

**AGENDA of the
Portfolio Committee: Municipal Public Safety
18 August 2026
(Also, the agenda for the Mayoral Committee Meeting: 25 August 2026)**

**3.
STATUS OF AARTO IMPLEMENTATION READINESS AND ASSOCIATED
CHALLENGES IN OVERSTRAND MUNICIPALITY : DIRECTORATE:
MUNICIPAL PUBLIC SAFETY**

**D Adonis
09 July 2026**

Director: Municipal Public Safety

(028) 313 8165

1. Executive Summary

To provide the Section 80 Committee/Executive Mayor with an update on the readiness of Overstrand Municipality for the implementation of the Administrative Adjudication of Road Traffic Offences (AARTO) Act and to highlight the key operational, financial and institutional challenges that may affect successful implementation.

2. Service Delivery and Budget Implementation Plan - IGNITE

Municipal Public Safety
Traffic Services & Licensing

3. Compliance with Strategic Priorities

Provision of democratic, accountable, and ethical governance
Creation and maintenance of a safe and healthy environment

4. Delegated Authority

Executive Mayor

5. Legal Requirements

By-laws of the Overstrand Municipality
Overstrand Municipality: Zoning Scheme
National Building Regulations and Standards Act, No. 103 of 1977
Land Use Planning Ordinance, No. 15 of 1985
Western Cape Land Use Planning Act, No. 3 of 2014
National Road Traffic Act, No. 93 of 1996
Service Delivery and Budget Implementation Plan (SDBIP) 2025/2026

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6. Background/Discussion/Evaluation/Conclusion

Background

The Administrative Adjudication of Road Traffic Offences (AARTO) Act seeks to establish a uniform national framework for traffic law enforcement, infringement administration and the introduction of a demerit points system. Overstrand Municipality was identified as one of the municipalities scheduled for implementation and consequently commenced various preparatory activities, including staff training, systems integration and infrastructure readiness.

The national rollout of AARTO has subsequently been deferred due to concerns relating to municipal readiness, funding arrangements and institutional capacity. Despite the postponement, municipalities remain obligated to maintain preparedness for future implementation. A total of 68 municipalities has implemented the readiness of AARTO. No rollouts are identified in the Western Cape.

Discussion

Municipal Readiness

- The Municipality has undertaken several preparatory initiatives including:
- Training of Traffic Services personnel and administrative staff.
- Procurement and installation of required information technology infrastructure.
- Preparation of administrative workflows and standard operating procedures.
- Engagement with national stakeholders regarding integration with national traffic management systems.
- Network and connectivity enhancements required for electronic infringement processing.

These initiatives have positioned the Municipality favourably for future implementation; however, several material challenges remain.

Risk and Key Implementation Challenges

Division of Revenue and Financial Sustainability

One of the primary concerns relating to AARTO implementation is the division of revenue generated from traffic infringements.

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Under the current traffic fine regime, municipalities retain a significant portion of revenue generated through law enforcement activities, which contributes towards the operational costs of traffic services, road safety initiatives, law enforcement equipment and administrative support functions.

Under the AARTO framework, infringement revenue is distributed between various role players, including the Road Traffic Infringement Agency (RTIA), national government and the issuing authority. This creates uncertainty regarding the long-term financial sustainability of municipal traffic law enforcement operations.

The Municipality may incur substantial implementation costs relating to:

- Additional personnel.
- Training programmes.
- Information technology systems.
- Connectivity and infrastructure.
- Administrative adjudication processes.
- Public awareness campaigns.

The redistribution of infringement revenue may therefore result in a situation where municipalities carry increased implementation costs without a corresponding increase in revenue recovery. This has the potential to place additional pressure on municipal budgets and may require future consideration through the Medium-Term Revenue and Expenditure Framework (MTREF).

South African Post Office Capacity and Business Rescue Proceedings

A significant operational risk relates to the historical reliance of the AARTO process on registered mail services provided by the South African Post Office (SAPO). AARTO procedures require the lawful service of infringement notices and enforcement documentation on alleged offenders. The ability to prove delivery of notices is fundamental to procedural fairness and the legal validity of subsequent enforcement actions. SAPO has experienced severe financial and operational challenges and remains under business rescue proceedings. The closure of numerous branches, reduced staffing levels, service interruptions and declining mail delivery performance have created uncertainty regarding its ability to effectively fulfil this critical function.

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The implications for municipalities include:

- Delays in the delivery of infringement notices.
- Increased risk of procedural challenges and appeals.
- Difficulty in demonstrating lawful service of notices.
- Increased administrative burdens arising from returned or undelivered mail.
- Potential delays in enforcement actions.
- Reduced public confidence in the infringement administration process.

Although legislative amendments have increasingly recognised electronic service mechanisms, practical implementation remains dependent on the availability of reliable communication channels and accurate offender information. Any continued dependence on a constrained postal service environment may therefore undermine the efficiency objectives of AARTO.

Information and Communication Technology Integration

Successful implementation requires seamless integration between municipal systems, the National Traffic Information System (NaTIS) and the Road Traffic Infringement Agency.

Challenges include:

- Systems compatibility.
- Data quality and integrity.
- Cybersecurity requirements.
- Ongoing maintenance costs.
- Dependence on national system availability.

Any system failures or integration shortcomings could negatively affect infringement processing and enforcement activities.

Public Education and Change Management

The demerit points system represents a substantial change from existing traffic fine administration processes. Effective implementation will require:

- Public awareness campaigns.
- Stakeholder engagement.
- Driver education initiatives.
- Internal change management programmes

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- Failure to adequately educate road users may result in increased disputes, representations and administrative burdens such as:
- Uncertainty regarding implementation timelines.
- Potential reduction in municipal revenue streams.
- Increased operational expenditure.
- Dependence on national systems and agencies.
- Procedural risks associated with service of notices.
- Capacity constraints within SAPO.
- Reputational risks arising from ineffective implementation.

Evaluation/Conclusion

The objectives of AARTO in promoting road safety, accountability and uniformity in traffic law enforcement are acknowledged. However, the following concerns have to be addressed:

- The absence of certainty on long-term municipal funding implications.
- Revenue-sharing arrangements that may adversely affect municipal sustainability.
- Continued reliance on external institutions that are experiencing operational challenges.
- The business rescue status of SAPO and its implications for the lawful service of notices.
- The potential creation of additional administrative burdens without commensurate resource allocation.

The administration hold the view that full implementation should only proceed once the institutional, financial and operational risks have been adequately addressed and municipalities have received sufficient assurance regarding funding, systems readiness and administrative support.

7. Financial Implications

The implementation of AARTO may necessitate future budget allocations for:

- Additional personnel.
- ICT infrastructure and maintenance.
- Training and capacity building.
- Public participation and communication programmes.
- Administrative support functions.

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The long-term financial impact remains uncertain pending finalisation of the national implementation framework and revenue-sharing arrangements.

8. Staff Implications

Human Resource and Administrative Capacity

AARTO introduces a significantly expanded administrative environment requiring:

- Processing of infringement notices
- Handling of representations.
- Appeals administration.
- Record management.
- Public enquiries and support services.

Additional staffing and specialised training may therefore be required to ensure compliance with statutory requirements.

9. Comments from other Departments, Divisions, and Administrations

None

10. Annexures

Annexure A: Strategic Governance Concern

RECOMMENDATION:

1. that the status of AARTO implementation readiness within Overstrand Municipality **be noted**;
2. that the challenges associated with revenue-sharing arrangements under the AARTO framework and the potential impact on municipal financial sustainability **be noted**;
3. that the operational risks associated with the continued business rescue status and service delivery constraints of the South African Post Office, particularly in relation to the lawful service of infringement notices, **be noted**;

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4. that continued engagement with the Department of Transport, the Road Traffic Infringement Agency and organised local government structures to address implementation concerns affecting municipalities **be supported**; and
5. that Council continues to monitor national developments regarding the Implementation of AARTO.

RESPONSIBLE OFFICIAL:

RJ FRASER

TARGET DATE FOR IMPLEMENTATION:

TO BE NOTED

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
18 AUGUST 2026, WHICH COMMITTEE SUPPORTED THE RECOMMENDATION**

RESPONSIBLE OFFICIAL:

D ADONIS

TARGET DATE FOR IMPLEMENTATION:

TO BE NOTED

**SUBJECT: STATUS OF AARTO IMPLEMENTATION READINESS AND
ASSOCIATED CHALLENGES IN OVERSTRAND MUNICIPALITY**

STRATEGIC GOVERNANCE CONCERNS

Potential Unfunded Mandate

While the objectives of AARTO are aligned with improving road safety and enhancing compliance with traffic legislation, concerns remain regarding the extent to which municipalities are expected to bear implementation costs without certainty regarding revenue recovery mechanisms.

The Municipality is required to provide infrastructure, personnel, office accommodation, information technology systems, connectivity, training and administrative support to facilitate implementation. However, the financial benefits historically associated with traffic enforcement activities may no longer accrue to municipalities in the same manner under the AARTO framework.

This creates a risk that AARTO may effectively constitute an unfunded or partially funded mandate, placing additional pressure on municipal financial resources at a time when municipalities are already experiencing increasing service delivery obligations and constrained fiscal environments.

Reliance on External Institutions

The successful implementation of AARTO is dependent upon the effective functioning of several institutions that fall outside the direct control of the Municipality, including:

- The Road Traffic Infringement Agency (RTIA);
- The National Traffic Information System (NaTIS);
- The Department of Transport;
- The South African Post Office (SAPO); and
- Various national information and communications technology platforms.

Any operational failures, funding constraints, system outages or service delivery interruptions experienced by these entities may directly impact the Municipality's ability to administer infringements and enforce compliance.

The Municipality may therefore be held accountable by the public for service delivery outcomes over which it has limited operational control.

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STRATEGIC GOVERNANCE CONCERNS

Legal and Procedural Risks

The integrity of the AARTO process depends on strict compliance with legislated procedures relating to the issuing, delivery and administration of infringement notices.

Any inability to demonstrate proper service of notices may result in:

- Administrative appeals;
- Reviews of enforcement actions;
- Challenges to the validity of infringement notices;
- Delays in adjudication processes; and
- Potential reputational damage to the Municipality.

The operational challenges currently experienced by SAPO increase the risk of procedural non-compliance where registered mail remains a prescribed or preferred mechanism for the service of notices.

Impact on Municipal Law Enforcement Strategy

Traffic enforcement within Overstrand Municipality forms part of a broader law enforcement and public safety strategy aimed at reducing road fatalities, promoting compliance and supporting community safety.

Should AARTO implementation result in reduced municipal revenue retention while simultaneously increasing administrative obligations, the Municipality may be required to reassess:

- Resource allocation within Traffic Services;
- The deployment of law enforcement personnel;
- Investment in road safety programmes;
- Capital expenditure on enforcement technology; and
- Long-term operational sustainability.

The Municipality should therefore continue to engage through organised local government structures and national forums to advocate for a funding model that recognises the operational responsibilities borne by local government.