

HERITAGE RAILWAY ASSOCIATION OF SOUTHERN AFRICA

(A Section 21 company incorporated not for gain)

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HRASA MONTHLY NEWSLETTER – OCTOBER 2009

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INTRODUCTION

It gives me pleasure to report that the revised HRASA structure and the commensurate roles and responsibilities of the Board of Directors has bedded down, and is delivering the desired results. The Board meeting held on 31 of October in Cape Town at the Station Lodge, equally provided evidence of a new Board perspective leading to constructive debate on issues facing the Heritage Railway Industry in South Africa.

As indicated in a press release on 31 October 2009, Mark Robinson tendered his resignation from his position as Financial Director, effective 31 October 2009. The Board unanimously expressed its appreciation to Mark for his contribution to HRASA during the early days of HRASA, and wished him well in the future.

Len Smuts was elected onto the Board effective 31 October 2009, and will take on the responsibility for the Financial Portfolio. Len brings a wealth of financial experience with him, and is well positioned to provide the Board with professional financial support and guidance in these challenging economic times.

The detailed portfolio reports below provide a perspective on progress to date.

- On the Operational front it gives the Board pleasure to confirm the positive role that Coen Pretorius is playing on the Rail Safety Regulator Panel as well on the SABS TC 1006 Committee. This exciting achievement positions HRASA well to constructively engage on the challenges and opportunity facing the Heritage Railway Industry. Accordingly, in due course, our Members will receive more directed and appropriate information regarding the role of the RSR. Chris Janisch has been actively involved in the discussions and negotiations surrounding access fees onto the TFR network. The net result has been a reduction in access charges, although pilot fees remain steep and will present challenges to the smaller operators.
- With 2010 on our doorstep, Dudley Smith responsible for the Tourism Portfolio had the delightful opportunity to visit Australia as the HRASA representative. The feedback as qualified below is most encouraging and offered HRASA the important opportunity to network at International level. The Board expresses its appreciation to Dudley for his important contribution. Also, a word of appreciation to Transnet Foundation, Sandstone Trust, Steam in Action, HRASA members and the Ingwe Municipality who kindly provided time and financial sponsorship.
- Nerina Skuy at the helm of Marketing is leaving no stones unturned. In due course we will provide more information on the HRASA Marketing strategy and how the initiatives will benefit our Members. The cornerstone of her policy is that marketing must pay for itself, and HRASA needs to find other ways of raising income. To assist her, Jamie Hart has been elected as a Co-opted Member on the Board. We welcome Jamie and wish him a fruitful passage.
- Behind the scenes, Ed van den Heever looking after Corporate Governance has brought in new perspectives on changes to the Companies Act during 2010. In some manner, these changes will impact on our current Section 21 Members. The changes will bring Section 21 Companies in line with Pty. Companies; of particular note is the emphasis on fiduciary roles responsibilities and accountability.
- On the financial front, the Board is currently reflecting on the challenges facing it. In due course, we will be communicating the 2010 financial Model for HRASA. As Dudley experienced in Australia, the role of the private sector in ensuring the sustainability of HRASA, is the way to go.
- Corporate Liaison continues to provide challenging and exciting avenues. As HRASA finds its rightful position in the legal and recognition arena, the demands for leadership and executive relationship building, is prime and necessary. Of particular importance is the role HRASA continues to play in the preservation of the steam fleet. Undoubtedly much of the issues at hand are of a sensitive nature, pending agreement by all role players, and cannot be shared without consensus. We wish to assure the community that we serve that as much as technically possible will be placed in the public domain, and on our website.
- Elize Lubbe, responsible for Member Liaison, is finding her feet, and Members can in the future expect more interaction from her. We gladly call on all Members to interact with Elize as the routine conduit to the HRASA Board.

Reg No: 2000/027224/08

Board of Directors 2009-10: Janisch, C (Friends of the Rail) [Chair]; Lubbe, E (Reefsteamers); Pretorius, I (Atlantic Rail) [Vice Chair];
Smuts, L (RSSA); Skuy, N (Skuy's Communications) [Secretary]; Smith, D (Ingwe Municipality); Van den Heever, E (Individual)
Co-opted Members: Coen Pretorius [Rail Safety Rep]; Mike du Plooy; Charles Phillips; Kevin Wilson-Smith, Jamie Hart

- My door, as always, remains open for direct interaction, where necessary.

■ **Chris Janisch:** *HRASA Chairman*

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- Tourism – Dudley Smith;
- Marketing – Nerina Skuy;
- Corporate Governance – Ed van den Heever;
- Financial – Mark Robinson;
- Corporate Liaison – Chris Janisch, and
- Member Liaison – Elize Lubbe.

■ Operations – Ian Pretorius

Negotiations with TFR and PRASA regarding rates and invoicing is receiving much attention. It is hoped that clarity will be available soon. Other areas of importance are:

- The roles and application of pilots, as well as requirements and guidelines are in the process of negotiation. Various negotiating forums are being attended to finalise the status quos as soon as possible.
- Participation and the role HRASA in the RSR arena is most gratifying and constructive. Coen has been appointed as a nominated member of RSR, and is instrumental in drawing up standards for rail operators. These standards will form an expansion of the currently SABS SANS 3000 standard. Members are urgently requested to obtain copies of the SABS SANS 3000 Standards that sets the scene for the Safety Management System and future audits. The latter will impact on future access agreements.
- Dylan Knott has been co-opted onto this subcommittee, as a person most knowledgeable in matters of rolling stock.
- Steve Smith has also been co-opted onto the subcommittee to assist Coen in RSR and safety matters.

■ Tourism – Dudley Smith

The visit to Australia was an eye opener and provided HRASA with a reach into the international arena. Items, issues and news of specific value are:

- The visit to Australia was made possible with the support of Transnet Foundation, Sandstone Trust, Steam in Action and the Ingwe Municipality who kindly provided time and financial sponsorship.
- A lasting impression is how South Africa may have allowed the undue deteriorations of assets.
- Notwithstanding, the significance of Heritage Rail Tourism, as a niche brand to attract foreign tourism to South African shores, is significant. The community at the conference expressed the sincere desire to see this realisation.
- Similarly, at the Ipswich Conference, it became clear that the Railway Heritage Sector will only survive with the support of the private sector. In this regard South Africa is playing a leading role through the dynamics and excellence of ROVOS RAIL as an international ICON.

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- The conference saw the establishment of the Worldwide Association, called "TINHAT," set to promote railway heritage preservation. As the HRASA representative, I supported the establishment of the association, with membership subject to ratification by the HRASA Board.

On the local front, areas of importance are:

- It was a pleasure to attend the Eastern Cape, Department of Roads and Transport Workshop, entitled "The Future of the PE-AVONTUUR Narrow Gauge Line". This relationship, largely due to the interventions of Nerina Skuy and Anton Gerber (Apple Express Director and representative in HRASA), may just save the line.

■ Marketing – Nerina Skuy

Foundations and strategies are being put in place to ensure HRASA support for sustainable activities by its Members. The following transpired:

- A comprehensive report (plan) was compiled for presentation to the HRASA Board on 31 October 2009.
- The financial impact of the marketing plan will be factored into the HRASA 2010 Funding Model.
- Jamie Hart joins the Marketing Portfolio Committee; bring with him much experience and enthusiasm for the marketing of heritage railway.

■ Corporate Governance - Ed van den Heever

The resignation of Mark Robinson as Financial Director has delayed the early finalisation of the revised Article and Association, which is now expected to be resolved not later than December 2009. Other aspects of progress are:

- Adams & Adams provide HRASA with a synopsis as to the envisaged changes to the Companies Act in 2010. The envisaged changes will be forwarded to all Members by Elize Lubbe in due course. Members are advised to study the new dispensation, and in particular, the change and emphasis on the roles and responsibilities of Section 21 Company Directors.
- Te SABS kindly donated ten (10) sets of the latest SANS 3000 Standards documents for distribution to Board Members. As a special dispensation, SABS heartedly agreed that copies may be made for bona fida rail operators. Members may call on their nearest HRASA Board Member to facilitate. The HRASA Board wishes to express it's appreciation to the SABS for this concession.

■ Corporate Liaison – Chris Janisch

The standing of HRASA, as the representative of heritage railway operators in South Africa, is moving ahead in leaps and bounds. Much appreciation is expressed to those role-players for providing the opportunity to preserve our national rail heritage. Events of specific interest include:

- The MOU was signed with Transnet Foundation. The benefits of this agreement aim to ensure stock preservation and continued lend-lease concessions.
- HRASA has been party to a strategy for disposals and retentions. The matter is a sensitive one, but details will be made available on a continual basis. It is a pleasure to report that HRASA is now an integral party to the "disposal of assets" forum. HRASA is scheduled to soon meet with the SA Heritage Resources Agency that should shed further light on the disposal process.
- The re-launch of the Outeniqua ChooTjoe on 19 October 2009 is a promising step forward. The attendance of the WC Minister of Tourism bodes well for future understanding and co-operation.
- The HRASA Chairman is also charged with the assistance in the development of a Transnet Policy and guidelines for the rail heritage. HRASA notes with gratitude the Transnet commitment to the resolution of heritage related matters.
- Final visits to Millsite are scheduled to assess the status quos, and pave the way forward.
- An appreciative comment from Transnet at three recent meetings regarding the HRASA level of knowledge regarding the heritage industry should inspire us all.
- Len Smuts has been co-opted onto this sub-committee, and his vast knowledge and experience will be most useful to HRASA.

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■ Finance – Len Smuts

Mark Robinson resigned as the HRASA Financial Director. Len Smuts joined the Board and will be responsible for the following interventions in due course:

- Taking on the role of Treasurer effective 31 October 2009.
- Closing the 2009 fiscal year ON 28 February 2010.
- Compiling the HRASA 2010 Financial Model for consideration by the Board at the January Meeting.

■ Board Meeting

The next Board meeting will be held at Reefsteamers in Germiston on 31 January 2010. Should members have specific questions regarding the various portfolio activities, kindly direct the questions to Nerina Skuy, who as the HRASA Secretary will ensure it reaches the responsible BOD Member.

■ WISH OF THE DAY:

We wish Reefsteamers well with their CHERRY FESTIVAL trip, commencing 19 November 2009.