



South African Civil Aviation Authority

Presentation to the Portfolio Committee on Transport
by the Director of Civil Aviation – Captain Colin Jordaan

22 October 2010

SACAA Mandate

The South African Civil Aviation Authority (SACAA) is an agency of the National Department of Transport (DoT) and was created in terms of the South African Civil Aviation Authority Act No. 40 of 1998.

Its activities are governed by a Performance Agreement signed between the Minister of Transport, the Board and the Director of Civil Aviation.

In terms of the Civil Aviation Act 2009, signed into law by the President in May 2009, which became effective on 31 March 2010, the mandate of the Authority has been more clearly defined in terms of compliance with the Chicago Convention on International Civil Aviation.

SACAA objectives in the new Act

The objects of the Civil Aviation Authority are to:

- (a) control and regulate civil aviation safety and security;*
- (b) oversee the implementation and compliance with the National Aviation Security Program;*
- (c) oversee the functioning and development of the civil aviation industry;*
- (d) promote civil aviation safety and security;*
- (e) develop any regulations that are required in terms of this Act; and*
- (f) monitor and ensure compliance with this Act and the Convention.*

CAA Vision

To be a world-class enabler of a safe, secure and sustainable aviation industry

CAA Mission

- To maintain a safe, secure and sustainable civil aviation environment while adhering to international standards;
- To regulate and oversee the functioning and development of the industry in an efficient, cost effective, and customer friendly manner;
- To promote transformation and development.

SOUTH AFRICAN CIVIL AVIATION AUTHORITY VALUES



C*ommitment*

I*ntegrity*

R*esponsibility*

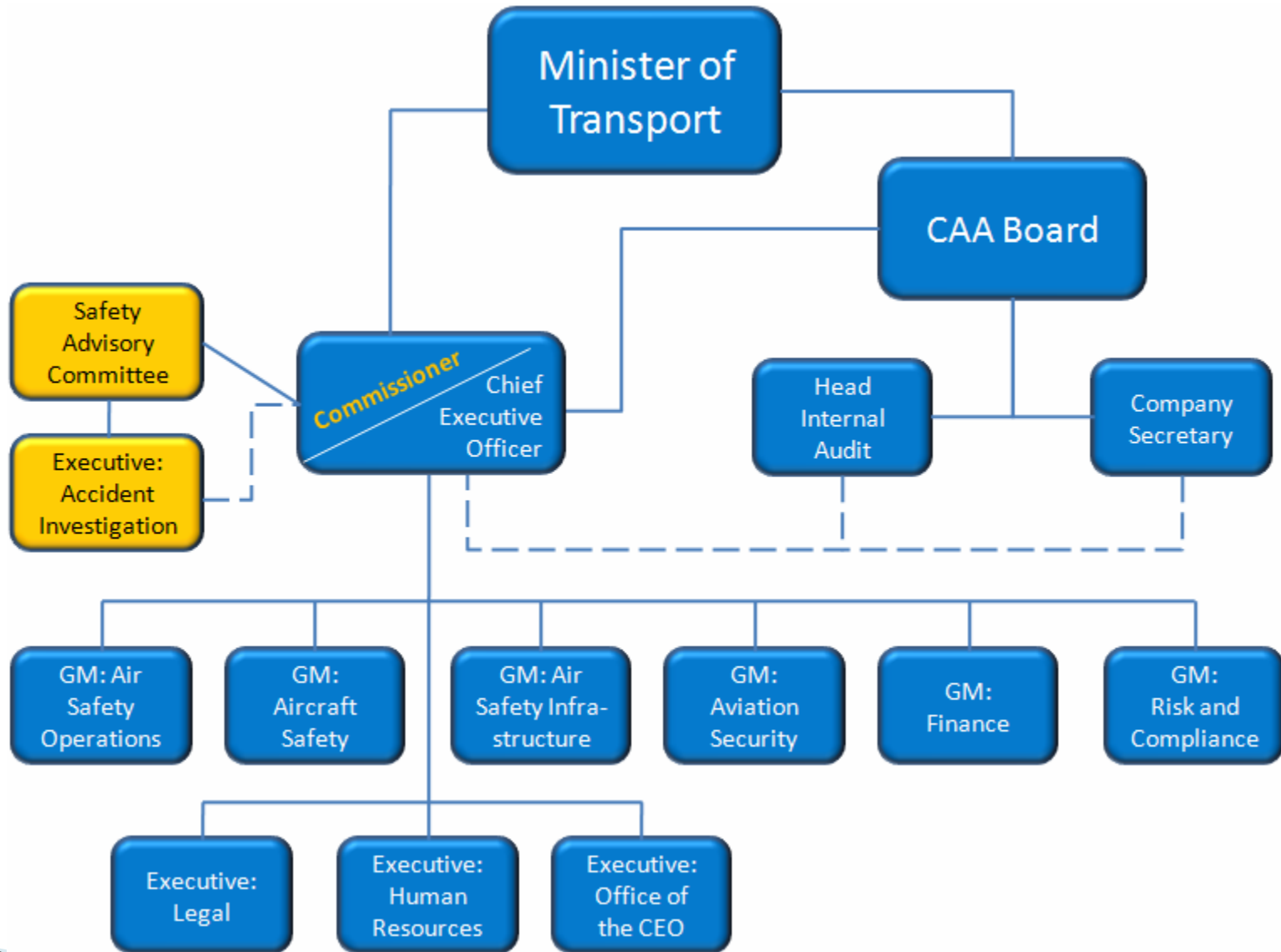
T*ransparency*

A*ccountability*

C*onsistency*

K*nowledge Sharing*

SACAA Organisational Structure as at 30 March 2010



NEW STRATEGIC OBJECTIVES 2010

Aviation Safety and Security

Financial Stability

Improvement of SACAA's image

Industry Transformation

Operational Efficiency and Effectiveness

Statutory Compliance

Corporate Governance

Human Capital

Budget vs Actual Performance FY 09/10

- The Authority budgeted for R7,145 million loss for the FY 2009/2010, which was approved by Treasury.
 - To reduce the burden on the travelling public and the aviation industry
 - Utilise excess financial reserves
- CAA Revenues are obtained from
 - Passenger Safety Charges ~75.8%
 - User Charges ~ 22.9%
 - Fuel levy ~ 1.3%
- The actual loss for the period was R9,3 million against a total revenue of R244,4 million

Budget vs Actual Performance

- The Income Statement included an amount of R9,5 million owed by the NDoT to SACAA for the provision of Accident and Incident Investigation Services to the DoT in the FY 2008/9 and FY 2009/10.
- This amount (which was previously reported to PCOT) has still not been paid by the DoT and a recent email received has indicated that DoT will NOT be forthcoming with the outstanding funds.
- Default on this payment will result in a net loss for the FY of R18,8 million which will have to be funded out of reserves, despite the instruction from PCOT that DoT should make the funds available.

Budget vs Actual Performance (cont'd)

- The SACAA obtained an unqualified audit report for the third year since the current CEO/Director took office in December 2007.
- As opposed to the clean audit obtained in the previous FY, two matters of emphasis were noted by the AG.
- These related to the unsuccessful conclusion of disciplinary action against 2 managers within the organisation following lengthy suspensions.
- This resulted in a finding of fruitless and wasteful expenditure according to the rules applied by the AG.

CHALLENGES

- As with all global players, the SACAA has felt the effects of the recession as passenger numbers continued to decline and the cost of fuel increases.
- The Authority generates all of its revenue from passenger safety charges, industry user fees and a fuel levy on aviation fuel.
- During the year under review, actual revenues were substantially below budget and management introduced austere cost cutting measures to ensure that the approved financial performance could be met.

CHALLENGES

- A major challenge has arisen since the coming into effect of the new Aviation Act relating to the promulgation of new Regulations or amendment of existing Regs.
- An opinion received from the State Law Advisors regarding the current “deeming” provision included in the Act states that existing Regulations may not be amended, only completely replaced.
- This has placed a huge burden on the Civil Aviation Regulations Committee and has severely affected our ability to change regulations in a timely manner.
- The PCOT is requested to advise whether it would be possible to fast-track an amendment to the existing deeming provisions in the new Civil Aviation Act.

Aviation Safety

- 2009 proved to be the safest in many years in terms of overall accidents, fatal accidents and fatalities
- Safety initiatives initiated in 2008 are definitely having a positive effect. These include;
 - Increased industry oversight particularly in the areas of flight training, aircraft operations and aircraft maintenance
 - The General Aviation Safety Initiative (GASI)
 - Recreational Aviation Administration of South Africa (RAASA)

Accident rate comparison

Three-Year Accident Rate Comparison

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
01 Apr 07 - 31 Mar 08	18	10	17	20	15	14	8	16	19	11	22	21	191
01 Apr 08 - 31 Mar 09	22	15	7	18	15	15	18	12	14	7	11	11	165
01 Apr 09 - 31 Mar 10	10	16	10	11	7	6	8	17	12	11	20	11	139

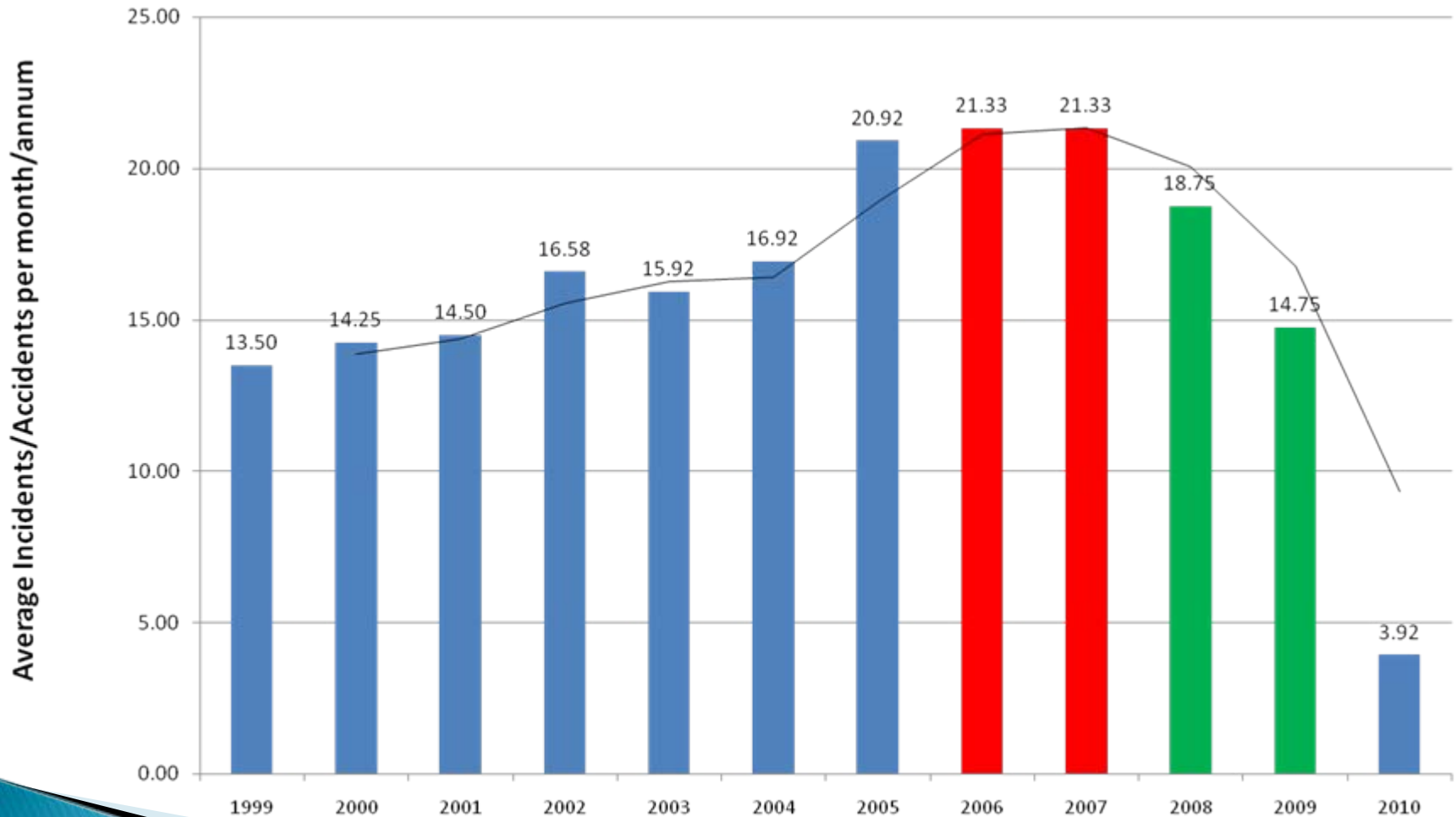
Three-Year Fatal Accident Rate Comparison

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
01 Apr 07 - 31 Mar 08	2	2	1	1	1	4	1	4	2	3	1	3	25
01 Apr 08 - 31 Mar 09	4	1	1	1	2	5	7	4	1	1	2	2	31
01 Apr 09 - 31 Mar 10	0	1	0	1	2	0	1	3	3	0	2	1	14

Three-Year Fatalities Rate Comparison

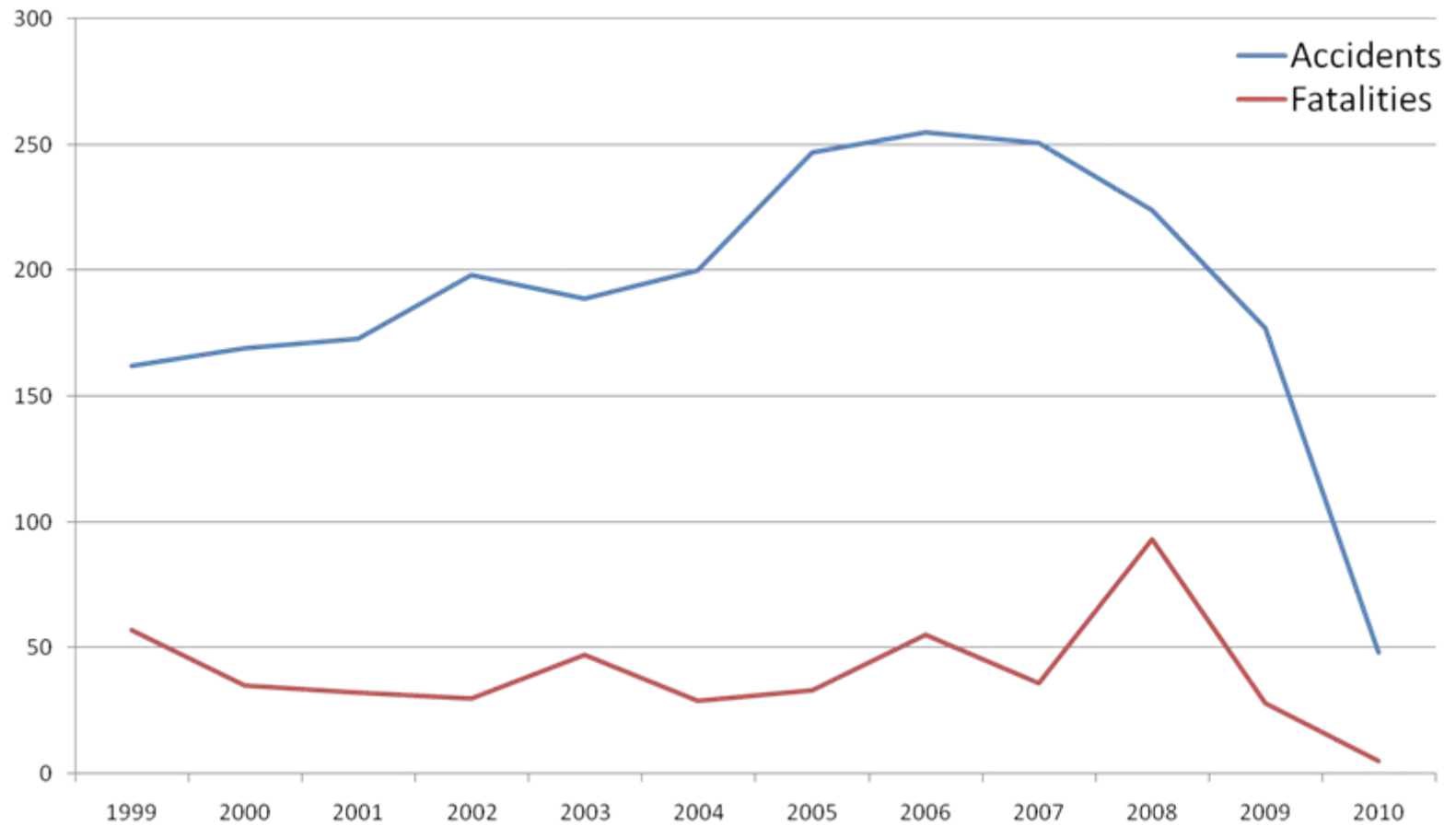
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
01 Apr 07 - 31 Mar 08	4	2	1	1	1	7	1	9	3	7	3	6	45
01 Apr 08 - 31 Mar 09	7	1	2	1	6	30	26	4	1	1	2	4	85
01 Apr 09 - 31 Mar 10	0	1	0	1	4	0	2	5	8	0	3	1	25

General Aviation Safety Initiative January 1999 to March 2010



Sample Size = 2300

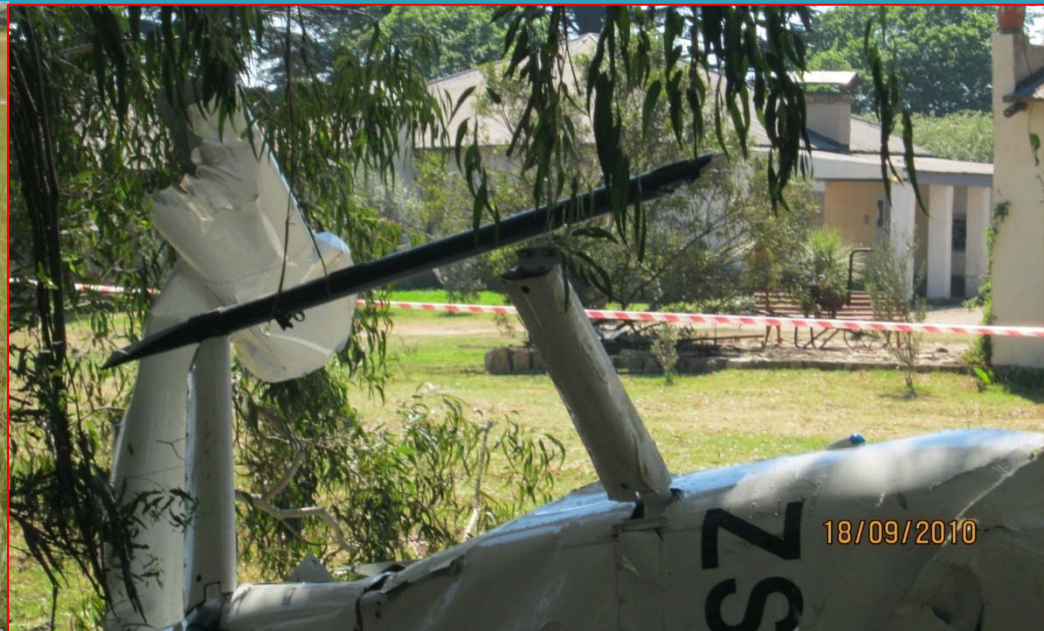
Accidents vs Fatalities



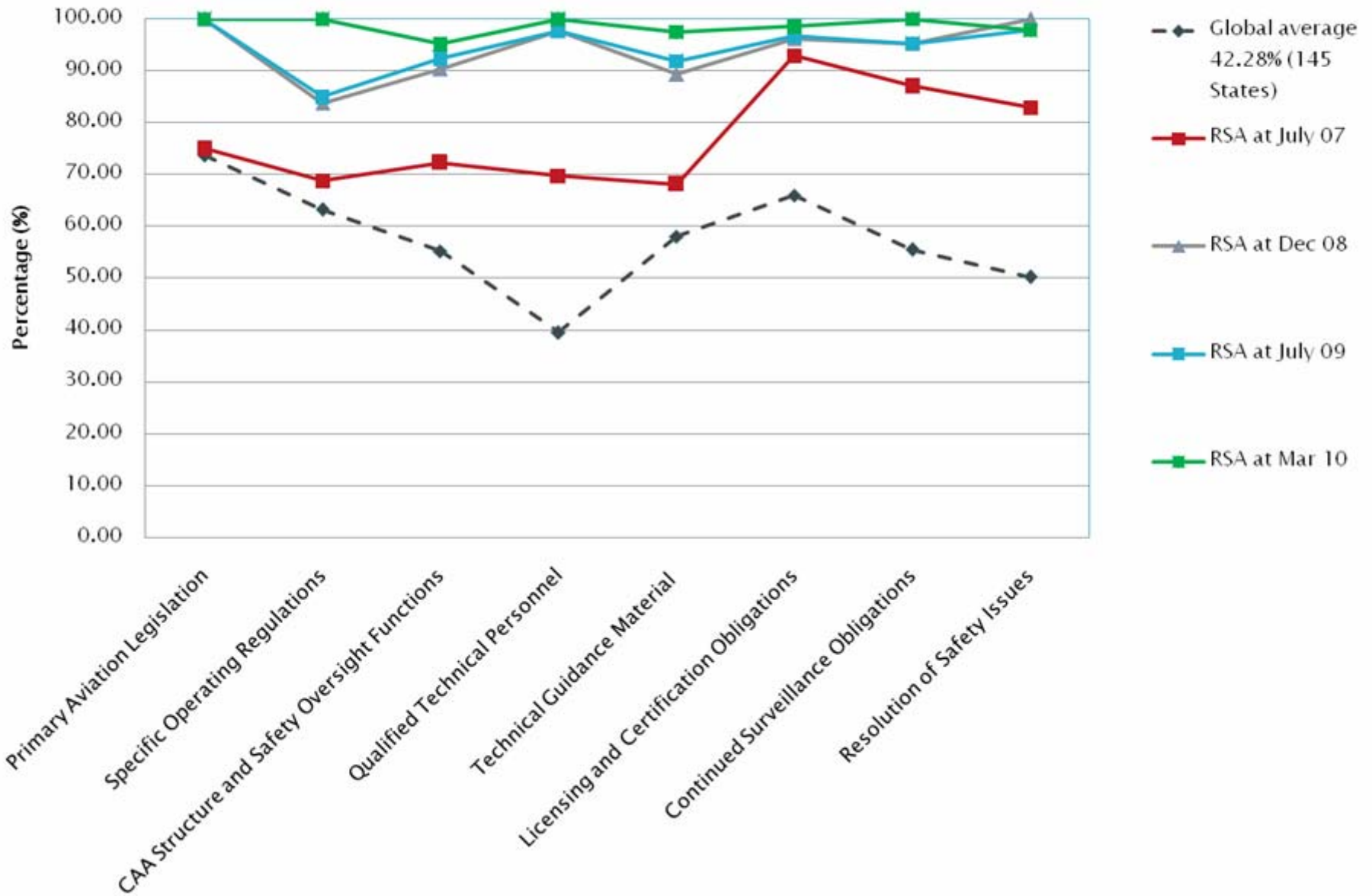
Aviation Safety

- The number of light helicopters on the Aircraft Register has increased dramatically over the last 10 years.
- This has been predicated by the introduction of the Robinson R22 and R44 helicopter types.
- Helicopter ownership and conversion training has subsequently become more affordable to the average pilot.
- The accident rate of light helicopters has increased more than proportionately.
- The SACAA is implementing stricter control over all instructor qualification with emphasis on helicopter training.
- A problem is the lack of experienced instructors in the industry.

Aviation Safety



ICAO Standards: Effective implementation of the 8 critical elements (%)



FIFA SWC 2010

- Although not reported for the year under review, FIFA 2010 was a resounding success from an aviation safety perspective.
- The CAA worked very closely with the NATJOC to ensure the control and safety of South African skies
- During the 1 month period of the World Cup, there were NO accidents and only 1 incident recorded.
- The SACAA deployed dozens of inspectors from the various disciplines to all of the airports involved in transporting fans between the respective venues.
- They were able to conduct ramp inspections on all local and foreign aircraft being used during the event and be on hand to investigate any problems as they might arise.

FIFA SWC 2010 - Lanseria Airport



EFFICIENCY & SERVICE DELIVERY

- The SACAA has successfully maintained ISO Certification since 2000 with no major findings raised in the surveillance audit in September 2009, and only 4 minor findings raised in the renewal audit in January 2010.
- A customer satisfaction survey system was implemented in April 2009 and the year-to-date client satisfaction ratio at end of December 2009 was at 71%.
- A regional office has been opened in Cape Town and has been operational since Sept 2009.

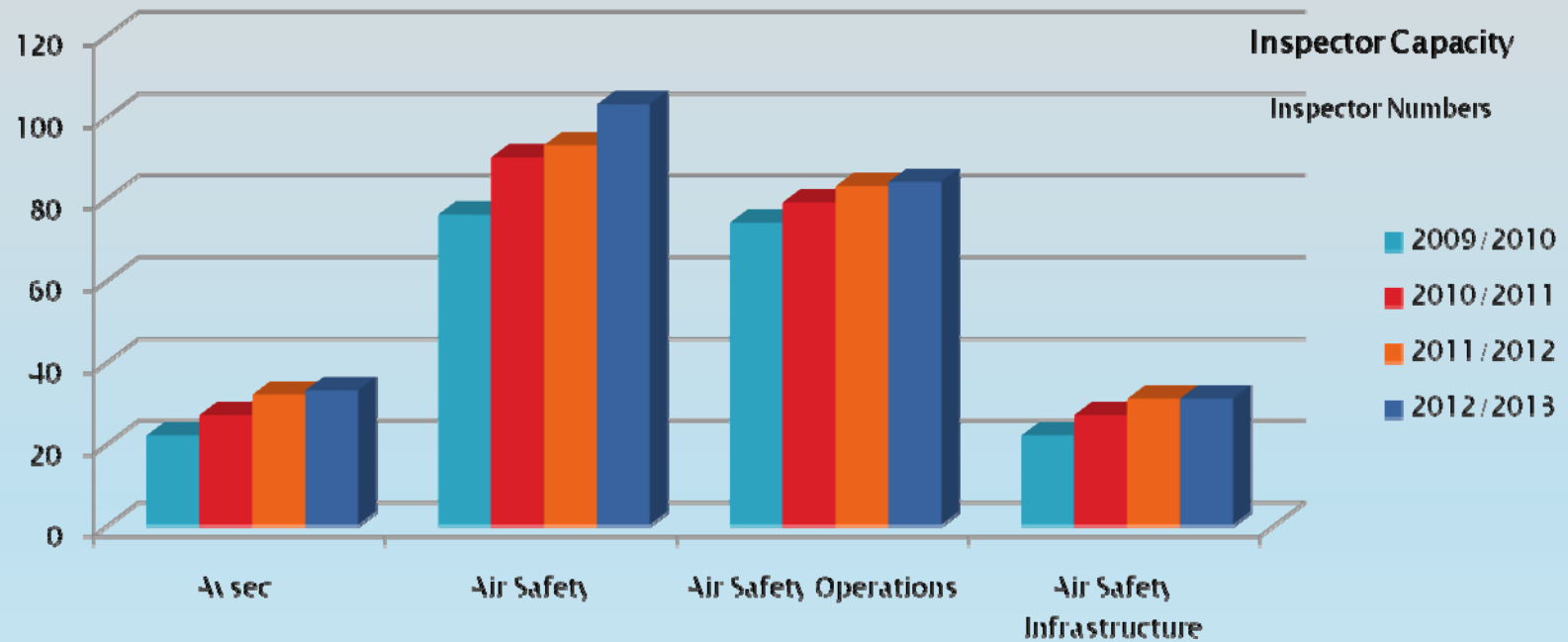
PERFORMANCE AGREEMENT

The 3 way performance agreement referred to in slide 2 encompasses all of the aspects required by the DoT where applicable. These include

Objective	Number of Deliverables
Meeting South Africa's National Transport Objectives	6
Efficient Administration of the Organisation	11
Corporate Governance and Legislative Compliance	7
Black Economic Empowerment	2
Employment Equity	1
Corporate Social Investment	2
2010 FIFA Soccer World Cup Objectives	3
Other Business Objectives	3

The Authority meet or exceeded the greater majority of all targets set by the end of the financial year

Throughout the four technical departments - oversight capacity is steadily increasing in accordance with expected industry growth.



Oversight Year	AvSec	Air Safety	Air Safety Operations	Air Safety Infrastructure
Current Inspectors	22	76	74	22
2010/2011	27	90	79	27
2011/2012	32	93	83	31
2012/2013	33	103	84	31

EMPLOYMENT EQUITY STATUS MAR 10

Occupational level	Male								Female								Foreign Nationals				TOTAL		
	African		Coloured		Indian		White		African		Coloured		Indian		White		Male		Female				
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%			
Top Management	0	0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1
Executive Management	4	44.4	0	0.0	0	0.0	2	22.2	1	11.1	0	0.0	0	0.0	1	11.1	1	11.1	0	0.0	0	0.0	9
Senior and Middle	23	34.3	1	1.5	3	4.5	16	23.9	16	23.9	1	1.5	1	1.5	3	4.5	2	3.0	1	1.5	0	0.0	67
Professionally qualified and experienced specialists and mid-management	5	23.8	0	0.0	2	9.5	6	28.6	7	33.3	0	0.0	0	0.0	0	0.0	1	4.8	0	0.0	0	0.0	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	89	32.2	4	1.4	13	4.7	59	21.4	76	27.5	6	2.2	4	1.4	23	8.3	2	0.7	0	0.0	0	0.0	276
Semi-skilled and discretionary decision making	11	18.3	1	1.7	0	0.0	0	0.0	39	65.0	3	5.0	1	1.7	5	8.3	0	0.0	0	0.0	0	0.0	60
Unskilled and defined decision making	1	33.3	0	0.0	0	0.0	0	0.0	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3
TOTAL	133	30.4	6	1.4	18	4.1	84	19.2	141	32.3	10	2.3	6	1.4	32	7.3	6	1.4	1	0.2	0	0.0	437
Disability	1	16.7	0	0.0	1	16.7	0	0.0	3	50.0	0	0.0	0	0.0	1	16.7	0	0.0	0	0.0	0	0.0	6

Employment Equity - Performance Agreement

Baseline/ Actual	Targets	Performance Results	Reason for Variance
82% of new recruits are from designated groups.	80% of recruits from designated groups; pilots and technicians according to availability of candidates with the necessary experience required in terms of ICAO compliance.	98% of recruits from designated groups in non-technical positions; 88% of all recruits from designated groups. A total of 51 new staff members joined the SACAA during the year in review.	Target significantly exceeded

Aviation's contribution to Economic Development in South Africa.

“Tourism is generally regarded as a major means of alleviating poverty within a country by stimulating job creation.”

The UN World Tourism Organisation database only provides figures up to 2005. In that survey, South Africa ranks 78th in terms of tourist dollars spent in relation to GDP, a figure of 3,5% vs. the world average of 6,9%.

In that year SA's GDP was R1 115 billion. Tourism receipts therefore amounted to R39 billion. In 2008 GDP for South Africa was R1 272 billion. International Tourism to grew by 10% p.a. between 2005 and 2008.

However In 2006 , the International Herald Tribune wrote;
“An air passenger is 30 times more likely to die in a crash in Africa than in the world's safest country for aviation, the United States, according to the World Bank, the air transport association and other aviation groups.”

This article was reproduced in the New York Times and is repeated on many websites throughout the world.

Aviation's contribution to Economic Development in South Africa (cont'd).

Yet South Africa is one of the safest countries in the world when it comes to airline passenger travel. There has never been a fatal accident involving a commercial jet airliner on South African soil, since the inception of jet travel in 1952 (London to Johannesburg).

Worldwide 47% of international tourists arrive by air. In South Africa due to its geographical location, this percentage is a lot higher.

In the international press, South Africa is usually lumped with the rest of Africa as an unsafe destination with regards to air travel. **This perception needs to be aggressively addressed if South Africa is to become a top tourist destination.**

Economic Development in South Africa – Aviation's Role

- The current population of SA is 49 million people
- 50% live below the poverty line of 1 US\$ per day = 24,5 million people
- To reduce poverty by 50%, half of these people will be affected = 12,25 million
- UN has declared the poverty line to be living on less than 2 US\$ per day
- Funding to raise 12,25 million people above poverty line = $12,25 \text{ m} \times 8 = \text{R}98 \text{ million per day}$
- Funding to raise 24,5 million people above poverty line = $98 \times 365 = \text{R}35,77 \text{ billion per year}$
- At inflation rate of 8% per annum this equates to **R52,6 billion** by 2014 (assume 0% pop growth)
- Current tourism revenue = R51,9 billion
- Total revenue required = R51,9 billion + **R52,6 billion** = R104,5 billion
- This will require international tourism growth of **15%** per annum from 2009 to 2014.
- This can only be achieved if the tourism market is carefully analysed and targeted.

Economic Development in South Africa – Aviation's Role – (cont'd)

- Due to the infrastructure development being achieved as a result of the 2010 FIFA World Cup, the country's aviation infrastructure will be able to cope with the required growth.
- South Africa is being recognised as the best value for money destination in the world at present.
- Previous experience in SA indicates that the high end tourist market generates 1 job for every 2 tourists as opposed to 1 job for every 30 visitors in the general tourist market.
- Many of the tourists that will create a high profile image of SA will fly to the country in private jets, and in most countries are processed away from the main stream of day to day travellers. While this sounds elitist, politicians suffer similar problems, which is why state protocol facilities are created.
- The General Aviation charter market is well equipped to ferry these tourists to our private game lodges and golf venues.
- The SA Civil Aviation Authority will facilitate the growth of tourism by reducing bureaucracy as much as possible, and ensuring a safe air travel environment.

Thank You