toll tariff is the same even if I do not have an e-tag?

A If you have an e-tag, you;

- will benefit from an easy-to-manage account
- can make use of the electronic lanes already available at Bakwena toll plazas on the N1 North and N4 West
- Soon you will also be able to make use of similar electronic lanes at other existing toll plazas in South Africa
- Using these lanes reduces your waiting time at the plazas and does not require you to offer a cash or credit card payment at the toll plaza
- If you have an e-tag fitted to your vehicle, there is an additional identifier fitted to the vehicle (apart from the number plate) whereby the vehicle is identified on the GFIP network. The toll system matches the e-tag and the number plate, which ensures a more secure transaction to the road users and makes it more difficult for others to clone or duplicate the vehicle or number plate
- You can receive consolidated invoices for usage at each toll plaza where electronic lanes or e-toll is available.



*For further information contact
0800 SANRAL (726 725), www.sanral.co.za,
email: info@sa-etoll.co.za **or visit a customer service outlet***

