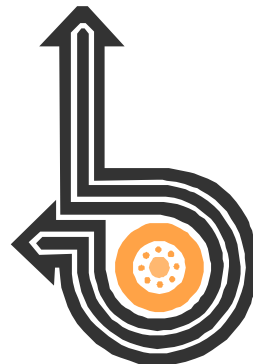
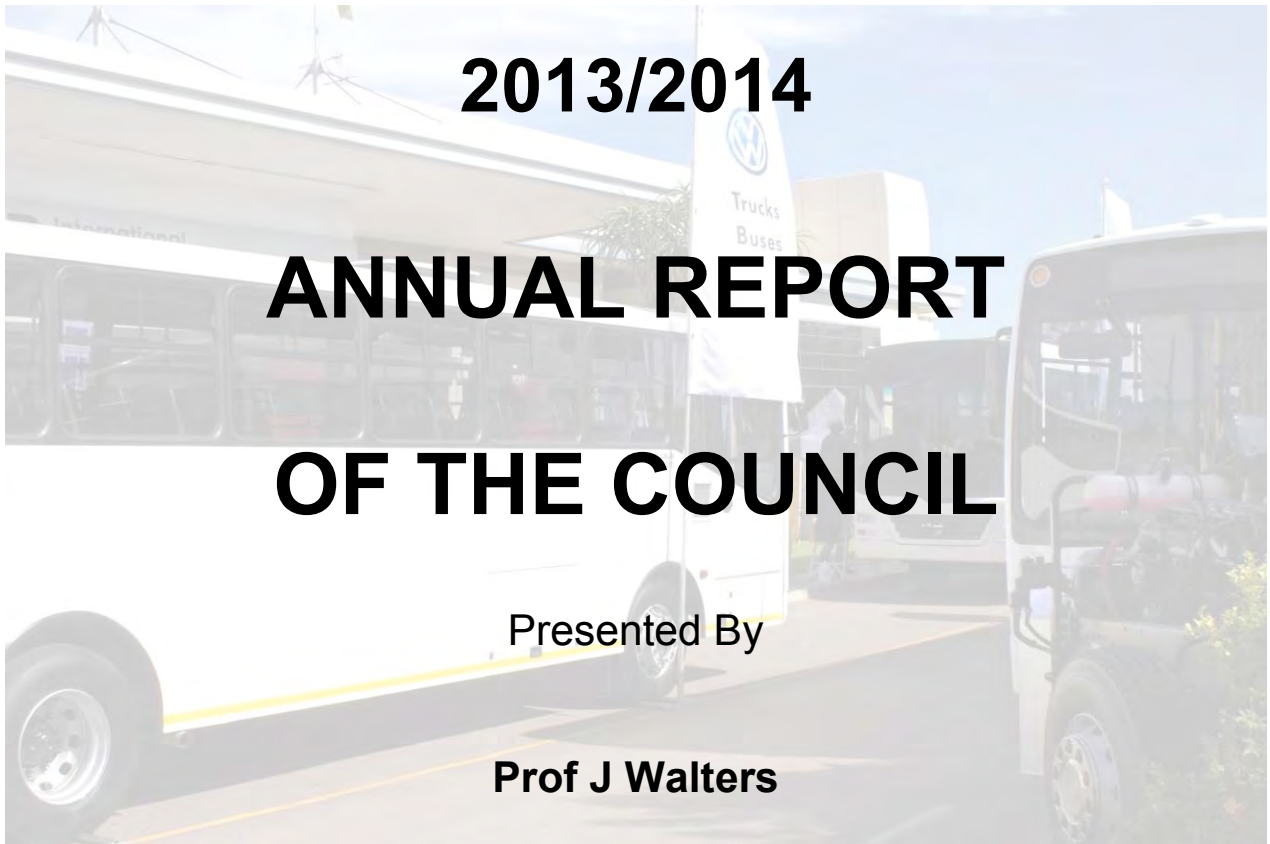


**SOUTHERN AFRICAN
BUS OPERATORS ASSOCIATION**



CONTENTS

VISION AND VISION SUPPORTING VALUES

1. INTRODUCTION

2. MANAGEMENT OF THE ASSOCIATION

3. SPECIFIC ISSUES DEALT WITH DURING 2013/2014

3.1 Policy Issues

3.1.1 Increased funding for public transport/negotiated contracts

3.1.2 Review of contracting documents

3.2 Public Transport

3.2.1 Scholar transport in Gauteng

3.2.2 Scholar transport in Kwazulu-Natal

3.2.3 Subsidised bus commuter transport

3.2.4 Tourist transport

3.3 SABOA Committees

3.3.1 Technical Committee

3.3.1.1 Technical committee meetings

3.3.1.2 SABOA technical committee issues

3.3.2 Operations Subcommittee

3.3.2.1 Operations Subcommittee meetings

3.3.2.2 Issues addressed by the Operations Committee

3.3.3 COASA Subcommittee

3.3.3.1 COASA subcommittee meetings

3.3.3.2 Issues addressed by COASA

3.4 Amendments to the SABOA Constitution

3.5 Road Safety Campaign/Road Transport Management System

3.6 Amendments to the National Land Transport Act/Workshop with DOT and PRE's

3.7 Public Relations Strategy for SABOA

3.8 Empowerment of SMME Members of SABOA

3.9 Training

3.9.1 SABOA skills programmes for SMME's

3.9.2 Road passenger transport management programme

3.10 Gauteng Freeway Improvement Scheme

3.11 AARTO: De-Merit Points System

3.12 Bus Rapid Transit Systems

3.13 Cross-Border Issues

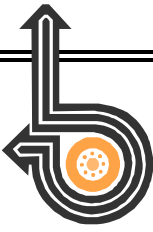
- 3.14 Wage Negotiations
- 3.15 Strategic Planning Workshop
- 3.16 Extension of the Bargaining Council Agreement
- 3.17 Conference and Exhibition / Gala Dinner
- 3.18 Comments on Policy/Legislation/SABS Reports
- 3.19 Meetings with MEC's, Government Officials, Unions and Stakeholders
- 3.20 External Committees
- 3.21 SABOA Services/Benefits
- 3.22 Secretarial Services
- 3.23 New Members

4. SABOA MAGAZINE/NEWSLETTER

5. REPORT FROM THE AUDITOR TO THE MEMBERS OF SABOA

6. PERSONNEL





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: 2013/2014

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 Acting Director-General of the Department of Transport, Mr Vilana, the Acting Deputy Director-General, Mr Mokonyama, and the officials of the Department of Transport, especially Mr Lesiba Manamela for their efforts in addressing issues of concern to the bus industry. In this regard mention can be made of the efforts of the Department of Transport to address the inadequate funds for public transport with National Treasury.

The Association would also like to express its appreciation to all provincial MEC's for Transport and the officials in their departments for attending to 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 seventh term of being governed in terms of its democratically transformed constitution where SMME members have equal voting rights than established operator members in the Association and equal representation in the management structures of SABOA, i.e, its Council and Executive Committee. Some minor amendments to the constitution were approved in 2013 and I will elaborate on this later in my report.

During the 2013/2014 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 2013-2015 (In terms of the amendments to the constitution in 2013, the term of office of Council and Executive Committee members has been extended from two years to four years and elections will be held in to 2017. The term of office of the members elected in 2013 has therefore been extended to 2017):

2.1 Council Members

2.1.1 Elected Members

- Category A (1-30 buses)



Messrs	R S Nche	City Road Trans Service (President)
	M D Sambo	Davidamac Transports Service
	J Vanqa	Vaal Maseru Bus Service
	J Mayekiso	Mayekiso Bus Service
	S Maharaj	Maphumulo Mail Service (Pty) Ltd
	N Dollie	Overland Tours
	T Lebitsa	Hlakanang Bus Company
	C Bailey	Bailey's Bus Service
	N Kaloo	Ameer Kaloo & Sons
Ms	I Mncwango	Gauteng Women in Transport

- Category B (30+ buses)

Messrs	A Sefala	Ipelegeng (Vise-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
	A Heyns	Vaal Maseru Bus Service

(Messrs Mbinda and Matenche were replaced by Mr Mosana and Ms Zondo respectively in 2013)

- **Associate Members**

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

(Mr Karshagen was replaced by Mr Dixon in 2013)

2.1.2 **Appointed Members**

Mr G Fleetwood	South African Bus Employers Association
Ms S Le Roux	COASA
Mr M Ramela	Commuter Bus Employers Organisation

2.2 **Executive Committee Members**

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

2.3 **Council/EXCO/General Meetings**

The following meetings were held in 2013/2014:

25 January 2013	:	Special EXCO
25 January 2013	:	EXCO/Council
14 March 2013	:	EXCO
30 May 2013	:	EXCO/ Council
31 July 2013	:	EXCO
26 September 2013	:	EXCO/Council
14 November 2013	:	EXCO
24 January 2014	:	EXCO/Council

3. SPECIFIC ISSUES DEALT WITH DURING 2013/2014

3.1 POLICY ISSUES

3.1.1 Increased funding for public transport/Negotiated contracts

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 had 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 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
- Met with the Western Cape MEC for Transport on 26 March 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 previous Minister of Transport, Mr Martins 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
- Arranged a meeting with COSATU for 24 July 2013
- Arranged a meeting with SARPAC for 30 July 2013
- Met with the Portfolio Committee on Transport on 30 July 2013 to obtain their support for additional funding for public transport
- Met with the MEC for Transport in Gauteng on 01 August 2013
- Met with the Advisor to the Minister of Finance on 26 August 2013
- Follow-up meeting with the Portfolio Committee on Transport on 05 November 2013
- Met with the Minister of Transport, Ms Peters, on 08 April 2014

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. In spite of further objections from SABOA to this clause, it remains part of the contract documents.

3.2 PUBLIC TRANSPORT

3.2.1. Scholar Transport in Gauteng

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.

SABOA met with the Gauteng Department of Education on a number of occasions in 2013 to discuss the following issues:

- Inadequate remuneration rate
- Late payment of service providers' claims
- Introduction of a more balanced contract document

In order to address the inadequate remuneration for service providers, SABOA proposed the following options to the Gauteng Department of Education:

- A market-related remuneration rate needs to be introduced
- Parents should be requested to make a contribution towards scholar transport
- The starting time of schools could be staggered to enable service providers to operate more than one route with the same bus
- The number of routes should be reduced without reducing the funding

It was only in respect of the third option that the Gauteng Department of Education indicated that it was willing to further discuss this issue. Due to budgetary problems, promises to parents that scholar transport would be free of charge and the fact that less children would be transported to school if routes are reduced, the Gauteng Department of Education was not prepared to entertain these proposals. The restructuring of the routes will be further discussed with the Gauteng Department of Education.

With effect of 1 April 2014, the remuneration rate has been increased to R1.20 per learner per kilometer.

3.2.2 Scholar transport in KwaZulu-Natal

Overloading of scholar transport buses was reported to the KwaZulu-Natal Department of Education by scholar transport service providers on a number of occasions and meetings were also held with the Department regarding this matter. The Education Department has however ignored the request from service providers for the introduction of additional vehicles due to budgetary constraints.

3.2.3 Subsidised Bus Commuter Transport

In the 2012/13 Annual Report I reported extensively on the shortfall in bus subsidies for the financial years 2009/10 to 2012/13 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 for 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.

As discussed earlier in my report, SABOA embarked on an initiative to meet with various stakeholders in order to address this anomaly and will continue with its efforts in this regard in 2014.

3.2.4 Tourist Transport

In the 2012/13 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 was no indication in the publication of the fields of expertise of the proposed officials.

The Department has confirmed that the appointment of staff for the NPTR has been finalized and it is clear that the objections of the various associations have been ignored. Although there are some changes to the names that had originally been published it is understood that these amendments were made for gender purposes and not due to the objections raised by the associations.

Members of SABOA are keen for the NPTR to start functioning as it will alleviate many of the difficulties operators experience at Provincial Regulatory Entities. We therefore wish to appeal to the Chairperson of the NPTR to expedite the process.

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:

27 February 2013	CSIR, hosted by MAN
27 June 2013	Standard Bank
22 November 2013	Legend Golf Safari

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:

- Emission testing
- Bus passenger weight per seat
- Emergency exits
- Euro iv, v & vi engines
- Vehicle license and COR
- Road Traffic Regulation amendments
- SANS 534(Microdots)
- Local versus imported tyre prices
- Chinese buses

3.3.2 **OPERATIONS SUBCOMMITTEE**

3.3.2.1 **Operations Subcommittee Meetings**

In the 2013/14 financial year the SABOA Operations Subcommittee, under the Chairmanship of Francois Meyer, held meetings as follows:

15 May 2013	SABOA Offices, Fourways
17 July 2013	SABOA Offices, Fourways
12 September 2013	SABOA Offices, Fourways
15 November 2013	SABOA Offices, Fourways
12 March 2014	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:

- Amendments to the NLTA
- Bus safety campaign: RTMS
- AARTO Amendment Bill
- DoT contract documents
- DoT's transformation policy
- BRT developments
- Road safety initiatives

3.3.3 **COASA Subcommittee**

3.3.3.1 **COASA Subcommittee Meetings**

During the past financial year the COASA Subcommittee, under the Chairmanship of Ms Sonja le Roux held meetings as follows:

27 March 2013	Toyota, Malboro
22 May 2013	TETA Offices, Randburg
24 July 2013	MAN, Olifantsfontein
04 September 2013	Big Tree B&B, Midrand
06 October 2013	Vix-Questek, Bryanston
05 February 2014	Vix-Questek, Bryanston

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
- C-BRTA Passenger Forum meetings
- Increase in cross-border permit fees

3.4 AMENDMENTS TO THE SABOA CONSTITUTION

In order to streamline the constitution and to ensure greater continuity at Branch level the following amendments were approved by Council after the proposed amendments had been circulated to all SABOA members:

- Council changes to National Council
- Executive Committee changes to National Executive Committee
- Provincial Committees change to Provincial Executive Committees
- Establishment of Regional Executive Committees in Branches
- Term of office of office-bearers changes from two years to four years
- If a quorum is not present at a general meeting, the meeting is adjourned for a few minutes and after reconvening the meeting a quorum will be present irrespective of the number of members present
- Chairpersons of subcommittees are to re-elected after two years
- The President and Vice-President shall not be from the same province
- The President and Vice-President will rotate their positions after two years
- Membership fees are payable within the first three months of the financial year and no longer within the first six months of the financial year

3.5 ROAD SAFETY CAMPAIGN/ROAD TRANSPORT MANAGEMENT SYSTEM

In view of the importance of road safety for the industry, the Council of SABOA resolved to:

- Adopt the Road Transport Management System (RTMS) and to encourage its members to apply for the accreditation of the RTMS system. In this regard, I wish to congratulate Buscor for having been successful in applying for accreditation. I am also aware of the fact that Putco and Golden Arrow Bus Services are busy with the accreditation process.

- In November 2013 SABOA issued a number of press statements to enhance road safety in the industry. These press statements included road safety tips for bus and coach drivers, a road safety code of conduct that members were encouraged to sign and to inform the public at large of the adoption of the RTMS.
- All the press statements were circulated to SABOA members and reflected on the SABOA website.

3.6 AMENDMENTS TO THE NATIONAL LAND TRANSPORT ACT/WORKSHOP WITH DOTAND PRE'S

The Department of Transport published proposed amendments to the National Land Transport Act (NLTA) in the government gazette on 08 March 2013 for comments from interested parties. SABOA arranged a workshop with its members for 11 April 2013 on the draft Bill and compiled extensive comments which were submitted to the Department of Transport. A meeting was then arranged with the Department of Transport to discuss these comments. The meeting with the Department of Transport was held on 21 May 2013. To date, the draft Bill has not been finalized by the Department of Transport.

At the meeting with the Department of Transport, it was requested that a workshop be arranged between SABOA and the Provincial Regulatory Entities (PRE's) to discuss the difficulties operators have with permits/operating licenses. This workshop was held on 21 August 2013. Various presentations from SABOA and its members were made at the workshop and it was submitted in writing to the Department of Transport after the workshop.

At the workshop, SABOA was accused that its members were speaking to the wrong people at PRE level and that is the reason why their issues are not being resolved. It was agreed that the Department of Transport would supply SABOA with a list of contact persons at provincial level who would be able to assist operators when they have difficulties with their permit/operating license applications. This list was circulated to all SABOA members. In spite of circulating this list, there has not been an improvement and the Department of Transport has been requested to arrange separate workshops with PRE's to address members' needs at provincial level. A reply from the Department of Transport is still being awaited.

3.7 PUBLIC RELATIONS STRATEGY FOR SABOA

In order to enhance the image of SABOA and to be able to respond to public transport issues in the media, the Council of SABOA resolved to investigate the possibility of appointing a public relations company to assist SABOA in this regard.

In November 2013 SABOA approached a number of public relations companies and invited them to an information session during which they were given background on SABOA and its activities and requested to submit proposals to SABOA as to how they could assist SABOA in achieving its objectives.

Proposals were received from seven companies which are under consideration by Council. In view of the financial implications for SABOA, various options are being looked at. A final decision should be taken within the next few months.

3.8 EMPOWERMENT OF SMME MEMBERS OF SABOA

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

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

The Empowerment Committee is currently busy with a number of initiatives in various provinces, details of which will be made known when sufficient progress has been made. Members are invited to contact the Chairperson of the Empowerment Committee, Mr Daniel Sambo, should they wish to discuss empowerment initiatives which could be investigated by the Empowerment Committee.

3.9 TRAINING

3.9.1 SABOA SKILLS PROGRAMMES FOR SMME'S

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

- 3.9.1.1 Driver Skills Programme for Small Bus Operators
- 3.9.1.2 Small Coach Operators Skills Programme
- 3.9.1.3 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 conducted on behalf of SABOA.

At the 2013 strategic planning workshop, the following training needs were identified:

- Advanced bus scheduling skills programme
- RPL: Professional driving
- FET certificate: Road transport supervision

Funding for the above programmes has been approved by TETA and The training will take effect in 2014.

3.9.2 Road Passenger Transport Management Programme

In a joint venture between the University of Johannesburg and SABOA, 330 learners were trained on this programme during 2013. On behalf of SABOA we wish to express our appreciation to the University of Johannesburg for their support in this regard.

3.10 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. SABOA also commented on all the regulations that were published for comments regarding this process.

Shortly after the introduction of the toll fees on 03 December 2013, SABOA submitted a request to SANRAL for the exemption of tour and charter coach services and for a separate category for buses and coaches that are not exempt from paying toll fees. The request is still under consideration by SANRAL.

3.11 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 two years. During these discussions there seemed 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. There is now an indication that government is going to go ahead with the original publication of the AARTO regulations which provide for in excess of 3 000 transgressions being allocated demerit points.

3.12 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.

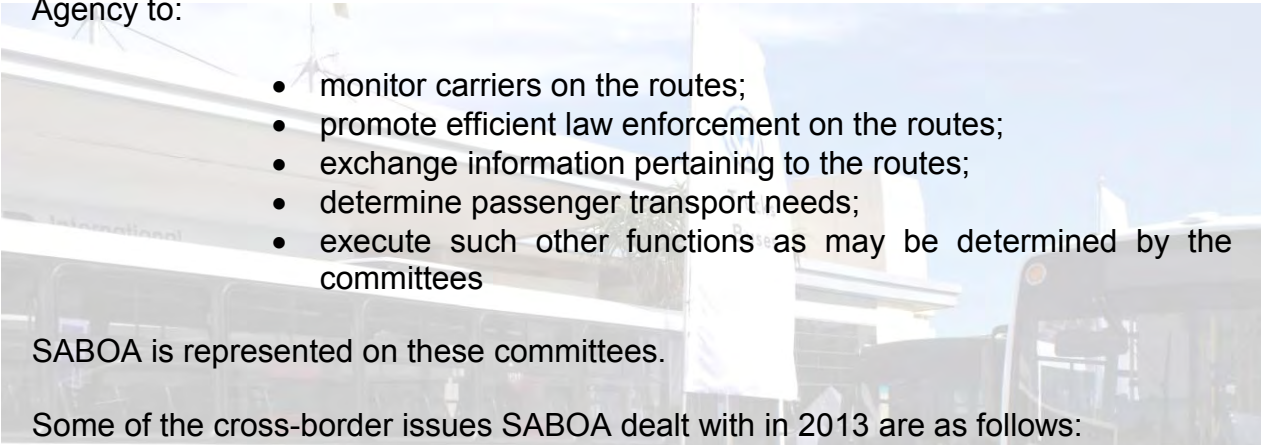
The Cities of Johannesburg and Cape Town have made the most progress with the implementation of its BRT systems. In Johannesburg, Phase 1A was completed and handed over to the taxi industry whilst in Cape Town the My City Service has also been introduced.

Phase 1B in Johannesburg which is intended for bus and taxi operators is still under discussion. SABOA is however concerned about the efforts of COJ to exclude SMME bus operators from being part of the process as they are not regarded as "affected operators." The Gauteng Branch of SABOA declared a dispute with the City of Johannesburg regarding the exclusion of its SMME members. This process is however being delayed by the City of Johannesburg which resulted in the matter being raised with the MMC for transport for assistance.

Phase 1 of the Tshwane Rapid Transit system is also nearing completion and the intention is that it will be operational in July 2014. A similar problem as in the case of the City of Johannesburg has arisen in that the City of Tshwane has taken a decision at a very late stage that SMME bus operators will not be part of the process. SABOA has objected to this decision and is looking at various options to address this problem.

3.13 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 2013 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 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. The main reason being that the Free State government does not recognise cross-border permits and discussions between the Cross-Border Road Transport Agency (C-BRTA) and the Free State government is still ongoing to resolve this matter.

- **Other issues**

SABOA has also raised a number of other issues with the C-BRTA. These issues relate to the following:

- Separate Passenger Forum meetings which will allow bus operators to raise sensitive matters without threats from taxi operators. Although this request was approved in 2012 the C-BRTA decided unilaterally in 2013 to re-introduce joint meetings between bus and taxi operators. SABOA objected to this decision and after a number of meetings the C-BRTA decided to have two separate and two joint meetings per annum. A further decision was taken by the C-BRTA to change it to two meetings per annum, one separate and one joint meeting. Bilateral meetings will be held in between with the different stakeholders.
- SABOA raised its concern to the C-BRTA about the future of the cross-border bus industry as it was evident from a number of factors such as the number of permits issued to taxi operators in relation to bus operators, intimidation by taxi operators on bus operators, the questioning of the legality of bus operators' permits by taxi operators and the C-BRTA etc that the focus of the C-BRTA is mainly on the taxi industry.
- In discussions with the C-BRTA, SABOA stressed that in view of the fact that most cross-border routes are long-distance routes, the bus industry should form the backbone of cross-border industry and not the taxi industry. Taxi-type vehicle are not designed for long-distance routes whilst buses are designed for such routes.
- The C-BRTA needs to find a scientific methodology to regulate market access. This will assist in avoiding the overtrading of routes as is currently the case in the cross-border taxi industry.

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

3.14 WAGE NEGOTIATIONS

In 2013 the parties within SARPAC 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.

The 2014 negotiations are underway and through mediation a settlement was reached on 9.5%.

3.15 STRATEGIC PLANNING WORKSHOP

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

At the 2014 strategic planning workshop which was held on 23 and 24 January 2014 the following focus areas were identified:

- Focus area 1: Influencing policy
- Focus area 2: Secure funding
- Focus area 3: Raise SABAOA's brand profile
- Focus area 4: SMME empowerment

3.16 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 the Bargaining Council agreement to non-parties and it is expected that the court will give a ruling in the course of 2014.

SABOA is also assisting its members who are not members of SABEA or COBEO to establish an employers' organisation to enable them to be represented in SARPAC. This process is ongoing.

3.17 CONFERENCE AND EXHIBITION / GALA DINNER

A one-day conference which consisted of a plenary session and parallel sessions was held on 06 March 2014 at the CSIR conference centre in Pretoria. The conference was combined with an exhibition of products and services by 34 of SABOA's Associate members.

The conference was attended by 400 delegates whilst 55 exhibition stands were displayed in the inside exhibition area. A variety of buses and coaches were also displayed 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 05 March 2014 at the CSIR conference centre and was attended by 290 people

3.18 COMMENTS ON POLICY/LEGISLATION/SABS REPORTS

- Various SABS Reports
 - Amendments to the Road Traffic Regulations, 1996.
 - Cross-border permit policy document
 - Increase in cross-border permit fees
 - Model Gross-based Negotiated Contract Document
 - Model Net-based Negotiated Contract Document
 - Model Gross-based Tender Contract Document
 - Model Net-based Tender Contract Document
-
- SANRAL'S toll fee strategy

- DTI's B-BEE Codes of Good practice
- AARTO Amendment Bill

3.19 MEETINGS WITH MEC'S, GOVERNMENT OFFICIALS, UNIONS AND STAKEHOLDERS

During the year under review the SABOA had contact with the following:

- Ministers of Transport (Ministers Martins and Peters)
- Various MEC's for Transport
- National Department of Transport
- Various Provincial Departments of Transport
- COSATU
- SARPBAC
- Portfolio Committee on Transport
- Gauteng Department of Education
- Road Traffic Management Corporation
- Advisor to the Minister of Finance
- National Treasury
- South African Commuters Organisation

3.20 EXTERNAL COMMITTEES

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

- Nedlac AARTO Task Team
- Gauteng Master Plan
- Ekurhuleni Transport Committee
- City of Tshwane's TRT Committee
- City of Johannesburg's BRT External Committee
- COJ Passenger Forum
- SANRAL
- C-BRTA Passenger Forum meetings

3.21 SABOA SERVICES/BENEFITS

Advice was given to a number of SABOA Members in 2013/14 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

3.22 SECRETARIAL SERVICES

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

3.23 NEW MEMBERS

During the 2013/14 financial year, SABOA approved 82 applications for Principal membership and 8 applications for Associate membership. Unfortunately, in the course of the year, 147 members either closed their businesses due to financial constraints or stopped operating as they no longer had buses. This is very unfortunate and clearly reflects the impact of the down turn in the economy on the bus industry. The current membership profile of SABOA is as follows:

- Principal members : 920
- Associate members : 65

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 2013/14 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.

I Thank You

J Walters
29 May 2014