

ICAO : THIRD PAN-AFRICAN AVIATION COORDINATION CONFERENCE

CAPE TOWN INTERNATIONAL CONVENTION CENTRE,
CAPE TOWN, SOUTH AFRICA

27 TO 29 JULY 2011

PANEL 1 : CREATION OF AN ASSOCIATION OF TRAINING ORGANIZATIONS

THE AASA EXPERIENCE

PRESENTATION BY :

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BRIEF

- AASA EXPERIENCE :
 - Establishment and maintaining of
 - Legal
 - Organizational
 - Financial frameworks
 - Advancing interests of Airline Members
 - Cognizance of operational and financial conditions in Southern Africa
 - Lessons learnt to assist in establishment of establishment of Association for Training Organizations in Africa

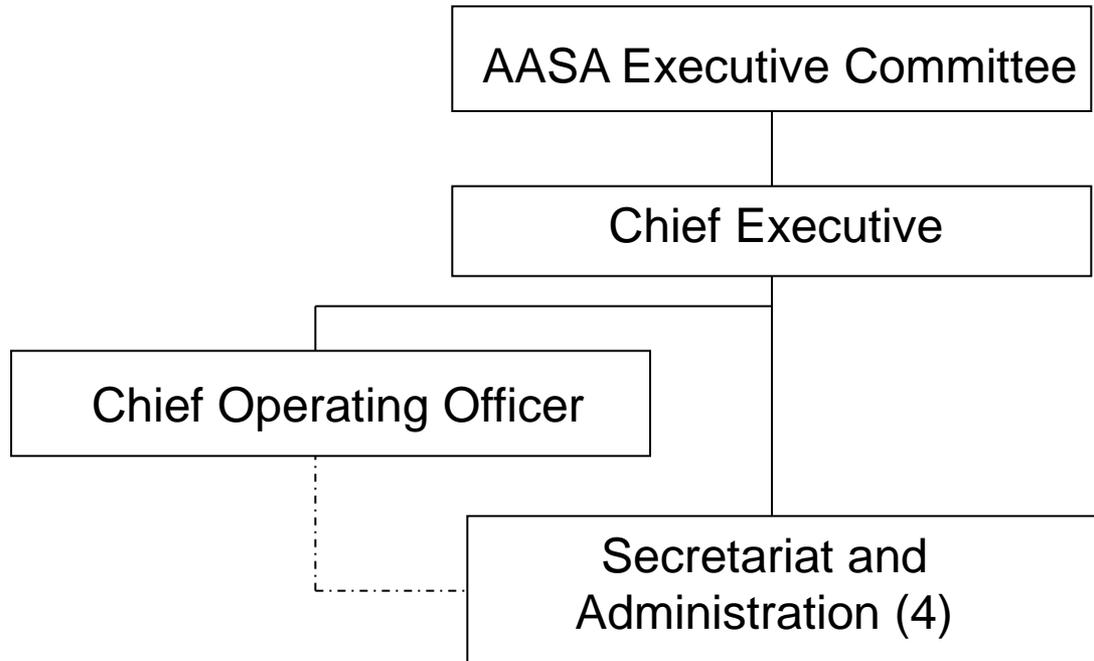
AASA'S POSITION IN THE INDUSTRY

- **IATA (International Air Transport Association)**
The world body of membership for Airlines, taking the leadership role regarding strategy and airline development globally
- **REGIONAL ASSOCIATIONS are affiliated to IATA** and support the objectives and initiatives of IATA while promoting the interests of their members and dealing with matters within their geographical regions and where necessary, globally.
- **Airlines Association of Southern Africa (AASA) :**
Regional Airline Association representing SADC based Airlines.

AASA'S POSITION IN THE INDUSTRY

- **AASA is one of 9 Regional Associations** worldwide, with the others being :
 - Air Transport America (ATA),
 - Air Transport Association Canada (ATAC),
 - Association of European Airlines (AEA),
 - European Regional Airlines Association (ERA),
 - Association of Asia and Pacific Airlines (AAPA),
 - Arab Air Carriers Association (AACO),
 - Association of Latin American Airlines (ALTA),
 - African Airlines Association (AFRAA)

AASA STRUCTURE



Total staff complement : 6

MEMBER AIRLINES

SOUTH AFRICA BASED

- South African Airways
- SA Express
- Airlink
- BA Comair
- Safair
- Federal Air
- Interair
- Mango Airlines

OTHER SADC BASED

- Air Botswana
- Air Malawi
- Air Austral
- Air Namibia
- TAAG Angola Airlines
- Air Zimbabwe
- Air Mauritius
- Swaziland Airlink
- LAM Mozambique Airlines

Membership open to airlines south of the Equator.

ASSOCIATE MEMBERS

AIRCRAFT MANUFACTURERS

Airbus
The Boeing Company
Embraer
BAE Systems
Bombardier

ENGINE MANUFACTURERS

Rolls Royce
CFM International
GE Aviation

OIL COMPANIES

Air BP
Shell Aviation
Engen Petroleum

CIT Aircraft Leasing Company

INFRASTRUCTURE PROVIDERS

ACSA
ATNS
Kruger Mpumalanga Int Apt
Polokwane International Apt
Lanseria International Airport
SA Weather Service
SITA

GROUND HANDLING

BIDAir Services

OTHER PARTNERS

AVIS Rent A Car
ASATA
Air Cargo Operator's Committee

CIVAIR

OVERALL OBJECTIVE

AASA (established 41 years ago) represents its members on areas of mutual interest to promote the sustainability of airline operations:

- Strategic, Aeropolitical, regulatory and aviation policy issues
- Infrastructure (Airports, Airspace, Weather Services)
- Finance
- Technical
- Safety and Security
- Fuel
- Airline operations
- Labour and training matters as appropriate

NOTE : Competitive matters between airlines are excluded.

AASA MODUS OPERANDI

- Representation:
 - Airline Members at CEO level
 - Associate Members at CEO / Divisional / Dept Head level
- CEO or mandated delegated representative is regular contact
- AASA funded through annual subscriptions and management fees from work done for an Airline Services Company mandated by Airlines
- AASA work includes representing Members at meetings, on Statutory Committees and Boards
- Government, Industry, Stakeholders prefer to work through Associations :
 - * Deal with one Association instead of 17 Airlines
 - * Manageable consultation process
- 4 Business meetings, AGM and Conference held annually
- Regular exchange of e-mails and provision of information to Members

FACTORS CRITICAL TO SUCCESS

- **REGISTRATION WITH AUTHORITIES**

- Employer Association registered with Dept of Labour, Dept of Finance
- Compliant with BCEA and Labour legislation

- **CONSTITUTION**

- Robust, clear Constitution
- Corporate Governance – honesty, integrity, accountability
- Clear objectives and mandate
- Code of Conduct for Members
- Procedures for doing business

- **MEMBERSHIP BASE**

- Geographical base and common interest
- Must provide added value to all Members

FACTORS CRITICAL TO SUCCESS

- **SUSTAINABLE FUNDING MECHANISM**
 - Membership Dues based on size of business
 - Management fees for company work undertaken on behalf of Airlines
- **BUSINESS AGENDA AND MANDATE**
 - Agenda :
 - up to 20 to 25 standing items,
 - new issues raised by Members,
 - feedback on Standing Committees and Board representation
 - Deal with issues important to Members
 - Media – statements, publications, conferences, radio, television
 - AVAILABLE TO ASSIST MEMBERS THROUGHOUT SADC REGION

FACTORS CRITICAL TO SUCCESS

- **NEED TO DEAL EFFECTIVELY WITH REAL CHALLENGES**
 - Real profitability challenge for airlines
 - Severe increases in fuel costs, passenger taxes and charges and direct operating costs
 - Unpredictable growth patterns, yield reduction
 - Environmental challenges – effective GHG reduction programs
 - Consumer protection issues : Industry Code in RSA
 - Regulatory challenges
 - Very limited progress on YD implementation
 - EU operating bans on several African Airlines
- **ACHIEVEMENT AND TRACK RECORD**
 - Results driven – savings and direct benefit - acknowledgement

RELATIONSHIP WITH INDUSTRY

- AASA : respected aviation organization in Africa and worldwide
- Executives have hands on experience in industry
- Essential to have good relationship skills –
 - Interaction at all levels of Management
 - Facilitation, Mediation, Negotiation
- AASA does draw on specialist expertise when required :
 - * Airline experts in specific fields
 - * Legal counsel
 - * Financial Experts
- Valued assistance and cooperation of Members and Partners

RELATIONSHIP WITH INDUSTRY (cont.)

- AASA works closely with many different stakeholders :
 - * Govt departments (to Ministerial level)
(DOT, DPE, DEA, DTI , Tourism, Labour, SACAA, Military)
 - * SADC (Airline rep on SADC Civil Aviation Committee)
 - * Airports, Air Navigation Services , Weather
 - * Worldwide Organizations and Associations
ICAO, IATA, Other Regional Associations
 - * Other Industry Associations in South Africa :
BARSA – International Airlines
CAASA – General Aviation
Aero Club – Sports Aviation
 - * Unions
- Aviation Industry is a small community
- Working together is essential to promote its best interests

TRAINING INVOLVEMENT

- Training : Member of Aerospace Chamber of TETA
 - Labour and Employer groups on Management Committee
 - Skills Development projects across the aerospace spectrum
 - Labour relations matters as appropriate 2
- Skills Shortages :
 - Pilots, Aviation Technicians, ATC's – assessment, reporting and assistance where possible
- Support for Association of Training Organizations on basis of :
 - Clear mandate and defined goals
 - Self-sustainability, support
 - Acceptable funding model

OUR EXPERIENCE

- Need to balance interests of Members – not always agreement - try to achieve a compromise, consensus and achieve mandate
- Different mandates – e.g. Airlines vs infrastructure service providers
- Different priorities – Government, private sector, industry, e.g. on taxes, charges
- Authorities recognize importance of Associations –
 - Simplifies liaison
 - Single point of contact
- Often not popular outside of Membership, but
 - **MUST REMAIN RELEVANT AND EFFECTIVE**
- Sometimes frustrating but often rewarding – for all parties.

AASA'S FUTURE CONTRIBUTION

- Perform role on behalf of airlines for :
 - * Cost reduction and review of financial models
 - * Reassessment and improvement of the airline ops model
 - * Enhanced sustainability and improved profitability
- NEW PROJECTS to concentrate on :
 - * Improved Regulatory processes
 - * Environmental concerns and initiatives for GHG reduction
 - * Technological Improvements – pax services, technical
 - * Consumer Related issues (Legislation)
- Associations must remain relevant and fulfill this role effectively while Airlines run their business
- ALTERNATIVE : dedicate airline management and staff to perform this function, but this is costly, inefficient and ineffective.

CONCLUSION

- **AASA fundamental objectives**
 - Best interests of its members and airline passengers
 - Best interests of aviation in Member States and Africa
- **Active and committed to all projects**
- **AASA must achieve results for its members otherwise no basis for existence**
- **Recognize immense importance of partnership**
 - Government and Regulatory Authorities
 - Industry partners
- **We do not always agree, but we work in the interest of aviation**