

Presentation of the
2017/18
SABOA ANNUAL REPORT TO
COUNCIL AND THE AGM

18 July 2018

Overview of presentation

- SABOA Strategic focus
- Management committees of SABOA
- Specific matters dealt with during 2017/18
 - Policy issues
 - Public transport
 - SABOA Committees
 - Road Transport Management System
 - Driver training academy for the Bus Industry
 - Market Enquiry into Public Transport by the Competition Commission
 - Taxi Intimidation
 - Empowerment of SMME Members of SABOA

Overview of presentation

- Training
- BRTs
- Cross-border issues
- SABOA short term insurance scheme
- SABOA Bus Indabas
- Alignment of the Bus Sector Charter to the Amended Codes of Good Practice
- Wage negotiations
- Conference and Exhibition/Gala dinner function
- World Bank
- SABOA initiatives
- Comments on policy/legislation/SABS reports

Overview of presentation

- Liaison with stakeholders
 - External committees/meetings
 - SABOA services/benefits
 - New members
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- SABOA Magazine/Newsletter
 - Report from the Auditor to the Members of SABOA
 - Personnel

SABOA Strategic focus

SABOA Vision

- SABOA is the credible voice of an inclusive, efficient, sustainable and transforming bus industry

SABOA Mission

- To play a pivotal role in representing the interests of its members in building a sustainable integrated transport system through safe, reliable and affordable bus and coach services valued by our stakeholders

SABOA Strategic focus

Internal values

- Respect
- Fairness
- Honesty
- Service
- Quality
- Empathy
- Patience
- Consistency

Brand values

- Informed
- Committed
- Driven

Council members of SABOA

Elected Members: Category A (1-30 buses)

Messrs S Maharaj	Maphumulo Mail Service (Vice-President)
M D Sambo	Sambo Express
J Vanqa	Vaal Maseru Bus Service
J Mayegiso	Mayegiso Bus Service
R S Nche	City Road Trans Service
N Dollie	Overland Tours
T Lebitsa	Hlakanang Bus Company
C Bailey	Bailey's Bus Service
D I Ngcobo	Ngotshana Transport
Ms I Mncwango	Gauteng Women in Transport

Council members of SABOA

Elected Members: Category B (30+ buses)

Messrs	A Sefala	Ipelegeng (President)
	A R Komane	NTI
	M H Heyns	Putco
	F E Meyer	Golden Arrow Bus Service
	T Murugan	South Coast Bus Service
	D Masango	Thembalethu Bus Service
	D Gwabeni	Mayebuye Transport Corporation
	C Ramathe	Maluti Transport
	E Motshwane	Piotrans
	Vacant	North West Province

Associate members

Associate Members

Mr R Karshagen

Iveco

Ms K Bell

Standard Bank Vehicle Asset & Finance

Executive Committee (2017/18)

Messrs	A Sefala	Ipelegeng Transport Trust (President)
	S Maharaj	Maphumulo Mail Service (Vice-President)
	A R Komane	NTI
	J Vanqa	Vaal Maseru Bus Company
	M H Heyns	Putco
	F E Meyer	Golden Arrow Bus Service
	R S Nche	City Road Trans Service
	Ms I Mncwango	GWIT

Council/EXCO/General Meetings 2017/18

26 January 2017	Special EXCO meeting
26 January 2017	EXCO/Council meeting
30 March 2017	EXCO meeting
24 May 2017	EXCO/Council/AGM
27 July 2017	EXCO meeting
28 Sept 2017	EXCO/Council meeting
16 Nov 2017	EXCO meeting
25 January 2018	EXCO/Council meeting

Policy issues

- **Review of the White Paper on National Transport Policy**
 - Process has been ongoing since 2016
 - Public consultation workshops in March/April 2018
 - **Written comments submitted from SABOA, including the following:**
 - The draft White Paper **does not provide a visionary view to develop the transport sector over the next 20 years;**
 - Does not focus on the impact of the **4th Industrial revolution and its impact on the transport sector;**
 - It does not take account of the **pace of urbanization in Africa** and how to address mobility in increasingly urbanized communities;
 - The draft White Paper is **silent on how government intends optimizing and prioritizing the future provision of public transport;**
 - The draft White Paper is **silent on road safety;**
 - The draft White Paper is **silent on the importance of tourism and tourist transport** and how it will be encouraged to grow and expand over the next 20 years;
 - Although the **empowerment of disadvantaged operators is a strategic objective in the draft White Paper, a policy statement to this effect needs to be included.**

Policy issues

- **Public Transport Turnaround Plan**

- The DoT has been compiling a **Public Transport Turnaround Plan** since 2016.
- The following areas are being covered:
 - **Subsidised scholar transport and community services in rural areas should be addressed;**
 - **Public transport needs to be designed and managed as an integrated network (bus, rail and taxi), not as isolated modes of transport** which is currently the case in South Africa. Such integration will make it easier to align funding;
 - In light of lessons learnt in the past 7 years, **IPTN components should be scaled down** as a result of their high costs and consideration should be given to providing quality integrated public transport;
 - **It is necessary to adopt a different strategy in order to determine appropriate solutions for different public transport challenges in each area;**
 - **Funding for public transport needs to be revived to mitigate fragmentation**

Policy issues

- **Subsidised Scholar Transport in North West and Mpumalanga**

- Number of engagements with provincial departments about tenders and tender processes
- Meetings with operators

- **Tourist transport**

- Applications for interprovincial services for buses and taxis must still be made to the relevant Provincial Regulatory Entities (PRE's) until such time that the Minister of Transport publishes a notice in the government gazette giving notice that the NPTR will commence undertaking this function.
- In view of the fact that many tourist transport operators are also involved in interprovincial transport, we wish to encourage the Department of Transport to allocate the function of interprovincial transport applications to the NPTR as soon as possible.

SABOA Committees

Technical/Operational committee activities

- The Technical Committee and the Operations Committee held joint meetings as follows:
 - 24 May 2017 CSIR International Convention Centre
 - 16 August 2017 Premier Hotel Kempton Park
- Separate meetings were held as follows:
 - Technical: 21 February 2018 and 16 May 2018
 - Operations: 7 February 2018

Joint meetings' agenda items discussed

Technical Committee Issues

- Vehicle license fees;
- Permits for bi-articulate buses;
- Separation of vehicle license disc and roadworthiness disc;
- Road Traffic Regulation amendments;
- RTMS/PBS;
- Various speakers on topical issues

Operations Committee Issues

- Driver database;
- Driver training academy;
- Pensioners on buses;
- Fare collection system;
- Turnaround strategy for public transport;
- Expiry dates on tickets;
- BRT developments

Separate meetings' agenda items discussed

Technical Committee Issues

- CNG buses;
- Low floor city buses;
- Electric buses;
- Controlled entry through turnstiles and tap-on/tap-off;
- Rear axle weight limits for buses;
- Rollover protection for buses;
- Emission standards;
- Industry terminology guide;
- Bi-articulated vehicle permits;
- SANAS certification processes.

Operations Committee Issues

- Hosting the DoT and discussing and commenting on the DoTs Public Transport Safety Plan

Road Transport Management System (RTMS)

- In view of the importance of road safety for the industry, the National Council of **SABOA** resolved to adopt the **Road Transport Management System (RTMS)** and to encourage its members to apply for the accreditation of the RTMS system.
- RTMS is an industry-led, government supported, voluntary, self-regulation scheme that encourages road transport operators to implement a management system (SANS 10399:2012) with outcomes that improve road safety.
- A number of workshops were held in 2017 in various provinces to promote the RTMS system and to elaborate on the benefits for operators who are accredited. **Workshops have again been arranged in 2018.**
- **SABOA** wishes to encourage its members to consider applying for RTMS accreditation as it has distinct benefits for operators and improves road safety

Driver Training Academy for the Bus Industry

- **As was reported in the 2015/16 Annual Report, the National Executive Committee of SABOA resolved in July 2015 to establish a Driver Training Academy for the bus and coach industry in South Africa.**
- **A Steering Committee was established** to undertake some of the tasks required for the establishment of the Driver Training Academy. **The following objectives have been identified by the Steering Committee:**
 - To meaningfully contribute to reduce road fatalities
 - To make a better trained driver available to the market
 - To standardize and achieve an international standard of driver training in the industry

Driver Training Academy for the Bus Industry

- To make the driver qualification nationally respected amongst all employers
- To establish and maintain a database of qualified / disqualified drivers
- To address gender equity challenges in the industry
- To make high quality driver training available to SMME bus operators
- To set a nationally accepted standard for all driver training
- To accredit existing training academies /centres (not to establish a new national academy)
- To promote continuous training and re-training of drivers

Driver Training Academy for the Bus Industry

- **In order to expedite the establishing of the Driver Training Academy, the Executive Committee approved of the following way forward:**
 - **A business plan is to be compiled** which will be used to obtain funding for the establishment of the Driver Training Academy
 - **A “request for proposal” process will be followed to appoint a knowledgeable person to compile the business plan**
 - **Once the business plan is available, identified companies will be visited to secure funding for the Driver Training Academy**
- **A request for proposals process was followed but proved to be unaffordable for the Association.**
- **Consequently the scope and TOR were amended and a new request for proposals issued. This process is currently underway**

Market Inquiry into Public Transport by the Competition Commission

- The Competition Commission announced an inquiry into public passenger transport in Government Gazette no 40837 of 10 May 2017.
- The Market Inquiry commenced on 07 June 2017 and is expected to take two years to complete.
- The market inquiry covers the following issues:
 - Price setting mechanisms
 - Price regulation
 - Route allocation, licensing and entry requirements
 - Allocation of operational subsidies
 - Transport planning
 - Transformation in the land-based public transport industry

Market Inquiry into Public Transport by the Competition Commission

- The Competition Commission issued a **“Call for Submissions” on 13 July 2017** and **SABOA resolved to prepare a submission**
- In view of the complex nature of the submission and in order to ensure that SABOA followed the correct approach in compiling the submission, **the National Executive Committee further resolved that a law firm that is well-acquainted with the modus operandi of the Competition Commission be appointed to guide SABOA** in compiling the submission to the Commission.

Market Inquiry into Public Transport by the Competition Commission

- In order to limit legal costs, **the submission was be drafted by SABOA and edited by Bowmans Attorneys.**
- SABOA submitted its submission on 22 September 2017.
- In April 2018 the Competition Commission issued a further request for submissions to obtain clarity about issues in the first round of submissions.
- **SABOA again submitted a submission and also made a presentation at one of the Competition Commission's public hearings on 06 June 2018.**

Taxi intimidation against the industry

- In the 2016/17 Annual Report I elaborated extensively on all the **steps that SABOA had taken to address taxi intimidation.**
- In 2017 SABOA continued with its efforts to have the intimidation of bus operators by taxi operators addressed. These efforts included inter alia the following:
 - Again raising the matter with one of the previous Minister's of Transport, Ms Peters;
 - In April 2017 Ms Peters was replaced by Mr Maswanganyi and SABOA requested a meeting with Minister Maswanganyi to discuss taxi intimidation and other pertinent issues in the industry;
 - A meeting was held with Minister Maswanganyi on 12 December 2017 during which the Minister confirmed that he was prepared to deal with taxi intimidation.
 - Shortly after this meeting Minister Maswanganyi was replaced by Dr Nzimande;

Taxi intimidation against the industry

- SABOA requested a meeting with Minister Nzimande and are awaiting a date for the meeting;
- Referring the matter to the Public Protector. The Public Protector declined to investigate the matter as it fell outside the scope of their mandate;
- SABOA brought the taxi intimidation to the attention of the previous State President and his office referred the matter to the Minister of Transport, Mr Maswanganyi;
- SABOA informed all the major political parties of the taxi intimidation and requested their support in having it addressed.

Empowerment of SMME members of SABOA

SABOA fully supports the empowerment of SMME bus operators and this is evidenced by the following:

- **The SABOA constitution was amended in 2003 to give effect to this view.**
- **An Empowerment Committee consisting of Council members was appointed and provision is made in the SABOA budget to cover the travel and accommodation costs of Empowerment Committee members when they visit provincial governments and established operators in the provinces to promote the empowerment of SMME's or to discuss empowerment initiatives.**

Empowerment of SMME members of SABOA

- In order to enhance the empowerment of SMME's the SABOA Council resolved in September 2017 to:
 - Rename the Empowerment Committee the National Empowerment Committee; and
 - Appoint Provincial Empowerment Committees with the following terms of reference:
 - To identify, research, and facilitate business opportunities for SMME members in Branches;
 - To provide guidance to members regarding business opportunities;
 - To meet on a regular basis. Provincial Empowerment Committee meetings must preferably coincide with Branch meetings in order to save costs;
 - To seek guidance, advice and support from the National Empowerment Committee as and when required;
 - Minutes of meetings must be compiled;
 - To report to the National Empowerment Committee on progress made.

Training activities

- **The following training programmes were presented over the last two financial years with funding from the TETA:**
 - Advanced scheduling (skills programme)
 - RPL National Certificate: Professional Driving (learnership)
 - FET Certificate: Road Transport Supervision (learnership)
- SABOA wishes to thank TETA for its continued commitment to the training of SMMEs in the bus industry as well as Learncorp for training that they conduct on behalf of SABOA
- In 2018 a skills programme in Transport Management will be presented by LearnCorp
- **Road Passenger Transport Management Programme**
330 students enrolled for the UJ programme in 2017

Bus Rapid Transit Systems

- **SABOA has stated repeatedly that it is in favour of Bus Rapid Transit (BRT) systems** as part of an urban transport solution in South Africa.
- These systems are being developed in many of the metropolitan areas in the country.
- **It is also SABOA's view that BRT systems are appropriate for many urban areas although it could differ from metropolitan area to metropolitan area depending on the operating circumstances and requirements, level of funding that is available etc.**
- **Metropolitan Councils should however ensure that proper viability impact studies are undertaken to determine the need for a BRT system or whether existing public transport systems should be improved .**
- **BRT systems will need continued financial support due to low population density and relatively high operating costs.**

Bus Rapid Transit Systems

- **SMME bus operators are however excluded from participating in these systems as they are not regarded as “affected operators.”**
- It is SABOA’s view that their exclusion is the result of a narrow interpretation of section 41 of the National Land Transport Act (NLTA) by the Cities.
- **The narrow interpretation relates to the fact that Cities only consider operators who operate route-based services on the routes intended for BRT services whilst section 41 of the NLTA refers to operators operating in the area under the jurisdiction of the City.**
- **SABOA has submitted a proposal to the National Department of Transport to amend section 41 of the NLTA to ensure that there is no room for misinterpretation.**
- A SABOA proposal for the inclusion of SMME bus operators is being discussed between the DoT and the Cities – this process ought to conclude by the end of July 2018 where after the DoT will report back to SABOA

Cross-border matters

- Bilateral agreements which regulate cross-border transport exist between South Africa and Zimbabwe, Zambia, Mozambique, Malawi, Botswana and Swaziland and a number of committees have been established by the Cross-Border Road Transport Agency to:
 - monitor carriers on the routes;
 - promote efficient law enforcement on the routes;
 - exchange information pertaining to the routes;
 - determine passenger transport needs;
 - execute such other functions as may be determined by the committees
- **SABOA is represented on these committees.**

Cross-border matters

- During 2017 SABOA again raised pertinent issues which had been outstanding for some time. These issues relate to the following:
 - **The bus industry should form the backbone** of the cross-border industry and not the taxi industry
 - **The C-BRTA needs to find a scientific methodology to regulate market access.** This will assist in avoiding the overtrading of routes as is currently the case in the cross-border taxi industry;
 - **The Lesotho border** issue which involves taxi operators from South Africa and Lesotho and which also affects bus services from the area are being investigated by a ministerial task team. The indication from the C-BRTA is that they are busy compiling a bilateral agreement which will hopefully normalise services to and from Lesotho;
 - **SABOA commented on the C-BRTA's proposed policy reform document** which addressed the possibility of introducing restrictions on the distances that the different modes may travel in order to enhance safety;
 - **SABOA commented on the C-BRTA's dual permit policy;**
 - **SABOA also commented on the C-BRTA's application for an increase in permit fees.**

SABOA Short-term Insurance Scheme

- The Scheme that was awarded to **Ibiliti Underwriting Managers on 01 December 2014 for a period of 5 years**
- One of the biggest benefits to our SMME members who have 30 or fewer buses is that if they join the Scheme they get membership of SABOA free of charge.
- The Scheme is however not limited to SMME members. It provides cover for large operators as well and packages to suit the needs of large operators can be structured.
- SABOA would like to invite its members who are not on the Scheme to consider requesting a free no-obligation quotation from the Scheme as this could be to your benefit.

SABOA Bus Indabas

- Purpose is to inform members of the developments in the bus industry.
- Bus Indabas were held in 2017 throughout the country.
- **A decision was also taken by the SABOA National Council in January 2016 that provincial strategic planning workshops need to be held to ensure that more members are involved in this process.**
- These events were hosted as follows:
 - Polokwane: 17 August 2017;
 - White River: 29 August 2017;
 - Klerksdorp: 07 September 2017;
 - Johannesburg: 27 September 2017;
 - Bloemfontein: 12 October 2017;
 - Mthatha: 26 October 2017;
 - Cape Town: 14 November 2017;
 - Durban: 28 November 2017

SABOA Bus Indabas and strategic planning session

- All the Bus Indabas/strategic planning workshops were well attended and it will be repeated on the same basis in the second half of 2018.
- At the strategic planning workshop of the National Council which was held on 25-26 January 2018 the following focus areas were identified for the year:
 - To grow the voice of SABOA
 - To grow SABOA's relevance
 - To grow sustainable revenues
 - To grow SABOA's membership
- SABOA has also appointed a **media specialist** to develop two to three media articles and social media posts per month to raise SABOA's profile in the media

Alignment of the Bus Sector Charter to the Amended Dti Codes of Good Practice

- In the 2016/17 Annual Report I reported extensively on the process that SABOA followed to align the Bus Sector Charter to the amended DTI Codes of Good Practice.
- Agreement was reached on all the elements except preferential procurement. In spite of a joint meeting with the Department of Transport and the Department of Trade and Industry the matter remains unresolved.

Alignment of the Bus Sector Charter to the Amended Dti Codes of Good Practice

- At a meeting with the Department of Transport on 12 June 2017 further amendments to the draft Charter were announced which had not been discussed with SABOA.
- The draft Bus Sector Charter was published in the government gazette for comments.
- An objection in writing was submitted to the Department. Except for an acknowledgement of receipt of the objection there has been no further response from the Department and the draft Bus Sector Charter is still to be finalised

Wage Negotiations

- In 2018 a settlement could not be reached between the parties and a national strike took effect on 18 April 2018. A settlement was only reached with effect from 14 May 2018 which is as follows:
 - An across-the-board increase of 9% on the base rate of pay is due from the commencement date of 14 May 2018 until 31 March 2019.
 - Employees will receive back pay of 9% on the base rate of pay (excluding benefits and allowances) for the period 1 April to 17 April 2018.
 - An across-the-board increase of 8% on the base rate of pay as at 31 March 2019 will become due from 1 April 2019 until 31 March 2020.

Conference and exhibition/gala dinner

- **On 24 and 25 May 2017 the two-day Annual SABOA conference and exhibition was held at the CSIR. A gala dinner was also held with more than 300 people attending.**
- The conference was attended by **450 delegates whilst 69 exhibition stands** were displayed in the inside exhibition area. A variety of buses and coaches were also displayed in front of the venue.
- **SABOA wishes to thank all sponsors and participants for their loyal support that made the conference a memorable occasion**

Meeting with the World Bank

- In July 2017, SABOA was approached by a representative of the World Bank for a **workshop as they were doing work for National Treasury on the Public Transport Operations Grant (PTOG)**.
- The purpose of workshop with the industry was to obtain first-hand knowledge of the current situation of operators participating in PTOG funding, how these operators got to their situation and to identify the risks and opportunities of the future.
- The workshop was held on 03 August 2017 during which operators involved in PTOG funding had an opportunity to express their views on the impact of the PTOG funding on their businesses.

SABOA initiatives

- In order to enhance the image and effectiveness of SABOA, the National Council resolved as follows:
 - To work towards the establishing of Branch offices in the provinces.
 - To this end the first Branch office was opened in Cape Town in 2015.
 - In November 2016 a Branch office was also opened in Nelspruit
 - It is planned that one more branch office will be opened in 2018
 - To purchase office space for SABOA when its current lease expires in 2021
 - To approach SANSBOC to discuss closer cooperation – meeting on 22 November 2017

Research

- Research was concluded to **gauge the risk appetite of contracted bus operators and how real or perceived risk is factored into contract pricing**
- Objective is to determine if an **improved risk share between authorities and operators could positively influence the pricing of commuter bus contracts in future**

Comments on policy/legislation/SABS reports

- Various SABS Reports;
- Amendments to the Road Traffic Regulations;
- Various C-BRTA Documents;
- AARTO Amendment Bill;
- Draft Carbon Tax Policy Document;
- Draft Bus Sector Charter;
- Draft Dual Policy Document of the C-BRTA;
- White Paper on National Transport Policy.

Liaison with Stakeholders

- Minister of Transport
- Minister of Police
- Various MECs for Transport
- National Department of Transport
- National Department of Tourism
- Various Provincial Departments of Transport
- Various Provincial Departments of Education
- Parliamentary Portfolio Committee on Transport
- Gauteng Portfolio Committee on Transport
- Gauteng Portfolio Committee on Education
- Northwest Provincial Regulatory Entity
- Gauteng Provincial Regulatory Entity
- Western Cape Provincial Regulatory Entity
- Mpumalanga Regulatory Entity
- Independent Police Investigative Directorate
- Public Protector
- Limpopo Portfolio Committee on Transport
- Road Traffic Management Corporation
- Tourism Business Council of South Africa
- SARPBAC

External Committees

- White Paper consultative forum
- Ekurhuleni Transport Committee
- City of Tshwane's TRT Committee
- City of Tshwane Intermodal Committee
- City of Johannesburg's BRT Committee
- City of Nelspruit BRT Committee
- COJ Passenger Forum
- SANRAL
- C-BRTA Passenger Forum meetings
- DOT BEE Alignment Committee
- National Tourism Stakeholder Forum
- National Treasury's Carbon Tax Committee
- Department of Transport's Turnaround Plan for Public Transport

SABOA Services/Benefits

- Calculation of tariffs
- Implementation of fares
- National Road Traffic Act and Regulations
- Contracting
- NLTA
- General transport-related matters
- Information to new entrants who wanted to enter the industry

Members

- During the 2017/18 financial year, SABOA approved 103 applications for Principal membership and 9 applications for Associate membership. The current membership profile of SABOA is as follows:
 - Principal members: 932
 - Associate members: 55

SABOA Magazine/Newsletter

- The Association's official magazine, SABOA BUS, was published quarterly. From reports it is evident that this publication is well received. On behalf of SABOA we wish to thank Titan Publications for a job well done.
- The SABOA monthly newsletter, SABOA Talk, is also printed by Titan Publications. We wish to thank Titan Publications for their loyal support

Report from the Auditor

- **Report from the Auditor**
 - **The 2017/18 audited financial statements were approved by Council at its meeting held on 31 May 2018**
 - **The report is available to members for inspection at the SABOA offices**

Personnel

- Vote of thanks to all staff members for their support during the year
- Special word of thanks to Eric Cornelius for the exceptional effort that he puts into supporting the industry and association
- Vote of thanks to all members and chairpersons of committees of SABOA for all their valuable inputs during the year

THANK YOU

SABOA Committees

COASA sub-committee activities

Meetings were held as follows:

- First meeting held on 10 February and thereafter joint meetings with the Gauteng Branch. Joint meetings were held as follows:
 - 8 June 2016 Vix-Questek
 - 14 September Vix-Questek
 - 23 November Vix-Questek
 - 14 February SABOA offices

Issues discussed during the year:

- **Cross-border time tables**
- **Permits/Operating licenses**
- **SARPBAC clustering of modes**
- **Driver Training Academy**
- **Taxi intimidation**
- **National Public Transport Regulator**
- **Meeting with Minister of Tourism**
- **Lesotho border post issues**
- **Bus indabas/strategic planning**