

## PCPA MEDIA STATEMENT

The Private Charter Passenger Association (PCPA) is a grouping of non—subsidized transport operators servicing the travel and tourism industry countrywide. The association, which has no affiliation to the South African Bus Owners Association (SABOA), was formed to champion the plight of charter and tourism passenger permit operators owning luxury and semi luxury coaches of whose businesses were seriously affected by the extended lockdown on account of the Covid-19 pandemic. Members of PCPA are private operators who do not enjoy any government subsidies or government transportation contracts and are solely dependent upon private charters including transportation of local and international tour groups, school groups, sport teams, funerals and conferences attendees, to name a few, to events of which are all still non-existent to date.

Consequently, the total shutdown of the tourism industry and other related industries has had a devastating effect on members of the PCPA who hold Charter and Tourism Permits. It is a well-known fact that since the 26th March 2020 none of the transport providers servicing the tourism and charter industry have been operating and it is expected that the tourism and charter industry will take months to resume. It is anticipated that, in the absence of a second wave which will compel lockdown back into more stringent levels, at best for the industry, it will only possibly resume active trade from March 2021. This would mean that most members of PCPA would not have generated any income whatsoever for one year, despite having to manage their operational expenditure of which, most of the costs remain despite the lack of operation. i. e ) Vehicle asset finance and Insurance debit orders to name but two fixed costs

The revival of the local and international tourism industry in this country is totally dependent upon reliable and safe transport services being available to the industry. The major concern of the association is that by the time the tourism industry resumes, there may not be a single credible and worthy coach operator left in this country to service the industry. Should this transport sector disappear on account of an inability to sustain itself, the entire tourism industry in this country, including hotels, conference/events centers, game parks, and other places of interest will come to a virtual standstill which will be catastrophic to the revenue that tourism generated to the country in the past. Unfortunately, government does not appreciate the severity of the situation and the consequences of not coming to the assistance of Charter and Tourism permit transport holders represented by us to the future of the Events, Conferences, Tourism and industry in SA to name a few.

The members of PCPA have launched a campaign to elicit assistance from government and various submissions were made to the Department of Transport as well as Department of Tourism with practical suggestions on how best to sustain the businesses of its members to ameliorate the harmful effects of the lockdown. The suggestions included the waving of licensing fees, making scholar transport contracts available to some of its members (as these contracts are being held by a select chosen few entities countrywide. Log onto [www.pcpa.co.za](http://www.pcpa.co.za) to see the Legal documents and Petitions that were sent to the President, Minister of Transport (the alias Mr. Fix it), Minister of Tourism, Minister of Trade & Industry as well as via National and Provincial governments without so much as a reply.

Despite, government having come to the rescue of the taxi industry, which has not contributed at all by way of taxation to the Fiscus and worked throughout the lockdown despite the restrictions, it ended up with some taxi owners increasing the per seat price and ignoring legislation with regards to capacity regulation, the Taxi industry have become the beneficiary of governments largess to the tune of R1.1 3B whilst the highly regulated and taxpaying coach operators have been totally snubbed in the process.

PCPA has embarked upon extensive roadshows countrywide to highlight its plight, which can be viewed at <https://youtu.be/c3HZNhY036o>

Unfortunately, apart from the government gazetting an extension being available to February 2021, this is only offered to those license holders of whose licenses expired between the 26<sup>th</sup> March and 31<sup>st</sup> August, but fails to assist any operator whose license expires between the 1<sup>st</sup> September and 25<sup>th</sup> March 2021 of whom prepaid in good faith to utilize the road. A simple example in reference to the above is the following below table to explain the gross unfairness of a pre-paid license fee holder prior to 26<sup>th</sup> March to a license holder who expires on or between the 26<sup>th</sup> March to 31<sup>st</sup> August 2020 and an operator who licence may only expire next year March 2021.

<b>Mr. A</b> <b>A Non-Subsidized Private Charter &amp; Tourism Permit Holder/Bus owner, who falls out of the govt gazetted period.</b>	<b>Mr. B</b> <b>A Govt Subsidized Scholar or Route operator who falls into the govt gazetted period.</b>
This operator's License expires on or between the 1 <sup>st</sup> Sept 2020 & the 25 <sup>th</sup> March 2021. The cost incurred was R52000 per bus license on the 25 <sup>th</sup> March 2020, the day prior to lockdown.	This Operators license expired on the day of lockdown or between the 26 <sup>th</sup> March & the 31 <sup>st</sup> August 2020. Mr. B paid his license before 26 <sup>th</sup> March 2019 & hence it expired on the day of lockdown, so Mr. B lost no pre-payment towards the vehicle not being able to be utilized from the 26 <sup>th</sup> March 2020.
Mr. A has lost his pre-payment that he paid on March 25 <sup>th</sup> by an amount of R4333,33 per month. i.e.) to date (26 <sup>th</sup> Oct) Mr. A has lost R34666,66 for 8 months no use. Mr. A receives no subsidy despite not being able to work.	Mr. B is not owed license fees for pre-payment by the govt. Mr. B is not utilizing the bus in hard lockdown and is receiving a subsidy during this hard lockdown by the government, of up to 90% of its value dependent on province.
Mr. A has lost 8months pre-paid license fees despite pre-paying this to the government towards trying to generate an income for his business.	-Mr. B has lost R0 in prepayment of license fees. -Mr. B is gaining by his bus being parked off and receiving a subsidy from the govt for not utilizing his bus. -Mr. B is receiving an income despite not operating.
-Restrictions start to lift & Mr. A still has no opportunity to work or receive and income.	-Mr. B continues to get an income despite the hard lockdown ending & his income gets further boosted for doing the route & scholar contract despite not operating at full capacity, so receives a further daily income for the subsidized route or scholar route over and above the monthly subsidy.
-Mr. A does NOT get a day's extension on his license that expired between the 1 <sup>st</sup> Sept 2020 & 25 <sup>th</sup> March 2021.	Mr. B gets 6 months extension on his license because it expired between 26 <sup>th</sup> March & 31 <sup>st</sup> Aug. (So now only expires on 28 <sup>th</sup> Feb 2021)
Mr. A on the 1 <sup>st</sup> September has to pay an additional R26000, despite having not utilized his bus because he needs to pre-pay for a new display COF disk, otherwise he will be illegal for insurance purposes. (C.O.F/Certificate of Fitness)	Mr. B is able to go to the testing station and get an immediate extension till Feb 2021 on his license for his license expiring in the gazetted period. Mr. B gets charged R0
Mr. A Can-not afford to pay for his new COF disk, so Mr. A is charged interest & penalties on the R26000 because his license fee fell a day after the gazetted period. I e.) it was due for renewal on the 1 <sup>st</sup> Sept 2020	Mr. B doesn't have to worry about re-newing his license & subsequently has no penalties and interest charges to incur because his license was given 6 additional months at no cost because his license expired on the 31 <sup>st</sup> August 2020.
Mr. A Paid R52000 in March 2020 which is valid for some six months, however paid an additional R26 000 in Sept 2020 to obtain new display discs for proof of COF and will be due an additional R26000 in March 2021 of which this operator is unlikely to have worked a day with their charter and tourism permit. Total costs incurred and outlaid without working a day in 365 days is an outlay of R104000 being outlaid to generate income.	Mr. B whose license expired between 26 <sup>th</sup> March & 31 <sup>st</sup> Aug would have been granted an extension on their license till Feb 2021 at no cost. Mr. B has not paid anything again to the government as a prepayment as his license expired in the above gazetted period & has still utilized his bus to generate income and was receiving a subsidy throughout the lockdown. -Mr. B received is 6months renewal at no cost
-Mr. A cannot sustain his monthly costs -Mr. A has failed to generate income despite having the bus licensed and prepaid for the entire lockdown.	-Mr. B is able to utilize the monthly subsidy to pay basic monthly fixed costs. -Mr. B is receiving a subsidy from Govt to sustain all costs in the hard lockdown and continues to receive the subsidy throughout the lockdown monthly.
-Mr. A has not received a cent income from March to date - No International Tourists, Conferences & groups will be requiring the services of Charter & Tourism Permit holders until all restrictions are no longer in place and things revert back to normality.	Mr. B has received to date from March, a subsidy from government every month.
Mr. A has no form of obtaining an income until the International tourists and events start operating with no restrictions.	Mr. B obtains a further form of income, on conducting the daily scholar or daily destination route.
Mr. A is unable to obtain a loan from commercial banks because Mr. A has been sustaining his costs without having any form of cashflow as the government is in possession of his pre-paid cashflow he paid them prior to the lockdown and banks are liquidating members and repossesing vehicles on H.P.s .	Mr. B can utilize the Solidarity Fund and approach commercial banks because they have had a fixed income and subsidy from the government.

The result of the above example shows gross unfairness between Mr. A being a Private Charter & Tourism Permit holder versus, Mr. B who is a government subsidized route or scholar operator. These regulations that Mr. A has to abide by, are not in place for the Taxi, Commercial truck or member of the public.

Unfortunately, the Minister of Transport fails to understand that Mr. A fail to qualify for a loan as the requirements in place are so burdensome that they are unachievable. By way of example, all financial institutions that participate in the administration of this fund or commercial banks, require convincing evidence that loans

will be repaid by the respective businesses and unfortunately with the track record of the last eight months, these particular operators are unable to produce a projected cash-flow.

The effect of what is stated above can be felt by an operator such as Mr. A with 20 vehicles having prepaid licensing fees for the year amounting to R 1560 000-00 for which he has received no benefit whatsoever and then having to repay the upfront fees six months later. PCPA has approximately 60 members with an average of 5 coaches each that translates to an average of R390 000-00 per operator or a total of R23.4m for all operators in its membership of which the government has been in possession of prior to lockdown and which no income has been generated, this grossly unfair situation prevails despite these vehicles not having operated from 26<sup>th</sup> March to date despite the fees being pre-paid. Further complications to those who fit within this period exist with most licensing authorities still charging interest and penalties on overdue vehicle license's, despite the gazetted regulations.

Various attempts were made over the past months to gain an audience with the Department of Transport as well as with the Minister of Tourism and written representations were made to them on various occasions to discuss the difficulties being experienced by these operators. It was only on the 17<sup>th</sup> September, that the chairperson of the PCPA, Miss Fiona Brooke-Leggatt, was invited to a virtual meeting with the director-general from the Department of Transport where the first and only engagement took place relating to the plight of the private charter and tourism permit sector holders. None of the representations were ever responded to and no meetings with either of the ministers have ever taken place, despite the fact that there has been extensive interaction between the Minister of Transport and the taxi industry throughout the lockdown. Despite government after the bequest of PCPA bringing it to the attention of the D.G that the original gazetted period was not assisting this segment, the D.G further extended the period to the end of August making specific mention of the Tourism & charter sector, for which we were grateful, however immediately advised that due to the stipulation of the dates of expiry it has unfortunately done nothing to help the Charter and Tour permit holders within this sector of transport. The revival of the tourism industry in SA is totally dependent upon reliable and safe transport services being available. Hence, the major concern of the association is that by the time the tourism industry resumes, there may not be a single credible and worthy coach operator left in this country to service that industry, the result being catastrophic to the revenue that tourism generated in the past.

Despite the director-general having listened attentively to the representations made to him on the 17<sup>th</sup> September, and having undertaken to look into the issues affecting this industry and advising together with his legal team that there shouldn't be a problem with extending all the Tourism & Charter permits with an additional 12months extension, the Association has failed to hear from the department despite constant appeals.

PCPA calls to power those in authority and all role players in the domestic and international tourism industry to have regard to the plight of PCPA members, unless the government is prepared to forego what was a very lucrative form of revenue towards the Fiscus from the Private charter and Tourism coach sector servicing the Tourism and Charter industry. All we are asking government for is for the licensing fees that had been prepaid to grant the years extension on the date of expiry of each license that was prepaid. These particular operators are on their knees and which will continue to cause a snowball effect to all the related industries within the transport sector and cause mass unemployment throughout the country if government fails to engage with the charter and tourism permit holders.

We as PCPA coach operators have been transporting the International clientele to destinations of choice throughout the country for years and need your help to keep ourselves alive for the next British Lions Tour and other subsequent tours bound to our beautiful country or International and local conferences, otherwise its like the equivalent of closing down the five star hotel market, except this is the five star Coach/Bus market for the International market.

Help us to Help South AFRICAN Tourism by keeping the Charter and Tourism Permit holders alive in South Africa.

Kind regards,

Fiona Brooke-Leggatt (Private Charter Passenger Association Chairperson)