

# UTASA BULLETIN



Sixth Edition

29<sup>th</sup> February 2010

## Greetings

Belated greetings to all!!! Difficult though to wish readers a prosperous and happy New Year when the governor of the reserve bank, Gill Marcus, froze leaving the interest rate unchanged blaming it on the expected Eskom electricity increase. South Africa seems cursed with indecisiveness. The only surety we have is of polygamous leadership. We are blessed with First Ladies and more to come. Did I add extramarital affairs to that?? The experts are punting a rate cut in March, don't hold your breath.

Hands up those of the working class who still have money to splurge after paying the bills?? Not you Oom Koos!!

My apologies, beside the country's leadership Oom Koos is also a certainty. Oom Koos is a bit riled though because his nephew circulated an article stating that he was "smoking his socks". "Daai jonkie het nie maniere nie" stated Oom Koos, "hy moet respect het vir ouer mense". "Bliks skottel"!! Oom Koos is of the opinion that his nephew although eloquent and street smart is unfortunately lacking in manners and respect. Two qualities, sorely lacking that would make his nephew an exceptional person.

UTASA has completed the move to bigger and better premises. There is a large boardroom to accommodate our business partners and affiliates. A training centre on the premises is on the brink of completion.

Compliments to UTASA for convening a successful, transparent and democratic AGM on the 14<sup>th</sup> November 2009. Showing the way things should be done by giving the power to the members to decide without provocation or coercion in the election of the executive committee.

Enough said lets move on to more pressing matters.

## Department of Transport & Regulation

The letter of intent, emanating from the office of the Deputy Director Legislation Standards & Regulation Directorate Branch Road Traffic Regulation Mr. Ngwako Thako's desk, caused quite a stir not only within the towing fraternity but also within the road freight industry land wide.

The publication, Focus, aimed at the road freighters in an article by Nadine Von Moltke begins with the preface, *"South Africa's road network is in a terrible state of disrepair, and things are only getting worse. As a result the National Treasury has tasked the Department of Transport (DoT) with finding a solution to save our roads. The DoT in turn informed local transport operators and stakeholders that it intended to pass legislation lowering legal load limits. Is this a justifiable means of fixing the problem, or is the DoT simply passing the buck?"*

On reading through the Letter of Intent one gathers that the Dot has in its sight the Minibus taxi industry, Road Freight and the towing industry.

The Road Freighters' Association has already been in consultation with the Department of Transport on the proposed legislation, so likewise UTASA had an interesting meeting with Mr. Thako of the Department of Transport on **14 December 2009**.

The meeting chaired by Mr. Thoka including UTASA were a representative of the South African Insurance Association (SAIA), a Hollard Insurance Company representative and a member of the National Consumer Council. Amongst the concerns expressed at this meeting were the high costs of towing and related fees (storage, administration, security and storage) and the loss of assets by uninsured motorists, where tow operators sell uninsured motorists' vehicles when the aforementioned cannot pay the release fees.

The DoT recognizes the essential role played by the towing community but does not agree with the current conduct and methodology.

What one gathered from the meeting without going into too much detail is that the process will be laborious, lengthy having to pass through the Inter Provincial Policy Procedure Committee sitting the provincial transport departments then made available for public comment (the public comment will be interesting and vehement). The Competition Commission may have to be party to the discussions because of the exorbitant rates levied and, as suggested at meeting, a need for the rates to be regulated. We are therefore unlikely to see any document before the parliamentary portfolio committee before 2012.

Suggestion was made at this meeting that the towing associations should be recognized and registered with the Department of Transport in line with the proposed bill as this would legitimize, empower and make these bodies more effective in dealing with their members. To renew license and operators permits tow operators would have to via their respective associations just as in the taxi industry.

In the interim Mr. Thoka will in the near future convene a meeting where the following stakeholders will be present, the Retail Motor Industry (RMI), South African Insurance Association (SAIA), South African Towing & Recovery Association (SATRA), FIA (Insurance Brokers Association) and United Towing Association of South Africa (UTASA). Be assured that UTASA will represent its membership and voice the collective concerns of the industry as demonstrated by Mr. Msai Maphisa the vice chairperson when Mr. Thoka addressed the one ton sling.

Mr. Maphisa made it clear that any attempt at prohibiting the modification of the one ton LDV to slings (tow trucks) would have drastic implications on the PDI sector and the emerging small business towers across the spectrum. Also the roll back truck had its limitations with regard to congested freeways, basement parking, limited access at shopping centre parking, within the townships especially where a vehicle has to be collected from an informal settlement or the RDP housing complexes where the roads and driveways are extremely narrow allowing access only to the one ton tow truck for the purpose of extraction of a damaged vehicle.

Also in consideration the majority of black operators did not have access to funding for the roll back vehicle unless the government like with the taxis was prepared to subsidize the replacement of these vehicles empowering the one ton tow truck owners in the process.

The meeting ended with the Deputy Director promising to convene a meeting with the abovementioned parties after the sitting of the Inter Provincial Policy Procedure Committee on the proposed bill.

## **New Towing Companies**

There is a plethora of new towing companies springing up, from one man operators to multiple truck owners. The towing industry seems to be a lucrative business to get into resulting in an oversupply of operators in certain areas. The entry level is ridiculously low and with no regulation or standards in place there is no stopping the new entrants.

The phenomenon experienced is nothing new, the taxi industry also had the same issues until regulation was enforced and the associations took a tough stance raising their affiliation fees and setting criteria.

The insurance companies, insurance brokers, motorists and law enforcement personnel could help by insisting that a tow contractor be affiliated to an association before allowing that company to tow a vehicle. The associations operate 24/7 call centers where affiliation may be confirmed. This offers the motorist a degree of protection from exploitation and an ombudsman in the eventuality of a disagreement.

The new boys on the block out for a quick buck are exacerbating the problem and tarnishing further the image of an already tarnished industry. With unemployment on the rise individuals getting packages on retrenchment and some dismissed from tow companies that are downsizing, yes, there will be more operators combing the streets and hawking the intersections. Take note Ms Marcus we need stimulus for the economy more job opportunities equals less one man tow operators scrambling for the crumbs of the industry.

## **OOM KOOS COMMENTS**

Have to run this by Oom Koos, my venerable platteland uncle, before circulation for his comments. Oom has difficulty reading this, “taal van die ongelowigges”, throws it down and demands a translation.

On briefing Oom of the contents hereof, Oom sighs “Ooh Ya!” settles down in his sagging chair and begins his ritual of tobacco pouch, pipe filling, scrutinizing contents of pipe, pressing down with thumb before lighting taking a long suck on the stem, exhaling then letting out a cough. I wait!!

Oom hasn't finished, “man moet iets drink voor hy kan reg dink of praat!!” Blatant extortion!!

Having obtained the necessary tongue loosener also brain lubricant same is set before Oom. My cell rings, technology is both a blessing and a curse, wanted urgently back at office. I inform Oom who has just taken a healthy swig that I will be back shortly.

Hour and fifteen minutes later make my way back to Oom's apartment, get held up on ground floor waiting for lift. A bemused tenant watches me then after 3 minutes volunteers the information that the lift has packed in again! Viva South Africa!! Head for the stairwell and make the climb to the fourth floor all the while consoling myself that I need the exercise anyway. En route pass every tribe on this continent South Africa has become a haven for our northern brothers', right up to Egypt, and hell for its native inhabitants.

Get to Oom's apartment knock, no answer; turn the door handle walk in.

Guess what!!!!

Oom is lights out, pipe still smoldering loosely in his hand brain lubricant is just about empty. Hell!!!

We will have to wait till our next edition to get Oom's comments or maybe his nephew may have an interesting take on the DoT.

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