

BRIEFING BY THE NRCS TO THE SUBCOMMITTEE OF THE PORTFOLIO COMMITTEE ON TRANSPORT ON THE PUBLIC PROTECTOR REPORT No. 37 OF 2018-19

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Chief Executive Officer
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NRCS Delegation

- ❑ Mr. Edward Mamadise
 - ❑ Chief Executive Officer

- ❑ Ms Abigail Thulare
 - ❑ Chief Operations Officer

- ❑ Mr Duncan Mutengwe
 - ❑ General Manager Automotive

- ❑ Mr Edward Matemba
 - ❑ Manager Strategy & Risk

Scope of Presentation

- Purpose
- Strategic Overview of the NRCS
 - Legislative mandate
 - Regulated industries

- NRCS Act
- Powers of the Inspectors
- Mandate of the NRCS
- Approval of Motor vehicles
- Conversion of Panel Vans

Purpose

To brief the Subcommittee of the Portfolio Committee on Transport on the Public Protector Report No. 37 OF 2018-19 on a systemic investigation into allegations of illegal conversion of goods-carrying Toyota Quantum panel vans into passenger-carrying mini bus taxis to transport members of the public for reward by the DTI, NRCS and SABS.

Legislative Mandate

Mandate of the NRCS is derived from the following Acts.

**National Regulator for Compulsory Specifications Act
(Act No. 5 of 2008 as amended)**

**Legal Metrology Act
(Act No. 9 of 2014)**

The National Road Traffic Act, Act No. 93 of 1996 as amended

**National Building Regulations and Building Standards Act
(Act No. 103 of 1977)**

**The Foodstuffs, Cosmetics and Disinfectants Act
(Act 54 of 1972)**

Industries regulated by NRCS

| Industry Sector | Product regulated / Service rendered |
|--------------------------------------|---|
| Automotive | Vehicles, Replacements components, Manufactures Importers and Builders |
| Chemicals, Materials and Mechanicals | Cement, chemicals, detergents, Personal protective equipment, safety shoes, building materials, treated timber, plastic bags, solar water heaters, plumbing equipment |
| Electro-technical | Electrical appliances and products, Electronic appliances and products |
| Food and Associated | Fishery products, canned meat and processed meat additional mandate - new VC effective from 8 October 2019 |
| Legal Metrology | Calibration of measuring instruments, weights, measures and gaming equipment |
| Building Regulations | Ensure uniform interpretation of National Building Regulations and Standards Act, administer review Board |



NRCS Mandate



Objects of the NRCS Act

- Make recommendations to the Minister of trade and industry with regards to compulsory specifications,
- Administration and maintenance of compulsory specifications,
- Implementation of the regulatory and compliance systems,
- Carry out market surveillance activities to monitor compliance with compulsory specifications
- Enforce compliance with compulsory specifications

Powers of Inspectors Section 17 of the NRCS Act

- An appointed inspector **may** at any reasonable time and without prior notice enter any premises, other than a private dwelling, in or upon which-
 - (a) an article in respect of which there is a compulsory specification is
 - (i) manufactured or sold;
 - (ii) stored or used in the course of any business; or (iii) stored for any purpose in connection with the import or export of the commodity or product;
 - (b) any manufacture, sale, use or storage is **reasonably suspected**;

NRCS Mandate within Automotive

- NRCS is appointed as an Inspectorate for Manufacturers, Importers and Builders of Motor vehicles (MIBs) in terms of the National Road Traffic Act, 93 of 1996 (NRTA)
- Duties include, inter alia:
 - Evaluate and **recommend** MIBs applicants for registration with the Department Of Transport
 - Inspections of registered MIBs at least once a year
 - Recommend for suspension and cancellation of registered MIBs that do not comply with legislation
 - Issue **Model numbers** (Natis model number) to vehicle models being manufactured, Built or Imported if they comply with all relevant legislation
 - Issue **certificate of compliance** for minibus and minibus models approved for operating for reward (Operating in terms National Land and Transition Act)
 - Issue a Letter of Authority for vehicles manufactured, imported or built for private use (MIBs not required to be registered in terms of NRTA)

Panel Vans Conversion



Summarised Findings of the Public Protector

- NRCS failed to take effective and efficient measures to ensure that all MIBs comply with the compulsory specifications as envisaged by the NRCS Act in order to restrict the illegal conversion of goods carrying Toyota Quantum panel vans into passenger carrying minibus taxis. The NRCS also failed to take steps to stop the practice of illegally converting Toyota Quantum Panel vans by Manufacturers, Importers and Builders of motor vehicles (MIBs), the practice which Toyota South Africa Motors has disapproved as a manufacturer of these vehicles. The finding concludes that the NRCS should have implemented section 17 of the NRCS Act to inspect, search and seize the practice of illegal conversion of the Toyota Quantum Panel Vans.
- There was however no remedial action identified by the Public Protector in relation to these findings

Approval of motor vehicles

- All motor vehicles covered by a compulsory specification (VC) shall be manufactured in accordance with that VC
- MIBs shall have their motor vehicles approved by NRCS before registration on national information traffic system (Natis)
- Approved motor vehicle models shall be issued with a homologation/compliance certificate and a Natis model number which allow registration of individual vehicles under the model so approved.
- Minibuses are covered under VC 8023 which specifies minimum safety requirements for passenger carrying vehicles with total carrying capacity of more than 9 persons including the driver, categorized as M2 motor vehicles
- Ongoing compliance is monitored through market surveillance inspections activities

Panel van conversion Compliance Tests requirements

- Evidence of Compliance Required – Test requirements:
 - The converter must conduct tests as required in terms of VC 8023 before making an application for approval
 - Additional safety tests to be conducted:
 - Strength of seats and seat anchorages
 - Restraining devices - Safety belts
 - Strength of Superstructure – Roll-over protection device
 - Braking system – Type II test.
 - Safety glass fitted for windows
 - NRCS then verifies:
 - Seat arrangements and dimensions
 - Load distribution calculations
 - Emergency exits and their dimensions

Panel van conversion Approval Process

- NRCS Approves/Homologates vehicles by issuing the Model/NATIS number to be used for registration.
 - Vehicles are approved on confirmation that they comply to VC8023
- What process does NRCS go through to confirm compliance?
 - MIB submits sample vehicle to the NRCS for inspection.
 - NRCS evaluates all the test reports in relation to the tests done on the vehicle.
 - If the NRCS is satisfied with the compliance documents, the vehicle conversion is approved and approval documents are issued to the MIB.
 - The NATIS/Model numbers are then issued on approval

Panel van conversion Unregistered MIB

- ▶ What powers does the NRCS have in an instance where the conversion of a motor vehicle do not meet the required specifications or where an MIB is not registered to do a conversion of that specific model of a vehicle.
 - ▶ According to the NRCS Act, we have the right to withdraw certificates issued should the approved vehicle models deviate from these requirements. We also recommend to DoT to “Admin Mark” the vehicle, that making it impossible for any transaction to be done on the vehicle.
 - ▶ In cases where the MIB are not registered, NRCS always recommend that they register in order to be able to introduce vehicles legally into the system.

Remedial Action

- Remedial action as per paragraph 8.3 of the report is for the Minister of the dtic to take urgent and effective steps to harness and foster good, effective and efficient working relationships between NRCS and SABS. The NRCS proactively concluded an MOU with the SABS on 29 October 2019. The purpose being to:
 - Strengthen relationship between the NRCS and SABS.
 - Establish the manner in which parties interact with each other in dealing with matters of mutual interest pertaining to services offered by each other and information sharing
- Strengthen relationship between NRCS and DOT through renewal of the MOU that seek to set out roles and responsibilities of each party and promote ongoing engagement through meetings where exchange of information of mutual benefit will take place.
- NRCS issues a Taxi Recapitalization Project (TRP) Certificate to all compliant vehicle models to be used as Taxis. A list of these models is issued to DoT and other stakeholders whenever there is an update.
- DoT will only register vehicles whose Natis number are listed on the (TRP) List as Taxis. If the vehicle model is not listed, it cannot be registered as a Taxi.

Panel van conversion control measures

- Despite the challenge of NRCS being at the source where conversions of each individual panel van take place, the NRCS has implemented the following interim control measures:
 - Any registered MIB converting a panel van must first obtain support in the form of homologation support documents from the original equipment manufacturer (OEM),
 - Enforce the prohibition of conversion of panel vans to Taxis by non-registered MIBs as stipulated in the NRTA Regulations (Regulation 44 (dC)). No LOA shall be issued for a minibus Taxi converted from a panel van by an unregistered MIB
 - All registered MIBs identified as specializing in the conversions of panel vans are now classified as High Risk, which implies high inspection frequency and effort to ensure ongoing compliance as per NRTA Reg. 44.

Thank You