

CHIEF EXECUTIVE OFFICER'S ANNUAL REPORT 2010/2011

INTRODUCTION

1. Being in business since 1944 and being part of most of the major changes and challenges within the commercial general aviation industry in Southern Africa, CAASA surely has had an interesting roller coaster ride during these interesting times. From the records of CAASA, it is clear that various influential aviators assisted CAASA and the industry to develop this Association to where it is today. CAASA however faces various challenges and it is clear that some misconceptions and negative attitudes do exist in terms of CAASA's mandate and its influence. However, in evaluating the mandate of CAASA and reviewing the actual impact that CAASA has on the commercial general aviation industry, it is difficult to understand why CAASA only have 143 members – surely the majority of the industry should be members. As part of CAASA's revitalisation programme, more emphasis should be placed on the clear communication of CAASA's mandate and impact on the industry, directly and indirectly.
2. During the past year, CAASA has been part of various committees, forums and work groups which all have a direct bearing on the mandate of CAASA - to promote and protect the interests of commercial general Aviation in Southern Africa. CAASA further actively engaged Government, Government departments and other aviation stakeholders to resolve issues pertaining to its constituency. In engaging with these role players, CAASA's intention is not to attack these entities and try to prove the "power" of CAASA, but rather to work closely with them to ultimately find a reasonable and mutually acceptable solution within a safe framework.
3. It needs to be emphasised that CAASA supports aviation safety and will not promote or engage in activities that might endanger the safety of the aircraft, the aviation personnel and/or their passengers.
4. CAASA is the lead partner for the Africa Aerospace and Defence Exhibition (AAD) 2012 and as lead partner currently spends a lot of time on the planning for this event. It needs to be mentioned that CAASA would struggle to survive on its membership income and relies extensively on the funds generated through this funding initiative to fulfil its mandate. As lead partner, CAASA is placing emphasis on the whole general aviation sector and has included various initiatives to promote general aviation participation in the Exhibition.

5. It has been a very exiting year for the full time staff members of CAASA; besides the appointment of the new CEO, a Deputy CEO position was created on CAASA's structure and Mr JP Truter was subsequently appointed into this position. Under the new CEO, greater emphasis has been placed on the restructuring of the administration and management systems (including financial management) within the CAASA office environment and it can be reported that these systems are sound, running smoothly and are in line with good corporate governance practices and policies.

6. In the medium term the Association has implemented a CAASA Revitalisation Programme aiming to strengthen CAASA's bargaining power and increasing its influence within the commercial general aviation industry, ultimately providing better, and more direct results for the members and the commercial general aviation industry as a whole. CAASA will also aim to eradicate the existing misconceptions and negative stigmas attached to The Association and celebrate the foreseen growth of CAASA during 2014, when CAASA is celebrating its 75th anniversary.

CORPORATE

BOARD OF DIRECTORS

7. The CAASA Board of Directors for the period under review was as follows:
- a. Johan Nell- President.
 - b. Kim Gorringe- Deputy President.
 - c. Brian Frankel- Honorary Director.
 - d. Graeme Conlyn- Honorary Director.
 - e. Jeff Earle- Honorary Director.
 - f. Gavin Sayce- Director.
 - g. Dr Roelof Botha- Honorary Treasurer.
 - h. Martin Moritz- Honorary Director.
 - i. James Blomerus- Director.

- j. John Morrison- Honorary Director.
- k. Tom Chalmers- Honorary Director.
- l. Fabrice Gagnat- Director.
- m. Rob Garbett- Director.
- n. Marc du Plessis- Director.
- o. Russell Paterson- Director.
- p. Dave Perelson- Director.
- q. Richard Wolfe- Director.
- r. Anton Kruger- Director.

STAFF MEMBERS

8. During the year under review, CAASA appointed two new staff members, namely the CEO and Deputy CEO. The CAASA staff members are as follows:
- a. Mr Leon Dillman- Chief Executive Officer.
 - b. Mr JP Truter-Deputy Chief Executive Officer.
 - c. Me Sharon Tender- Personal Assistant and Office Manager.

MEMBERSHIP STATUS

9. The Association currently has 144 members. The following 13 x new members joined CAASA since February 2011 (reflecting a 9% increase in members since February 2011):
- a. Star Air Cargo.
 - b. Cussonia Trust.

- c. Debela Trust.
- d. Simuflight.
- e. PSG Konsult Financial Planning.
- f. Skyline Private Air.
- g. Conlyn Corporate Aviation Services.
- h. Fasjet Maintenance.
- i. Mediar Charter.
- j. Fortune Air.
- k. Elphick Consulting.
- l. Van Zyl Aviation Consultants and Services.

10. CAASA welcomes these new members and looks forward to working closely together with them in a mutual effort to strengthen general commercial aviation in Southern Africa. As part of CAASA's Revitalisation Programme, CAASA is planning to increase its members to 250 members by the year 2014.

11. The membership fees for 2011/2012 have been increased with only 6%. It further must be noted that a CAASA Membership Fees Committee has been established to simplify the current membership fee structure. This committee had its first meeting during November 2011 and developed a new draft structure, which is to be presented at the first Board Meeting in 2012.

SUMMARY ON CAASA'S REVITALISATION PROGRAMME

12. As previously mentioned in this report, CAASA has initiated its medium term Revitalisation Programme to strengthen CAASA's bargaining power and to increase its influence within the commercial general aviation industry, ultimately providing better, and more direct results for the members and the commercial general aviation industry as a whole. In summary, the Programme consists of various phases which start with the streamlining of internal management processes as the first phase; then moves into phases where the emphasis is placed on re-defining CAASA's identity and mandate and the internal marketing of CAASA and the strengthening of the participation and the esprit de corps of its members. Simultaneously, CAASA will stimulate membership growth through active participation in aviation issues, direct and indirect marketing,

physical “head hunting” and adapting CAASA’s negotiation methodology with the aviation stakeholders to yield better results in the long run. CAASA will further utilise the 75th anniversary celebrations as a platform to constitute the finalisation of this programme and the announcement of the next medium term programme, which will concentrate more on sustainment and further development. By 2014, the question should be: “why am I not a member of CAASA?” versus the current dilemma: “why should I be a member of CAASA?”

INTERNAL ISSUES

13. In terms of the internal office management at CAASA, the following deserves to be mentioned:

- a. The issues surrounding the Magubane Estate have been resolved. After an extensive reconciliation process, it became evident that CAASA continued to pay the Magubane family even after the funds ran out. It was determined that no specific person could be held accountable for this error and that it resulted directly from the handing and taking over process between the previous two CEOs. An amount of R 77 000-00 was consequently written-off.
- b. The letters of authority in terms of the CAASA Trust Deed have been updated with Dr Botha, Mr Nell and Mr Dillman appointed as trustees.
- c. The CAASA investment portfolio at Investec has been amended by the CEO to optimise interest to be earned by CAASA.
- d. Financial management processes have been implemented to ensure for checks and balances on all of CAASA accounts. Transparency and good corporate governance cannot be questioned.
- e. CAASA has requested for a tax exemption on both the CAASA Trust and the CAASA non-profit organisation as part of a full tax review on all of CAASA’s dealings. Feedback is expected shortly.
- f. As part of CAASA’s Revitalisation Programme various marketing initiatives have been undertaken, including golf shirts, office shirts, folders, almanacs and the CAASA website has been upgraded.

SUMMARY OF BUSINESS ACTIVITIES

CAASA AFFILIATES

14. The CAASA Affiliates have continued with business in their areas of expertise. BAASA was incorporated into ANSO, leaving the Association with six affiliates. Due to the re-writing of the Civil Aviation Regulations, AATOSA, AAA-SA, AMOSA, ANSO and HASA have all been exceptionally busy.
15. AMOSA resolved various maintenance issues with the SACAA and also assisted CAASA with tax issues in terms of temporary importation of foreign aircraft for maintenance.
16. The ANSO Conference deserves special mention and is viewed as a major highlight in terms of CAASA associated activities.
17. CAASA is thankful for the participation of the Affiliate's Executive Committees and their Presidents in assisting CAASA within their areas of expertise.
18. Detail of the activities of the Affiliates will be contained in their respective President's Reports.

CAASA'S ECONOMIC IMPACT STUDY WORK GROUP

19. A CAASA Work Group has been created to manage the compilation of an economic impact study relating to commercial general aviation in South Africa and had its first meeting on 23 November 2011. Although a costly exercise, CAASA is under the impression that the results can be utilised as a tool to inform Government and Government Institutions of the actual number of jobs created and contribution to the GDP through General Commercial Aviation initiatives. Although similar studies have been compiled by organisations such as IATA, this economic impact study will deal specifically with commercial general aviation.

CAASA'S BBBEE WORK GROUP

20. The CAASA BBBEE Work Group had its first meeting on 15 November 2011. The Work Group is investigating the possibility of creating a BBBEE Trust Fund to which CAASA members can contribute to improve their BBBEE compliance level. CAASA is planning to concentrate on two items on the Aviation Score Card, namely Skills and Enterprise Development. The funds will be

utilised solely for skills development and enterprise development within the aviation sector. CAASA members will be kept up to date in terms of developments in terms of this initiative.

CO-OPERATION WITH INDUSTRY BODIES

21. During the period under review, CAASA has continued to support other Aviation Associations in their efforts to ensure a safe, yet realistic application of policies, procedures, fees and regulations. Although not always in agreement, CAASA has a good working relationship with RAASA, the Aeroclub and AASA.

22. In terms of AAD 2012, CAASA has formed a strong bond with RAASA and the Aeroclub to promote the participation of General Aviation at the Exhibition. Besides the creation of a Fun and Fly Park, specifically created for sport and recreational aviation entities which will be allowed to exhibit at reduced cost during the Exhibition, the mentioned associations are all participating in the AAD Youth Development Programme, pulling their resources together in unity.

23. CAASA congratulates AASA on their Annual Conference and AGM, which was held at Zimbali, Kwa-Zulu Natal. The Conference was interesting, well attended, well organised and CAASA has to agree with AASA's statement that it is one of the major aviation events in Southern Africa, if not the whole of Africa. Well done to AASA.

GENERAL AVIATION SAFETY INITIATIVE

24. CAASA participated in all the activities associated with the General Aviation Safety Initiative (GASI). CAASA places great emphasis on safety and fully supports this initiative.

25. The General Manager Air Safety Operations, Mr Anton Richman facilitated a SWOT analysis discussion document aimed at reducing the accident rate in recreational flying. Issues such as poor decision-making, mentorship and supervision of inexperienced pilots and training of test pilots were listed.

26. Data capturing and analysis of incidents and accidents is one of main issues that needs attention in recreational flying. CAASA is in the process to develop KPI's for the GASI sub-committee.

INDUSTRY LIAISON FORUM

27. CAASA views the Industry Liaison Forum (ILF) as the most successful structure that exists within the SACAA to resolve Association issues. Almost all the issues raised by CAASA at the ILF were resolved. The manner in which the SACAA management treated all the industry Associations over the period under review reflects their positive attitude towards the Associations and it seems if they have moved closer to working with the Associations to the advantage of Aviation in South Africa, rather than instructing them on how things need to be done. Although it is common knowledge that the SACAA has some internal issues that need to be resolved and that the communication from senior management to the inspectors sometimes gets de-railed, CAASA has witnessed some progress in the SACAA's attitude and willingness to assist and promote aviation in South Africa. CAASA thanks the SACAA for this apparent change in attitude.

28. CAASA played the leading role challenging the justification for SAAF flying for Petro-SA. The SAAF operations were subsequently terminated. A letter was written to the acting DCA, Mr Zhakele Thwala, informing him of the dangers, of non-conformances and the economic impact that this operations would have on the helicopter commercial industry. The Petro SA case is *sub judice* and will be heard in the appeal court later in November 2011.

29. Several aircraft maintenance issues were raised and successfully addressed i.e. "W" licencing's issue and the AMS formatting.

NATIONAL AIRSPACE COMMITTEE (NASCOM)

30. A major threat to the freedom of operations in GA airspaces has arisen due to authority that the Department of Environmental Affairs obtained over airspace matter in terms of the Protected Areas Act. CAASA has raised its objection to this via NASCOM and is intensively involved in seeking solutions to the threats to all airspace users in the nine affected areas, within Environmental Working Group.

31. It was agreed that there is a need to reduce the key focus areas for current consideration by the Environmental Working Group to the following:

- a. Garden Route National Park (ie. Wilderness and Tsitsikama).
- b. Table Mountain National Park.
- c. Addo National Park.

32. The proposed FAP64 (Palindaba) revision was also frozen and successfully set aside.

33. CAASA has representation on the PBN committee and will be involved with the development of SIDs and STARs and RNP AR. SAA is presently developing several RNP AR procedures for FACT. RNAV and RNP specifications facilitate more efficient design of airspace and procedures which collectively result in improved safety, access, capacity, predictability, operational efficiency, and environmental effects.

CIVIL AVIATION REGULATIONS AND REGULATIONS COMMITTEE

34. CAASA had successful representation on the following sub-committees of the CARCOM:

- a. SMS Subcommittee.
- b. AS Subcommittee.
- c. ASO Subcommittee.
- d. ASI Subcommittee.
- e. Avsec Subcommittee.

35. Several of the sub-committees finalised the work for the submission to CARCOM. The draft CAR, 2011 with most of the Parts completed was published on the SACAA website for comment and perusal. The promulgation of CAR, 2011 will most probably be delayed due to the requirement to translate the regulations into Afrikaans, prior to publication in the Government Gazette.

36. CAASA developed a CARCOM flow chart that was submitted to the SAACA Legal Department for approval to ensure a better understanding of the CARCOM process.

AFRICA AEROSPACE AND DEFENCE EXHIBITION

37. Due to the fact that CAASA is the lead Partner for AAD 2012, the CAASA CEO is by implication the Show Director for the event and has to ensure that the AAD Office is managed successfully and he also takes responsibility for the outcome of the event. As Show Director, the CAASA CEO needs to invest the majority of his available time towards the planning of this event. After 2012, the CEO will have more time at hand to concentrate on CAASA specific issues. The following progress has been achieved with the organisation of AAD 2012:

- a. Service Providers Appointed:

- General Service Provider – ExpoSolutions.
- Hospitality Chalets – Chattels.
- On-Site Freight – GAC Laser Specialised Logistics.
- Accountant: Danie van Wyngaard.
- YDP – Mari van Wyk.
- Civilian Flight Director Liaison – JP Truter.

b. Tenders Issued to be Evaluated:

- SHE.
- Giant Outdoor Screen Network.
- Exhibitor Catalogue.

c. Tenders Under Discussion:

- Media and PR Relations.

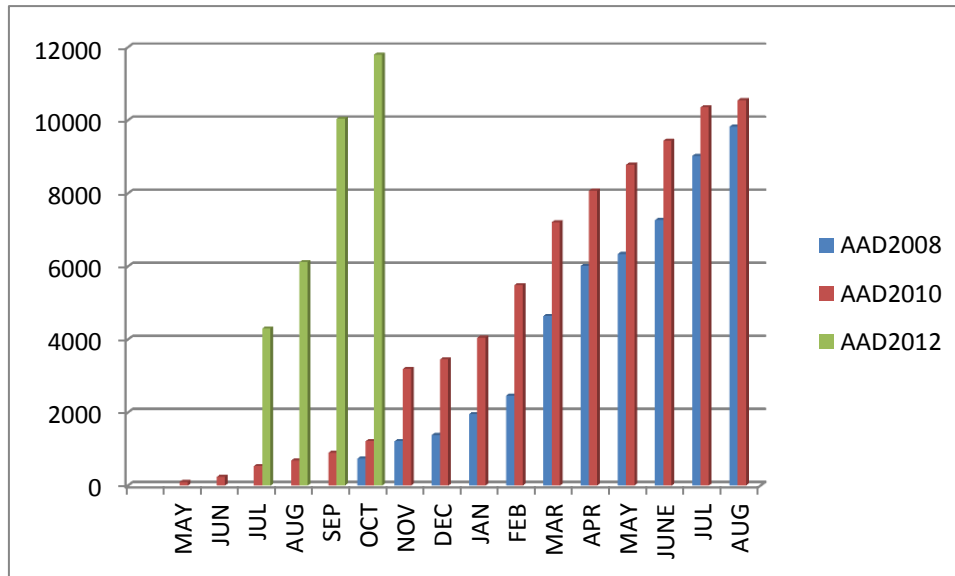
d. Outstanding Tenders:

- Indoor & Outdoor Cleaning – March 2012.
- Trade & VIP Catering – March 2012.
- Trade Visitor & Exhibitor Registration – March 2012.
- Toilet & Sanitation Facilities – March 2012.
- Waste Management – March 2012.
- Security - March 2012.

e. Space Sales:

- Indoor: 11 795.75m² booked (93%), 824.25m² available.
- Total space: 12 620 m².
- Outdoor: 4 323m² of the approx. 8 000m² saleable.
- Aircraft: 22.
- Chalets: 28 (excluding AFB Waterkloof chalet) of the approx. 54 saleable.

INDOOR SPACE SALES AAD2008 – AAD2012



f. Marketing Barter Deals with Local Media:

- African Pilot.
- World Airnews.
- Quantum.
- African Decisions.
- Global aviator.
- Defencweb.
- SA Solder.
- SADID (South African Defence Industry Directory).

g. Marketing Barter Deals with Foreign Media:

- Armada – Switzerland.
- Helicopter monthly - Europe.
- Defence and security alert magazine - India.

h. Sponsorships:

- MOD/DOD Function –SAAB Group.
- Official Welcome Cocktail Function – Denel Group.
- Entrance badges –Denel Group.
- Caps - Expo Solutions.
- 10 000 Lanyards – Reutech.

- Delegation/visitor bags – Denel Aviation.
 - Media backpacks – Thales group.
- i. Gautrain. During a meeting held with representatives of Gautrain they gave AAD2012 their full support. We are awaiting an official proposal from Gautrain but they have committed to provide a bus service on both the trade and public days (30 busses), as well as providing AAD2012 with space to set up a registration/ticket office at Centurion Station. Possible marketing opportunities have also been identified.
- j. City of Tshwane. A meeting was held with representatives of the City of Tshwane and AAD will send a proposal to them with our requirement. Possible marketing opportunities have identified.
- k. DCAC/Arms Control. According to the Arms Control Act, approval is required from DCAC before foreign defence-related companies can participate in AAD2012. A submission was made to the DCAC on 5 May 2011 and again followed up on 10 October 2011. A request was also submitted to DCAC on 26 October 2011, to assist both AAD and exhibitors in complying with arms control regulations by providing a guide and advisory service. To date no response has been received from DCAC on either the country lists submitted or the request for assistance.

38. CAASA is trying to promote the participation of general aviation at AAD 2012. Besides the creation of a Fun and Fly Park, where sport and recreational aviation entities can exhibit their tools of trade at reduced cost, smaller aviation entities can exhibit free of charge if they apply for a grant through the Department of Trade and Industry. CAASA has also included the Aeroclub and RAASA in the AAD Youth Development Programme and is currently negotiating for more flying slots for general aviation. The participation by commercial general aviation companies need to strengthen and all CAASA members are requested to consider their participation in the event- the 10% discount for CAASA members planning to exhibit at the event remains intact.

SLOTS COORDINATION MEETINGS

39. CAASA is a member of the Slot Coordination Working Group which is tasked to prepare a draft of the Slot Coordination Regulations. CAASA actively protects the interest of non-scheduled operators, as the airlines consider themselves the main stakeholders of slot utilisation. CAASA is also supporting the AAA-SA members against threats facing coordinated airports.

SARS LOCAL STAKEHOLDERS COMMITTEE

40. CAASA is very excited about the prospect of negotiating a solution to the Importation Bond raised for foreign aircraft flown to South Africa for maintenance. It was decided with the SARS legal advisor Me Sandy Somera that this issue must be escalated to the head office in Brooklyn. CAASA is in contact with the Head of Legal Services at SARS, Mr Kosie Louw, regarding the Importation Bond. CAASA met with the SAA SARS representative. Mr Arend du Preez, who has the biggest bonding issue and we are working together to find a solution to this problem.

41. CAASA visited and discussed the SARS issue with Mr Poggi, the MD of ExecuJet. We have the support from ExecuJet as they have a huge account with SARS. CAASA also raised the issue with the DG at DOT, Mr Ralephenya, who indicated that he will support us with the application to SARS.

NATIONAL AIR TRANSPORT FACILITATION COMMITTEE (NATFC)

42. CAASA is a member of NATFC that is implementing "The ICAO Facilitation (FAL) Programme". The FAL is based on 10 articles of the Chicago Convention which requires that the civil aviation community has to comply with laws governing the inspection of aircraft, cargo and passengers by authorities concerned with customs, immigration, agriculture and public health. Under the Convention, States are obligated to adopt standards and expedite the necessary formalities in order to minimise operational delays. The NATFC is planning to meet at a minimum of four times a year.

MEDIA

43. The CEO of CAASA was interviewed by Infozone TV during November 2011. The interview concentrated on CAASA as an organisation and on what CAASA is providing to its members. The first part of this interview has been released and can be viewed on www.infozonetv.co.za

44. CAASA has had some scattered coverage in the aviation publications World Air News and African Pilot and was also afforded the opportunity to place some free advertisements in these two well-known aviation magazines.

IN CONCLUSION

45. CAASA faces various challenges and it is clear that some misconceptions and negative attitudes do exist in terms of CAASA's mandate and its influence. However, in evaluating the mandate of CAASA and reviewing the actual impact that CAASA has on the commercial general aviation industry, it is difficult to understand why we only have 143 members – surely the majority of the industry should be members. As part of CAASA's Revitalisation Programme, by 2014 the question should be: "why am I not a member of CAASA?" versus the current dilemma: "why should I be a member of CAASA?"

46. Although CAASA has accomplished a lot during the year under review, more emphasis should be placed on communicating the mandate of CAASA to the non-members; members and affiliates should get more involved in assisting CAASA in aviation issues and CAASA needs to provide better and more direct support to its constituency.

47. The CEO of CAASA would like to especially thank Johan Nell for his contributions during this year and would also like to thank the CAASA Board Members, the Presidents of the Affiliates, the Executive Committee members of CAASA and of the Affiliates, the office staff, "Oom" Carl, "Oom" Cor, "Oom" Dennis, Auntie Ruth and Paul Hayward for their contributions to CAASA during the year. Thank you- it is highly appreciated.

48. Join us, get involved and help us strengthen commercial general aviation in Southern Africa.



LEON DILLMAN

CHIEF EXECUTIVE OFFICER OF THE COMMERCIAL AVIATION ASSOCIATION OF SOUTHERN AFRICA