

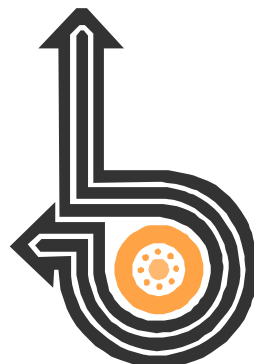
**SOUTHERN AFRICAN
BUS OPERATORS ASSOCIATION**

2016/2017

**ANNUAL REPORT
OF THE COUNCIL**

Presented By

Prof J Walters



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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: 2016/2017

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 Mokonyama, and the officials of the Department of Transport, especially Mr Lesiba Manamela for their efforts in addressing the inadequate funding for public transport with National Treasury.

The Association would also like to express its appreciation to all provincial MEC's for Transport 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 assistance in addressing 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 Andrew Sefala and Sidwell Nche as well as the Chairpersons of the SABOA Provincial Branches for representing SABOA at various forums throughout the year. A special word of appreciation is also addressed to the National Council and National 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.

During the 2016/2017 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 the National Council and the National 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 the next elections will be held in 2017. The term of office of the members elected in 2013 was 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 (Vice-President)
	M D Sambo	Sambo Express
	J Vanqa	Vaal Maseru Bus Service
	J Mayegiso	Mayegiso Bus Service
	S Maharaj	Maphumulo Mail Service (Pty) Ltd
	N Dollie	Overland Tours
	T Lebitsa	Hlakanang Bus Company
	C Bailey	Bailey's Bus Service
Ms	I Mncwango	Gauteng Women in Transport
	Vacant	(The vacancy on Council is due to a vacancy in the KZN Branch)

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

Messrs	A Sefala	IpelegengTransport Trust (President)
	A R Komane	NTI
	M H Heyns	Putco
	F E Meyer	Golden Arrow Bus Service
	T Murugan	South Coast Bus Service
	L Raath	Buscor
	N Madyibi	Mayebuye Transport Corporation
	S G Mitchell	Interstate Bus Lines
	P Zondo	Brakpan Bus Company
	Vacant	Vaal Maseru Bus Service

(Mr Meyer replaced Mr Cronje who retired in October 2015 and Mr Raath replaced Mr Bokaba who resigned)

(The vacancy is due to the passing away of Mr Alex Heyns of Vaal Maseru Bus Service in January 2016.)

- **Associate Members**

Mr P Kalil-Zackey	MAN Truck & Bus
Ms K Bell	Standard Bank Vehicle Asset & Finance

2.2 **Executive Committee Members**

Messrs A Sefala	Ipelegeng Transport Trust (President)
R S Nche	City Road Trans Service (Vice-President)
A R Komane	NTI
J Vanqa	Vaal Maseru Bus Service
M H Heyns	Putco
F E Meyer	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 2016/2017:

27 January 2016	:	Special Exco meeting
27 January 2016	:	Exco/Council meeting
31 March 2016	:	Exco meeting
26 May 2016	:	Exco/ Council meeting
28 July 2016	:	Exco meeting
29 September 2016	:	Exco/Council meeting
17 November 2016	:	Exco meeting
26 January 2017	:	Exco/Council meeting

3. **SPECIFIC ISSUES DEALT WITH DURING 2016/17**

3.1 **POLICY ISSUES**

3.1.1 **Increased funding for public transport**

As reported in my 2014/15 and 2015/16 Annual Reports (copies of which are available on the SABOA website www.saboa.co.za), SABOA liaised extensively with various government departments and other stakeholders to lobby for additional funding for public transport.

SABOA is pleased to announce that in the previous Minister of Finance's mid-term budget in October 2015, an additional amount of R1.4 billion was made available for public transport for the next three financial years.

Due to budget cuts which had to be applied by all state departments the amount was later reduced to R700 million which will be spread over three years on the following basis:

- 2016/17: R250 million
- 2017/18: R250 million
- 2018/19: R200 million

SABOA would like to express its sincere appreciation to the Department of Transport and in particular to Mr Mokonyama, for his efforts in securing the **additional** amount of R700 million to assist contract operators.

In 2016 the Department of Transport announced that it was busy compiling a Turnaround Plan for Public Transport. The overall objective of the Turnaround Plan is to develop a strategic motivation and business case for additional funding to support land-based public transport in South Africa.

I will elaborate on the Turnaround Plan in item 3.2.3 below.

3.1.2 **Optimization of public transport contracting costs**

A workshop on the optimization of public transport contracting costs was held between the Department of Transport, monitoring companies, companies involved in the bus contracting and SABOA on 30 November 2016. The purpose of the workshop was:

- To discuss the public transport turnaround strategy of the Department of Transport.
- To discuss potential cost savings in contracting road-based public transport – a high level overview provided by SABOA.
- The view of two currently contracted companies on potential cost savings in contracting public transport.

3.2 **PUBLIC TRANSPORT**

3.2.1 **Subsidised Scholar Transport**

In addressing the 2016 SABOA conference in March 2016, the Department of Transport highlighted the issues below as major issues in subsidized scholar transport. These issues, and others, have been raised by SABOA with government on numerous occasions and we are pleased that it is now receiving attention:

- Number of learners who qualify to be provided with subsidized transport exceeds the budgets available to provide such services
- New settlements and schools need to be coordinated
- Funding streams need to be able to respond to the constantly changing demand for services

- Dedicated services can respond to changing demands better than contracted commuter bus services
- Data management and reporting challenges

Scholar transport forms part of the Department of Transport's Turnaround Plan. I will elaborate on this under item 3.2.3 (Subsidised Bus Commuter Transport).

3.2.2. **Scholar Transport in Gauteng**

In my 2015/16 Annual Report I reported in detail on SABOA's efforts to resolve the lack of compliance to the tender evaluation criteria by the Gauteng Department of Education in its 2014 tender as well as the fact that due to a lack of progress in resolving this matter it was reported to the Public Protector.

The office of the Public Protector has been interacting with the Gauteng Department of Education regarding this matter throughout 2015 and 2016 and according to reports received from the office of the Public Protector the response from the Gauteng Department of Education in providing information to the Public Protector has been slow. They are nevertheless continuing their efforts to obtain all the required information from the Department of Education to enable them to compile a report on the matter. A report on SABOA's complaint is expected soon.

3.2.3 **Subsidised Bus Commuter Transport/Bus industry challenges**

At the SABOA conference in March 2016 the Department of Transport announced that the Turnaround Plan for Public Transport is being compiled and that internal and external role players will be consulted for inputs prior to the final approval and implementation of the Plan. Funding will then be sourced for implementation.

The following areas are being covered in the Turnaround Plan:

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

A draft of the Turnaround Plan was made available to SABOA and an internal workshop was held on 19 January 2017 to prepare comments for submission to the Department of Transport. SABOA met with the Department of Transport on 09 February 2017 to discuss its comments and to submit a written copy thereof to the Department of Transport.

The Department of Transport is currently following an internal process to have the Turnaround Plan approved.

3.2.4 Tourist Transport

In the 2015/16 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 to speed up the establishment of the National Public Transport Regulator (NPTR).

On 01 July 2016 the Minister of Transport gave notice in the government gazette that the NPTR would be operational with effect from 29 July 2016 and will undertake the following functions:

- The accreditation of operators of tourist transport services; and
- Receiving and deciding on applications for the granting, renewal, amendment or transfer of operating licenses for tourist transport services.

Applications for interprovincial services must still be made to the relevant Provincial Regulatory Entities (PRE's) until such time that a notice is published in the government gazette giving notice that the NPTR will commence undertaking this function.

The introduction of the NPTR will alleviate many of the difficulties that tourist transport operators experienced at Provincial Regulatory Entities. In view of the fact that many tourist transport operators are also involved in interprovincial transport, we wish to encourage the Department of Transport to allocate the function of interprovincial transport applications to the NPTR as soon as possible.

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 held its first meeting on 18 February 2016 at Bedford Centre, thereafter joint meetings with the Operations Committee were held as follows:

23 June 2016	Zwartkop
22 September 2016	Isringhausen
24 November 2016	Emperor's Palace
22 February 2017	Vix-Questek

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:

- Vehicle license fees
- Permits for bi-articulate buses
- Renewal of vehicle license fees on a 6-monthly basis with roadworthy certificate
- Road Traffic Regulation amendments
- RTMS/PBS
- Tyre regulation: Redisa
- Paint testing by SABS
- Various speakers on topical issues

3.3.2 **OPERATIONS SUBCOMMITTEE**

3.3.2.1 **Operations Subcommittee Meetings**

In the 2016/17 financial year the SABOA Operations Subcommittee held meetings as follows:

17 February 2016: SABOA Offices
13 May 2016: SABOA Offices

After these two meetings joint meetings with the SABOA Technical Committee took place as outlined above.

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:

- Driver database
- Driver Training Academy
- Turnaround strategy for public transport
- Electronic tickets
- Reselling of tickets
- Expiry dates on tickets
- BRT developments

3.3.3 **COASA Subcommittee**

3.3.3.1 **COASA Subcommittee Meetings**

During the past financial year the COASA Subcommittee held its first meetings on 10 February 2016 thereafter joint meetings were held with the Gauteng Branch. Joint meetings were held as follows:

08 June 2016	Vix-Questek
14 September 2016	Vix-Questek
23 November 2016	Vix-Questek
14 February 2017	SABOA offices

3.3.3.2 **Issues addressed by COASA:**

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

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

3.4 ROAD TRANSPORT MANAGEMENT SYSTEM

In view of the importance of road safety for the industry, the National Council of SABOA resolved to adopt the Road Transport Management System (RTMS) and to encourage its members to apply for the accreditation of the RTMS system.

RTMS is an industry-led, government supported, voluntary, self-regulation scheme that encourages road transport operators to implement a management system (SANS 10399:2012) with outcomes that improve road safety.

A number of workshops were held in 2016 in various provinces to promote the RTMS system and to elaborate on the benefits for operators who are accredited. Workshops will again be arranged in 2017.

SABOA wishes to encourage its members to consider applying for RTMS accreditation as it has distinct benefits for operators and improves road safety.

3.5 DRIVER TRAINING ACADEMY FOR THE BUS INDUSTRY

As was reported in the 2015/16 Annual Report, the National Executive Committee of SABOA resolved in July 2015 to establish a Driver Training Academy for the bus and coach industry in South Africa. This followed a one-day workshop in August 2014 during which it was resolved to establish an academy based on international standards.

A Steering Committee was established to undertake some of the tasks required for the establishment of the Driver Training Academy. The following objectives have been identified by the Steering Committee:

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

In order to expedite the establishing of the Driver Training Academy, the Executive Committee approved of the following way forward:

- A business plan is to be compiled which will be used to obtain funding for the establishment of the Driver Training Academy

- A “request for proposal” process will be followed to appoint a knowledgeable person to compile the business plan
- Once the business plan is available, identified companies will be visited to secure funding for the Driver Training Academy

The above way forward is currently in process.

3.6. REVIEW OF THE WHITE PAPER ON NATIONAL TRANSPORT POLICY

On 17 and 18 March 2016 the second consultative workshop on the review of the White Paper on National Transport Policy was hosted by the National Department of Transport. The purpose of the review process was to look at current transport sector policies, strategies, plans, frameworks and legislation as to understand the vision and objectives for South Africa’s transport sector and the issues, gaps and challenges in the transport sector.

In terms of the overall vision for transport in South Africa, there has not been any major shift since the White Paper in 1996. A number of challenges face the transport sector of which the following have the greatest impact on South Africa’s residents, enterprises and the broader economy:

- Fragmentation in government planning, implementation and funding of public transport.
- Ineffective measures to improve transport safety, in particular road transport.
- Persistent under-performance in passenger and freight rail transport.
- Slow progress in serving marginalised rural populations.
- Poor implementation of existing policy.

The initial indication from the Department of Transport was that the review process would be completed in March 2017 where after it will go through the parliamentary process and all interested parties will have the opportunity to comment on the recommendations. To date, there have been no further reports from the Department of Transport regarding progress with the draft White Paper.

3.7 TAXI INTIMIDATION

In view of the ongoing intimidation by taxi operators on bus operators and in view of the fact that the channels that SABOA has been following to address these incidents have not had the desired effect, SABOA requested the previous Minister of Transport (Ms Peters) in December 2015 to appeal to the taxi industry to refrain from intimidating bus operators. The Minister reported that she had a discussion with the leadership of SANTACO and that they committed SANTACO to a non-violence stance in interacting with other public transport stakeholders.

There was, however, no improvement and SABOA requested the Minister to arrange a meeting between SANTACO, NTA and SABOA, chaired by the Minister, to address this matter. A meeting was arranged for 08 August 2016, chaired by Mr Mokonyama of the Department of Transport. At the meeting with the taxi associations it was resolved that bilateral meetings should be held between SANTACO and SABOA and between the NTA and SABOA. In spite of all SABOA's efforts to obtain suitable meeting dates for the bilateral meetings there has been no response from the two taxi associations.

The following actions were also taken by SABOA to address taxi intimidation:

- Letter to the previous Minister of Police (Minister Nhleko) in December 2015. SABOA met with the SAPS Stakeholder Manager on 29 June 2016 and it was agreed to establish a Stakeholder Forum to address taxi intimidation. Since this date it has not been possible to reach the Stakeholder Manager.
- Reported the taxi intimidation to the Public Protector in September 2016 but the office of the Public Protector referred SABOA to the SAPS.
- Reported the taxi intimidation to the Independent Police Investigative Directorate (IPID) in October 2016 and met with them on 07 December 2016. IPID confirmed that they only investigate instances where there is a lack of progress made by the SAPS in respect of reported incidents.
- Taxi intimidation was dealt with by the SABOA National Council and at the strategic planning workshop in January 2017.
- The way following way forward was approved by the National Council:
 - Again raise the matter with the Minister of Transport. In the meantime Mr Maswanganyi replaced Ms Peters as Minister of Transport. A request for a meeting with Minister Maswanganyi has been submitted to discuss taxi intimidation and other pertinent issues in the industry.
 - Write to the National and Provincial Commissioners of Police for assistance.
 - Approach the Public Protector for an appointment to emphasize the seriousness of the matter and to try and convince them to investigate the matter.

3.8 EMPOWERMENT OF SMME MEMBERS OF SABOA

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

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

The Empowerment Committee has been busy with a number of initiatives in various provinces, but its efforts are being hampered by the lack of financial information from SMME's involved in this process and the availability of funding for these transactions.

In January 2016, the Empowerment Committee submitted a report of its activities to the National Council of SABOA and requested that SABOA should recommend to government that 15% of all commuter contracts should be awarded to SMME bus operators. This proposal of the Empowerment Committee was approved by the National Council and letters to this effect were sent to the National Department of Transport as well as to all the MEC's for Transport in the provinces.

SABOA subscribes to Tender News and throughout the year, as and when tender opportunities became known to SABOA, members were made aware of these opportunities. We would like to invite members to inform SABOA when they have been successful in obtaining tenders through this process as it is important to gage the success rate of this system.

Members are also 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 Advanced scheduling (skills programme)
- 3.9.1.2 RPL National Certificate: Professional Driving
(learnership)
- 3.9.1.3 FET Certificate: Road Transport Supervision
(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.

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 2016. On behalf of SABOA we wish to express our appreciation to the University of Johannesburg for their support in this regard.

3.10 BUS RAPID TRANSIT SYSTEMS

SABOA has stated repeatedly that it is in favour of Bus Rapid Transit (BRT) systems as part of an urban transport solution in South Africa. These systems are being developed in many of the metropolitan areas in the country. It is also SABOA's view that BRT systems are appropriate for many urban areas although it could differ from metropolitan area to metropolitan area depending on the operating circumstances and requirements, level of funding that is available etc.

Metropolitan Councils should however ensure that proper viability impact studies are undertaken to determine the need for a BRT system or whether existing public transport systems should be improved. BRT systems will need continued financial support due to low population density and relatively high operating costs. This should however not deter us from embarking on this form of urban transport improvement, where justified, 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 private cars and public transport.

The Cities of Johannesburg, Cape Town, Tshwane and George have made the most progress with the implementation of its BRT systems and some of them have introduced various phases over the past few years.

SMME bus operators are however excluded from participating in these systems as they are not regarded as "affected operators." It is SABOA's view that their exclusion is the result of a narrow interpretation of section 41 of the National Land Transport Act (NLTA) by the Cities. The narrow interpretation relates to the fact that Cities only consider operators who operate route-based services on the routes intended for BRT services whilst section 41 of the NLTA refers to operators operating in the area under the jurisdiction of the City. SABOA has submitted a proposal to the National Department of Transport to amend section 41 of the NLTA to ensure that there is no room for misinterpretation.

During a meeting between the Department of Transport and SABOA on 24 August 2016, the Department reaffirmed its view that it was unfair to exclude SMME bus operators from participating in BRT developments. The Department also confirmed that it was not required to amend section 41 of the Act as the matter could be addressed by means of a change in policy.

SABOA was requested to provide the Department of Transport with a memorandum on the matter to enable the Department to discuss the matter with local governments. The memorandum was submitted to the Department in December 2016 and is currently under consideration.

3.11 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 2016 are as follows:

- SABOA raised its concern with 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 the 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.

- The non-issuing of permits to Lesotho due to taxi intimidation. In spite of court orders that were issued to prevent taxi operators from intimidating bus operators, the matter remains unresolved. This together with the fact that the Free State government does not recognise cross-border permits resulted in the non-issuing of permits to Lesotho.
- SABOA also commented on the C-BRTA's proposed policy reform document which addressed the possibility of introducing restrictions on the distances that the different modes may travel in order to enhance safety.

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

3.12 SABOA SHORT-TERM INSURANCE SCHEME

The management of the SABOA Short-term Insurance Scheme was awarded to Ibiliti Underwriting Managers on 01 December 2014 for a period of 5 years. One of the biggest benefits to our SMME members who have 30 or less buses is that if they join the Scheme they get membership of SABOA free of charge.

The Scheme is however not limited to SMME members. It provides cover for large operators as well and packages to suit the needs of large operators can be structured.

SABOA would like to invite its members who are not on the Scheme to consider requesting a free no-obligation quotation from the Scheme as this could be to your benefit.

3.13 SABOA BUS INDABAS

In order to promote the SABOA Short-term Insurance Scheme and to inform members of the developments in the bus industry, Bus Indabas were held in 2016 throughout the country. A decision was also taken by the SABOA National Council in January 2016 that provincial strategic planning workshops need to be held to ensure that more members are involved in this process. It was therefore decided to combine the Bus Indabas and the provincial strategic planning workshops. These events were hosted as follows:

- Polokwane: 26 July 2016
- White River: 18 August 2016
- Klerksdorp: 07 September 2016
- Bloemfontein: 28 September 2016
- Boksburg: 12 October 2016
- Mthatha: 26 October 2016
- Cape Town: 16 November 2016

- Durban: 23 November 2016

All the Bus Indabas/strategic planning workshops were well attended and it will be repeated on the same basis in the second half of 2017.

At the strategic planning workshop of the National Council which was held on 26-27 January 2017 the following focus areas were identified for the year:

- Focus area 1: Build trusting relations with government and key stakeholders to advance government strategy to enhance public transport.
- Focus area 2: SABOA to lobby government to legislate and motivate government and business entities to develop SBO's capacity to participate in mainstream contracts.
- Focus area 3: Decrease the level of taxi intimidation.
- Focus area 4: to standardise and lower heavy vehicle licence fees across provinces.

3.14 ALIGNMENT OF THE BUS SECTOR CHARTER TO THE AMENDED DTI CODES OF GOOD PRACTICE

As reported in the 2015/16 Annual Report, the SABOA BEE Sub-committee met with the Department of Transport on a number of occasions to discuss the alignment of the Bus Sector Charter to the amended DTI Codes of Good Practice.

Agreement was reached on all the elements except preferential procurement. In spite of a joint meeting with the Department of Transport and the Department of Trade and Industry the matter remains unresolved. A request to meet with the Department of Energy in an attempt to find a solution to the problem was agreed to by the Departments of Transport and of Trade and Industry and was arranged for May 2016 but was cancelled by government at very short notice. To date, the meeting has not materialised.

The draft Bus Sector Charter was published in the government gazette for comments and SABOA submitted comments to the Department of Trade and Industry on 27 June 2016.

At the BEE Indaba that was held from 10-12 November 2016 a number of amendments to the Bus Sector Charter were announced. SABOA requested a meeting with the Department of Transport to obtain clarity regarding the announced amendments to the Bus Sector Charter but to date a meeting has not yet been secured.

SABOA would like to express its concern at the amendments which had been made to the Bus Sector Charter without any consultation with the industry. We also wish to repeat our request for a meeting with the Department of Transport to clarify the situation.

3.15 WAGE NEGOTIATIONS

In 2015 the parties in SARPBAC could not reach agreement and a settlement outlined below was only reached through mediation:

- 9% increase for the period 01 July 2015-30 June 2016
- 4% increase for the period 01 July 2016-31 December 2016
- 4% increase for the period 01 January 2017-31 March 2017

In the 2017 negotiations it became evident at an early stage that the parties were far apart in their demands and that it would be difficult to reach a settlement without industrial action.

In spite of dispute mediation a settlement could not be reached and a national strike in the bus industry took effect on 12 April 2017. A settlement was finally reached on 9%.

3.16 CONFERENCE AND EXHIBITION / GALA DINNER

A two-day conference which consisted of a plenary session and parallel sessions was held on 09 and 10 March 2016 at the CSIR conference centre in Pretoria. The conference was combined with an exhibition of products and services by 22 of SABOA's Associate members.

The conference was attended by 480 delegates whilst 52 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 for many years. We also wish to thank our Principal members for attending the event in large numbers.

3.17 SABOA INITIATIVES

In order to enhance the image and effectiveness of SABOA, the National Council resolved as follows:

- To work towards the establishing of Branch offices in the provinces. To this end, I am pleased to announce that the first Branch office was opened in Cape Town in 2015. In November 2016 a Branch office was also opened in Nelspruit. SABOA will continue with a phase-in process in this regard. At least one more Branch office will be established in the course of 2017.
- To purchase office space for SABOA when its current lease expires in 2021.

3.18 COMMENTS ON POLICY/LEGISLATION/SABS REPORTS

- Various SABS Reports
- Amendments to the Road Traffic Regulations
- Various C-BRTA Documents
- AARTO Amendment Bill
- Draft Carbon Tax Policy Document
- Draft Bus Sector Charter

3.19 LIAISON WITH STAKEHOLDERS

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

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

3.20 EXTERNAL COMMITTEES/MEETINGS

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

- White paper consultative forum
- Ekurhuleni Transport Committee
- City of Tshwane's TRT Committee
- City of Tshwane Intermodal Committee
- City of Johannesburg's BRT Committee
- City of Nelspruit BRT Committee

- COJ Passenger Forum
- SANRAL
- C-BRTA Passenger Forum meetings
- DOT BEE Alignment Committee
- National Tourism Stakeholder Forum
- National Treasury's Carbon Tax Committee
- Department of Transport's Turnaround Plan for Public Transport

3.21 SABOA SERVICES/BENEFITS

Information was given to a number of SABOA Members in 2016/17 on matters such as:

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

3.22 NEW MEMBERS

During the 2016/17 financial year, SABOA approved 88 applications for Principal membership and 4 applications for Associate membership. The current membership profile of SABOA is as follows:

- | | | |
|-----------------------|---|-----|
| • Principal members | : | 922 |
| • Associate members : | : | 60 |

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.

The SABOA monthly newsletter, FaxTalk has been revamped and renamed to SABOA Talk. It is also designed and printed by Titan Publications. We wish to thank Titan Publications for their loyal support.

5. REPORT FROM THE AUDITOR TO THE MEMBERS OF SABOA

The audited financial statement for the 2016/17 financial year was approved by the National 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
24 May 2017