AIRLINES ASSOCIATION OF SOUTHERN AFRICA

AASA

2022 - 2023 Annual Report

Airlines Association of Southern Africa (AASA)

The Airlines Association of Southern Africa (AASA), is an organisation which was formed in 1970 to represent the mutual interests of its Members. Membership is open to all airlines based in countries south of the equator, including the Indian Ocean Islands.

There are currently **16** Airline Members. In addition, Associate Membership is open to airline partner organisations. There are currently **35** Associate Members, including infrastructure service providers, several oil companies, major aircraft manufacturers, engine manufacturers, ground handling companies, service providers, other industry associations and partners.

AASA is the representative airline organisation within Southern Africa working together with the leaders of the aviation industry and senior public and government officials on matters of policy, legislation, regulation, planning, operational efficiency, safety, security and finance, affecting the overall profitability of the airlines and their continued sustainability.

AASA also leads and coordinates the airline industry position on airport, airspace and civil aviation issues, as well as consumer legislation, environmental and tourism matters, and provides media response to important industry issues. AASA's responsibility includes the representation of SADC-based airlines on the SADC Civil Aviation Committee as the Airline Consultative Member.

AASA is a regular participant and contributor to the International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA) initiatives in the region.

With AASA's focus concentrated on any issue impacting the airline business, the regular liaison and good working relationship with its Members and partners is highly valued.

AASA Executive Team

Mr. Aaron Munetsi CEO
Mr. João Carlos Pó Jorge Chairperson / General Director, Linhas Aéreas de Moçambique (LAM), SA
Mr. Elmar Conradie Deputy Chairperson / CEO, Safair
Mr. Vivendra Lochan COO
Mr. Rodger Foster Executive Committee / CEO, Airlink
Professor John Lamola Executive Committee / Interim CEO, SAA

2022 - 2023
Annual Report

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Acronyms & Definitions

AAA-SA	Association of Airports and Aerodromes Southern Africa (an affiliate of CAASA)
AASA	Airlines Association of Southern Africa
ACAMS	Advisory Committee for Aeronautical Meteorological Services
ACS	Aviation Co-ordination Services
ACSA	Airports Company South Africa
AFCAC	African Civil Aviation Commission
AFRAA	African Airlines Association
AMS	Aeronautical Meteorological Services
ARCC	Aeronautical Rescue Co-ordinating Centre
ASATA	Association Of Southern African Travel Agents
ASIB	Aviation Safety Investigation Board
ATNS	Air Traffic and Navigation Services
AU	African Union
AUC	African Union Commission
AWG	Aviation Working Group
BARSA	Board of Airline Representatives of South Africa
BRS	Baggage Reconciliation Services
CAASA	Commercial Aviation Association Southern Africa
CARCOM	Civil Aviation Regulations Committee (SACAA)
CIIME	Convention on International Interests in Mobile Equipment (known as the Cape Town Convention)
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation (ICAO)
COPEX	Capital Expenditure
CPI	Consumer Price Index
CUSS	Common Use Self Service
CUTE	Common Use Terminal Equipment
DOT	Department of Transport (SA)
DST	Department of Science and Technology (SA)
ENREF	Engen Petroleum Ltd
FINCOM	Financial Committee
GAPP	Gauteng Area (or Airspace) PBN Plan
GBTA	Global Business Travel Association
HBS	Hold Baggage Screening
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
KCAAA	Karoo Central Astronomy Advantage Area
OECD	Organisation for Economic Co-operation and Development
NAC	Namibia Airports Company
NCAA	Namibian Civil Aviation Authority
OPEX	Operating Expenditure
OPSCOM	Operations Committee
PBN	Performance Based Navigation
RCMS	Regulating Committee on Meteorological Services
RNAV	Area Navigation
RNP	Required Navigation Performance
SA	South Africa
SAPREF	Shell and BP South African Petroleum Refineries (Pty) Ltd
SAR	Search and Rescue
SAATM	Single African Air Transport Market
SACAA	South African Civil Aviation Authority
SADC	Southern African Development Community
SARS	South African Revenue Service
SAWS	South African Weather Service
SKA	Square Kilometre Array (radio telescope project between Australia and South Africa in the Karoo)
TBCSA	Tourism Business Council of South Africa
TERS	Temporary Employer/Employee Relief Scheme
UFW	United for Wildlife
UIF	Unemployment Insurance Fund
USD	US Dollar
WOA	Wonders of Aviation (SA and USA) NPO

1. INTRODUCTION

1.1 SCOPE

The Airlines Association of Southern Africa (AASA) team herewith presents the 2022/2023 Annual Report detailing the activities and achievements during the year under review from 1 July 2022 to 30 June 2023. The work undertaken after the end of the financial year up to the 2023 Annual General Meeting, to be held on 7th October 2023, is also included in this report.

AASA is mandated to represent its members, through their Chief Executives and authorised representatives, to undertake projects, initiatives, and actions on matters of common interest to its members. To ensure the success and buy-in of its members, this work is undertaken in the spirit of consultation, collaboration and the involvement of its members together with public and private stakeholders, as required.

The past year commenced as any other year with a busy and full agenda covering many areas of the airline business where AASA's leadership, participation and involvement was necessary. In this regard AASA has led the promotion of initiatives and airline industry interests in Southern Africa and the Indian Ocean Island region on behalf of its members, and appreciates the excellent working relationships with all stakeholders. These include leaders of the aviation industry organisations, senior public and Government officials, as well as statutory aviation organisations on all matters impacting the overall sustainability of the airline industry in the Southern African and Indian Ocean Island region.

Since the start of 2020, this pandemic has directed the narrative of every aspect of the world's activities, including the global, African and Southern African aviation industry. While AASA has continued to drive the normal agenda of activities, the impact of the COVID-19 pandemic has dominated business as all aviation organisations had to manage the lockdowns, their survival, and the actions to recover domestic, regional and international operations for the period under review.

2. AASA'S CORPORATE DEVELOPMENTS

2.1 AIRLINES ASSOCIATION OF SOUTHERN AFRICA NPC

The Directors as at the date of compilation of this report are:

- **Mr. João Carlos Pó Jorge** Chairperson
- **Mr. Elmar Conradie** Deputy Chairperson
- **Mr. Aaron Munetsi** Chief Executive Officer
- **Mr. Vivendra Lochan** Chief Operating Officer
- **Ms. Agnes Khunwana** Resigned as Director on 30 June 2023

2.2 AASA EXECUTIVE COMMITTEE

The AASA Executive Committee (EXCO) remains responsible for the oversight of the Association and refers the specific decisions of EXCO to the Board of Directors for approval as appropriate. During the year under review, the EXCO comprised the following members:

- **Mr. Elmar Conradie** Chief Executive Officer, FlySafair
- **Mr. Rodger Foster** Chief Executive Officer, Airlink
- **Ms Agnes Khunwana** Chief Executive, Air Botswana
- **Mr. João Jorge** Director General, LAM Mozambique Airlines
- **Professor M.J. Lamola** Chief Executive Officer, South African Airways
- **Mr. Aaron Munetsi** Chief Executive Officer, AASA
- **Mr. Vivendra Lochan** Chief Operating Officer, AASA

2.3 AASA TEAM

The AASA Staff compliment during the year under review is as follows:

- **Mr. Aaron Munetsi** Chief Executive Officer
- **Mr. Vivendra Lochan** Chief Operating Officer
- **Ms. Tatum Kok** Aviation Analyst
- **Mr. Charles Simelane** Finance Controller
- **Ms. Celeste Breedt** Personal Assistant and Secretary
- **Ms. Alice Saule** Office Assistant

2.4 MEMBERSHIP ISSUES

During the year under review, the following airlines joined AASA as Airline Members:

- Lift
- Eswatini Air

During the year under review, the following airline resigned as an Airline Member of AASA:

- Eswatini Airlink

During the year under review, the following organisations joined AASA as Associate Members:

- ATR Aircraft
- AirlinePros International
- Sabena Engineering
- Africa Standards and Certifications

During the year under review, the following organisations resigned as Associate Members of AASA:

- RENAC
- Flight Safety international
- Astron
- Lanseria International Airport
- GH Assist

The Association currently has **16 Airline Members** and **35 Associate Members**. AASA Members are listed as **Annexure A** on page 26 of this report.

2.5 BLACK ECONOMIC EMPOWERMENT ACCREDITATION

AASA's accreditation status for the period under review was at Level 4.

2.6 FINANCIAL MATTERS

An Audit of the 2022/23 financial year has been completed by the external Auditors, Van Sitterts and these Annual Financial Statements and the Audit Report will be presented to the Annual General Meeting on the 7th October 2023 for ratification by the Members. The AASA financial position is not published as part of the Annual Report, but in accordance with the Companies Act, the financials of AASA are available at its office for scrutiny by authorised Members of AASA.

3. BUSINESS ACTVITIES

3.1 Infrastructure Service Providers

3.1.1 Regulatory review process for Airports Company South Africa (ACSA) and Air Traffic and Navigation Services (ATNS)

The draft Amendment Bills of the Airports Company South Africa Act, 1993 and the Air Traffic and Navigation Services Act, 1993 dealing with amendments, particularly in respect of the economic regulation of ACSA and ATNS was signed into law effective 4 March 2021, the advent of COVID-19 has delayed the finalisation of this legislation. Consultation on the drafting of regulations to underpin the amended legislation is outstanding.

3.1.2 Permission Programme for ACSA and ATNS

A new Permission was due to be implemented from 1 April 2021 and run for five years until 31 March 2026. Due to the COVID-19 pandemic and the uncertainty regarding traffic projections, the negative financial impact on ACSA and ATNS, which impacted both Capital and Operating expenditure plans, the Minister of Transport approved a joint industry recommendation to delay the commencement of the new Permission by one year to 1 April 2022. Given the uncertainty and existing financial challenges for all stakeholders, the Regulating Committee proposed a further delay to the commencement of the new Permission to 1 April 2023.

During this year, planning commenced for the next Permission for the period 1 April 2023/24 to 31 March 2027/28. A series of meetings were held between the Regulating Committee, industry, ACSA and ATNS to discuss the new Permission.

The first consultation meetings between industry, ACSA and ATNS were held during March and April 2022 with the consultation sessions continuing until the final submission is made to the Regulating Committee by the 30 September 2022 which has now being extended to a date to be advised.

The financial impact on the industry has proved to be devastating, and together with the uncertainty on how long it would take for passenger levels to recover to pre-COVID-19 levels following the recommencement of air services, it became clear that each organisation would have to review its traffic forecasts, and CAPEX and OPEX plans for the forthcoming years.

The Airline Industry Associations attend the Regulating Committee convened Service Standards meetings which are held on a quarterly basis. The service levels are measured according to specific parameters and targets. Service levels in general have been maintained although changes to the risk adjusted levels have impacted airport, air navigation services, airline operations and passengers who were subjected to the many protocols and procedures during the travel experience in the pandemic period.

3.1.3 Airports Company South Africa (ACSA)

a. Permission: *1 April 2018 to 31 March 2023*

ACSA is continuing its implementation of CAPEX and OPEX containment measures necessitated by the COVID-19 pandemic. The current permission will be allowed to continue for the full 5 years.

The uncertainty of being able to satisfactorily produce traffic forecasts with the required accuracy eroded the confidence in the recovery of the industry. This would influence the ability to plan a realistic CAPEX programme other than essential maintenance CAPEX to provide the necessary service levels to the airlines.

The industry (AASA, IATA and BARSA) had made representations to the Regulating Committee with regards the K-factor adjustments, the outcome was favourable to the industry. The increase initially proposed by ACSA would have resulted in an overall increase in average tariffs of 38,6 % which was very steep and unsustainable. The proposed increase translates to an annual saving for all airlines of approximately R598 million in normal trading conditions.

The clawback for the 2018/19 -2022/23 Permission period will be reviewed during the forthcoming Permission process.

The tenure of the present Regulating Committee has been extended until the appointment of the incoming Regulating Committee.

b. Permission: *2022/23 to 2027/28*

In preparation for the next Permission, ACSA presented to Industry their requirements for Capital and Operating expenditure for the next five years.

Industry requested clarity and specific information on various issues that were presented, Industry submitted a detailed response to the Regulating Committee in this regard.

The new Permission was expected to commence on 1 April 2023, this was delayed due to the request from ACSA for an extension of time for the submission of their permission application.

Consultation meetings have been held between ACSA and the Industry in preparation for the new Permission which was scheduled to commence on 1 April 2023 and continue until 2027/28. The expected date of submission was the 30th September 2022, this has been extended to the 30 November 2022.

User consultation meetings on traffic forecast, CAPEX and OPEX requirements will be ongoing until the finalisation of the permission process.

- Consultation meetings have been held between ACSA and the Industry on the 24th and 25th October 2022 and on the 8th February 2023.
- ACSA submitted its final application on the 30th November 2022 for the 5- Year Permission Period of 2023/24 – 2027/28.
- The new Permission was expected to commence on 1 April 2023; however, this was delayed due to the request from ACSA for an extension of time for the submission of their permission application.
- The Regulating Committee (RC) appointed Consultants to assess the permission application
- Initial indication is that there will an upward adjustment of tariffs subject to the final determination by the Regulating Committee.
- The Regulating Committee granted ACSA a temporary inflationary increase of 4,4% effective 1 May 2023
- Finalisation of current permission 2023/24 to 2027/28 is outstanding.
- However, timelines have been announced by the Regulating Committee for the current permission. The RC issued a draft permission on the 25th of August 2023. The proposed tariff increases for ACSA amounted to 4,5% effective 1 April 2024, 9,5% in April 2025,7,3% in 2026,6,9% in 2027 and 4,4% in 2028.
- The RC met with the industry on the 29th of August 2023 and 11 September 2023, the industry made additional submission to the RC on the 18t the of September 2023. The plan was to submit the Permission to the Minister of Transport for approval and gazette the draft permission by the end of September 2023.

The publication of the Final Permission for the 2023/24 to 2027/28 is being awaited.

3.1.4 Air Traffic and Navigation Services (ATNS)

a. Permission Process

ATNS has implemented its CAPEX and OPEX reprioritisation programme and is currently assessing further cost reduction measures. AASA has stressed to ATNS that it is essential to provide services to meet demand, particularly as airline operations improve and intensify, in line with the decline in the severity of the COVID-19 impact on travel.

ATNS has requested the inclusion of Non-Regulated Assets as part of the current Permission. The Regulating Committee will make the final decision after consultation with Industry.

The commencement date of the new Permission would be 1 April 2023 and it would extend to 31 March 2028. The commencement date has been delayed.

Ongoing user consultations have been held until finalisation of the new Permission which is expected to extend beyond the 30 September 2022.

- The Regulating Committee granted ATNS an inflationary increase of 4,4% effective 15th April 2023 until the new permission is finalised. User consultation meetings, if required, will be ongoing until finalisation of the permission process.
- Detailed and robust Consultation with Industry were held. Timelines have been announced by the Regulating Committee and are the same as for ACSA.
- The RC issued a draft permission on the 25th August 2023. The proposed tariff ncreases for ATNS amounted to 4,5% effective 1 April 2024 , 10,3% in April 2025,10,2% in 2026, 10,2% in 2027 and 10,2% in 2028.
- The RC met with the Industry on the 29th August 2023 and 11 September 2023, the Industry made additional submission to the RC on the 18th September 2023. The plan was to submit the Permission to the Minister of Transport for approval and gazette the draft permission by the end of September 2023.
- The publication of the Final Permission for the 2023/24 to 2027/28 is being awaited.

b. Operations

ATNS Operational and Planning issues continue to be driven through the CNS/ATM implementation committee and the many working groups that continue to contribute to the efficient use of the Airspace.

ATNS held its Annual Operations Committee meeting (OPSCOM) on 25 July 2022. It dealt with the following major issues:

- Permission CAPEX Project Status Report.
- Safety Performance.
- Industry Safety Workshop.
- CNS/ATM Implementation Committee Feedback.
- Flight and Flow of Information for Collaborative Environment.
- Future Navigation Strategy.
- Future Communication Strategy.
- Operational Strategy.
- Space Weather.

The CNS/ATM Implementation Committee continued to operate effectively throughout the year, supported by the work done by the six working groups. This work will feed into the Industry Financial Committee (FINCOM) and Permission consultations which commenced with industry from March 2022

AASA will continue to support initiatives to improve airspace operational efficiencies including the PBN implementation plan, participation on the Slot Coordination Committee and Slot Performance Committee, and ensuring that ATNS, ACSA and airline issues are addressed to improve on-time performance.

The Aviation radio frequencies with respect to SKA will be maintained as the SKA and Aviation need to co-exist.

The reduction in arrivals/departures due to operational constraints has been addressed and is resolved.

3.1.5 South African Weather Service (SAWS)

The Advisory Committee for Aeronautical Meteorological Services (ACAMS) is held every quarter and chaired by SAWS with representation by the aviation industry that includes AASA. The issues discussed include technical, operational, and new technology matters for enhanced service provision to the industry, as well as new CAPEX programmes. The requirements identified in these meetings will determine the CAPEX and funding requirements for SAWS and provide necessary input to the annual tariff discussions held between the Regulating Committee for Meteorological Services (RCMS), SAWS and the airline industry.

- It is pleasing to note that the operational performance in terms of the forecasts is above target in all functional areas.
- However, the financial information pertaining to the costing of all Capital Projects is outstanding.
- Financial information relating to Radar projects was provided at the ACAMS meeting held on the 12th May 2023,
- After an upward review of the traffic service units, the RCMS advised that the tariffs effective 1 April 2023 will be reduced by 4,98%. This was approved by the Minister of Environment and published in the Government gazette on the 16th May 2023.
- AASA will continue to engage with the RCMS and SAWS to obtain the best outcome for its members. The recommended decrease in tariffs effective 1st April 2023 will amount to approximately R7,5M in cost reduction for the Airlines.

The RCMS recommended the above tariffs on a recoverable basis for SAWS to breakeven and that the “Under Recovery” and “Capital Allowance” was excluded.

Consultations for the tariffs effective I April 2024 will commence on the 29 September 2023. Initial indication is that there will be upward adjustment in tariffs due to the projected service units unlikely to be achieved in the current year.

3.1.6 Namibia Civil Aviation Authority (NCAA) and Namibia Airports Company (NAC) Consultations

During March 2020, AASA and IATA, joined by member airlines who operate to Namibia, attended user charges consultations with the NCAA. There was also an opportunity to engage directly with the NAC on their charges. The NCAA proposed increases to its charges. In addition, industry proposed the change of the Passenger Safety Charge from a per available seat charge to a per occupied seat charge for inclusion on the airline ticket.

The Namibia Civil Aviation Authority (NCAA) published in the government gazette of Namibia increases of 80% and 67% of the safety fee for domestic and international per occupied seat respectively on the 13th September 2021. AASA together with IATA in a joint communication to the NCAA strongly opposed these massive increases. The issue has been escalated to Ministerial level. The NCAA has included the industry position in their submission to the Minister. A final date of implementation is still being awaited.

3.2 AFRICAN AEROPOLITICAL ISSUES

3.2.1 SADC Civil Aviation Committee (CAC) Issues

South Africa and Tanzania were close to signing the SASO Charter. The main projects on the agenda of this forum include the following:

- **Implementation of the Single African Air Transport Market (SAATM) through the Yamoussoukro Decision (YD)**
  It is anticipated there will be further motivation to implement SAATM to stimulate the recovery of African aviation following the impact of the COVID-19 pandemic. The African Civil Aviation Commission (AFCAC), IATA, AFRAA and AASA together with other industry organisations including ACI, CANSO, and aircraft manufacturers, Boeing, Airbus, Bombardier and Embraer, under the banner of the African Aviation Industry Group (AAIG), are working together to develop fair, equitable and practical solutions to the implementation of SAATM for the development of the African air transport market.
  - It was noted that 35 African Union member states have signed the SAATM solemn commitment.
  - 10 SADC member states have signed committing to the implementation of SAATM with Angola being the latest signatory

- **SADC Aviation Safety Organisation (SASO)**
  SASO is managed by an Interim Executive Director and team operating from its headquarters in Eswatini. The priorities are to resource and fund SASO, and to appoint a permanent team to enable it to perform the function for which it is being established, namely to improve safety oversight in States in the region requiring assistance. South Africa and Tanzania are close to signing the SASO Charter.

- **Upper Airspace Management Centre (UAMC)**
  This project is not currently moving forward as issues between the military and civil control of airspace remain a challenge to be addressed. No time lines are available for this project.

3.3 DEPARTMENT OF TRANSPORT (DOT), SOUTH AFRICA

AASA works closely with the DOT on the development of policy, strategy, and its implementation. The following issues have been addressed this year:

- **Slot Coordination Committee and Slot Performance Committee**
  The Department of Transport has approved that the current Slot Compliance waiver remains in place for all airlines for the Northern Winter and Summer season commencing October 2023 and March 2024. This is in line with the practice being implemented in other parts of the world e.g., the EU, due to the uncertainty and constantly changing airline schedules necessitated by changing regulations and restrictions dictated by the COVID-19 pandemic.

  Members are requested to release any slots that they are not using. Further, as in the previous slot period, it must be noted that slots allocated in the Northern Winter and Summer season will not count as historic slots for future slot allocations.

  AASA is an active participant in these two Committees. However, since the end of March 2020, with the prohibition on scheduled air services, AASA submitted a request on behalf of industry, to suspend the implementation of slot rules. This was supported by the DOT and the Slot Coordinator and approval was granted to suspend slot rules until the industry returns to normality.

  Airlines will not be penalised for the non-usage of slots during the period the slot rules are suspended. In order to assist in planning, airlines were requested to release slots they are not using. Airlines will obtain their original slots when requested. Slots allocated during the suspension of slot rules will not be considered as historic slots.

  The DOT has requested suggestions from Airlines on how the Slot Coordination parameters be managed in the future.

- **ICAO State Letters**
  AASA obtains and provides comment and feedback including from Member specialists to the DOT as appropriate, on proposed amendments to policy, standards and recommended practices being proposed by ICAO where they will impact airlines.

- **ICAO Assembly**
  Mr. Aaron Munetsi joined the South African delegation to attend the 41st ICAO Assembly in Montreal which was held from the 27 September to the 7 October 2022. Mr Munetsi participated in the Economic Commission (Regulation, Slots and Liberalisation) and the Executive Committee (Environment, Security and

Facilitation). The AASA team participated in many preparatory meetings for the 41st ICAO Assembly and made submissions where appropriate for meetings of AFCAC and ICAO.

- **National Facilitation Committee**
  This Committee, convened under the Chairmanship of the DOT, met thrice during the past year. The current focus of the Committee is the regulation and facilitation measures that need to be put in place relating to Public Health Measures at Ports of Entry, Annex 9 -filing of differences and the status of the Civil Aviation Amendment Act. The establishment of Airport Facilitation Committees at International Airports and preparedness Plans for future pandemics is also being given priority.

- **Regulating Committee of ACSA and ATNS**
  The DOT is the Secretariat of this Committee. As recorded under 3.1.1 to 3.1.4 above, AASA is a key stakeholder together with its Airline Members and other members of industry, meeting with the Regulating Committee during the Permission consultations with ACSA and ATNS.

- **Broad-Based Black Economic Empowerment (B-BBEE)**
  AASA is involved as the coordinating body for domestic scheduled airlines on the B-BBEE Aviation Charter aligned to the new Codes of Good Practice. During the past year, there has been no further progress with respect to finalising the new Transport and Aviation Charter. The appointment of a new Transport B-BBEE Charter Council by the Minister of Transport has since taken place and they will be tasked with finalising the new Charter. Mr Aaron Munetsi has been appointed to the Transport B-BBEE Charter Council.

- **Cape Town Convention**
  The DOT is the lead department in supporting the industry in its quest to develop amendments to the Convention on International Interests in Mobile Equipment (CIIME) Act of 2007, including regulations to enable South Africa to be placed on the OECD Cape Town list. *Refer to 3.9.1 below.*

- **Legislation and Regulations**
  AASA is part of the team working with the DOT and airline representatives on the review of Civil Aviation legislation.
  - The Civil Aviation Amendment Bill was approved by Parliament on 11 May 2021.
  - The President signed the Civil Aviation Amendment Bill on the 7th April 2022.
  - Once the associated regulations have been developed and approved, the President through proclamation will gazette the commencement date of the Act.

With respect to the review of the South African Licencing Council Acts, the DOT has advised that it will communicate the timing for the finalization of the draft Air Services Bill. AASA provided extensive comments to the DOT during January 2020. Further consultations between the DOT and industry are essential to address several important matters requiring discussion and resolution prior to finalization of the Amendment Bill.

- **Search and Rescue**
  South Africa has the mandate to attend to all emergency response incidents occurring in its defined coastal waters. AASA is represented on the South African Search and Rescue Board and the Aeronautical Sub-Committee also known as the Aeronautical Rescue Coordinating Centre (ARCC). South Africa needs to demonstrate its search and rescue capabilities and responsibility in responding to emergency calls with its military/civilian air and sea units. Airline Emergency Response Plans must be harmonised with the ARCC and the Airport Authority
- It has been recorded that the RSA does not possess any long range and Ultra Long-range capability. The Airforce has a C130 aircraft but this is dependent on availability.
- The long range and ultra-long range capabilities task team have identified service providers who have long range equipment, the DOT has been advised. The availability of funds is a challenge.
- In the interim, engagements are being held with surrounding rescue coordination centres to obtain assistance. The Multilateral agreements which the RSA has for the provision of Search and Rescue are also being scrutinized and updated so that the country is cognizant of its obligations.

3.4 SOUTH AFRICAN CIVIL AVIATION AUTHORITY (SACAA)

AASA works closely with SACAA in several areas, including the following:

- **Civil Aviation Regulations Committee (CARCOM)**
  AASA is an active member of CARCom which considers all proposed amendments to existing regulations and technical standards, and participates in sub-committee work as necessary. AASA encourages experts to participate in sub-committee work. Areas of progress this year include the following:

- **Flight and Duty Regulations and Standards**
  Following several consultations between the SACAA, ALPA-SA, AASA and domestic airlines, it was decided that the EASA Flight and Duty programme will form the basis of the amended regulations. It was further agreed that Rhodes University Sleep Science department would conduct research to assess the impact of fatigue on crew, determine problem areas and create a base around which the amended regulations would be drafted. The draft questionnaire was

finalised and circulated around the time of the appearance of COVID-19. Due to the prohibition of air services, crew not involved in authorised operations were not required to report for work, and it was agreed the questionnaire would be recirculated once there is a return to some level of normality of airline operations to enable a critical number of crew to respond. This is still work in progress.

- A review of the directive regarding approval of foreign MROs for Class II and Class III components or parts. This directive expired on the 28th February 2022. After representation by AASA and its Airline members, the SACAA announced in a formal communication that this directive will be extended until June 2024. The challenges regarding the registration of foreign MROs are being addressed by the SACAA and the Airlines jointly.
- Reciprocal inspection of States' civil aviation oversight capability for FOP's (international airlines) and / or approval to operate (local airlines). This includes the principle of approval and costs responsibility of airlines.
- Compliance issues and airline relationships with SACAA Inspectors.
- Process and lead times for license renewals, AOC and COA approvals.

- **Regulations for Passengers with Disability**
  As reported previously, proposed amendments submitted to CARCOM by AASA and ACSA were withdrawn as several Stakeholders were unhappy with the proposals and the process followed. The DOT and SACAA will convene a further workgroup to recommence the process of drafting amendments to the current regulations and technical standards.

- **National Airspace Committee (NASCOM)**
  AASA participates as a member of NASCOM and consults with airline specialists where necessary to ensure that airspace design amendments are in the interests of safety, and do not inhibit the development of commercial airline services.
  The primary area of interest to AASA Members is the Karoo Central Astronomy Advantage Area (KCAAA) project or SKA (Square Kilometre Array) project. Due to uncertainty over applicability of KCAAA requirements to aviation and the lack of alignment of regulations, this project continues to cause great concern for AASA and the airline industry, and its concerns are shared by the DOT, SACAA, CAASA, the Aero Club of South Africa and BARSA.

  ReRegulations were issued by the Department of Higher Education, Science and Technology to become applicable on 15 December 2019 restricting the use of certain frequencies including the aviation spectrum. However, the Department has confirmed that aviation is not subject to these regulations. The MOA was collectively concluded between the DOT and DSI, now up to DSI to set up Steering Committee (SC) meetings to deal with the technical challenges. The DOT will set up technical meetings as required. SACAA and ICASA were to assess the Aviation frequency allocation for correctness and potential frequency conflicts.

The matter is being attended to by ICASA. The Minister of Higher Education, Science and Technology and the Minister of Environment, Forestry and Fisheries are to enable consultations to take place to reach a solution enabling both aviation and the KCAAA project to co-exist in a business-as-usual environment. Further technical meetings are required to address these concerns. In the meantime, aviation can continue to operate as is without any constraints. This is work in progress.

- **Finance - SACAA Passenger Safety Charge, Fuel Levy and Fees**
  Following consultations with industry, SACAA proposed a CPI increase for the next two years applicable from 1 April 2022.AASA Industry supported a CPI increase for one year due to consequences of the pandemic on air travel and that the industry had not reached pre pandemic performance levels.

  The Minister of Transport and Minister of Finance have approved the proposed increase effective 1 April 2022. The current passenger safety charge of R 27,54 will increase to R29,33 from the 1ST June 2023.

  6,5% increase for Passenger Safety Charge from R27,54 to R29,33 effective 01 June 2023, a 14 month delay, a conservative saving for Industry of +/- R31,3 M.

  8,5% increase in Fuel Levy effective 1 May 2023, applicable when no passenger safety charge is collected.

  5% increase in User fees effective 1 June 2023.

- **Part 187.03.1 which prescribes the opening of Trust Accounts by Airlines with respect to the Passenger Safety Charge is still being deliberated on.**

- **CARCom meeting documentation is circulated to members.** AASA acknowledges the contribution by Members who provide comment on regulation and technical standards amendment proposals.

- **Civil Aviation Authority Industry Liaison Forum**
  This forum, chaired by the Director Civil Aviation is held on a quarterly basis. This meeting addresses all matters affecting the aviation industry, including commercial scheduled airlines and general aviation. The main issues dealt with at this meeting included the performance of the SACAA against targets set by the DOT, activities with ICAO, incident statistics, and specific safety, security, and industry-related matters.

- **Civil Aviation Authority Captains of Industry Forum**
  With the Director Civil Aviation as Chairperson, the Captains of Industry Forum meets on a quarterly basis. Airline CEO's, SACAA, ACSA, ATNS, SAWS, the Association of Airports and Aerodromes Southern Africa (AAA-SA), AASA, BARSA, the Commercial Aviation Association of Southern Africa (CAASA) and the Aero Club of South Africa are attendees at this Industry Forum.

  The purpose of this forum is to update the Captains of Industry on matters of importance regarding the oversight role of the Regulator.

- **Civil Aviation Authority Flight Operations Forum with Airlines**
  This is covered on a need and request basis from Members. AASA will initiate such meetings with SACAA again dependent on the interests of Members.

- **Environment**
  SACAA has the responsibility of monitoring and managing the process of reporting emissions by airlines.

3.5 AVIATION JET FUEL FORUM

3.5.1 Transnet Pipeline Tariff Application

Industry held consultations with the Energy Regulator, NERSA, which resulted in a significant moderation of the increase in Transnet pipeline tariffs in 2022/23.

- Transnet had applied to NERSA for an increase of 83% in pipeline tariffs for FY2022/23.
- IATA, BARSA and AASA sought and were granted a meeting with NERSA on 3 February 2022, where we challenged the escalation in tariffs, promoted our idea of a process for tariff determination that is fairer to the aviation industry, and provided concrete recommendations to moderate the increase sought by Transnet. We followed up by sending the presentation and our formal submission to NERSA.
- On 24 February, the Regulator announced its decision on the Transnet pipeline tariffs. Many of the parameters that we had challenged were revised, including the massive increase in Allowable Revenue, the unfair and excessive amount of revenue claw back, and inclusion of assets that are not yet operational in the determination of tariffs.
- Consequently, NERSA allowed a much smaller increase in pipeline tariffs of 8%, or 4.19 cpl (1 cag) on the Durban to Alrode route, avoiding a significant increase in fuel cost for airlines flying to JNB if Transnet's proposed increase of 43.42 cpl (11 cag) had gone through.
- Going forward, the Regulator has agreed to involve industry in a review of the tariff determination methodology and the establishment of a global benchmark on pipeline tariffs.

Transnet has submitted their tariff application for the 2024/25 permission period. The timelines for the consultative process are yet to be published.

3.5.2 Fuel Industry Meetings

Fuel Forum meetings chaired by ACSA were held on a weekly or forthright basis to address concerns of low stock levels during the period under review.

The devastating KZN floods further compounded to the challenges of low stock levels especially at ORTIA because supply of fuel by Rail was disrupted. Supply issues were experienced in Cape Town, Durban, East London and George. The fuel stock levels at ORTIA are stabilizing whilst the stock levels at Cape Town are being managed.

It was noted that the Refinery at Cape Town was producing 40% of its production of Jet A 1 because of power dips. Airlines are urged to engage with their fuel suppliers to confirm that there is adequate supply for their uplift. AASA together with the industry partners will continue to monitor the situation in the interest of our members.

ACSA's immediate focus is on strategic issues, security of supply and the Capex programme relating to Fuel. Industry role players have agreed that a long -term solution for the security of fuel supply at South African Airports need to be developed urgently to avoid a total stock out. Airlines carried the industry by incurring additional costs by tankering and trucking in fuel supplies for their operations Notwithstanding the, outstanding issues include the following:

- The Port Elizabeth harbour storage facility and feed to Port Elizabeth Airport;
- *Cape Town International Airport:* the construction of new tanks is under way and the feasibility of a new pipeline to supply jet fuel from the Harbour Storage/ Refinery to Cape Town International Airport is being discussed;
- *Restarting full operations at the Refinery in Cape Town.*
- *Interior Supply certainty:* discussions with Transnet regarding the long-term supply of jet fuel to the Gauteng region by pipeline and rail.

During the course of this year stock levels have been erratic. AASA continues to monitor fuel stock levels and work closely with all parties to ensure the security of supply to all airports.

3.6 DEPARTMENT OF HOME AFFAIRS, SOUTH AFRICA

The focus of the Department is the expansion of biometric systems, e-visas, and e-passports. AASA has been advocating a visa regime of visitor visas to be issued on arrival for bona-fide tourist and businessmen for a set duration of days provided certain conditions and checks and balance are in place to prevent an influx of unwanted visitors. Blockages in the visa system have been brought to the attention of the relevant Ministers. Tourism is an essential component to drive economic activity and the creation of jobs.

3.7 ENVIRONMENT CHALLENGES

3.7.1 Global Initiatives

The 41st ICAO Assembly was held from 27 September to 7 October 2022 in Montreal, comprising the 194 Member States of ICAO which approved the historic Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) as the international market-based measures according to which aviation will meet the challenge of climate change. This compliments the other measures being implemented by airlines and other aviation colleagues to reduce carbon emissions. A total of 88 States have volunteered for the pilot and first phases of CORSIA, effective 1 January 2021, including 17 African States consisting of six in the SADC region: Botswana, Namibia, Zambia, Democratic Republic of Congo, Madagascar, and Tanzania.

The COVID-19 pandemic has created serious challenges for the implementation of CORSIA. In preparation for the pilot phase, to commence in 2021, the global emissions for 2019 and 2020 were to be used as a base going forward. However, due to the prohibition on scheduled air services globally, which is expected to lead to an approximate 60% reduction in flights during 2020, the base line would be severely distorted if 2020 emissions were included in the calculation. Following concerns shared by the airline industry and many States, ICAO considered a number of options to deal with the situation. In July 2020, the ICAO Council agreed to not include the emissions from 2020 and only use 2019 as the base for the pilot phase from 2021. AASA supported IATA in putting this position forward to ICAO as the most fair and reasonable solution. It was also agreed the CORSIA framework would be reviewed in 2022 for consideration at the 2022 ICAO Assembly.

RESOLUTION 41/22 : Consolidated Statement of Continuing ICAO policies and practices related to Environmental protection - CORSIA.

More States Joining CORSIA

118 States in CORSIA

The 40th ICAO Assembly strongly encouraged all States to voluntarily participate in the pilot phase and the first phase of CORSIA (Resolution A40-19, paragraph 9 c)).

Sierra Leone, Seychelles and Solomon Islands are the latest States to announce their voluntary participation in CORSIA bringing the total number of volunteer States to 118

BASELINE

- 2019 CO^2 emissions for pilot phase (2021 - 2023)
- 85% of 2019 CO^2 emissions after pilot phase (2024 - 2035)

OFFSETTING REQUIREMENTS

- 100% sectoral and 0% individual for 2030 - 2032
- 85% sectoral and 15% individual for 2033 - 2035

3.7.2 South African Issues

On 1 June 2019, the Carbon Tax Act was introduced into law in South Africa. This Act applies to domestic aviation and all sectors of the South African domestic economy. The first year's assessment of Carbon Tax was due at the end of July 2020. However, due to COVID-19, the Minister of Finance delayed the requirement to submit carbon tax assessments until 31 October 2020. AASA made written representation to the Minister of Finance to request a postponement of the implementation of the Carbon Tax for a period of one year. However, this was unsuccessful. AASA then approached the Minister of Finance and the SARS team with a further request to postpone the implementation of the Carbon Tax for domestic aviation.

The government has extended the first phase of the Carbon Tax by three years to 31 December 2025 in an effort to support business in their clean transition endeavours. The Carbon Tax rate increased from an initial R134/T of CO2e to R144/T of CO2e in January 2022.

Emissions reports for all qualifying airlines were due at SACAA by 30 April 2023 for the 2022 year and these must be verified reports. South Africa is still set to participate in offsetting from 2027 with regards CORSIA.

3.7.3 United for Wildlife – Against Wildlife Trafficking

AASA continues to support the United for Wildlife (UfW) initiatives against illegal wildlife trafficking.

In addition, AASA interacts with the ROUTES partnership and has distributed its material to Members.

In May 2020, the AASA Executive Committee approved the appointment of Mr. Ian Cruickshank as its Environment and Wildlife consultant. Mr. Cruickshank has been appointed as UfW's Transport Taskforce Manager for Southern Africa and they have given approval for him to work with AASA on its Environmental and Wildlife initiatives in the Southern African region. This is kindly provided to AASA at no additional cost. The AASA team will work closely with United For Wildlife in this area and contribute to making a difference in critical wildlife and environmental initiatives.

AASA's environmental committee meets on a quarterly basis and is the lead Airline Association committee on the continent on environmental matters.

AASA also contributes towards the training and development of its members in order to enhance their progress in attaining sustainability in the Region.

3.8 HUMAN RESOURCES, LABOUR RELATIONS AND TRAINING

AASA's involvement in Human Resources, Labour Relations and Training initiatives include the following:

- **Management Committee of the Aerospace Chamber of the Transport Education Training Authority (TETA).** The AASA airline membership has been ably represented by Member Airlines. AASA will nominate an Airline representative to serve on the management committee of the Aerospace Chamber of TETA after requesting suggestions from its Airline members and when the Aerospace Chamber advertises for nominations.

- **AASA Skills Development Training Programme.** AASA arranged training programmes for the benefit of its members' employees; and to promote transformation in South Africa. To-date a total of 1885 employees from its Airline membership received training in various disciplines. However, due to COVID-19 and lockdown regulations, this programme was curtailed, firstly due to an inability to hold these courses and secondly, to achieve cost savings for AASA.

  AASA has re assessed the programme for the 2022/2023 financial year, funds have been allocated to recommence the AASA Industry Training programme IATA has agreed to partner with AASA in providing training pertaining to Environment and Sustainability with IATA providing support of up to 90% of the costs.

  AASA in partnership with IATA held sustainability training courses from February to April 2023 in Aviation and the Environment, SAF, Environment Management Systems and Sustainability Strategy.

- Aviation and the Environment, SAF, Environment Management Systems, Sustainability Strategy.
- AASA in collaboration with industry partners Hahn Air, Hitit and AerCap hosted a successful 'Business Solutions by AASA' Session on the 29 March 2023 in Johannesburg.
- 36 participants from AASA member airlines - Air Botswana, Air Zimbabwe Private Limited, Airlink, Fly Safair, Eswatini Air, Proflight Zambia, South African Airways, LAM Mozambique Airlines took a fresh look on the critical areas of Revenue Management; Fleet Planning; and Network Planning.
- The objective of the day was simple, straightforward, and driven by the need to give AASA Airline members the opportunity to develop or enhance processes specific to their business.
- The sessions were facilitated by experienced aviation executives who gave participants the opportunity to evaluate some of the challenges they face in their different work environments. Participants also practiced what they had learnt through practical exercises developed by the facilitators.

Sean Mendis facilitated the Fleet Planning session, Jerome Simelane facilitated the Revenue Management session, Phillip Collings of Hahn Air facilitated the Distributions session, and Dr Orhan Sivrikaya facilitated the Network Planning Session.

- **Sustainable Aviation Fuel Workshop for the Africa Airline Industry in partnership with IATA** to be held on the 12th and 13th October 2023 at the Protea Hotel by Marriott OR TAMBO. 35 participants have registered.

  Members are reminded to advise AASA of their training requirements in order to determine the courses that are required as well as identify the critical areas where skills are needed.

- **Wonders of Aviation (WOA)** ***Inspiring and Supporting Tomorrow's Aviation Leaders.*** The COVID-19 crisis and restrictions on meetings and travel curtailed some of the planned activities of the WOA youth outreach programme, which AASA has supported since its inception. WOA is a non-profit organisation that sets out to educate and inspire youngsters from disadvantaged communities to consider careers in the aviation industry. WOA set up WhatsApp chat groups and virtual meetings with its South African members. The Book share programme participants continue to meet monthly. These forums are used to share Aviation related information and morale-boosting messages of hope and encouragement.

  The WOA team, a group of enthusiastic volunteers led by Don Proctor Schenk based in the USA, will continue to make strides in promoting its objective of advancing aviation to the disadvantaged youth, thereby creating future aviators for the betterment of the industry.

3.9 LEGAL MATTERS

3.9.1 Convention on International Interests in Mobile Equipment (CIIME) and Associated Instruments (Cape Town Convention)

Due to the COVID-19 pandemic and the focus of the industry on survival and a restart, no progress has been made on this matter which remains a priority to resolve. However, in view of the current environment with challenges to the survival of the airline industry, it is important to assess how the applicability of the Cape Town Convention, or lack thereof, would impact the airlines of Southern Africa. Different views have been expressed, and it will be important to consult with AWG and our attorneys on this matter during the next year. A draft amendment Bill and draft regulations have been prepared.

The South African legal team advising the industry and working with the support of the international Airline Working Group (AWG) has worked on further proposed amendments to the draft amendment Bill and Regulations and submitted these proposals to the DOT. Further consultations are expected with Government and to commence the legislative process to incorporate the provisions into South African domestic legislation.

3.9.2 Consumer Protection Act, South Africa

AASA continues to escalate claims and complaints forwarded by the National Consumer Commission and the Consumer Goods and Services Ombud within airline management, and once again the attention to successfully resolving these matters by the airlines is appreciated. However, it is pleasing to note that consumer complaints have decreased substantially over the past year.

3.9.3 Civil Aviation Act

The passage of the Amendment Bill through Parliament was delayed due to COVID-19. In the interim, the Department of Transport made further submissions to the Portfolio Committee on Transport to amend certain of the current proposals in the amendment Bill. These related to the independence of the Air Safety Investigation Board, the creation of a trust account for SACAA to ring fence the charges collected by the airlines from passengers due to SACAA, and the treatment of onboard recordings.

Historical information has been included to provide context to the issues. AASA has requested a further consultation be held on all these issues prior to the Amendment Bill going before Parliament for final approval. AASA is awaiting a response from the Portfolio Committee on Transport. CAASA has also registered its concern and requested consultations.

During 2021, further amendments were proposed by the DOT, the SACAA and thereafter consolidated into proposals by the Parliamentary Portfolio Committee on Transport. AASA made a presentation to the Portfolio Committee on the proposals which included the formalization of the establishment of the independent Aviation Safety Investigation Board (ASIB) and the approval of the SACAA as a preferential creditor in respect of payment of passenger safety charges collected by the airlines on behalf of the SACAA. The amendment Bill was approved by Parliament on the 11 May 2021.

The President signed the Civil Aviation Amendment Bill on the 7th April 2022. The regulations pertaining to the establishment of a Trust account is still work in progress. Once the associated regulations have been developed, The President through proclamation will gazette the commencement date of the Act.

3.9.4 Review of the Air Services Licensing Act and International Air Services Act

AASA has continued to participate in the review process of the Air Services Licensing Act 115, 1990 and the International Air Services Act 60, 1993 with the intention to combine both Acts into a single Act, namely the Air Services Act. The latest draft was published for final comment. AASA submitted extensive comments on the latest draft in December 2019, with a further submission permitted by 20 January 2020. There are several important issues that need to be addressed and further consultations with industry are required. This is work in progress.

3.10 DEPARTMENT OF TOURISM, SOUTH AFRICA AND TOURISM BUSINESS

Mr. Aaron Munetsi is a member of the Board of Directors of the Tourism Business Council of South Africa (TBCSA). He represents AASA and the South African airline industry in travel and tourism forums providing the aviation perspective. AASA is active in supporting the Department of Tourism in the development of policy and strategy, and attends the National Tourism Stakeholder Forum.

Travel and tourism have, together with aviation, been severely impacted by COVID-19, with almost all travel and tourism business being prohibited from engaging in business, except where permitted for business and essential services, and for domestic leisure purposes effective 18 August 2020.

The survival of this industry is at risk. AASA had worked with and supported the TBCSA, South African Tourism and the Department of Tourism with initiatives to re-open tourism domestically, and to further motivate the reopening of borders for regional and international travel. The Travel and Health protocols have since been lifted in May 2022.

3.11 AVIATION CO-ORDINATION SERVICES (ACS)

3.11.1 General

ACS is mandated by the airlines serving South Africa to provide certain common-use services at South African airports which could otherwise potentially have been provided, at great cost, by the individual airlines themselves.

Mr Munetsi, and MS N. Tshetu (Airlink) are the AASA-appointed Directors of ACS, Mr. Lochan is an Alternate Director. These executives are involved in ACS activities through their roles on the respective ACS Board Committees and their appointment to the Board.

In July 2019, ACSA gave ACS notice through AASA and BARSA that ACSA wished to insource the Hold Baggage Screening process with effect from 1 August 2021. ACS, together with AASA and BARSA and the airlines, did not support this action, and following unsuccessful attempts to resolve this through consultation, ACS submitted a founding affidavit in the High Court on 12 June 2020 to challenge ACSA's action. On 25 June 2020, ACSA advised ACS that its Board had decided to rescind the decision to insource Hold Baggage Screening. ACS withdrew the application on 9 July 2020.

An update on this matter follows:

"Legal proceedings were launched in the High Court (Gauteng Local Division, Johannesburg) on 14 June 2022 under case number 22/20741 by Aviation Co-ordination Services (Pty) Ltd (ACS), Airlines Association of Southern Africa (AASA) and the Board of Airline Representatives of South Africa (BARSA). The legal proceedings challenge certain decisions taken by Airports Company South Africa SOC Limited (ACSA) in relation to the provision of hold baggage screening (HBS) services at its airports."

3.11.2 Hold Baggage Screening (HBS)

ACS continues to provide 100% HBS at all ACSA airports, as well as four non-ACSA airports, namely: Hoedspruit, Margate, Plettenberg Bay and Richards Bay.

The approval for ACS to proceed with the Like for Like replacement of the HBS equipment is still outstanding. Downtime is being experienced with old equipment and the availability of spares is becoming a challenge. It is important to note that this is a critical requirement to replace aging equipment and is becoming an increasingly difficult risk to manage. Hence the legal proceedings as noted above.

3.11.3 Baggage Reconciliation Services (BRS)

ACS provides the BRS at OR Tambo, Cape Town, Durban, Port Elizabeth, Bloemfontein, East London, George and Kimberley airports. SITA is the service provider for BRS.

At the onset of COVID-19, ACS had commenced the project to implement IATA Resolution 753, requiring all baggage to be reconciled at the arrival destination. Due to a requirement to affect cost savings, this project had been postponed.

3.11.4 Common Use Terminal Equipment (CUTE) and the Common Use Self Service (CUSS)

ACS is responsible for the management, operation and maintenance of the CUTE and CUSS kiosks at all ACSA airports, as mandated by the airlines operating to all ACSA airports. In respect of CUSS, prior to COVID-19, a total of 18 international airlines and six South African-based airlines offered services on CUSS. Discussions are currently underway for the replacement of the CUTE and CUSS equipment by ACSA, which becomes due at the end of 2021, with ACS continuing to manage, operate and maintain the system.

SITA has given notice that it will no longer provide maintenance support on CUTE and CUSS equipment from 1 December 2023.

ACSA has gone out on tender to procure CUTE and CUSS equipment and in likelihood ACS may not be the designated operator.

3.11.5 Fast Travel

AASA supports ACS and ACSA with the implementation of the IATA Fast Travel initiatives which will improve self-service processes, and introduce efficiencies into the passenger handling experience at airports. The current status of the initiatives includes the following:

- **Check-in:** implemented through the CUSS project.
- **Document check:** the facility is available for use by passengers when activated by the airlines.
- **Re-booking:** the facility is available for use by passengers when activated by the airlines. Web kiosks have also been installed at all ACSA airports to broaden the facilities available to passengers for their convenience.
- **Common bag drop:** it was intended that ACSA would implement this project as part of its CAPEX programme. At this stage, due to the review of the ACSA CAPEX programme, it is unclear whether this project will proceed at this time.
- **Self-boarding:** the situation with this project is the same as for Common Bag drop as noted above.
- **Baggage re-claim:** this initiative has not attracted the support of the airlines nor their passengers, and it is planned to convert these kiosks into web kiosks.

3.11.6 Cargo Screening

ACS continues to perform cargo screening on a limited basis due to the non- renewal of a major contract and can offer this service to the wider community as necessary.

3.12 AASA STANDING COMMITTEES

AASA has established standing committees, comprising AASA, industry, and airline representatives to address specific matters in their areas of expertise. The following committees are in place:

- **Standing Committee on Safety:** This Committee, chaired by FlySafair, meets quarterly, and deals with flight and ground safety issues. The Committee encourages the sharing of safety information and experiences in the interest of creating greater awareness of and ensuring compliance with safety regulations and standards.

- **Human Resource Training:** No face-to-face meetings were held during the year under review. However, the AASA team provided feedback to members on Aerospace Chamber matters at the AASA's quarterly business meetings.

- **Environmental Committee:** This Committee has been established to create awareness and provide information on the latest developments on climate change initiatives. The Committee meets on a quarterly basis.

- **Flight Operations Committee:** Matters relating to this committee are dealt with directly with the Director Civil Aviation.

AASA wishes to thank all Chairpersons and the Secretariat of these Committees, together with the expert representatives who are members of these Committees for their enthusiastic participation and commitment.

3.13 52ND ANNUAL GENERAL ASSEMBLY (AGA)

The 52nd Annual General Assembly of AASA was the first in person conference arranged by AASA after an absence of two years due to the COVID-19 pandemic. The 2020 and 2021 AGAs were held on virtual platforms. The theme for the 52nd Annual General Assembly was "My African Dream"

We sincerely thank and extend our gratitude to our Conference Host Airlink and the various Event Partners who have made it possible to hold such an event.
A total of 250 guests from throughout the world were in attendance.

4. OTHER INDUSTRY INVOLVEMENT

4.1 IATA AND REGIONAL AIRLINE ASSOCIATIONS

AASA is the SADC-based Regional Airline Association, and works closely with IATA to ensure the implementation of its global mandate throughout the region. AASA was represented at the IATA AGM held in Istanbul, Turkey 1 to 4 June 2023.

In addition, we recognise the close relationship with our sister Association on the African continent, namely, the African Airlines Association (AFRAA). We appreciate the close relationship and interaction we have, as well as the many invitations we have received over the past year to join the AFRAA-arranged webinars of interest.

There is always communication between the associations, and the relationship and contact with all regional airline associations is greatly appreciated.

4.2 SOUTH AFRICAN INDUSTRY ASSOCIATION INVOLVEMENT

AASA recognises and appreciates the close working relationship with several industry organisations in South Africa. This includes the Board of Airline Representatives of South Africa (BARSA), where there is also a shared interest in the business of ACS.

We recognise and appreciate the close working relationship with BARSA. We work with them on many projects and initiatives impacting the industry.

We acknowledge the contribution of Mr George Mothema, Chief Executive of BARSA and his team on joint industry positions.

We also recognise the close working relationship with the Aero Club of South Africa and the Commercial Aviation Association of Southern Africa (CAASA), and appreciate the close working relationship with the Executives and their teams.

Mr. Munetsi is also a Director on the Board of the Tourism Business Council of South Africa (TBCSA). AASA acknowledges the important relationships with the TBCSA, the umbrella Association for the Travel and Tourism industry, and its member associations and companies. It is within these forums that AASA promotes the airline industry's interests, and has supported the initiatives to restart aviation, travel and tourism following the COVID-19 pandemic.

5. MEDIA & CONFERENCES

News media, online events and social media platforms are key channels AASA utilises to advance its advocacy messages to a range of stakeholder audiences, including government policy-makers, legislators, regulatory bodies, public health authorities, the business and financial community, as well as industry suppliers and partners.

AASA's views and messaging on behalf of its Members and the industry features in print, online and broadcast media reports are listed on the Media Profile page of the AASA website.

During the past year, AASA has attended several conferences as speakers and/or participants, and engaged at length with the media. Since the lifting of travel restrictions in May 2022, AASA has participated in many in person conferences together with conference participation on virtual online platforms, and media interaction has been on these platforms, as well as via radio, telephone, or electronic media.

AASA appreciates the importance of media in conveying AASA's position and message on industry issues, and values the relationship and interaction opportunities.

6. REGIONAL ISSUES

AASA has 16 Airline Members of which 6 are South African-based airlines and 10 are regional airlines based in Southern Africa and the Indian Ocean Islands. AASA has the mandate to deal with regional issues, including those which its members bring to its attention. AASA has been involved with the following projects:

- **SADC Civil Aviation Committee business.** AASA is the only airline-based organisation which has a seat as a consultative member representing the airlines on the SADC Civil Aviation Committee – *refer to item 3.2.1.*

- **Environmental Issues.** South African and regional Airline Members are invited to attend the Environmental Committee. AASA will attend to all issues impacting its members whether on global programmes such as CORSIA or local programmes such as carbon taxes.

- **Cape Town Convention.** The work undertaken by AASA on this project could be utilised by regional Members requiring assistance in their State, working towards the goal of their inclusion on the Cape Town list.

- **User Charges.** During the course of the past year, AASA has worked with IATA in user consultations with the Namibia Civil Aviation Authority and the Botswana Civil Aviation Authority. In addition, due to the devastating impact of COVID-19, AASA made submissions to the governments of its Airline Members' States to request them to consider not implementing increases in user charges, reducing or waiving charges, introducing deferred payment plans, as well as considering tax relief.

7. CONCLUSION

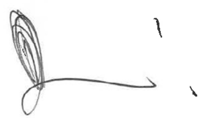
With COVID-19 behind us coupled with the major demise of South African and Regional Airlines, the recovery process has somewhat been dented but AASA is confident the resilience of the industry will be evident in the coming year and that total recovery will be restored by the end of 2023 or in the first quarter of 2024.

To conclude, on behalf of the AASA team, I wish to acknowledge the leadership and guidance of the Board of Directors and the Executive Committee of AASA who have provided support to the AASA team during the past year. In particular, I wish to thank Mr Joao Jorge during his tenure as Chairperson of AASA, Mr Elmar Conradie, our Deputy Chairperson, all members of the Executive Committee, namely, MS Agnes Khunwana. Mr. Rodger Foster, Professor MJ Lamola, Mr William Ndlovu and Mr. Vivendra Lochan, for their guidance, wise counsel and assistance as we dealt with Association business.

I record my sincere appreciation to our Airline and Associate Members, including those who have served on many standing committees and industry forums, for their support throughout the period under review, and for challenging the AASA team to deal with new issues affecting the industry. We are acutely aware of the dire situation that many of our members found themselves in as a result of the COVID-19 pandemic, and we wish each and every Member well during this rough road to recovery and growth.

To all members of government, public and private stakeholders, industry service providers and partners, we appreciate the extensive pressure under which everyone has operated during 2022/223 and thank them all for the opportunities to engage and cooperate with them on normal agenda items.

And finally, to the AASA team: Mr. Vivendra Lochan, Chief Operating Officer, our PA and Secretary, Ms. Celeste Breedt, Ms. Alice Saule, our Office Assistant, Mr. Charles Simelane, our Finance Controller and Ms. Tatum Kok, our Aviation Analyst, I extend my sincere thanks and appreciation for their commitment, loyalty and attention to their responsibilities, and the needs of our valued members.



Mr Aaron Munetsi
AASA, Chief Executive Officer
25 September 2023

8. LIST OF MEMBERS (AS @ 25 SEPTEMBER 2023)

Associate Members

A
AerCap
Africa Standards and Certifications (ASC)
Airbus
Air Cargo Operators Committee (ACOC)
AirlinePros International
Airports Company South Africa (ACSA)
Air Traffic Navigational Services (ATNS)
Amadeus
Association of South African Travel Agents (ASATA)
ATR Aircraft

B
Blake Emergency Services
Boeing

C
Cape Town Air Access
Cape Winelands Airport
CFM International
CoCre8 Technology Solutions (formerly Fujitsu)

D
De Havilland Aircraft of Canada Limited

E
Embraer
Engen

G
GE Aerospace

H
Hitit
Hahn Air

I
Investec

K
Kruger Mpumalanga International Airport

L
Lufthansa Technik

N
NAS Colossal Aviation Services

P
Pratt & Whitney
Puma Energy

R
Rolls-Royce PLC

S
Sabena Engineering
Shell Aviation
SITA
South African Tourism
South African Weather Service
Swissport

Airline Members

A
Air Austral
Air Botswana
Airlink
Air Zimbabwe

C
Cobra Aviation Group/FlyCobra
Congo Airways

E
Eswatini Air

F
Federal Airlines

L
LAM Mozambique Airlines
LIFT Airlines

M
Mango Airlines
Mozambique Express

P
Proflight Zambia

S
Safair
South African Airways

T
TAAG Angola Airlines

Airlines Association of Southern Africa (AASA) NPC

Office: +27 (0)11 609 0050 | Email: aasa@aasa.za.net | Website: www.aasa.za.net

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