

P R O F I L E

SOUTHERN AFRICAN BUS OPERATORS ASSOCIATION



SABOA

Southern African Bus Operators Association

voice of the bus & coach industry

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EXECUTIVE SUMMARY

Industry Profile

The South African bus and coach Industry* has played a vital role in the social and economic development of the country. There are about 25 000 buses and coaches in the country and about 19 000 of them are used to operate public transport activities. The other 6 000 are run by commerce and industry or government departments for their own in-house purposes.

It is estimated that the economic impact of the 19 000 buses and coaches used for public transport are:

- The replacement value is in excess of R38 billion;
- An estimated 1.4 billion kilometres are travelled per annum;
- Public transport operators undertake approximately 912 million passenger trips per annum;
- The industry provides direct employment to about 34 200 people throughout the country with about 171 000 people indirectly dependent on the industry for their livelihood.

SABOA

The interests of the public transport industry at government level as well as among its stakeholders are represented by the Southern African Bus Operators' Association (SABOA). SABOA was formed in 1980 by five leading bus companies at the time. Since then, SABOA has gone through a four-phase transformation that has resulted in its representation today of about 70 % of the public transport bus and coach fleet. The vast majority (96%) of its 950 members are small operators (SMME's), people operating between 1 and 30 buses/coaches. Only 38 of its members (4%) are large operators with fleets of more than 30 buses/coaches.

The Association is governed by a National Council which appoints a National Executive Committee that oversees the day-to-day activities of the Association. SABOA has provincial structures in the provinces. These are especially important for SMME operators because they often tend to focus on operational issues in their local areas. The provincial structures also elect representatives to serve on the National Council of SABOA.

The permanent Secretariat of SABOA manages the affairs of the Association. Its core activities include information dissemination through its monthly newsletter and general advice to members and other stakeholders. It also organises the SABOA annual national conference as well as many meetings in which the Executive or the sub-committees are involved, including meetings with Ministers, MEC's and government officials.

The National Council of SABOA has structured the Association to work on a committee basis, with most of the sub-committees being appointed on an ad hoc basis. The Association however has a number of permanent sub-committee to focus on core functions. The activities of SABOA cover a wide spectrum and are broadly described in this document which also details the history of the establishment and development of SABOA into a representative body of the public transport industry.

Through SABOA's involvement in public transport, it has become known as the Voice of the Bus and Coach Industry.

PROFILE OF THE BUS AND COACH INDUSTRY IN SOUTH AFRICA

The bus and coach industry*in South Africa has for many years played a vital role in the economic and social development of the country. As a provider of transport services, it has and continues to provide mobility to millions of people daily, who are dependent on public transport, for example, learners who require transport to and from school, workers who require transport to and from their jobs, individuals who are seeking employment or access to hospitals and other services, long-distance services as well as local and international tourists who travel within and across the borders of South Africa. Available statistics indicate that 80 percent of South Africa's population is totally dependent on public transport (bus, coach, commuter rail and taxis) for its mobility needs. There are about 25 000 buses and coaches in the industry in South Africa of which about 19 000 are involved in formal public transport activities (for reward). The other 6 000 buses and coaches are found in commerce and industry and government institutions where they are mostly used for in-house purposes (not for reward).

The economic impact of buses and coaches used for public transport can be summarised as follows:

- The 19 000 buses and coaches have an estimated replacement in excess of R38 billion.
- The public transport buses and coaches travel an estimated 1.4 billion kilometres per annum and use about 506 million litres of diesel fuel.
- This section of the industry provides direct employment to about 34 200 people throughout the country with about 171 000 people indirectly dependent on the industry (directly related to employment in companies).
- The public transport operators undertake approximately 912 million passenger trips per annum.
- The industry also supports a large number of suppliers in the industry such as bus body and chassis manufacturers, fuel and tyre companies, glass and spare part companies, insurance companies etc that are also in some way dependent on the industry for employment.

**Industry in this context is defined as the following type of services: commuter services, contract services, learner services, charter services, tourist transport services, cross-border services (international borders), long-distance services and scheduled coach services.*

HISTORY OF SABOA

The Southern African Bus Operators' Association (SABOA) was formed to represent the interests of the industry at government level as well as among its stakeholders. Its history can be divided into four distinct time phases.

Period 1980 to 1994

SABOA was established on 21 March 1980 by five leading South African bus companies with a view to:

- Promote and protect the common interests of its members;
- Collect, record, disseminate and publish information and know-how regarding the industry that may be of use and or interest to its members;
- Enquire into, promote and support such amendments to, or oppose any legislation or proposed legislation, to make representations to government on any policy or legislation affecting the interests of the Association generally or any of its members; and
- Advance the status of the bus and coach industry.

At the time of its inception SABOA represented about 6 500 buses and coaches. Membership grew steadily over the years and in 1994 SABOA represented approximately 70 percent of the buses and coaches used for public transport.

Period 1994 to 2003

In 1994 SABOA was restructured to better serve the needs of its members in a new democracy. Flowing from this SABOA's constitution was amended to:

- Provide for governance structures at provincial level;
- Encourage small, medium and micro enterprise (SMME) operators to become members of SABOA; and
- Provide SMME operators with the opportunity to serve on the governing bodies of SABOA (Council and Executive Committee) where all operators would have equal voting rights, irrespective of the size of their bus fleets.

The result of the above amendments was that SABOA's membership increased significantly.

Period 2003 to 2014

In 2003, following a strategic planning workshop with its members in 2002, SABOA once again amended its constitution to provide for equal representation of the SMME's and established operating members in its governing structures. Equal voting rights in electing Council and Executive Committee members were also introduced. This election process was based on one vote per member, irrespective of their fleet size, instead of one vote for every bus or coach members owned, which had been the practice before. The amended constitution ensures greater transparency and inclusivity in the Association's affairs.

Period 2014 to date

In 2014 SABOA amended its constitution to provide for the following:

- To elect the members of its provincial and national governing bodies every 4 years instead of every 2 years which had been the practice up to then;
- To rename its national governing bodies to National Council, National Executive Committee and its provincial committees to Provincial Executive Committees;
- The President and Vice-President of SABOA who represent established and SMME operators will each serve a two-year term where after they will rotate their positions; and
- Establish governing structures at the regional level.

MEMBERSHIP PROFILE

The membership profile of the Association is as follows:	
Principal members (1-30 buses/coaches)	912
Principal members (30+ buses/coaches)	38
Supplier members	60
Total membership	1010

- SMME operators represent 96% of the operating companies that are members of the Association whilst established operators represent 4%.
- Currently SABOA represents approximately 73% or 13 000 of the 19 000 buses and coaches used for public transport.
- SABOA is registered as a non-profit organisation in terms of the Companies Act and represents the interests of members rendering the following types of services:
 - Commuter services;
 - Contract services;
 - Learner transport services;
 - Charter services;
 - Tourist transport services;
 - Long-distance services
 - Cross-border services (international borders);
 - Shuttle services; and
 - Scheduled coach services
- The Coach Operators Association of Southern Africa (COASA), previously under the management of SABOA since its inception in 1995, amalgamated with SABOA in 2006 and is now managed on a sub-committee basis within SABOA.

SABOA VISION AND SUPPORTING VALUES

SABOA's vision guides the activities of the Association:

“SABOA is the credible voice of an inclusive, efficient, sustainable and transforming bus and coach industry, which plays a pivotal role in an integrated transport system through safe, reliable and affordable bus and coach services that add value, and is attractive to our stakeholders.”

Values supporting the vision:

- The industry is committed to provide safe and efficient bus and coach transport services, which meet or exceeds stakeholders' expectations. Efficiency of the transport system will be actively promoted.
- SABOA is committed to national priorities such as social responsibility, road safety and HIV/Aids prevention.
- SABOA strongly supports transformation of the bus and coach industry.
- SABOA strives to contribute positively to making the ownership profile of bus and coach operators more representative of the wider South African society.
- SABOA supports the constructive introduction of more bus and coach operators from previously disadvantaged communities into the main stream of the formal bus and coach industry in South Africa.
- SABOA advocates co-operation and sharing of expertise and solutions among members.
- All strategic efforts are directed towards building a viable and sustainable bus and coach industry.
- As a cornerstone of the vision, SABOA is committed to a professional image and professional conduct towards all stakeholders.
- SABOA is committed to marketing and the promotion of the Association and the Industry.
- SABOA actively supports modal integration.
- SABOA is committed to provide specialist support to its members.
- SABOA is committed to represent all bus and coach operators.
- SABOA strives to contribute positively towards the social upliftment of its members and its employees.

MANAGEMENT STRUCTURE OF THE ASSOCIATION

National Council

The Association is governed by a National Council that consists of an equal number of established and SMME members. These members represent companies that resort in two main categories namely, those that operate less than 30 buses or coaches (SMME operators) and those that operate more than 30 buses or coaches (established operators). Representatives in the two categories are elected every 4 years by the membership of the Association on the basis of one vote per member, irrespective of the size of the member's fleet. On the National Council, the highest governing body of the Association, each Council member has one vote. The National Council elects the President and Vice-President from the two categories of membership – one in each category. The Presidential position rotates after two years to ensure that both categories have an opportunity of becoming President of the Association. Provision is also made on the National Council for representatives of the supplier

industry, the two employer organisations SABEA and COBEO and COASA. The National Council meets three times per annum.

National Executive Committee

One of the functions of the National Council is to elect an eight-member Executive Committee that oversees the day-to-day functioning of the Association. The President and Vice-President are automatically office-bearers elect on the Executive Committee. As in the case of the National Council, established and SMME members have equal representation on the National Executive Committee. The National Executive Committee meets six times per annum.

Provincial Structure of the Association

In order to represent members at a provincial level, a provincial governance structure is in place in the Association. Members in the respective provinces elect Provincial Executive Committees to oversee the activities of the Association at the provincial level. These structures are present in most of the provinces and established and SMME members actively participate in these structures. These structures are especially important for SMME operators as they often tend to focus on operational issues in their operating areas. Many SMME's therefore participate in SABOA through active participation at the provincial level.

SABOA Secretariat

SABOA has a permanent Secretariat to manage the affairs of the Association. The Secretariat forms a nucleus that co-ordinates the activities of the Association on behalf of the members.

Main activities of the Secretariat:

- Representing the interests of members at all levels of government as well as with any other organisation involved in the industry;
- Commentary on policy, position papers and draft legislation which affect the industry;
- Information dissemination to members;
- Interaction with members through advice, information sharing, meetings, workshops and visits;
- Organising the Annual National Conference and Exhibition;
- Organising of meetings, both on the SABOA premises as well as outside of the Association;
- Leading delegations to government;
- Corresponding with members through the monthly newsletter, SABOA Talk, Tender News bulletin and the quarterly magazine, SABOA BUS, which is published together with Truck & Bus Magazine by Titan Publications.

Committee Structure

Committees are appointed from time to time to deal with specific issues. These committees consist of members of the Association and the Secretariat and focus on issues identified by the National Council and the National Executive Committee. When ad hoc committees are established the composition of such committees is also representative of established and SMME members in order to ensure transparency and inclusiveness in decision-

making and recommendations. Committees will make recommendations to the National Executive Committee on how to deal with specific issues of concern to the Association. Resolutions taken by the National Executive Committee are ratified by the National Council.

The Association has a number of permanent sub-committees focusing on areas such as technical matters, operational matters, coach operations and SMME development. The Technical Committee is representative of operators, industry suppliers and other institutions that have an impact on safety legislation and practices such as the South African Bureau of Standards (SABS). The Technical Committee also organises a very successful social weekend from time to time where suppliers and operators get together and discuss industry issues and socialise together.

Some achievements of the Technical Committee include:

- Since 2001, roll-over protection has been built into buses and coaches;
- The homologation of buses and coaches has been brought to the forefront and is now better understood by many role players;
- Introduction, in a phased approach, of reflective tape across the industry;
- Roof racks being phased out;
- Standardised emergency escape mechanisms in buses and coaches;
- The introduction of the 100 kilometre per hour speed limit for buses and coaches;
- Comments on technical aspects on the Model Tender Documents of the Department of Transport;
- Seat anchorage design has been improved in buses and coaches;
- Constant interaction regarding technical specifications and the improvement thereof in the design and operation of buses and coaches; and
- Fulfilling a “watchdog” function on behalf of the industry in relation to bus and coach design, road traffic matters and safety issues.

ACTIVITIES OF THE ASSOCIATION

Saboa and Research

One of the core values of the Association is to contribute to the industry through research activities. The results of this research inform the Association of possible avenues to pursue, in an informed manner. Over the last number of years research has been conducted in fields such as:

- The status of Black Economic Empowerment in the industry;
- The role and position of SMME operators in the industry;
- An evaluation of the impact of the tender for contract system on the industry;
- An analysis of the impact of the month-to-month extension of the contracts on the industry;
- A comparative analysis of the tender versus the negotiated contract system;
- An analysis of operator perceptions of the tender for contract system as well as the general public transport policy of the Department of Transport;

- National and international transport policy research to inform policy options in South Africa;
- Safety-related research to inform technical and design issues in the industry;
- Tender design and amendments;
- Research into escalation formulae that are used in the tender and negotiated contract system;
- Evaluation on the progress and issues related to the tendering system in South Africa;
- Compilation of an operators' manual focussed on the training of SMME operators;
- Driving hours in the coach industry;
- Axle mass loads on buses and coaches;
- BRT systems;
- Research into SMME needs in conjunction with the University of Johannesburg and the Department of Transport.

SABOA and Training

Since its inception in 1980, SABOA has been actively involved in establishing and promoting training in the industry. These initiatives saw it working in close partnership with the University of Johannesburg to introduce training programmes tailored to meet the needs of the industry. The three-year Diploma in Road Transport has been very successful in training and empowering thousands of bus company employees since the inception of the qualification in 1980.

SABOA has also partnered with the Transport Education Training Authority (TETA) in the establishment learnerships in the industry as well as to offer skills training programmes for SMME's in various fields to ensure they are better equipped to become part of the mainstream of public transport.

The following programmes have been successfully offered to SMME operators:

- Skills programme for SMME's;
- An extended skills programme for SMME's;
- Skills programme for school bus operators;
- Learnership in Road Transport Management in conjunction with the University of Johannesburg;
- New venture creation programme;
- Driver training;
- Skills programme in tourism;
- Advanced scheduling skills programme;
- RPL National Certificate in Professional Driving; and
- FET Certificate in Road Transport Supervision.

Since the inception of these training programmes in 2003 more than 2 000 employees of SMME operators throughout the country have benefitted from this SABOA initiative. The cost of the training programmes is entirely funded from grants received from TETA.

SABOA and Workshops/Strategic Planning Sessions

One of the mechanisms used to discuss issues in the industry is to arrange focused workshops on areas of concern. Through this mechanism input is obtained from the membership and broad consensus reached on a diverse range of issues. These inputs, through reports that are compiled from the workshop proceedings, are then communicated to the National Executive Committee for its consideration. Provincial strategic planning workshops are held yearly, and the results of the workshop are fed into the annual strategic planning workshop, held in January of every year. The purpose of this session is to review the activities of the previous year and to set priority action plans for the ensuing year. An independent facilitator is used to ensure transparency and inclusivity. A report detailing the identified focus areas with action plans are compiled and presented to the National Executive Committee which monitor progress being made with the implementation of the action plans.

SABOA and Conferences

SABOA has been successful in the establishment of an annual bus and coach conference that is widely regarded as the main South African bus and coach conference on public transport matters. More than 400 delegates from a wide range of stakeholders attend the conference which is organised alongside an exhibition that attracts exhibitors in more than 50 exhibition areas. A gala dinner is also hosted during the conference for industry role players to get together. This event is normally addressed by a guest speaker who explores a topic of general interest to the industry. Breakfast sessions are also arranged from time to time to present interesting topics that have a bearing on the industry at large.

SABOA and Lobbying

The Association is in direct contact with the following stakeholders:

- Minister of Transport;
- Minister of Tourism;
- Minister of Education;
- Provincial MEC's for Transport;
- National Department of Transport;
- National Department of Labour;
- Provincial Departments of Transport;
- Provincial Departments of Education;
- Local governments;
- Law enforcement agencies;
- TETA;
- Training providers such as universities and TETA accredited service providers;
- Parliamentary institutions such as the Portfolio Committee on Transport (national and provincial), Portfolio Committee on Education (national and provincial)
- Organised labour;
- SARPBAC;
- Various suppliers to the industry;
- South African Revenue Services;

- Institutions such as PRASA, the Road Freight Association, Tourism Business Council of South Africa, Southern Africa Tourism Services Association, Cross-Border Road Transport Agency, National Public Transport Regulator and international trade associations;
- Passenger and community groups through its operating members; and
- International conferences such as THREDBO.

SABOA and Indirect Member Benefits

Through its activities and initiatives, the Association benefits the entire industry – members and non-members alike. The following are examples thereof:

- Representation in forums that are normally “reserved” for organised commerce and industry;
- “Watchdog” function in terms of road transport and road traffic legislation;
- Being consulted by government on a range of topics;
- Lobbying on a range of issues;
- Comments on and inputs into road transport and road traffic legislation and regulations;
- Transport policy debates and amendments;
- The design and specification of tender documents;
- Escalation formulae in tender and negotiated contract documents;
- Safety issues in the industry;
- Media liaison;
- Protecting the interests of the industry over a wide front;
- SABO is in regular contact with international trade associations and actively participates in international forums and conferences.

SABOA and Direct Member Benefits

As with any trade association there are also quantifiable benefits to be a member of the Association. The main direct benefits offered by SABOA are:

- A unique solution that has been developed to cater for the needs of SABOA Members, designed to insure all types of bus and coach operators managed by Ibiliti Underwriting Managers
- Discount for SMME members to attend the Annual National Conference and Exhibition;
- Discount on membership fees for SMME members;
- Assisting members to address their concerns with the authorities at all levels;
- Training of SMME members free of charge through funding from TETA;
- Research that assists in informed decisions being made;
- Information dissemination on industry developments;
- Access to an information and reference centre;
- Advice on bus operating costs;
- Advice on how to start a bus operation;
- Advice on permit/operating licence issues;
- Act on behalf of members;
- Inform members of tender opportunities;
- Association workshops and meetings;

- Networking opportunities;
- The Voice of the Bus and Coach Industry.

SABOA AND ITS CONTRIBUTION TO THE ROLE OF PUBLIC TRANSPORT IN SOUTH AFRICA

SABOA and Policy Formulation

SABOA has played an important role in the transport policy formulation process since 1994 (and prior to this date) through its involvement in the White Paper on National Transport Policy, the Moving South Africa Strategy, the National Land Transport Transition Act, the National Land Transport Act, the National Land Transport Amendment Bill, the National Scholar Transport Policy, the tendering system, negotiated contract system, the Tripartite Heads of Agreement, the B-BBEE Charter process, as well as being involved in the policy formulation process of the Cross-Border Road Transport Agency and provincial policies. SABOA is also involved in the review of the White Paper on National Transport Policy which is in process.

SABOA and Transformation

The governing bodies of SABOA, i.e. the National Council, National Executive Committee and the Provincial Executive Committees are fully transformed and fully reflect the demographic distribution of the country. The Association has been at the forefront of transformation for many years and continues to set the pace when measured against other similar industry associations.

SABOA and B-BBEE

In 2003 SABOA, the National Department of Transport and other stakeholders agreed to a seven-year Bus Sector BEE Charter. However, in 2005 and 2006 the Department of Trade and Industry (DTI) published its Codes of Good Practice on Broad-Based Black Economic Empowerment (B-BBEE) and the Bus Sector BEE Charter had to be aligned to the DTI's Codes of Good Practice on B-BBEE. This process was completed in 2007. In 2014 the DTI published revised Codes of Good Practice on B-BBEE and the National Department of Transport and SABOA met throughout 2015 to discuss the alignment of the Bus Sector BEE Charter to the DTI's revised Codes of Good Practice on B-BBEE. The process is ongoing.

SABOA and SMME Empowerment

SABOA fully supports the empowerment of its SMME members and included the following provisions in its constitution in support of SMME empowerment:

- To support, encourage, facilitate and promote the constructive introduction of more bus operators from previously disadvantaged communities into the main stream of the formal bus industry in South Africa;
- To support and promote the responsible transformation processes in the bus industry; and
- To assist where possible in making the ownership profile of bus operators more representative of the wider South African society.

SABOA appointed an Empowerment Committee in 2007 to address the empowerment of SMME's in SABOA. The Empowerment Committee consists of members of the National Council of SABOA and a report on its activities is submitted at each meeting of the National Executive Committee and National Council. The Association also

supports SMME's through advice on a wide range of technical, operational and management issues, not only at the SABOA level but also on at the established operator level. To enhance empowerment, provincial empowerment committees are being established. It is envisaged that the provincial committees will report to a national empowerment committee.

SABOA and Road Safety

The bus and coach industry has a high visibility in terms of passenger transport and safety. It also has a major responsibility in terms of how it operates its services. For this reason, safety is of paramount importance to the Association. SABOA has therefore been an active participant in the following important structures and initiatives:

- The National Department of Transport's Road to Safety Strategy 2001 to 2005;
- The National Department of Transport's safety initiatives;
- Provincial government's road safety campaigns;
- The SABS committees tasked with technical and design specifications for buses and coaches.

SABOA also introduced a Road Safety Code of Conduct for its members in support of road safety.

The Road Transport Management System (RTMS) which is an industry-led, government supported, voluntary, self-regulation scheme that encourages road transport operators to implement a management system (SANS 10399) with outcomes that improve road safety has also been adopted and endorsed by SABOA. Members are encouraged to apply for RTMS accreditation in support of road safety. SABOA has taken a decision to establish a Driver Training Academy for the Bus and Coach Industry in South Africa, based on international standards. Work is currently in progress to establish the Driver Training Academy.

SABOA and Involvement with National, Provincial and Local Structures of Government

SABOA is an active participant in the consultative structures of government at all levels through participation in committees, workshops and task groups on issues that affect both government and the industry. In addition, SABOA is often consulted on its views regarding government's initiatives and policy direction that affect the industry. Many of SABOA's views have been accepted by government over the years as it relates to policy, draft legislation and contracting arrangements.

SABOA and the Media

The Association is regarded as the spokesperson for the bus and coach industry on a range of issues in the industry. It is often quoted in the printed media – members and the Secretariat participate in radio and television interviews, press statements and awareness campaigns for road safety.

SABOA and Organised Study Tours

The Association arranges study tours from time to time to countries where public transport systems, processes, policies and institutional structures are discussed. Past study tours included visits to countries such as Germany, France, Sweden, England, Scotland, Singapore, Australia and New Zealand. Visits to other parts of the world such as Argentina, Brazil and Chile were also undertaken as part of government delegations.

