



DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



Department of Transport
KwaZulu-Natal
Umnyango Wezokuthutha

**PRESENTATION ON PUBLIC
TRANSPORT MATTERS TO THE
COMPETITION COMMISSION
JUNE 2018**

Prosperity through mobility



Contents of the Presentation

1. Purpose of the presentation
2. Establishment of PRE
3. Functions of PRE
4. Powers of PRE
5. Alignment to the Statement of Issues



Purpose of the presentation

- To give a brief outline of the functions of the Provincial Regulatory Entity
- To provide information to the Competition Commission on issues of public transport regulation in line with the Statement of Issues.



Establishment of PRE

- PRE is established in terms of section 23 & 24 of the National Land Transport Act 5 of 2009:

Establishment of Provincial Regulatory Entities

23. (1) Every MEC must establish a Provincial Regulatory Entity within the relevant provincial department, to perform the functions of that entity in the province.

(2) The Provincial Regulatory Entity must consist of dedicated officials of the provincial department appointed either on a full-time or part-time basis by virtue of their specialised knowledge, training or experience of public transport or related matters

and is accountable to the head of the provincial government.

(3) No serving member of Parliament or of a provincial legislature or councillor of a municipal council may be an official of the Provincial Regulatory Entity.

(4) No person contemplated in section 13 may be an official of the Provincial Regulatory Entity.



Functions of Provincial Regulatory Entities 5

24. (1) *Each Provincial Regulatory Entity must—*

(a) monitor and oversee public transport in the province;

(b) receive and decide on applications relating to operating licences for intra-provincial transport where no municipality exists to which the operating licence function has been assigned, but excluding applications that must be made to the National Public Transport Regulator in terms of section 21.

(2) As soon as possible after this section comes into operation, the MEC must take steps to disestablish the relevant operating licensing board and to establish the relevant Provincial Regulatory Entity and transfer that board's functions to the Provincial Regulatory Entity.

(3) Any application concerning an operating licence or conversion of a permit to an operating licence that is pending before a provincial operating licensing board on the date that this section comes into operation, must be finalised either by that board before it is disestablished or by the Provincial Regulatory Entity after it is established, in terms of this Act and directions given by the MEC.



Powers of PRE

Powers of Provincial Regulatory Entities

25. *(1) A Provincial Regulatory Entity may, in appropriate cases, make inquiries or hold hearings to enable it to perform its functions set out in section 24.*

(2) In dealing with any matter before it a Provincial Regulatory Entity must have the prescribed powers.



B. Busses

B. Busses:

B.1 The challenges experienced in the implementation of ITP is that there is lack of capacity from municipalities especially on issues of public transport planning.

- The limited funds also limit the drafting of these plans as consultants who can provide these charge for the services rendered and the budget allocations are not allowing for this to be implemented as municipalities prioritize other

projects



Busses

B.2 Recruitment of properly qualified municipality personnel who understand issues of public transport.

B.3 The main reason for objection is that routes applied for can have a common corridor where multiple public transport operators also have an interest.



Busses

B.4 Objections by bus operators are not common except where there is a common route and another public transport operator is also operating eg mini-bus taxi association.

- The majority of bus operations are contracted / subsidized in the Province.

B.5 Applications with objections can either be approved or declined. Objected applications are finalised within 90 days as requests for postponements by objectors also come into

effect



Busses

B.6 Currently PRE is dealing effectively with the objections in that once the objection has been submitted within the 21 days period the applicant is notified of the objection prior to the day of the open hearing.

B.7 Refer to Regulation 19 (4) of the NLTA read with Section 11 of the PAIA.



Mini – Bus Taxis

C.1 PRE is not obliged to approve routes that are operated illegally already. Before any new route is approved an assessment of the route is done by the directorate – in order to establish whether the route is not operated by other public transport operators as well as to determine if there is any potential conflict from granting of the route.

C.2 New routes are allocated after all due processes namely comments by the planning authority and approval by the adjudication



Mini-bus

C.3 The reason for the moratorium on new applications which has since been uplifted in June 2016 was due to the fact that the number of mini-bus taxis without operating licences was increasing at an alarming rate. Furthermore the recruitment of new members was also further saturating the industry.

- Even though there is no moratorium but access is controlled through associations and a policy decision between Santaco and the Department.



Mini-Bus

C.4 The Department has a Memorandum of Understanding with SANTACO.

- The regulation of public transport remains the competency of the Department.
- In addition the Department has embarked on a study to establish the economic viability of all public transport routes in the Province and also to determine the supply and demand.



Mini-Bus

C.5 Backlogs at PRE are caused by one of the following reasons:

- a. Municipalities do not respond to section 55 of the NLTA 5 of 2009 requests within 21 days.
- b. Municipalities do not have sufficient capacity to respond to issues related to Section 57 (2) and (3) if the NLTA 5 of 2009.



Mini-Bus

- c. Public Transport operators are compliant with Tax Clearance requirements noting that there is the new process of “pin” verification on the SARS website.
- d. Objections delay finalisation of applications due to requests for postponements by the objectors.
- e. Public transport operators also take the Department to High Courts in an effort to delay the PRE from finalising the applications.



D. Meter Taxi

D.1 E-hailing is addressed by the NLTA Bill which is in the processes through Provincial legislatures – but KZN Legislature has not yet been consulted we are waiting for the dates.



THANK YOU