

SABOA

Southern African Bus Operators Association

voice of the bus & coach industry

Annual General Meeting (AGM)

The Southern African Bus Operators' Association (SABOA)

A reflection on the last financial year and the highlights from an Industry point of view.



31 AUGUST 2022

SABOA

Southern African Bus Operators Association

voice of the bus & cooch industry

Facing the Challenges whilst Developing the Possibilities



SOUTHERN AFRICAN BUS OPERATORS' ASSOCIATION ANNUAL GENERAL MEETING 31 AUGUST 2022

ANNUAL REPORT OF THE COUNCIL FINANCIAL YEAR 2021/2022



"Facing the Challenges whilst developing the Possibilities"

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FOREWORD TO THE ANNUAL REPORT

- It has been another difficult year for the industry, and this called for more elevated relationships and interactions between all stakeholders making SABOA's position and the work that it does more important than ever.
- We can state with certainty that we have reset a strong and professional relationship with all stakeholders.
- I would like at the outset to acknowledge the resilience of the industry and in particular the long distance, tourist, and charter sector and those sub sectors which are not supported by contract payments and or subsidies.
- The COVID outbreaks and resultant restrictions from 2020 into 2021 impacted transport services and caused significant disruption to the industry. SABOA Members had and continue to have the challenging task of managing the provision of essential public transport services while ensuring the health and safety of employees and passengers.
- COVID has required regular communication between industry and government and SABOA has been consistent in ensuring that all necessary communications were in place.
- The industry has been and is still under stress from the challenges posed by the decades of policy uncertainty and the related constraints. Whilst this is playing out in the current pre-transition and transformation environment where SABOA remains the active and credible voice of the industry.

FOREWORD TO THE ANNUAL REPORT

- The industry's resilience and ability to deal with the many *challenges* that have confronted operators over the last twelve to eighteen months has highlighted the importance of SABOA as a member-based and aligned organisation that allows operators to voice their opinions and share ideas.
- Our strong constitution and compliant governance ensure that members have many forums and platforms to raise issues when they need assistance and to contribute towards *developing solutions for the possibilities* that are ahead.
- SABOA is in the third decade of its existence (which in itself is an outstanding achievement) and after many iterations the current evolution is towards a more modern and professional association, embracing the digital age transformation.
- Our Association has endured the challenges of change from the early days and has been repositioned with a strong Executive team to take on both the challenges and possibilities that lie ahead.
- It is without doubt that the industry and operators and associate suppliers will be tested like never before over the next few years, as Executive Manager I am eternally optimistic that the role these stakeholders will play, will make our public transport systems better and deliver on the provision of safe, efficient, effective and sustainable bus and coach services.
- I encourage members and attendees today to embrace the challenges with open minds and agility as we are going to confront ongoing change. As the face to the voice of the industry I seek and look forward to your continued support for SABOA and a united industry.

MANAGEMENT OF THE ASSOCIATION

• SABOA has a permanent Secretariat to manage the affairs of the Association. The Secretariat, comprises three full time employees and 1 one on retainer.



Bazil GovenderExecutive Manager



Professor Jackie Walters
Strategic Advisor



Rika Van Eeden Accounts



Precious Seobi Administrator



SABOA EXECUTIVE COMMITTEE

- The SABOA EXCO was elected in 2021 to serve a term of four years to 2025 and has completed the first year of tenure.
- The table below reflects the SABOA EXCO members elected in 2021:

Category A Members		Category B Members	
Mr Suveer Maharaj	Maphumulo Mail Service	Mr Terry Maharaj	South Coast Bus Services
Ms Imogene Mncwango	Gauteng Women in Transport	Mr Francois Meyer	Golden Arrow Bus Services
Mr Nazeem Dollie	Overland Tours	Mr Thys Heyns	PUTCO
Mr Eric Motshwane	Sethitho Transport	Ms Matlakala Motloung	Ipelegeng Transport Trust

PRESIDENT

Mr Terry Murugan



VICE- PRESIDENT

Ms Imogene Mncwango



SABOA COUNCIL

CATEGORY		REPRESENTATIVE NAMES	
Category A: (14)	Mr Suveer Maharaj	Ms Noluyolo Dlomo	Mr Clifford Bailey
	Mr Nazeem Dollie	Mr Sakhile Gxumisa	Mr Khotso Motshoeneng
	Mr Eric Motshwane	Mr Shani Ramcharan	Mr Selaelo Macdonald Kgare
	Mr Victor Baepane	Mr Mxolisi Pakade	Mr Daniel Sambo
	Ms Imogene Mncwango	Mr Elias Chongo	
Category B: (8)	Mr Terry Murugan	Ms Matlakala Motloung	Mr Vidhor Mangaroo
	Mr Francois Meyer	Mr Thys Heyns	Mr Nickus Robbertse
	Mr Chabeli Ramathe	Mr Patrick Malabela	
ASSOCIATES: (2)	Ms Katherine Bell	Ms Yolande Van Niekerk	
TOTAL MEMBERS : 24			

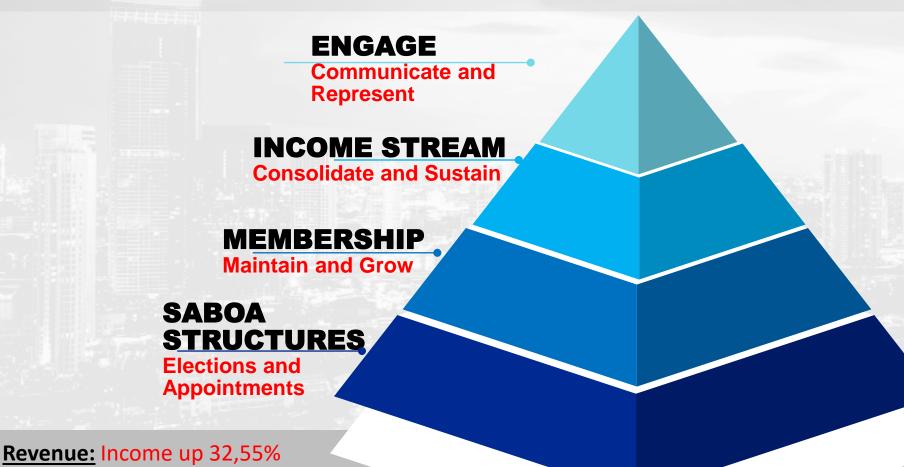
FINANCIAL

AUDITORS REPORT & FINANCIAL STATEMENTS

- The Annual Financial Statements, for the financial year 2021/2022, which were audited and reported on by Mr Louis Crafford, who was appointed as the auditor of the Association, have been approved by the Executive Committee and Council and is available upon request and approval, for members of SABOA.
- The audit findings reflect that:
 - The provision of the Constitution of the Association relating to the financial affairs, for the year under review, have been complied with.
 - It is a fair representation of the financial standing of the Association in respect of the IFRS and the Companies Act.
- The SABOA National Council will review and finalise appointment of auditors for the next period. i.e. extend current tenure or procure new auditing services.
- The financial results for the year were positive given the continued impact of COVID-19. The SABOA events program was affected by the pandemic with the Annual Conference, exhibition and Gala Dinner not being hosted in 2021.
- Membership fees are the primary source of revenue for SABOA. However, due to COVID-19, the EXCO and COUNCIL resolved not to increase the fees in 2021.
- The SABOA reserves were utilised further in 2021 to ensure continuing operations.
- However, the outlook on rebuilding reserves is looking positive and we will strive to ensure a build up of sound reserves to support the representation of members in 2022 and beyond.

KEY HIGHLIGHTS 2021 / 2022

FACING THE CHALLENGES



Interest Received down.
the revised Insurance Agreement

Office Expenses 38% down.

The increase in Revenue mainly due to

implemented March 2021.

Expenses: 25.08% down / Employment Costs 29% down

Bottom Line: Surplus of R 643 k vs prior year deficit

MEMBERSHIP

177

485

▲ ≡

Principal

Total



146

424

18

29

Category A Category A P10 P20

23

32

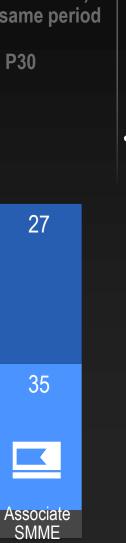
Category B

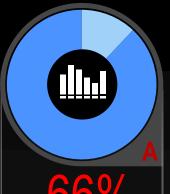
Total Membership at 2020 stood at 525 End February paid up members at 208 60 % drop in paid membership. **Majority in the P10 Category (1-10 buses).** New Membership through the same period totalled 16 3 Associates and 12 P10 and 1 P30

5

Associate

SMME

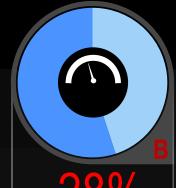




66%

CATEGORY A MEMBERSHIP

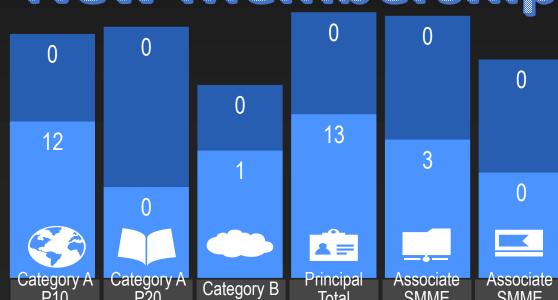
Mostly in P10 @ -65%



-28% **CATEGORY B MEMBERSHIP**



New Membership



Total

SMME

SMME

SABOA SHORT TERM INSURANCE SCHEME

- SABOA Short-Term Insurance Scheme
 - Post the dissolution of the multi-party panel service provider portfolio in February 2021, a new revised Insurance agreement was implemented at the start of the 2021/2022 financial year.
 - This is a five year agreement between:
 - IBILITI UNDERWRITING MANAGERS (Insurer)
 - INDWE RISK SERVICES (Broker), and,
 - SABOA.
 - The new scheme has been in place for a year and all indications point to a stable (but subject to market force conditions and impacts) trajectory.
 - The Insurance Scheme partners are actively involved in information sharing sessions and availing themselves regionally to all SABOA members and stakeholders.

ACTIVITIES OF THE ASSOCIATION

- SABOA has through the last year been active in various policy and legislative discussions and engagements. Amongst these are-
 - Draft National Public Transport Subsidy Policy
 - Account Based Ticketing and Automated Fare Collection
 - Legal Opinion on Subsidised Contracts and Tendering
 - Legal Opinion on the Heads of Agreement
 - National Public Transport Safety Plan
 - National Tourism Stakeholder Plan
 - Road Transport Management System
 - Competition Commission Market Inquiry into Public Transport
 - AARTO
 - Violence Avoidance Strategic Plan
 - PTOG allocations ex DORA

POLICY DEVELOPMENTS AND ENGAGEMENTS

PUBLIC TRANSPORT SUBSIDY POLICY:

- The Department of Transport, under the Directorate for Public Transport Subsidy, through the Consultants Future of Transport have developed a Draft Public Transport Subsidy Policy.
- The Policy is premised on a principle of USER SIDE SUBSIDY and incorporates changes to the current fare collection and ticketing processes.
- The process is unfolding to wide ranging engagements with all stakeholders.
- A part of the process SABOA has submitted detailed responses and input to the draft policy document and awaits further engagement once the final draft document is tabled.
- Engagements took place between the NDoT and the industry, whereafter a second round of submissions were tabled from SABOA on behalf of the industry.
- The draft policy is to be tabled via Treasury to the Cabinet for approval for gazette.
- The process has stalled in terms of feedback since December 2020.
- When approved for gazette, the process will the invite public comments within the stipulated period.

All documents pertaining to these policies as well as records of discussion are available on the SABOA website.

POLICY DEVELOPMENTS AND ENGAGEMENTS

Development of an ABT with Integrated Fare Collection Policy

- The Department of Transport, under the Directorate for Integrated Transport, is in collaboration with SANRAL and consultants, proposing the introduction of Account Based Ticketing through integrated and automated Fare Collection Systems.
- Presentations were done in November 2020 and February 2021, ahead of the Gazette being published in March 2021.
- SABOA has obtained comments from Industry wide stakeholders and continues to engage the NDoT on this policy.
- The consultants further engaged directly with operators who requested technical interface meetings.
- We will await further feedback in this regard as the process is intrinsically tied to the Subsidy policy and the Integrated Transport planning.

All documents pertaining to this policy as well as records of discussion are available on the SABOA website.

POLICY DEVELOPMENTS AND ENGAGEMENTS

AARTO LEGISLATION:

- SABOA supports all initiatives relating to improved Road Safety and reduction of accidents and incidents.
- However, the proposed AARTO legislative framework had many onerous sub regulations that have major impact for the Industry.
- SABOA then undertook an industry survey and whilst the response was poor (only 24 responses obtained), it was clear that the Industry at large is still not prepared for the implementation of AARTO.
- The full AARTO legislation links and the submissions and reports from SABOA are also available on the website.
- The results of the survey are also available on request.
- SABOA has engaged the RTMC with a view to initiating roadshows and "educational information sharing sessions" to the industry.
- We await feedback from the RTMC with regards to the inputs and proposals submitted and members will be updated accordingly.

LEGAL MATTERS

- SABOA was a party to one of the critically defining legal matters for the industry.
 - The legal action centred around the GPDRT Tender no DRT 35/11/2019. This tender was for the provision of subsidised contracted road based passenger transport services in Gauteng.
 - The core legal argument was around the applicability of an existing agreement called the Tripartite Heads of Agreement (HoA), which is an agreement entered into between:
 - SABOA obo of the industry / Labour Unions on behalf of employees and National Government.
 - The HoA has inherent clauses that seek to protect and minimise the impact of wide spread job losses as well as mitigate the threat to existing operators sustainability i.e. to be forced to close in the event of tenders being won / lost accordingly.
 - The HoA gave rise to the inception of the Bus Industry Restructuring Fund (BIRF) to administer a fund that seeks to provide for the <u>eventuality</u> of impact on existing tenure of employment (Section 189) and job losses.
 - The legal action commenced in October 2021 with the main applicant being BIRF and SABOA as second applicant by dint of being a signatory to the HoA.
 - The judgement set down (in March 2022) ruled in favour of the applicants, with award of costs, declaring the tender as "impugned and unlawful" and setting aside the tender.
 - The tender was subsequently withdrawn by the GP Procurement division.
 - The presiding Judge did not rule definitively on the lawfulness and constitutionality of the HoA, within the tender contracting regime.
- It was unfortunate that the matter became labelled as the SABOA case. It must be noted that SABOA does not initiate nor undertake legal action but acts on behalf of or as co-applicant in matters to the industry.

VIOLENCE AVOIDANCE STRATEGY

"The Bus and Coach industry is and has been under attack"

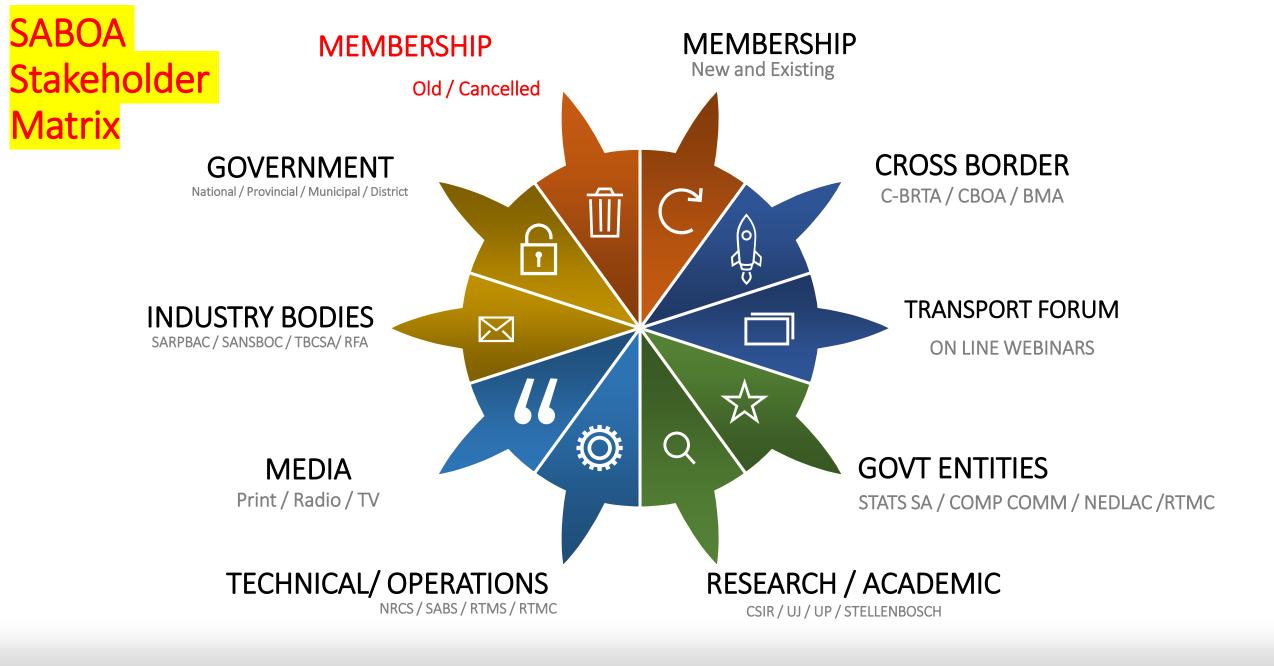
- This is a decades old problem. In the last year notwithstanding the extensive damages, destruction and losses caused by the July unrest and uprising there have been numerous incidences of:
 - Intimidation
 - Extortion
 - Acts of criminality
 - Illegal stopping and impounding buses in operations
 - Random violence by communities engaging in service delivery protests.
- The nett quantum is still to be determined but initial indications (subject to final claims and acceptances) stand at:
 - Asset losses in excess of R 100 million rands
 - Deaths at 15 and Injuries at 25 (unconfirmed)
- SABOA has since 2020 and through intensified calls in 2021, advocated for a <u>Violence Avoidance Strategy</u>, that must have a multi
 disciplinary and collaborative approach. The matter was tabled at NEDLAC but also fell of the agenda in deference to more pressing covid
 related matters.
- This call is with a view to ensuring that a proper data set is managed through a central reporting structure and accountability for case management and investigations.
- It is concerning that to date no one has been brought to book and even more frustrating that the NDOT and Ministry have not committed to engaging the industry on this serious matter.
- SABOA welcomes the allocation of a high level SAPS resource being made available and now waits for the NDoT representative.

ACTIVITIES OF THE ASSOCIATION

- THE PUBLIC TRANSPORT OPERATING GRANT (PTOG)
 - The PTOG is an allocation from the Annual Budget under the Division of Revenue Act (DORA)
 - It is a supplementary grant allocated to provinces under the transport budget vote.
 - SABOA tracks the rolling three year projections and actual allocations with a view to analyzing the allocations against the current and projected trends and indices.
 - The grant announced in 2021 for the three year period indicated a decrease for the 2022 / 2023 financial year.
 - SABOA has extensively canvassed and engaged the NDoT in this matter seeking to have the decrease in funding reviewed in the mid-term budget.
 - Presentations were done to the NDoT and the Acting DG Transport.
 - The information provided by SABOA was used by the Department to further the discussions with National Treasury.
 - We await further engagements in this regard as well as feedback from the department.

INDUSTRY COLLABORATIONS

- SABOA has a wide and diverse matrix of stakeholders.
- The Association ensures ongoing communications with all stakeholders as well as building collaborative understanding and agreements towards areas of common interests and outcomes.
- These collaborations have been strengthened in the last year with reciprocal representation and cover where required.
- In terms of formal alliances and agreements the following is still to be finalised:
 - CBBASA Cross Border Bus Association of South Africa
 - Formalization and signing of the MoU with C-BRTA and tri-partite Associations.
 - SANSBOC South African Small Bus Operators' Council
 - Draft MoU and MoA awaiting final approval for signature between parties.



STAKEHOLDER ENGAGEMENTS

- PER THE SABOA CONSTITUTION MEETINGS ARE SCHEDULED IN ACCORDANCE.
- However due to the disruptive environment and with the easing of restrictions meetings slowly moved from virtual, to physical and now encompass a hybrid format for accessibility to the national presence of our principals and stakeholders.
- SABOA EXCO and COUNCIL MEETINGS WERE HELD AS FOLLOWS:

27 January 2021	Exco/Council Strategy Meeting
25 March 2021	Exco Meeting
20 May 2021	Exco/Council
22 July 2021	Exco Meeting
02 September 2021	Annual General Meeting (AGM)
30 September 2021	Exco/Council Orientation Meeting
25 November 2021	Exco Meeting
02 February 2022	Special Exco/Council + Strategy Review Meeting

STAKEHOLDER ENGAGEMENTS

Technical Committee Meetings

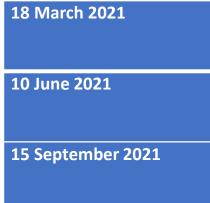
- During 2021 the SABOA Technical Committee had to revert to FOUR on-line meetings due to the COVID-19 restrictions, under the guidance and Chairmanship of Mr Gideon Neethling.
- These engagements were open to all interested members, but attendance has waned through this period.
- Notwithstanding, the meetings deliberated on key issues such as:
 - NRCS Regulations
 - Safer Vehicles 2025 Project
 - Double payment of Levies by OEM's and Body Builders
 - · Homologation and Seating Capacity
 - AARTO
 - RTMS
 - Alternative Energy Vehicles (including electric buses)

Operations Committee Meetings

- Four on-line Operations Meetings were held under Chairmanship of Mr Braam De Jong, dealing with the following key issues:
 - Stakeholder engagement: Department of Transport's Public Transport Safety Plan
 - · Driver Training Academy
 - Operations Committee Terms of Reference
 - DoT/SABOA Task team
 - AARTO
 - Amendments to the NLTA
 - BRT Operations
 - RTMS/PBS
 - COVID 19 Impact
- The Secretariat together with representatives from the SABOA Technical Committee are part of forum in ongoing engagements with the NRCS and SABS, where technical, specification and regulatory matters are discussed and addressed on behalf of the membership.
- Secretariat will have oversight and facilitate the election of Chairpersons for these committees, in 2022, for the next term.

STAKEHOLDER ENGAGEMENT

- ASSOCIATE PATNERS / MEMBERS FORUM MEETINGS
 - This forum was created as a platform for associate partners to receive feedback and updates as well as engage and contribute to the wider SABOA and industry matters at play.
 - It is also a process to deliver access to the SABOA membership.
 - The Associates have not taken up this platform (to the desired levels) and we will persevere to make this a growing success.
 - Three meetings were held in 2021, as follows:



The meetings will revert to physical meetings for 2022, onwards.

WEBINARS AND ON-LINE EVENTS

- Transport Forum SIG Collaboration
 - This has become a critical platform to ensure ongoing on line access to key issues via a webinar process.
- Calendar of Events: In the year under review, SABOA,
 - Participated in the following on-line events:
 - Improving Public Transport 03 June 2021
 - Risk and Insurance Post Covid 01 July 2021
 - South Africa's Integrated Public Transport Network in an International Context 18 November 2021
 - Hosted the following events:
 - Alternative Energy Vehicles 08 April 2021
 - Shaping a New Public Transport Policy Regime 11 May 2021
 - Public Transport Violence Avoidance 17 June 2021
 - Women in Transport 05 August 2021

ANNUAL STRATEGIC PLANNING

ANNUAL STRATEGIC PLANNING

- The strategic plan was reviewed on 27 January 2021, for the financial year.
- This was again a strategic inward review given the impact of COVID-19 and the impact on the Association's cash flow and sustainability.
- Key issues focussed on were SABOA **finances**, the SABOA **insurance scheme**, SABOA **office accommodation**.
- Several resolutions were taken and adopted by Council following the planning session and the key items are summarised as follows:
 - SABOA finances: SABOA will utilise reserves to sustain the operations until stability is achieved.
 - Membership Fees: Mandate to hold membership fees unchanged for the year.
 - Insurance scheme: The implementation of the revised Scheme.
 - Office accommodation: Endorsed the office relocation to Central Street, in Houghton Estate and signing of a 12-month renewable office rental agreement with INDWE RISK SERVICES.
 - Annual conference and exhibition: to investigate alternative venues for the conference, refreshing the conference characteristics, regional conferences and to consider a driver of the year competition subject to developments within the COVID-19 environment.

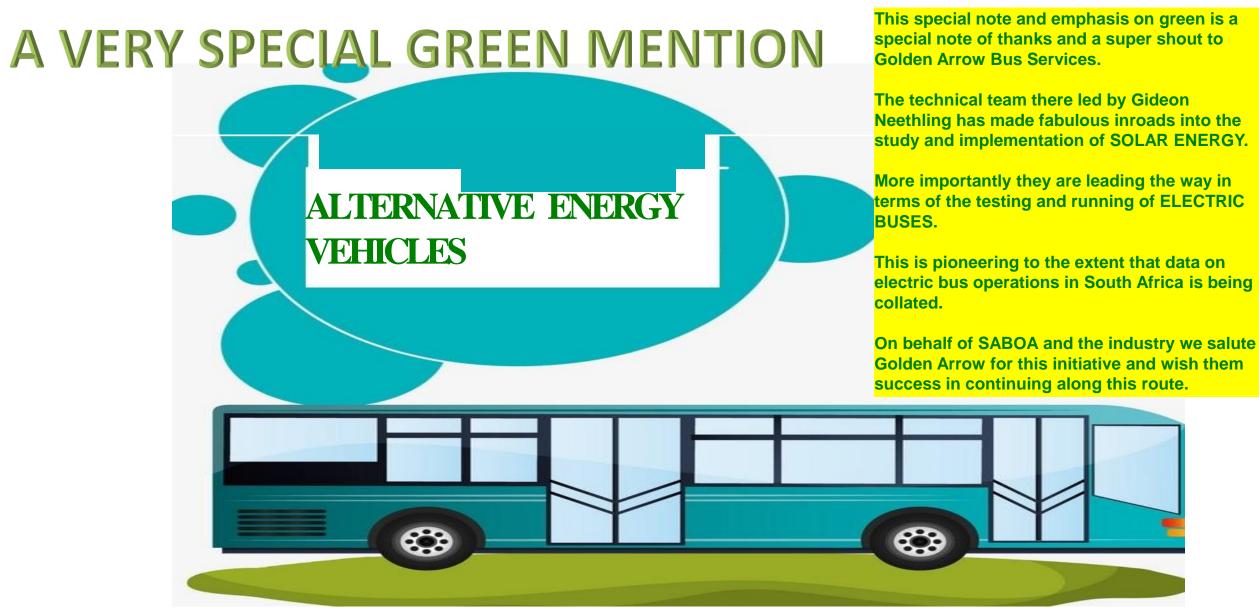
WEBSITE AND DIGITAL COMMUNICATIONS

SABOA Website

- The website is being upgraded and modernised on a phased basis.
- This is necessary due to the limited scope of the original website design which limits full interaction and cannot process menu driven real time traffic data and analytics.
- There is also limited fall over protection which restricts the volume of information that can be stored and kept on the website.
- However, we regularly update the relevant information and are in the second phase of the redesign, with more expansive settings and drop down tabs set out.

Digital Communications:

- The forced transition due to COVID-19 has seen more regular use of the Social media platforms of Facebook and Twitter and LinkedIn.
- To improve ease of communications the SABOA membership data base was categorised to segments:
 - Provincial / Category A and B / Associate / PEC and Non-Members to facilitate bulk and group communications via Whats App and e mail.
- The SABOA Whats App Group platform allows for all members to be connected and updated at all times.



THANKS

- On behalf of members, the EXCO and COUNCIL, I hereby extend appreciation to all the stakeholders within the Government Departments and the various tiers of government for the ongoing engagements. Here, special mention and acknowledgement goes to Mr Lesiba Manamela and Mr Tshifhiwa Mudzielwana at the NDoT, as well as Ms Khibi Manana, during her tenure as Acting DDG.
- On behalf of SABOA and its Members, Secretariat wishes to thank the President of the Association, Mr Terry
 Murugan as well as the Chairpersons of the SABOA Provincial Branches (PEC's) 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 also wish to thank the Associate Members for their loyal support over the years. Their support stretches
 much wider than providing sponsorships for events such as the SABOA conference. They also provide a great
 deal of expertise to the Association through their participation in the SABOA Council, Technical Committee,
 meetings, and workshops as well as forming an important link in the public transport supply chain.
- Finally, we would like to thank all our Principal members for their continued support and inputs into the
 Association, during a year that has indeed been the most challenging in terms of recovery from the impacts of
 COVID-19 and the restrictions.
- On a personal note thank you to my Secretariat Team Precious Seobi and Rika Van Eeden for the commitment
 to the tasks and consistency through the period of remote and then hybrid operations and to Professor Walters
 for his assistance and input at a Strategic level.

FINAL WORD

"Facing the Challenges whilst developing the Possibilities"

- The current landscape of macro-economic and policy uncertainty, coupled with the potential long term impacts of the pandemic requires agility, collaboration, commitment, and ultimately patient perseverance, from all industry stakeholders.
- We will strive to forge and cement relationships with the various governmental structures as a priority, given the changes in personnel at the Provincial and municipal levels, together with all our stakeholders.
- SABOA and the Secretariat will continue to drive the engagements calling for <u>aligned and committed</u> government focus. This strategic approach to the mobility needs of the people, underpinned by policy certainty and an integrated, transformed public transport system is what is needed in South Africa.
- All of these <u>challenges</u> must be managed, so the industry continues to be a part of the solution, to <u>develop the possibilities</u> for a world class integrated and sustainable public transport network that is accessible to all levels of society.
- And with that I conclude the Annual report and thank you from the SABOA Secretariat Team.

GLOSSARY OF ABBREVIATIONS

- AARTO Administrative Adjudication of Road Traffic Offences
- AFS Annual Financial Statements
- ABT Account Based Ticketing
- AFC Automated Fare Collection
- AGSA Auditor-General South Africa
- BBBEE Broad-Based Black Economic Empowerment
- DoT Department of Transport
- DORA Division of Revenue Act
- NDoT National Department of Transport
- MTEF Medium Term Expenditure Framework
- NPTR National Public Transport Regulator
- PRE Provincial Regulatory Entities
- PTOG Public Transport Operating Grant
- RTIA Road Traffic Infringement Agency
- RTMC Road Traffic Management Corporation
- TBCSA Tourism Business Council of South Africa
- SAPS South African Police Services
- StatsSA Statistics South Africa
- CompComm Competition Commission

- SARPBAC South African Road Passenger Bargaining Council
- NEDLAC National Economic Development and Labour Council
- SANSBOC South African National Small Bus Operators Council
- CBBASA Cross Border Bus Association of South Africa
- CBOA Cross Border Operators Association
- C-BRTA Cross Border Road Transport Agency
- BMA Border Management Authority
- RFA Road Freight Association
- TRANSPORT FORUM Transport Forum Special Interests Group
- NRCS National Regulator for Compulsory Specifications
- SABS South African Bureau of Standards
- MEDIA Print Radio television and social