

THE DEPARTMENT OF TRANSPORT Enquiries: Andries Schoeman, Tel: 012 309 3117/3697 Email: <u>schoemaa@dot.gov.za</u>,/mhlopeT@dot.gov.za

23 April 2015

To: All Head of Departments Accounting Officers

# Adjustments in fuel and tariffs for motor transport

In line with the processes that The Department of Transport embarked on during 2007 to align reimbursements to officials traveling with motor vehicles to the actual cost incurred by the officials, the following changes has been affected to the rates for reimbursement

On the 1<sup>st</sup> April 2007, the Department of Transport with assistance from our service provider introduced the new tariff calculation model to be used to calculate the tariffs for officials that make use of their private vehicles and Subsidised vehicles on Scheme A and Scheme C.

The service provider provides The National Department of Transport with the raw data for updating the motor vehicle rates model. As we normally indicate, the model that was used previously was outdated and not flexible enough to accommodate both petrol and diesel vehicles. The raw data used in the model is obtained from the same service provider that provides rates to the Automobile Association.

All calculations are done in terms of the methodology as set out in Transport Handbook no1 of 1977. The tariffs as set out in the handbook make provision for fuel consumption, maintenance and capital depreciation.

Throughout our consultations with our service provider, we ensure that the database currently utilized, whenever it is updated during the beginning of every financial year reflects the accurate and regular updated information in terms of

fuel consumption, maintenance and capital depreciation. The capital and maintenance costs are updated annually in April, with the fuel tariffs being adjusted monthly as per the prices published by the Department of Energy.

Throughout our consultations with the service provider, they have noted that the rates in general, there might be slight difference despite the steep fluctuation in the fuel pricing in this current month,

Some of the reasons are based on the following:

- As with previous years, the continuous introduction of more models in entry and small segments drive the market into lower fuel consumptions with models like the new 1.2 Golf and Polo reaching fuel consumption below 6l/100km on the open road.
- This has also now flowed into the LCV and SUV market, with the introduction of especially more competitive far Eastern brands such as GWM and Mahindra launching more models annually in SA.
- While these same competitors drive the well-known manufacturers to keep parts pricing reasonable, there will always be an increase in labour costs which lead to more expensive maintenance rates

The Department of Transport always strives to ensure that the newly updated rates distributed are accurate and understood to minimize additional queries. We also like to thank you for your patience and understanding.

Sincerely,

Mlungisi Maphanga Director: Government Motor Transport.

# TARIFFS FOR THE USE OF MOTOR TRANSPORT

- 1. Amendment No 04 of 2015 of the Annexure to Transport Circular No 1 of 1977 (Transport Handbook on Tariffs for the use of Motor Transport) as amended; and (Private)
- 2. Amendment of Annexure B of the instructions with regard to the new Subsidized Motor Scheme (Subsidized Scheme A and C).

As a result of the fluctuation of the fuel price on the 1<sup>st</sup> April 2015 the following tariffs are consequently amended from the 1<sup>st</sup> April 2015.

Please note:

 Private rates include fuel, maintenance, capital, insurance and depreciation.

These rates are to be used by all individuals making use of their own motor vehicle transport, including individuals whom structured for car allowances and all officials partaking in Scheme B of the Subsidized Motor Transport scheme.

## **u** Subsidized Scheme A rates are only inclusive of fuel.

There rates are to be used by all officials taking part in Scheme A of the Subsidized Motor Transport scheme where government contributes towards the capital, insurance and maintenance of the vehicle.

## **u** Subsidized Scheme C rates are only inclusive of maintenance.

These rates are to be used by all officials taking part in Scheme C of the Subsidized Motor Transport scheme. This rate needs to be added to the rate in Scheme A to determine the rate of reimbursement in cents per kilometre.

# April-2015

# Category A:

# **Station Wagons**

Sedans

# PETROL VEHICLES

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250 CC	244,9	80,7	31,4
1251 - 1550	306,9	94,6	32,7
1551-1750	336,6	103,2	38,9
1751-1950	395,2	113,8	47,1
1951-2150	406,5	116,3	55,9
2151-2500	481,8	141,5	65,3
2501-3500	595,4	148,5	75,1
Greater than 3500	677,6	163,0	102,0

<u>Category A:</u> <u>DIESEL</u> <u>VEHICLES</u>	Sedans Station W	agons	April-2015
Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250	227,9	56,9	30,3
1251-1550	294,8	68,5	37,2
1551-1750	316,4	69,3	43,0
1751-1950	331,4	74,1	52,5
1951-2150	376,8	75,7	56,2
2151-2500	441,3	84,3	70,1

## <u>Category B:</u> Light Delivery Vehicles Single Cab 4x2 Extended Cab 4x2

# PETROL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250	217,6	104,6	25,5
1251-1550	276,6	112,2	32,0
1551-1750	284,9	120,1	32,6
1751-1950	339,9	126,9	33,9
1951-2150	377,1	160,2	38,2
2151-2500	392,2	171,5	42,2
2501-3500	409,4	173,3	42,6
Greater than			
3500	477,2	193,5	50,6

April-2015

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#### <u>Category B:</u> Light Delivery Vehicles Single Cab 4x2 Extended Cab 4x2

### DIESEL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1250	244,2	70,3	31,6
1251-1550	299,9	71,5	39,0
1551-1750	305,6	76,3	39,3
1751-1950	348,4	108,5	46,2
1951-2150	352,8	111,2	47,5
2151-2500	387,9	128,0	48,8
2501-3500	397,7	133,1	52,9
Greater than			
3500	532,3	181,2	52,7

April-2015

# Category C:4x4 Light Delivery VehiclesAll Double Cabs4x4 Single/ Extended Cabs

## PETROL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 2000	356,2	143,9	33,5
2001 to 2500	405,4	172,0	39,9
2501-3500	466,5	192,3	41,0
Greater than			
3500	532,3	206,7	51,6

## DIESEL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 2000	361,6	117,7	49,1
2001 to 2500	431,9	130,6	49,8
2501-3500	481,8	134,6	54,3
Greater than			
3500	545,9	162,1	87,7

## April-2015

#### <u>Category D:</u> Multi Purpose Vehicles Sports Utility Vehicles Crossover vehicles

# PETROL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 1550	331,0	111,0	40,6
1550-1950	357,6	113,9	49,4
1951-2150	413,6	126,0	53,5
2151-2500	485,0	151,7	58,4
2501-3500	606,2	164,7	70,0
Greater than			
3500	678,4	191,6	74,6

## DIESEL

Engine Category	Private	Sub Scheme A	Sub Scheme C
Up to 2150	440,9	95,5	57,2
2151-2500	551,6	114,2	63,9
2501-3500	589,1	129,0	70,9
Greater than 3500	672,5	149,5	90,4

			April-2015
Category F:	Motor Cyc Scooter	le	
Engine Category	Private	Sub Scheme A	Sub Scheme C
Engine Category Up to 250	<b>Private</b> 120,1		Sub Scheme C