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SOUTH AFRICA **FORWARD**



SABOA CONFERENCE & EXHIBITION 2017

*Considerations to Regulate Cross-Border
Market Access*

25 May 2017

Improving the movement of people and goods





Presentation Outline

- **Background**
- **Regulatory Mandate of the Agency**
- **Applications Requirements**
- **Application Considerations**
- **Onus Bearing Considerations**
- **Market Access Regulation Model**

SADC: Southern Africa Development Community Countries



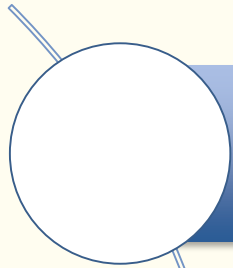


Background

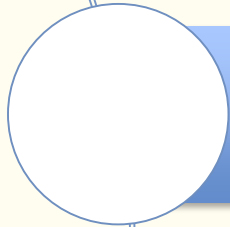
- It is vital for any transport regulator to ensure consistency in regulatory oversight within the road passenger service sector in order to -
 - Balance demand and supply of transport services;
 - Ensure fair competition;
 - Maintain adequate levels of safety and quality.
- Inadequate regulation will lead to unfair competition, operator rivalry, industry instability and poor levels of compliance and safety.



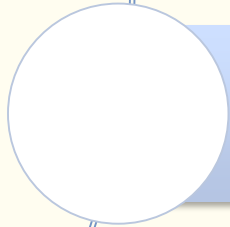
Regulatory Mandate of the Agency



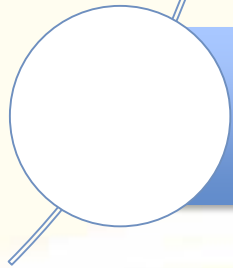
Mandate: To introduce regulated competition in respect of passenger road transport.



Outcomes: Improved safety, security, reliability, quality and efficiency of services.



Importance: Need to balance excessive versus restricted competition as both may undermine the legislative objectives.



Onus: Need for the service; ability to render the service safely and effectively and public interest.



Application Requirements

Requirements for passenger operators

- Certified copy of CIPC / identity document / passport / National Information System Number.
- An original or certified copy of Motor Vehicle License and Roadworthy Certificate
- Proof of ownership or lease
- Original or certified copy of a valid Tax Clearance Certificate
- Recommendation letter from the Association
- Ranking letter from Metro/Municipality/Local Authority
- Detailed Route Description

Additional requirements for bus operators

- Time Table
- Business Plan
- Heads of Argument



Application Considerations

- Compliance to NRTA*
- Valid tax clearance*
- Promotion of small business and HDI*
- Submission of consignment notes
- Law enforcement profile*
- Compliance to country specific requirements.

Section 27

- Submission of passenger lists
- Need for the service
- Ability to render the service
- Public interest
- Compliance to country specific requirements

Section 28

Regulation 2

- Copy of ID or business registration documents
- Copy of ID of person responsible vehicle fleet
- Valid vehicle roadworthy and clearance certificate

Section 17

- Applicant and or representative to appear before Regulatory Committee.



Onus Bearing Considerations

- The Act does not place the onus bearing considerations into any order of ascendancy.
- What kind of evidence will suffice will depend on the circumstances of each application.
- Mere oral submissions made by applicant's / legal representatives will rarely suffice, especially not in matters that are opposed.
- Where appropriate, documentary evidence must be provided and witnesses must be called to testify so that the evidence can be tested.
- The Regulatory Committee must consider all evidence, documentary or otherwise, that is placed before it.



Onus Bearing Considerations - Need

NEED FOR SERVICE

Applicants must prove that there is a need for the particular service that they wish to render taking into account the available transport facilities:

1. Adequacy of transport services offered by existing operators;
2. Availability of public transport facilities / infrastructure.

In order to establish a need evidence can be provided from ,inter alia:

1. Educationalists;
2. Sporting organizations;
3. Religious bodies;
4. Business and industry associations;
5. Tourism bodies; etc.

An applicant may also rely on –

1. Independent surveys, expert evidence and passenger-list data;
2. Other factors that may impact on need such as political circumstances and regional or neighbouring instability; and
3. any other circumstances indicating a need.



Onus Bearing Considerations - Ability

ABILITY TO RENDER THE SERVICE

An applicant can prove that he or she has the ability to provide a particular service safely and satisfactorily through the following:

1. The submission of a business plan demonstrating the financial viability of the proposed service and how it will be provided safely and effectively;
2. The applicant's experience in transport and related industries;
3. Proposed vehicles, staff and other relevant infra-structure and equipment that will be utilized;
4. Proposed maintenance regime of the vehicles to be used;
5. Current commitments;
6. Available resources;
7. The applicant's safety record; and
8. Testimonials from reliable and verifiable sources.



Onus Bearing Considerations – Public Interest

PUBLIC INTEREST

Disadvantages of lack of adequate competition are higher prices and reduced service levels.

Benefits of regulated competition:

1. Optimum utilization of scarce economic resources; and
2. Prevention of predatory pricing that could undermine the safety of passengers.

Applicant can present expert/factual evidence to show that–

1. Excessive prices are being charged by existing operators;
2. Service levels are inadequate and below standard; and
3. There is collusion between existing operators.



Market Access Regulation Model - Zimbabwe

SCENARIO PARAMETRES	VALUE	PROPOSED
Average speed (Bus = 80; Taxi = 100)	90	90
Border processing time	2 hours	2 hours
Modal split scenarios	50/50 60/40 70/30	50/50
Permit market share	40%	40%
Layover time (days)	2	2
Average capacity: Taxi	17	16
Average capacity: Bus	70	65
Number of working days	300	300



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