

NOTICE 193 OF 2014**DEPARTMENT OF TRANSPORT****NATIONAL RAILWAY SAFETY REGULATOR ACT, 2002 (ACT NO. 16 OF 2002,
as amended)****DRAFT DETERMINATION OF SAFETY PERMIT FEES UNDER SECTION 23(2) (a)
OF THE NATIONAL RAILWAY SAFETY REGULATOR ACT, 2002 (The Act)**

I Dipuo Peters, Minister of Transport, hereby in terms of the powers vested in me, publish a draft determination of safety permit fees contained in the schedule, which fees the Railway Safety Regulator intends charging for safety permits and are intended to take effect from 01 April 2014 to 31 March 2015.

Interested persons are invited to submit written comments on the draft determination of safety permit fees based on the new model to the Director General, Department of Transport, within ten (10) working days from the date of publication of this notice to:

Mr Diapo Letsoalo
Email: LetsoalD@dot.gov.za
Tel: 012 309 3852
Fax: 0866547646
Department of Transport
Private Bag X193
PRETORIA
0001

Ms Yvonne Ngobeni
Email: NgobeniY@dot.gov.za
Tel: 012 309 3149
Fax: 0866547646
Department of Transport
Private Bag X193
PRETORIA
0001

Hand delivery:

Department of Transport
Forum Building
Cor Struben & Bosman Streets
PRETORIA

SCHEDULE

ANNUAL SAFETY PERMIT FEES, PREMISED ON THE MIXED REVENUE-BASED AND ACTIVITY- AND RATE-ADJUSTED MODEL APPROACH, TO BE PAID BY OPERATORS TO THE RAILWAY SAFETY REGULATOR WITH EFFECT FROM 01 APRIL 2014 TO 31 MARCH 2015

Section A: GENERAL FEES

1.	Application Fee	R 2 500 .00
2.	Temporary Safety Permit Fee	R 9 000 .00
3.	Construction Train Safety Permit Fee	R 20 000 .00
4.	Test and Commissioning Safety Permit Fee	R 30 000 .00

Section B: PERMIT FEES FOR NON-REVENUE GENERATING OPERATIONS

Operator Category	Rail Operations	Unit	Fee Rate
Train	*Running Lines for General Freight/Goods	Annual Tons x Kilometres	0.0075270248
	*Running Lines for Dangerous Freight/ Goods	Annual Tons x Kilometres	0.0148939506
	Running Lines for Tourist Passengers	Flat rate (CPI increase)	R 6 996 .00
	Running lines for commuter passengers	Flat rate (CPI increase)	R 6 996 .00
	*Private Siding Lines for General Freight/Goods	Annual Tons x Kilometres	0.0000383964
	Private siding lines for dangerous freight/ goods	Flat rate (CPI increase)	R 6 996 .00
	Private Siding Lines for Tourist Passengers	Flat rate (CPI increase)	R 6 996 .00
Network	*Running Lines for Cape Gauge	Rate x Kilometres	39858.41797
	*Siding Lines Cape Gauge	Rate x Kilometres	56.60865267
	Running lines for standard gauge	Flat rate (CPI increase)	R 6 996 .00
	Siding lines for standard gauge	Flat rate (CPI increase)	R 6 996 .00
Station	*On and off boarding sites/ zones for passengers	Rate x number of stations	262.4100000

*Formula to calculate Permit Fee Contribution (Rands): [Unit] x [Fee Rate]

Section C: PERMIT FEE RATES FOR REVENUE GENERATING OPERATIONS

OPERATOR GROUP	BAND	PERMIT FEE PAYABLE (Proportionate revenue distribution)
GROUP A	Dangerous goods > 50 000t General goods > 500 000t All passengers	$W = (Y-U-V) * X/Z$
GROUP B	Dangerous goods < 50 000t 200 000 < general goods < 500 000 All tourists	Range (0.02% - 0.1% of revenue)
GROUP C	General goods < 200 000t	Flat rate CPI (R 6 996 .00)

Legend:

- W:** amount payable by a Group A railway operator;
Y: R 70 million (total revenue required by the Railway Safety Regulator)
U: R 445 228 .18 (sum of all Group C operator fees)
V: R 1 135 200 .00 (sum of all Group B operator fees)
X: Operator's own revenue; and
Z: R 23 199 812 740 .00 (total relevant turnover of all Group A operators).

NB: These proposed annual safety permit fees are based on a preferred safety permit fees model work-shopped with the rail industry by the Railway Safety Regulator and the Department of Transport and recommended by the Railway Safety Regulator to the Minister of Transport.

Section D: FEE RATES FOR CAPITAL WORKS/ NEW WORKS

The Railway Safety Regulator will levy fees per project where the project meets any of the following criteria:

1. Capital/New Works Application Fee R 4 000,00
2. Level 1 Project with value less than R1 million R 4 000,00

Level	Project value [m R]	Project duration (D) [years]	Life cycle phases involved	No. of railway disciplines involved	Fee	
					Minimum	Maximum
2	1 < Value ≤ 5	D ≤ 1	≤ 2	1-2	8 000	13 000
3	5 < Value ≤ 10	1 < D ≤ 2	3 – 4	3	53 000	109 000
4	10 < Value ≤ 100	2 < D ≤ 3	> 4 - 5	4-6	371 000	914 000
5	Value > 100	D > 3yrs	All	All	2 622 000	7 717 000

Each level is defined as:

Level	Scope & impact of new technology and/or changes	Description/ Content
1	Minor	Special trains and projects
2	Low	Basic tests, process/ procedural changes such as train configuration change tests, extension of sidings, maintenance facility changes. <u>Duration ≤ 1 year</u>
3	Moderate	Design & establishment, test and commissioning of singular disciplinary or moderately complex systems, mining railway systems. <u>1 < Duration ≤ 2 years</u>
4	High	Design & establishment, test and commissioning of multidisciplinary systems or systems of significant complexity such as, rolling stock and / or infrastructure fleet renewal, etc. <u>2 < Duration ≤ 3 years</u>
5	Major	Large capital works projects, capacity expansion, ore line, etc <u>Duration > 3 years</u>

Section E: HOURLY RATES FOR SERVICES RENDERED

Category	Position	Amount
A. Inspectors	1. Principal Inspector	R 1150 .00
	2. Senior Inspector	R 950 .00
	3. Inspector	R 750 .00
	4. Junior Inspector	R 500 .00
B. Engineers	5. Principal Engineer	R 1150 .00
	6. Senior Engineer	R 950 .00
	7. Engineer	R 750 .00

GUIDANCE ON THE INTERPRETATION OF THE SCHEDULE

1. The schedule reflects the annual safety permit fees applicable to different types of permits as provided for in S.28(a) of the Act. Safety Permit Fees are exempted from VAT as the Regulator is a Schedule 3A Entity in terms of the Public Finance Management Act.
2. Application fees (*Point 1 in Section A of the Notice*) are payable when any type of safety permit is applied for. This is charged only on application.
3. Temporary safety permit fees (*Point 2 in Section A of the Notice*) are payable when an operator is about to be issued with a temporary safety permit, valid for 6 months. These fees are only charged when the permit is issued, not on an annual basis.
4. All revenue generating operators conducting or commencing normal rail operations are issued with either a Group A, Group B or Group C safety permit. Group A, B and C safety permit fees are charged prior to the issuing of a safety permit when applied for.
- 4.1. The following formula is used to determine the Safety Permit fees for Group A revenue generating operators (*refer to the Legend in Section C in the Notice to calculate the variables*):

$$\text{Group A Safety Permit Fee (W)} = (Y - U - V) * X / Z$$

5. All train, network and/or station non-revenue generating operators conducting or commencing normal rail operations are issued with train, network and/or station safety permits. Train, network and/or station safety permit fees are charged prior to the issuing of a safety permit when applied for as well as on an annual basis when new permits are required to be renewed.
- 5.1. The following formula is used to determine the Safety Permit fees for train, network and/or station non-revenue generating operators (*refer to Section B in the Notice to calculate the [Unit]*):

$$\text{Safety Permit Fee (R)} = [\text{Unit}] \times [\text{Fee Rate}]$$

6. No operator will pay less than what they are currently paying + CPI increase. In addition, no operator will pay less than the basic minimum fee + the CPI increase. For 2014/15, the basic minimum fee + annual CPI is R 6 996 .00.
7. All safety permit fee increases will not exceed a maximum of 140%.
8. All operators are required to, within thirty working days (30), provide the Railway Safety Regulator with all applicable data to ensure that the Regulator conduct audits for calculations of operator levies and ensure accuracy and validity of information reported.
9. All safety permits are valid for twelve (12) months only.

~ End ~