

Roadworthy testing environment from an industry perspective

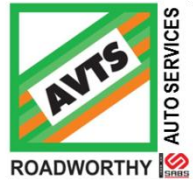
Ferose Oaten

Managing Director, AVTS Roadworthy Stations, member of TÜV SÜD

South Africa

- Country population of **51.77m**
- The only African country that is a member of the G20
- South Africa ranks 5th overall in the 2012 Ibrahim Index – **QUALITY OF AFRICAN GOVERNANCE** (Mo Ibrahim Foundation)
- SA is ranked 10th out of 183 countries for good practice in **PROTECTING INVESTORS IN BUSINESS** (World Doing Business Report 2011)
- And ranked 34th out of 183 countries for **EASE OF DOING BUSINESS** (Doing business 2011 – World Bank and IFC)
- SA has 45 million active cell phones - ranking in the top 5 globally for cell phone coverage
- SA ranks 7th out of 45 countries in the “Big Mac Index 2012”. The price of a Big Mac is 42% less in South Africa than in the USA.

TÜV SÜD AUTO SERVICES



TÜV SÜD Austria



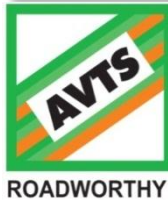
Autosur
France



ATISAE
Spain

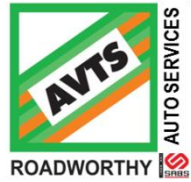


TÜV TURK
Turkey



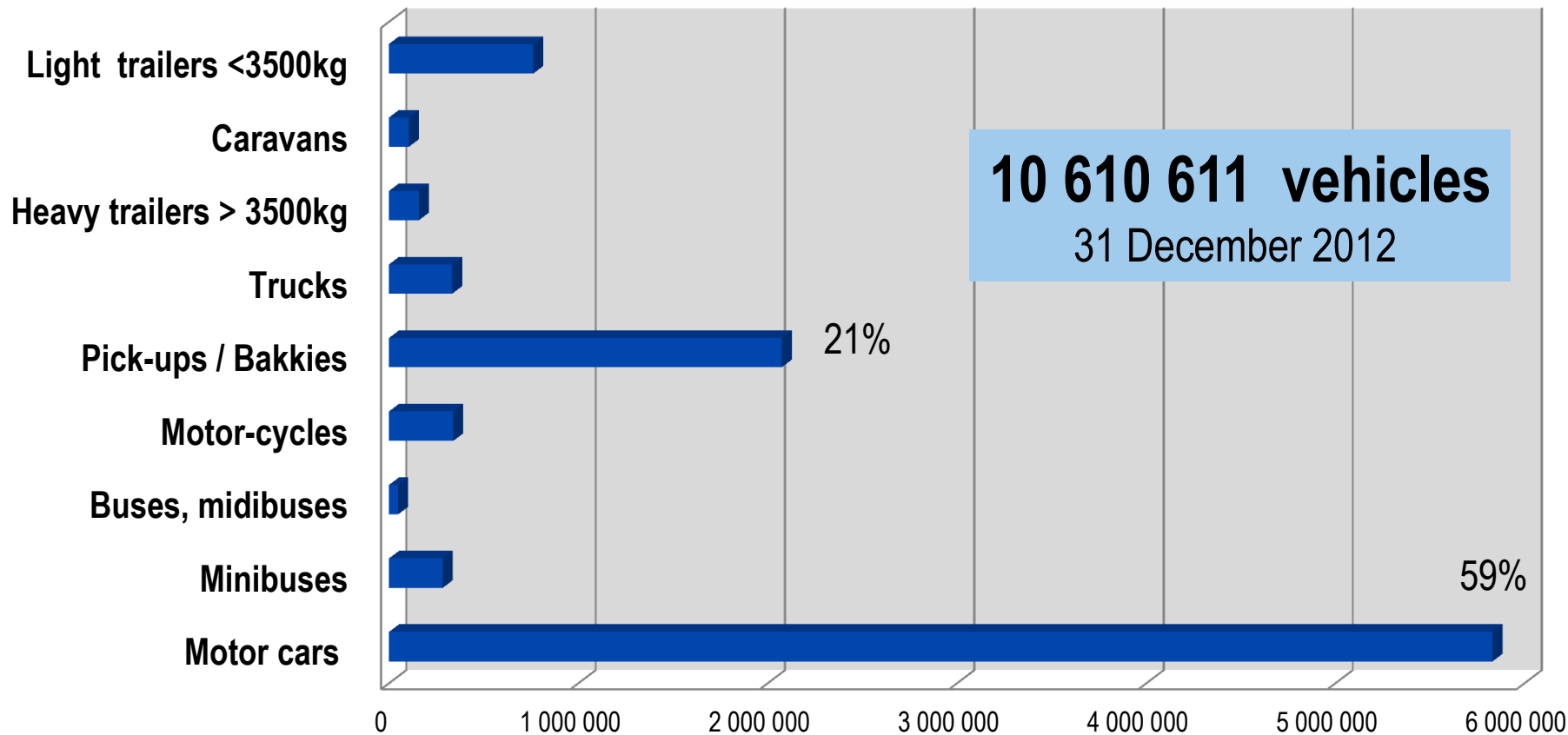
AVTS Roadworthy
South Africa

TOPICS TO BE COVERED



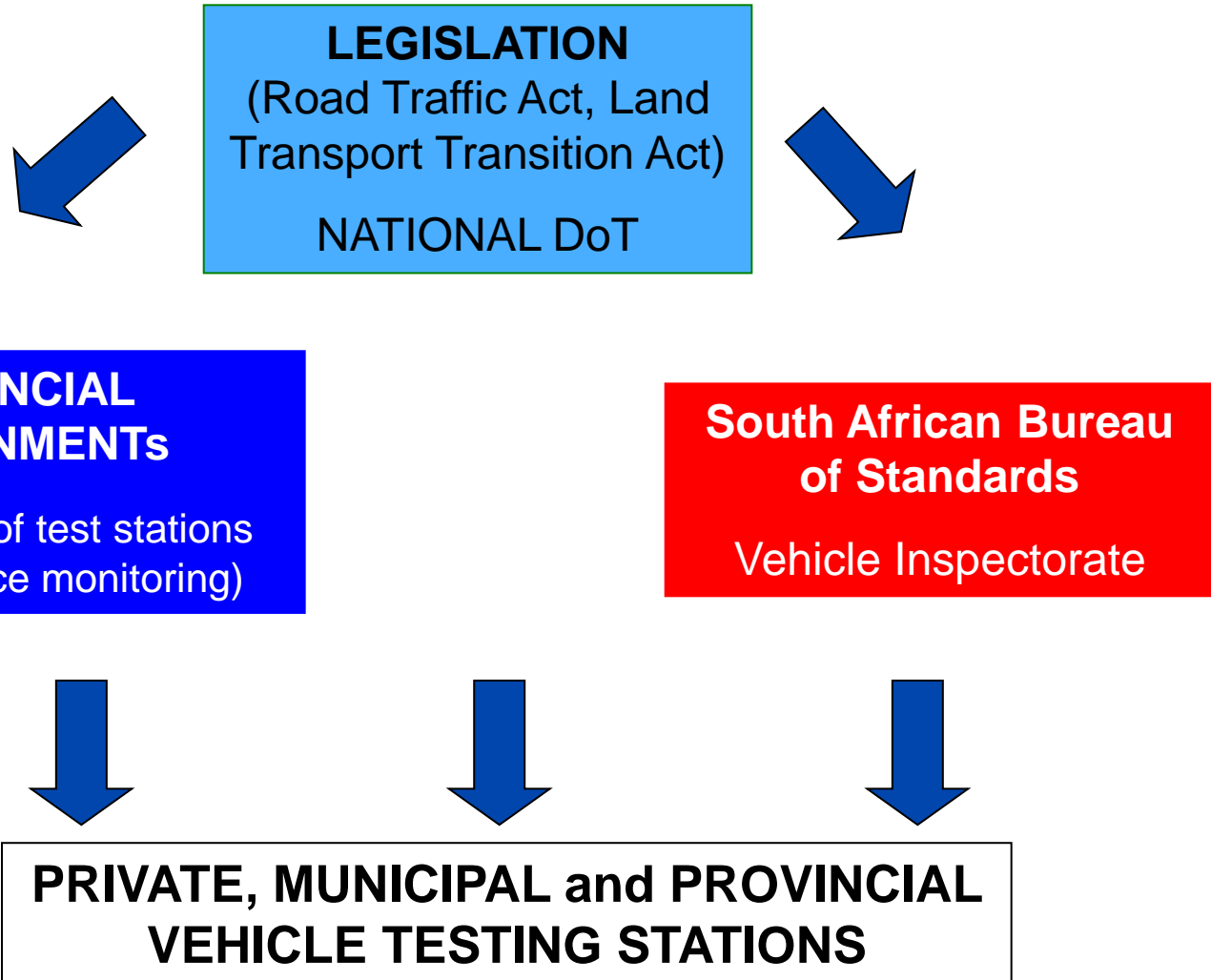
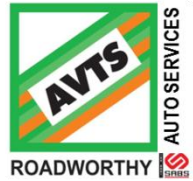
- 1 Vehicle car park statistics
- 2 Legislative environment
- 3 Market demand and market environment
- 4 Distribution of test stations per province
- 5 Roadworthy testing statistics
- 6 Road accident statistics
- 7 Periodic testing legislation for comments
- 8 Challenges for the implementation of periodic testing
- 9 Impact on the retail motor sector

REGISTERED VEHICLE POPULATION



	Motor cars	Minibuses	Buses, midibuses	Motor-cycles	Pick-ups / Bakkies	Trucks	Heavy trailers > 3500kg	Caravans	Light trailers <3500kg
■ Registered vehicles	5 832 197	284 189	49 254	339 932	2 074 437	333 255	157 140	104 825	763 461

VEHICLE TESTING ENVIRONMENT





NATIONAL ROAD TRAFFIC ACT

SANS 10216 and SANS 10047

BBBEE Compliance
Employment Equity
Consumer Protection Act

Second Hands Goods Act
Basic Conditions of Employment
Labour Relations Act

INDUSTRY ASSOCIATIONS
CODES OF CONDUCT



ISO 9001:2008

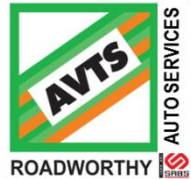


For the future

ISO 17020

General Criteria for the General Operation of Various
Types of Bodies performing Inspections (Competence of
Inspection Body)

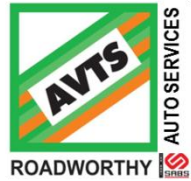
CURRENT LEGISLATION



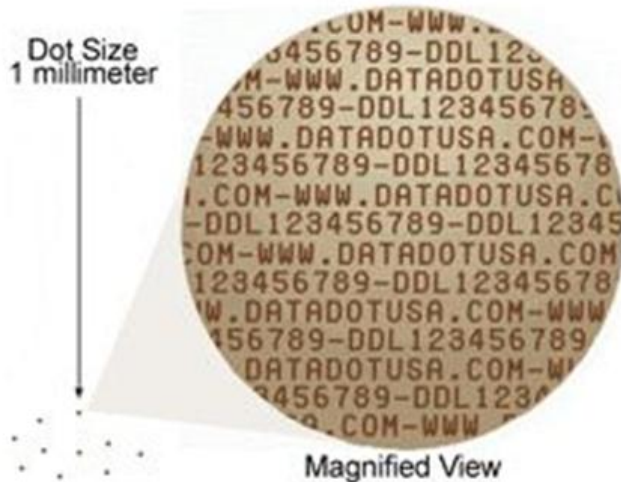
- Regulation 138 (1) requires roadworthy certification for:
 - A used vehicle of which the owner has changed
 - A motor vehicle to which a notice to discontinue has been issued
 - A motor vehicle built, imported, or manufactured
 - A reconstructed or altered motor vehicle
 - RTQS vehicles required to be tested annually in terms of Regulation 142 (1)
(**taxis, trucks more than 3500kg**)
 - Buses tested every 6 months since 1 November 2010

No emission testing required on any vehicle during regular testing

MICRODOTTING LEGISLATION

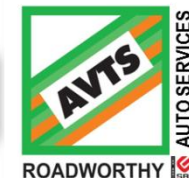


- In accordance with the NRTA, a vehicle registered after 1 September 2012 should be fitted with microdots (GG 35130 dated 9 March 2012)
- A vehicle presented for Police Clearance after 1 September 2012, should also be fitted with microdots; or its microdot identification should be verified.
- Vehicles traded in to motor dealers, should they have a microdot identification, should then be verified before being registered in the dealer's register, in accordance with the Second Hands Goods Act.



- Microdots are tiny dots, approximately 1mm in diameter, encoded with a specific pin number.
- 10 000 microdots are sprayed onto the vehicle (not the paintwork), marking the vehicle and its parts permanently with a unique pin number.
- Microdots cannot be deactivated, removed or disabled.
- Information is stored on official centralised data bases to which Police have access.

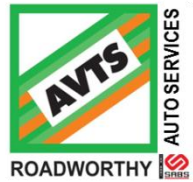
STATISTICS ON ROADWORTHY TESTS



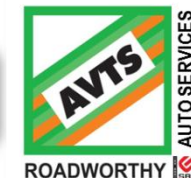
TOTAL TEST DEMAND IN 2012

Used vehicle registrations for 12 months ending December 2012	1 497 032	Change of ownership
Buses (no of buses x 2 – tested 6 monthly) 51 687 buses	103 374	6-monthly test
Minibuses	285 859	Annual test
Heavy Goods Vehicles (trucks & trailers)	507 039	Annual test
TOTAL TEST DEMAND 2012	2 393 304	

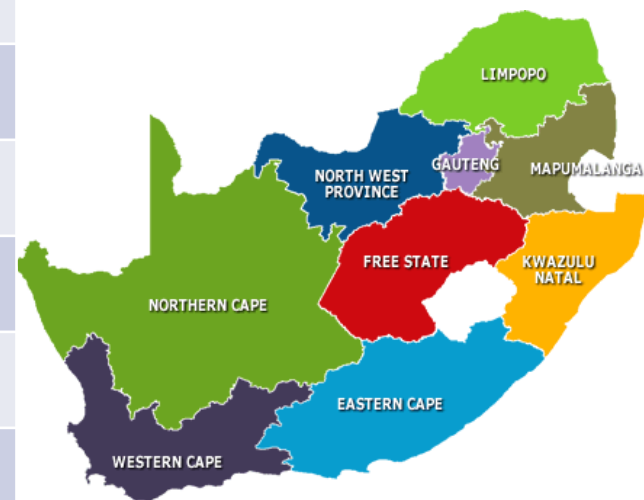
PROVINCES



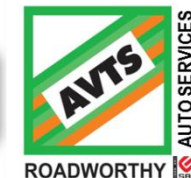
REGISTERED TEST STATIONS



PROVINCE	PRIVATE STATIONS	MUNICIPAL / PROVINCIAL	TOTAL (2009)
Eastern Cape	29	22	51
Free State	11	65	76
Gauteng	108	33	141
KZN	49	21	70
Limpopo	16	20	36
Mpumalanga	17	27	44
North West	11	22	33
Northern Cape	6	19	25
Western Cape	55	43	98
TOTAL	302	272	574



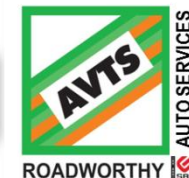
REGISTERED TEST STATIONS



PROVINCE	PRIVATE STATIONS	MUNICIPAL / PROVINCIAL	TOTAL (2009)	% OF TOTAL
Eastern Cape	29	22	51	8.88
Free State	11	65	76	13.24
Gauteng	108	33	141	24.56
KZN	49	21	70	12.19
Limpopo	16	20	36	6.27
Mpumalanga	17	27	44	7.66
North West	11	22	33	5.74
Northern Cape	6	19	25	4.35
Western Cape	55	43	98	17.07
TOTAL	302	272	574	

Source - NDoT Feasibility Study on the Implementation of Periodic Testing; Vehicle population - eNatis

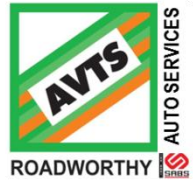
REGISTERED TEST STATIONS



PROVINCE	PRIVATE STATIONS	MUNICIPAL / PROVINCIAL	TOTAL (2009)	% OF TOTAL	% VEHICLE POPULATION (2012)
Eastern Cape	29	22	51	8.88	6.74
Free State	11	65	76	13.24	5.46
Gauteng	108	33	141	24.56	38.8
KZN	49	21	70	12.19	13.56
Limpopo	16	20	36	6.27	5.27
Mpumalanga	17	27	44	7.66	6.77
North West	11	22	33	5.74	5.15
Northern Cape	6	19	25	4.35	2.29
Western Cape	55	43	98	17.07	16.0
TOTAL	302	272	574		

Source - NDoT Feasibility Study on the Implementation of Periodic Testing 2009; Live Vehicle population – eNatis 2012

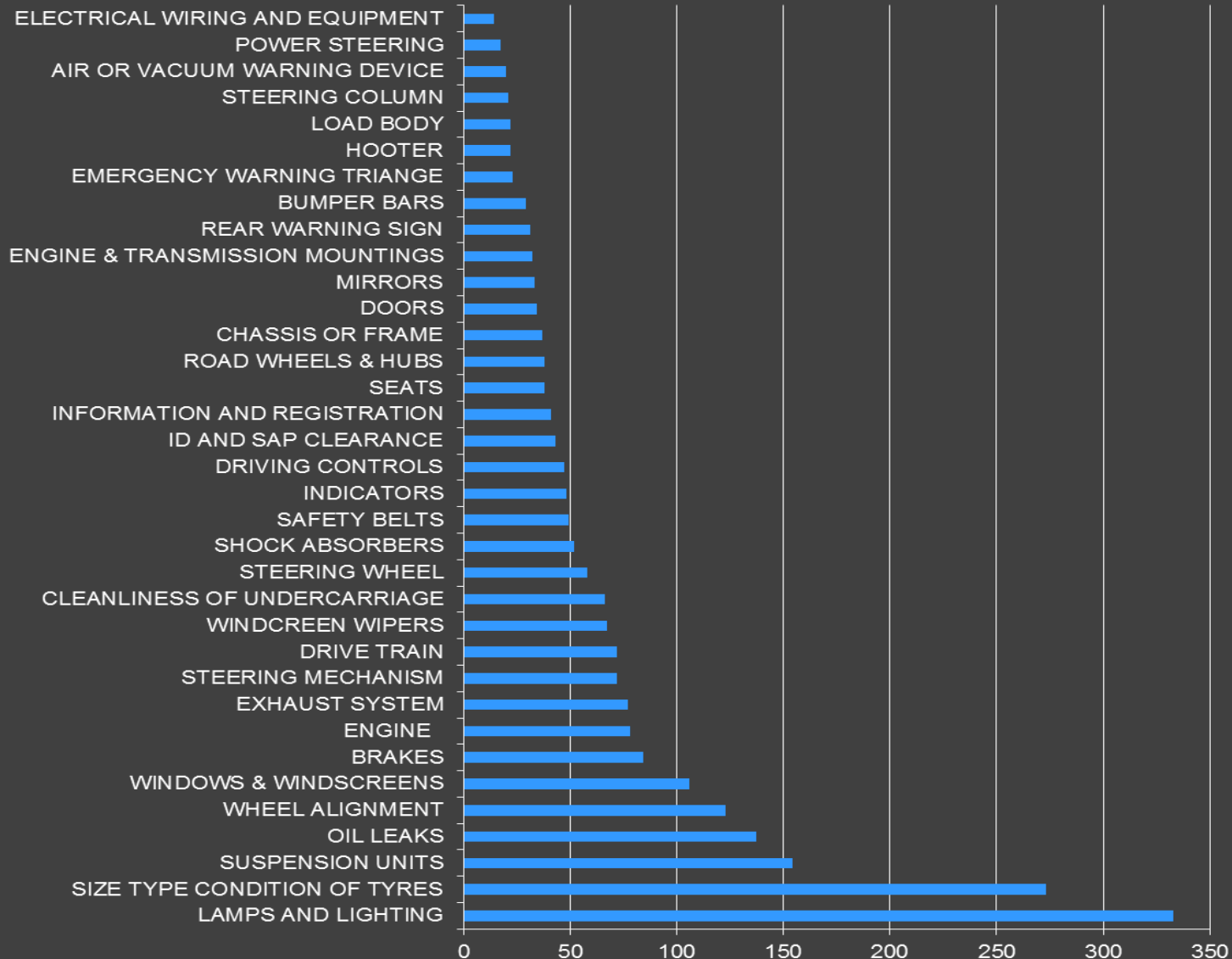
REASONS FOR FAILURE OF FIRST TEST



REASONS FOR FAILURE OF FIRST TEST

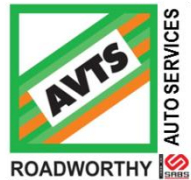


ALL VEHICLE TYPES



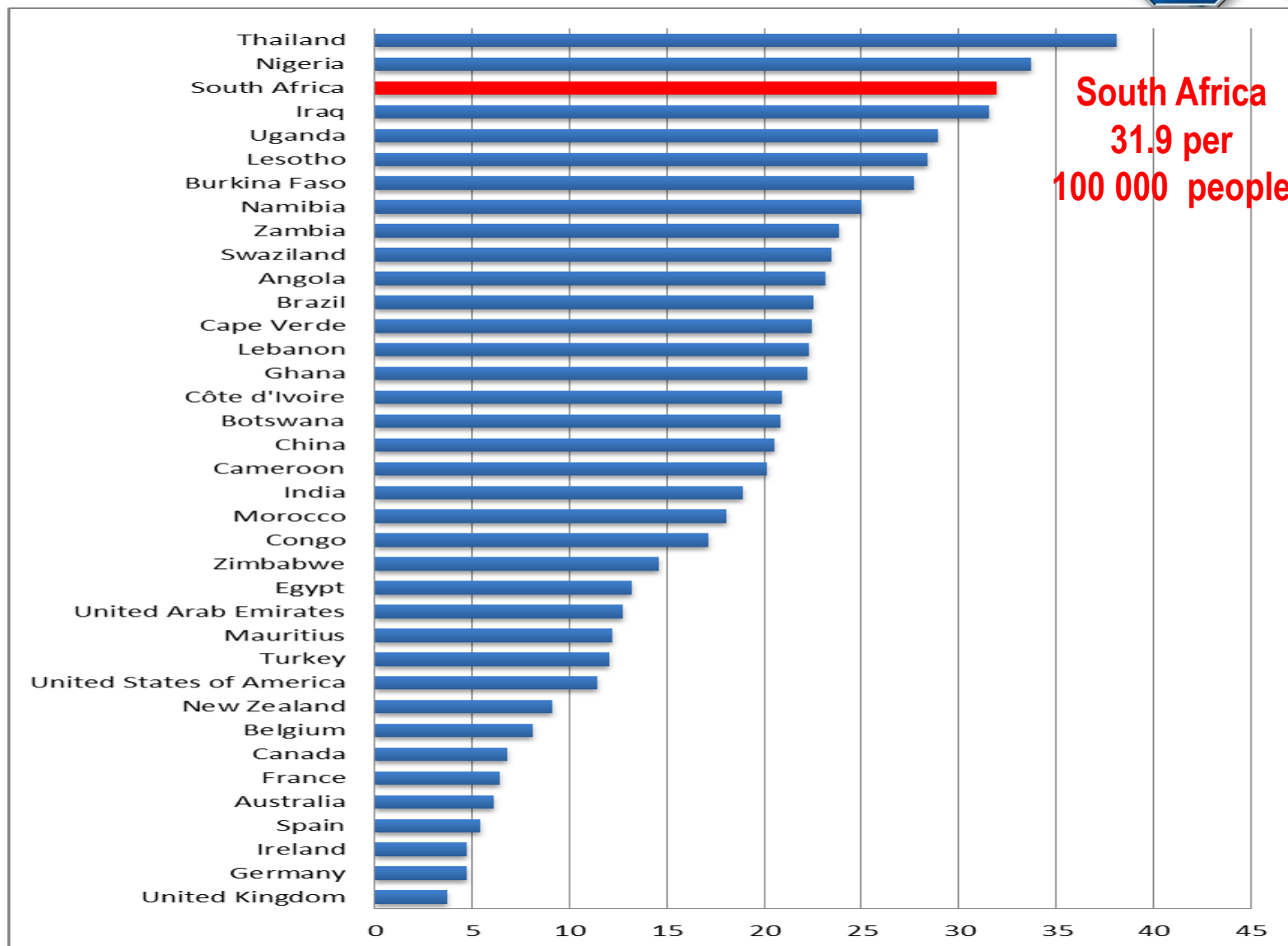
AVTS 65 000 tests, 2011

ROAD FATALITIES



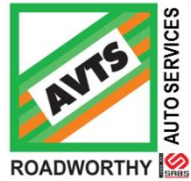
Population	51.77m
Vehicle population as at 31 December 2012	10 610 611
Total road fatalities in 2011	14 500
Fatalities per 100 000 people	31.9
Total persons injured	229 619
Injury accidents per 100 million vehicle km	124
Direct costs of accidents in 2010	ZAR 38bn

ROAD FATALITY RATE - WHO



Source: eNatis; TUV SUD, AVTS Roadworthy Stations, World Health Organisation 2010

SOUTH AFRICAN STATISTICS



According to statistics from Arrive Alive, **14500** road deaths annually, of which 39% are pedestrians.

Vehicle factors are responsible for at least **9.3%** of accidents, as a **direct factor**, and up to **13%** as a **contributory factor**.

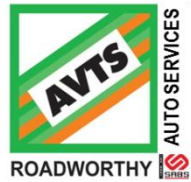
Within these vehicle factors, in fatal crashes

- 36% tyre burst due to damaged and smooth tyres
- 25% faulty brakes
- 24% unsafe and faulty steering
- 15% other

**FREE
SAFETY
CAMPAIGN**

Source: RTMC Crash Report 2009

POLITICAL WILLINGNESS



For improvement of road safety reflected by

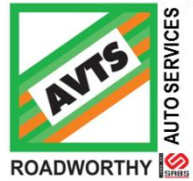
- White Paper 2006 – 2010 to improve general safety on the roads
- National Road Traffic Act provides the enabling legislation for roadworthiness testing
- National Code of Practice as minimum standard for roadworthiness
- National Code of Practice as a minimum standard for vehicle test stations
- **Feasibility Study on Periodic testing and proposed legislation**
- **15th Amendment of the NRTA to make test station owners accountable**
- **Commitment to the Decade of Action for Road Safety**
- **Legislation for periodic testing published for comments**



**DECADE OF ACTION FOR
ROAD SAFETY 2011-2020**



LEGISLATION FOR COMMENTS



NATIONAL ROAD TRAFFIC ACT, 1996 (ACT NO. 93 OF 1996)

STAATSKOERANT, 8 JUNIE 2012

No. 35413 3

GENERAL NOTICE

NOTICE 458 OF 2012

DEPARTMENT OF TRANSPORT

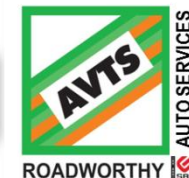
55.7%

Amendment of regulation 138 of the Regulations

35. Regulation 138 of the Regulations is hereby amended by the addition of paragraph (k) after paragraph (j):

(k) motor vehicle which is **10 years and older as from 1 December 2012** calculated from the first date of registration of such motor vehicle in the Republic excluding any vintage motor vehicle: Provided that such motor vehicle will thereafter **be require to be certified roadworthy after every 24 months."**

FUTURE DEMAND



TOTAL TEST DEMAND IN 2012

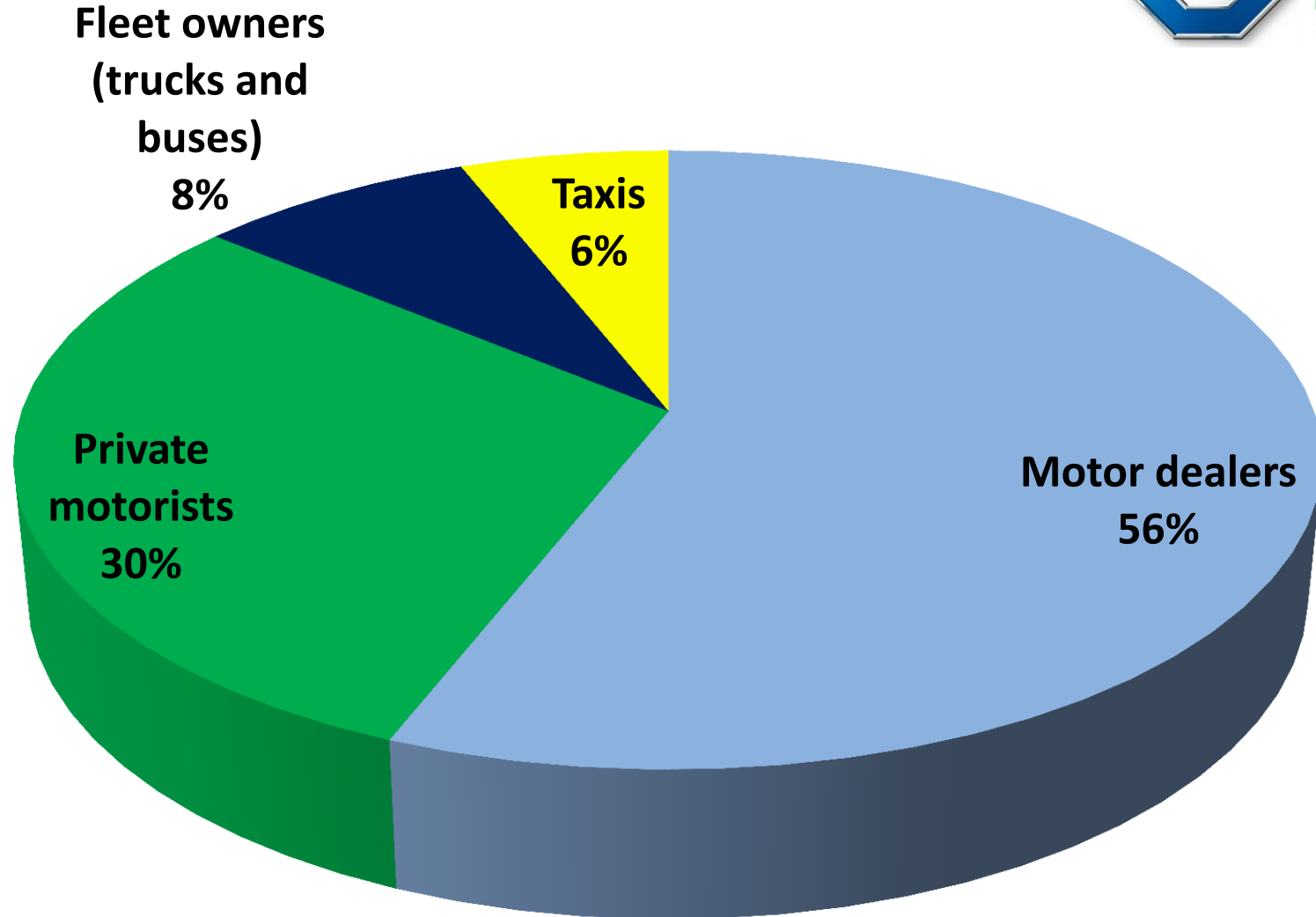
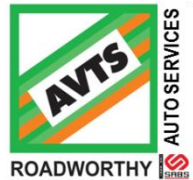
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Number of vehicles older than 10 years as at Feb 2012

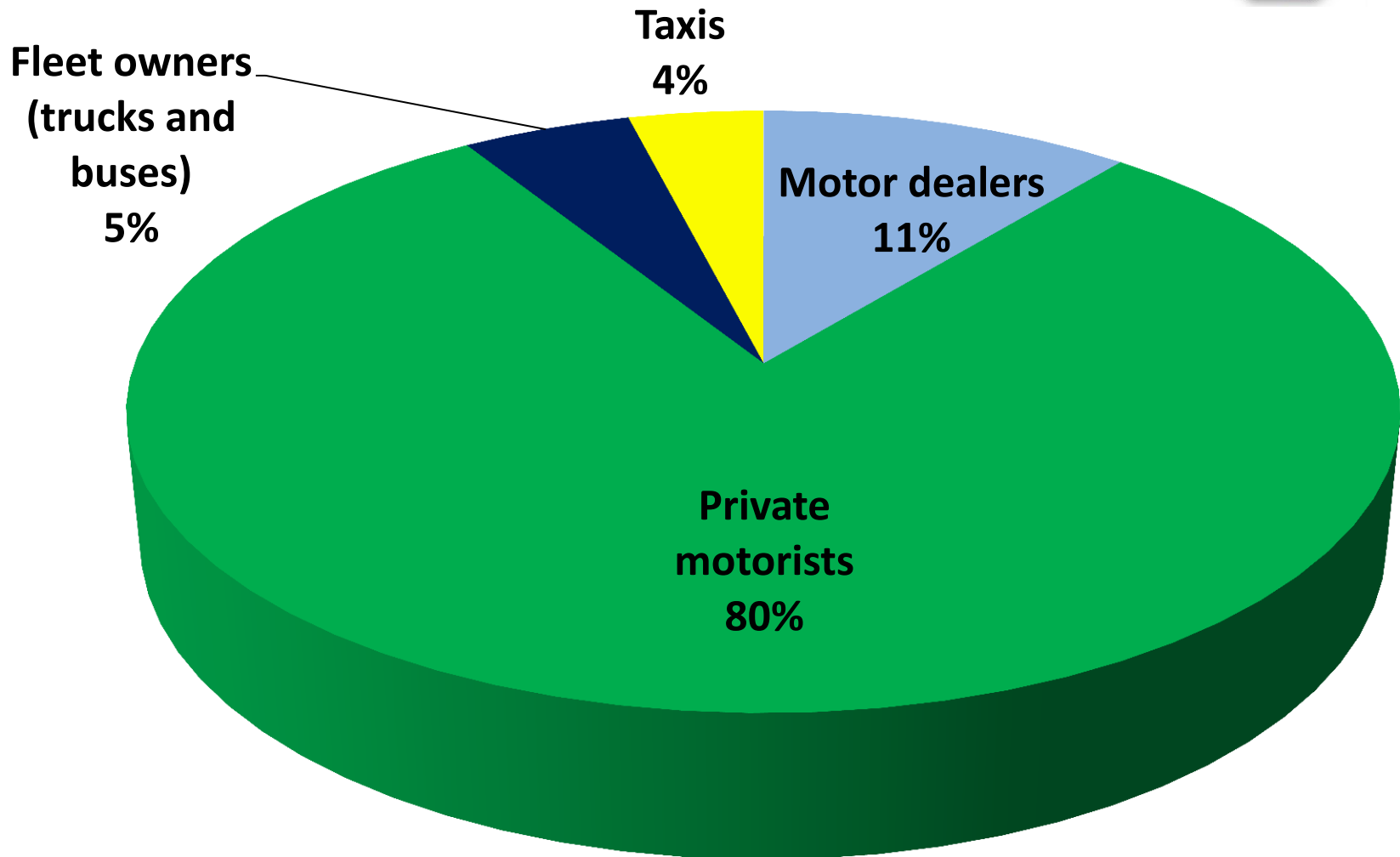
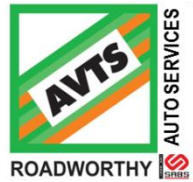
5 548 688

55% of vehicles older than 10 years

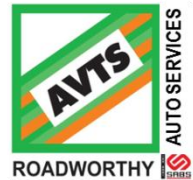
WHO ARE THE CUSTOMERS NOW?



WHO WILL THEY BE IN THE FUTURE?

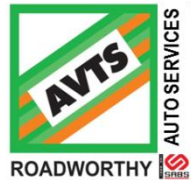


POSITIVE PROGRESS



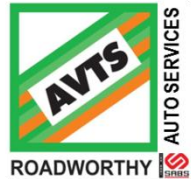
- **Forum for engagement with Government and the Inspectorate**
- **Enabling legislation to ensure that testing is done in a controlled environment (15th amendment of the NRTA)**
 - **Limiting the number of tests of Management Reps**
 - **Validation of all test reports**
 - **Each MEC (Provincial Minister of Transport) is responsible for developing criteria to establish the feasibility of additional test stations**
 - **Proprietor is held accountable; police clearances required for examiners**
 - **Axle mass meters with printers to ensure automated brake results**
- **Newly established Fraud and Corruption Working Group under the auspices of the VTC (Forum chaired by the National Department of Transport)**
- **Code of Conduct with membership of industry bodies**
- **Action taken against corrupt stations**

CHALLENGES FOR PVT IMPLEMENTATION



- **Cost to the motorist vs reduction in loss of life - debate**
- **Corruption**
- **Inspectorate needs to be capacitated in terms of resources and technology**
- **Non-compliance of a small percentage of existing test stations**
- **Lack of investment / resources by some role players to meet the equipment requirements – Possible public private partnerships**
- **Shortage of trained vehicle examiners**
- **Fragmentation of different agencies, levels of government, excellent initiatives but working in silos.**
- **Industry in a “holding pattern” with financial sustainability a current challenge; exacerbated by current economic climate**
- **Culture of compliance not present; but should PVT be implemented, this safety culture will extend to other aspects; like driver behaviour and vehicle maintenance.**

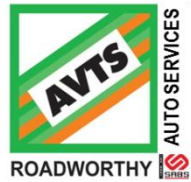
IMPACT ON THE RETAIL SECTOR



- **Job Creation** in the roadworthy industry
 - **600** Vehicle Examiners
 - **325** additional support staff / eNatis officers
- Job creation in the retail motor sector
 - At least **3400** jobs in the areas of workshops, fitment centres and tyre dealers
- **Additional revenue** to the retail sector, test stations, Inspectorate
- More active used car market
- Entrepreneurial opportunities for informal retail motor sector
- Supplementary economic activity
 - Fraud Management
 - IT systems

** Based on the assumption of the proposed legislation, with 50% failure rate in the first 4 years, failed vehicles requiring one tyre and 2 hours of labour repairs (no parts), R250 plus VAT per test

CONTACT DETAILS



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