



Quarterly Newsletter for Friends of Golden Arrow Bus Services

INTERCHANGE

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Golden Arrow's Mission:

To operate safe, reliable passenger transport services designed to meet the needs of our customers and by applying sound business principles, to create a secure future for the company and its people.

Golden Arrow's Missie:

Om veilige, betroubare passasiersvervoerdienste te lewer, gerig op die behoeftes van ons klante en, deur gesonde sakebeginsels toe te pas, 'n seker toekoms vir die maatskappy en sy mense te skep.

Umnqophiso kaGolden Arrow:

Ukufaka iinkonzo zothutho luka wonkewonke ezikhuselekileyo kunye nezithembekileyo kwaye nezilungiselelwe ukukhawulelana neemfuno zabakhweli bebhasi zalenkampani oku kufezekiswa ngokusebenzisa imithetho-siseko yoshishino ephilileyo, nokwakha ikamva elikhuselekileyo lwalenkampani kunye nabantu bayo.

Nic Cronjé
CEO: Golden Arrow Bus Services

NOTE from NIC



Public Transport Operations underfunded in S.A.

When one compares the level of the South African budgetary allocation for public transport with that of other developing countries, the discrepancies are stark. In the National Capital Territory of Delhi (NCT), which includes the Indian capital with a population of 16.3 million, about 25% of the 2011 state budget (Rs 13,600 crore / ZAR 34 billion)¹, was earmarked for public transport.

In contrast, the 2012 South African national budgetary allocation for public transport amounted to R10 billion² or 9,4% of the total national government expenditure of which R5 billion was allocated to bus subsidies and the remaining R5 billion earmarked for Bus Rapid Transport (BRT) related projects and the Taxi Recapitalisation Programme (TRP).

In essence, the state government of Delhi's public transport spend per capita is 10 times more than that of South Africa. This is undoubtedly driven by the need to have a public transport system in place that is commensurate with and supportive of the significant levels of economic growth evidenced in the Indian economy.

One can therefore not be ridiculed for deducing that public transport appears not to be highly rated on the agenda of our policy makers. In fact, with the introduction of the Division of Revenue (DORA) capped subsidy formulation, the organic growth of the road based public transport sector has effectively been stifled as Treasury moved to arrest annual budgetary shortfalls brought about by increased patronage.

With growing levels of urbanisation (Cape Town's population increased by 20,9% since 2001³) and the endemic sprawl that has evolved with it, public transport plays a crucial role in people's mobility, and demand for services is allied to this growth. This requires heightened levels of public transport operations to serve this demand and to generate positive levels of growth in the local economy.

It is therefore necessary for Treasury to be cognizant of the need for public transport service expansion and the operational funding that goes along with this if the sector is to meaningfully contribute to the economic welfare of the growing metropolitan populations in South Africa.

¹ articles.economicstimes.indiatimes.com

² www.info.gov.za

³ City of Cape Town, 2008

HCI and GABS laud bursary students' achievements

The HCI Foundation (into which the Golden Arrow Foundation was incorporated in 2004) has continued to strengthen its predecessor's commitment to education by steadily growing its flagship Bursary Programme. Currently, just under R13 million is made available on an annual basis to approximately 900 students studying at various tertiary institutions across the country.

Recognising the need to celebrate the accomplishments of the final year students in the Cape region, Golden Arrow and the Foundation partnered to host a luncheon in the students' honour at the Southern Sun Hotel on 15 September 2012. The function was attended by final year students, their parents/guardians and key players in the bursary scheme as well as

HCI Foundation trustees and Golden Arrow's executive management.

The aim of the event was to focus on the central role that education plays in transforming the lives of South Africa's youth and Professor Brian 'O' Connell (Rector and Vice-Chancellor of the University of the Western Cape) was an inspired choice as keynote speaker for the occasion.

Outlining the deficits in South Africa's education system vis-à-vis the rest of the world, Prof O'Connell emphasized the responsibility that rests on the shoulders of young people that are on the verge of entering the world beyond the schooling system. "We have to harness and fully exploit our intellectual capacities in order to find solutions to the formidable social and technological challenges that confront us. You, as

the privileged few who have been exposed to the rigours of academic engagement, have to put your educational competencies to good use to ensure a secure future for the coming generations", he reiterated.

Prof O' Connell also lauded the HCI Foundation for allocating more than two thirds of its budget to education as this continues to play a critical role in addressing the decay that has imbued itself in the current system and served as a catalyst to unlocking much needed similar support from other corporate peers.

It is hoped that the Bursary Programme will continue to grow from strength to strength and that beneficiaries will continue to extoll the necessity of education in creating a better future for all South Africans. 



A bright future: (From l-r) Jamala Safari (HCIF), Johnny Copelyn (HCI Chairperson), Ongeziwe Speelman (bursary student), Corinne Abel (HCIF CEO), Prof. Brian O' Connell (UWC Rector), Shoukard-Allie Rawoot (bursary student), Nic Cronjé (GABS CEO), Idalise Cronjé and Meko Magida (GABS HR Executive) celebrated the power of education as a force for change



Golden Arrow has
a consistent **98%**
operating efficiency

Spares management the key to efficient maintenance

A key success factor of Golden Arrow's (GABS) business model is the availability of roadworthy vehicles to meet the travel demands of the commuting public and to fulfill the company's contractual obligation to provide scheduled bus services in the Cape metropole. In order to achieve this strategic imperative, the GABS bus fleet clocks 144 000 kilometres daily which is the equivalent of circumnavigating the globe three and half times.

This rigorous schedule invariably places considerable strain on all the constituent components of the bus

fleet as it bears the stress of heavy passenger volumes along the more than 1 300 routes that it plies daily. Planned maintenance is therefore critical to ensure that the fleet of 1 045 buses is available to serve the daily peaks and in a state of roadworthiness to stand the scrutiny of the mandatory bi-annual certificate of roadworthy tests.

Golden Arrow's sophisticated engineering department, consisting of a myriad artisan disciplines that include Diesel Mechanics, Fitters and Turners, Automotive Engine Fitters, Automotive Machinists and Automotive Electricians, is responsible for maintaining its bus fleet.

In general, this division performs inter alia regular checks and servicing of buses, the overhauling of engines, gearboxes and sub-assemblies and vehicle body fitting and auto-electrical repairs.

Key to the maintenance of the fleet is the availability of spare components. Spares enable the engineering team to effect repairs as and when necessary and to adhere to service schedules in line with warranty conditions set by Original Equipment Manufacturers (OEM's) and bi-annual roadworthy intervals of bus units.

However, while spares are *sine qua non* to fleet maintenance, the science of counterbalancing its procurement and availability has a major bearing on the financial ratios of the company's operating performance. "It is vital to have the right spare at the right time in a manner that does not involve tying up capital through unnecessary stockholding volumes," says Company Engineer, Roger Overton.

According to Overton, GABS has refined its

spares procurement through tracking usage over intervals of 6-12 months and managing stockholding according to the much vaunted "*Just-in Time*" operating practice. "Our 150 year association with bus maintenance has enabled us to project optimum stockholding levels and institute procurement practices that enable us to keep abreast of demands for components from the depots and the assembly of units in the production processes of our central workshop facility," Overton notes.

Spares are the third highest cost item (after personnel and fuel) and its judicious management has a fundamental bearing on operating efficiencies and financial performance. However, it is also absolutely essential for the provision of a safe service. Brakes, tyres and steering components account for the highest turnover in spares consumption which vindicates the premium attached to safe and reliable vehicles in Golden Arrow's operating philosophy.

Allied to this, are the stringent warranty conditions dictated



by the OEM's. Services have to be performed by an accredited provider according to a strict kilometre matrix. In the case of MAN vehicles, which constitute the majority of the GABS fleet, services on all bus units are tracked on-line and all spares related

to this are supplied by MAN. This arrangement ensures the integrity of all the major operating components in the bus units which not only guarantees safety and reliability but also garners longevity in the operating horizon of the bus.

Keeping buses on the road in a safe and reliable state in a manner that is cost effective therefore requires a comprehensive maintenance practice and philosophy in which the management of spares plays a critical role.

Golden Arrow has a consistent 98% operating efficiency (number of trips completed vis-à-vis the schedule) which bears testimony to an efficient maintenance regime supported by astute spares management. 



Management and union members inspired at training session

An inspiring training session involving management and union leaders took place at the Medical Research Council on September 14.

The programme was designed in such a way that essential information could be communicated but also so that everyone present could leave invigorated and confident that each staff member at Golden Arrow forms an invaluable part of the whole.

Golden Arrow Chief Executive Officer, Nic Cronjé, was on hand to officially open the day's proceedings with a few words of wisdom regarding the current economic climate and the importance of keeping the focus on GABS' passengers. "Whatever we plan or do we must ensure that it is to the benefit of the passengers, they are the most important people in our lives," he said. Cronjé also mentioned that the commuter industry is under extreme economic pressure and that now more than ever it is essential that staff remain cost conscious and committed to executing their duties to the best of their ability.

The Company was extremely lucky to secure the services of renowned personal change guru, Robin Banks. Banks' energy was electric and within a few minutes he had managed to inspire and energise everyone present. The message was simple: "success is a choice". Whatever you consistently think about you will bring about and the mind is a garden; it will produce

whatever you plant. This message is particularly relevant when it comes to the environment in which bus operators find themselves. Change is inevitable but, as Banks explained, we cannot control what is going to happen but we can control how we respond to change. By the end of Banks' presentation, everyone present felt more equipped to face whatever challenges the future may bring.

The final part of the training session was dedicated to labour matters where Gary Wilson, General Secretary for the South African Road Passenger Bargaining Council (SARPBAC) presented the current Collective Agreement and its implications for labour and employers. The opportunity to really look at each component of the agreement and to raise queries and clear any confusion regarding the scope and application of the agreement was beneficial to everyone.

Training sessions such as these are not just about paying lip service; they provide a vital opportunity to re-affirm the commitment of all parties to achieving the common goal of ensuring that Golden Arrow is able to operate safe, reliable passenger transport services designed to meet the needs of our customers and by applying sound business principles to create a secure future for the company and its people.

For more information on SARPBAC, visit www.sarpbac.org.za 

INTERCHANGE WINS AWARD

Golden Arrow's flagship external publication, Interchange received a certificate for second runner up in the Best External Newsletter category at the annual South African Publications Forum awards ceremony held recently. Close on 150 corporate publications, electronic newsletters and DVDs were entered this year. Publications were judged in terms of writing, communication, design and photography and those that achieved more than 75% in these categories received certificates of merit.

HCI Certified Level 2 BBEE Contributor

Golden Arrow's holding company, Hosken Consolidated Investments (HCI) has for the third successive year, maintained its Level 2 BBEE status with an impressive overall score of 85,26%. This achievement cements HCI's reputation as a transformation trailblazer and one of the top empowerment groups listed on the Johannesburg Stock Exchange (JSE).

EMPOWERLOGIC
Your Logical Empowerment Solution

Broad Based Black Economic Empowerment Verification Certificate
A Consolidated Verification Certificate Issued to

Hosken Consolidated Investments Limited and Subsidiaries

Level 2 Contributor

Measured Entity (Full List of Entities Listed on Page 2 of Certificate)

Company Name: Hosken Consolidated Investments Limited and Subsidiaries
 Registration Number: 1973/007111/06
 VAT Number: Not Registered, see pg 2 for full list
 Address: Block B, Longkloof Studios, Danters Road, Gardens, Cape Town, 8001

BBEE Status	
BBBEE Status Level	Level 2
Element Points Obtained	EO: 23 points; MC: 9,19 points; EE: 6,67 points; SD: 6,34 points; PP: 18,06 points; ED: 19 points; SED: 5 points
Black Ownership	54,58% Black Ownership; 31,14% Black Women Ownership
Value Adding Vendor	Yes
BEE Procurement Recognition	156%
Issue Date	03/08/2012
Expiry Date	02/08/2013
Certificate Number	ELC3027GENBB
Version	Final
Applicable Scorecard	Codes - Generic
Applicable BBBEE Codes	Generic Codes Gazetted on 9 February 2007

BEE Procurement Recognition Levels		
Level	Qualification	%
1	≥ 100 Points	100%
2	≥ 85 but < 100	125%
3	≥ 75 but < 85	110%
4	≥ 65 but < 75	130%
5	≥ 55 but < 65	80%
6	≥ 45 but < 55	60%
7	≥ 40 but < 45	50%
8	≥ 30 but < 40	10%
Non-Compliant		< 30 0%

EmpowerLogic (Pty) Ltd
 Reg. No. : 1995/000523/07
 BBBEE Verification Agency
 Per T Lombard
 Member - Verification Committee

sanas
SANAS Accredited BVA018

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. The objective of our verification is to verify the validity and accuracy of the BBBEE status represented by the measured entity. EmpowerLogic is not responsible for ensuring completeness of information provided to support the BBBEE status.



Knowledge is power: Golden Arrow Area Manager Mario Gaffley learns about HIV's lifecycle from trainer Timothy Hebblewhite

GABS introduces "Know Your Status" campaign

The 2 600 people who make up Golden Arrow's staff complement, are not merely viewed as bus drivers, artisans, regulators or administrative staff members; they are members of the Golden Arrow family. In this GABS family, each and every individual counts and their wellbeing and health are always a priority. Over the years many lives have been lost to the preventable and manageable HIV/Aids pandemic and the company's executive management therefore felt that it would be ethically unacceptable to simply maintain the status quo around education and assistance for those affected by or infected with HIV.

In the coming months the focus will be on making sure that anyone who is seeking information or assistance feels able to do so without fear of judgement or prejudice. Various initiatives will be taking place, which include awareness campaigns and free testing, in conjunction with the recently implemented Personal Protection Programme. Staff are also free to consult the Company's nursing sister and social worker, whenever necessary.

It is hoped that the campaign will encourage people to educate and empower themselves so that they are able to understand how HIV is transmitted and what precautions can be taken and to begin to collectively look beyond the stigma associated with the pandemic.

Caring for our neighbours

“We would not be able to do what we do without the help and support of companies like yours”

Golden Arrow believes in giving back to the communities we serve and we are particularly proud of our long-standing relationship with St Joseph’s Home for Disabled and Chronically Ill Children, which is situated just around the corner from our Arrowgate Depot in Montana.

St Joseph’s was established in 1935 to care for disabled and chronically ill children left destitute by the Great Depression. Today the need for the home’s services remains just as pressing and the home continues to provide a holistic healing environment for children living with HIV/ Aids, tuberculosis, cancer, diabetes, congenital birth defects, renal and heart failure and other chronic illnesses, and children who are victims of accidents and abuse.

Most of the children in care come from informal settlements where clean water, electricity, sanitation and healthy food are in short supply. While the children are in care, they are provided with 24 hour nursing care, which involves a multi-disciplinary intervention focus, including physiotherapy, occupational therapy, speech therapy, hydrotherapy, special dietary meals,

formal schooling and a crèche pre-school programme. Parents also receive training and counselling from social work staff on how to monitor and care for their children.

Most recently, Golden Arrow through the HCIF donated R25 000 to the home to supplement their funds for medical supplies and food. Two oxygen machines were purchased to assist two children living with chronic lung disease and other much needed medical supplies and foodstuffs were also purchased as a result of the donation.

According to St Joseph’s Resource Development Manager, Chantel Cooper, “the contribution enables us to continue to provide free high quality medical and associated services to the children in our care. We would not be able to do what we do without the help and support of companies like yours”. Golden Arrow commends St Joseph’s for its commitment to caring for children and is truly proud to be associated with such a profoundly important project.

To find out more about Golden Arrow’s commitment to community upliftment visit www.gabs.co.za 



No more hungry tummies: Golden Arrow’s contribution was used to purchase food and medical supplies for children at St. Josephs Home for Disabled and Chronically Ill Children

Golden Arrow Customer Satisfaction Survey launch a resounding success

Golden Arrow's 2012 Customer Satisfaction Survey was officially handed over on 14 August 2012 at Cape Peninsula University of Technology's Bellville Campus. The launch was attended by officials from Golden Arrow and the university as well as the student enumerators responsible for collecting all the data needed to compile the report. The event served as an opportunity to really reflect on the usefulness of collaborations of this kind and Dr. Chris Nhlapo, Deputy Vice-chancellor Research, Technology, Innovation and Partnerships lauded Golden Arrow's progressive approach to creating innovative partnerships. Golden Arrow Chief Executive Officer Nic Cronjé was present to officially receive the survey on the Company's behalf and noted that the student enumerators were testament to the calibre of CPUT students and a glimpse into South Africa's bright future. 



Putting theory into practice: GABS and CPUT officials pose with the students responsible for collecting and collating the survey data



Innovative partnership: Dr Chris Nhlapo hands over the official survey results to GABS CEO Nic Cronjé



Considering our involvement in the community, it's not surprising that our passengers think of us as more than just a bus company.



the bus for us

Golden Arrow Bus Services

Since 1861
www.gabs.co.za

All our services are planned around the needs of the people. To find out what these needs might be, we run regular passenger surveys and organise forums in different communities. It often means we have to change our routes, or adapt our schedules. And that's fine. Because we are pleased if our bus service can make someone's life just a little bit easier every day. View our new website and find us on Facebook.