

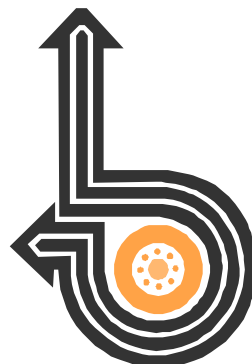
**SOUTHERN AFRICAN  
BUS OPERATORS ASSOCIATION**

**2012/2013**

**ANNUAL REPORT  
OF THE COUNCIL**

Presented By

**Prof J Walters**



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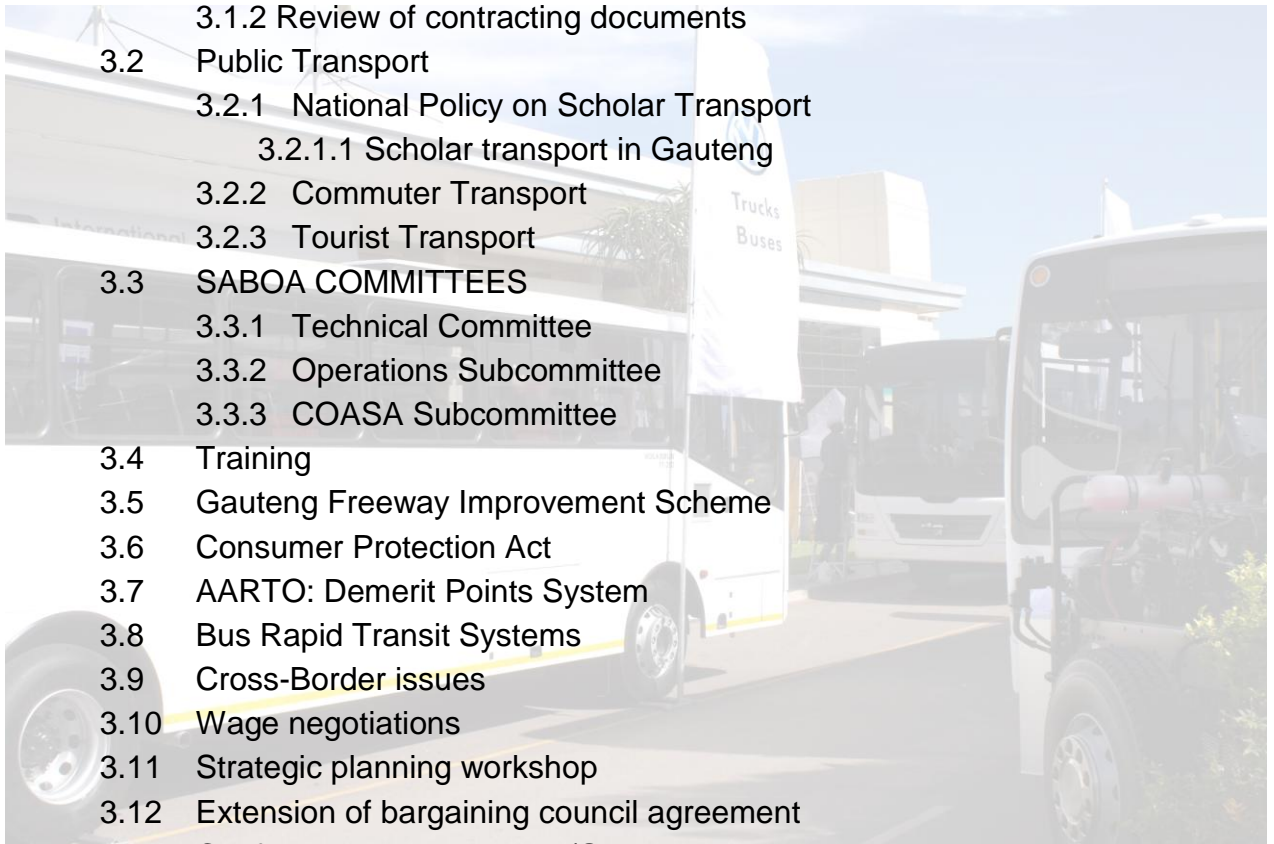
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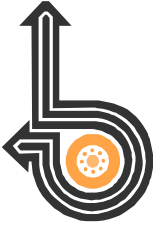
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**SABOA**

## **Southern African Bus Operators Association**

### **VISION**

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

### **VISION SUPPORTING VALUES:**

- The industry is committed to provide a safe and efficient bus transport service, which meets 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 industry.
- SABOA strives to contribute positively to making the ownership profile of bus operators more representative of the wider South African society.
- SABOA supports the constructive introduction of more bus operators from previously disadvantaged communities into the main stream of the formal bus industry in South Africa.
- SABOA recognises that SMME bus operators form an integral part of bus transport services.
- SABOA advocates cooperation and sharing of expertise and solutions among members.
- All strategic efforts are directed towards building a viable and sustainable bus industry.
- As a cornerstone of the vision, SABOA is committed to a 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 operators.
- SABOA strives to contribute positively towards the social upliftment of its members and its employees.

# **ANNUAL REPORT: 2012/2013**

## **1. INTRODUCTION**

Before highlighting the main activities of the Association over the past financial year, I would like to express the industry's appreciation to the former Director-General of the Department of Transport, Mr George Mahlalela, the Acting Deputy Director-General, Mathabatha Mokonyama, and the officials of the Department of Transport, especially Mr Lesiba Manamela and Ms Tebogo Pelele, for their initiatives and efforts in addressing issues of concern to the bus industry. In this regard mention can be made of the initiatives to address the inadequate funds for public transport and the tender and negotiated contract documents etc.

The Association would also like to express its appreciation to all provincial MEC's for Transport and the officials in their departments for their cooperation in addressing the industry's concerns at provincial level. We also wish to thank the officials in the provincial departments of transport for their willingness to attend to the concerns that operators experienced in their provinces.

On behalf of SABOA and its Members we wish to thank the President and Vice-President of the Association, Messrs Sidwell Nche and Andrew Sefala as well as the Chairpersons of the SABOA Provincial Branches for their dedication in representing SABOA at various forums. A special word of appreciation is also addressed to the Council and Executive Committee of SABOA who are always willing to participate in committees, meetings and workshops, and for their guidance and leadership over the past year.

We wish to thank the Associate Members of the Association for their loyal support over many years. Their support stretches much wider than providing sponsorships for events such as the SABOA conference or Technical Committee social weekend. They also provide a great deal of expertise to the Association through their participation in the SABOA Council, Technical Committee and Workshops.

I am also proud to announce that SABOA is in its sixth term of being governed in terms of its democratically transformed constitution where SMME members have equal voting rights in the Association and equal representation in the management structures of SABOA, i.e, its Council and Executive Committee than the established operator members.

Council members revealed a great deal of maturity in co-operating with one another in 2012 when they addressed a very sensitive matter in the Association which had arisen at the Association's strategic planning workshops in January 2012. Empowerment of SMME members is recognized



as a very important matter by all members and the Empowerment Committee that has been established to address this matter worked tirelessly to ensure that business opportunities are explored and brought to the attention of SMME's.

In terms of the SABOA constitution, Provincial Committee Members, Council Members and Executive Committee Members are elected for a two-year term. The term of office of these members expires in May 2013 and an election process was conducted In April and May 2013 to elect new committees. An announcement in this regard will be made later in the programme.

During the 2012/2013 financial year SABOA continued to represent the industry on several important matters related to the bus industry. Numerous meetings and discussions took place with persons and bodies involved in the industry.

This Report highlights the more important activities dealt with by the Association and reports on the progress made in this regard.

## 2. **MANAGEMENT OF THE ASSOCIATION**

The following Members were elected to Council and the Executive Committee for the term 2011-2013:

### 2.1 **Council Members**

#### 2.1.1 **Elected Members**

- **Category A (1-30 buses)**

Messrs R S Nche	City Road Trans Service (Vice-President)
M D Sambo	Davidamac Transports Service
J Vanqa	Vaal Maseru Bus Service
J Mayekiso	Mayekiso Bus Service
A Van Wyk	Madodi Bus Company
S Maharaj	Maphumulo Mail Service (Pty) Ltd
N Dollie	Overland Tours
S Moshane	Bahlakoane Bus Service
A Booysen	Outdoor Classroom
V Naidu	Kenfield Tours
Ms I Mncwango	Gauteng Women in Transport

- **Category B (30+ buses)**

Messrs	A Sefala	Ipelegeng (President)
	A R Komane	NTI
	M H Heyns	Putco
	N S Cronjé	Golden Arrow Bus Service
	T Murugan	South Coast Bus Service
	L Bokaba	Buscor
	L R Mbinda	Mayebuye Transport Corporation
	S G Mitchell	Interstate Bus Lines
	E Matenche	Brakpan Bus Company
	PL Namola	Vaal Maseru
	FF Vinkhumbo	Great North Transport

(In May 2012 Messrs Sefala and Nche rotated their positions)

- **Associate Members**

Mr R Karshagen	MAN Truck & Bus
Ms K Bell	Standard Bank Vehicle Asset & Finance

### 2.1.2 **Appointed Members**

Mr C Heimes	South African Bus Employers Association
Mr C Drysdale	COASA
Mr M Ramela	Commuter Bus Employers Organisation (from September 2012)

### 2.2 **Executive Committee Members**

Messrs	A Sefala	Ipelegeng (President)
	R S Nche	City Road Trans Service (Vice-Pres.)
	A R Komane	NTI
	J Vanqa	Vaal Maseru Bus Company
	M H Heyns	Putco
	N S Cronjé	Golden Arrow Bus Service
	S Maharaj	Maphumulo Mail Service (Pty) Ltd
Ms	I Mncwango	GWIT

### 2.3 **Council/EXCO/General Meetings**

The following meetings were held in 2012/2013:

27 January 2012	:	Special EXCO
27 January 2012	:	EXCO/Council
29 March 2012	:	EXCO

31 May 2012	:	EXCO/ Council
26 July 2012	:	EXCO
27 September 2012	:	EXCO/Council
15 November 2012	:	EXCO
25 January 2013	:	EXCO/Council

### 3. **SPECIFIC ISSUES DEALT WITH DURING 2012/2013**

#### 3.1 **POLICY ISSUES**

##### 3.1.1 **Heads of Agreement/Competitive tendering/Negotiated contracts**

As reported in the 2011/12 Annual Report, the Labour Relations Act (LRA), including section 197, was being amended by the Department of Labour. Various legal opinions were obtained by government which confirmed their view that section 197 was applicable to the Heads of Agreement. The proposed amendment of section 197 would further strengthen their view that section 197 is applicable to the tendering system and that the “going concern” business principle is applicable to the tendering system.

The proposed amendments to the LRA was not finalized in 2012 and the indication is that it will only be concluded in the course of 2013. Due to the delay in finalizing this matter, there were no further developments regarding the Heads of Agreement.

At SABOA’s strategic planning workshop on 24 and 25 January 2013, Mr Manamela of the Department of Transport who was a guest speaker, announced that the Department has decided to embark on concluding negotiated contracts with contract holders to bring more stability into the industry. The Department would prepare themselves in 2013 and start implementing this process from April 2014. The Department would however require more funding and will approach National Treasury in the course of 2013 to obtain the required funding.

In view of the importance of increased funding for public transport, SABOA has introduced the following process to address this matter:

- SABOA hosted a panel discussion between the National Department of Transport, National Treasury and the industry at the SABOA conference on 28 February 2013
- Arranged a meeting with the National Department of Transport and National Treasury to further discuss this matter. This meeting was held on 22 April 2013



- Requested a meeting with the Minister of Transport to strengthen the efforts of the Department of Transport to obtain additional funding for public transport. The meeting with the Minister was held on 17 May 2013
- Requested a meeting with the Portfolio Committee on Transport to obtain their support for additional funding for public transport

SABOA would like to appeal to government to secure additional funding for public transport as there is a great need for additional services to be rendered to communities and to alleviate the financial crises operators are finding themselves in due to circumstances beyond their control.

### 3.1.2 **Review of contracting documents**

In the 2012/13 Annual Report I mentioned that the Department of Transport had decided to develop a new contracting framework for public transport. To this end, the following four new contract documents have been developed:

- Model Net-Based Negotiated Contract Document
- Model Gross-Based Negotiated Contract Document
- Model Net-Based Tendered Contract Document
- Model Gross-Based Tendered Contract Document

SABOA held a number of workshops in 2011 and 2012 to discuss these contract documents where after extensive comments were submitted to the Department of Transport.

SABOA was especially concerned about certain areas in these contract documents. These areas relate inter alia to the following:

- The removal of the conditions of sub-contracting from all the documents.
- There is no clarity on how SMME's will be empowered.
- A clause that the DORA allocation overrides the entire escalation formula in the contracts.
- Inclusion of clauses to the effect that the Contracting Authority may purchase the bus depots from operators.

A revised version of the contract documents was published in February 2013 and SABOA arranged a workshop with its members on 19 February 2013 to discuss these contract documents. Although some of the above concerns which SABOA initially had, had been addressed in the revised contract documents, the clause regarding the DORA allocation which overrides the escalation formula in the documents, remained unchanged.

We are now waiting for the publication of the final version of these contract documents in the government gazette. SABOA will consider the way forward once it has seen the final documents.

## 3.2 **PUBLIC TRANSPORT**

### 3.2.1 **National Policy on Scholar Transport**

For the past twenty years SABOA has lobbied government to develop a national policy for scholar transport. In 2007 the National Department of Transport decided to develop a national scholar transport policy. Two workshops were held with stakeholders on 07 June 2007 and 22 November 2007 to obtain input for the development of a policy document. SABOA participated in these workshops and provided them with valuable information for the development of a policy document.

In 2008 much time was spent by the National Department of Transport to discuss the policy document with the Department of Education at national and provincial level as the policy provides for the responsibility for scholar transport to be transferred from the Department of Education to the Department of Transport. The intention was to finalize and implement the policy in 2009 but the general election in 2009 delayed this process. Although the Department of Transport indicated that the policy would be finalized and implemented in 2010, it did not materialize.

It is not certain what the actual reason for the delay in finalizing the draft policy is. The impression we have after raising this matter with the Department of Transport at the SABOA strategic planning workshop in January 2013 is that the draft policy document is still to be considered by the Portfolio Committee on Transport. It is expected that this will take place in the course of 2013.

In view of the fact that scholar transport was also identified as a focus area at the SABOA strategic planning workshop in January 2013, it will receive special attention throughout the year. In meeting with the SABOA Branches in April and May 2013 to conduct the provincial election processes, the relevant Branches have been requested to provide the following information to the SABOA secretariat;

- Background on the scholar transport system in the province e.g. number of contracts, areas of operation and the number of operators involved in scholar transport

- Problems being experienced by operators e.g. no signed contracts, inadequate remuneration rate, late payments, more children require transport than provided for etc

The information received will then be used to address the problem areas with the relevant government department in the province that is responsible for scholar transport.

### 3.2.1.1 Scholar Transport in Gauteng

As far as scholar transport in Gauteng is concerned, service providers are being remunerated at 80 cents per learner per kilometer since 2010. SABOA has been meeting with the Department on a regular basis to address the following issues:

- Inadequate remuneration rate
- Late payments (of up to three months)
- Incorrect learner numbers
- Introduction of a more balanced contract document

Due to SABOA's efforts, the remuneration rate has been increased to R1 per learner per kilometer with effect from 1 April 2013. Although SABOA welcomes the increase in the remuneration rate, it remains inadequate as service providers are operating short distances.

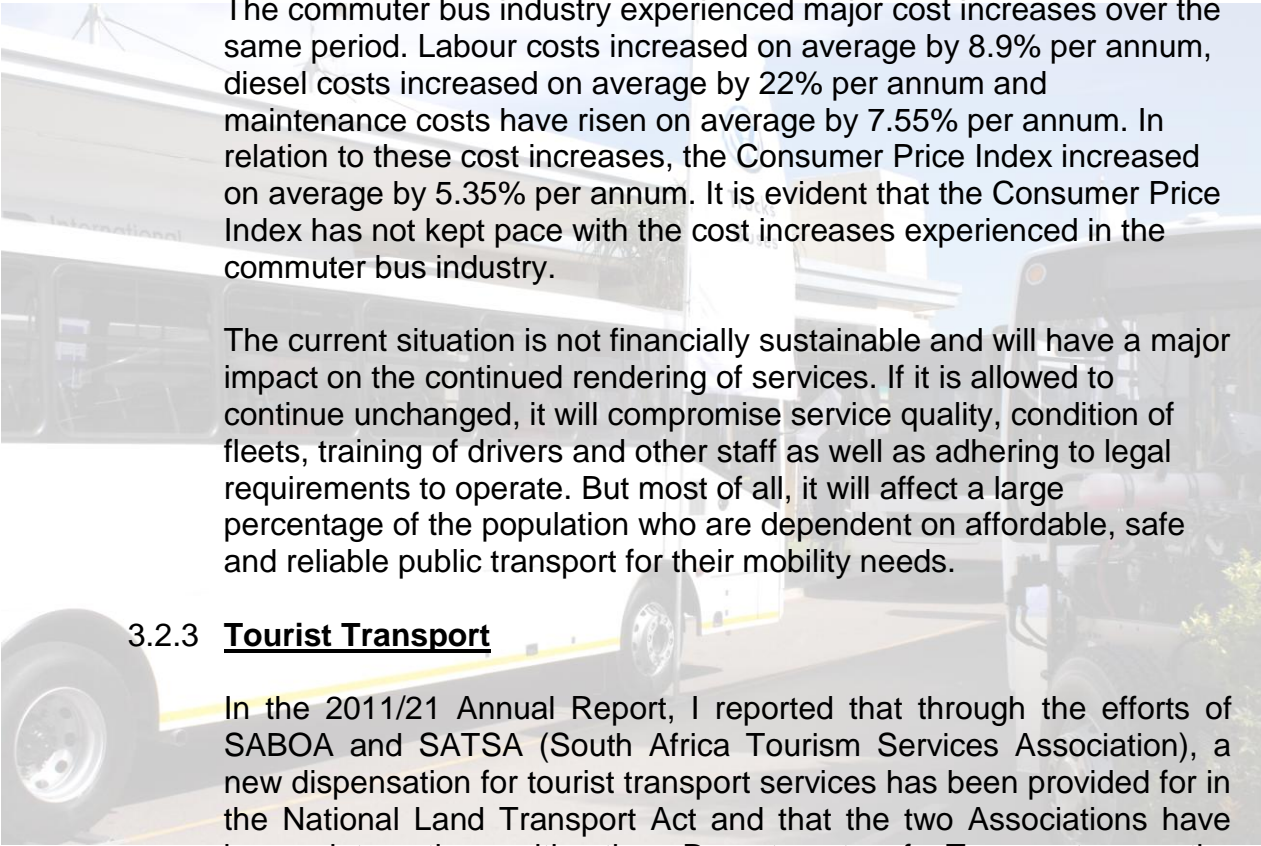
In liaising with the Department of Education, SABOA informed the Department that it has explored all avenues with the Department to ensure that a market-related remuneration rate be paid to service providers. SABOA will now liaise with the Portfolio Committee on Education in Gauteng to address this matter and if necessary with the Public Protector.

### 3.2.2 Commuter Transport

In the 2011/12 Annual Report I reported extensively on the shortfall in bus subsidies for the financial years 2009/10 to 2011/12 and the steps that SABOA had to take to address this matter. I also reported on the introduction of the Division of Revenue Act (DORA) in terms of which all ticket-based interim contracts were converted to kilometer-based interim contracts.

Although the DORA system ensures financial predictability and control of the subsidy bill for government in contrast to the unpredictable ticket-based subsidy system, it also raises a number of serious challenges for government and operators. National Treasury views the subsidy amount in DORA as a Supplementary Grant and expects

provincial governments to provide for bus subsidies in their budgets. With the exception of a few provinces, provincial governments do not budget for subsidized commuter transport nor do they budget for the difference between the DORA supplementary grant and the actual cost of running these bus services based on the escalation formulae in the respective contracts. For the financial years 2009/10 to 2012/13 the average increase in subsidy Gauteng based operators was 1.78% per annum whilst in terms of the contractual agreements these operators should have received an average increase of 7.45% per annum over the same period. Similar discrepancies are also applicable to other provinces.



The commuter bus industry experienced major cost increases over the same period. Labour costs increased on average by 8.9% per annum, diesel costs increased on average by 22% per annum and maintenance costs have risen on average by 7.55% per annum. In relation to these cost increases, the Consumer Price Index increased on average by 5.35% per annum. It is evident that the Consumer Price Index has not kept pace with the cost increases experienced in the commuter bus industry.

The current situation is not financially sustainable and will have a major impact on the continued rendering of services. If it is allowed to continue unchanged, it will compromise service quality, condition of fleets, training of drivers and other staff as well as adhering to legal requirements to operate. But most of all, it will affect a large percentage of the population who are dependent on affordable, safe and reliable public transport for their mobility needs.

### **3.2.3 Tourist Transport**

In the 2011/21 Annual Report, I reported that through the efforts of SABOA and SATSA (South Africa Tourism Services Association), a new dispensation for tourist transport services has been provided for in the National Land Transport Act and that the two Associations have been interacting with the Department of Transport on the establishment of the National Public Transport Regulator (NPTR) to ensure that there is a full understanding of the requirements and skills required for the managing of the newly established accreditation system for tourist transport operators.

In April 2012 the Department of Transport published the names of ten people eligible for appointment as officials of the NPTR and invited interested parties to comment on the proposed appointment of these people. SABOA, SATSA TBCSA (Tourism Business Council of South Africa) and SAVRALA (South African Vehicle Rental and Leasing Association) objected to the appointments due to the fact that there is



no indication in the publication of the fields of expertise of the proposed officials.

The Department has now confirmed that the appointment of staff for the NPTR has been finalized and that the office will be operational soon.

### 3.3 **SABOA COMMITTEES**

#### 3.3.1 **TECHNICAL COMMITTEE**

##### 3.3.1.1 **Technical Committee meetings**

During the past financial year the SABOA Technical Committee, under the Chairmanship of Roger Overton, held meetings as follows:

22 February 2012	CSIR, hosted by MAN
12 April 2012	ZF
24 May 2012	Irizar
12 July 2012	Isringhausen
13 September 2012	Ranch Hotel, Polokwane
08 November 2012	Voith

##### 3.3.1.2 **SABOA Technical Committee Issues**

The following are some of the main issues that were also discussed at the SABOA Technical Committee meetings:

- Directional stability control devices
- Brake performance evaluations
- Bus passenger weight per seat
- Emergency exits
- Waste-tyre management regulations
- Vehicle license and COR
- Road Traffic Regulation amendments
- SANS 534(Microdots)
- Local versus imported tyre prices
- Uneven braking



### 3.3.2 **OPERATIONS SUBCOMMITTEE**

#### 3.3.2.1 **Operations Subcommittee Meetings**

In the 2012/13 financial year the SABOA Operations Subcommittee, under the Chairmanship of Francois Meyer, held meetings as follows:

14 March 2012	SABOA Offices, Randburg
16 May 20012	SABOA Offices, Randburg
11 July 2012	SABOA Offices, Fourways
12 September 2012	SABOA Offices, Fourways
14 November 2012	SABOA Offices, Fourways

#### 3.3.2.2 **Issues Addressed by the Operations Committee**

The following are some of the main issues which were discussed by the Operations Committee:

- Driving hours
- Bus safety campaign: RTMS
- Employee absenteeism
- Bus contracts
- Conversion of permits to operating licences
- Regulations relating to integrated fare systems
- BRT systems

### 3.3.3 **COASA Subcommittee**

#### 3.3.3.1 **COASA Subcommittee Meetings**

During the past financial year the COASA Subcommittee, under the Chairmanship of Johannes Manake held meetings as follows:

07 March 2012	MAN, Olifantsfontein
09 May 2012	MAN, Olifantsfontein
04 July 2012	Toyota, Malboro
05 September 2012	Mercedes-Benz, Zwartkop
31 October 2012	Stone Cradle Restaurant
27 March 2013	Toyota, Malboro

### 3.3.3.2 **Issues addressed by COASA:**

The following are some of the main issues which were addressed by COASA:

- Gauteng freeway toll fees for coaches
- National Public Transport Regulator
- Permits/Operating licenses
- Extension of SARPBAC agreement
- Road Traffic Regulation amendments
- Amendments to the DTI B-BBEE codes  
Of good practice

## 3.4 **TRAINING**

### 3.4.1 **SABOA SKILLS PROGRAMMES FOR SMME'S**

During the past financial year the following training programmes were presented:

3.4.1.1 Driver Skills Programme for Small Bus Operators

3.4.1.2 Small Coach Operators Skills Programme

3.4.1.3 National Certificate: Professional Driving Learnership

We wish to express our sincere appreciation to the Transport Education and Training Authority (TETA) for making funds available for such a worthy cause and to the Service Provider, LearnCorp, for the training they conduct on behalf of SABOA.

### 3.4.2 **Road Passenger Transport Management Programme**

In a joint venture between the University of Johannesburg and SABOA, 330 learners were trained on this programme during 2012. On behalf of SABOA we wish to express our appreciation to the University of Johannesburg for their support in this regard.

## 3.5 **GAUTENG FREEWAY IMPROVEMENT SCHEME**

The upgrading of the freeways in the Greater Johannesburg and Tshwane areas is welcomed by the organized bus industry as it will go a long way in relieving congestion and lowering costs of doing business. SABOA is however not in agreement that the country can continue building new freeways or upgrade existing ones over the long term without also improving the provision of public transport as an alternative to the private car.

SABOA was extensively involved in commenting on the process that was followed by SANRAL to introduce the Gauteng Freeway Improvement Scheme and had a number of meetings with SANRAL regarding this process as well as to discuss the procedures and requirements for qualifying commuter bus operators to apply for exemption from paying toll fees.

Due to public protest and legal interventions, the matter has to date not yet been finalized. The indication is however that the toll fees will be implemented in July 2013. SABOA would therefore wish to encourage its members who qualify for exemption to register with SANRAL so as to be ready when the system is implemented.

### 3.6 **CONSUMER PROTECTION ACT**

In view of a number of incidents where the Consumer Commissioner acted on complaints from commuters about the validity of their tickets, SABOA together with PRASA and GAUTRAIN who had similar incidents, met with the Department of Transport on the matter. It was resolved that the Department of Transport would through the Minister of Transport request the Department of Trade and Industry to grant the relevant industries a grace period of 12 months before applying the Act. During this grace period the relevant industries would consider ways and means of complying with the Act.

A reply from the Department of Trade and Industry is still outstanding.

### 3.7 **AARTO: DEMERIT POINTS SYSTEM**

Road Safety is non-negotiable and the Demerit Points System (DPS) will go a long way in cultivating a culture of traffic law abiding citizens in South Africa.

SABOA is however concerned about the operator dimension of the DPS and the fact that each and every transgression attracts demerit points. There has been no consultation regarding this dimension of the system with the industry. In the initial stage when the DPS was developed it was only in respect of offences and did not include the operator dimension. SABOA raised this matter with the Road Traffic Management Corporation (RTMC)

The matter has been under discussion in Nedlac for some time and although progress has been slow, at least there seems to be consensus among the parties (business, government and labour) that only the critical transgressions such as speeding, reckless driving, driving under the influence of alcohol etc should attract demerit points. SABOA is a member of BUSA (business) and is therefore part of this process.

### 3.8 **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 most 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 also 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. This should however not deter us from embarking on this form of urban transport improvement as the benefits of such systems will in the long run exceed the costs of operation and financial support. The general public is in real need of quality public transport that would give them a choice between using their own cars and public transport.

The Metropolitan Council of Johannesburg (COJ) has made the most progress with the implementation of its BRT system. Phase 1A was completed and handed over to the taxi industry whilst Phase 1B which is intended for bus and taxi operators is currently under discussion.

SABOA is however concerned about the view of COJ that SMME bus operators do not form part of the process as they are not regarded as "affected operators"

SABOA has through stern negotiations managed to keep SMME members part of the process up to now, but there is still no finality as to whether or not they will be part of Phase 1B. SABOA will however continue its efforts to ensure that they are part of the system.

### 3.9 **CROSS-BORDER ISSUES**

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.

Some of the cross-border issues SABOA dealt with in 2011 are as follows:

- **Outstanding applications to Lesotho Border**

A moratorium on the issuing of permits to Lesotho was introduced a number of years ago due to taxi violence. SABOA had many discussions with the C-BRTA and the Department of Transport to address the reasons for the moratorium so that it can be lifted. Although the moratorium has been lifted, SABOA is concerned that the backlog of applications which accumulated due to the moratorium has still not fully been dealt with. SABOA has raised this matter with the C-BRTA on a number of occasions and they have given an undertaking that the backlog will be dealt with speedily.

- **Forum meetings**

SABOA has also raised a number of other issues with the C-BRTA in the Forum meetings which are held on a regular basis. These issues relate to the role of the bus industry in cross-border transport, permits that bus operators have had for many years are being questioned by the taxi industry in meetings chaired by the C-BRTA, methodology applied by the C-BRTA to determine when a route is saturated etc.

These matters are still under discussion with the C-BRTA.

### **3.10 WAGE NEGOTIATIONS**

In 2012 agreement was reached in the Bargaining Council on minimum levels for wages and benefits without industrial action and we wish to congratulate SARPBAC on this achievement.

In 2013 the parties within SARPBAC could not reach agreement in spite of mediation and CCMA involvement and bus drivers went on strike on 19 April 2013. The matter was however resolved after three weeks and agreement was reached on a 9.5% increase effective from 01 April 2013. A further increase of 0.5% was agreed upon effective from 01 October 2013 and 01 July 2014 will be the date for the commencement of the 2014 wage agreement.



### 3.11 **STRATEGIC PLANNING WORKSHOP**

In order to position the industry and the Association a strategic planning workshop is held in January of each year.

In 2012, it was resolved to have separate strategic planning workshops for SMME's and established operators to allow both groups to identify and discuss their issues separately where after the results of both workshops would be considered by Council with the view to identify the focus areas for 2012.

Due to the lack of progress regarding the empowerment of SMME's, an ultimatum was given to SABOA by its SMME members who attended the strategic planning workshop that if no substantive empowerment takes place by 01 April 2012, all SMME office-bearers will vacate their positions in SABOA.

I am pleased to announce that through the guidance and leadership of the SABOA President at the time, the ultimatum has been postponed to May 2013 to allow established operators more time in the uncertain environment they are operating in to consider areas of empowerment for SABOA's SMME's. The Empowerment Committee of SABOA has been capacitated and clear objectives were identified for this Committee to address in the course of 2012.

The Empowerment Committee met with a number of provincial governments and established operators to discuss the empowerment of SMME's. Flowing from these discussions, a business opportunity became available in Gauteng and the Empowerment Committee is currently assisting SMME's take up this opportunity. Another opportunity became available in the Limpopo province and the Empowerment Committee is currently dealing with this matter. Furthermore, a number of tenders that were advertised were also brought to the attention of SMME's.

At the 2013 strategic planning workshop which was held on 25 and 26 January 2013 the following focus areas were identified:

- Influencing policy
- Partnerships between members
- Scholar transport
- Training

### 3.12 **EXTENSION OF THE BARGAINING COUNCIL AGREEMENT**

In April 2012 the Main Collective Agreement of the South African Road Passenger Bargaining Council (SARPBAC) was extended to non-parties to the Agreement. It however excludes scholar transport services where

learners are exclusively transported between residence and school (operators who render other services over and above scholar transport services are not exempt and have to comply), Transnet and Local Authorities.

A number of meetings were held with members to bring to their attention the fact that they had to comply with the SARPBAC Agreement and could apply for exemption in respect of those requirements which they could not comply with. Workshops facilitated by SARPBAC were also arranged to enable SARPBAC to explain the Main Collective Agreement to members as well as the exemption process.

Members raised the following concerns regarding the extension of the Agreement:

- It would have a major financial impact on their businesses
- It would make them less competitive in relation to operators who do not register with SARPBAC
- How long will SARPBAC be prepared to grant exemption before compelling operators to comply with the entire Agreement?
- Who will represent SABOA members in SARPBAC as they are currently not represented?

A meeting was also arranged with one of the employers' associations, SABEA, to discuss the possibility of operators who render non-scheduled services becoming members of SABEA. (The other employers' association, COBEO, is an employers' association exclusively for commuter bus operators and does not provide for operators who are not commuter operators to become members of COBEO). SABEA was however not prepared to accommodate these operators as members.

Legal action has been instituted by various groups/organisations regarding the extension of Bargaining Council agreements to non-parties and the outcome of these actions is awaited as this will determine the way forward.

### 3.13 **CONFERENCE AND EXHIBITION / GALA DINNER**

A one-day conference which consisted of a plenary session and parallel sessions was held on 28 February 2013 at the CSIR conference centre in Pretoria. The conference was combined with an exhibition of products and services by 29 of SABOA's Associate members.

The conference was attended by 420 delegates whilst 50 exhibition stands were displayed in the inside exhibition area. A variety of buses and coaches were also displayed inside and in front of the venue.

SABOA would like to express a special word of appreciation to its Associate members for their loyal support of the conference and exhibition over many years. We also wish thank our Principal members for attending the conference and exhibition in large numbers.

A gala dinner was held on 27 February 2013 at the CSIR conference centre and was attended by 310 people.

### 3.14. **NATIONAL SMALL BUS OPERATORS COUNCIL**

In pursuance of the National Conference for Small Bus Operators that was held on 23 and 24 November 2009, a follow-up conference was held on 04 November 2011. During the latter conference it was resolved to formalize the small bus operators by establishing a National Small Bus Operators Council.

An interim structure, the National Consultative Committee (NCC), was established to assist the Department of Transport with its arrangements. SABOA was represented on the NCC.

In the meantime, a constitution for the Council has been established and Council members have been elected.

Although SABOA fully supports the formalization of SMME bus operators, we are concerned that it is dividing the bus industry and that it will not necessarily enhance the empowerment of these operators. SABOA wishes to reiterate that it remains committed to the constructive introduction of SMME bus operators into the main stream of the formal bus industry as outlined in its constitution.

### 3.15 **COMMENTS ON POLICY/LEGISLATION/SABS REPORTS**

- Various SABS Reports
- Amendments to the Road Traffic Regulations, 1996.
- Cross-border permit policy document
- Model Gross-based Negotiated Contract Document
- Model Net-based Negotiated Contract Document
- Model Gross-based Tender Contract Document
- Model Net-based Tender Contract Document
- Small Bus Operators' MOU with the DOT
- Small Bus Operators' constitution
- SANRAL'S toll fee strategy
- DTI's B-BEE Codes of Good practice
- AARTO Amendment Bill

### 3.16 **MEETINGS WITH MEC'S, GOVERNMENT OFFICIALS AND UNIONS**

During the year under review the SABOA had contact with MEC's, government officials, and Unions as set out below:

- Various MEC's for Transport
- National Department of Transport
- Various Provincial Departments of Transport
- South African Bureau of Standards
- Gauteng Department of Education
- Road Traffic Management Corporation
- NLTA Amendment bill

### 3.17 **EXTERNAL COMMITTEES**

SABOA was involved in a number of external committees of which the following are a few:

- Heads of Agreement Working Group
- SABS Technical Committee
- Nedlac Transport Task Team
- Nedlac AARTO Task Team
- National Department of Transport's Transport Master Plan 2005 – 2050.
- Ekurhuleni Transport Committee
- City of Pretoria's BRT Committee
- City of Johannesburg's BRT External Committee
- COJ Passenger Forum

### 3.18 **SABOA SERVICES/BENEFITS**

Advice was given to a number of SABOA Members in 2012/13 on matters such as:

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

### 3.19 **SECRETARIAL SERVICES**

SABOA provided secretarial services to the South African Bus Employers Association.



### 3.20 **NEW MEMBERS**

During the 2012/13 financial year, SABOA approved 37 applications for Principal membership and 5 applications for Associate membership. Unfortunately, in the course of the year, 69 members closed their businesses/resigned from SABOA. The current membership profile of SABOA is as follows:

- Principal members : 985
- Associate members : 61

### 4. **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. SABOA also circulated its newsletter, FAXTALK, on a regular basis.

### 5. **REPORT FROM THE AUDITOR TO THE MEMBERS OF SABOA**

The audited financial statement for the 2012/13 financial year was approved by Council earlier today and is available to members for inspection at the offices of SABOA.

### 6. **PERSONNEL**

I would like to thank each and every staff member for their support and loyalty throughout the year. Without their dedication and perseverance, SABOA would not be able to function the way it does.

In April 2013, Tammy van Tonder resigned from SABOA and she has now been replaced with Kathleen Cass.

I Thank You

**J Walters**  
**30 May 2013**