

PCPA

(PRIVATE CHARTER PASSENGER ASSOCIATION)



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1) OVERVIEW OF PCPA ORGANISATION

The Private Charter Passenger Association (PCPA) is a grouping of non—subsidized transport operators servicing the travel and tourism industry countrywide, with association no affiliation to the South African Bus Owners Association (SABOA).

- PCPA was formed to **champion** the **plight** of **charter** and **tourism** passenger **permit operators** owning luxury and semi luxury coaches of whose businesses are **still 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, sports teams, funerals and conferences attendees, to name a few, to events of which are all still **non-existent to date**.



TRANSPORT CONCERN

SA
2021



3)THE POSITION THE PCPA MEMBERS ARE IN NOW:

- 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



Position PCPA are in (continued):

- 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.
- Log onto www.pcpa.co.za to see the Legal documents and Petitions that were sent to the President, Minister of Transport, Minister of Tourism, Minister of Trade & Industry as well as via National and Provincial governments without so much as a reply.



4) THE EFFECT ON TOURISM, IF THE RELIABLE FORM OF LUXURY COACH HIRE DISAPPEARS:

- 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 industry in SA to name a few.

SOUTH AFRICAN TOURISM



5) Why are these particular operators within the Coach Industry in such a dire state of affairs?

- All of these Tourism & Charter holders prepaid their licenses in good faith to utilize the road for commercial purposes prior to lockdown on the 26th March and still have not generated a cent in income, nine months later.
- The cashflow was pre-paid out for licenses to generate income.
- The cashflow has been non-existent for nine months as these operators are totally reliant on the International Tourism and Local Events industry which are non-existent to-date.
- Unfortunately, apart from the government gazetting an extension being available to February 2021, this was only offered to those license holders of whose licenses expired between the 26th March and 31st August, but fails to assist any Charter & Tourism permit holding operators whose license expires between the 26th March 2020 to 25th March 2021.
- Despite the above ruling being gazetted, it has failed to have been carried out down to any of the licensing departments and to make matters worse, operators have been expected to pay a further six months in advance and are being charged penalties and interest.
- These operators have been trying to fit their fixed costs for nine months which run into hundreds of thousands without any assistance from government and now have no reserves left as they are not subsidized and do not have permits for other route or scholar options.
- A simple example in reference to the above is the following table below to explain the gross unfairness of a pre-paid license fee holder prior to 26th March to a license holder who expired on or between the 26th March to 31st August 2020 and an operator whose license may only expire next year March 2021.



Mr. A (Operator A)

A Non-Subsidized Private Charter & Tourism Permit Holder/Bus owner, who falls out of the govt gazetted period.

This operator's License expires on or between the 1st Sept 2020 & the 25th March 2021.

The cost incurred was R52000 per bus license on the 25th March 2020, the day prior to lockdown.

Mr. A has lost his pre-payment that he paid on March 25th by an amount of R4333,33 per month. i.e.) to date (26th Oct)

Mr. A has lost R34666,66 for 8 months no use. Mr. A receives no subsidy despite not being able to work.

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.

-Restrictions start to lift & Mr. A still has no opportunity to work or receive and income.

-Mr. A does NOT get a day's extension on his license that expired between the 1st Sept 2020 & 25th March 2021.

Mr. A on the 1st 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 (Operator B)

A Govt Subsidized Scholar or Route operator who falls into the govt gazetted period.

This Operators license expired on the day of lockdown or between the 26th March & the 31st August 2020.

Mr. B paid his license before 26th 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 26th March 2020.

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. 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.

-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. B gets 6 months extension on his license because it expired between 26th March & 31st Aug. (So now only expires on 28th Feb 2021)

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



<p style="text-align: center;">Mr. A (Operator A)/Continued)</p> <p>A Non-Subsidized Private Charter & Tourism Permit Holder/Bus owner, who falls out of the govt gazetted period.</p>	<p style="text-align: center;">Mr. B (Operator B/Continued)</p> <p>A Govt Subsidized Scholar or Route operator who falls into the govt gazetted period.</p>
<p>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 1st Sept 2020</p>	<p>Mr. B doesn't have to worry about renewing 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 31st August 2020.</p>
<p>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.</p> <p>Total costs incurred and outlaid without working a day in 365 days is an outlay of R104000 being outlaid to generate income.</p>	<p>Mr. B whose license expired between 26th March & 31st Aug would have been granted an extension on their license till Feb 2021 at no cost.</p> <p>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.</p> <p>-Mr. B received is 6months renewal at no cost</p>
<p>-Mr. A cannot sustain his monthly costs</p> <p>-Mr. A has failed to generate income despite having the bus licensed and prepaid for the entire lockdown.</p>	<p>-Mr. B is able to utilize the monthly subsidy to pay basic monthly fixed costs.</p> <p>-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.</p>
<p>-Mr. A has not received a cent income from March to date</p> <p>- 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.</p>	<p>Mr. B has received to date from March, a subsidy from government every month.</p>
<p>Mr. A has no form of obtaining an income until the International tourists and events start operating with no restrictions.</p>	<p>Mr. B obtains a further form of income, on conducting the daily scholar or daily destination route.</p>
<p>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 repossessing vehicles on H.P.s .</p>	<p>Mr. B can utilize the Solidarity Fund and approach commercial banks because they have had a fixed income and subsidy from the government.</p>



7) What will save the Tourism & Charter Permit operator holders at no cost to the Fiscus & stop mass retrenchment of guides & drivers?

- 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.
- 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 pro-rata.
- This would allow for operators to resume operations legally when the Tourism sector or International Tours, Excursions & Conference market commences by utilizing the disks they pre-paid & were not able to generate an income for the past nine-months.
- 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.



8)The positives of saving a private industry such as the likes of those represented by PCPA

- **There will be Super-luxury Coach division throughout the country available for the Tourism Industry when it commences again.**
- **Operators will be able to stop retrenching drivers as soon as the industry reopens and operators will be able to re-employ their trained Tour Coach drivers that are experienced in dealing with the International market.**
- **There will be a reliable form of luxury transport available to the International Market**
- **14 000 Luxury Coaches with Tourism & Charter permits will be saved preventing a catastrophic circus when our International borders re-open to our European, U.S & U.K market.**
- **28 000 Driver jobs might be saved**
- **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!

