



Quarterly Newsletter for Friends of Golden Arrow Bus Services

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CEO's 2014 Review



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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 passasiers-vervoerdienste 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.

Umqophiso kaGolden Arrow:

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

Nic Cronjé
CEO: Golden Arrow Bus Services

NOTE *from* NIC



Let's Not Cut Our Nose To Spite Our Face

The implications of the austerity measures announced by the newly appointed Minister of Finance in his Medium Term Budget Policy Statement in October do not bode well for the Public Transport sector. Faced by a budget deficit of 5%; government debt tethering at 45,9% and a ballooning current account deficit of 6 % of GDP, the Minister was thrown into the proverbial deep-end, tasked with the unenviable task of averting a looming economic calamity.

It is understandable that the Minister is faced with the conundrum of having to make difficult trade-offs. These would include maintaining the extraordinarily high pro-poor expenditure in areas such as education, health and social services and treading carefully so as not to alienate the broad political constituencies which garnered 62% of the vote that gave the ruling party the mandate to govern the country for the next five years.

However, a cursory glance at the expenditure related to the government's personnel costs clearly reveals a bloated civil service which drains the national coffers without concomitant outputs that assuages mounting service delivery expectations. The Minister does however provide a glimmer of assurance when he cautions that should public sector wage increases depart from CPI-linked cost-of-living adjustments, it would necessitate either a reallocation of resources from other spending areas, or it would prompt a reduction in government employment.

Regrettably for the Public Transport sector, the chilling reality of cost cut-backs is on the cards with the Minister giving notice of the intended reduction of provincial direct and indirect conditional grants that are allocated by way of the Division of Revenue Act (DORA). According to projections in the Medium Term Expenditure Framework, these are set to be reduced by R1.8 billion and R2.6 billion in 2015/16 and 2016/17 respectively.

These grants, inter alia, fund passenger subsidies and together with an inherently flawed DORA escalation formula which does not properly take account of real increases of input costs, is bound to place a further constraint on providing services that match demand and which subscribes to quality levels that are

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consistent with the vision of sustainable transport as espoused in the National Development Plan and related legal prescripts.

The unintended consequences of cutbacks in conditional grants for public transport operations could induce higher fares and the subscription to very basic operating standards which could compromise the health and safety of commuters.

The fiscal options to address the economic ills of the country should not be made to the detriment of and in opposition to the constitutional and universally acclaimed right to mobility. The government wage bill requires closer scrutiny and gains from inefficiencies trimmed through such an exercise can, as the Minister rightly suggests, be redeployed to areas in our society that are in need of consistent and focussed support. 

Chairman's message Yunis Shaik

Changes in Public Transport continue at a rapid pace, and the conclusion of a Memorandum of Understanding (MoU) with the Province and City during the year has provided a much sought after measure of assurance in planning the future course of the company. We are now more confident that the role of a company like ours is both more appreciated and will be encouraged to continue to play the key function of providing public bus transport in the City that it has for over 150 years.

There is however a lingering concern about the extent to which National Treasury is able to keep abreast of the implementation of various components of the National Land Transport Act. This is borne out by the fact that whilst the assignment of the contracting authority function to the City has been publicly declared, the formal transfer continues to be delayed due to a lack of clarity regarding the quantum of funding required to fully operationalize this function.

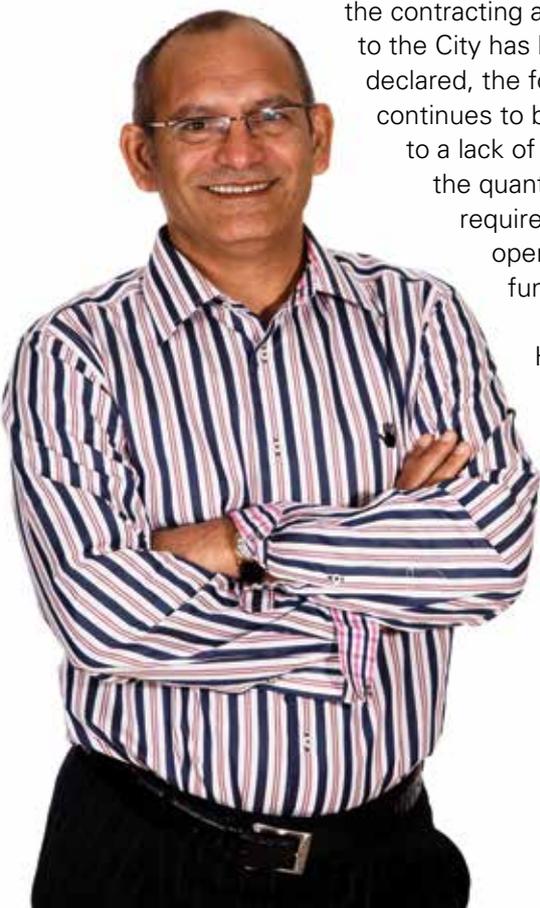
However, with the stalling of e-tolling in Gauteng and the rollout of the

Administrative Adjudication of Road Traffic Offences (AARTO) preoccupying the agenda of the National Department of Transport, Public Transport in general and the road based sector in particular remains hard pressed to raise the priority and urgency of the issues that are pertinent to their operations.

In addition to this, the longstanding moratorium on new routes and the incongruous passenger subsidy escalation formulae are lingering obstacles that continues to deter the organic growth of the sector. We will continue our efforts to engage the relevant authorities on all of these issues in the interest of the long term sustainability of the commuter bus sector.

As the shareholder, our confidence in the future of GABS is vindicated by our support for the continued recapitalisation of the company's bus fleet which has since its commencement exacted an investment in excess of one billion rand. The majority of the fleet is now less than 10 years old which has been one of the major contributory factors in the reduction of breakdowns and enhanced fuel efficiencies. These and other initiatives introduced by the GABS management team have ensured that we remain one of the leading operators in the country.

Our entrée into the 12-year operating contract regime in phase 1A of the MyCiti service through our subsidiary Table Bay Rapid Transport (TBRT) defines the future course of our operations and will in many respects determine our prospects in the new dispensation. We are heartened by the excellent performance of TBRT and trust that this will be continued in the N2 Express joint venture. 





CEO's Message Nic Cronjé

The release of the National Household Travel Survey (NTHS) in March of this year, though low-key, provided an important statistical update on the transport sector's role and function in contemporary South Africa. The last NTHS was conducted in 2003 and was extensively used for transport policy, strategy formulation and planning across all spheres of government.

The study revealed that since the previous survey, South Africans have become more mobile and more dependent on transport with a large percentage of commuters using taxis and buses. This is in no small measure attributable to the rapid rate of urbanisation which has seen the proportion of the population living in urban areas increasing from 52% in 1990 to 62% in 2011.

During this year, we have witnessed the increased demand for bus services with a notable 13, 5% growth in our passenger numbers recorded despite the lingering regulatory moratorium on the expansion of services. With more people moving to the cities and the proliferation of urban settlements, it will become all the more problematic to curtail the accessibility to scheduled transport services by restricting the organic growth of the commuter bus sector.

While the *MyCiti* service, which forms part of the Integrated Public Transport Service Networks (IPTN)

enshrined in the National Land Transport Act (NLTA) of 2000, has expanded to the second of the envisioned 13-phase rollout, demand for road based public transport in Cape Town remains unabated. The *MyCiti* model effectively displaces modes that had been operating along routes encompassed by the respective phases and does not constitute an expansion of services. Given *MyCiti*'s precedence in terms of the NLTA, our conclusion of a Memorandum of Understanding (MOU) with the City during this year has formalised our involvement in the new system while also consolidating the integrity of our current operating contract with the Province.

Our subsidiary Table Bay Rapid Transit (TBRT) achieved the accolade of being the outstanding Vehicle Operating Company (VOC) in phase 1A of the *MyCiti* service and acquired the coveted ISO 9000 accreditation within its first year of operation. The N2 Express joint venture with the Taxi industry that provides a top-up service from the metro south-east represents the first formal commercial association between the bus and taxi industries. This collaboration between two of the most unlikely bedfellows will undoubtedly be of interest to industry pundits and could very well be a pointer to what the future operating landscape of the IPTN's could look like.

The next phase of the *MyCiti* service, which will be known as the Lansdowne/Wetton Corridor is intended to cover a distance of 53 km that will connect communities

from the metro south-east to the southern suburbs. Construction is intended to commence during the middle of next year and, if everything goes according to the City's plans, the service is earmarked to be launched in 2020. This phase will be along routes from which the bulk of our current passenger base is drawn, and we will be resolute in our intent to retain and continue our operational presence in these areas.

The Golden Arrow service received a resounding endorsement when the results of an independently conducted passenger satisfaction survey revealed that 93% of passengers would recommend the service to fellow public transport users. This remarkable commendation is inextricably linked to the exceptional 96% operating efficiency achieved which garnered the sought after attributes of security and reliability that are highly valued by users of public transport. The consistent recapitalisation of our bus fleet, the majority of which currently boasts an internationally recognised best-practice benchmark of a unit-age below 10 years, underpins this performance. This has also been aptly complemented by astute preventative and scheduled maintenance regimes that have reduced breakdowns to a record 4, 5 per 100 000 kilometres.

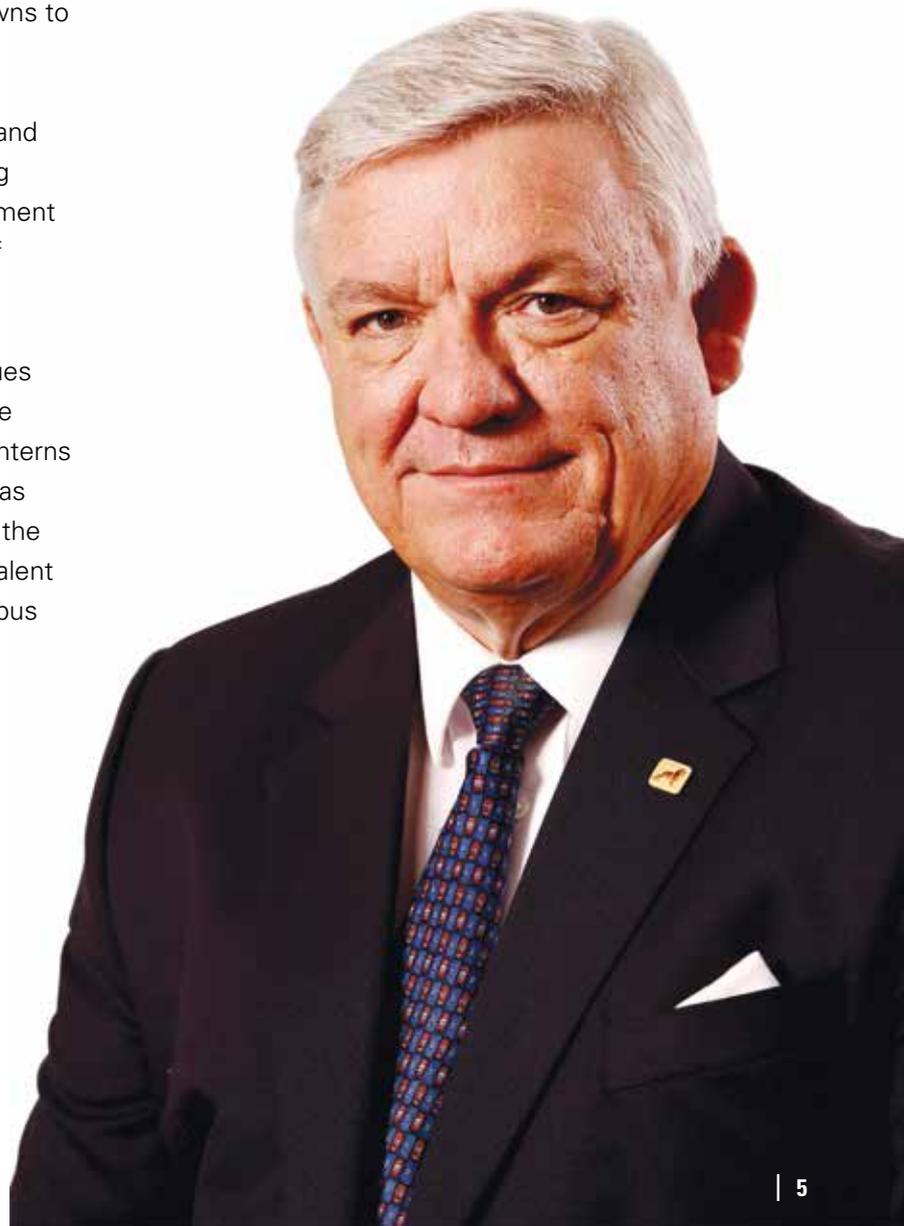
Our investment in human capital through training and development reached unprecedented levels during the year with our accredited Learning and Assessment Centre having taken on the added responsibility of training former taxi drivers for the *MyCiti* services. The longstanding apprenticeship scheme which accommodates fifty new trainees annually continues to be a valuable pipeline for qualified artisans in the automotive trades. During this year, the group of interns supported through full tertiary studies bursaries was expanded to eleven beneficiaries thus underlining the company's steadfast commitment to developing talent in core disciplines associated with the commuter bus industry.

With the revised broad-based black economic empowerment codes coming into force as from next year, we have had to apply our minds to be adequately compliant and in synch with the transformation unfolding in the transport sector. To this extent we have been actively involved in negotiating the codes that will be applicable to the Transport sector with the Department of Transport and Southern African Bus Operators Association (SABOA). The

new codes are extremely challenging and a great deal of ingenuity will be required while also maintaining a measure of pragmatism to ensure that our basic business model is not in any way undermined.

The prevalent tough economic conditions will to a great extent dictate the pace at which the NLTA will be implemented during the course of next year. We are not overtly confident that the resources required to realise the vision of the new transport dispensation will be forthcoming during the next financial cycle. It will therefore require ingenuity and prudence to ensure that the needs and expectations of commuters are attended to in a sustainable manner. This forms the bedrock of our operational ethos and we look forward to continue providing mobility access to the broader public and delivering value to all of our stakeholders.

On behalf of the board, management and employees of Golden Arrow Bus Services, I wish to thank all of our associates for their co-operation during the year and we wish you all the best for 2015. 🚍





HANDS-ON LEARNING MADE POSSIBLE: (from l-r) Adrian Barnard (Northlink), Gideon Neethling (GABS), John Dammert (GABS), Faiek Kendricks (GABS), Kurt Randall (Northlink) and Richard Goliath (Northlink) pose with the donated bus components which will be used for teaching purposes at the college.

Golden Arrow to Launch Careers Portal

In today's increasingly online world, Golden Arrow is constantly looking for ways to increase efficiencies and streamline internal processes. The recruitment process is a lengthy one and by its nature necessitates transparency and excellent record keeping; the company has therefore developed an online careers portal which will revolutionise the entire job application process.

The portal allows an applicant to search for positions online and thereafter to apply online. In order to apply, a detailed resume is built by the applicant; this includes personal information, education, work experience, references, skills and interests. Once completed and activated the resume is stored within a database indefinitely.

Applications can then be made via the simple click of a button and the status of the application can be tracked online. This eliminates paperwork, creates a database of potential recruits and renders the entire process fully auditable. The portal will be available via the GABS website.

Northlink College Bellville Campus received a generous donation of 7 diesel engines, 2 of which are in running order, along with other engine and bus components to the value of R120 000 from Golden Arrow Bus Services. The equipment will be used for the practical instruction of trainee diesel mechanic and automotive machinists.

The Bellville campus specialises in the Further Education & Training (FET) in the automotive trades and provides theoretical instruction to individuals that are indentured as apprentices. Golden Arrow currently has a contingent of 62 apprentices who attend the college; however, the donation will add considerable value to all candidates who are pursuing careers in the automotive industry.

TBRT Achieves ISO9001 Accreditation

Table Bay Rapid Transit (TBRT) has received internationally recognised ISO 9001 accreditation. ISO

International Standards ensure that products and services are safe, reliable and of good quality. It is the first of MyCiTi's Vehicle Operating Companies to receive accreditation.

"The ISO 9001 relates to quality management standards with the objective of ensuring that products and services meet customers' needs. As such, it is of great importance that Table Bay Rapid



INTERNATIONAL ACCREDITATION ACKNOWLEDGED: (from l-r) Alistair Corder (Apliso), Toto Ntsobi (TBRT), Melissa Whitehead (Commissioner: Transport for Cape Town) and Sipho Afrika (Director Contract Operations Transport for Cape Town) at the official ISO 9001 presentation

Transit (TBRT), which operates some of the most popular and busiest routes of the MyCiTi service – received this certification," says the City's Mayoral Committee Member for Transport, Councillor Brett Herron.

According to TBRT Manager Derick

Meyer, the project was completed well before the expected date because everyone took collective ownership. "This is no small feat when one considers that we have done this nearly 16 months before the City's November 2015 deadline for the VOCs to gain their ISO 9001 certification," he says

GABS celebrates its passenger forums

Golden Arrow's passenger forums date back (in their formalised state) to 2000 and over the last 13 years the relationship between the company and the passenger forum members has become an essential feedback mechanism. The forums are grouped according to five areas; Khayelitsha, Nyanga, Blue Downs, Delft and Philippi although passengers travel to various locations along the metropole from these points.

Membership is voluntary and forum members receive a badge that they wear which identifies them to fellow bus passengers as passenger forum members. The forums are considered an absolutely key stakeholder participation mechanism. At each meeting they set the agenda and all discussion points are formally minuted and further deliberated upon at high level operational meetings if solutions cannot be found at the particular forum discussion.

The last meeting of every year serves an opportunity to take a day off from the serious work that takes place throughout the year and is enjoyed by all in attendance. As part of the programme Operations Manager Anwar Ally gave a presentation giving passengers a greater idea of the context in which the company operates. This included an overview of how subsidy works and the impact of the Division of Revenue Act (DORA) on the company's ability to shield passengers from fare adjustments.

Luthando Mlonzi from the Provincial Department of Transport was also present and gave a rousing presentation of communities taking ownership of what happens on their streets. He was referring chiefly to the buses that were gutted on September 1st in protest action allegedly linked to the taxi industry as well as the amount of vandalism and public violence directed towards our services throughout the year. Mlonzi appealed to communities

not to shield perpetrators and for parents to teach their children that throwing stones at passing vehicles is not without serious consequence. The passenger forums were very receptive to his message and it is heartening to know that they will share it with their fellow passengers.

Passenger forum members also had an opportunity to discuss their challenges and to thank those Golden Arrow staff members who had assisted them throughout the year. According to Zelna Kearns from the Delft Forum, being part of the forums is a very unique experience. "Having being part of this unique band of people has also been an awesome experience for me and the rest of the Delft Passenger Forum and I would like to take this opportunity thank the Golden Arrow staff who are always willing to help no matter the time of the day," she says. Khayelitsha Passenger Forum member Nozibele Meslani agreed with Kearns: "I would like to thank the company for meeting us with open arms to discuss the services available to us. This has been a difficult year but passengers are loyal and still support the company".

Golden Arrow is truly grateful for the input that we receive from all of our passenger forum members and having such close contact with our passengers has truly proved to be an invaluable tool in providing the best service possible. It is hoped that these relationships will continue to grow from strength to strength in years to come. 🤝

WORKING TOGETHER: GABS and its passenger forums work very closely throughout the year to ensure that the needs of our passengers are met. Picture here is the Philippi Passenger Forum.



Adventure Bus Programme drivers honoured



GIVING BACK: Golden Arrow's Grassroots drivers were acknowledged and celebrated for giving so generously of their time to help transport underprivileged children



On 22 November 2014, bus drivers and other Golden Arrow staff involved in the

Grassroots Adventure Bus Programme were honoured at a function at the Capetonian. The function was held to honour the drivers who give selflessly of their time and expertise throughout the year.

Golden Arrow through the HCI Foundation (which incorporates the Golden Arrow Foundation) contributes towards the actual transport costs associated with outings for 385 pre-schools. It is, however, the drivers who are the real star of the show. A select group of drivers from Arrowgate, Southgate and Philippi Depot donate their time and skills free of charge so that thousands of disadvantaged

children are able to benefit from excursions with specially selected early childhood development outcomes. These include trips to the Philippi Adventure Farm, Two Oceans Aquarium, the Mini Blue Train and many other appropriate edutainment-oriented venues.

According to Grassroots Driver Zakhele Gina, she derives great joy from participating in the programme and particularly loves the singing of the children, many of whom have never been on a bus. "You do it from your heart and the joy it brings to the children is priceless. I like taking the children to the Junior Traffic Training Centre at Hillstar. The kids are quiet on the way there but on the way

home they love reminding me to stop at the red robots or to go at the green robots," she says.

Fellow driver Daneel Muller is just as passionate about the programme particularly as it gives him an opportunity to play a positive role in the lives of the children that he transports. "One day I had little girl following me around the whole outing and she eventually asked me to get into the bus and sit on the driver's seat. I allowed her to do it and she told me that she wants to be just like me one day. That is when I knew that I have done something good and can be a role model for these children," he remembers fondly. 

NEW WHEELS FOR ST JOSEPHS



Thank you for your generosity!

SAFE TRAVELS: Special needs children from St. Joseph's Home for Chronically Ill Children can now travel to school and doctor's appointments comfortably in the newly purchased vehicle

Golden Arrow and the HCI Foundation are very proud to have provided R50 000 in funding towards the purchase of a much-needed special purpose IVECO vehicle for St Joseph's Home for Chronically Ill Children. The vehicle will be used to transport children to school and for hospital visits. According to Magda Pretorius from St Joseph's Resource Development Department, the vehicle has really made a big difference logistically. "The vehicle can accommodate three wheelchairs and is equipped with a special lift; this makes it possible for us to transport special needs in a dignified and comfortable manner," she says. 