



**TRANSPORT MINISTRY  
REPUBLIC OF SOUTH AFRICA**

**PRESS BRIEFING BY THE MINISTER OF TRANSPORT, MS SINDISIWE  
CHIKUNGA, (MP) AT THE GOVERNMENT COMMUNICATIONS AND INFORMATION  
SERVICE ON THE STATE OF CIVIL AVIATION IN SOUTH AFRICA, PRETORIA,**

**05 MARCH 2024**

**World-class civil aviation safety and security**

The Ministry of Transport oversees five modal areas which are Aviation, Maritime, Roads, Rail and Public Transport as well as Integrated Transport Planning.

As we gather here on this significant day, on the 5<sup>th</sup> of March 2024, a month which is recognized in South Africa as Human Rights Month. We are exercising the **Right To Know – in this case the Right To Know the State of the Transport Sector** in the country by zooming in on each transport mode. Today, begins a series of Minister of Transport Press Briefings on the five modal transport areas. We have dedicated this month to provide each to reflect on the journey we have embarked upon as a nation, particularly in the realm of the broader transport sector, and today we will focus on the state of air transport in the country.

It is essential to acknowledge our achievements, assess our challenges, and chart a course forward that aligns with the needs of our society and the global imperatives of economic growth, sustainability, safety, and efficiency.

The 2024 Human Rights Month is themed Three Decades of Respect for and Promotion of Human Rights. As the Transport Sector, we have for the last three decades we have expressed our respect for human rights for the citizens of our country by ensuring that we remain the Heartbeat of Economic Growth and Social Development through the regulation and coordination of Transportation in South Africa which includes Civil Aviation Maritime Transport, Public Transport, Rail Transportation and Road Transport. We have consistently sought to provide integrated, safe, secure and cost-effective transport services and world class infrastructure.

As the Ministry and the Department of Transport we continuously strive to create a conducive environment, which must assist State Owned Entities under our purview to strive in their respective mandates. We continuously ensure that the policies, legislative and regulatory frameworks we develop bring lasting improvements to the sector.

In the case of South Africa, Government, through the Economic Recovery and Reconstruction Plan has ensured that departments together with State Owned Entities in partnership with social partners work together in order to bring the much-needed investments and economic growth.

For today's Press Briefing as I indicated our singular topic of interest is on reporting on the State of aviation in the country.

The aviation sector forms part of the critical global and national enablers of the social, economic, and cultural development of countries through mobility and connectivity. Aviation Regulators all over the world, including SACAA play a pivotal role in supporting and ensuring the safe, secure and sustainable development of international air transport. In the case of airports infrastructure, we know that Airports remain important catalysts for tourism growth and are key to a country's national and international trade relations. While ATNS provides unparalleled Air Navigation service nationally and to the globe, while weathering the economic devastations that was caused by the COVID-19 Pandemic.

## SHAREHOLDER LEGAL MANDATE

The Civil Aviation Act No. 13 of 2009, the Air Traffic Services Act 45 of 1993 as amended and the Airports Company's Act No. 44 of 1993 as amended; legally gives executive authority to the Shareholder who is the Minister of Transport, represented by the board to execute fiduciary while the Ministry of Transport through the department conduct an oversight role to three aviation State Owned Agencies which are:

### **1. The South African Civil Aviation Authority (SACAA):**

SACAA's primary mandate is to regulate, control, promote, support by developing, enforcing and continuously improving levels of safety and security throughout the civil aviation industry in South Africa.

2. The Air Traffic Navigation Services is charged with the acquisition, establishment, development, provision, maintenance, management, control or operation of air navigation infrastructure, air traffic services or air navigation services. ATNS is a sole provider of air traffic management, communication, surveillance, navigation, training and associated service within South Africa. Currently ATNS manages six percent of the world's airspace.

3. The Third aviation State Owned Entity is the Airports Company South Africa, ACSA, our aviation infrastructure manager. ACSA is mandated to undertake the acquisition, establishment, development, provision, maintenance, management control or operation of any airport, any part of any airport or any facility or service at any airport normally related to the functioning of the airport in South Africa.

The Public Finance Management Act 1 of 1999, classifies SACAA as a schedule 3 Entity while ATNS and ACSA are schedule 2 entities.

### **1. SACAA**

The past two to three years has been the busiest period for the civil aviation sector as South Africa participated in four key international safety and security audits and assessments by the International Civil Aviation Organization (ICAO), and the United States safety and security Regulators namely, the Federal Aviation Administration (FAA) as well as the Transportation Security Administration (TSA).

The department mandates the SACAA with leading these audits on behalf of the State and the oversight mandate of the Regulator is in turn tested for compliance with international requirements as stipulated by the UN Agency responsible for civil aviation, namely ICAO. Furthermore, the testimony of this compliance lies in the ability of the Regulator to set and enforce the standards and the industry complying diligently to the set standards.

I am elated to announce that South Africa performed very well in all these audits and assessments. ICAO rated South Africa's safety oversight system at 91.11% thereby placing South Africa at number one in Africa and number 18 in the world alongside Norway. ICAO also did not raise any significant safety and security concerns in both the safety and security audits which happened within eight months of each other.

The US-Federal Aviation Administration (FAA) recognised South Africa's safety oversight system as meeting ICAO's safety standards and recommended practices and therefore confirmed that South Africa retains its Category 1 status with the standards of the United States International Oversight Safety Audit (IOSA) Programme.

The Transport Security Administration granted South Africa's cargo security system permanent recognition following an assessment of the SACAA. South Africa still holds the EU recognition for the States cargo security system.

These outcomes do not only validate the quality of South Africa's global aviation footprint, but it also confirms that our systems are competing favourably with the best in the world of aviation.

What is more important for our industry is that the benefits of these recognitions extend to the commercial operations of our industry who operate in Europe and America. These operators can operate unhindered and without the need to undergo further assessments as individual operators.

All the above assessments can only be attested to a diligence performance by our aviation entities and the industry who continue to practise due diligence and collaboration that places the sector and our people first.

## **The State of Aviation Safety in South Africa**

South Africa is proud of the continued 0% fatal accident rate held in the commercial airlines sector for nearly four decades. Our target is to maintain this record for decades to come. One of the current administration's strategic targets is to reduce accidents in the general aviation sector by 50%.

At the end of the previous 2022/23 financial year, the number of accidents had decreased from 147 to 113 accidents which translated into a 23 % decrease from the 2021/22 period. The fatal accidents decreased from 12 to 9 fatal accidents, translating into a 25% decrease with the number of fatalities decreasing by 29,4%.

I was concerned when we had an accident spike during the 2021/22 period at the height of COVID-19, partly due to pilots being "out of practice" caused by a lack of refresher training during the hard lock down periods of the pandemic. As we head towards closing off this 2023/24 financial year, we have recorded 97 accidents to date. While we are projecting these numbers to marginally be lower than the previous reporting period, the number of fatal accidents has increased to thirteen (13), which is four (4) more than data from the 2022/23 financial year.

To curb these accidents which happen in a non-scheduled private flying space, the SACAA has developed and implemented a General Aviation Safety Strategy in consultation with the industry where we are employing reputable safety strategies to attain a reduction in both categories - accidents and fatalities.

The SACAA has been on an automation journey migrating their internal business processes to ensure a paperless entity. The Regulator has recently focused on external processes that will revolutionise the way our industry transacts with the regulator.

In this regard a number of innovative solutions has been launched which includes a move away from a hardcopy booklet that is still used by many aviation states to identify licenced personnel to a smart card licence that is empowered with state-of-the-art security features.

The Regulator has also in the last year launched an eServices portal where operators can submit their certificate renewal applications online and also pay online.

We must embrace the new digital era as it plays a critical role in our everyday living and in saving lives. Our country was among the first in the world to implement unmanned aircraft or Remotely Piloted Aircraft Systems (RPAS) drone laws and regulations in 2015, this is done in order to ensure safe usage and integration of this new technology into the traditional aviation space.

### **Creation of a new class of aviators**

Technology also plays an integral role in the creation of a new class of aviation professionals. The good news is that there will be even more careers to choose from RPAS and Advanced Air Mobility which is in the pipeline. Let's use this new age of technology to foster the necessary skills pipeline from the riches of the diverse nation that we are. This new technology gives us an added advantage of ensuring that we transform the aviation industry even faster.

By way of example, a successful and good story to tell in the implementation of the Remotely Piloted Aircrafts, In August 2022, the South African National Blood Services was licensed to deliver blood and essential medical samples, using drones in what became a ground-breaking achievement for the country. The value of this initiative is understated, more so when we consider that 32% of South Africans live in rural, and in most cases, hard-to-reach destinations.

Blood delivery to local clinics that may not be accessible by road transport is now possible and has now been made easier and much faster to access. This is an innovative step in the history of blood transportation. Every second you gain in saving a life is critical.

### **International Air Service Licensing**

Ladies and gentlemen, on 10 October 2023, I published a Ministerial Order through a government Gazette as empowered by Section 100 of the Civil Aviation Act, 2009 (Act

No.13 of 2009) for the SACAA to provide administrative support to both the Air Services Licensing (ASLC) and International Air Service Licensing Councils (ISLC). This is in line with Section 9 of the Air Services Licensing Act, 1990 (Act No. 115 of 1990), and Section 10 of the International Air Services Act, 1993 (Act No. 60 of 1993).

The conclusion of that has been a four-party Memorandum of Understanding (MoU) signed between the Department of Transport, the domestic and international Air Services Licensing Councils and the South African Civil Aviation Authority (SACAA). In all, I am excited to announce to you that the domestic and international air service licensing councils are now being administered by the regulator, with effect from 1 February 2024.

This means that all administrative support will include developing effective systems that will enable the smooth processing of air service license applications and Foreign Operator Permits (FOPs) and includes the issuance and storage of related information thereof. The Department of Transport will still be responsible for the budget allocation to the respective Councils for each financial year, and such allocation shall be used towards the activities and functions of the Councils.

I am also happy to announce that since this decision took effect from 1 February 2024 the SACAA launched an automated system which is done in a phased approach. The first phase which commenced from 01 February saw the processing of foreign operators permits through a newly developed system. The next phase which is currently in progress, is to automate the submission and processing of domestic and international air service licences. In the interim, the SACAA has given clarity to the industry in how the applications for air service licence will be processed until automation is implemented.

As the aviation sector focuses on economic recovery post the COVID-19 pandemic period, South African airlines are also looking to spread their wings with new international routes while we also welcome new operators within our air space. It is against this backdrop that we needed to step up our service offering of the industry by bringing efficiencies in this recovery phase.

It also gives me great pleasure indicate that today we do have the Chairpersons of the domestic air service licensing council and international air service councils in our midst.

In brief the Councils process applications for new and amended air service licences and related services whilst the SACAA provides administrative support for the smooth processing of the air service applications which include, receiving air service applications, conduct technical assessments, and publish for comments within prescribed timeframes in the Government Gazette; etcetera.

## **ATNS**

ATNS is currently the leading provider of air traffic management as well as communication, navigation, surveillance, and training in South Africa. The company supplies air traffic and navigation management services to nine South African Statutory Airports operated by the Airports Company South Africa (ACSA) and 12 Regional Airports in the country.

### **ATNS Infrastructure investments in 2022/23**

Infrastructure investment to the tune of R128 million was made in the year 2022/23 in support of ATNS' goal of having reliable and stable air traffic management infrastructure, which ultimately boosts our aviation economy and contributes up to 3% to the national GDP.

In ATNS' pursuit of more essential infrastructure upgrades to ensure that the entity is future-fit to continue delivering on its national mandate, **up to R155 million** is required in the next financial year for investment into its Aeronautical Fixed Telecommunication Network (AFTN).

### **ATNS: Air traffic navigation control and ATNS skills development**

The entity also offers specialised air traffic and navigation training through its Aviation Training Academy (ATA) and provides related consultancy/advisory services to other neighbouring African countries.



ATNS also has a footprint in 25 other African states across the African continent, including the St Helena Airport – which is a remote island airport in the South Atlantic Ocean.

All ATNS services are compliant with the ICAO standards and recommended practices, the South African Civil Aviation Authority (SACAA) regulations and technical standards and prescribed South African legislation.

The ATNS' specialised training institution which is amongst the best in the world, the Aviation Training Academy (ATA), continues to be the preferred air traffic controller training provider in South Africa, across the African continent and for the rest of the world.

In order to effectively and efficiently carry out its mandate, the ATNS continues invest necessary resources and upgrading its capabilities.

## **ACSA**

It is important to inform members of the media to note that since ACSA and ATNS are sole providers in their different mandates, section 11 of Airports Company Act, 1993 establishes the Economic Regulating Committee functionally responsible for laying down the operating framework of ACSA and ATNS.

It does so by issuing the Permission to ACSA and ATNS valid for five (05) financial years. To be in possession of the Permission allows the Companies to levy the charges. For ACSA these include landing charges; passenger services charges and aircraft parking charges, for ATNS these include en-route (area) charges, aerodrome charges and terminal control area access. All of them are subject to a price cap, which limits the increase in a basket of revenue weighted tariff.

The Regulating Committee is mandated to balance the monopoly position of the two Companies and the interests of the users. It effectively ensures that ACSA and ATNS, on one hand, are restrained from overcharging users without placing undue restriction on their commercial activities.

On the other hand, it ensures that both ACSA and ATNS remain financially viable plus provide service in accordance to the minimum set service standards. To this end, ACSA

and ATNS reports on a quarterly basis to the Regulating Committee on their performance against the minimum set service standards and make disclosure on any operational and strategic deviations.

Section 12(11) and section 11(11) of the Airports Company Act and the ATNS Company Acts of 1993 respectively, require the Regulating Committee to seek approval from the Minister prior to issuing the final Permissions to the two Companies to levy new tariffs.

To comply with this legislative requirement, the Regulating Committee wrote a letter dated 27 November 2023 in which it present its final determinations on the Companies’ tariffs for approval by the Minister. Subsequently, the Minister approved the final tariffs of ACSA for Permission 2023/24 – 2027/28 period and will thus amend the inflationary Permission currently in force and will come into effect on 01 April 2024.

<b>Tariff Growth</b>	<b>2023/24 (Year 1)</b>	<b>2024/25 (Year 2)</b>	<b>2025/26 (Year 3)</b>	<b>2026/27 (Year 4)</b>	<b>2027/28 (Year 5)</b>
	4,5%	10,3%	6,51%	6,16%	4,45%

These final tariffs Permission presented herein have been determined in the aftermath of covid-19 when the aviation sector in the country is gearing itself to restore economic activity and also return to pre-pandemic performance levels.

**ACSA Capex**

ACSA continues to diligently review the master plans of its airports, driven by twofold objectives: to meet the current infrastructure needs while also ensuring preparedness to fulfil future demands.

This ongoing process is crucial in strengthening the foundation for a resilient air transport system for South Africa, a cornerstone for advancing our country's economic

development and growth. As per the 5-year permission recently granted by the Regulating Committee, **ACSA has earmarked 21.7 billion Rands for airport infrastructure development.** This investment primarily targets refurbishments, efficiency improvements, and statutory compliance measures, with the aim to enhance asset availability, airport safety, and passenger experiences across our airports.

This is the largest capital investment programme by our high performance globally awarded SOE, ACSA, since preparation for World Cup 2010. This will see our already world class airports increasing the airport facilities to continue leading as Africa's best airports and increasing our position globally.

Over the next two years, ACSA plans to embark on crucial capacity expansion projects at Chief Dawid Stuurman International Airport (Gqeberha) and George Airport, focusing on expansion of their terminal facilities. The terminal expansion project at George Airport is set to commence at the earliest opportunity due to the airport passenger throughput having passed its design capacity pre Covid-19. This will be followed by Chief Dawid Stuurman Airport within the next year or two.

Furthermore, ACSA is set to embark on the development of a new cargo terminal, known as Mid-field Cargo, at O.R Tambo International Airport on a prioritised basis given the demand and later the development of a Mid-field Passenger Terminal.

Other significant projects at O.R Tambo International Airport will include extension of the bussing gates, which will entail adding six (6) new bussing gates to the existing Terminal A bussing terminal, along with augmenting retail, seating, and holding lounge areas. Additionally, as part of phase 2 of this project, a new mezzanine level will be constructed to enhance circulation and optimize seating and holding space.

At Cape Town International Airport, priority will be the domestic arrivals terminal reconfiguration to meet growing capacity needs. This encompasses enlarging the meet and greet area, expansion of the baggage claim area, an additional baggage carousel, expansion of the domestic departures lounge, retail spaces, and ablution facilities, as well as the addition of three new contact gates and fixed boarding bridges.

Secondly, the initiation and development of the realigned runway development project is anticipated within permission period.

King Shaka International Airport will see the development of a hotel, given that is a relatively new airport, with terminal expansion during the final year of the permission period.

At King Phalo airport, the focus during the permission period will be on expansion of the departure lounge, relocation of the security check point, upgrading of ablution facilities, improving retail options in the departure lounge, and adding offices and lounge space on the first floor.

### **Air Cargo innovations**

As part of these innovations within our sector, we also introduced the eAirwaybill with our air cargo industry to enhance efficiency and competitiveness. Innovations such as real-time tracking systems, data analytics, automation, and artificial intelligence can streamline operations, improve visibility, and optimise resource allocation. Embracing this digitalisation can only lead to greater transparency, cost savings and a better customer experience within this space.

While we also embrace innovation, we are equally mindful of cyber threats. Cybersecurity is essential for maintaining the integrity, safety, and resilience of the aviation system. We are collaborating more to effectively mitigate risks and enhance cybersecurity across the sector.

The truth of the matter is that the future of freight is digital; and that is our reality. Therefore, a robust air cargo system is essential for global trade, speed, efficiency, connectivity, supply chain resilience, economic growth, and the timely delivery of essential goods and services.

### **Clean audit reports**

I would like to also congratulate our entities who celebrated 30 years and 25 years of existence in 2023.

The SACAA have also achieved ten (10) clean audits in the past eleven years from the Office of the Auditor-General South Africa. ACSA and ATNS received unqualified audit opinions.

### **The aviation industry is recovering gradually**

It is important to inform members of the media that the state of aviation in South Africa is doing exceptionally well at both domestic and international levels.

It should however be noted that the aviation industry is recovering gradually. After a period of turbulence and not knowing what the full extent of the impact of the pandemic socially and economically, I am happy to confirm to you that the worst is over, and our aviation sector's recovery is on a positive trajectory.

As we look towards concluding the last quarter of 2023/24, data shows us that passenger numbers are just over 16% close to reaching pre-Covid-19 numbers. This is good news because it means that we are close to getting back to the vibrant era of aviation as we know it.

What is most historic and ground breaking is that all three Aviation State Owned Entities which are agencies of the National Department of Transport are headed by three competent, capable, capacitated and women professionals. Who are recognized the world-over and whose leadership and contribution in aviation has impacted positively to the growth and development of the Sector.

I Thank you.