



## **NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL**

---

### **DRAFT TERMS OF REFERENCE**

#### **MOVEMENT OF FREIGHT FROM ROAD TO RAIL IN THE AGRICULTURE SECTOR**

##### **1. INTRODUCTION**

- 1.1. In 2018, the Presidential Job Summit was convened with the intention to address the triple challenges of poverty, unemployment and inequality. This process would specifically identify solutions to job retention and identify job creation blockages and opportunities for Social Partners (Government, Business, Labour, and Community) to stimulate greater levels of participation in the economy. Arising from the Job Summit, it was agreed that a committee on road to rail would be established.
- 1.2. Development Chamber agreed to consider research proposals arising from the Job Summit on the “movement of goods from road to rail”. As the Business’ argument in the Chamber was there was no adequate knowledge available in the public domain on the matter, to enable decisions on viability of sidings to be made. Most road freight information that could feasibly be moved to rail resides with different companies and that it was not easily accessible.
- 1.3. The Development Chamber agreed to identify the gaps that exist on the extensive work that has been commissioned by various Government departments and public entities.
- 1.4. Given the limited resources and the allocated budget, the research should focus on the movement of freight from road to rail within the context of the agricultural sector as this represents the biggest opportunity to move bulk freight off the roads and the sector has indicated a willingness to cooperate.

## **2. THE KEY QUESTIONS FOR INVESTIGATION**

- 2.1. Location of nodes and hubs in the industry, where bulk freight is collected, stored and moved to processing facilities or hubs.
- 2.2. Assessment of the identified branchlines and municipal sidings conditions.
- 2.3. Assessment of commercial impediments to enable road to rail shift (i.e. road logistics cost vs rail logistics tariffs/costs).
- 2.4. Upfront volume of industry and expansion plans.
- 2.5. Investigate immediate available capacity from Transnet.
- 2.6. Potential for job creation or retention on the agricultural sector with potential of creating entrepreneurships.
- 2.7. How would this increase RSA export competitiveness.
- 2.8. Construct scenarios outlining the most plausible branchlines to invest.

## **3. RESEARCH METHODOLOGY AND DELIVERABLES**

- 3.1. The researcher/s will be expected to
  - 3.1.1. Researchers to take note of the outcomes the 2018 Presidential Job Summit.
  - 3.1.2. Liaise with specific agricultural representatives, research institutions or information service providers to obtain relevant information in terms of commodity-specific freight volumes, destinations, routes, needs and required outcomes.
  - 3.1.3. Ensure the confidentiality of all information obtained from industry.
  - 3.1.4. Construct scenarios to inform the most effective utilization of resources.

#### **4. RESEARCH BUDGET**

- 4.1. The total research budget available is R400, 000. The budget is inclusive of travel and other logistical costs of the researchers attending the Nedlac briefing meetings. These costs should be factored into the research proposal.

#### **5. TIMEFRAME**

- 5.1. The research period is five months inclusive. The work should commence in October 2019 and must be completed end February 2020.
- 5.2. The researcher/s will be expected to provide/present the following to the reference group:
  - 5.2.1. Initial report (framework of the research) in October 2019;
  - 5.2.2. Mid- way research report early December 2019; and
  - 5.2.3. Final report by the end of February 2020.

#### **6. APPROVAL PROCESS FOR THE RESEARCH DRAFT TERMS OF REFERENCE AND FINAL RESEARCH REPORT**

- 6.1. The Research Reference Group should first consider and sign-off on the draft terms of reference, thereafter the same must be submitted to the Chamber Convenors or Development Chamber whichever one comes first for ratification;
- 6.2. The final research report must be submitted to the Chamber Convenors or Development Chamber whichever one comes first for approval.