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## WHAT IS TOLLING AND WHY IS IT IMPORTANT?

The South African national road network, managed by The South African National Roads Agency Ltd (SANRAL) forms the arteries of the nation that connect major cities, town and developing villages in rural areas of the country. The major benefits of the national road network are economic growth, tourism, social development and the creation of economic opportunities.

Toll road operations can be divided into two parts – those managed and funded by SANRAL and the toll roads which are wholly funded by private companies. SANRAL's toll road network is supported by funds raised from capital money markets by issuing bonds and raising loans.

Tolling is an equitable method for a motorist to pay only for the section of road used referred to as the “user-pay” principle.

SANRAL's approach is one of the most advanced systems in the world which enables the individual design of each road section based on the needs for that particular section of the road.

### **Tolling is important because:**

- It enables SANRAL to provide roads sooner than the traditional tax-based revenues which would traditionally fund these roads.
- Tolling delivers the much needed infrastructure sooner than later.
- Tolling ensures dedicated funding for maintenance of the road.

### **There are several types of Tolling:**

**Traditional Toll Collection** – This is where motorists stop along an open road or highway to pay a toll fee at a Toll Plaza at certain locations on route to their destination.

**Electronic Toll Collection (ETC)** – This is a system whereby no cash transactions take place along a road or highway. It can take place in various forms. Current ETC methods include the swiping of credit cards at the plaza and the use of an e-tag system, on the N1/N4 operated by Bakwena, where the vehicle is required to slow down on approach to the toll booms. When the transponder is picked up by the technology mounted on the toll booth the boom will open allowing the vehicle to pass.

**Open Road Tolling** – This is another form of Electronic Toll Collection whereby the motorist is not required to stop at a toll booth or plaza to pay toll fees. Overhead Gantries are positioned along the toll route and technology mounted on these gantries will take photos of the front and rear of the vehicle and read the transponder (e-tag) in the vehicle – if there is no e-tag in the vehicle, it is identified using the photos that are taken of the front and rear of the vehicle.

## WHAT ARE THE BENEFITS OF TOLLING?

- Toll roads ensure a high quality road network. In addition to contributing to improved road safety, toll roads generally reduce travelling distances and result in substantial savings on the running costs of your vehicle and much valued travel time.
- The “user-pay” principle represents a fair and precise way of paying for transportation facilities.
- Tolls link the benefits for the road user with its fees by charging users only in direct relationship to how much of the road they use.

## WHAT IS OPEN ROAD TOLLING (ORT)?

Open Road Tolling (ORT) is a method of electronic toll collection along a road or road network. This method of payment allows for the motorist to make use of a road or road network without stopping at a Toll Plaza or Toll barrier points for the manual collection of monies. Motorists can drive along their route without stopping, as all billing is electronic.

ORT allows for free flowing open roads ensuring the smoother flow of traffic – this means free following traffic without any physical lane separation or hindrance. Overhead gantries will be situated approximately every 10km (or between interchanges) along the Gauteng road network.

## HOW DOES OPEN ROAD TOLLING (ORT) AND PAYMENT WORK?

SANRAL will request that road users register their vehicles for e-tolling. Road users will have the option to either be recognised by their number plates, or by an e-tag. e-Toll account Registration will be user friendly and road users will have the option to register through a website, at an e-toll kiosk located at a mall, e-toll customer services centre situated along the freeway network, phoning in to the call centre, or buying an e-tag at conveniently located outlets.

The e-tag is supplied by SANRAL. It will be at no cost to the user. However, if the user elects to obtain an e-tag, the user will need to deposit a minimum credit (will be specified by SANRAL) into the user’s e-tolling account. However, this credit, will then allow the road user free toll passes in the same amount.

The e-tolling account that road users link to their vehicle can be set up as a pre-paid account with SANRAL and money can be paid into this account via various options (retail outlets, the internet, at an e-toll kiosk, ATMs, e-toll customer services centres etc), or road users can link their e-tolling account to their own credit card account. More than one vehicle can be linked to your e-tolling account.

Overhead gantries will be fitted with the toll collection equipment that will recognise the vehicle identifier (electronic transponder (e-tag) in a vehicle and or the vehicle number plate), toll will be deducted from a user’s registered e-toll account associated with the vehicle identifier and the user will be able to travel without any disruption. A vehicle’s number plates will be photographed from the front

and back as part of the verification process, as well as for those that do not have an e-tag. If the user is not registered the user will be sent a bill with due date of payment.

SANRAL has procured a Central Clearing House, which consists of a Transaction Clearing House and a Violations Processing Centre. The Central Clearing House will facilitate a central account management and clearing system to all South Africans subscribers.

The Transaction Clearing House will allow a motorist to register an Electronic Tolling account that will be valid for use across the all electronic toll facilities within South Africa.

### WHAT ARE THE BENEFITS OF OPEN ROAD TOLLING (ORT)?

- Better Roads = Better Infrastructure = Better Economy
- Reduces the amount of time spent on the road
- Provides free flowing traffic along the route and assists in eliminating congestion
- Over a period of time the motorists saves on car routine maintenance
- Reduces the amount of Carbon emission as there is less time spent on the roads
- Improves motorist safety and security along the route as it is a free flowing collection system along a open road
- SANRAL has implemented a Freeway Management Systems whereby roads are monitored and road user assistance along the tolled road network is improved in emergency situations.
- Safely engineered roads which require less maintenance over greater periods of time

### WHY DO WE HAVE TO PAY TOLLS WHICH WERE INITIALLY PAID FOR OUT OF TAXES?

There is a common misconception that tolls are a form of double taxation. This is not the case. Taxes are used to fund non-toll roads and are not used to fund toll roads and therefore individual tax obligations are actually reduced by the “user-pay” system.

Toll facilities offer value and choice for everyone. The user/customer receives value, in the form of time savings, convenience, and better maintained roads.

#### **We pay toll fees because:**

- Only 20% of SANRAL’s roads are tolled because there are insufficient funds from the national budget to maintain and upgrade the entire national road network. This means that SANRAL has had to borrow money to upgrade and maintain the toll roads.
- Freeways need to be upgraded! They deteriorate over time due to environmental and other influences, such as traffic flow, weather, ultraviolet radiation, truck overloading, etc.

- Toll fees are not charged on current roads but only on the new networks and future improvements, which include operations and maintenance for the lifespan of the road.

## FACTS AND MYTHS ABOUT TOLLING

**MYTH: *Tolling is a new system, used only in South Africa.***

**FACT:** Tolls are not new. From the ancient turnpikes (where gatekeepers turned the pike to allow travelers to pass after paying their toll), to the early days of automotive travel, tolling has been used internationally to fund road projects.

**MYTH: *Tolls represent double taxation.***

**FACT:** When we pay taxes, these monies are used for the services which Government renders to all South Africans. A toll is not a tax and are only utilised for that portion of road that we use, in other words it is a user fee. The user fee could, for instance, be compared to paying for the parking at malls.

A toll road is funded by those choosing to pay for the use of the facility, whereas taxes are not optional and are charged to everyone. It is true that customers of toll facilities also pay taxes, but these levies are used to fund non-toll roads. Taxes are not used to fund toll roads and therefore individual tax obligations are actually reduced by toll roads.

**MYTH: *Toll facilities cause/increase traffic congestion.***

**FACT:** The very existence of toll facilities often actually relieves traffic congestion on parallel roadways. The new Electronic Toll Collection will serve to alleviate traffic congestion as toll booth are eliminated and allows for free-flow of traffic.

**MYTH: *Toll facilities have an adverse affect on the environment.***

**FACT:** Toll facilities represent critical new capacity that benefits the environment by relieving congestion elsewhere.

**MYTH: *This is Big Brother, what about my privacy?***

**FACT:** Privacy will be treated with the utmost respect. Cameras which are situated on the overhead gantries are merely used for tolling purposes and to monitor traffic flow. The same applies to toll fees being deducted from registered accounts – they will be much like any other debit order which the user permits deductions from.

## GENERAL TOLLING FACTS:

- To the driver/user, tolls are a direct user fee paid for use of a particular facility.
- To SANRAL and its concessionaries, tolls are a dedicated revenue stream to fund ongoing operations, maintenance, and improvements.
- The tolls collected are exclusively used to finance the building, upgrading and general maintenance of that specific road.
- Tolls help bridge the gap between transportation needs and resources.

**Ends**

