



**OPINION PIECE**

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## **The true state of the South Africa aviation industry**

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Report cards for some of the South African state-owned entities at times read: *could do better!* Given the challenges facing a handful of state-owned entities, it has regrettably become the norm to nod one's head in agreement and accept headlines that proclaim chaos at a public institution.

A headline in the Citizen newspaper recently declared that "SA aviation nose dive"; with comments being attributed to Comair CEO, Mr Erik Venter. The article further professed to readers about the "collapse of governance and experience at the South African Civil Aviation Authority (SACAA)".

It was indeed a great story to read, i.e. only for those who believe in fiction.

While I acknowledge Mr Venter as a professional and an industry colleague, I cannot let his comments about the SACAA go unchallenged. They are completely false, laced with malice, and need to be rectified.

So, what is the true state of the SACAA?

Let's start with a look at the balance sheet and corporate governance. The SACAA, which is a self-funded agency of the Department of Transport, realised a net operating surplus of R17.1 million for the year ending 31 March 2015 compared to a budgeted surplus of R1.7 million. The notable surplus was largely due to the introduction of stringent cost management measures as well as increased revenue. This surplus demonstrates prudent financial management. It further indicates that the SACAA has the financial fundamentals in place to ensure that the organisation continues to operate as a going concern.

In terms of corporate governance, the Auditor-General of South Africa (AGSA) conferred the SACAA with a Clean Audit Award for three years in succession. The AGSA also noted the SACAA's 100% performance against set targets for the 2014/15 financial year.

But what about the SACAA's operational capabilities and global standing, one may ask? Surely there must be some form of shortfall somewhere!

Well, on the contrary, the SACAA, and the South African aviation industry, is held in high esteem by peers across the globe. In some instances, the world looks up to South Africa for guidance as pioneers in aviation administration. South Africa's global standing with regard to compliance with and upholding of global aviation standards speaks volumes.

In terms of global compliance, South Africa's level of effective implementation of security and safety standards is currently rated at 84% by the International Civil Aviation Organization (ICAO), a United Nations body tasked with the global administration of civil aviation. South Africa's 84% rating is significant when compared to the world's average of 60%. Moreover, the 84% rating does not include results for the Accident and Incident Investigation Division which was not audited then nor does it quantify any progress achieved since ICAO's last audit conducted in 2007.

All South Africans, including prophets of doom, should take pride in knowing that their country was appointed as the Chairperson of the ICAO Aviation Security Panel. The appointment came just months after the United States and European Union gave their thumbs-up to South Africa's aviation regulatory systems on air cargo security. The appointment is significant in that the ICAO Aviation Security Panel plays a key role in the development of Standards and Recommended Practices which ICAO Member States must effect when developing their civil aviation regulations. The appointment is also a demonstration of trust and faith by the global aviation community in South Africa's capabilities regarding aviation matters.

Doomsayers may not want the public to know that during the 2014/15 financial year aircraft accidents declined by 17% when compared to the 2013/14 reporting period. Fatal accidents declined by 41% and most significantly the number of fatalities from aircraft accidents declined by 37% compared to the previous financial year. It is also well worth noting that the scheduled commercial

passenger operations sector continued with its impressive 0% fatal accident record.

It may not have made headlines, but South Africa, through the SACAA, has in the last twelve months provided technical assistance to other civil aviation authorities, especially in the SADC region to countries such as Botswana, Swaziland, Tanzania, Sierra Leone, Namibia, etc. The idea is to help raise aviation safety and security standards in the continent as well as compliance to global requirements. Moreover, the SACAA chairs the African arm of the Collaborative Arrangement for the Prevention and Management of Public Health Events in Civil Aviation (CAPSCA), which is a global ICAO programme aimed at curbing the spread of epidemics through aviation. The SACAA played a critical role during the recent outbreak of the Ebola virus. The organisation continues to champion efforts aimed at capacity building in matters of aviation medicine across the continent.

One other key milestone achieved last year by the SACAA, in unison with the local aviation industry, was the introduction of new regulations that allow the flying of remotely piloted aircraft systems (RPAS), or drones as they are commonly known. It should also be noted that under normal circumstances ICAO would take the lead in terms of developing Standards and Recommended Practices; and Regulators would then convert the prescribed Standards and Recommended Practices into legally-enforceable local civil aviation regulations. In the absence of guiding documents from ICAO, Regulators such as the SACAA have had to swiftly derive measures to address the regulation deficiency in response to a growing demand to regulate this sector. When introducing the comprehensive RPAS regulations last year, South Africa became one of the first countries in the world to do so.

These key milestones as well as awards bestowed on the SACAA and its personnel, coupled with the continuing global recognition, suggest that the SACAA is discharging its mandate effectively and advancing towards its vision of being ranked among the top 10 civil aviation authorities globally.

One can easily conclude that these achievements represent the kind of news that irk prophets of doom and those who observe any positive development by government entities with a perpetual and heavy dose of scorn.

Aviation administration is much bigger and complex than airline operations; and one would wish that this reality could be acknowledged. With his comments Mr Venter is clearly attempting to play to the gallery. For instance, amidst his slander he regurgitated what has always been said by South African Airways (SAA) over the last few years. The national carrier has repeatedly alluded to the fact that its challenges are compounded by, among others, the geographical location of South Africa, which makes it a challenging exercise to operate long-haul flights. With SAA being the main South African operator playing in this space, one would have imagined that they would have been given the benefit of the doubt when they repeatedly raised this point a while ago. Unfortunately, this fact was in some quarters dismissed as public relations talk. However, when it is mentioned by Comair, suddenly it is newsworthy.

One would presume that the Comair CEO and a few others are not aware that the SACAA is undergoing a massive overhaul. To this end, the SACAA embarked on a project called *Siyathuthuka*. The project entails an organisational structure review process, which is ultimately aimed at aligning the organisation's makeup and processes to stakeholder needs. It has also seen the recent introduction of a new enterprise business system that, among others, will assist with the roll-out of an integrated safety and security oversight management system. This project will be implemented over a number of phases until 2018.

The success of the *Siyathuthuka* project is crucial in the sense that the SACAA has never pronounced itself to be an organisation that is beyond reproach or that it does not acknowledge the need for continuous improvement. Like any organisation, the SACAA has its fair share of challenges and the current management team is determined to use these challenges as an opportunity to critically analyse and improve the way business is conducted. It should provide comfort to the local industry to know that the SACAA is one of few Authorities to be certified with an ISO 9001 certification, a status the Regulator has maintained over a number of years.

In regulating the aviation industry, the SACAA is always cognisant of the needs of the diverse airspace users as well as one of its primary mandates, which is to help develop the aviation industry. In coming up with regulations, which are compiled jointly with the industry, the SACAA takes into account global prescripts, local and unique conditions as well as the national safety and security realities. Most importantly, in implementing civil aviation regulations, the SACAA does so without fear or favour.

The aviation industry is a cut-throat industry with mostly thin but at times lucrative margins. In discharging our mandate, some who may want to put profits ahead of safety, may at times feel uncomfortable. However we are always mindful of the fact that in aviation, errors and omissions – deliberate or not – can cost lives.

It is for this reason that the SACAA never cut corners when undertaking its oversight activities. The process is thorough and some may regard it as tedious. If this safety-first approach is the 'box ticking' Mr Venter finds so troublesome about the SACAA, then I shall make no apology for it.

The unsubstantiated comments is an insult to the many men and women employed by the SACAA who work so hard to sustain the high level of aviation excellence for which South Africa has become known. It is also ironic that the very same men and women that are said to lack experience often get lured with lucrative job offers by private aviation operators when these organisations identify deficiencies relating to compliance with civil aviation regulations in their operations.

The dedicated work of the SACAA staff and management has ensured that, for the second year in a row, the SACAA walked away with the 'Best-Performing Institution'; whilst its head, the Director of Civil Aviation, was named the 'Best Chief Executive Officer in Transport' at the 2015 Annual Transport Awards held in October last year.

In November 2015, the SACAA received the 'Top Performing Public Service Award' and achieved second position for the 'Transport and Logistics Award' at the National Business Awards. The National Business Awards are regarded as 'the Oscars of South African Business', and give recognition to the success, innovation and ethics of South African private companies, state-owned entities, and government departments across all sectors. They are bestowed in acknowledgement of inspirational leadership and outstanding performance throughout the year. The SACAA came out tops despite facing serious competition from about 100 companies representing a wide range of industries in the private and public sector.

The SACAA, and the civil aviation industry for that matter, has never been in a better state than it is currently.

In conclusion, allow me to emphasise that I am eager to reach a point where all stakeholders would acknowledge that constructive dialogue is necessary for the development of this fascinating industry. However, such dialogue should not be construed to mean points-scoring or brand profiling exercises. Most importantly, there is nothing stopping Mr Venter and other stakeholders from contacting myself or any member of my executive team with issues that need attention as they have successfully done so in the recent past. Moreover, aviators are aware of the multiple forums such as the aviation Industry Liaison Forum, and the General Aviation Safety Initiative, which are available for discussing aviation matters. However, the SACAA will not just stand by the wayside and watch Mr Venter and others indulge with impunity in exercises that seek to undermine the current management or the reputation of the organisation.

I strongly believe that taxpayers are entitled to stringently hold to account those tasked with running state-owned enterprise. It is a responsibility that each employee at the SACAA takes seriously. So while we invite valid and constructive dialogue that would improve our performance; surely even Mr Venter must concede that the SACAA's report card reads: *significant and diligent performance*.

Perhaps the only thing that should be taking an immediate nosedive in aviation is the number of doomsayers who are oblivious to changes in society and positive developments in the industry as well as those who use racial bias to determine what constitutes success or failure.

In conclusion, I believe that the time has come for the aviation industry to address, what in my view is the most critical subject, which is the transformation of the aviation industry. Discussions about the efficiency of the services provided by the SACAA seem to be deliberate distractions to the crisis facing the aviation industry – transformation.

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***About the SACAA:***

The South African Civil Aviation Authority (SACAA), a self-funded agency of the Department of Transport, is a juristic body established in terms of the Civil Aviation Act, 2009 (Act No. 13 of 2009) (the Act). The SACAA is governed and controlled by the Civil Aviation Authority Board (the Board). In terms of mandate, the SACAA is tasked with promoting and maintaining a safe, secure and sustainable civil aviation environment, by regulating and overseeing the functioning and development of the industry in an efficient, cost-effective, and customer-friendly manner according to international standards.

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