

Tolls take toll on car dealerships

Car dealerships in Gauteng have been forced to fork out up to R200m more to administer the costs of the province's new e-tolling system.



Nada's Director Gary McCraw says that e-tolls have added at least R132m to the costs that dealers have had to pay for selling new or used vehicles. Image: RMI

Details of the increased cost of doing business on the province's e-tolled freeways came to light during a presentation by the National Automobile Dealers Association (Nada) on the effects of e-tolls in Gauteng.

Nada represents 1,363 new vehicle franchise dealership owners or operators and has 550 members in Gauteng.

Nada Director Gary McCraw told the e-tolls advisory panel that its Gauteng members had, since the implementation of the e-toll system, been forced to employ one or two additional people each to manage the process of the e-toll verifications and payments.

"Related employment costs came in at R20,000 to R35,000 per month cost to company," he said. "The additional employment and associated costs amount to between R132m to R231m a year," said McCraw.

McCraw said that to add to Nada's woes was the inadequacy of information on the e-Natis system.

e-Natis inaccurate and outdated

"Dealers are having to prove the sale of used and demonstration vehicles to Sanral as their records are outdated, the reason

being that Sanral does not have a live feed into the e-Natis system.

"There is a permanent seven-day discrepancy in the information between the two systems. In some cases this is never rectified. In addition, because of bribery, corruption and inefficiencies within the various licence authorities, the information relating to motor vehicles and their legal ownership is not accurate," McGraw said.

Critics have cast doubts on the effectiveness of the e-Natis system, which cost more than R400m to set up, arguing that it does not have up-to-date data on motorists and cannot be relied on by law enforcers.

"The e-tolling system has not catered for the complexity of managing an ever-changing fleet of new vehicles, demo vehicles, courtesy vehicles and pre-owned vehicles," said McGraw.

Nada warned that its members' experiences with the e-tolls system resulted in diminished customer satisfaction, which threatened the profitability and survival of vehicle dealerships.

"The added costs brought on by e-tolls also had the potential to hamper new businesses," he said.

Source: The Times via I-Net Bridge

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