

## Gauteng Freeway Improvement Project (GFIP) What it means to you



Greater efficiency  
as toll roads  
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reduce congestion

The Gauteng Freeway Improvement Project (GFIP) comprises of different phases in order to upgrade 560km of freeway network. The first phase, focuses on the upgrading of 185km of the most congested freeway is currently under construction (a total of 15 work packages).

Apart from widening the freeway, the GFIP project will also ensure that bottlenecks at interchanges are resolved. For the first phase of the GFIP, 34 interchanges are being significantly upgraded, including infamous interchanges such as the Allandale, Rivonia, William Nicol, Gilloolys and Elands interchanges. Furthermore, median lighting and Intelligent Transport Systems (ITS) will be installed on the network. (Source: SANRAL)

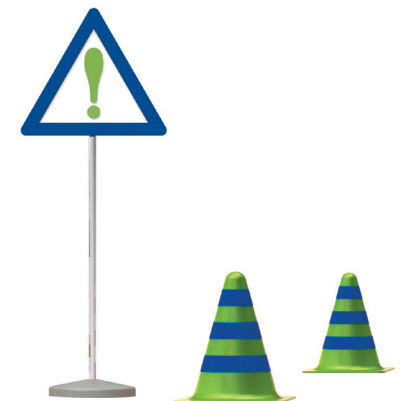


### Benefits of the GFIP:

- Greater efficiency as toll roads would aim to reduce congestion.
- Contraction of urban sprawl – less incentive to move away from CBDs.
- Greater safety.
- Increased fuel economy.
- Environmental benefits – car pooling and reduction of unnecessary road trips.
- Local economy stimulated due to construction required and investment into infrastructure.
- Widening to four or six lanes.
- Upgrade of 34 interchanges.
- Median lighting and Intelligent Transport Systems on 185km of road on Gauteng e-toll network.
- Variable Messaging Signs (VMS) and Close Circuit Television Cameras (CCTV) and Incident Management Service (IMS).
- With VMS SANRAL is able to warn drivers of accidents.
- CCTV shorten time it takes to report on an incident.
- Improving IMS reduces impact of congestion and delays.

### The challenges that organisations might face with the GFIP:

- Increased cost of travel to work for commuters may impact employee retention.
- Transportation of goods using these toll roads will have an enormous impact on supply chains, thus resulting in an increase on the cost of products.
- Congesting the suburban byways in order to avoid the freeway lane restrictions and the use of back and suburban roads to avoid tariffs.
- Apart from the additional cost burden on individuals and companies this new system will potentially create tax administrative challenges.



## The Deloitte Approach - Integrated multifunctional capabilities

The services provided by Deloitte in the tolling environment are many. They range from assisting government institutions with new modeling and the determination of the most optimal tariffs to advising clients on solutions to the impacts that the tolling system is going to have on their business. We can also advise SANRAL's third party suppliers on how to run their systems and processes optimally.



<p>We can assist organisations in developing and implementing strategies for Virtual Teams. Questions that should be asked include:</p> <ol style="list-style-type: none"> <li>1. What impact does tolling have on my employees?</li> <li>2. Which employees are affected?</li> <li>3. How are they affected?</li> <li>4. What effect will tolling have on my organisation's future?</li> <li>5. Will I be able to obtain the staff I require in the future?</li> <li>6. Will I need to adjust my employment conditions to retain staff?</li> <li>7. Have alternatives been considered, such as working differently?</li> <li>8. What effect will tolling have on productivity?</li> </ol>	<p>Review procedures and systems of client to enable the following:</p> <ol style="list-style-type: none"> <li>1. Claiming of input tax deductions for VAT on toll fees, both for commercial vehicles and employees' private vehicles (when used for business travel).</li> <li>2. Assist with considering PAYE implications of expense claims by individuals in respect of toll fees (including correct classification of business travel vs. private travel).</li> </ol>	<ol style="list-style-type: none"> <li>1. Help reduce cost implications by advising on network design and advise on the clients supply chain.</li> <li>2. Re-evaluate the distribution network strategy.</li> <li>3. Distribution hub expansion vs. regional distribution centres.</li> </ol>	<ol style="list-style-type: none"> <li>1. Integration.</li> <li>2. Financial and Social impact Modeling.</li> <li>3. Workforce modeling.</li> <li>4. Extracting Intelligence out of Data.</li> <li>5. Financial Modelling that can assist clients understand the impact on their business. We can model the ROI impact.</li> <li>6. Expense cost impact.</li> <li>7. Staff cost impact, if salaries are adjusted.</li> <li>8. Impact my introducing innovative changes in operations and logistics.</li> <li>9. Companies can assess the impact on their business by allowing for interventions such as those listed above.</li> <li>10. Companies can then consider the inflation impact on their business to allow them to consider price increase that may be necessary.</li> <li>11. Customer impact analysis will be valuable.</li> </ol>	<ol style="list-style-type: none"> <li>1. Fraud Risk Management.</li> <li>2. Forensic Data Analytics.</li> <li>3. Forensic Investigations.</li> <li>4. Business Intelligence Services.</li> </ol>	<ol style="list-style-type: none"> <li>1. Drawing on our global transport expertise, we can offer an independent review to SANRAL or be an advisor on the task force.</li> <li>2. Deloitte can consult on new modeling and tariff charges.</li> <li>3. We can advise SANRAL's third party suppliers on how to run their systems and processes optimally i.e. third party business opportunities with suppliers such as their technology partners and call centre partners, to name but a few.</li> </ol>
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## The Deloitte Difference

- We have transport experts (part of our Global Community of Practice) who have excellent experience in transport tariffs. Drawing on this global muscle based on the work they have done in Canada, UK and Ireland, we can assist both SANRAL ( Through task force/independent review) and other clients who will be affected.
- Deloitte can help organisations reduce or mitigate the impact of the tolling system.
- Deloitte can help you manage the downside risks and identify and capitalise on any opportunities that tolling presents to your business.

