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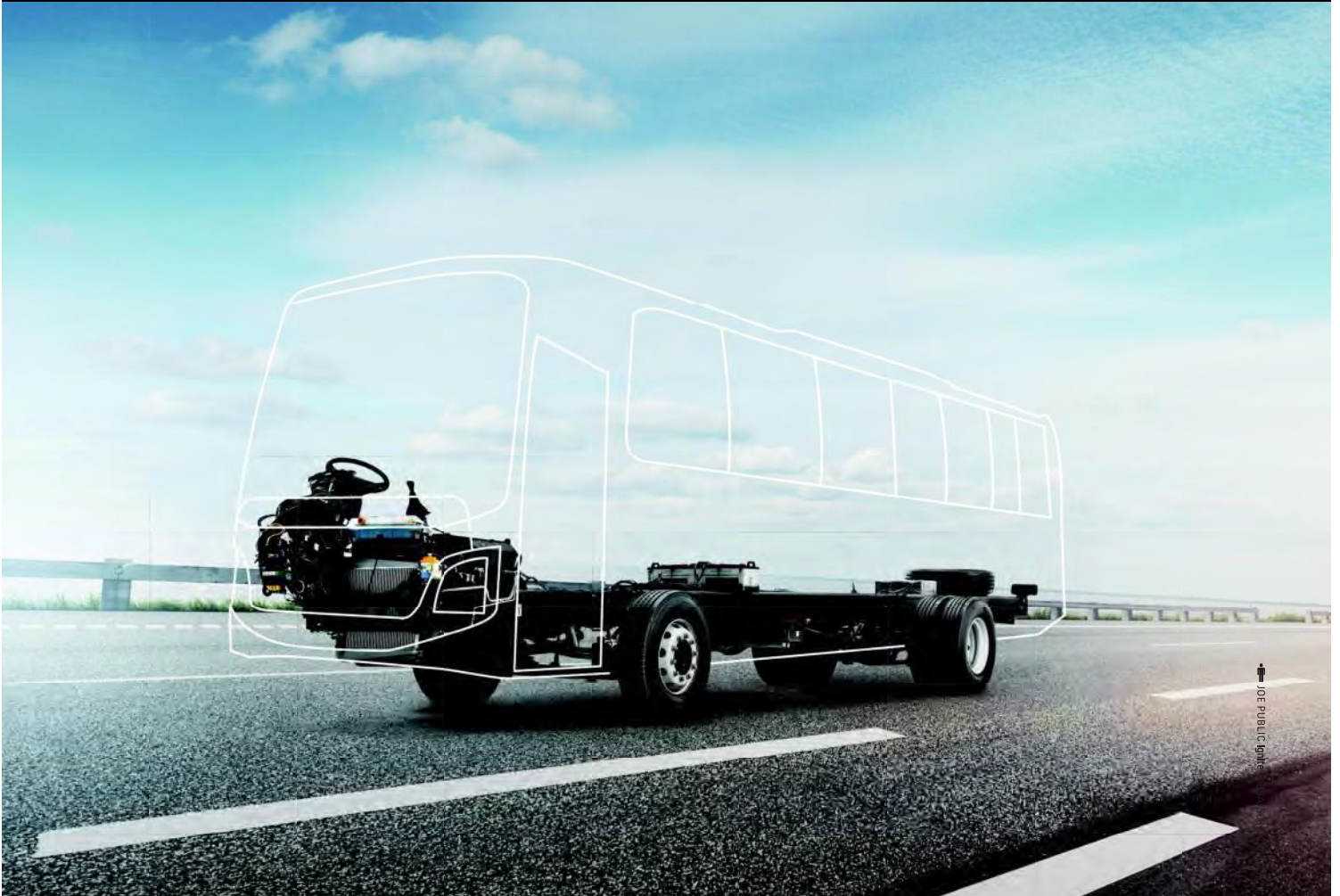
SABOA BUS

VEHICLE OF COMMUNICATION OF THE SOUTHERN AFRICAN BUS OPERATORS ASSOCIATION



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Contracts, confidence, confrontation, commitment

THE bus industry has settled into a fairly steady pattern since its World Cup-induced growth spurt, with uncertainty arising from the absence of long-term contracts muting confidence and stifling growth. BRT growth has occurred far more slowly than was anticipated, while the city bus segment has remained stagnant this year.

Decisive action, in Gauteng and KwaZulu-Natal at least, looks set to bring some relief on the subsidy front. Government's drive to incorporate previously disadvantaged operators into the public transport sphere means that 30% of contracts are to be allocated to SMMEs, with operators benefiting from seven-year contracts with the possibility of a five-year

extension. Firm contracts are likely to revitalise and accelerate fleet renewal projects, as well as easing the path to securing financing.

Although progress in the industry may appear to occur at a glacial pace, SABOA executive manager Eric Cornelius says that the Association continues to press for change. There appears to be some movement towards resolution of the subsidised contract issue, but little is being done to tackle the escalating level of intimidation emanating from the taxi industry. This is particularly rife in smaller towns and rural areas, where subsidised contract operators have traditionally depended on special hire work to supplement their contract income. Cornelius says that it's vital that the conflict

should not reach the level of enmity between metered taxi operators and their Uber counterparts, nor the hostility that sees rival taxi associations unable to be present in the same room.

SABOA has provided input on B-BBEE codes and will seek legal recourse if industry feedback is overlooked.

Although progress often hinges on other parties' actions, Cornelius says that the Association is unflagging in its dedication to achieving satisfactory outcomes for its members on the host of challenges they face. "We have a responsibility: if there are issues, we have to deal with them. We will keep on, until we get a response," says Cornelius.

Cindy Haler, Editor



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MBSA unveils entry level 'born as a bus' OF1723

Operators scoping the market for an entry level commuter bus no longer have to sacrifice quality, comfort or performance, with Mercedes-Benz Bus & Coach's launch of its dedicated entry level OF1723 chassis

MERCEDES-BENZ Bus & Coach is looking to tap into the entry level commuter segment as well as the truck chassis conversion market with its new OF1723 chassis – a dedicated bus chassis which promises a compelling range of benefits.

Shane Henry, brand manager, Mercedes-Benz Bus & Coach Southern Africa, says that although the current harsh economic climate may raise doubt about whether timing is right to launch a new product, tough conditions serve to emphasise the benefits of the new chassis. "Why introduce new products? Is this the right time? Can customers afford it? In fact, tough times are perfect for this product, because it's economical to run

and provides the best possible total cost of ownership over the lifecycle of the vehicle, with a strong focus on fuel economy."

Henry highlights the fact that it is a dedicated – 'born as a bus' – chassis rather than being sourced from a truck. It is based on the tried and tested OF1726 chassis, incorporating numerous tweaks, accommodating up to 66 passengers.

The OM 906LA engine is tried and tested, with thousands in operation worldwide. A key benefit is its flat torque band, between 1 200 and 1 600 rpm. With 90% torque availability at 1 200 rpm, fewer gear shifts are necessary, resulting in improved fuel efficiency and driving comfort. Likewise, reliability is a hallmark of the chassis' Mercedes-Benz

G85 6-speed manual transmission – the chassis has been introduced with manual transmission in keeping with market demand and to keep pricing as low as possible. The 230 hp copes comfortably with varied terrain and delivers good fuel consumption. An overdrive gear for lower engine revolutions during highway operation provides sufficient torque and high power, yielding better fuel consumption.

Henry says that the powder coated chassis frame is robust and durable, with additional width boosting stability.

ABS brakes are standard, in compliance with legislation, with larger brakes and greater pressure introduced to boost braking power and brake liner



longevity. A Telma retarder is fitted as standard, operated by pedal or lever.

Steel suspension front and rear equips the bus for duty in off-road gravel terrain as well as on-highway use, while front and rear shock absorbers are fine-tuned for bus operation.

A key benefit of the offering is that although it's an entry level chassis, it provides operators with access to Mercedes-Benz's range of value-added services, including TruckStore (for assistance with used bus requirements as well as trade-ins), Mercedes-Benz Financial Services, service contracts (growing in popularity because they enable operators to entrust servicing to authorised dealers in order to focus on their core business of moving people), FleetBoard (tracking – and improving – driver behaviour), as well as Mercedes-Benz's extensive after sales network and parts infrastructure.

In addition, says Henry, Mercedes-Benz has adapted its business model in response to customer demand for dedicated bus staff. Instead of relying on truck and bus sales staff at dealerships, Bus & Coach has bus sales specialists on the ground in five regions, overseen and managed by head office.

The OF1723 is the thirteenth chassis in Mercedes-Benz's line-up and is expected to complement the existing range, opening up an important new niche for the OEM. Henry anticipates volumes both from new customers but also from existing clients, as the OF1723 provides an entry level option previously only available from alternative suppliers. As well as Mercedes-Benz bus technology, the OF1723 also enables those operators to tap into the OEM's accompanying support structures and services at entry level pricing.

"We don't intend to take business from our other models, but we are looking to tap in the truck conversion market," says Henry. "We already have orders in hand, which indicates the level of demand for this configuration – the initiative has been undertaken on the strength of customer input on their requirements.

"As Mercedes-Benz Bus & Coach, we listened to our customers who



SUPPLIERS

highlighted the tough conditions they are operating in, as well as the limited financial resources they are facing. We then developed and are now introducing an entry-level bus chassis that will assist in curbing the number of challenges our customers face,” says Henry.

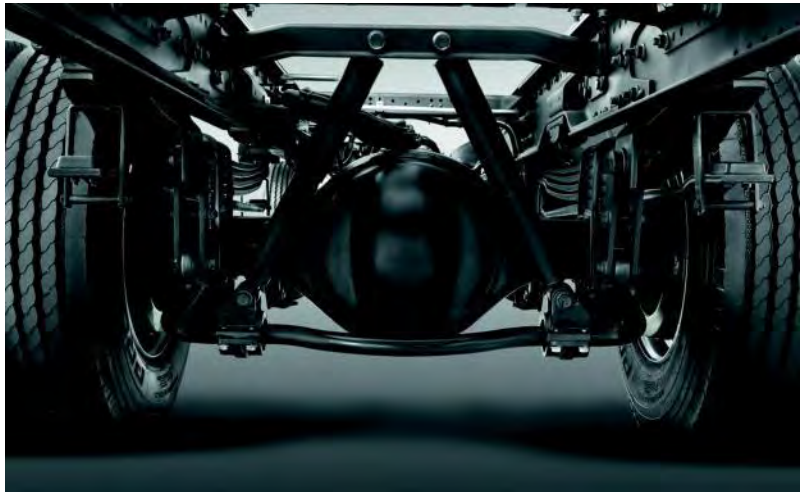
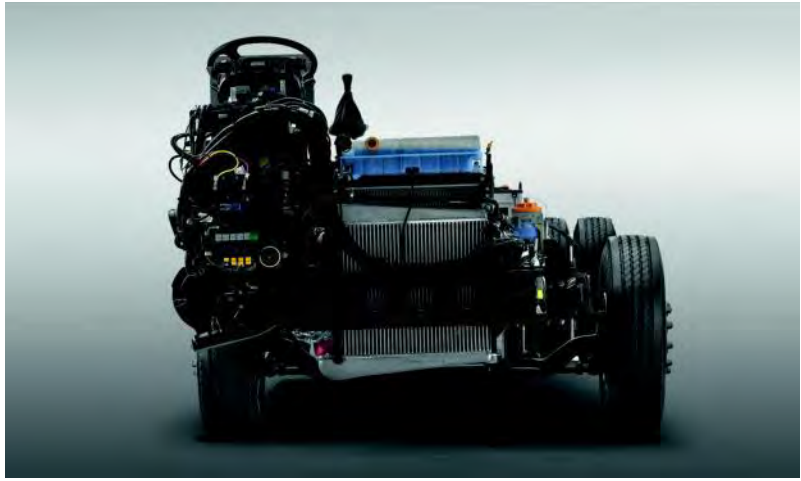
“From the RS4 rear axles that aid highway driving and improve fuel efficiency, to the wider brakes and larger brake chambers, which mean a longer life for brake liners, we really have ensured that this product makes a tangible effect in our customers’ businesses. We see ourselves as more than just manufacturers but rather as partners and mobility solutions providers,” he adds.

The chassis will be available from January, with the OEM building up stock of bodied units.

Jasper Hafkamp, executive director, Daimler Trucks & Buses Southern Africa, says that although OEMs enjoyed their best bus year in the run-up to the 2010 soccer world cup, this year’s 22% drop over 2016’s market brands 2017 as the worst bus year in the decade – but it’s precisely those challenging economic conditions that have driven Mercedes-Benz’s launch of its entry level OF1723 chassis.

Although this year’s commuter and coach markets had held steady, the dearth of tenders stifled activity in the city bus segment in which Mercedes-Benz is typically strong. However, Hafkamp is confident that 2018’s market will prove healthier and will, in all likelihood, be buoyed by pre-election activity and investment.

“We have every confidence that the market will be much better in 2018 – and we intend to put a lot of energy into it, because we have a very clear objective: Mercedes-Benz aims to be the number one manufacturer in the local bus market. We have a fantastic team, we have created the right structure around the bus business to create the required level of dedication, and we’re introducing the right products for different segments. With the launch of the OF1723, we have the ideal product for the commuter segment.” ■



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Tomorrow belongs to the people who prepare for it today

SABOA makes inroads as it tackles industry challenges

By Cindy Haler

The wheels of progress in the bus industry may turn slowly, but SABOA is unflinching in its attempts to attain resolution

SABOA is dedicated to achieving satisfactory outcomes for its members on the host of challenges they face, even if solutions do not appear to be readily forthcoming. “We have a responsibility: if there are issues, we have to deal with them. We will keep on, until we get a response,” says SABOA executive manager Eric Cornelius, adding that often the Association’s progress hinges on other parties’ actions.

Cornelius says that the National Department of Transport’s Turnaround Plan is crucial, as many of the difficulties affecting the industry relate to funding. Current funding is insufficient for the existing dispensation, while new parties are seeking access to the subsidy system.

Having given its input, along with other stakeholders, SABOA awaits the plan’s progress through internal DoT processes prior to its presentation to

cabinet for final approval.

Time is of the essence, says Cornelius, because interim and tender contracts which were set in place expire in March. All of SABOA’s commuter contract operators have been affected by the uncertainty.

Taxi intimidation is another pressing concern that has not been addressed by either the department or minister of transport, or by the minister of police.

SABOA continues to seek a meeting with transport minister Joe Maswanganyi and has now broadened its net to president Zuma as well as major political parties in an attempt to spur progress by pressuring government into action. SABOA is intent on avoiding an escalation of intimidation on par with the fiery confrontations between Uber and metered taxi parties.

SABOA has also provided input in the Competition Commission enquiry into public transport, with Cornelius noting that it had been important to provide detailed background on the contracting system, particularly as Santaco had, in the past, laid complaints about collusion in the subsidy system.

Scholar transport remains high on SABOA’s agenda, particularly in Mpumalanga and North West. In North West, problems with a scholar transport tender and its adjudication have resulted in legal action by operators, while SABOA requested the Mpumalanga Provincial Legislature to intervene in this matter. In this instance, allocating the majority of the contract to a single operator with the balance distributed to small operators has given rise to accusations of disempowerment. Also problematic is the intention to pass



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management of the services, as well as the assets, to school governing body ownership at the conclusion of contract terms. This tender has been suspended by the Mpumalanga Provincial Legislature and further meetings will be held to resolve the matter.

B-BBEE charters have yet to be finalised, as the charter council's term had expired. However, Cornelius notes that while agreement had been reached a couple of years ago on every indicator with the exception of preferential procurement, changes had subsequently been introduced without any discussion

or consultation. "SABOA has submitted comment and proposals and hopes that these will be taken into account once the charter council is up and running and before the codes are published."

Should the final charter be published without taking comments into account, legal action will be instituted.

SABOA is to meet with the South African National Small Bus Operators Council (Sansboc), established by NDoT in 2012. As the two organisations serve the same industry, it makes no sense to divide the industry, says Cornelius.

Although the economy and

uncertainty about policy matters have made for a tough year, Cornelius says that there will always be challenges to deal with. "If you tackle them in an organised manner, eventually you'll make inroads and find success. We have to. The bus industry is not going away – and there is still growth in SABOA's membership. We're making progress, although it's slow progress in some instances."

Representing between 13 000 and 14 000 of the estimated 19 000 buses used for public transport for reward in South Africa, Cornelius is confident that the Association remains representative of the industry. The membership comprises 96% small operators, with large operators accounting for the balance.

Among the issues raised during this year's strategic planning sessions, run countrywide in conjunction with bus indabas, were empowerment, permit-related issues, late payment from government and inadequate rates.

During the planning session in January, input from provincial strategic planning workshops will be taken into account in identifying the focus areas for the Association for the year ahead.

Also on the agenda is revitalising the technical committee, with SABOA seeking greater attendance and participation.



In pursuit of progress

By Dai Davies, OBE

The focus of the recent Gauteng Bus Indaba, run in tandem with a strategic planning session, was findings ways to make progress and move forward on myriad challenges facing the industry

PROCEEDINGS at the Gauteng Bus Indaba combined with a strategic planning workshop kicked off 35 minutes after the scheduled 10 am start, with chair Adolph Komane extending a welcome but going on to emphatically assert that one of the main problems in South Africa is that people rarely – if ever – turn up on time, which translates into an inefficient society.

Lebelo Maloka, Gauteng Department of Roads and Transport, talked about the way forward for commuter bus contracts expiring in 2018, discussing in detail contracts, appropriate subsidies and how these affect the industry. Maloka emphasised the importance of the inclusion of small bus operators and the taxi industry in the tender and contract process. He noted that the attitude of the general public in transformation was important.

Maloka anticipates that the new contracts would be for a period of seven to 12 years, adding that 26 new contracts were in the process of being implemented.

He emphasised that a change in general attitude was required, that it was important that the taxi industry be accommodated, and that bus/taxi partnerships were essential.

The following presentation was by Tony Minyuki of Next Grace Investments on discounts and business opportunities

pertaining to bulk diesel supplies to small and medium bus operators.

Minyuki said the company is B-BBEE compliant, with a 50% female shareholding.

The company has two depots, in Selby in Johannesburg as well as in Louis Trichardt, Limpopo. In addition to these



Finding a way forward: negotiating obstacles on the path to progress



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Adolph Komane took delegates to task for tardiness



SABOA executive manager Eric Cornelius covered developments in the bus industry and facilitated the strategic planning session

two storage facilities, the company can deliver fuel directly to small operators' premises. The company would consider three to five year contracts with operators. Fuel discounts would vary, depending on contracts – but Minyuki asserted that such contracts would certainly be in operators' interests from a financial viewpoint.

SABOA executive manager Eric Cornelius gave an excellent presentation on a number of key issues including subsidised scholar transport, commuter transport, tourist transport, RTMS, driver training, national transport policy, taxi intimidation, empowerment and national transport policy.

He registered his concern about 'contracts' and who they were awarded to, as well as the fact that some contracts include inadequate rates and no escalations – while the process in obtaining financial loans is protracted. The word 'challenging' came up frequently!

Cornelius placed much emphasis on taxi intimidation, stating that stricter law enforcement was required and that the present situation could not be tolerated.

He also expressed concern regarding the 14 000-plus annual road deaths in this country, stating that little or no positive action was taken to address the carnage on the roads. There have been years of talk, but little or no action.

Proposed speed limit reductions – from 120 to 100 km/h, 80 to 60 km/h and 60 to 40 km/h – were covered, but reaction from the floor indicated that this would result only in increased revenue for municipalities instead of the intended reduction in road carnage.

In addition, proposals have been made that vehicles of 10 years or older should require a roadworthy certificate every two years, and that driving hours and log books should be a requirement for bus drivers.

From May 2017, school children cannot be carried on bakkies or open vehicles. In another initiative attempting to reduce road casualties, the foundation of a Driver Training Academy was under consideration to meet international standards and to strengthen the poor implementation of

existing policy standards.

The formation of a transport bank was also under consideration.

Cornelius took the opportunity of recording the latest hourly rates for the bus industry as agreed with the Bargaining Council: bus drivers, R36,68; coach drivers, R47,83; inspector, R47,98; shunter, R33,14; clerk, R38,64; and artisan, R62,56.

Asked whether SABOA had considered proposing to transport minister Joe Maswanganyi that heavy goods vehicles as well as buses and coaches over 3,5 tonne GVM should be banned from using the fast lane of three and four lane highways – as was the case in most overseas countries – in a genuine attempt to improve road safety and reduce road carnage, Cornelius said that there were too many instances where 'Keep left, pass right' notices on highways were simply ignored.

Education MEC Panyaza Lesufi was the last person to address delegates. He said that the cost of transporting students in Gauteng amounted to about R800 million a year, expressing concern that 'early' bus services ran virtually



Lebelo Maloka of the Gauteng Department of Roads and Transport emphasised the importance of the inclusion of small bus operators and the taxi industry in the tender and contract process



Education MEC Panyaza Lesufi acknowledged that the present bus transport system for students left a great deal to be desired

empty while 'later' bus services were usually full of students.

Lesufi acknowledged that the present bus transport system for students left a great deal to be desired, adding that a private/public partnership was the preferred option.

Lesufi questioned whether the education department was the best option in running a transport system for students. Payment to bus operators was often a problem, which aggravated the situation.

The transportation of learners with disabilities had to be taken into consideration, noted Lesufi, as well as minor children from the age of three to four months.

Safety was of vital importance, including entrance to and exit from buses, which could create serious problems.

The session concluded with delegates being formed into five groups for a strategic planning session. The

issues raised included management training, transport in rural and agricultural areas, vehicle maintenance as a result of poor road conditions, financial subsidies, intimidation and dealing with intimidation, formation of

a driving academy, driver training, issue of permits (with the existing process taking too long), decals or stickers to identify long distance operators, lack of enforcement of traffic regulations, fraud and corruption. ■



Downtime...

Cracking the code

By Cindy Haler

Tackling the skills development element of B-BBEE codes has yielded outstanding results for Vix South Africa

CORPORATE social responsibility initiatives are often motivated by necessity rather than choice, but Vix South Africa has achieved unprecedented results with its learnership programme – to the extent that it has chosen to extend the year-long programme by a couple of months to year-end.

The organisation ran its programme through the Media, Information and Communication Technology Sector Education and Training Authority (MICT SETA), taking on 15 learners in a programme combining a syllabus covered by an external, accredited training authority along with hands-on, workplace instruction at Vix South Africa.

SETA criteria stipulate that participating companies provide permanent employment for half of the learners who graduate from a course, but the exceptional performance of its debut group of learners has seen Vix South Africa extend employment offers to well over half of its graduates. It is also seeking to place the remaining graduates with transport operators.

“The SETA requires a certain amount of content to be covered, which the external trainer does, then the rest is done by us in our field,” says Vix South Africa’s CEO Tjaart Kruger. “Fifteen learners came in for a work-based education and training programme that’s linked to a qualification which is registered on the national qualification framework.”

The intake included learners ranging from 19 to 30, with an average age of 24, drawn from diverse backgrounds. While one was a petrol attendant, one worked for Makro, one had trained as a nurse and



Class of 2017: back row, from left: Sharon Malope, Bongani Sithole, Boitumelo Makaleng, Lebogang Mangena, Kgopotso Boshomane, Walter Tshabalala, Vhahngwele Sigari and front, from left: Motlalepule Mohloki, Kopano Mbula, Sindisiwe Zulu, Kelebogile Mosala, Khangwelo Munasi, Simphiwe Masuluke

one came from an agricultural background, Kruger says that what they had in common was that very few had any grounding in technology.

Six months of training was devoted to

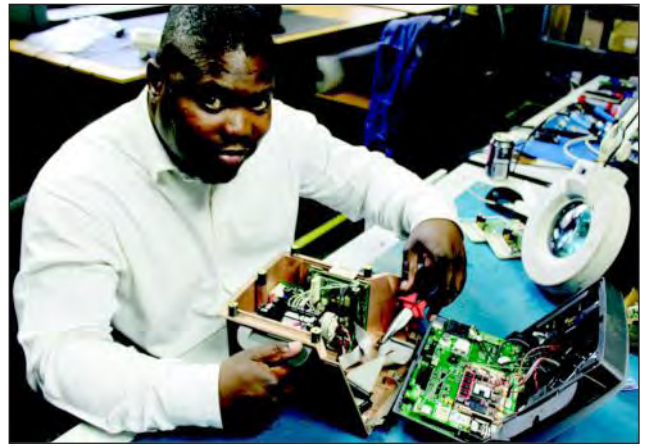
a curriculum encompassing basic fault finding and repairs; basics of quality control; customer service; electronic test equipment; introduction to automatic fare collection, bus operations, electronic



Vix learners: Tshiamo Mabula (standing, back) with (standing, middle row, from left) Sindisiwe Zulu, Kelebogile Mosala, Simphiwe Masuluke and Legohang Sibibiya and (seated, front, from left) Sharon Molopa, Motlalepule Mohloki and Kopano Mbula



Motlalepule Mohloki and Kopano Mbula



Lebogang Mangena

components, project planning and safety; key account management; on-board bus equipment; project finances; route analysis; SLA management, reporting and analysis; and testing of equipment.

After that, learners were put into a workshop environment, where they were taught to dismantle, reassemble and fix ticketing machines.

Once those skills had been mastered, learners – on a rotational basis – went on-site, where Vix South Africa has technicians based in depots.

Women comprised more than half the intake – and turned out to be the star performers in the workshop, says Kruger. The course was not confined to technical content, but exposed learners to various facets of the business. Learners turned their hand to marketing tasks, assisting with stock and stores, as well as assisting in manning the helpdesk and generating analysis and reports. Having embarked on the course with zero Excel experience, for instance, a couple of learners have been deployed in bureau services assisting with report analysis.

Experience has shown that CSI projects that take in huge numbers of learners annually with the guarantee of employment on completion can experience a massive fallout rate. “All 15 of our learners have completed the programme and done well,” notes Kruger. “They’ve been assessed by Vix South Africa, by the SETA, by the external training authority and by clients where they’ve been sent on-site.”

It’s been interesting to observe that some learners have excelled in the theory portion of the course but taken some time to translate that knowledge into a

workshop environment, while some who lagged in theory subsequently shone in a workshop setting. The women, in particular, had excelled in hands-on workshop tasks.

Kruger says that the experience has been heartwarming. “Our philosophy was that they had to be acceptable at the theoretical and practical components, but that if they had the right attitude, they’d be successful. It’s been amazing.

“Our operations manager also quickly saw, from a productivity point of view, what he could do with 15 extra sets of hands. That’s one of the reasons they’ve done so well: in a short time they were brought up to speed and started working. Over and above learning the technical skills, they’ve actually been working. All of them say that they have come away with improved communication skills and improved confidence.”

Kruger says that in collaboration with

the learners, Vix SA has received suggestions for improvements for the next iteration of the course, ranging from providing dedicated training facilities, to fully equipped toolboxes for delegates. “We’ve also learned a lot in the process – and it’s exposed us to young, enthusiastic people who are eager to learn.

“We’ve been humbled by these passionate young people who have displayed extraordinary levels of energy, commitment and dedication throughout the 15-month programme. We’re confident that we’ve achieved our objective of creating a pool of skilled technical people from previously disadvantaged communities. We’ve empowered 15 youngsters who are now enabled to break into a highly competitive sector and who now, more importantly, are able to return to their communities and uplift from within,” concludes Kruger. ■



Simphiwe Masuluke and Kopano Mbula (standing, from left) and (front, from left) Sharon Malope, Lebogang Mangena and Motlalepule Mohloki

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In-depth coverage of the truck and bus industry

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