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REGISTRATION AND LEVY.**

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T H E R O A D A H E A D

UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY
OMBUDSMAN OF SOUTH AFRICA

ISSUE 2 VOLUME 6 AUGUST 2015



DR. ROB DAVIES



THE HONOURABLE MINISTER OF TRADE AND INDUSTRY

The Department of Trade and Industry (DTI) places great emphasis and fully supports the existence and development of a world-class automotive industry in South Africa. This is why the automotive sector enjoys a very special place in our Industrial Policy Action Plan (IPAP), which recognises that the automotive sector contributes very significantly to the gross domestic product, employment and exports and has very high spillovers and multipliers into other sectors of the economy.

The work of the Department rests on a very firm, cordial and mutually supportive relationship both with the industry associations concerned with the sector, as well as with individual original equipment manufacturers, component manufacturers and aftersales and services companies. The Department values these relationships very highly because we are acutely aware of the fact that we can achieve so much more by working together with all concerned to support and strengthen the automotive sector.

This effort forms an important part of broader government effort to support the manufacturing sector and build an inclusive economy addressing the deep structural problems which continue to exist and overcome deep inequality and unemployment which characterises it.

In the spirit of this positive relationship, the Department requested the automotive industry to draw up a Code of Conduct under the stewardship of the Motor Industry Ombudsman of South Africa (MIOOSA) to promote self-regulation. I am pleased that this work has been completed and that a Code of Conduct has been developed and accreditation of the Motor Industry Ombudsman of South Africa has taken place.

I am confident that this work will be strengthened under the stewardship of Dr. Matthews Phosa and Mr. Johan van Vreden, the chairperson and Ombud of the Motor Industry Ombudsman respectively. I wish to thank the institution, its directors and advisory committee for the work thus far undertaken and urge them to continue the good work, which is an important component of the broader, inclusive automotive sector.

CONGRATULATIONS TO THE MIOOSA

MS. DIANE TERBLANCE

**NATIONAL CONSUMER
TRIBUNAL (NCT)**



It was with great pleasure that I received the news of the accreditation of the MIOOSA. This will bring a strong and knowledgeable tool that can only serve to strengthen the hand of consumer protectors.

The automotive industry is a complex and diverse industry and has a valuable role to play in providing expert knowledge to consumer regulatory entities, including the NCT. The office of the MIOOSA has proven over the years that it brings just that expertise to the table.

I wish to congratulate chairperson Dr. Matthews Phosa, Motor Industry Ombudsman Mr. Johan van Vreden, his fellow directors and staff on the national accreditation that the MIOOSA has received and wish them well for the future.

MR. EBRAHIM MOHAMED

**NATIONAL CONSUMER
COMMISSION (NCC)**



The accreditation of the Motor Industry Ombudsman of South Africa (MIOOSA) is something that was long time coming. While working closely with the MIOOSA and various stakeholders in the motor industry during the drafting of the South African Automotive Industry Code of Conduct that has now become a regulation of the Consumer Protection Act, it confirmed our belief that industry ombudspersons will go a long way in availing justice to the consumers of South Africa.

Every industry has its own peculiar complexity that makes the fair dispensing of justice to all very difficult and in some cases extremely time consuming. With this in mind, we at the NCC are confident that the national accreditation of the MIOOSA is another step closer to bringing affordable and swift access to justice for the consumers of South Africa.

This is in line with the strategy of the NCC duly supported by the Department of Trade and Industry, which is to increase the establishment of sector-specific alternate dispute resolution agents throughout the country in order to assist our consumers and suppliers in resolving their disputes.

On behalf of the NCC I wish to congratulate chairperson Dr. Matthews Phosa, the advisory committee, Mr. Johan van Vreden the Motor Industry Ombudsman, his fellow directors and staff and wish them the very best in their endeavours in the future.

I also sincerely thank all those in the motor industry that have worked tirelessly with the NCC and MIOOSA to have the very first code accredited in terms of the Consumer Protection Act.



JOHAN VAN VREDEN
Motor Industry Ombudsman
of South Africa



MESSAGE FROM THE OMBUDSMAN

The Motor Industry Ombudsman of South Africa (MIOSA) is an organisation that is completely independent and whose independence is protected by the laws of South Africa to be independent and to resolve disputes between the motor industry and its consumers without bias or favour.

With this in mind, I wish to assure the motor industry and its consumers that disputes dealt with in our office will be dealt with in a manner that is pragmatic, fair and without prejudice. For the consumer who normally is without the resources that the bigger companies enjoy, the MIOSA is an organisation that serves to protect the consumer against unfair actions that may be taken by well-wheeled organisations.

Conversely, the MIOSA will not tolerate consumers that act vexatious or with malicious intent to deliberately defraud the motor industry.

With the knowledge and in-depth experience that the MIOSA enjoys, it is able to adjudicate and rule in all motor-related cases without fear of contradiction as its fifteen years of practical experience has already shown. Its staff complement of highly skilled people who have lived and worked within the industry and who are deeply versed with all its strengths and weaknesses gives me the confidence to give my assurance as the Motor Industry Ombudsman that the motor industry and its consumers will always be treated fairly and with knowledge and compassion in all our dealings and operations.

We undertake to subject ourselves to our hard won Code of Conduct and the Consumer Protection Act to ensure that we carry out our duties in a fair and equitable manner to the advantage of all parties.

With this in mind, I wish to thank the Honourable Minister of Trade and Industries as well as consumers in general for the tremendous faith they have already placed on the MIOSA and I am confident that the MIOSA will fulfil its duties with knowledge, patience and determination to achieve the correct outcome in all the cases that we have to deal with.

MEET OUR INSPECTORS



Mercia van Niekerk
National chief
inspector



Howard Boswell
Border and
surrounding areas



Annelie Mienie
East Rand and
surrounding areas



Stephanie Newsome
Port Elizabeth



Sonja Reed
Pretoria and
surrounding areas



Deon Schuhardt
Limpopo and
surrounding areas



Rozanne Spangenberg
Western Cape

RESPONSIBILITIES OF MIOSA INSPECTORS

The main task of the MIOSA inspectors is to visit businesses involved in the motor and related industries to ensure that they are correctly registered with the MIOSA as the law requires. They also assist businesses that experience difficulty with the registration process telephonically or via e-mail.

The MIOSA inspectors will make courtesy calls to businesses involved in the motor industry on a continuous basis to distribute MIOSA newsletters, annual reports, information brochures and other marketing material.



**BIG JOB FOR LOCAL LAD
IAN NICHOLLS**

South African born and bred Ian Nicholls has been appointed as president and managing director of GM's South Africa, Sub-Saharan Africa and Israel operations.

Prior to this appointment, Nicholls served as vice president of GM South Africa's operations and before that vice president of planning for GM South Africa. Nicholls was born in Port Elizabeth, South Africa, and first began his automotive industry career in 1990 at Delta Motor Corporation.

He has an Accounting B Com (cum laude) from the Nelson Mandela Metropolitan University and qualified as a Chartered Accountant with Deloitte.

4PR ESTABLISHED TO SERVE THE AUTO INDUSTRY.

Two automotive industry specialists have joined forces to create a new communications agency for companies in the automotive industry.

4PR was created by Leo Kok and Corinna Howard to offer specialised communication, events and strategic support to customers who have a limited budget.

Kok and Howard created a nimble company that contract a range of services as required. They provide a range of communication services that include the creation of press releases and web content and event services such as launches and client incentives.

4PR has a range of clients in the automotive industry, including OEMs, vehicle dealer groups, commercial vehicle operators and trade customers. 4PR also support a wide range of non-automotive customers with PR and event planning and support services, including Partners for Possibility, Technoserve and the Blue Cross.

For more information on 4PR and their range of services, or to obtain a quote, contact Leo Kok at leo@4pr.co.za and Corinna at corinna@4pr.co.za or visit www.4pr.co.za



ALFA ROMEO ON THE MOVE

Alfa Romeo is set to revive the brand worldwide. They started off by introducing the sporty and striking 4C. Now they have taken the wraps off its new Giulia. A car that will take on the BMW 3 Series, Audi A4, Mercedes-Benz C-Class and Jaguar XE.

PEOPLE, PUNS AND PRODUCTS

The top of the range model is powered by a six-cylinder turbo engine delivering 380 kW. Alfa Romeo claims it will reach 100 km/h from standstill in just 3.9 seconds.

The new Giulia is due in showrooms at the beginning of 2016. Trust a few will reach our shores.

LIFE AFTER DEATH

"Do you believe in life after death?" the boss asked one of his employees.

"Yes, sir," the clerk replied.

"That's good," the boss said. "After you left early yesterday to go to your grandmother's funeral, she popped in to see you."

MORE USED. LESS NEW

The following is an extract from the May 2015 IDA newsletter.

Recent forecasts for the South African new car market predict very little growth as motorists levitate towards the used-car market. According to Charles Grassie of Surf4Cars almost two-thirds of all used-car searches performed on Surf4Cars were for vehicles in the price range R150 000 to R200 000.

Says Grassie: "This is an indication that buyers who have a reasonable budget for a car are looking for better value in the pre-owned market and are less likely to look for a new car."



BARN FIND BUGATTI

Never ever ignore an old and disused warehouse or garage. A case in point. Somebody recently stumbled over this 1925 Bugatti Type 13 Brescia in a warehouse somewhere in France. It has reportedly been hidden since 1966. The T13 was Bugatti's first road car and began the marque's dominance of racing in spectacular fashion. It was auctioned off for a staggering R12 million.

BRAIN TEASER

Who is the only South African that ever became Formula One World Champion? In which year did he win the championship? For which team was he driving?

ANSWER

Jody Scheckter, 1979, Ferrari.

FROM THE DESK OF KOBIE KRAUSE

CONTRIBUTION TO THE MOTOR INDUSTRY OMBUDSMAN OF SA



KOBIE KRAUSE
Deputy Ombudsman

There seems to exist some confusion, ignorance and in some instances blatant refusal to accept responsibility by retailers to register and pay their dues to the Motor Industry Ombudsman of South Africa (MIOSA).

It is therefore necessary to reflect on the events which led to the situation at present.

1. Long before the Consumer Protection Act (CPA) was promulgated, the Department of Trade and Industry (DTI) started discussions with the private sector regarding legislation for improved customer protection. The DTI hosted many workshops, meetings and discussions with all the relevant representatives of the collective industries in South Africa.
2. By 2006, the DTI hosted a seminar where the role players in the motor industry were represented. The DTI indicated that the motor industry should be the first industry to have an accredited code of conduct and commissioned the drafting committee to present a code of conduct worthy of accreditation.
3. By April 2010 the final draft of the Code was completed and driven by the Ombudsman and with the financial support of the Industry Associations, respectively, the Code was published in all major national newspapers, as well as in the government gazette. Much publicity was given to the envisaged Code. Road shows were undertaken by various industry-related organisations to inform and discuss the Code with their members. All comments to the Code were entertained and where necessary the Code was either altered or enhanced.
4. After the Code was presented to the National Consumer Commission (NCC) it was decided to again advertise the Code. Further comments were received and again certain amendments followed.
5. The Code was then presented to the DTI and it was published in the government gazette for the third time. The Honourable Minister of Trade and Industry, Dr. Rob Davies accredited the Code on October 2, 2014. The Code was promulgated on October 17, 2014 in the government gazette No. 38107.

It is therefore obvious that tremendous effort was spent by both government and industry role players to give effect to the accreditation of the Code in terms of section 82 of the CPA. It should also be noted that never before has any piece of legislation been so widely consulted and publicised as this Code.

The excuse that a supplier did not know or was not consulted about the Code will therefore fail. Awareness regarding the Code was prevalent news in most national publications since the first half of 2014.

A further excuse is that the supplier or service provider does not form part of the motor industry in terms of the definition as per the Code. In this regard the following must be taken into account:

1. It is important to realise that although the supplier or service provider's main business activities might not under normal circumstances fall within the motor industry but import, distribute, manufacture, retail or supply any completed components and/or renders a related repair or replacement service to consumers in respect of such vehicles then such a service provider or retailer will be considered to be part of the automotive industry.
2. It is important to note that the Code is a regulation to the CPA and that the definitions in section 1 thereof should be read with the Code. In this regard the definition of "supply chain" plays a vital role. The supply chain is a creature of statute and cannot be argued away as other sections in the CPA for instance section 61 rely on the supply chain. It can be said that the supply chain is there to enhance consumer protection. The excuse, that a manufacturer, importer or distributor has by saying that no transaction is concluded with a consumer, will fail.

It is obvious that some suppliers and service providers will attempt to avoid registering their businesses and paying their dues to the office of the MIOSA. For them the downside is:

1. Failing to obtain the necessary authorisation from the SAPD to deal in second-hand goods.
2. Not becoming a member of MIBCO a statutory requirement if staff is employed.
3. SARS might identify the business.
4. Not registering with the Workman's Compensation Commissioner.

Although the MIOSA has been lenient and patient regarding late registrations, this attitude will not be tolerated any longer. If a supplier or service provider provides goods or services as set out above, registration is obligatory. Failure of which will result in a contravention of the CPA.



NORMAN LAMPRECHT



NAAMSA NEWS SOUTH AFRICA

AUTOMOTIVE

EXPORT MANUAL – 2015

The Automotive Export Manual – 2015 – South Africa publication is an annual publication produced and compiled by the Automotive Industry Export Council (AIEC) – the recognised source of South African automotive trade data. The 2015 publication, as well as the previous publications since 2006, provide a comprehensive guide on the export and import performance of the South African automotive industry under the previous Motor Industry Development Programme (MIDP) and current Automotive Production Development Programme (APDP). The aim of the manual is to identify and report on the major automotive export destinations, the major countries of origin, the main automotive export trade blocs, the most important automotive products exported and imported, the top growth markets and products as well as the impact of the trade arrangements enjoyed by South Africa on automotive trade patterns.

The information and analysis in the annual were produced and compiled by Dr. Norman Lamprecht on behalf of the Automotive Industry Export Council with contributions and assistance by NAAMSA, NAACAM and the Department of Trade and Industry.

Glancing through the annual is an eye-opener indeed. Here are just a few facts contained in the publication.

Global vehicle production set yet another record in 2014. It rose by 2.6% from 87,51 million units in 2013 to 89,75 million units in 2014.

South Africa was ranked 24th in the world in terms of global vehicle production with a market share of 0,63%.

Toyota as well as VW posted sales above 10 million units.

At 23,7 million units produced, China produced and sold more vehicles than the US and Japan combined.

In South Africa the automotive sector is the mainstay of the national industrial base. Accounting for 7,2% of GDP, 30,2% of manufacturing output and 11,7% of all South African exports, the industry demonstrates what can be accomplished when constructive collaboration between stakeholders take place. South Africa is seen as providing the largest automotive market and most significant automotive centre and supply chain cluster in Africa.

South Africa represents the second largest economy in Africa after Nigeria but is Africa's most integrated nation in terms of capital and trade flow.

Gauteng is the smallest of the country's nine provinces and produces around a third of national GDP, generates the highest per capita income and accounts for 40% of South Africa's manufacturing output, construction activity and financial services.

For further information contact the AIEC at 012 807 0086 or visit the website at www.aiec.co.za

ARTICLE ACKNOWLEDGEMENT NAAMSA

IPSOS REPORT

Franchised retail motor dealers in South Africa, obviously driven by the demands of manufacturers and distributors, continued to raise the bar in terms of their sales and service operations. This is according to the annual Ipsos Quality Awards Purchasing and Servicing customer research for 2014, which was released recently.

The company conducts telephonic interviews with 25 000 customers annually about their experience at franchised dealerships when purchasing a new vehicle or having their vehicle serviced.

Perceptions of the purchasing experience when buying a passenger car has crept up from 90 percent in 2004 to almost 95 percent last year, while buyers of light commercial vehicles are similarly satisfied, moving up from a score of 89 percent to more than 92 percent in the past decade.

Women, for instance, are slightly easier to please in terms of both buying and servicing a car. The difference is only about half a percent, but it is measurable.

Older people – over 35 years of age – generally give higher ratings than the younger groups, with the 25–34 year group being the most demanding in terms of the buying experience and the 18–24 group giving the lowest ratings when it comes to servicing.



SOUTH AFRICAN NUMBER PLATE ASSOCIATION

PROPOSED NATIONAL NUMBER PLATE FOR SOUTH AFRICA

LATEST NEWS

SANA cannot iterate enough how important it is for Embossers to make sure that they follow the law, for there can be serious consequences for both the embosser and consumer. The National Road Traffic Act Regulations of 2000 states, under Regulation 68 (1) Chapter XI, that *"No person shall use, display or manufacture any number plate which does not comply with the prescribed specifications"*.

I'm well aware that the lack in regulation at embosser level has left the number plate industry's playing field very uneven, since there are hardly any consequences for those that deviate from the law. So, if you can't win them it is surely better to join them, right? Definitely not, for charges brought in terms of Regulation 68 (1) are of similar severity as drunk driving, reckless or negligent driving and fraud.

E-toll and cloned number plates are still making media headlines and journalists are out there to expose illegal and non-compliant embossers. A number plate is the identity of a vehicle and must conform with the SANS 1116 specifications and the national and provincial regulations.

GAUTENG : PLASTIC 520MM X 113MM NUMBER PLATES EMBOSSED WITH 60MM CHARACTERS

The latest trend in Gauteng seems to be a 520 size plastic number plate embossed with 60mm characters. The SANS 1116 specification for part 2 and 4 states clearly that the 60mm characters may only be used on the 250mm x 165mm size number plate.

Regulation 35 (4) of the National Road Traffic Act Regulations of 2000 stipulates that one will require permission from the provincial MEC for a vehicle to bear a number plate embossed with 60mm characters at the back of the vehicle, but only if the vehicle aperture is too small to accommodate number plate sizes that must bear 75mm characters.

Please follow the law and don't let customers prescribe to you, the embosser, as to what they want.

KZN : PERSONALISED NUMBER PLATES

It came to my attention that plastic number plates, designated for the Northern Cape, are being used to emboss personalised number plates for KwaZulu-

Natal. The KwaZulu-Natal Department of Transport appointed Uniplate as the exclusive manufacturer and supplier of personalised number plates (new and replacements) for the province until 12 July 2017.

LIMPOPO : NUMBER PLATES EMBOSSED WITH WHITE VINYL INSTEAD OF RETRO-REFLECTIVE SHEETING

SANA informed SABS Certification of a valid SABS permit bearing embosser, situated in Polokwane, who prints the required Limpopo number plate graphics onto white vinyl, instead of using the required retro-reflective sheeting. The illegal number plates, bearing a valid SABS mark number, are made upon request for individuals who are prepared to break the law to prevent traffic fines and E-toll bills.

SANA conducts proper investigations when receiving complaints and submitted two sample number plates and the receipt, bearing the details of the embosser in question, to SABS Certification. This embosser is in breach of the Limpopo legislation, the SANS 1116 specification, the SABS general and specific permit conditions and aforementioned Regulation 68 (1).

FEEDBACK

• NATIONAL : PROPOSED NATIONAL NUMBER PLATE FOR SOUTH AFRICA

Industry is still awaiting feedback on Government Gazette number 38430 that was published on 28 January 2015.

• PROVINCIAL : NORTH WEST : PROPOSED NEW SECURITISED NUMBER PLATE

Industry is still awaiting feedback on the proposed new securitised number plate system for North-West Province.

• DTI : SANA MEETING WITH DTI : WEDNESDAY, 11 FEBRUARY 2015

The CEO of SABS informed the meeting that she preferred to have the blank number plate manufacturers present, before discussing industry related concerns. The Chairperson recommended that a separate meeting be arranged for the manufacturers. This took place on 21 May 2015. A follow-up meeting will take place and will include representatives from the National Department of Transport, DTI and SABS. A separate meeting will be scheduled at the DTI for SANA and NAZA, in order to discuss embosser related concerns.

SANA CONTACT DETAILS:

Cell: 082 322 5208 | Fax: 086 684 1304
Email: zurika@neza.co.za

Coen Gouws & Ombudsman
Johan van Vredon

GOODBYE TO COEN GOUWS



It was a sad day for all of us at the MIOSA when long-serving colleague and friend, Coen Gouws, retired at the end of June. After a ten-year stint at Toyota SA's customer care department, Coen joined the MIOSA during October 2005.

Experienced, hard working and dedicated, Coen was always willing to help his colleagues at the MIOSA through the challenging times before accreditation. Although the office was understaffed to handle the number of complaints received, Coen led the complaints department tirelessly for many years.

We would like to thank Coen for his contribution over the years and wish him well for the future.

LUCIOUS BODIBE
Senior case manager

INTRODUCING A CASE MANAGER



Forty-five-year-old Lucious Bodibe holds the position of senior case manager at the MIOSA. He worked night shift at Glencarol Manufacturing while he was doing matric. Lucious joined Toyota South Africa in 1991 as a material handler and worked himself up the ranks to the position of regional customer care manager.

During his time at Toyota he obtained extensive training. This included language of positive communication, advance product training and service advisor. He moved to Call Centre Nucleus (currently known as AEGIS BPO) as a case manager in May 2006. Later that year he joined McCarthy Toyota Centurion where he was employed as a service advisor.

Lucious joined the MIOSA in 2008.

The father of two boys and two girls, Lucious is a keen Kaizer Chiefs supporter and in his spare time he coaches an under-12 soccer team. He also started playing golf recently.

NEW APPOINTMENTS AT MIOSA



Lizette Kruger
Case manager
assistant



Terry Kent
Case manager

DARREN SMITH
Manager and his staff



INFORMATION AND LIAISON OFFICE

Before the accreditation of the MIOSA, our Call Centre was only open between 13:30 and 15:30 Monday to Friday. Since the accreditation, a dedicated department was established to handle the thousands of incoming calls the MIOSA receives with regards to advice on possible cases, the CPA, the Code and update on current cases. The Information and Liaison Office was officially opened on 1 May 2015 and is now running from 08:30 to 16:30 Monday to Thursday and 08:30 to 16:00 on Friday.

Darren Smith, who was previously a case manager for the MIOSA, was promoted to information and liaison manager. Darren's team has been extensively trained in the CPA as well as the Code to handle all enquiries.

The information and liaison office consists of the following personnel:

- Darren Smith - Information and liaison manager
- Kevin Brandt - Information and liaison assistant manager
- Innocentia Nene - Information and liaison officer
- Onkgopotse Tau - Information and liaison officer
- Thavaseelen Chinsamy - Information and liaison officer

MIOSA INSPECTORS

Mercia van Niekerk	National Chief Inspector	082 442 9250
Howard Boswell	Border and surrounding areas	083 254 7551
Annelie Mienie	East Rand and surrounding areas	071 568 3983
Stephanie Newsome	Port Elizabeth	081 267 2608
Sonja Reed	Pretoria and surrounding areas	072 159 3718
Deon Schuhardt	Limpopo and surrounding areas	081 536 7654
Rozanne Spangenberg	Western Cape	082 575 2681