



AIRLINES ASSOCIATION OF SOUTHERN AFRICA 47th Annual General Assembly 2017

WILD COAST SUN, EASTERN CAPE

14 OCTOBER 2017

CHIEF EXECUTIVE'S ANNUAL REPORT

PRESENTED BY :

*Chris Zweigenthal
Chief Executive*

INTRODUCTION

- **2016 / 2017 ANNUAL REPORT OF AASA**
 - Business Activities and achievements of AASA
 - Period : July 2016 to June 2017
: Further work to October 2017
 - Intensive work program
 - Broad agenda across all aspects of the airline business
- **BRIEF MARKET REVIEW**
- **REPORT CIRCULATED AMONGST MEMBERS PRIOR TO AGM**

CORPORATE ISSUES

AASA Executive Committee

- Adv Mandi Samson (Acting Chairperson)
- Erik Venter
- Rodger Foster
- Nic Vlok
- Musa Zwane
- Victor Xaba
- Chris Zweigenthal
- Veas Lochan

AASA Staff

- Chris Zweigenthal
- Veas Lochan
- Celeste Breedt
- Alice Saule
- Charles Simelane
- Aviation Analyst (vacant)

CORPORATE ISSUES

New Members

- Amadeus
 - Hi-Fly Marketing
 - Omni Air International LLC
 - Pratt & Whitney
-
- **Resigned** : Constraint Technologies International (CTI)

Financial Matters

- Prepared and submitted to AASA Annual General Meeting 2017

BUSINESS ACTIVITIES

ACSA AND ATNS

PERMISSION PROCESS

- 2015/16 – 2019/20 determination on 23 December 2016
 - Tariffs for first two years : 0%
 - 2017/18
 - ACSA : -35.5%
 - ATNS : +1.5%
- 2018/19 – 2022/23 consultation in progress
 - Submission due date 20 October 2017
 - Traffic Forecasts consensus for both ACSA and ATNS
 - Outstanding from RC : WACC
 - Joint Consultation reports to reflect level of consensus

SA WEATHER SERVICE

- ACAMS consultation on quarterly basis
 - Part 174 : regulation of industry by Meteorological Authority
- SAWS Tariffs :
 - 1 April 2017 : -5.05% reduction
 - 1 April 2018 :
 - Consultation between RCMS, SAWS, and Industry has commenced
 - Expected finalization by end November 2017

SADC CIVIL AVIATION COMMITTEE

- LIBERALIZATION
 - Single African Aviation Market – 2018
 - AU, AFCAC, IATA, AFRAA, AASA : support
- SADC AVIATION SAFETY ORGANIZATION (SASO)
 - Priority project
 - Resourcing of SASO team
 - Long term funding of SASO to be addressed.

DEPARTMENT OF TRANSPORT

AREAS OF COLLABORATION

- Air Transport Policy
- Slot Coordination Committee
- International Conference preparation
- Regulating Committee of ACSA and ATNS
- Cape Town Convention
- Legislation

SA CIVIL AVIATION AUTHORITY

CIVIL AVIATION REGULATIONS COMMITTEE (CARCOM)

- Flight and Duty Technical Standards – ALPA-SA proposal
- Amendment to Regulations for Passengers with Disability
 - Awaiting signature by Minister of Transport

NASCOM

- SKA Project – consultation: DOT, CAA, Aviation, DST
- Aviation frequencies confirmed as not impacted.
- Flight path not to pass over SKA receiver.

CAA FORUM WITH AIRLINES

- AASA, Flight Operations, Chief Pilots with DCA and team.

AVIATION JET FUEL FORUM

JET FUEL FOURM

OR TAMBO INTERNATIONAL AIRPORT

- NMPP line commissioned and DJP line decommissioned
- Natref Maintenance shutdown
 - 6 weeks from 1 October 2017

CAPE TOWN INTERNATIONAL AIRPORT

- High Growth
- High peak expected in December 2017

IMMIGRATION

- Proposed amendment to Immigration Regulations proposed 16 September 2016 not resolved
- DHA, NDT, Industry input to Immigration Advisory Board
- Concern whether amendments will solve the problem.
- Queues at Immigration Points during peak times
 - Resourcing of immigration positions at airports under scrutiny
 - Current budget constraints from National Treasury.

TRAINING

AEROSPACE CHAMBER

- Representation of AASA on Management Committee.

AASA SKILLS DEVELOPMENT PROGRAM

- 2016/17 : 142 Airline employees received training
- Total to date : 1231
 - Customer Care ; Commercial Aviation Management

WONDERS OF AVIATION

- Create awareness of aviation – aviators of the future

IATA TRAINING FUND

- MOU with IATA
- 5 courses : Oct to Dec 2017 – total of 125 airline employees.

LEGAL MATTERS

CAPE TOWN CONVENTION

- Draft Amendment to legislation drafted
- DOT to engage with all involved Government Departments

CONSUMER PROTECTION ACT

- Revised Industry Code under development
- Airline Workshop to be arranged – determine way forward

CIVIL AVIATION ACT

- AASA and Airline contribution to proposed amendments.
- AASA participation in NEDLAC process – to Parliament

REVIEW OF DOMESTIC AND INTERNATIONAL LICENSING ACTS

- Steercom, Project Team – new Act to combine existing Acts

ENVIRONMENT

GLOBAL INITIATIVES - CORSIA :

- Development of standards and procedures to give effect to implementation of CORSIA
- 72 States have volunteered for CORSIA from pilot phase -6 States from Africa – Zambia and Botswana from SADC

SOUTH AFRICAN ISSUES - Carbon Taxes

- Airline Industry prefers CORSIA type solution
- Date of implementation still to be determined by Minister of Finance

UNITED FOR WILDLIFE

- AASA signed UFW Buckingham Palace Declaration : 19 Jan 17
- Encourage airlines to sign – increased awareness.

TOURISM

- Chris Zweigenthal – a Director on TBCSA (Tourism Business Council of South Africa)
- Work with Department of Tourism
 - NTSS (National Tourism Sector Strategy)
 - Support NDT work with Immigration Advisory Board

TRANSFORMATION

- Consultations on proposed new Aviation Charter and Scorecards concluded
- Further proposed amendments to Scorecards by working group of the Transport Council
- Await Minister of Transport direction on way forward
- Consultation on international scorecards ongoing between IATA and DOT. AASA has offered support as required.
- Current Charter and Scorecards still in operation
- Vees Lochan on Board of Transport B-BBEE Council

AVIATION COORDINATION SERVICES

HOLD BAGGAGE SCREENING

- Upgrade project underway for completion by 2022

BAGGAGE RECONCILIATION

- RFP closed for award of new tender

CUTE AND CUSS

- Refresh completed during 2017
- CUSS : 7 Domestic and 14 international airlines

IATA FAST TRAVEL

- CHECK IN – implemented
- DOCUMENT CHECK and REBOOKING
 - facilities available : four airlines active
 - Web kiosks to enhance product
- COMMON BAG DROP
 - Home Printed bag tags – 7 airlines active
 - Common Bag drop – evaluation of pilot program outst.
- SELF BOARDING – roll out from April 2018
- BAGGAGE RECLAIM – Pilot phase required

SARS VAT MATTERS

ACS VAT INVOICES

- Ongoing for several years
- SARS requires single view from airlines on whether VAT invoices should be issued or status quo of non VAT invoices
- Differing views at present – still to be resolved.

VAT ON DOM LEG OF INTERNATIONAL FLIGHTS

- SARS interpretation of standard rate VAT on domestic leg of international flight – draft Interpretation note.
- Attorneys engaged to motivate position to SARS
- Resolution outstanding.

STANDING COMMITTEES

- SAFETY – quarterly meeting
- HUMAN RESOURCES – meeting as required
- ENVIRONMENTAL COMMITTEE - bi-annual
- FLIGHT OPERATIONS COMMITTEE – bi-annual or as required

OTHER INVOLVEMENT

- IATA AND REGIONAL AIRLINE ASSOCIATIONS
- SOUTH AFRICAN INDUSTRY ASSOCIATIONS
 - BARSА, CAASA, Aero Club, RAASA
 - TBCSA, ASATA, SATSA, FEDHASA, SAVRALA
- MEDIA AND CONFERENCE
- REGIONAL ISSUES
 - SADC Civil Aviation Committee
 - Environmental Committee
 - Cape Town Convention
 - User Charges e.g. Botswana
- CONCLUSION AND APPRECIATION

THANK YOU !!!

..... To everyone