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PRESS STATEMENT**IMMEDIATE RELEASE****PARLIAMENTARY OFFICE**

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BUSA RESPONSE TO E-TOLL TARIFF ANNOUNCEMENT

BUSA notes the cabinet announcement of the revised tariffs for the Gauteng Freeway Improvement Project. While we welcome the downward adjustments apparently in line with the proposals in the Steering Committee report, the lack of detail provided - as well as long requested outstanding information in respect of the GFIP e-Toll project - makes it impossible for BUSA to respond in a comprehensive manner at this stage.

The e-tolling system will still introduce significant administrative and cost complexity for business that will be felt right across the spectrum, by the tourism industry, by manufacturers and by small business. The 7-day payment terms requirement still remains a worrying concern, as it will cause cash flow disruptions.

While we believe that the reduction in tolls and the exemptions granted to taxis and commuter busses will to some extent soften the pain to commuters, it does undermine the “user-pay” principle and complicates the criteria applied in deciding which vehicles would be subject to tariffs and which not. The cost impact on fast-moving consumer goods, particularly basic foodstuffs, will still be felt most significantly by working and unemployed poor.

Finally, business deems it regrettable that the announcement did not acknowledge the need for real debate to take place on how we fund the construction and maintenance of roads going forward. If anything, the inadequacy of the consultation processes around the GFIP e-Toll has proven that there needs to be a high-level opportunity to debate the popular option of a restructured national fuel levy to form a large part of the funding-mix for urban roads.

BUSA’s transport task group will be meeting on Monday 15 August to consider further responses to the announcement.

Ends.





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Media Enquiries

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