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IMMEDIATE RELEASE

BUSA calls for comprehensive freight, rail and logistics strategy

BUSA's Standing Committee on Trade Policy – which met yesterday - has re-emphasised key elements of BUSA's recent comprehensive submission to the Department of Transport on the new road freight strategy. Road freight plays a critical role in facilitating the movement of goods within and beyond South Africa's borders and is, thus, of primary importance in international trade. The industry also features large numbers of small and medium enterprises, and has a direct impact on the price and availability of goods throughout the region. The impact of the road freight industry on jobs, employment creation and prices of goods must, therefore, be emphasised. BUSA took cognisance of these factors and made a number of constructive suggestions to the Department.

In its submission, BUSA urged the government to look at the freight and logistics strategy in its totality rather than looking at various strands in isolation. The exercise needs to be holistic and then broken down into specific branches with focus on areas such as road strategy and rail strategy and port operations. This will help to achieve key objectives such as improving the efficiency of the rail transport network, increasing the competitiveness of our ports and, in the main, creating an efficient integrated transport and freight system. This would also assist in the prioritisation of required infrastructure spend on transport and logistics and answer pertinent questions such as whether or not the mooted high-speed rail link to Durban is really a priority. It would also show that adding to the road freight industry's costs through the proposed infrastructure levy and the heavy user charges would only increase the cost of doing business in South Africa with no commensurate benefit. Furthermore, inland container terminals such as City Deep should be duplicated as part of the bid to reduce congestion at the ports and facilitate more efficient movement of cargo.

Both business and government agreed that the efficacy of existing government agencies in the road transport sector could be enhanced. However, BUSA recommended the increased monitoring and rationalisation of existing agencies such as SANRAL, RTMS as opposed to the establishment of new oversight agencies. This would remove the risk of duplication and overlapping mandates.





There was also agreement that maintenance work on the national road network needed to be accelerated but BUSA emphasised the role of a well-maintained road network in increasing rural development. The paucity of well-maintained rural road networks increases the cost of doing business and denies development opportunities to affected communities.

Overloading of commercial vehicles is one of the reasons for the deterioration of national road networks. BUSA shares this concern and has recommended that the government adopt a two-pronged approach to tackle it. Currently, the emphasis is on enforcement and penalties for non-compliance but the enforcement mechanism needs to be strengthened and speeded up. This should take the form of additional training for relevant officials to police all offences on primary and secondary roads. Habitual offenders should also face severe sanctions such as the suspension of operating licenses.

In addition to increased enforcement, BUSA recommends that transporters be encouraged to comply with the loading regulations. Such encouragement need not be monetary but should make it worthwhile for operators to adopt the systems and associated costs for on vehicle weighing systems, additional administration and annual audits. A combination of more effective enforcement and incentivised compliance should ensure that overloading ceases to be a major problem on the national road network.

BUSA believes that specific standards on regulations and enforcement of **driver training** needs to be put in place. The current testing system should be enhanced and that specific funds should be allocated for the development of Transport Educational Training Authority (TETA.) BUSA is in favour of well-trained and skilled operators that can handle vehicles safely in both urban and rural areas. In rural areas, illiterate farm workers are struggling to obtain tractor drivers' licenses because the tests require full literacy. In light of Government's goals of increasing job opportunities in South Africa, BUSA calls for provision for oral examinations and testing to take place for such persons. These oral exams would ensure that drivers are knowledgeable on the safe operation of vehicles instead of depending entirely on the literacy levels of the person in question. This would also limit the temptation to allow unlicensed workers to operate vehicles in rural areas.

In addition to the points in the official submission as stated above, BUSA recommends that government consolidate the findings and action the various expert studies that have been conducted on freight and road transport issues over the years. This would help to avoid duplication of effort and give a better overall perspective of the issues raised in previous studies. The focus should move to implementation rather than on continued studies.

South Africa's business community is keen on engagement over the overarching national road and freight strategy. The level of consultation by government on the road freight strategy has been inconsistent and BUSA would like to encourage more



meaningful discussion at all stages in the formulation of the new strategy for road and other modes.

BUSA has also noted recent pronouncements and comments relating to Transnet rail and port operations, which are seen as opening up new possible options to improve the rail system. BUSA is therefore actively seeking meetings with both Transnet and the government departments involved in these discussions. We look forward to coordinating business input on these critical issues.

Ends.

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