



road ahead

2nd Issue 2011
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Transport
on the move



Zero tolerance

for cross-border fraud

Transport job
creation:
the realities

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The majority of stakeholders in the used oil industry met for the first time in February 2005 at a workshop hosted by ROSE. At this workshop, ROSE was mandated to develop an inclusive model that would benefit all stakeholders. This was done successfully, culminating in the formation of the National Oil Recycling Association of South Africa (NORA-SA), which then established the standards for environmental and legal compliance.

Like any model in any economy, not all stakeholders embraced the challenges and changes that were to face the industry. The ROSE model is the only global model that works without any supporting legislation and has been recognised by the Department of Environmental Affairs (DEA) as the ideal model for self-regulation in the recycling industry.

ROSE's greatest challenges and success

The implementation of the Waste Act is a great milestone for the waste management sector, which has long been governed under various pieces of legislation. The ROSE Foundation has been a pioneer in compliance with "extended producer responsibility" to which the legislation refers.

The lubricants industry is leading the way in educating the market and driving the collection and recycling of used oil. The ROSE Foundation and NORA-SA have worked actively with the government since 2005 to implement enabling legislation to manage the environmentally responsible collection and recycling of used oil and related waste in the lubricants industry.

We are very pleased that the Act has finally been passed and feel it is an essential piece of legislation to move South Africa toward a more sustainable future.

The ROSE Foundation and NORA-SA have enjoyed a year of great success and achievements in the face of many challenges posed by the used oil industry. The main challenge being the implementation of the Waste Act No. 59 of 2008 in an industry that has many small businesses without any formal training and support.

The DEA is still in the process of publishing the draft regulations for the classification and management of hazardous waste. We developed the relevant paperwork to support the Act so that small collectors would be compliant when collecting and transporting used oil.

Targets for the year ahead and beyond

The future focus of ROSE is to influence the entire used oil industry, including stakeholders choosing not to join NORA-SA. ROSE would like to see a significant increase in used oil collections to put it in line with global best practice.

Some of the methods employed to attain this desired outcome will be the development and implementation of an equitable environmental incentive for increased collections.

In addition, processors and recyclers who do not belong to NORA-SA will be supported to start the process of environmental compliance.

To this end, the current ROSE model will be revised to include all stakeholders in the industry, the target being eventual compliance for all in an agreed time frame.

ROSE will be auditing and evaluating new processors including non-NORA-SA members and, if approved, will qualify as a recycler of used oil.

The general level of compliance has been elevated through ROSE's role and interventions in the industry. Small collectors, some with low literacy levels, have been capacitated with small business management skills and product health and safety training at no cost to them. Those that have taken the opportunity are now reaping the benefits.

Biggest challenge for collectors and business

The Waste Act, developed around European Union practice, is now a reality and business will have to comply. These are onerous if one generates any hazardous waste, such as a workshop that services and changes oil on four to five cars a day, which will now have to register on www.sawic.org.za as a generator of hazardous waste.

In addition, waste generators will have to classify this waste, provide a waste manifest to the waste transporter or collector and ensure its safe disposal through a waste manager, in this case a recycler or similar business.

Waste transporters, such as NORA-SA used oil collectors, will have to register with the municipality or province in which they operate. However, currently only the City of Johannesburg is ready for this process.

Furthermore, waste recycling facilities will have to be registered with the DEA.



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Transport on the move

On the Cover

CAPE MEDIA

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08/063

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Transport on the move



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Transport on the move

Foreword

South African Cross Border Transport Association

The South African cross-border industry is perhaps one of the foremost cornerstones of the Southern African Development Community's integration plans. This forms the backbone of trade between South Africa and neighbouring countries.

In the post-sanctions era, this industry has grown annually almost on a 115% per annum basis. Between 1999 and 2009, our estimate is that the industry had grown over a thousand percent from the early stages when only a handful of operators were present in the market.

Needless to say, with such phenomenal growth, not all of it has been positive.

Having worked for a cross-border company from 1998 to 2002, it is with fond memories that I look back. It was lucrative, hassle-free (besides the normal truck breakdowns and border delays), drivers were trustworthy, loads very seldom went missing, payments by clients normally arrived timeously, and all was well!

It is often said that where there is a watering hole, you do not only get gazelles and elephants, but also crocodiles. Because the industry was relatively new, and growth figures in neighbouring countries for almost the past 10 years averaged in the double digits, the industry has grown concurrently.

But in the last five years or so, an ugly phenomenon has begun rearing its ugly head. The industry has become infiltrated with con artists posing as transporters and transport brokers.

It is for this reason that I and a group of industry executives have come together to form the South African Cross Border Transport Association. This body aims to regulate the industry and prevent unnecessary hardships on those in the industry and hopefully unnecessary deaths: In the last four years, I have had the misfortune of attending 11 funerals of colleagues who took their own lives due to losing their business by the workings of miscreants, thieves and con artists. To me, these were 11

deaths too many, not to mention the incidental costs thereof.

We are hoping to lobby the Department of Transport and the current minister to regulate the industry based on the experiences and input from the industry to ensure people misusing loopholes in the industry will be brought to book and prosecuted.

I have been liaising extensively with the Organised Crime Unit in bringing a few con artists to book, but it is time-consuming and costly.

Yes, you may say: "All well and good, what can I do?"

Well, you can give yourself a voice by joining this forum. In numbers we have strength. A chorus has more effect than a whisper.

If you are a serious business person and you want to make a difference, please join. We need your voice!

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*Jitesh Naidoo
South African Cross Border
Transport Association*

We hold ourselves to your standards



We would like to thank you for the trust you have placed in us as your industry partner. Through your commitment, we strive to maintain harmonious industry relations and care for the wellbeing of the industry. Our responsibility as the custodian of your assets will remain a crucial aspect of our mandate. All around the country, in different roles, the people in our industry grow and drive our mandate forward with such passion and dedication; we can't help but be proud to play our small role in this wonderful partnership.





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Transport on the move

Ed's Note

Back in the USA

Of the many grandiose projects that have emanated from the fevered brain of Muammar Gaddafi, perhaps the most ambitious was the United States of Africa.

Although dismissed by many as hopelessly impracticable, the project recently showed signs of life when African Union officials met at the AU's headquarters in Ethiopia for preliminary talks around the establishment of the African Union Authority.

This institution would replace the AU Commission in its present form so that the countries of Africa could fall under a single unity government.

The timing of this decision is interesting, to say the least, considering that the architect of the "USA" is currently waging war against his own population while NATO warplanes circle somewhat impotently overhead.

However, analyst Francis Ikome has pointed out that the idea is not original to Gaddafi, but was first mooted in the 1960s.

"I would want to imagine that the message they would want to send is that continental integration will not stop all of a sudden just because Gaddafi is no longer there," he was quoted as saying by *CBS News*.

Ignore for the moment the obvious difficulties that stand in the way of implementing the "USA". The advantages that such a dispensation would bring are equally obvious: Harmonisation of regulations would at last be possible; the growing problem of cross-border fraud would become a thing of the past; overloading discrepancies between countries could be rooted out; and last but not least, waiting times at borders posts would be cut down drastically.



It remains to be seen whether the vision of unity will be achieved, whether in the form of the "USA" or a less grandiose arrangement such as a continental free trade and customs agreement.

Leaders have been known to say one thing and do another. But hope springs eternal.

Now may well be the time that the African Union decides to stop acting as a Dictators' Club and fulfil its mandate to serve the aspirations of its stakeholders: the citizens of Africa.

Greg Penfold



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Crime stop

Unregulated cross-border road transport industry falls prey to unscrupulous operators

Currently in South Africa, the local transport industry is regulated, hence the smoother running of that aspect of the transport industry. However, the cross-border industry is more complex. At present, there are unregulated foreign hauliers that not only undercut local hauliers on price, but many are involved in criminal activities.

As we are writing this article, we have approached major freight companies to provide us with information and statistics on the amount of cargo that went missing due to unscrupulous hauliers, but most are reluctant to provide such information, as it affects their credibility and the way their clients view them.

Some have built a reputation of “getting their goods there on time”, and would be shy to admit that they have sometimes failed by “not getting the goods there at all”. Not that it is their fault; once again, they trusted the wrong people.

The following table outlines some of the statistics that we have been able to collect. It must be stressed, however, that these statistics are by no means comprehensive, and merely depict the tip of the iceberg.

In the table below, some of the alarming statistics have been outlined. It is noteworthy that defaults on both transporters and their

clients increased phenomenally. In a loose definition of “clients”, this would include brokers; in the definition of “transporters”, this would include all who are owners of the assets.

Not outlined – and something that is difficult to quantify – is the predominance of “foreign nationals” in this industry. Most transport brokers currently are Zimbabweans, but this in no way implies that as a result of foreign nationals, there is a spike in the figures.

One of the contributing factors to the large amount of fraud in the industry is that brokers are entrusted with large amounts of funds, of which they are mere handlers. Human nature being such, they are often tempted to utilise the funds of the transporters and inevitably have a problem repaying it.

One of the functions of the body we wish to implement is the “monetary handling facility” where funds are channelled through a central handling facility, and which ensures the appropriate funds are paid to the appropriate parties. In that way, there can be no pilfering.

It is no laughing matter that, on a year-to-year basis, there is a 234% increase. If, for example, you take fraud as one element, the definition in this case is “the intentional and unlawful use of funds and/or product, without the intention of returning it, and solely for the purpose of self-enrichment”.

CRIME STATISTICS FOR CROSS-BORDER INDUSTRY

	2005	2006	%	2007	%	2008	%	2009	%	2010	%
			Movt.		Movt		Movt		Movt		Movt
Missing consignments	46	62	34.78	84	35.48	104	23.81	131	25.96	304	132.06
Hijackings	4	17	325.00	26	52.94	41	57.69	62	51.22	116	87.10
Fraud	13	36	176.92	38	5.56	66	73.68	80	21.21	117	46.25
Graft	9	28	211.11	33	17.86	47	42.42	53	12.77	96	81.13
Non-performance transp.	31	113	264.52	144	27.43	208	44.44	236	13.46	416	76.27
Non-performance Clients	122	156	27.87	215	37.82	333	54.88	424	27.33	1061	150.24
Driver fraud and miscon.	22	28	27.27	74	164.29	141	90.54	215	52.48	304	41.40
Total	247	440		614		940		1201		2414	
Total average increase	1171.2	%	(from 2005-2010)								
Average Y to Y	234.24	%									

*NB: All stats collated are based on figures provided by 214 hauliers over a period of five years. There are an estimated 667 transporters currently running cross border. These stats therefore do not depict an exact picture of the true nature of this problem

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i-truck combined the expertise of market leaders from different sectors including risk management, information technology and the insurance industry to produce a product specifically designed for the transport industry. This one-stop shop approach allows clients to make use of one policy for all their risk management and insurance needs – a first of its kind.

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Real-time management of driver behaviour minimises potential loss situations drastically.

Reactive risk control is handled by their incident management team, who not only takes control of the situation, but is empowered by i-truck to make decisions in order to minimise potential loss and speed up the entire claims process. Being actively involved allows i-truck the opportunity to authorise claims within 48 hours.

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The fraud statistics are consistent with the overall crime statistics in South Africa.

A more worrying problem, however, is that because of the nature of the business being international, many of the industry players are non-South African residents.

It is a known fact that many 'hits' have been orchestrated by foreign nationals who, after doing the hit, exit the country immediately. Some have multiple passports and are thus very difficult to prosecute even if apprehended.

This is exacerbated by the fact that some in the industry do not want to make public knowledge of the fact that they have been conned.

What is not depicted on the statistics is a phenomenon called "ghost loads". This is where certain brokers put out fake loads on the market – for whatever reason, only known to them – and many transporters fall prey to this.

Often, huge distances are covered to a loading point, only to find that the loads do not exist.

There is a counter phenomenon called "ghost trucks". This is where registration numbers of trucks are provided, only to find out they either do not exist or are from trucks in a repossession lot.

The overall cost to the industry by blatant fraud and pranks cannot be quantified, but no doubt cost millions in time and money. Therefore we say, "Enough is enough!"

Highlights of industry problems

Fraud

This is perhaps the most prevalent problem encountered both by transporters and clients.

On the part of the clients: transporters are paid, but the work is not done. This does not include legitimate delays.

On the part of the transporters: work is done, but the client does not pay or, in most instances, had no intention of paying in the first place.

Theft

This is generally either theft of funds or theft of cargo.

Theft of funds is where payment was made for a job, but it was subsequently stolen by the person entrusted with these funds.

Alternatively, theft of cargo is when cargo was entrusted to a transporter and the goods were subsequently stolen.

Graft

This is when elaborate schemes are generated to bereave people of money. A classic case is the presentation of fake contracts, whereby the so-called holder of the contract offers the contract to various companies for a once-off fee.

Another scheme involves procurement of multiple trucks, and an "induction fee" per truck must be paid before any work can commence.

Bad-mouthing

Bad-mouthing involves creating stories of competitors in order to create a negative impression of the possible competitor. This problem is very prevalent among transporters who blacken the names of others.

Price-cutting

Rampant price-cutting, particularly by the bigger hauliers to squeeze the smaller players out of the market, has resulted in many smaller reliable transporters being put out of business. This is tantamount to anti-competitive behaviour.

Circumvention

Often, an intermediary is circumvented by two other parties he/she has put together and deprived of commissions or funds that are due to him/her for work done.

Inconsistencies in demurrage charges

When a need arises – due to whatever circumstance – to charge a demurrage fee, this often takes on draconian proportions. It has been known that some transporters have been charging in the region of R10 000 a day.

Lack of legal enforcement

Often in the time of a dispute, illegal measures are implemented to rectify the situation, more often than not having the opposite effect – aggravating it.

Holding loads or off-loading loads in third-party premises without due and legal process is illegal, but has become industry practice.

Very often, transporters insist on cash payments without proper invoicing or documentation. According to the Value Added Tax Act (VAT Act), all transactions must be declared and accounted for, immaterial whether or not such transactions are VAT able.

There is a grey area of who is accountable for what, and this generally comes to the fore when problems arise. For example, when goods on a truck go missing, and this load has been given to a broker.

The finger-pointing starts when the accountability factor comes into play i.e. who is really responsible for the damages?

This is a rampant practice and the source of many problems and irritations: misrepresenting destinations, price, registration numbers, ownership, insurance, and location of trucks, among many others.

The way forward

In this article, various problems have been highlighted. Many of them exist due to a lack of regulation.

We are currently lobbying various legislative bodies to impose regulation on this industry.

It is our fervent endeavour to have a legal framework in place before end 2011.

Jitesh Naidoo

Fleet management innovation

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Geotab™ is in the business of helping its clients increase revenue using advanced fleet and resource management technology.

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The company manufactures a number of different hardware platforms; GO Engine™ is its top-of-the-range solution with automatic reading of engine fault diagnostics in supported vehicles. The major advantage in this application is the early warning of maintenance issues GO Engine™ gives to the modern fleet user. GO Engine™ is available in both GO4™ & GO5™ platforms.

GO4™ is the advanced fleet management platform catering for fleet users that require an adaptive application that can monitor up to eight auxiliary devices. GO4™ is designed for all

fleet sizes, from a single vehicle to thousands of vehicles. It is a constantly live (real-time, as the vehicle moves) monitoring fleet management platform.

GO5™ is the standard fleet management platform designed as a cost-effective live solution. Identical to GO4™ in every way, with the exception of auxiliary device monitoring, GO5™ conforms to 90% of fleet users' requirements.

GO Recover™ is the stolen vehicle recovery platform, used to recover vehicles and/or cargo across South Africa. A total of 450 ground recovery crews operate 24 hours a day, seven days a week, to ensure one of the highest recovery rates in the industry. Air recovery (using a fleet of helicopters) is available as an added cost option, when required.

Checkmate™ is the company's proprietary software suite of choice. The hardware platform (GO4™ or GO5™) in the vehicle communicates the vehicle's position and activity to the Geotab™ central server farm via GPRS. This information is sent to the Checkmate™ software suite securely and provides instant access to fleet activity. Fixed monthly data packages allow for 24/7/365 (24 hour, 7 days a week 365 days a year) connectivity, without any additional charges being levied.



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Job creation in transport

Resources, entrepreneurship and markets are required

Much is currently being written and spoken about “job creation”, the mythical panacea to unemployment. But when all is said and done, as usual, much more will be said than done, due to the complex and intractable obstacles to achieving the objective.

It is an unfortunate fact that unless there is expansion of economic activity, “job creation” depends on the false proposition that people can be sustainably employed and paid when there is no need for their services.

For jobs in the private sector, the proposition that ‘extra staff’ can be employed does not hold true, and the number of jobs depends on the amount of business activity and the proportion that can affordably be spent on staffing the entire range of necessary jobs.

The amount of labour used in each firm and industry depends on the specific processes as well as the demand for the goods or services.

There is a false premise, extant in some government circles, that firms can absorb ‘learners’ into the operations and somehow turn them into competent employees. In most jobs in business, the incumbents are fully committed to performing their functions and have no time for training, even if they had the aptitude and motivation to do so.

The creation of more economic activity requires the availability of the resources, land, labour, capital and technology, combined into economic activities by entrepreneurship and management, as well as sufficient markets for the goods and services that are produced.

As the transport of goods is a derived demand, it can only expand if more goods are available to transport. This can only happen if there is a demand for the goods – whether imports, exports or local production.

South Africa has land, capital and technology; we therefore need to look at potential markets and then at the supply of labour, including entrepreneurs and management, to expand the economy.

One primary limitation on industrial expansion in South Africa is availability of sufficient labour with adequate capabilities in terms of education, technical skills in all required disciplines, realistic income expectations, motivation to work, acceptance of discipline and pride of achievement.

The reducing numbers of competent and experienced people and the lack of trainable workers are South Africa’s major obstacle to economic growth (De Geus¹).

To compound the problem, nearly all equipment and technology that is imported into South Africa from industrialised countries

relies on increasing sophistication and assumes the availability of highly trained technicians for effective use or repair.

Basic school and university education as well as technical training have been sabotaged at all levels by diluting the examination standards to achieve the mistaken objective of passing adequate numbers. The result is a large population of young people who suffer from the delusion that they are employable, but are technically not actually trainable due to lack of the fundamentals of education.

The problem with partial education is that, like deafness, it is difficult for people to comprehend how much they do not hear or know, or to appreciate the necessity of the missing skills.

After many years of deplorable education, a large proportion of the work seekers are only usable in the industrial workplace as labourers and operators, as they cannot read the English of textbooks and manuals, and have minimal mathematical ability.

At the same time, most of them assume that having ‘passed’ through the school system, they can expect to be engaged for higher level jobs at ‘decent wages’. The illusion is unfortunately enhanced by the gloss of sophistication that is provided by fiddling with computers at school, playing with iPods, games, cellphones and computer applications such as *Facebook*, *MXit* etc., none of which contribute to industrially usable knowledge.

In all forms of transport, there is a whole range of technical disciplines that require extensive study and practical application to gain experience: To achieve internationally acceptable standards of performance, mechanics, auto electricians, pump technicians, boilermakers, panel beaters, pilots, information technology technicians, seamen, loco drivers, fitters and many other trades and occupations require entrance capabilities that include language comprehension (must be able to read technical training books, workshop manuals, instructions and product specifications); computer skills; mathematical ability (must calculate pressures, tolerances, read micrometers, gauges, etc.); manual and physical capabilities (hand-eye co-ordination, dexterity, etc.); personality characteristics (neatness, precision, responsibility, tenacity); and be willing to spend about five years of apprenticeship, learning their trade.

The sector education and training approach and methodology has, predictably, absorbed much of the potential training resources, but aggravated the problems.

In South Africa, we once had more than 30 000 trade apprentices, but now have less than 3 000; and a large proportion of the learners enrolled do not undergo selection for suitability, motivation and capability, so they do not finish the courses and drop out due to lack of interest or difficulty in understanding the material.



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The problem is aggravated by the increasingly complex technology of imported transport equipment and decreasing availability of skilled artisans. The overhaul of a modern truck engine or gearbox to factory standard is beyond the capability of all but a limited number of workshops; there are limited numbers of trained computer electronics diagnosticians; and the results of sub-standard workmanship are very expensive failures and downtime. For major diagnostic problems and breakdowns, it often pays to fly in technicians from Europe rather than take chances.

To compound the problem, the numbers of competent artisans with recent factory training in fully equipped workshops, available for training of apprentices, is very low – and reducing rapidly.

The selection and training of drivers for extra-heavy vehicle combinations is a highly technical field in most countries, but in South Africa it is left to local driving schools that train driver candidates with taxis and then three-tonne rigids. The learners then go for a driving test and are issued with a licence to drive.

Surveys of trucking companies show that less than 10% of driver applicants with legal driver's licences can actually drive a typical heavy goods vehicle (HGV), and even less are employable due to total lack of any experience on the road.

Establishment of real driver training facilities is very expensive, with the trucks costing well over R1.0 million; and spatial requirements, workshops and equipment run into even larger sums.

Only a few of the largest professional carriers have the resources to build and equip really good facilities, but they are obviously used only for their in-house trainees.

A professional driver selection process should start with personality tests to determine suitability for the job. According to insurance statistics, HGV drivers should be at least 25 years old (accident risk reduces with maturity); the personality characteristics required are maturity, tolerance, carefulness and respect for authority; as well as physical fitness, abstinence from alcohol and drugs, and an appreciation of the role of the driver in the firm's activities.

Because transport operations take place out in the public domain, the need for high-performance standards is not negotiable, whether operators of planes, trucks, trains or ships.

The presence of HIV in the age group that should provide the driver population is a further complication; drivers who are suffering from the physical deterioration induced by HIV should not be driving long-distance vehicles.

The lack of suitable South African truck driver candidates has resulted in employment of large numbers of foreign drivers (more than 30% in some areas), which has kept the wheels turning, but could pose further problems as immigration authorities apply restrictions and local unions flex their muscles. Stability and growth in the region will reduce the future supply of immigrants to South Africa.

In the area of supervision and management, there are problems with finding suitably competent staff. The National Diploma in Road Transport Management was created by Rand Afrikaans University (now University of Johannesburg) as a joint venture

by the Department of Transport and the trucking industry. The course was intended to provide the "competent persons" required to manage road transport operations.

The courses have graduated more than 30 000 people since inception in 1980, but the lack of an official requirement for competence, lack of registration of competent persons and the lack of a register of transport operators have effectively nullified much of the effectiveness of the qualification. The result is the deplorable level of compliance with the Road Transport Quality System (RTQS), the presence of large numbers of 'backyard operations', and the complete inability of the authorities to enforce operator quality in road freight transport.

With regard to road transport operations, the National Road Traffic Act (NRTA) includes all the necessary regulations for effective quality control and will always provide the legally enforceable standards for the RTQS as the basis for policing the industry.

Introduction of the Administrative Adjudication of Road Traffic Offences, RTMS and other "schemes" are dependent on enforcement of the NRTA and will have minimal impact until the capabilities of the enforcement authorities are improved and the fundamental issues of road operator competence and registration are addressed.

In other modes of transport, for jobs such as railway management, ships officers, pilots and air traffic controllers as well as senior operations and technical management, there are desperate shortages and minimal available training to correct the deficiencies. The failure to make adequate provision for transport training has led to placement of untrained or part-trained personnel in all modes, with attendant cost implications.

The skills deficiency situation will lead to a heavy future dependence on imported foreign skilled personnel at all levels in the transport system, if they are available and if they can be afforded. At the same time, the issue of selective employment provides continual inducement for many skilled artisans, draughts people and engineers to seek employment in neighbouring countries and overseas.

The shortage of skills is having a severe impact on efficiency and costs, and the unavailability of suitable local trainees to develop the necessary numbers of skilled and managerial personnel will continue to frustrate the objective of "job creation" as well as reducing efficiency and increasing costs.

Nick Porée
Southern African Freight Transport Institute
www.safti.co.za

Reference:

1 "Creating Human Potential: The first step to national success". Extract from paper by Arie de Geus. London School of Business (formerly co-ordinator of group planning, Royal Dutch Shell): Leadership and Learning Conference. Centre for Innovative Leadership. Pretoria. 13 May 1991

Innovative with each design

Fascinating special trucks: the new Atego and new Axor



The new Atego and Axor continue a long established legacy of Mercedes-Benz trucks and bring unprecedented comfort and functionality to distribution operations.

New design in the style of the Actros

The new Mercedes-Benz Atego and Axor models are distinguished by their modern Actros-style appearance. The newly designed front section, featuring a striking radiator grille, emphasises the fact that these vehicles belong to Mercedes-Benz's heavy-duty truck range.

"The new Atego and the new Axor continue a long established legacy of Mercedes-Benz medium duty trucks," says Christof Kleynhans, product manager: Mercedes-Benz Commercial Vehicles.

Comprehensively revamped cockpit

The cab's interior offers a wealth of new features. All variants are now equipped with a multifunction steering wheel to operate the on-board computer, telephone and radio.

The new anti-glare instrument cluster features chrome ring surrounds for the speedometer and rev counter.

The standard equipment of both the new Atego and the Axor further includes new seat covers, head restraints integrated in the backrests and a clothes rail with adjustable hooks.

The cockpits of both these models have been designed to cater for specific needs, and feature a host of stowage options as well as ergonomically positioned controls within easy reach of the driver.

The easy through-cab access for both the driver and co-driver allows for freedom of movement during delivery.

The Axor comes standard with a state-of-the-art communications centre, including new radio with Bluetooth capabilities, and CD player with control functions integrated through the multifunction steering wheel.

There are two cab sizes for the new Atego: a standard cab with two individual seats for the driver and co-driver; or the optional distribution long cab. This additional space allows for safe storage or a bench seat that is ideally suited to carry a small work crew.

The new Axor continues to offer the unique choice of three different cab sizes. The standard short cab is ideally suited for day-to-day operations. In the freight carrier and truck tractor models, this cab comes with a fold-up bunk.

The low-roof sleeper cab is best suited for medium-distance haulage, and the high-roof sleeper cab for long-distance routes. The spacious low roof sleeper cab with a standard bed is comfortable and practical, while the high roof sleeper cab provides a generous feeling of space and additional stowage options behind the seats.

Both the Atego and the Axor have excellent rear visibility due to the electronically adjustable aerodynamic exterior mirrors (standard on the co-driver's side), as well as the wide angle rear-view mirror located below the main mirror.

Heated exterior mirrors come as standard, so there is no risk of misting over.

The new bumper view mirror will provide assistance when manoeuvring in tight places.

For further safety while manoeuvring and parking, a reverse warning buzzer has been integrated in the reverse light. As these



vehicles are used extensively in the distribution of goods, this additional safety feature is key.

Broad range of drive configurations tailored to diverse modes of deployment

Two proven engines designed to Euro 3 standard cover the Atego range from 130kW (177hp) with 675Nm of torque in the four-cylinder guise and 170kW (231hp) and 810Nm of torque and 205kW (279hp) and 1 100Nm of torque in the six-cylinder models.

The Axor is mated to the six-cylinder in line engine with a displacement of six litre and 12 litre. Peak torque ranges from 1 100Nm for the engine with 205kW (279hp), 1 850Nm for the 260kW (354hp) engine to 2 000Nm of torque for the engine with 295kW (401hp) of power at 1 250 r/min and 1 100 r/min respectively. Both these engines are Euro 3 compliant.

The Telligent® engine management system allows these engines to reach their peak torque in the r/min range, offering the lowest fuel consumption. This means that power is available when it is needed most, while offering lower fuel consumption.

The optional Telligent® automated gearshift in the Atego range enables the driver to concentrate fully on driving and combine comfort with convenience. This automated gearshift is kind to the transmission components, ensuring a long transmission service life. Drivers have a comfortable ride while operators enjoy the economic benefits.

“These engines are well-suited to the typography and rugged conditions of the South African roads, and the reliability has been proven over a number of years,” says Kleynhans.

In a class of its own

Safety is synonymous with Mercedes-Benz, and the cab interior and exterior – with a striking family resemblance of the Actros, expressive and attractive – have the emphasis on safety.

The antilock braking system (ABS) standard across both the Atego and Axor range, is a safety feature that prevents lock-up of the wheels during braking. The system is based on a dual-circuit brake system.

In addition, a select number of Axor trucks are fitted standard with the “Turbobrake” engine brake, a wear-free auxiliary brake that increases the boost pressure and, therefore, increases the engine braking effect to as much as 300kW.

Air conditioning, additional side- and rear-view mirrors, seat adjustments, and a more user-friendly cab are all features designed and built to make the journey of the truck driver safe and productive.

The new Axor features two keys as standard in a new design. Fully functional to open and close the doors, steering wheel and diesel tank locks.

The new Atego and Axor range are very good ‘all rounders’ and can be used in virtually any industry from construction and building, to timber and mining, to professional haulage. These trucks are ideally suited to transport raw material such as timber, sugar cane and mining material as well as sophisticated, finished consumer goods and products.

CharterWay

The Atego and Axor vehicles are highly desirable trucks for



distribution operators. To accommodate these customers in purchasing or upgrading their fleet of vehicles, a value-add product known as CharterWay Service Leasing is available to facilitate these needs.

The CharterWay Service Leasing product is supported by Mercedes-Benz Financial Services, and has a modular range of services to offer a high degree of flexibility to transport operators in terms of lease duration and maintenance cover (the latter available separately if required).

Effectively, CharterWay transfers the risk of truck ownership from the customer to the supplier, and the client knows exactly what the monthly expenses are based on the predetermined monthly rental.

The CharterWay Service products include the Complete and BestBasic packages. The choice between these packages will be based on the amount of risk that the customer wishes to transfer out of his/her business, starting with a “service only” plan, up to a full maintenance plan – thereby outsourcing maximum risk.

Warranty

Mercedes-Benz Commercial Vehicles offers an extended warranty on the Powertrain of three years or a specified maximum kilometre limit for trucks in the Mercedes-Benz Actros, Axor and Atego range.

This warranty kilometre limit is valid up to a mileage of 450 000km / three years for Actros and Axor in all operations, with the exception of vehicles in start-stop operations, where

the kilometre warranty limit is 250 000km / three years. These units are primarily tippers and concrete mixers used for heavy duty construction, where mileage covered on a per annum basis is minimal.

Warranty on the Atego Powertrain is three years with driveline warranty of 250 000 maximum kilometre limit.

With this warranty coverage on the Powertrain of the Actros, Axor and Atego range of trucks, Mercedes-Benz Commercial vehicles are reinforcing their confidence in the quality of the product. Not only offering customers an extremely competitively priced product, but also providing the assurance of support from the Mercedes-Benz dealer network, parts and services throughout southern Africa.

This value-added product not only gives the customer peace of mind, but also ensures customers view the Mercedes-Benz brand as a truly professional partner for all transport requirements.

“These new-generation Atego and Axor trucks are renowned for their versatility, manoeuvrability, robustness and quality,” concludes Kleynhans.

The comprehensive Mercedes-Benz Commercial Vehicle dealer network throughout southern Africa is strategically placed, and these state-of-the-art facilities offer sales, service and parts. Trained personnel are on hand to provide greater service and support than ever before.

In addition, Mercedes-Benz Finance and Insurance business managers, for finance, leasing, insurance and fleet management, are based in these new dealerships and brand centres and will complete the satisfactory customer experience.



Trade secrets

The realities of multimodal container cargo movements through Durban

The continual debate about container logistics to and from the port of Durban is often clouded with misconceptions and even some disinformation, used to prove points or support ambitions. Official pronouncements often perpetuate the mantra of “corridor development” without examining the facts.

The dominance of Durban as the busiest container port in the region is undisputed, but there are several aspects of the container trade that are often not appreciated, and it is essential that reality is used as the basis for discussion as well as decision-making.

The relative position of Durban among the South African ports; the effects of the recession and reduced consumer spending in

2009; the increasing transshipment at Ngqura and increased container handling – albeit from a low base – at Richards Bay; and the recovery in import container volumes in 2010 are all evident in the table below, for the period 2003–2010.

The effect of the recession has been varied in each port, depending on the typical cargo mix, as shown in the year-on-year variations in TEUs handled.

Two aspects of the data are critical for understanding the logistics implications: firstly, that the numbers indicate movements (container movements are counted in and out); and secondly, movements are recorded in 20-foot equivalent units, or TEUs.

One standard TEU is a six-metre container, a 12-metre container equals 2 TEUs. As 50% of import boxes are 12-metre

YEAR	Richards Bay		Durban		East London		Port Elizabeth		Ngqura		Cape Town		Total	
	TEUs	Annual Variance	TEUs	Annual Variance	TEUs	Annual Variance	TEUs	Annual Variance	TEUs	Annual Variance	TEUs	Annual Variance	TEUs	Annual Variance
2003	4494	0%	1565606	0	45747	0%	288341	0%	0	0	510379	0	2414567	0
2004	5538	23.2%	1586554	7.7%	53735	17%	313923	8.9%	0	0.0%	573021	12.3%	2632771	9.0%
2005	5179	-6.5%	1899065	12.6%	49338	-8%	369759	17.8%	0	0.0%	590895	20.6%	3014236	14.5%
2006	3332	-35.7%	2334999	23.0%	41836	-15%	407278	10.1%	0	0.0%	764753	10.7%	3552198	17.8%
2007	4021	20.7%	2479232	6.2%	41986	0%	422846	3.8%	0	0.0%	764005	-0.1%	3712090	4.5%
2008	9350	132.5%	2642165	6.6%	57418	37%	423885	0.2%	0	0.0%	767501	0.5%	3900319	5.1%
2009	6273	-32.9%	2395175	-9.3%	52578	-8.4%	441456	4.1%	69370	100.0%	694558	-9.5%	3659410	-6.2%
2010	20993	234.7%	2553392	6.6%	50374	-4.2%	322004	-27.1%	381235	449.6%	712142	2.5%	4040140	10.4%
8 Years		336.0%		53.3%		18.6%		18.0%		549.6%		36.9%		55.2%



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containers, we need to adjust the numbers to calculate the actual numbers of crane movements, or the number of truck loads to be moved.

The next important fact to bear in mind is that about 20% of boxes landed and shipped are “transshipment” containers that do not move out of the port at all, but are stacked for collection by other vessels sailing to other destinations.

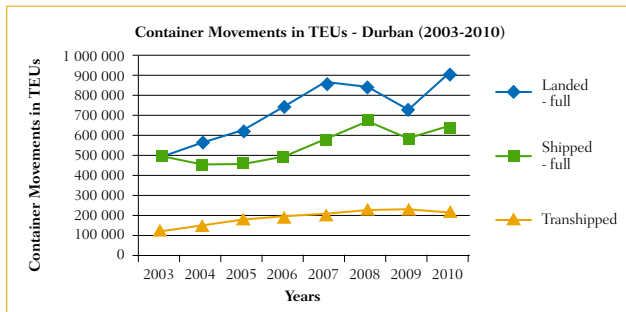
Transshipment is a critical aspect of the worldwide container system, but is relatively unprofitable for ports, as space rental tends to be low – and shipping lines are hard negotiators.

The impact of the aforementioned factors is that the total number of TEUs handled in Durban can be recalculated approximately as follows:

- TEUs handled in 2010 = 2 553 392, therefore 851 130: 6-metre boxes and 851 130:12-metre boxes
- Transshipment = 435 352 TEU movements (50% landed and 50% shipped)

In South Africa, the relative proportions of full import and export containers are badly skewed due to the lack of manufacturing capacity and the resultant need to import consumer goods and manufactured industrial goods.

The relative importance of import, export and transshipment container volumes is shown in the graph below.



The number of full containers (TEUs) landed were 903 525 and the number of full containers shipped was 637 568, giving a total number of container movements to and from the port of 1 541 093 TEUs for the year.

Total volume (approximately 513 697 x 6 metres and 513 697 x 12 metres) is therefore approximately one million transport moves per year, or 3 000 per day.

The next significant feature of the analysis of container movements is that 65% of containerised cargo movements are consigned to destinations within KwaZulu-Natal, and most of those are within the Durban Metro area. This is, firstly, due to the logistical necessity to remove the boxes from the port as soon as possible to avoid penalty charges; secondly,

it is cheaper to return the boxes to the depots of the owners (shipping lines and leasing companies) as quickly as possible to reduce rental costs.

In order to achieve quick container turnaround times, goods are transported to warehouses and depots and destuffed, sorted, stored (sometimes reweighed, labelled, priced, ironed, placed on hangers, repacked into South African brand packaging etc., and may be subject to various other processes), and the boxes are returned to depots located all around Durban.

Destuffing the containers eliminates the weight of the boxes from the long-distance transport movement (the containers weigh about 2.8 and 3.9 tonnes respectively for 6- and 12-metre boxes), and the contents of 3 x 6-metre boxes (or more) can be loaded onto an interlink combination.

The goods are then made up into loads on road vehicles (and may be consolidated) for consignment to a range of destinations in the interior.

The road transport cost is minimised by use of optimum vehicle configurations and the co-ordination of transport operations to achieve high levels of return cargo (which often includes empty containers).

Most of the TEUs to be transported inland by road are moved immediately from the port to the transporter’s depot. They are then reloaded for inland transport, due to the complexity and inefficiency incurred in scheduling long-distance vehicles to collect containers from the port.

The balance of 35% of full containers that are not destuffed amounts to about 539 382 TEUs per annum, of which approximately 70% (377 567) are transported by road and 30% (161 814) by rail to inland destinations.

The return of these boxes to the coast, usually empty, doubles the volumes to be transported by road and rail, in more or less the same proportions.

From the aforementioned analysis, it is apparent that the continual promotion of the proposition that rail transport of containers can revolutionise logistics in South Africa is largely illusory and based on false appreciation of the realities of the container trade.

Eighty-five percent of rail containers movements are transported between 15 origins and 15 destinations (including the ports).

City Deep is the largest inland rail container terminal, but inland destinations include cross-border and manufacturing industrial concentration points.

The 15% balance of containers consigned all over the country, in very small numbers, is really not economical to transport by rail.

Nick Porée
 South African Freight Transport Institute
www.safii.co.za

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CORPORATE
Locate your mobile workforce any time of the working day without interrupting their activities with Cellfind Corporate

Getting the necessary lifeskills

Good education does not always prepare someone for life

One of the benefits offered by ANDEBE is that we focus on lifeskills throughout our training programme, identifying lack of skills or problems and working on these. All our facilitators are qualified counsellors.

Lifeskills are the skills that a person must possess in order to successfully live in today's world. These include knowing how to be part of a team, managing money, managing time, living as part of a family and learning effective communication skills. Unfortunately, many people grow to adulthood lacking the necessary lifeskills to successfully thrive in their own lives. Therefore, lifeskills training for adults is necessary.

Good education does not always prepare someone for life. There are many things that are necessary to navigate the world, dealing with money and interacting with other people. While one does not need to master these skills to survive, a good understanding of them will help one live a less stressful life.

We offer a lifeskills course that focuses on:

- inspiring, equipping and empowering people to obtain and operate with the major attitudes;
- achieving maximum success and happiness in every aspect of living;
- implementing and upholding the major principles that will help them to achieve maximum and long-lasting career success and happiness;
- implementing and upholding the principles that will help them to manage and spend their time properly; and
- improving their motivation, commitment and competency in all aspects of life:
 - Improved stress management
 - Improved marriage / family / work relationships
 - Success and happiness
 - Communicating effectively

This training includes HIV/Aids – a registered unit standard.

Summary

Lifeskills are defined as any action or activity that an individual needs to engage in, to feel and live independently. Discover important lifeskills such as being able to communicate properly and interact with others in a positive and correct manner.

For more information, contact:
Annelie du Plessis
Cell: 082 8722 593



Marius Fourie
082 5959 674

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Bridging the gap

A learnership is a work-based approach to learning and gaining qualifications, and includes both structured work experience (practical) and structured institutional learning (theory).

Criteria, as set out in the Skills Development Act, indicate that a learnership must:

- include a structured learning component;
- include practical work experience;
- lead to a qualification; and
- relate to an occupation.

Why learnerships were established

The Skills Development Act and Skills Development Levies Act were devised to implement structures and processes to transform skills development in South Africa. A critical look at how employers and training providers have provided education, training and work experience in the past indicates that education and training provision has not always linked to theory and practice.

Learnerships are intended to address the gap between current education and training provision and the needs of the labour market and are often seen as the crux of skills upliftment in terms of the Skills Development Act.

Learnerships seek to address the following labour market issues:

- The decline in levels of employment in South Africa;
- The unequal distribution of income;
- Unequal access to education and training, and employment opportunities;
- The effects of race, gender and geographical location on advancement; and
- The skills shortage among the labour force.

Learnerships are important because:

- The programme is outcomes-based;
- The learner interacts within the working environment (practical);
- The learner interacts with clients and obtains an understanding of workplace dynamics;



- Assessment occurs at various stages and is based on the learner's competence (learner-centred); and
- The qualification is recognised both nationally and is benchmarked against international standards.

Participate in a learnership by:

- planning a career path;
- identifying the learnership that supports the chosen career path;
- finding out as much information as possible about the learnership;
- enquiring about the applicable criteria for entering the learnership; and
- finding an employer willing to provide practical work experience.

Benefits of learnerships

What benefits can employers expect when they sign learners onto a learnership agreement?

Skills Development Levy (SDL) calculation: The salaries of registered learners are excluded from the SDL calculation.

Tax incentive: The Department of Labour has announced a significant tax concession to encourage job creation and the formalisation of employment by way of a "training incentive" that provides:

- an additional tax allowance when a learnership agreement is signed with a learner;
- R30 000.00 (if the learner was previously not employed);
- R20 000.00 (if the learner is currently employed by the organisation); and
- a further tax allowance when the learner successfully completes the learnership.

Employers are eligible for a R25 000 deduction for each learnership contract, effective 31 October 2001.

Details of the tax incentive can be found in the learnership section on Fasset's website at www.fasset.org.za.

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Fleet management in Africa

Trends in fleet maintenance and outsourcing, accident management and vehicle remarketing

It is a common misconception that Africa is a homogeneous market, which it is not – in fact, very far from one. But the gateway to Africa is through South Africa.

The global financial crisis did not affect South Africa until late 2008, and in January 2009 the lights went out when there were widespread layoffs, particularly in the mining industry – the largest employment sector in South Africa.

Banks became excessively selective in lending, the availability of funds was scarce and the cost of funding increased. Growth in credit reached its lowest level in five years due to the increased cost of funds, decreased liquidity, rise in bad debts, and limited available capital.

This ripple effect throughout the economy has affected the fleet management market severely where, traditionally in South Africa and likewise the rest of Africa, there has been a strong preference to ownership over leasing, which accounts for only about 8% of the South African market.

However, an increasing number of companies are now more receptive to cost reduction and risk transfer by paying for use as an operating expense rather than capital expenditure.

Fleet maintenance and outsourcing

Vehicle maintenance presents a key challenge in fleet management throughout South Africa and the rest of Africa due to the high levels of corruption and fraud in the vehicle maintenance industry. This is largely due to employees being undertrained and underpaid and therefore fraud and corruption is used to supplement incomes – resulting in high maintenance costs.

Another contributing factor to the high maintenance costs is the wear and tear caused by poor road conditions in Africa as a whole.

Then there is the challenge of driver management facing African fleets, in particular the lack of care of corporate assets. Employees will use the company vehicle as family and/or taxi transportation – even goats or sheep are loaded into these

vehicles – and drivers do not have the same culture of looking after company-owned vehicles, which is demonstrated in more developed countries.

Outsourcing is a growing trend in South African fleet management and is still in its infancy compared with global leasing markets, but there has been a significant increase in outsourcing awareness among fleets in Africa – a direct result of credit pressure and the increased cost of funds.

The fleet market in sub-Saharan Africa faces similar challenges but, over and above this, there is the limited skills employment base and the risks of political instability.

To further complicate these issues, local governments in Africa insist that fleet management companies use local banks for financing, but they often do not have the capacity to provide the funding.

Accident management

There are more than 800 000 road accidents or incidents on South African roads per annum, which accounts for approximately 22 people killed or disabled per day; and driver behaviour is cited as the single biggest cause of accidents on South African roads.

However, South African fleets are becoming more proactive in adopting the latest international offerings in accident management to change driver behaviour. This renewed emphasis to ensure fleet compliance is being made possible by systems such as Administrative Adjudication of Road Traffic Offences

and the Road Transport Management System (RTMS), a self-regulatory accreditation system introduced in South Africa and soon to be piloted along the North-South Corridor.

These efforts are starting to pay off, with reductions of accidents of up to 30% in some South African fleets and RTMS having successfully reduced overloading significantly in the timber, coal and sugar industries.

Vehicle remarketing in Africa

The South African fleet resale market is multifaceted and includes retail and wholesale outlets, auctions, Internet sales, dealerships and driver sales.

However, Africa has become the 'dumping ground' for used vehicles exported from Asia and Europe, and their undesirable used vehicles are depressing residual values in Africa. As a result, some countries are saying enough is enough and are starting to close the door on this market.

Worldwide, carbon dioxide control is merely an illusion: When these dirty vehicles are being removed from Europe and Asia and sent to Africa, the problem has simply shifted from one continent to another.

On average, vehicles in Africa are in service for approximately 20 to 30 years.

Mike Fitzmaurice

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Showing commitment

The 2010 World AIDS Day feedback from NBCRFLI

Due to the high prevalence of HIV/Aids in our industry and the vulnerability of employees, a wellness clause was reconfirmed in the Main Collective Agreement during the last round of negotiations.

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) again joined in the commemoration of World AIDS Day on 1 December 2010. Three regional events were held at Villiers, Marianhill and Epping on 29 and 30 November and 1 December respectively to acknowledge this day.

“At each of the venues, HIV counselling and testing (HCT) services were offered,” says Ngoako Bopape, chief benefits officer of the NBCRFLI. “We made sure that each participant in the HCT campaign received a branded T-shirt and a meal; there was also entertainment in the form of music and theatre to disseminate our message and improve participation.”

To acquire the most out of this, individuals were asked to attend a theatre session explaining what Trucking Wellness offers and

how the enrolment on the antiretroviral (ARV) programme is carried out. Information pamphlets, condoms, etc. were distributed to all present; and a competition was run where the prize winners were individuals who had undergone testing.

Bopape continues, “Acknowledging World AIDS Day is one of the ways in which the Council is joining in the fight against the disease. This day commemorates those who are infected and affected by the disease and their struggle.

“People’s sense of responsibility and ability to absorb this information is heightened on the day, so we believe our message reached many of our industry members.”

The dissemination of information and education material to industry members still remains a key priority for the Council as demonstrated by the commemoration of World AIDS Day.

At this event, 102 people were tested, with 17% testing positive. The latter were directed to the Trucking Wellness Programme, which includes an ARV programme to support them going forward.

The power and functions of a bargaining council

The approach of the State is founded in the belief that the employer and employee parties in a specific sector are best able, through negotiation, to deal with matters of mutual interest to themselves, in an effort toward maintaining labour peace. The State’s function is to provide legislative machinery for the interaction of employers and employees in a neutral framework that balances the power relationship.

The great strength of this approach is that it is conducive to more efficient regulation of matters that affect an industry as a whole, and which is able to set minimum standards and conditions that can be effected throughout a sector, with a peace obligation and a prohibition on strikes and lockouts while an agreement is in force.

What is collective bargaining?

Collective bargaining takes place between an employer or employer organisations (that need to be registered as a party to a bargaining council) on the one hand; and in the case of bargaining councils, one or more registered trade unions on the other hand – on terms and conditions of employment or any other matter of mutual interest.

It consists of periodic negotiations on demands and counter demands relating to terms and conditions of employment or matters of joint concern, with a view to signing an agreement that will be

binding for a fixed period of time. During this time, the parties agree to bind their members, and ensure disciplinary measures for members are in place to guarantee all abide by the agreement.

Bargaining Councils

The Labour Relations Act (LRA) makes provision for a bargaining council: a voluntary form of industry “parliament” that co-ordinates the bargaining entity and can have secondary domestic legislation made of its negotiated agreements.

A bargaining council is pre-eminently a forum for systematic negotiation and conciliation. It is formed by registered employers’ organisations and registered representative trade unions.

Each employer organisation or union must have adopted a constitution that meets the requirements of the LRA. Every bargaining council must adopt a constitution along the lines of the gazette model constitution to the regulations under the LRA, and must be registered by the Registrar of Labour Relations for a determined sector, as demarcated in its certificate of registration, so as to acquire legal personality and become a corporate body.

A council consists of a chairperson and an equal number of representatives of employer and trade union members, assisted by a secretary, administration staff, dispute resolution staff and designated agents.



Powers and functions of Councils

The powers and functions of a bargaining council, within its registered sector scope, include the following:

- The conclusion of collective agreements;
- The enforcement of its collective agreements;
- The prevention and resolution of labour disputes;
- The resolution of disputes relating to:
 - Freedom of association;
 - Strikes and lockouts;
 - Essential services (where applicable);
 - Unfair dismissal;
 - Severance pay; and
 - Unfair labour practices.
- The establishment and administration of dispute resolution fund;
- The promotion and the establishment of training and education schemes;
- The establishment and the administration of pension, provident fund, medical aid, sick pay, holiday pay, unemployment and training schemes or funds;
- The development of industrial policy and proposals on legislation;
- The determination by collective agreement on matters that may not be an issue in dispute for purposes of a strike or lockout at the workplace; and
- Conference on workplace forums of additional matters for consultation.

Entering into agreements

Agreements are reached in bargaining councils by way of negotiation and often tough compromise between the parties, so as to cut a deal on demands and counter demands on conditions of employment and matters of mutual interest.

It is the practice to commit council agreements to writing and for a council to resolve whether an agreement will be for parties only or whether council wishes it to be extended by the minister of Labour to non-parties as well.

Some more common examples of council agreements are:

- Main agreement – wages and conditions of employment;
- Administration;
- Pension or provident fund;
- Medical aid; and
- Dispute resolution.

Where a council deems it expedient that an agreement should apply throughout a sector, which sets the boundary of jurisdiction,

it can apply to the minister of Labour – requesting him by notice in the Government Gazette to extend the agreement to those employers and employees who are not members of the employers' organisation or union, which are party to the agreement within the registered defined scope of the council, so as to make it legally applicable to them.

Administration of bargaining councils and their agreements

A council is responsible for its administration, the administration of its agreements in accordance with its constitution, the administrative provisions in any agreement and the LRA, as well as the resolution of labour disputes.

The secretary and the staff operate under the auspices and directives of the council. In practice, the secretary is responsible for the day-to-day running of a council and the control of staff. This entails the general administration of the council, the administration of pension and provident funds, medical aid schemes and the enforcement of agreements.

Every council must keep minutes of all its meetings, and keep books and records of its income and expenditure as well as assets and liabilities to standards of generally accepted accounting practice.

At the end of each financial year, a council must prepare a statement of income and expenditure and a balance sheet for the financial year. It must furnish the Registrar of Labour Relations with the annual financial statement and a certified copy of the auditor's report thereon.

Where the Registrar requires an explanation of anything relating to the auditor's report or the financial statements, a council must furnish it within 30 days.

New NBCRFLI satellite offices

Council is proud to announce the opening of a new satellite office in Clanwilliam in the Western Cape, which will specifically service the N7 route.

This initiative is driven by the needs of the road freight and logistics industry employers and employees for speedy access to Council offices. We intend opening this satellite office in May 2011.



Cape-to-Cairo vision stymied

Non-tariff trade barriers springing up

Despite regional initiatives that even include the eventual possibility of a “Cape-to-Cairo” free trade area (FTA), protectionist impulses have caused non-tariff barriers to spring up across southern Africa.

The Southern African Development Community (SADC) trade ministers all sang the gospel of regional economic integration at their recent 4 March meeting in Windhoek, Namibia.

However, there has been little progress in shaping the predominantly political alliance into an economic bloc, and non-tariff barriers have become a serious concern.

A SADC FTA has theoretically been in place since 2008, but has not brought the free movement of people and goods it was meant to.

“We work successfully with governments to remove non-tariff barriers, for instance at border posts – only to see them being put up again six months down the line,” lamented Gilbert Boois, manager of projects and funding at the Walvis Bay Corridor Group. The Group promotes trade between landlocked countries in the region and the Atlantic Ocean port of Walvis Bay.

Zambian trade consultant John Kasanga cites countless examples of non-tariff barriers across the region: “Zambia protects its sugar industry from cheaper imports from Zimbabwe by demanding that all imported sugar be fortified with vitamin A.

“Zimbabwe, in turn, has blocked Zambian strawberries by stipulating that any shipment of this fragile fresh produce must be at least a massive one tonne.”

All over the region, countries are moving to protect sensitive industries, such as the dairy sector, by banning imports from neighbours. Trucks can spend weeks at border posts to comply with costly and time-consuming customs procedures. And many countries are behind in harmonisation of regional standards.

“Some members of the SADC FTA are not coming forward and don’t participate in the (SADC trade) protocol. They are

not working toward regional integration,” summed up director of international trade in the Namibian Ministry of Trade and Industry, Annaszy Mwanyangapo.

The problems led to an indefinite postponement of the SADC customs union that was initially scheduled for 2010.

“A ministerial task force is looking into the issue of the (SADC) customs union and will make a recommendation on the way forward before the end of 2011,” was the elusive answer of SADC’s executive secretary Tomás Salomão, when asked about the fate of the customs union.

“We cannot continue to pay lip service to these things,” commented SADC council chairperson and Namibian Trade Minister Hage Geingob after the 4 March meeting, adding that he is “worried” about “the slow pace of implementation” within the SADC.

“Business people and citizens should move freely throughout the region. We cannot keep talking about jobs being taken by other Africans; rather, we should see such movement as ‘brain circulation’,” he argued.

Meanwhile, the main building block of the coveted SADC customs union, the Southern Africa Customs Union (SACU), is crumbling as South Africa remains embroiled in a fierce battle over customs and excise revenue with its smaller neighbours Botswana, Lesotho, Namibia and Swaziland.

At its heart, the disagreement signals a wider rift between, on the one hand, Pretoria’s quest for market expansion and, on the other, the development objectives of its much poorer cousins in SACU.

Enlarging SACU now would only deepen this divide, say observers, casting doubt on SACU’s role as a cornerstone for a SADC customs union.

“States will have to decide. Are they going to join a South Africa-dominated customs union, or are they going their own way?” asked Geingob, with regard to SACU’s future role. “Right now, we are talking about the modalities – what is working and what is not.”



Salomão offered that, "Using the principle of variable geometry, countries could join a customs union whenever they are ready.

"Maybe we start from scratch, or maybe a SADC customs union should start with the SACU Five, and later on countries can join one by one."

Slow as progress is on a SADC customs union, a sense of urgency surrounds the establishment of a tripartite FTA between SADC and two other major regional economic communities – the Common Market for Eastern and Southern Africa and the East African Community.

At stake is a tripartite FTA that includes 26 countries, 527 million consumers and a combined gross domestic product of \$624 billion. The FTA would represent over half of the continent's wealth and population.

"If this FTA is in place, we'll have a free trade area from Cape to Cairo," enthused Geingob.

Countries will likely reach an agreement on a tripartite FTA during a mid-2011 summit in South Africa.

The ministers present in Windhoek saw "no contradiction" between working toward a SADC customs union and expanding the FTA, but the hurry in establishing the pan-African FTA is no coincidence.

While it needs SACU's common external tariff to protect its automotive and electronics industries, a wider SADC customs union is an unnecessary burden on Pretoria's treasury.

The pan-African FTA, on the other hand, would ease market access for South African goods and services and solidify its position as a gateway to the continent through South-South alliances such as India-Brazil-South Africa and Brazil-Russia-India-China-South Africa.

"The tripartite FTA has moved to the front of the agenda," says an international trade negotiator, who prefers not to be named due to the sensitivity of the issue.

"It doesn't mean the SADC customs union is completely off the cards, but the South Africans will not join if there is nothing in it for them."

Servaas van den Bosch
IPS



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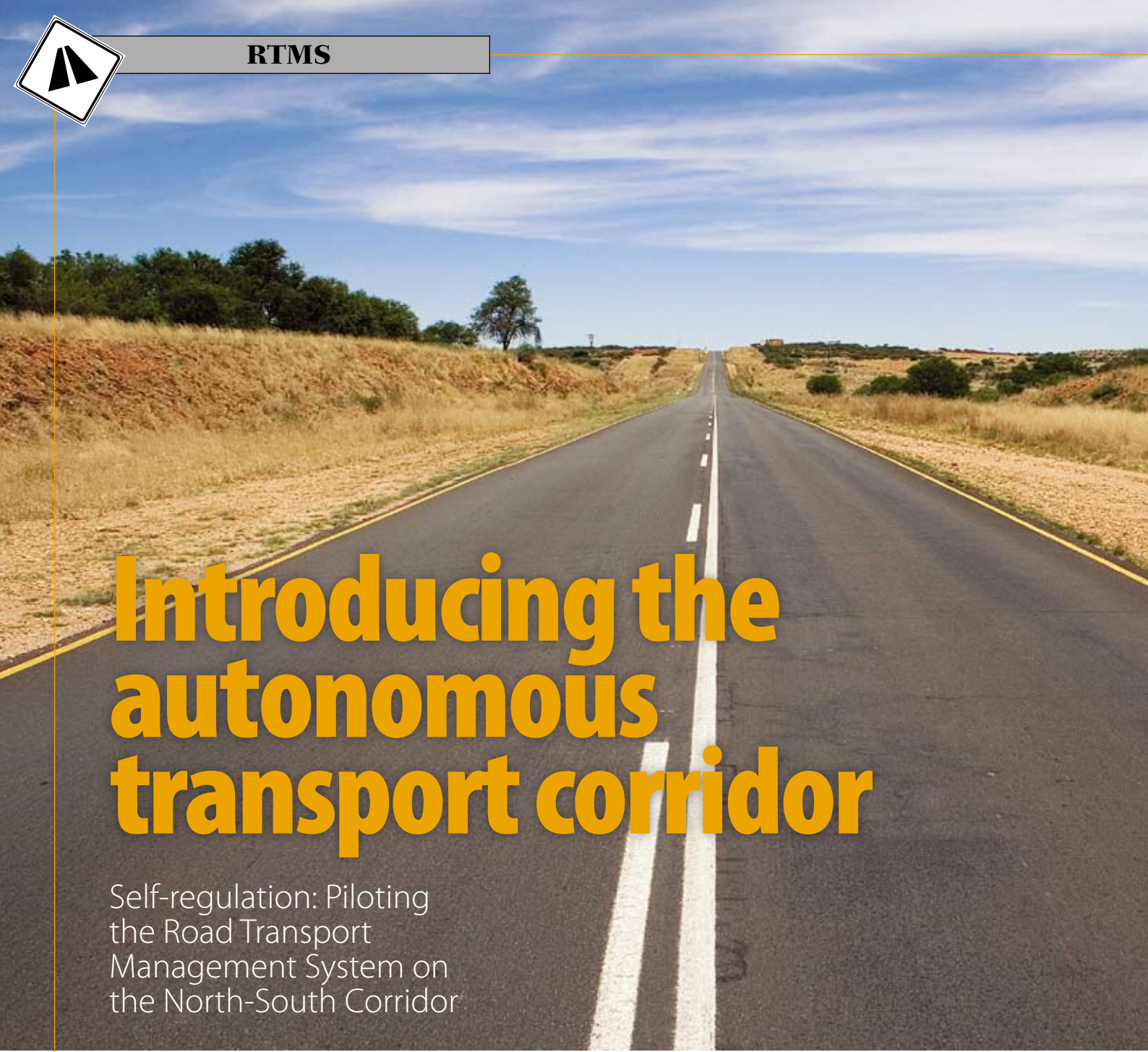
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Introducing the autonomous transport corridor

Self-regulation: Piloting the Road Transport Management System on the North-South Corridor

An initiative by the Southern African Development Community (SADC), in conjunction with the Road Transport Management System (RTMS), Federation of East and Southern African Road Transport Associations and TradeMark Southern Africa, to pilot the RTMS along the North-South Corridor (NSC) will be launched toward the end of 2011.

This initiative is dependent upon the successful harmonisation of overloading legislation in the region, which will level the playing fields for all transporters participating in the pilot project.

There are many potential benefits in a self-regulation system such as this, as it encourages compliance in all areas of road

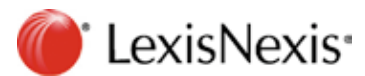
transportation and includes weigh less (prolonged road life), vehicle road worthiness (road safety for all users), legal cross-border documentation and loading (customs compliance), to name but a few.

However, not all corridor stakeholders are aware of the RTMS system and we therefore hope through this article to create a better awareness on the subject of self-regulation and benefits of being recognised as an authorised economic operator.

What is RTMS?

RTMS is a South African initiative; it is an industry-led, voluntary self-regulation scheme that encourages consignees, consignors and transport operators engaged in the road logistics value chain to implement a vehicle management system that

Keeping you updated



Valuable and useful motor law information

Did you know about the following effects of the revocation of Amendment 17 of the National Road Traffic Regulations?

- Roadworthy tests are once again valid for six months;
- Regulation 332 on the breath alcohol equipment has reverted to the version prior November 2010;
- The date of 1 August 2010 is no longer the day for the “permanent fixing of number plates to vehicles”;
- The provisions on foreign licences are no longer amended – the five-year cut-off period does not apply and “ordinarily resident” is not defined as “three months”; and
- The Directional Stability Control Device certificate has been removed and is no longer required with a roadworthy test.

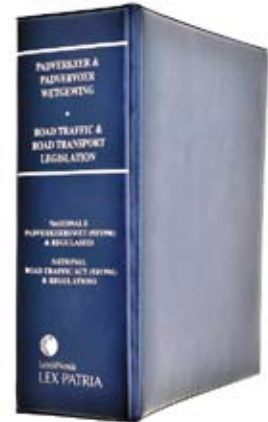
Answers to other motor law questions you may have, can be found in *Lex Patria Road Traffic & Road Transport / Padverkeer en Padvervoerwetgewing*. This publication consolidates the latest legislation in the fields of road traffic and road transportation in South Africa.

Alta Swanepoel’s expert summaries, commentaries, notes and cross references allow for accessibility, ease of reference and user-friendliness.

Lex Patria Road Traffic & Road Transport / Padverkeer en Padvervoerwetgewing now includes the latest amendments by the National Road Traffic Amendment Act, No. 21 of 1999; the National Road Traffic Amendment Act, No. 64 of 2008; as well as amendments to the National Road Traffic Regulations.

Bilingual where legislation permits, this publication is available in print as a set of five binders, or individually, and in electronic format.

For more information, e-mail editorial@lexisnexis.co.za or visit www.lexisnexis.co.za.



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preserves road infrastructure, improves road safety and increases the productivity of the logistics value chain.

This scheme supports the Department of Transport's National Freight Logistics Strategy.

All stakeholders in the road logistics value chain are aware of the problems concerning road logistics, which affect their industry.

The country's road infrastructure is deteriorating rapidly due to overloading and poor maintenance. Furthermore, the large number of accidents attributed to heavy trucks is unacceptable.

Both road safety and road infrastructure are public concerns subject to strict regulation by governments, particularly when abused. Overregulation, road deterioration and high accident rates pose a significant threat to the long-term sustainability and global competitiveness of the road logistics value chain.

This has prompted users of road haulage (consignors and consignees) and providers of road haulage (hauliers) to jointly develop strategies aimed at protecting the road network, improving road safety and transport productivity for the benefit of the country's citizens and the industry itself.

The industry further recognises that poor compliance to transport regulations creates an unfair competitive environment. It is therefore felt that a self-regulation scheme is required to create standard rules for the industry, and that these rules should become the 'business norm' – supporting principles of good corporate governance.

It is for this reason that industry is leading this initiative, to ensure its quick adoption by all businesses participating in the road logistics value chain.

Furthermore, industry recognises its critical role in the economy's growth. Efficient movement of goods between a country's centres of production and its shipping ports boosts competitiveness in international markets. RTMS is one of the innovative and proactive initiatives that will make this possible.

Benefits of the RTMS to transporters

Internal

- While overloading is contained, there is the opportunity to optimise payload. Records show that RTMS members have a higher average payload, yet overload less than non-members.
- There is the opportunity to run performance-based standards vehicles on special routes i.e. vehicles that are longer and heavier than normal vehicles – one member has had an average payload of 46.2 tonnes over 24 months. Axle loadings remain within regulation.
- Drivers are likely to be better looked after e.g. health and training etc. due to auditing.
- The safety record of the company will most likely improve.
- Vehicles will be better maintained, have less breakdowns and so give better utilisation.
- The business will be run better. There will be less wastage and the bottom line will be improved.

- There is the opportunity for management to be exposed to and take on board improved and standardised systems from the RTMS.
- The owners and top management will have an improved insight as to what actually happens in their companies, not merely what they are told by staff.
- Staff in the companies will have to carry out what they say they do, since they will be audited on an annual basis.
- When and if the RTMS gains "critical mass" and the industry is committed to it, the ability to obtain contracts will be affected by whether the transport company is part of the RTMS.

External

- Potential for improved and less-cost insurance, registration, licence fees etc.;
- Potential for lesser toll fees;
- Potential for easier transit through borders;
- Potential for easier access to work permits for foreign drivers;
- Potential to have self-escorts for abnormal loads;
- Potential for less weighing at weighbridges;
- Potential for less enforcement on dangerous goods;
- The image of the company is improved in the eyes of the public and its client's country;
- Less damage to roads and improved road safety;
- Enforcement can focus on those not in RTMS and those likely lawbreakers; and
- The country has improved access to statistics on road transport.

The test for RTMS efficacy is:

- If it is a major problem and cost for a company to become accredited to RTMS, then that company should not be in business; and
- If a company is operating professionally and efficiently, it should have no trouble or cost to become accredited.

How to become accredited

Accreditation is built on three principles: loading within the legal load limit, driver wellness, and vehicle fitness.

Ten rules and requirements have been developed around these principles:

- Maintain an inventory of nominated vehicles;
- Assess the vehicle mass before each laden trip;
- Verify the mass determination method;
- Maintain vehicles in a roadworthy condition;
- Ensure vehicle and load safety;
- Manage driver wellness;
- Provide training and education;
- Assign tasks and responsibilities;
- Keep records and documentation; and
- Perform an internal review (self-audit).

Mike Fitzmaurice



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Without Trucks, South Africa Stops!

North Star Alliance and Fleet Forum partner for safer, healthier transport

Small and mid-sized commercial fleet operators in low- and middle-income countries often face challenges to recruit well-trained drivers. Too often, professional driving schools do not exist, there is no clear driver training curriculum and classroom-based training takes drivers off the road, reducing their productivity.

In response to this challenge, North Star Alliance and Fleet Forum have entered into a partnership today to develop modular driver training delivered through the North Star Alliance Roadside Wellness Centres.

“If you can’t get the driver to the classroom, you have to get the classroom to the driver,” said Paul Jansen, Director of Fleet Forum. “Road traffic accidents are expected to increase dramatically by 2030 to become the third leading cause of death globally. That increase will have a particularly significant impact in low- and middle-income countries, where road traffic accidents already pose an enormous health risk. Fleet Forum has developed an award-winning Fleet Safety Management Toolkit, which has been tested and used by several aid and development organisations in Africa and India.

“We now want to use that knowledge and expertise to improve fleet safety in the commercial sector as well,” said Jansen.

“Health and safety go hand-in-hand when it comes to keeping drivers on the road,” explains Luke Disney, Executive Director of the North Star Alliance. “We are extremely excited about our partnership with Fleet Forum and the opportunity to expand our training services to include their award-winning road safety programme. Our discussions with industry representatives in Africa and India make us confident that by bringing training products to drivers on the road, we’ll have a significant positive impact on small- and medium-sized transport operators.”

North Star Alliance operates a network of Roadside Wellness Centres across Africa and is expanding to other regions. By leveraging that network, Fleet Forum can reach out to the broader transport community. North Star and Fleet Forum also see the



From left to right: Paul Jansen, Director of Fleet Forum, together with Luke Disney, Executive Director of North Star Alliance.

added value of using each organisation’s core expertise: North Star’s in depth knowledge of mobile populations and driver health and Fleet Forum’s capabilities in fleet safety management.

Said Jansen: “We will start our joint training programme by developing modules that focus on safe and healthy driving practices. In the immediate term, we will include modules on Eco-driving and Basic Truck Maintenance. Training truck drivers will not be the only element of this partnership. We know from experience that in order to mitigate the risk of road traffic accidents, we have to train management as well. So while drivers are being trained in the Wellness Centre, Fleet Forum staff will simultaneously train management on road traffic risk management.”

www.NorthStar-Alliance.org
www.Fleetforum.org

Durban road overload

The International Maritime Organization (IMO) is calling for better control of the declaration of container weights offered for shipment. At the same time, there is a rising trend in the weights of import and export containers through South African ports.

The metropolitan traffic authority in Durban has abandoned the weighbridge built to control overloading of vehicles around the port. This leaves the area wide open to the cowboys and crooks among the 5 000 vehicles per day that use Bayhead Road to access the Durban Container Terminal, the Island View chemicals storage and the Bluff bulk terminals.

The latest overloading report from the KwaZulu-Natal Road Traffic Inspectorate showed the top 10 overloads in the province were containers and 35.5% of tankers are overloaded. The presence of large numbers of interlink bulk tippers carrying minerals, grain and feeds adds to the proportions of overloaded vehicles.

It is a disastrous situation that South Africa's two main container ports, Cape Town and Durban, now have no effective vehicle-weighing capacity in the immediate port precinct.

Cape Town expert Peter Newton has added his voice to the call for better control of containers presented for shipment; and in Durban, Kevin Martin of Durban Harbour Carriers Association has voiced the concerns of the Association at the lack of control of overloading by carriers, with all the implications of predatory competition and unsafe operations.

Between 2000 and 2005, the Bayhead weighbridge, run by a private company, reduced the level of overloading from 38% to 7% over about two years, before being taken over by Durban Metro police in 2005. The deteriorating operational efficiency, connivance and cost has now resulted in closure and redeployment of staff, leaving the road transport, shipping and forwarding industries wide open to overloading abuse.

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Fleet of mind

Integrated transport management software cuts operational costs and controls revenue

In the transportation industry, the majority of expenditure derives from running costs. In this recession reality, it pays to have a completely optimised fleet that wastes no expense. Today, technology is key to managing costs effectively and ensuring profitability. Expenses must be monitored accurately and then optimised for maximum value. As importantly, one needs to keep control of the revenue system.

CargoWare, a division of logistics company, Cargo Carriers, offers fleet operators access to a reputable, reliable and integrated software solution that is designed to increase logistics efficiencies. The real advantage is that it is born out of the company's considerable hands-on experience.

The software enables simpler control over fuel and maintenance costs and also revenue, and features world-leading route optimisation. The combined software components can shave 10% to 25% off operational costs, which fall straight to the bottom line.

"One of the challenges is to achieve the same (or increased) production output in terms of deliveries by utilising fewer vehicles," says Charel Schickerling, CargoWare general manager and transport economist.

Cargo Carriers has been in the transport industry for over 50 years. In this time period, the company has gained a keen understanding of the logistics processes involved in a wide variety of industries.

Feeding on the wisdom and experience of this southern African logistics giant, CargoWare operates independently of the Cargo Carriers logistics business and aims to support any business with a significant transport fleet in the Southern African Development Community (SADC).

Some of CargoWare's software is sourced from the world's best suppliers, DPS International and Pragma, while other components are purpose-built to suit developing country challenges. CargoWare is a value-added reseller and sole distributor of DPS International's route-planning software as well as a reseller of the OnKey maintenance software provided by Pragma.



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The revenue and fuel optimisation programs, FleetLogiX and FuelLogiX, are CargoWare's own.

The software suite optimises and manages fuel, maintenance, route planning and revenue and can be fully integrated into any supply chain, individually or in unison. CargoWare has taken into account integration of the offering with enterprise resource planning systems.

CargoWare benefits from Cargo Carriers' deep understanding of southern African transportation idiosyncrasies: "International competitors battle to understand the challenges that Africa poses. This is the reason local logistics and supply chain managers sometimes find it difficult to implement internationally sourced solutions," says Schickerling.

This combination of logistics know-how and local servicing is a prime differentiator for CargoWare and saves its clients a substantial amount of time and money.

"Traditionally, in many organisations, logistics is notoriously mismanaged," says Schickerling. "It's the reason we are often able to take as much as 25% off their cost base by means of providing visibility to manage costs and optimising fleet sizes to realise much improved production levels.

"Many senior managers in supply chain management are afraid to invest in these solutions, regardless of the returns – returns that are essentially guaranteed."

CargoWare services clients throughout the SADC area.

Charel Schickerling can be contacted at 011 485 8700 or visit www.cargocarriers.co.za for more information.

Terra Nova

Toward an efficiently skilled driver workforce



Afgri Animal Feeds believes that every driver should want to have the highest degree of skill, safety and consideration for other road users. In 2008, the feed supplier – in association with Driving Sense – held the first National Driver Competition in Edenvale, Gauteng.

At the beginning of 2008, Afgri started evaluating its drivers by means of a psychomotor assessment. The test measures the driver's ability to: concentrate and keep attention fixed while driving; make quick and accurate decisions; and determine behaviour under difficult driving conditions.

The driver's performance level is tested against time constraints as a stress factor. The candidate who is unable to cope under stress – or even recover – often becomes a danger to him or herself and others.

Once a driver's level of skill has been ascertained, Driving Sense is able to offer an accredited Transport Sector Education and Training Authority (Teta) training programme that is of the highest quality and conducted by accredited trainers. The aim of the training is to ensure the safe and professional operation of a vehicle.

On an annual basis, all drivers are trained in economical and defensive driving techniques, elements of road traffic law, accident prevention and anti-hijack techniques.

Once a month, a driver is awarded the Driver of the Month through his/her performance criteria such as productivity, absence of incidents, presentability and client service. Toward the end of the year, each factory nominates a driver to represent the factory at the national competition, and the final preparation begins for the big day in November.

Afgri suppliers sponsor the competition, and the main prizes are sponsored by UD Trucks Southern Africa.

The first year was a huge success. The day has now become an annual team-building day for all drivers.

In 2010, Afgri had the opportunity to host its first forklift competition with the assistance of Linde, UD and Driving Sense. Any vehicle or forklift represents a significant part of any company's operating expenditure, due to not only high running costs but also costs associated with losses such as accidents and negligence.

Afgri believes in investing in its staff and ensuring it has good quality drivers on the road.

Henry Cottle, the managing director of Afgri Animal Feeds, believes that through the investment, he has saved three times the amount of money compared to abnormal wear-and-tear and accidents. Not only does the group have a well-maintained fleet of tankers, but also motivated staff who are always prepared to go the extra mile for the company.

Driving Sense has adopted a 'next level' approach to driver training and safety that is designed to reduce the risk associated with driving, while improving the overall safety and well-being of drivers and their families.

Driving Sense MD Natalie Rodrigues says: "We realise that saving lives through driver training may not be quantifiable, but what is, is a reduction of costs due to more efficient driving methods that save time and reduce fuel consumption and reduce maintenance costs."

The competition was a fantastic success. This year's Truck Driver Competition had the closest finish in its history, with less than two points separating first and second place. But at the end of the day, Afgri Driver of the Year honours went to Branwill Paatrie, representing Klipheuwel factory from the Western Cape. The runner-up was last year's champion Michael Ralinala from Isando, and in third place was James Mavuso from Eloff.

This year marked the introduction of the first ever Forklift Operator Competition. Top honours went to Sibisiso Maphanga from Eloff. Second place went to Mfundiso Bani from Paterson and third to Victor Leche from Bethlehem.



There's only one way to drive the well-being of the road freight and logistics industry. Through powerful partnerships.



HIV&AIDS, sexually transmitted diseases, and other debilitating illnesses all pose a threat to the stability of the road freight industry. To ensure a strong and healthy workforce, however, requires the joint efforts of all the key stakeholders. In recognition of this, Trucking Wellness was established in 1999 and for the last 20 years has played a vital role in keeping the wheels of the industry turning by providing healthcare and support services to the road freight industry.

Backed by powerful business, trade, healthcare, government and key unions, Trucking Wellness has to date provided 20 Roadside Wellness Centres strategically positioned along major national routes within South Africa. These are complemented by a fleet of well-equipped Mobile Wellness Centres that reach beyond the drivers into the workplace.

Trucking Wellness takes a holistic approach in its quest to ensure a healthy workforce. It encompasses far more than HIV&AIDS and provides a wide range of free health-related products and services, including:

- Treatment of sexually transmitted infections (STIs).
- Condom distribution, counselling, and HIV/AIDS awareness, education and testing.
- General health services - treatment of diabetes and tuberculosis (TB).
- Anti-retroviral (ARV) treatment.
- Food and nutritional supplements.
- Free ARV treatment to all drivers whose employers are registered with the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI).

Trucking Wellness has been the industry solution to the Road Freight and Logistics Industry in South Africa and continues to expand its network through its partnerships with the following organisations -

Partners: CMRA, Engen, IOM, Imperial Logistics, SA National and Provincial Departments Of Health, N3TC, Mercedes-Benz, SABCOHA, Shell, UTI. **Implementing Partners:** CareWorks, Corridor Empowerment Project. **Employer Representative Bodies:** Road Freight Association. **Employee Representative Bodies:** Motor Transport Workers Union, Professional Transport Workers Union, South African Transport and Allied Workers Union, Transport and Allied Workers Union of South Africa.

Trucking Wellness - Driving the well-being of the industry.



Mercedes-Benz

