



ANNUAL REPORT 2020/21





As the **lead voice in the motor industry**, the RMI is a member-driven organisation that constantly seeks solutions to concerns raised by members in the day-to-day running of their businesses.

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Foreword

The automotive retail sector started the financial year with local headlines broadcasting “Major Companies slash staff and other costs.” To remain sustainable in a world oppressed by the COVID pandemic, these companies had no choice but to implement drastic measures to keep their doors open.

Towards the end of 2020 there was some optimism due to the spin-off effect of record low interest rates. Innovative companies utilised the increased capabilities of digitalisation to promote products and services smarter and more cost-effectively to a buzzing ‘e-smart’ society that bloomed during the period of isolation.

It must be said that not one sector was spared from the negative economic effects of the pandemic, yet we found far fewer business closures than expected within the scope of MIBCO (Motor Industry Bargaining Council). It shows South Africans and businesses in the motor industry are accustomed to finding solutions.

The performance of the Retail Motor Industry Organisation exceeded all expectations in the period under review.

It reminds me of the extraordinary story of achievement of Alex Honnold, a rock climber who became world famous for a free solo climb up El Capitan in Yosemite National Park, in June 2017. *Free Solo*, the documentary film made of this feat, earned an Oscar and depicts athletic feats that many viewers found beyond reason. El Capitan is a vertical rock formation. This vertical granite monolith is 914 m from base to summit along its tallest face. Honnold climbed it alone, without ropes and without any human intervention to assist him. In an interview he explained that he was comfortable with what we perceive as a death-defying action due to ten years of consistent preparation, training and commitment to his craft.



**by Jeánné
Esterhuizen**

The same could be said of the RMI under the leadership of the current CEO, Jakkie Olivier, and his management team. He was charged with the responsibility of turning a sinking ship around in 2013 and did so with consistent determination to succeed and the sheer will to leave a legacy of extraordinary achievement behind.

The RMI’s record of accomplishments throughout the annual report shows a

commendable resilience to provide a valuable service to members with energy and purpose amidst an economic crisis. In the 2012/2013 RMI annual report, the President at the time, Mr. Barry Canning, stated, *“The RMI has steadily realigned its business to lead in a new era and to enable our stakeholders to benefit from the new capabilities that is being created.”* This is again true for the period under review.

The Annual Report reflects how the RMI - and its Constituent Associations - not only continues to reinvent itself, but also manages to adapt the business model to a changing world with new technologies and enhanced capabilities to ensure the organisation remains relevant and sustainable into the future.

Every institution is judged by its elected representatives. This organisation has been most fortunate with its office bearers. They are loyal men and women of the very best judgment and character. I wish to emphasise the qualities of the RMI Vice President, Frans Maritz. He conducted the affairs of his office with skill and resilience. I am honoured to have served the organisation with the RMI Board of Directors and sub-committees who built an organisation full of promise.

The Associations and the RMI Regional offices performed splendidly - we certainly have a stronger organisation because of their sterling efforts.

To continue with our objective to promote, protect and encourage the interest of the members and the motoring public by setting and maintaining proper standards of service and ethical trading conditions in the industry, the organisation will continue to face many difficult and complex problems. But I have confidence in this organisation. On behalf of the RMI Board, I express my sincere appreciation to Jakkie, the RMI Management team, and every employee for making us proud, once again.

Belonging is better business.

Chief Executive Officer's Overview

It is my pleasure to present the 2020/2021 RMI Annual Report, which offers an executive summary on the Organisation's many and varied activities during the period 1 July 2020 to 30 June 2021.

Following on the previous year, and the many unique circumstances disrupting our business environment, the year under review held its own share of challenges to overcome. I am, however, pleased to report that our resilient team managed to adapt particularly well and the results are evident in the many activities of the Organisation and its Associations.

While the approved budget for the period ended 30 June 2021 was a deficit budget due to the COVID-19 financial relief and discounts offered to members, it was most encouraging to record an audited surplus. Continuing on this positive note is the fact that the RMI is arguably in its strongest financial position since inception despite the trying times.

Our associations have also recorded good financial results with the majority enjoying healthy surpluses against deficit budgets.

The introduction of a modern, new corporate identity and logo as well as new logos for all our Associations during the previous year, served us well in

positioning us for an exciting and ever-changing future, ensuring we continue to meet the needs and wants of members, and the motoring public and to further entrench our standing in the industry.

While the economy and the automotive industry are slowly returning to the 'new normal' of doing business, we are under no illusion that the pandemic will continue to have a severe impact on the economy and automotive industry for some time to come, but we are, at the same time, geared for any opportunities that may arise as everyone needs to adapt to our changed environment.

In terms of the 'new normal', we continued to work from home supported by a fully operative digital platform. We have seamlessly moved to virtual meetings, seminars, webinars and conferences with the resultant substantial cost reductions, particularly in terms of travel expenses. Online platforms, such as Zoom and Microsoft Teams, are no longer foreign concepts and information sharing with members, instant



by Jakkie Olivier

communication and active participation by member businesses have now become the norm and have created new efficiencies. The RMI plans to retain this momentum and the implementation of virtual platforms will continue to form part of its communication strategy going forward.

The RMI continued with its very successful information and guidance service to our membership base on COVID-19 related topics and it was very well received by all.

While there certainly is a markable reduction in the number of COVID-19 reported cases, we are positive that increased vaccination figures will further see

the number of reported cases decrease and contribute to a recovering economy. At the same time, the RMI and its Associations continue to assist the industry with workplace readiness and risk assessment plans as we are not out of the woods as yet.

It was a most welcome result to find that our membership has increased by 3.4% despite the expected attrition due to business amalgamations, closures and liquidations. This confirms the fact that members and businesses find great value in belonging to the RMI.

The RMI is grateful for the support and an increased membership helps the organisation to remain relevant and continue to be the collective voice for the retail motor industry.

The RMI continued to support members in the areas of Consumer Affairs, Industrial Relations, and Training and Events. We managed to achieve an excellent settlement rate of more than 90% for all consumer disputes and complaints referred to the RMI's various regional offices.

Our many training related activities across Associations and institutions both nationally and internationally continued to broaden the footprint of the RMI, while at the same time

meeting the changing and evolving needs from industry. Skills development and training remain a foremost priority in our industry, and I would like to particularly thank the RMI National Executive Training Committee for the efforts and guidance in this regard.

The Regulatory Compliance Department had another busy year. Due to the vast number of government guidelines for compliance, the Department's responsibilities have become even more demanding. The Department plays a vital role in assisting members to manage the risks associated with regulations and successfully guided members through the myriad of requirements. The RMI strives to ensure that their members are in full compliance with all relevant international and national legislation, professional standards, accepted business practices, internal standards as well as the RMI Code of Conduct.

Transformation remains a strategic focus area. During the year under review, our team focused on assisting NAAASP businesses to transition into Basic or Accredited RMI membership in order to open up more opportunities to recruit new qualifying businesses into the NAAASP programme. The year also saw the commencement of the SEDA Coaching and Mentoring Programme and the establishment of a closer working relationship with the Women Economic Assembly (WECONA), among other initiatives.

While I am only providing a brief overview of some of the areas in which the RMI has been actively involved in improving

and strengthening our industry, our members' businesses, and the interests of the general motoring public, it illustrates the RMI's continued and total commitment to our members, our industry and our country.

As an Organisation, we always strive to further the interests of our members and delivering on our promise to business that Belonging (to the RMI) is Better Business. The motoring public has never been in a better position to do their buying, repairs and maintenance business with RMI members who are well equipped and capacitated to take care of the consumer needs and expectations.

Thank you to everyone for their dedicated efforts in working towards a better industry for all. And especially to the RMI Board, our committee structures, Associations and Regions and our valuable staff members without whom our Organisation would not exist.

As always, a special word of gratitude to RMI President, Jéanne Esterhuizen, for her strong leadership and direction in our industry during such demanding times.

Economic Overview

Despite consistent growth over the four quarters of the year under review, the South African economy has not yet fully recovered from the sudden drop in economic activity during the second quarter of 2020, and has not returned to pre-COVID-19 levels.

The sudden drop in economic activity during the second quarter of 2020, when lockdown restrictions were at their most severe, is evident in how the real GDP tumbled:

R1,147 billion
in Q1 2020

R947 billion
in Q2 2021



COVID-19:

The economy in Q2 (2021) was the same size as in Q4 (2017)

The economy is **1,4% smaller** than what it was before the pandemic.
Real GDP (constant 2015 prices, seasonally adjusted)



Source: Gross domestic product (GDP), 2nd quarter 2021.

While the economy has seen consistent growth since that initial shock, this has not been sufficient to return to pre-COVID-19 levels. Real GDP was R1,131 billion in the second quarter of 2021, still 1.4% down from the reading in the first quarter of 2020.

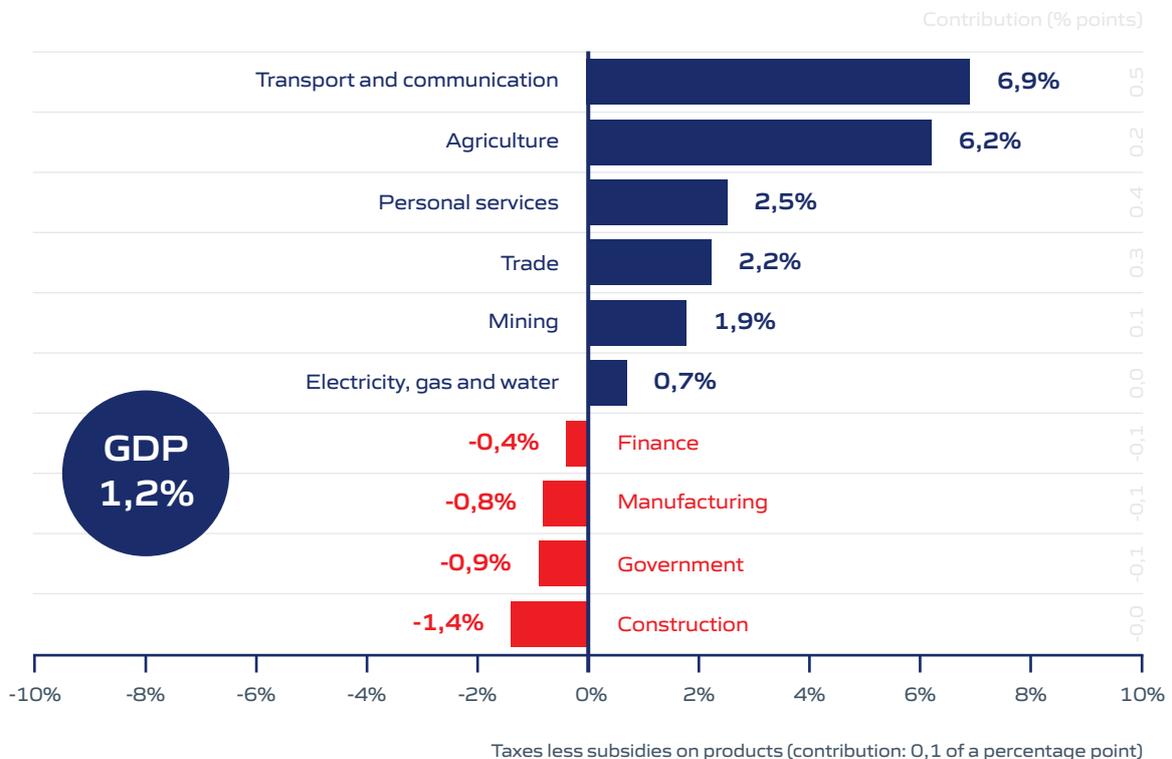
According to Statistics South Africa in Q2 2021 (April – June), the South African economy recorded its fourth consecutive quarter of growth, expanding by 1.2%. This followed a revised 1.0% rise in real gross domestic product (GDP) in Q1 2021 (January – March 2021). Despite the gains made over the previous four quarters, the economy is still at the same level as it was at the end of 2017.

The Q2 2021 figures also do not take into account the economic impact of the wave of severe economic disruption, protest action and violence in KwaZulu-Natal and Gauteng in July 2021, which will only reflect in the Q3 GDP results due for release in December 2021.

On the upside, six of the ten formal industries recorded a rise in production in the second quarter of 2021. The transport and communication, personal services and trade industries were the most significant drivers of growth in the second quarter, with transport and communication and agriculture recording the highest growth rates.

Transport and agriculture recorded the highest growth rates in Q2 (2021)

Industry growth rates. Q2 (2021) compared with Q1 (2021)
- constant 2015 prices, seasonally adjusted.



Q2 (2021) saw a robust rebound

According to naamsa, the Quarter 2 industry new vehicle sales recorded a robust rebound of 148.6% compared to the severely COVID-19 affected corresponding quarter of 2020. However, compared to the first quarter of 2021, the decline of 2.9% signals a slowdown in the pace of recovery.

Second Quarter 2021 vehicle production, supported by robust global demand and a strong rebound in the

domestic new vehicle market, reflected a massive increase of 173% compared to the corresponding quarter of 2020. Vehicle exports continued their upward momentum during the second quarter, up 66% in the first six months of 2021 compared to the corresponding period in 2020. They were, however, still 0.9% below the corresponding 2019 quarter.

Industry Domestic Sales Growth: Direction and Extent of Change (previous quarter's percentage changes are reflected in brackets)

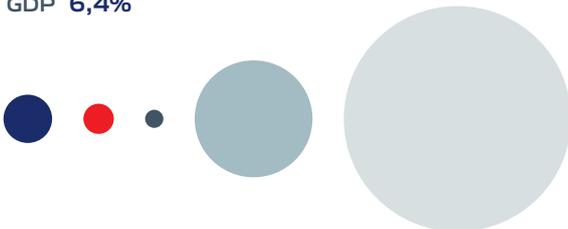
	Qtr. ended 30 June 2021 compared with previous Qtr. ended 31 March 2021		Qtr. ended 30 June 2021 compared with corresponding Qtr. ended 30 June 2020	
Passenger Cars	-4,2%	(-2,9%)	153%	(-7,9%)
Light Commercial Vehicles	-2,6%	(10,1%)	149,6%	(13,1%)
Medium Commercial Vehicles	4,1%	(-8,4%)	86,6%	(-5,3%)
Heavy Commercial Vehicles	14%	(-7,8%)	114,8%	(15,6%)

Source: naamsa press release dated 26 August 2021.

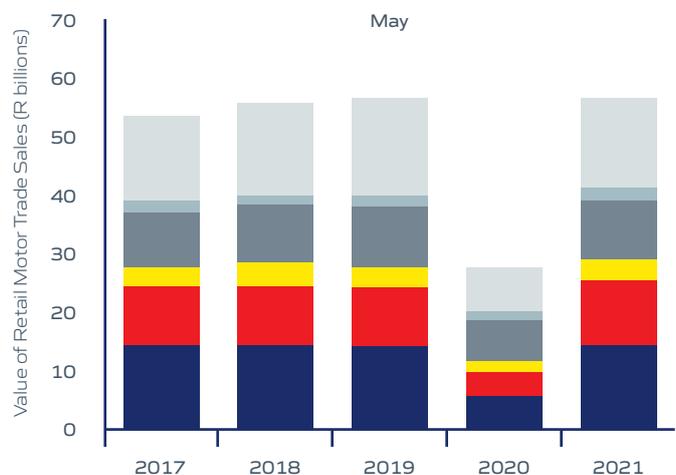
The automotive value chain continues to represent a substantial contribution to economic activity, with a 6.4% contribution to GDP, of which the retail

sub-sector represents 2.4%. The value chain also employs nearly 500 000 people, of which roughly 380 000 are absorbed in the retail sub-sector.

Manufacturing Outputs 29,9%
Total Exports 15,5%
Retail 2,4%
Manufacturing 4,0%
GDP 6,4%



Source: naamsa AICCC presentation dated 14 April 2021.

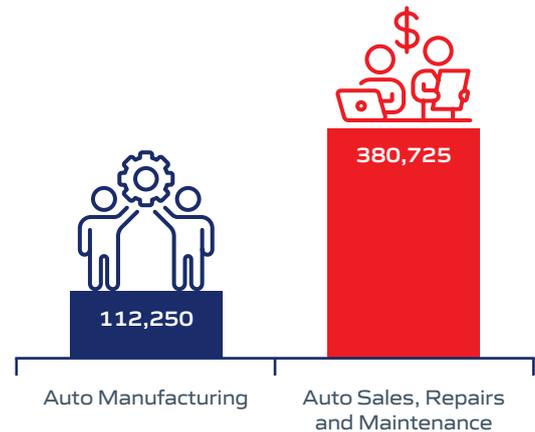


Legend: Fuel Sales, Workshop, Convenience Store, Used Vehicles, Accessories, New Vehicles

Employment levels in the automotive value chain

Rising compensation of government employees and increased bailouts of state-owned enterprises are putting pressure on public finances. Wage negotiations have systematically granted above-inflation increases. The government has announced an early-retirement plan to reduce unemployment levels, but these schemes are costly in the short run, with limited benefits. The government could consider indexing public sector wages below inflation for three years. Slow reform of state-owned enterprises is weighing on the economic climate and confidence. The underperformance of these enterprises is widespread due to mismanagement, corruption, overstaffing and an uncontrolled wage bill. An effective governance framework for state-owned enterprises needs to be established, setting clear company-specific goals in terms of profitability, capital structure and non-financial objectives.

The auto sector accounts for 2,9% share of the 16.2 million people employed in SA.

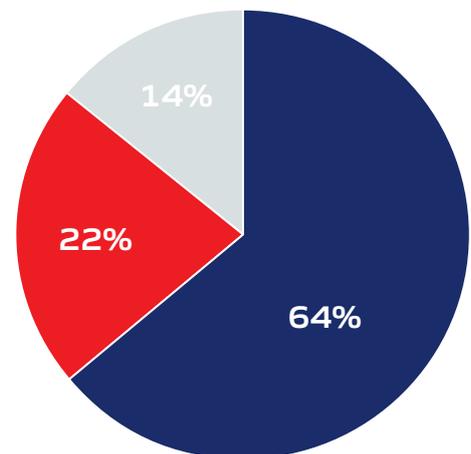


Source: naamsa AICCC presentation dated 14 April 2021.

Growth is projected to pick up modestly in 2021.

Investment will be the main driver of growth aided by government spending. Stronger exports should also contribute to growth. Household consumption growth will remain low, however domestic near-term risks to GDP growth include load shedding (rolling blackouts) by power utilities and higher than expected electricity prices. Moreover, the level of investor confidence in the economy remains fragile and vulnerable to policy developments. A stronger than anticipated slowdown of growth in China – South Africa’s largest trading partner – would negatively affect the price and demand for South Africa’s export commodities.

Component share of GDP at market prices: Q1 (2021)



■ Household Consumption ■ Government Consumption
 ■ Gross Capital Formation ■ Net Exports (0%)

Priorities for growth

According to the OECD, the following priorities must enjoy the focused attention of all economic participants, including the state, in order for South Africa to achieve its required growth rates in the next 12 to 24 months:

- **Competition and regulation:** Remove barriers to competition and lift regulatory restrictions. Reduce barriers to entrepreneurship
- **Infrastructure:** Improve infrastructure to boost growth
- **Education and skills:** Raise quality and equity in education
- **Environmental policy:** Green energy policy to limit environmental impact

Overview of RMI Business Activities



Membership

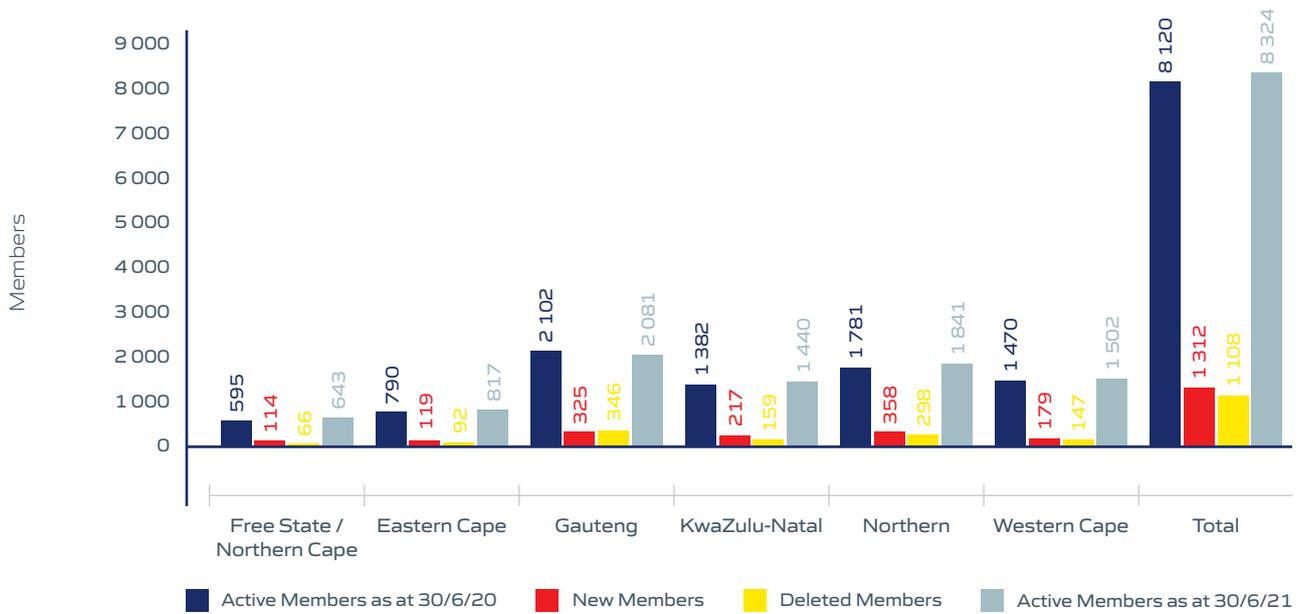
Membership growth of 3.4% was an unexpected, but most welcome result, given the expected attrition. It is evident that RMI members and businesses in the industry find tremendous value in belonging and took the decision to retain their membership during adverse conditions. This was further shown in the new members, both individual and Corporate, who elected to sign on during the period under review.

The RMI is continually trying to grow our numbers to remain the collective voice for the retail motor industry sector. The need to remain relevant and strong has never been more compelling.

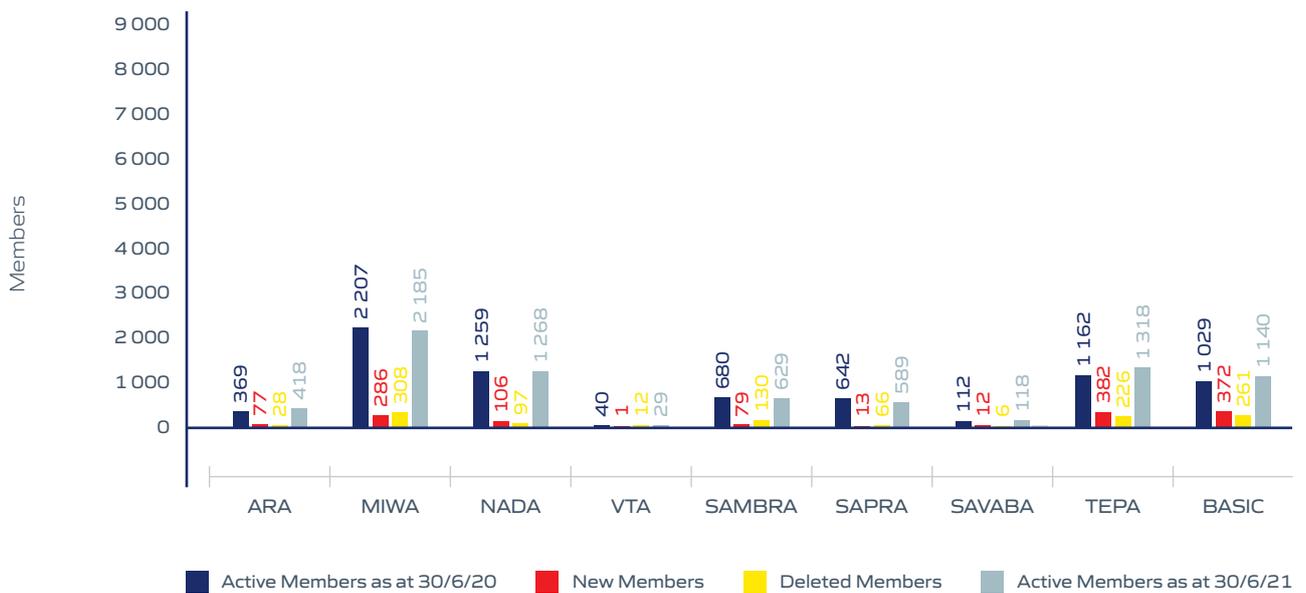
Membership	
2015	7 196
2016	7 410
2017	7 428
2018	7 927
2019	7 678
2020	8 049
2021	8 324

Regional Membership

Regional Members 30 June 2021



Associational Members 30 June 2021



Consumer Affairs

The RMI subscribes to a consumer dispute resolution dispensation that includes alternative dispute resolution through an Ombudsman. The Association has engaged with the Department of Trade and Industry with the view of securing amendments to the South African Automotive Industry Code (published under the Consumer Protection Act, 2010). Engagement between the parties is ongoing and progress will be reported on as and when it occurs.

The RMI continues to provide a valuable, free-of-charge consumer dispute resolution facilitation service to its Members and consumers at large. During the year under review, we managed to

achieve a settlement rate of more than 90% for all consumer disputes and complaints referred to the RMI’s various regional offices, including telephonic and electronic inquiries.

The table below indicates the number of official and formal referrals dealt with by the highly skilled team of consumer affairs specialists deployed throughout the country. These official and formal complaints constitute a small portion of the approximately 16 000 informal and telephonic complaints and queries that are resolved annually by the staff of the various Regional Offices.

Member Assist

Region	Member Complaint	Non-Member Complaint	Court/ SCC/Legal Matters	Advice	MIOSA Reply	Member to Member Complaint	Total	Laid Formal Complaint
Central	707	540	5	1,084	13	326	2,675	776
Free State / Northern Cape	33	6	0	34	1	33	107	22
Western Cape	1,136	58	109	248	65	33	1,649	360
Eastern Cape	84	14	0	12	0	1	111	76
KwaZulu-Natal	353	30	11	3	12	5	414	414
Total	1,313	648	125	1,381	91	398	4,956	1,648



Transformation

The year under review presented numerous challenges and most businesses had to learn how to adapt fast to remain relevant. The RMI is certainly no different and, with Transformation being one of its strategic objectives, the Transformation team had to ensure that our objectives were met, despite the external challenges.

NAAASP Project

The RMI embarked on a project to clean up the National African Association for Automobile Service Providers (NAAASP) database. All NAAASP members were contacted to verify their existence and details.

Over the last two years, the number of NAAASP members has declined due to businesses transitioning to Basic or Accredited RMI membership, while some businesses have also had to close down.

The transitioning of NAAASP members into Basic or Accredited RMI membership creates opportunities to recruit new qualifying businesses into the NAAASP programme so that the RMI can assist them with the transition from informal to formal businesses.

The RMI remains committed and focused on new venture creation among historically disadvantaged business owners and the NAAASP project is one such example.

SEDA Coaching and Mentoring Programme

During the year under review, the RMI and the Small Enterprise Development Agency (SEDA), as part of the SEDA Coaching and Mentoring Programme, commenced with the implementation of the NAAASP business development plan, with roadshows continuing to be presented virtually.

Automotive Industry Transformation Fund

The Automotive Industry Transformation Fund (AITF) has

been appointed as the Secretariate of the Industry Transformation Workstream, and the RMI has been invited to participate in the committee.

The Women Economic Assembly (WECONA), a partnership between the private sector, civil society and women's organisations, businesswomen and government, recently engaged the Automotive Sector, with a request for commitment on the following, which the RMI Board supports:

- Commitment to participate in future initiatives of the Women's Economic Assembly aiming to support Transformation efforts within the industry, including representation at the Assembly in September 2021.
- Lead, and/or develop a gender gap analysis within the automotive sector.
- Work towards an agreement on the above stated gender transformation targets, and further develop a clear industry action plan to achieve agreed gender transformation targets.

Transformation Measuring Tool Implementation

The Transformation Committee, with the approval from the RMI Board of Directors, embarked on a project to develop and implement a Transformation Measuring Tool to gather B-BBEE information from members. This will aid the Association in its engagement with industry stakeholders and government and will also measure the substantial progress already achieved in Transformation in the automotive retail sector. The measuring tool was distributed to all RMI members.

Transformation Website

The Transformation Committee is implementing an RMI Transformation website that will offer valuable resources, such as business incubation opportunities for small businesses and allow established larger member businesses to source possible enterprise development candidates. In addition, the site will also offer compliance-related solutions and allow members to share achievements, report their involvement on initiatives and feature stakeholder engagements.

Employment Equity Sector Targets

In February 2021, the Department of Employment and Labour (DEL) invited RMI members and representatives to attend a consultation session regarding the setting of EE targets for the Wholesale and Retail Trade and the Repair of Motor Vehicles and Motorcycles Sector. The RMI engaged in a consultative process and a task team was established with the view of formulating a consolidated RMI submission, which was completed in April 2021.

The RMI and the National Association of Automotive Component and Allied Manufacturers (NAACAM) met in July 2021. After their engagement, NAACAM engaged with its members to establish a suitable baseline for targets for the DEL-proposed sector EE categorisation for manufacturing of electrical equipment, machinery, equipment, motor vehicles, trailers, and semi-trailers. NAACAM has subsequently made a submission under the RMI cover to the DEL.

Training

In the period under review, numerous training related activities across Associations and institutions both nationally and internationally continued to broaden the footprint of the RMI, while addressing the numerous challenges we face as an industry from a training perspective due to major changes in the world of work.

The progress made would not have been possible without the visionary leadership of the RMI Board, the RMI CEO and the RMI Management Team. Special thanks also goes to the RMI National Executive Training Committee, consisting of Abe Dunn (Chair), Ilze Botha (Vice-Chair), Jeánné Esterhuizen (Co-opted member), Andrea Bogner (MIWA), Jeffrey Molefe (RMI Management), Darryl Yorke (ARA), Zane Staffen (SAMBRA), Isaac Boshomane (NAAASP) and Cleodene Derbyshire (NADA).

The industry is represented on statutory bodies such as the Manufacturing, Engineering and Related Services SETA (merSETA), Transport Education Training Authority (TETA), and Wholesale and Retail Sector Education Training Authority (W&RSETA), the National Artisan Development Advisory Board (NADAB), and several Technical Vocational Education Training (TVET) colleges.

The RMI is further represented on the Business Unity South Africa (BUSAs) sub-committee for Education and Training (SUBCET).

The RMI values the established working relationship with the Quality Council for Trades and Occupations (QCTO) officials.

Training transition in South Africa and implications

The transition in the training dispensation in South Africa and the implications for RMI members is a key focus area for the future of skills development and training.

This transition, from historic (also called Legacy) qualifications to occupational qualifications, has been mooted by the Department of Higher Education and Training (DHET) and QCTO. From

2023, historic qualifications will be replaced by occupational qualifications.

An occupational qualification is a qualification associated with a trade, occupation, or profession resulting from work-based learning. "An occupational qualification make work experience an important part of learning." (SAQA, 2018). Occupational qualifications include full, part and skills programs. These qualifications encompass learning areas (modules) providing for knowledge acquisition, practical skills, and work experience.

Historic and legacy qualifications are often interchangeably used and are composed of several separate unit standards. Examples of such qualifications for the automotive aftermarket sales, repair, maintenance, support, components, and vehicle body building establishments include non-technical learnerships, technical learnerships for apprentice training, as well as the Competency-Based Modular Training (CBMT) and time-based apprentice qualifications. All these qualifications have unit standards, except the CBMT delivery method.

Immediate and noteworthy implications for RMI member employers include:

- Start and end dates of historic/legacy qualifications impact on learner registration.
- South African Revenue Service (SARS) Section 12H tax deduction for employers with the learners entering learnership agreements.
- Company training interventions aimed at succession planning, EE requirements and accumulation of B-BBEE scorecard points for measured entities.
- Sector Education Training Authority mandatory grant submission.
- Ensuring that Skills Development Providers that offer occupational qualifications are accredited by QCTO.

International collaboration

Staying abreast of international skills development trends and consideration of best practices for introduction into the South African Automotive retail industry remains a strategic objective for the RMI's National Executive Training Committee (NETC) and leadership. During the year, the RMI President, CEO and National Training Director participated in

strategic-level discussions with international collaboration partners.

The international stakeholders the RMI has engaged with include:

- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).
- German Chamber of Crafts Erfurt (HWK).
- UK Department for International Technical and Vocational Education and Training (TVET).
- International Labour Organization (ILO).
- ILO International Training Centre (ITC).
- Porsche Aftersales Vocational Education (PAVE).
- UN Educational, Scientific and Cultural Organization (UNESCO).
- International Centre for Technical and Vocational Education and Training (UNEVOC).

The RMI and German of Crafts Erfurt (Handwerkskammer/HWK) signed a partnership agreement to encourage closer collaboration between the Eastern Cape TVET colleges, as public skills development providers, and employers. This initiative is led by the RMI Eastern Cape Regional Manager, Erwin Stroebel, and the RMI National Training Director. The implementation of the project commenced in August 2020, and discussions are underway for the next project beyond November 2022.

RMI involvement in the DHET Centres Specialisation (CoS) project

The RMI National Training Director is the Occupational Team Convener of the Automotive Motor Mechanic occupational certificate and Christo Basson, who is contracted by the RMI, is the Occupational Team Convener of the Diesel Mechanic occupational certificate, which is presented at the College of Cape Town, Port Elizabeth TVET College, Orbit TVET College, and Mopani South TVET College. The current project runs until 30 June 2022.

New Venture Creation (NVC) program for informal and rural businesses

The RMI embraced a formal NQF (National Qualifications Framework) qualification, the New Venture Creation learnership, to train informal and rural business owners and managers, with a successful Gauteng pilot run in the previous financial year.

A second group, mainly from provinces and areas outside Gauteng, is the focus for the ensuing year, with the RMI and merSETA co-funding. This initiative forms part of the Organisation's larger transformation drive to move competent learners' businesses closer to mainstream industry and government criteria standards.

During the year, 19 businesses were empowered through a W&RSETA-funded e-learning program with an emphasis on Occupational Health and Safety (OHS) which was presented together with the RMI's preferential provider on OHS matters, Complete Specialised Retail Solutions.

RMI Professional Body establishment

Progress was made with establishment of the RMI Professional Body. In June 2021 a task team was formed, which includes Christo Basson (Chair), Hedley Judd, Louis van Huyssteen, Anton Booyse (Management Information System provider), Jan Schoeman, Gary McCraw, Renee Coetsee, and Jakkie Olivier.





Automobil cover

RMI Brand & Communication PR

July 2020 – June 2021

The *Automobil* magazine, RMI website, weekly web letters and social media posts, are the primary vehicles of communication between the RMI and its members, providing them with quality content.

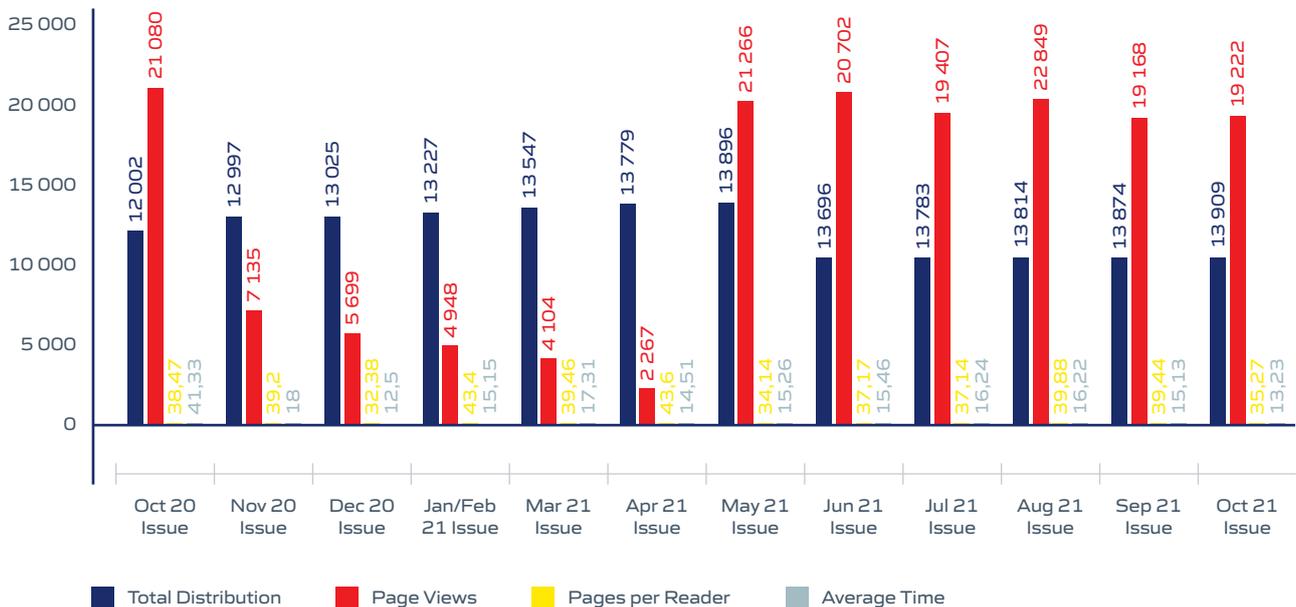
Brand and communication snap shot for the period July 2020 – June 2021:

49 Web letters distributed

164 RMI COVID Monitors distributed

The RMI continued utilising the services of **Cathy Findley PR** as its PR agency of choice. For the year under review, they have assisted with promoting the RMI profile and, more importantly, to educate consumers of the benefits of doing business with RMI accredited business.

Automobil Statistics



Public Relations Activity

July 2020 – June 2021

R89m+ achieved in earned media placement (PR value)

calculated as 3 x the Advert Value Equivalent

2,949

Placements

540

Print placements

2,317

Online placements

92

Broadcast placements

35

Press releases drafted

5

Radio scripts compiled

1,531

of these are a direct result of content generated by CFPR



52%

of total placements

R67m+

Potential viewership

Associations that featured in RMI press releases during the period included: RMI, TEPA, NADA, SAMBRA, MIWA, SAPRA, ARA, VTA and SAVABA. This does not include editing or writing of COVID monitors.

Automobil

Automobil magazine has always been the official monthly means of communication between the RMI and its members. It has always been a trusted source of information to keep members apprised of events and important news in the sector.

Automobil strives to inform its readers with business-related content that speaks directly to automotive business owners, management and employees in South Africa. The magazine is designed to ease the burden of doing business in South Africa by providing useful information, tips and advice on a wide variety of topics.

The Media landscape in South Africa, and indeed across the world, has been steadily changing over the past few years for print publications. Digital platforms and social media have led to a steady decline in advertising revenue. Lasting and permanent change has been forced by COVID-19 and many media houses have had to seriously rethink their structures. We have seen a number of local media houses taking the decision to close their magazine division. Many of these magazines are household names that have been around for decades.

Certainly *Automobil* has been part of our RMI legacy and is the one thing that our valued members have always loved and looked forward to. At the beginning of last year we took the decision to limit our editions to six per year.

The negative impact of the recent COVID-19 lockdown on general economic activity and, as a consequence, on the ability of these businesses to trade normally in what were already difficult trading conditions for magazine publishers, has made this decision unavoidable.

We feel very strongly that there will always be a place for a trade publication like *Automobil* that reaches a very niche target audience. Our contract with Future Publishing came to a close at the end of July 2020. For the first time in our history our June/July issue was published as a digital magazine only, in 2020.

The RMI appointed Wilken Communication Management to serve as its agency for the publication of the RMI's interactive digital *Automobil* magazine.

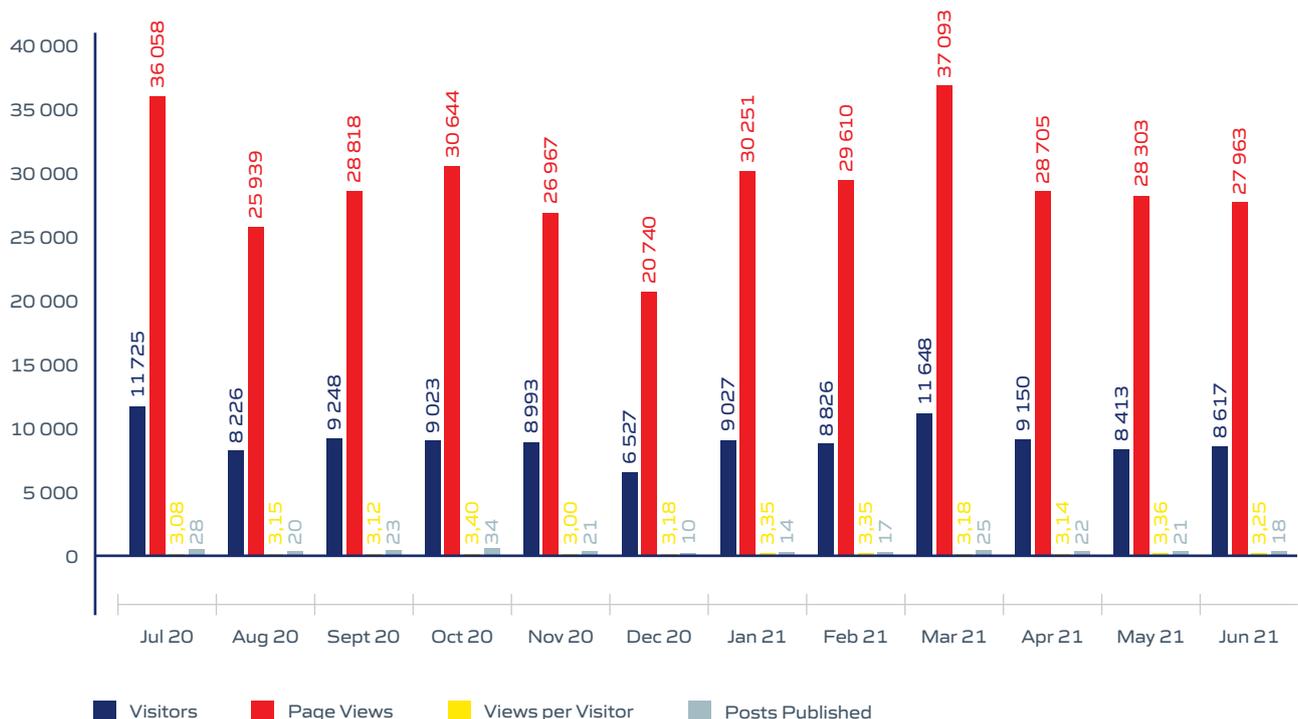
Automobil is therefore now a digital magazine, since October 2020 when the first digital issue was released. For advertisers this new format means increased value as content in the title can be enhanced with audio, video, image galleries and links to your website or lead forms ensuring that advertisers get increased value from their space in the magazine.

Distribution to all members is guaranteed and not limited by a print run. Furthermore the *Automobil* gets distributed to meet the demands of the automotive aftermarket as a whole and include representatives in the OEMs, component manufacturers, government, corporates, financial and insurance industries. It is supplied free to members of the Retail Motor Industry organisation (RMI) www.rmi.org.za.

RMI Website

The RMI website attracts excellent traffic, with the most popular pages being 'Find an accredited member' and 'Join RMI' pages. The weekly web letters also bring large numbers of visitors to the site.

Monthly summaries for rmi.org.za.



Regional Highlights

Western Cape Region

The year under review commenced with much uncertainty and anxiety due to business interruptions amidst lock-down restrictions and the COVID-19 state of disaster. Face-to-face meetings came to a grinding halt and were replaced by virtual online meetings that presented a challenge to some members.

Our industry, although resilient, showed slow, but steady growth. Member businesses had to adapt and display agility and flexibility to face and overcome the challenges presented by the pandemic that is still ravaging every sector of the economy.

The demand for IR Services escalated to unprecedented volumes and this demand continued right up to the end of the financial year. Hearings, both at member's premises and at dispute-resolution forums, were conducted remotely with largely satisfactory results.

Consumer complaints and member requests for assistance increased during the period and rose exponentially and were attended to on a first come, first served basis. Member and regional communications were ongoing, consistent, and relevant in addressing the critical issues affecting all our member businesses and industry stakeholders.

Industrial Relations

During the year, the two Regional

IR Specialists, Johanita Olivier and Brent Barichiev, dealt with 295 misconduct hearings, of which four were incapacity hearings and six were operational requirements hearings.

They appeared at 38 dispute/arbitration meetings and 37 conciliation/arbitration meetings. They conducted five seminars, drafted 8 jurisdictional issues, offered 12 free consultations, and travelled 5 004 kilometres in the course of duty.

Consumer Affairs

Deon Rademeyer, the Region's Consumer Affairs Officer, had a busy year facilitating consumer complaints, with a marked increase in members seeking advice and assistance. The Region has a solid working relationship with the MIOSA, National Consumer Commission (NCC), and the Office of the Consumer Protector (OCP), where we cement our industry standards. Deon often assists the MIOSA on technical matters and often questions recommendations in the interest of our members. During the year, he dealt with 1 194 consumer complaints, of which 1 136 involved RMI members and 58 related to non-members. Of these cases 360 resulted in formal complaints.

The office assisted 109 members on court, SCC or legal matters, offered legal advice to 248 members and provided 65 replies to the MIOSA.

Meetings

The Region held four Regional Executive Committee Meetings during the period under review

along with the AGM held in October 2020.

The Region furthermore attended various meetings with tertiary institutions, merSETA, MIBCO, NUMSA and the DoEL.

The Region also held five MIBCO meetings along with four pre-MIBCO meetings.

Eastern Cape and Border Region

The Eastern Cape Region now encompasses the Border Region and a large portion of the Garden Route. The year under review was extremely busy with several critical issues affecting our industry requiring the Region's urgent and ongoing attention to strategise and formulate relevant action plans to support our members.

Industrial Relations

Regional IR Specialist, Eckhardt Oelofse, dealt with 142 misconduct hearings of which five were incapacity hearings and 19 operational requirement hearings.

He appeared at 22 dispute arbitration meetings and 19 conciliation/arbitration meetings. He conducted six seminars, drafted 24 jurisdictional issues, offered seven free consultations, and travelled 14 413 kilometres in the course of duty.

Consumer Affairs

The Region facilitated consumer complaints under the scrutiny of

Eckhardt Oelofse. During the year, 111 consumer complaints were dealt with, of which 85 involved RMI members and 14 were related to non-members. Of these cases 77 resulted in formal complaints. One member-to-member complaint was received. The office provided legal advice to 12 members.

Meetings

The Region held six Regional Executive Committee Meetings during the Period under review along with the EP and Border combined AGM on 4 November 2020.

The Mobile Staff's combined effort pertaining to member contact, in the form of business visits, telephonic assistance, online assistance and Industrial Relations assistance visits amounted to more than 1 000 member contacts during the year.

The Region held 3 MIBCO meetings along with 3 pre-MIBCO meetings, during the period under review and met with various important stakeholders, including SARS, SABS, DoT, AIDC, tertiary institutions and attended relevant seminars and training sessions. The RMI EC Manager and National Training Director assumed the roles of respectively operational-lead and strategic-lead in the signed partnership agreement with the TVET colleges, RMI and German of Crafts Erfurt (Handwerkskammer/HWK).

Central Region

The RMI's Highveld and Northern Regions merged into one region and is now known as the Central Region.

During the year under review, the COVID-19 pandemic and national lockdown restrictions continued to adversely affect growth and operations across various sectors of the Motor Industry.

Industrial Relations

Aphelele Tapile, the new IR Specialist, joined the RMI on 6 April 2021, and her extensive experience allowed her to hit the ground running.

Together with the Region's other IR Specialist, Tsepo Mohlakoana, they dealt with 125 disciplinary and grievance hearings, 50 conciliation/arbitration meetings, had 11 consultations, attended to one ill-health capacity inquiry and 11 rescission and variation applications. They travelled 27 942 kilometres in the course of duty and presented four IR Seminars.

It must be acknowledged and commended that in the year under review, the success rate at the DRC and CCMA proceedings was a resounding 100 percent. Our expert IR Specialists continued to provide our members with excellent legal representation during Conciliation and Arbitration Hearings. All Rescission Applications that were duly filed on behalf of our members were successful.

In addition, during the financial year, our IR Specialists offered free telephone consultations on the Main Collective Agreement and applicable labour laws to our members.

Consumer Affairs

The Region continued to provide a facilitation service with the view of resolving disputes between consumers and dealers in the Motor Industry.

Consumer Affairs Specialists, Natasha Sewsunker and Tumisho Lekoloane dealt with 1 255 consumer complaints during the year, of which 712 involved RMI members and 540 related to non-members. Three member-to-member complaints were received. The team conducted 776 facilitation/mediation sessions and provided free advisory services to 1 084 members in addition to free assistance and advisory service to five members on Small Claims Court and Civil Court matters.

Meetings

The Central Regional Annual General Meeting was held virtually on 12 November 2020. During the period under review, the Central Regional Executive Committee held four online meetings.

The RMI Central Regional Council Representatives attended five MIBCO Regional Board Meetings held at their respective Regions. The MIBCO Annual General Meeting was held on 26 November 2020.

Trainings

The Region was also actively involved in fifteen virtual workshops and conferences that covered a range of different topics.

KwaZulu-Natal

The COVID-19 pandemic continued to negatively affect businesses, as the level of lockdown impacted consumer confidence. However, the automotive sector continued to show signs of progress, unlike other sectors, such as hospitality and tourism.

The RMI regionally showed good progress in terms of membership growth and finances.

Industrial Relations

During the year, Regional IR Specialist Janina Kalidass dealt with 65 misconduct hearings, two incapacity hearings and one operational requirements consultation (retrenchment).

She appeared at eleven Arbitrations and eleven conciliation/ arbitration meetings. She drafted two jurisdictional issues and conducted four consultations. She travelled 1 828 kilometres in the course of duty.

Consumer Affairs

The KwaZulu-Natal Region received more than 400 consumer complaints during the year. Most of the complaints were in the form of telephonic assistance and, in most cases, the member and the complainant reached an agreement through the intervention of the RMI.

The Region recorded 414 consumer complaints during the year. The success rate was in the region of 90%. Cases against our members numbered 353 and cases against non-members reached 30. Five member-to-member complaints were received.

The Region dealt with 11 legal matters, 40 mediations, 12 MIO actions against members and three NCC actions against members.

Meetings

The RMI Executive held two Special Regional Meetings, three RMI Exco Meetings and one Disciplinary Meeting. The RMI AGM was held on 10 November 2020. These meetings were also held

virtually. One MIBCO National AGM was held and five Regional Board Meetings.

The RMI AGM was held virtually on 10 November 2020. Two National Staff Meetings were held as well as a Regional Staff Meeting. Other regional meetings included online OHS and COVID-19 training, POPIA training for operational staff, KwaZulu-Natal Provisional Skills Development forum and a meeting by the Ridge Body Corp.

Training

Regional IR Specialist Janina Kalidass conducted two IR Seminars, with 42 members attending.

Events

Due to COVID-19 restrictions, the RMI KwaZulu-Natal Golf Day was not scheduled.

Free State & Northern Cape Region

During the year, the region was negatively affected by Mangaung Shutdown protests in May 2021, which primarily affected service delivery in and around Bloemfontein.

Despite difficult economic conditions, the Region showed resilience by maintaining stable membership numbers throughout the period. This is an indication of healthy trading conditions in the Region and provides a positive outlook for our members as business owners.

Industrial Relations

Regional IR Specialist, Marie Ellis, dealt with 63 hearings of which eight dealt with operational requirements.

She appeared at 13 dispute/ arbitration meetings and four conciliation/arbitration meetings, conducted three seminars, offered 15 free consultations and travelled 3 848 kilometres in the course of duty.

Consumer Affairs

The region facilitated consumer complaints under the scrutiny of Natasha Sewsunker, the Region’s Consumer Affairs Officer, dealt with 109 consumer complaint queries during the year, of which 66 were related to members of the RMI, 33 were members seeking advice and 6 were related to non-members. All of the 66 member-related complaints were subjected and resolved.

Meetings

The Region held three Regional Executive Committee meetings, and one Member AGM.

A MIBCO AGM was held on 26 November 2020, while the Free State Regional Council met five times during the year.

In addition, the Region held a merSETA Regional Council Meeting and attended a meeting with the DoEL regarding the regulatory non-compliance of workshop.

The Regional staff together with MIWA representative, Reemo Swartz, were extremely active during the year under review. Apart from the IR and consumer affairs activity, the regional staff assisted members with numerous queries

telephonically or via email. Reemo alone recorded 1 080 appointments and contact sessions with members from July 2020 – June 2021, which is a testament to the commitment of the Region to serve its member constituency.

Regulatory Compliance

The year under review was another busy and productive year for the Regulatory Compliance Department in providing insight into the variety of disciplines required for all businesses in South Africa and, more specifically, RMI members.

Because of the vast number of government guidelines for compliance, the Regulatory Compliance Department is now more relevant than ever before, as we navigate our way through the pandemic and try to find a new normal. In such uncertain times, it can be easy for business owners to find themselves in violation of compliance, leaving their companies open to penalties and even dissolution. Having a complete and thorough understanding of corporate compliance is crucial to protecting your business's future sustainability, which is where the RMI's Regulatory Compliance Department plays a vital role in assisting members to manage the risk associated with regulations and to support them through the challenges of meeting the myriad of requirements.

The RMI Regulatory Compliance Department therefore continually vets legislation, involves itself with technical experts in legislative processes and interactis with the National Regulator for

Compulsory Specifications (NRCS) and the South African Bureau of Standards (SABS). This includes the monitoring of processes at these institutions and liaising with them to best protect the constituent associations of the RMI and their members. It is further involved with occupational health and safety matters, both within the RMI and in respect of its members, as well as providing assistance with all other compliance-related matters.

The ultimate aim of the RMI is to ensure that its members conduct their business in full compliance with all national and international laws and regulations that pertain to the motor industry, as well as professional standards, accepted business practices, internal standards, as well as the RMI Code of Conduct as well.

SABS

Over the past year the RMI and the Constituent Associations maintained significant interactions with the SABS by attending several technical committee meetings

across various sectors within the SABS. Representation was solid on all technical committees that directly affect the RMI and its constituent members.

The SABS continued its practice of virtual technical committee meetings, which has continued to prove to be much more convenient and cost-effective and has drastically increased attendance and participation.

During the financial year, the RMI and its constituent associations attended 15 technical meetings.

In addition, the RMI also attended and represented member interests in the Tow Trucks Standard working group in Gauteng, the ARSO T C 59 mirror committee meeting, and the SABS Made for Africa Standards initiative.

National Regulator for Compulsory Specification (NRCS)

The strong relationship forged over the years was well maintained with key role players in the automotive division of the NRCS, which continues to pave the way for a better platform for members to voice their concerns.

The RMI attended several meetings on behalf of members, including:

- The NRCS Legal Metrology

- Technical Committee for tyre pressure measuring.
- Industry stakeholder meeting with NRCS and SAVABA and with NRCS and TEPA, respectively, in October 2020 and April 2021.
- NRCS meeting on discussions and presentations regarding locally produced products in November 2020.
- NRCS Amendment of VC 8022 and VC 8024 - Category M1 and N1 vehicles meeting in February 2021.
- NRCS meeting on compulsory specifications for LP Gas in March 2021.
- NRCS Industry stakeholder meeting regarding New VC: Retro-reflective material for contour marking on motor vehicles in April 2021.
- NRCS - South African WP 29 Meeting in June 2021.

Government Departments

Forging strong relationships with governmental departments continues to be a main priority. **The following meetings were attended:**

- Department of Environmental Affairs consultation meeting with industry to discuss the draft Section 18 EPR Regulations and Notices, June 2020.
- Road Management Traffic Corporation (RTMC) meeting on child road safety, October 2020.
- Department of Environmental Affairs consultation meeting with industry on the circular economy, August 2020.
- Department of Employment and Labour (DEL) subcommittee meeting on COVID Reporting App, August 2020.
- RTMC Road Safety Awareness seminar, December 2020.
- SAMRO meeting, January 2021.
- NEDLAC Task Team meeting regarding Technical Infrastructure Agencies (focusing on the NRCS

- and SABS), February 2021.
- DoEL COVID-19 Occupational Health Surveillance System (OHSS) for South African Workplaces: Update Meeting.
- Department of Forestry, Fisheries and the Environment (DFFE) Industry Waste Management Forum meeting, March 2021.
- Department of Forestry, Fisheries and the Environment (DFFE) Industry Waste Management Forum meeting, 10 June 2021.

Special Projects

Project Compliance

In November 2020, the RMI Board established a task team comprising of RMI Staff (ADs) and office bearers of the affected Associations to canvas new approaches to gain momentum as original plan to directly approach the Department of Corporate Governance, among other National and Provincial departments, had proven futile despite countless attempts.

The task team met several times during the year and took legal opinion on the best way to deal with the plethora of issues that arise from non-compliant businesses operating in our industry.

A decision was taken that, going forward, the RMI and its Constituent Associations would continue to report non-compliant operators to the relevant authorities and a specialised working group was appointed to plot out the exact procedures and processes that members, associations and the RMI would follow in this regard.

A draft version of the revised concept document was submitted

for input on 20 August 2021. Once the concept document is finalised, it will be presented to the RMI Board for final approval and thereafter implementation. The project remains ongoing.

PAIA (Promotion of Access to Information Act) Manual

The Regulatory Compliance department created a generic PAIA manual for use by members that are required to submit one in terms of the Act. Manual was to be distributed to members on 1 February 2021 for use.

POPI Act

The RMI, in conjunction with Barnard Incorporated, developed a compliance manual for Members in respect of the Protection of Personal Information Act (POPI Act), which came in effect on 1 July 2021. The purpose of the manual is to assist and guide Members in establishing the correct structures, processes and procedures in their business to ensure that they are compliant with the requirements of the Act.

To offer further assistance, the RMI has secured a special consulting rate from Barnard Incorporated for members that require a more bespoke compliance manual. A copy of the POPI toolkit and the guidelines can be downloaded from www.rmi.org.za.

Occupational Health and Safety

After the appointment of Complete Specialised Retail Solutions (CSRS) as the OHS service provider for RMI members, the regulatory compliance department held monthly meetings with CSRS to track and review monthly progress, statistics of CSRS engagement with members and internal RMI offices relating to OHS compliance and issues, queries and training.

RMI Associational Activity Reports



Automotive Remanufacturers' Association

ARA represents some 450 businesses in the remanufacturing trade sector. This includes component remanufacturers involved in safety-critical components, including vehicle cooling, turbocharger and braking systems, automotive engineers who machine and remanufacture engine components and rebuild engines to their original specifications, and specialists in the repair, servicing and remanufacturing of diesel fuel injection systems fitted to diesel engines in earthmoving equipment, highway trucks, stationary engines and passenger vehicles.

The 2020/2021 financial year period proved to be a year of uncharted waters, yet ARA maintained its focus on growth, having entered the new year with a brand-new corporate identity and enlarged footprint and stronger voice due to the amalgamation.

ARA growth, despite the challenging economic climate

As a result, ARA grew its member base by 126 member businesses during the period under review, which bears testament to ARA's fundamental position in industry. During the year, the Association also recorded minimal attrition, especially when taking into account the carnage in the motor industry as a result of the pandemic.

ARA member businesses were also impacted by the pandemic and the ripple effect it caused. Despite the initial economic shutdown, the ARA National Office, its governing ARA National Exco and ARA Regional Excos and Member businesses remained focused and united. The Association kept members abreast with the COVID-19 Monitor, which was circulated regularly, as government directives and regulations were amended, guiding the ARA Member base and ensuring a smooth, and focused approach to government requirements.

ARA would like to acknowledge the role of the RMI senior management in heading up the Extended Management Committee to ensure not only the successful implementation of government

regulations, but also lobbied at the highest level to help move along the reopening of the economy as swiftly and speedily.

Project Gas Conversion

Liquefied petroleum gas (LPG) was first discussed by member businesses at a meeting in 2017 with a view to explore the possibilities of gas conversion technology and utilising gas as energy in the automotive industry. Now, ARA stands ready to implement Project Gas Conversion nationally.

ARA launched the project, pre-pandemic, early in 2020, and visited ARA member businesses across the country to confirm a national platform (infrastructure) to ensure gas conversions and the maintenance, repair and associated services on installed units across South-Africa.

This project is certainly now more relevant than ever before, with the concept of new or green technologies such as EVs and LPG-powered vehicles already a reality.

Growth opportunities

By including only gas conversions, it is estimated that member businesses can hire one or two new employees to upskill in this field, which can increase turnover with a profit-margin of up to 10%. This is based on an average of 10 employees per business.

By adding gas supply, employment opportunities will easily double, with an additional two to four employees and up to 20% in turnover increase. If the offering

is further diversified with product maintenance, repairs and services, additional job creation opportunities can increase to five additional staff members, with the possibility of upping turnover by 30%.

The opportunity for new business ventures is also now possible and can increase the total employment levels in this sub-sector by up to ten job creation opportunities in the remanufacturing sub-sector, and of course, a positive contribution to SA's GDP. This is clearly a winning recipe, especially in times when our country's unemployment rates are very high.

Building stronger ties with stakeholders

ARA executives at all levels continue to retain and build on our partnerships with industry stakeholders, and form new relations with stakeholders relevant to our trade sector. This has also resulted in ARA embarking on new projects over the period under review, all to the benefit of our members. These projects include registering Service Delivery Providers (SDPs), establishing working relations with subject matter experts, the development of new qualifications, as well as initiatives aimed at job creation and skills development.

ARA grading system

ARA is initiating an ARA grading system and is working together with relevant stakeholders in this regard. Other activities include active participation in both the International WERC Exco Council

(IWECC) and the South African Bureau of Standards (SABS), as well as ARA Warranty Terms & Conditions which are currently being revised and redesigned.

In terms of ethical business practices, ARA has issued a Code of Ethics for members to uphold. The Association has also focused on collaboration with other Associations.

Conclusion

In conclusion, as a collective we have done very well over this period, by adapting to the onslaught of the pandemic, and have played a role in changing the industry for the better.

We have made good progress and will continue to build on our successes - to grow even stronger, as a united body.

We are very excited about the future and positive prospects for ARA and its position in industry, able to offer a stronger bargaining power with industry and relevant stakeholders.



Motor Industry Workshop Association

COVID-19 has been a game-changer that, in many ways, made us stronger. The pandemic created more robust teams which have, by necessity, developed stronger connections. This has not only allowed us to cope with the pandemic, but restructure the business, where required, and leverage and sustain this increased collaboration.

To survive we needed a relentless focus on operational metrics to work within the changing restrictions.

MIWA continued with focused priorities and projects to assist our members to remain sustainable and to keep abreast of all challenges during difficult trading conditions.

Digitalisation platform

The enhancements to our digital platform during 2019-2020 continued in the 2020-2021 financial year:

- Members embraced the virtual meeting platform and our first virtual AGM in October 2020 bears testimony to this.
- Communicating and learning through webinars and podcasts has proved to be an acceptable medium with effective results and exceptionally high member participation.
- Communicating through our Telegram information channel has also worked well and is quick, efficient and targeted.
- Our MIWA Newsflash, utilised to communicate important and essential information to members, has proved to be very successful with succinct, informative and valuable information.
- MIWA partnered with Connected Life to offer all MIWA members a complete digital marketing package.

Grading

MIWA has been working hard to ensure all its members are professionally graded and accredited. A key aspect is to align the business with top-class service providers using the latest technology and platforms for the best results. By so doing, we achieved our main objectives to have a credible grading project and to ensure each audit is done consistently according to a set criteria.

WIPCORP (PTY) Ltd was appointed with effect 1 June 2020 to audit MIWA-accredited workshops countrywide, with unannounced auditing of members.

As a result of the pandemic, the implementation was done in phases, starting with Gauteng and Tshwane, followed by parts of North West, Limpopo and Mpumalanga. KwaZulu-Natal and the Eastern Cape are due to be conducted in November 2021.

Grading process in a nutshell:

- Specific areas are identified.
- MIWA members are informed of audits.
- Communication includes grading criteria with relevant examples of required registers.
- Unannounced visits by WIPCORP service partners to conduct audit.
- Requirement by MIWA members to comply with seven mandatory items to pass the audit.
- Initial Outcome report sent to member within seven working days.
- The member to provide outstanding information within 14 days to improve initial outcome.
- Final Outcome report sent to member.
- Member issued with MIWA grading certificate.

the part deemed defective to the RMI (TEPA) Parts member, who will then investigate the part. If the defect is confirmed, the RMI (TEPA) Parts member will hand over a report about the faulty component to iTOO and TEPA. Reimbursement for labour costs will then be paid to the RMI (TEPA) Parts member, who will pay the workshop.

A part may be considered defective if it has failed within the warranty period. However, the part will not be considered defective if the failure is due to poor workmanship or fitment errors, if the wrong part was provided, the part was fitted by unqualified staff, the part was abused during, before or after fitment (or by the driver), if warranty provisions have not been complied with or if fitting instructions have not been adhered to.

carries on a business as a dealer must be registered.

This means that given the interpretation by the SAPS, every Independent workshop that acquires or disposes of second-hand goods will in terms of the Act be required to register with their local SAPS office as a dealer in second-hand goods.

In the meantime, the RMI has applied to SAPS for an exemption for all MIWA workshops in terms of the following requirements:

- Section 15(a): Display of original registration certificate.
- Section 21(1): Acquisition and disposal registers.
- Section 21(4) and (5): ID document: Dealer-to-Dealer transactions.
- Section 21(1) (d): Restriction on disposal within 7 days.
- Section 23(2): Keeping goods separate.

The exemption application is in process and has to be signed off by the SAPS Commissioner.

Defective parts insurance

The value of collaboration between RMI Associations was again highlighted with the culmination of two years of discussions between the MIWA and TEPA in June 2021. The requirement was to bring about a change to the industry which would see the Component Parts Industry providing the workshops with a recovery for labour costs incurred during the replacement of a defective part.

At a cost of R200 per month, iTOO, the insurance policy for MIWA members, provides cover for a set number of hours worked, as outlined by Haynes Pro. MIWA will therefore reimburse workshops a flat rate of R220 per hour of labour costs.

To access this cover, MIWA members are required to submit

Second-hand Goods Act

MIWA engaged with the relevant authorities to obtain clarity on the registration of Independent Workshops in terms of the Second-hand Goods Act. The following key definitions within the Second-hand Goods Act of 2009 apply:

- ‘Dealer’ means a person who carries on a business of dealing in second-hand goods.
- ‘Second-hands goods’ means goods which have been in use by a person other than the manufacturer or producer thereof.
- ‘Acquire’ means acquire by any means.
- ‘Dispose of’ means dispose of by any means.

In terms of Chapter 2 clause 2. (1) of the Act, every person who

MIWA website

The MIWA website has been re-developed and members can log onto www.miwa.org.za to experience our new look and feel.

- MIWA has partnered with Connected Life to assist with additional requirements, management of content and general maintenance of the website.
- We have kept the website live during all development phases so that members can give feedback.
- Our easy to access portals consist of technical information,



look for a workshop, MIWA news, contact us and MIWA zone.

MIWA PR

We communicated strongly and consistently throughout the past 12 months. Telegram has proved very successful with members, and we have continued to reach our customers through our sustained and dedicated PR campaign.

MIWA Master Technician Training Program

The Master Technician Program has been earmarked for a re-launch to members using the Electude digital platform. It is also essential that this program receives the necessary accreditation and the decision was taken to start creating a program with relevant modules and content to achieve that objective.

A Task Team was appointed in June 2020 and Connected Life was appointed as service provider for the development of the new program.

Staying in contact with MIWA members

Although personal contact with our members was hampered due to the pandemic, our Associational Representatives continued to make contact with members, either telephonically, by email, WhatsApp groups and the MIWA Information Group on Telegram. The interactions were captured and recorded on the MIWA CRM platform hosted on Portatour.

Project Compliance

Project Compliance was undertaken by the RMI during 2019 to address the problem of unscrupulous operators conducting business from unauthorised premises as well as semi-formal workshops that do not comply with industry standards, legal requirements and regulations.

During the year under review, a task team has been assembled, with representatives from all Associations, and coordinated by the RMI Regulatory Compliance department.

The team is to develop a strategy to focus on semi-formal businesses operating from business premises and houses with business rights that are not compliant, to find solutions to help elevate semi-formal businesses into the formal market, and to develop strategies to compel government departments to undertake inspections of semi-formal businesses to ensure compliance with regulations.

Training

MIWA recognises and appreciates all informal and formal training by MIWA members. Maintaining and improving standards remains a key priority for MIWA.

Our workshops are run by highly-skilled mechanics, with excellent service-levels, administrative support and quality parts and machinery and that standard is consistent across all of the accredited workshops.

We believe training assists in three key areas namely:

- **Succession planning** – ongoing training and development of new artisans and uplifting standards generally will ensure the sustainability of the business and entrench a culture of life-long learning.
- **Diversity** – although we have general workshops, many of our employees are exposed to specialist training that enhances the overall level of skill and refinement among our members.
- **Empowerment** – it is key to empower and uplift employees by providing opportunities to improve their skills and positions within our workshops. Ongoing training is the ideal

way to provide employees with the necessary resources to achieve this development.



National Automobile Dealers' Association

Guidelines for Competition

The Guidelines for Competition in the South African Automotive Aftermarket were published by the Competition Commission of South Africa in December 2020 and came into effect on 1 July 2021.

The guidelines give direction as to how the Commission will approach any matter in terms of the Competitions Act, which forms the underlying legal basis. It should also be noted that other existing laws, acts, and regulations remain relevant and do not change, such as the Consumer Protection Act that specifically addresses consumer rights against parts failure or faulty workmanship.

In May 2021 MIWA communicated information on the Competition Commission Guidelines and this was followed up by a series of Q&A sessions held nationally during June 2021. We collated all the questions and answers received from our members during these sessions and shared them in a one consolidated document, which has subsequently been updated with additional questions received from members (and we will continue to update the document going forward). **Log onto the MIWA website www.miwa.org.za for full details.**

The year under review started with positive signs that the COVID-19 infection rates were somewhat under control and that economic activity was slowly starting to improve. However, the delay in the rollout of the vaccinations program by government and the disregard of many to the COVID-19 protocols resulted in a resurgence of infections and related deaths, which forced Government to re-introduce varying alert level lockdown restrictions on certain businesses and activities.

These actions caused millions of workers to lose their jobs. The lack of investment from both local and international investors, which was already on a downward trajectory prior to the pandemic, has not helped business confidence and given the negative impact on livelihoods, employment and the broader economy, it is anticipated that there will potentially be a contraction in the country's GDP well into 2022.

What is now needed is the implementation of reforms to help drive faster and sustained economic growth. Without this escalated growth it will be difficult to bolster business confidence and address the dire need to create employment.

Dealers face stock shortages, while local manufacturers battle to keep production going due to disruptions in the component supply chain caused by global semi-conductor shortages and the cyber-attack on the port operating systems.

The outlook for the South Africa domestic automotive retail sector, for the balance of 2021, will remain extremely challenging and is unlikely to see any substantial form of growth.

Membership

The pandemic and the varying alert level lockdown restrictions has resulted in an extremely constrained economy. The negative impact on our industry sector has seen the consolidation or closure of some 97 dealerships, with the concomitant loss of 6 348 jobs over the past year. Despite these trends, NADA managed to grow its membership by 1.56%.

NADA Transformation Committee

NADA identified Transformation within the dealership environment as a key objective and imperative. To ensure focused attention, Marcia Mayaba, the NADA Vice-Chairperson, was requested to convene and chair the NADA Transformation Committee. This was the foundational year for the Transformation Committee. Engagements were held with Naamsa Automotive Business Council, and the Automotive Industry Transformation Fund to better understand their Transformation objectives and strategies, identify synergies, and see how NADA can align itself with the broader automotive industry's Transformation strategy.

The Committee will focus on the following four key pillars:

- Skills development and training.
- Gender gaps.
- People living with disabilities.
- Enterprise supplier development

NADA has also secured two seats on the Executive Oversight Committee Industry Transformation Workstream and will be working in partnership with the IDC, DTI, AITF, RMI, manufacturers and the various role players within industry to further Transformation.

NADA PR Strategy

NADA re-appointed Meropa Communications as its PR agency, effective 1 July 2020, to continue promoting the profile of NADA and, more importantly, to educate consumers of the benefits of doing business with franchise motor vehicle and motorcycle dealers.

NADA continues to counter the negative press and disinformation on various subjects and has been highly successful in changing the narrative in the media.

NADA monthly Newsletter and Newsflashes have also been sent to members regularly on matters of importance and other articles and news items have been published in *Automobil* or broadcast via the weekly RMI Webletter.

Determination of Sectoral EE Targets: DEL

The Department of Employment and Labour (DEL) held a consultation session during February 2021 in anticipation of the identification and setting of

Employment Equity (EE) targets for the Wholesale and Retail Trade and the Repair of Motor Vehicles and Motorcycles Sector.

It was agreed that the RMI would establish a forum where it could engage with the DEL regarding the process to be followed in identifying and adopting the required EE targets.

NADA established a Task Team to interrogate the proposed targets and in so doing also conducted an in-depth survey amongst its members to assess the reality in the workplace. The NADA proposed Employment Equity Targets and Motivation formed part of the broader RMI submission to the DEL.

Guidelines for Competition in Automotive Aftermarket

NADA held several discussions with the Commission and made comprehensive submissions dealing with the salient issues impacting the franchise dealer network.

Leading up to the implementation of the Guidelines on 1 July 2021, NADA hosted a very successful media round table discussion with key journalists to correct the disinformation and incorrect interpretations of the Guidelines that were in the media space.

NADA anticipates that the impact on the dealer network's operations will be negligible – however this is being closely monitored.

Meetings with FIC

NADA has for more than a decade engaged the Financial Intelligence

Centre (FIC) on a range of matters of mutual importance and, as time progressed, the relationship grew stronger and has been of value to NADA to assist its members in their compliance activities in combatting the scourge of money-laundering and fraud within the broader South African economy.

Due to the pandemic, NADA did not have the opportunity to actively engage with FIC, but has requested a meeting to re-establish the relationship and discuss ways in which we can once again work closer on matters of mutual interest and concern.

NADA believes that as a potential primary target of criminals, motor vehicle dealers (with the right level of assistance and training) can play a key role in assisting the FIC to achieve their strategic objectives.

FSCA and the BASA regarding DIC

A NADA delegation met with the Financial Sector Conduct Authority (FSCA) and representatives from the Banking Association (BASA) in October 2020 with regard to the payment of DICs in the motor vehicle dealer environment.

Following these discussions, BASA convened a Joint Working Group comprising representatives from the various financial institutions, NADA and IDA to prepare a comprehensive Request for Information Questionnaire (RFI) to be submitted to the FSCA. This is still a work in progress and members will during the course of the new financial year receive a copy of the RFI from the FSCA for completion as part of their investigation into DIC.

Master Service Agreement – Financial Institutions

NADA held discussions with the top management at each of the major financial institutions regarding the content of their respective Master Service Agreements (MSAs) which had been sent to motor vehicle dealers for signature.

During these discussions NADA drew the financial institutions' attention to the fact that motor vehicle dealers were not comfortable with certain key terms within the respective MSAs and it was agreed that NADA, as the dealer representative body, would help the dealers by appointing legal counsel to assist with the redrafting of the contentious clauses.

NADA appointed Bowmans as its legal counsel to review the respective MSAs. Once Bowmans have completed their review, NADA will set up the necessary meetings with the financial institutions to discuss and amicably resolve the contentious issues in the shortest possible timeframe.

eNaTIS - Online Solutions for dealers

Over the past year, NADA has held several meetings with the Road Traffic Management Corporation (RTMC) to discuss various matters of interest and concern and to explore the possibility of dealers obtaining online access to the eNaTIS system to receive system notifications and process Notification of Change of Ownership documents.

NADA member access to eNaTIS

- RTMC will permit dealers meeting their requirements to integrate into the eNaTIS system to add dealer stock vehicles, register vehicles and query NaTIS paper validity (initially confirmation query only but development is underway to allow ownership history and salvage data).
- Integration will only be allowed for large dealers (groups) provided that all security requirements and other items as set out in a RTMC Application Policy are met.
- For the groups, RTMC will permit a single link to their system, which can then be split out internally in the dealer group (therefore no per-dealer direct link).
- On publication of the new Road Traffic Act Amendments, RTMC will be permitted to share with NADA and its members' vehicle data for analytics processes at a pre-set fee to be determined by National Treasury.

2021 NADA DSI Survey

The fieldwork and analysis for the 25th NADA Dealer Satisfaction Survey (NADA DSI) was concluded at the end of June 2021 by the research company Lightstone. The results will be released towards the end of August 2021.

NADA would like to thank all the dealers that participated in the survey and to everyone who helped make the 2021 NADA DSI research such a resounding success.

NADA Dealer Performance Programme

The NADA Dealer Performance Programme continued to deliver excellent content to the dealer network in the form of webinars, including:

- NADA Webinar III, Let's Measure May, in June 2020
- BOTY 2019 Live Awards Broadcast, June 2020
- NADA Podcast #1: Women Driving Automotive Retail, August 2020
- NADA Podcast #2: Understanding the Current Automotive landscape with NADA Chairperson, September 2020
- October 2020 Live Broadcast Event, Are you Ready to take on 2021?
- NADA Podcast #3: How Pre-Approval Apps can benefit your dealership in February 2021
- February 2021 Live Broadcast Event, Adapting to the new reality
- NADA Podcast #4: How Can Dealerships Maximise Their Digital to Increase Sales, Service Booking and Parts Sales? March 2021
- MSX BOTY Awards Live Broadcast 2020, March 2021
- NADA Podcast #5: Profitability from Effective Asset Management.

NADA / MSXI Business of the Year Awards

NADA and MSXI once again honoured franchise dealer businesses in various categories for their financial performance by way of virtual live online

awards function which was well received by the participating dealership finalists.

Our thanks to Alan Golden and René Booysen at Quartermaster for organising and running the event on behalf of NADA and MSXI.

Conclusion

NADA would like to take this opportunity to sincerely thank all the members of the NADA Executive Committee under the dynamic leadership of Mark Dommissie, and to all the other dedicated motor vehicle dealers and executives who give up their valuable time to serve on the NADA structures - your contributions are highly appreciated.

It is due to these selfless individuals that key critical issues impacting the retail motor vehicle dealership business environment are proactively addressed for the collective benefit of all motor vehicle dealer members.

NADA will continue to pursue its vision of contributing to the long-term sustainability and growth of the retail motor vehicle dealer businesses.

The following is a brief statistical overview of NADA's media results:

Activity	Year-to-date July 2018 - June 2019	Year-to-date July 2019 - June 2020	Year-to-date July 2020 - June 2021
Content Generated	26	36	46
Content Issued	19	31	45
Interviews Secured	5	19	20
Interventions	11	19	20
Media Hits	234	378	944
• Broadcast	12	24	27
• Print	57	121	183
• Online	136	233	734
Agenda Setting Media Hits	20	23	151
Agenda Setting Media List Penetration	92%	100%	100%
Advertising Value Equivalent	R12 906 040	R13 756 480	R46 290 706
Opportunities to See / Reach	93 916 202	281 628 656	647 478 079
Return on Investment	17:1	17:1	64:1



South African Motor Body Repairers' Association

The past financial year will unfortunately be remembered mostly for the tremendous toll the COVID-19 virus had on families and their loved ones, both in the loss of family members, as well as the negative economic impact on businesses.

Juxtaposed to that, South Africans continue to show their grit and, as a result, there are many heart-warming stories of small creative businesses springing up and finding support from their surrounding communities.

The Motor Body Repair (MBR) sector saw its fair share of business closures and Insurers are certainly reporting policyholder losses that will undoubtedly have a negative effect over the medium term on the MBR sector as well as those industries that make their living supporting the sector.

The various lockdown periods forced business owners to look critically at their overall cost structure and staff production efficiencies, which we believe will result in more cost efficient member businesses by the end

of 2021. One of SAMBRA's key focus areas for the ensuing year is to ensure that any external non-productive costs that members have had no control over, to date, are reduced or eradicated.

Membership

Accreditation is the foundation to our membership and has been reinforced by purging P6 members back to RMI basic member status, giving SAMBRA member accreditation even more value than before when considering the clients' right to choice as defined in the Guidelines for Competition in the Automotive Aftermarket.

The SAMBRA grading criteria is currently under revision by a team of SAMBRA members and staff. The necessity for this is to remain current and relevant to industry trends. The requirements for premises, technical staff, equipment and now also OHS are being addressed. We have engaged the services of a leading OHS expert and, as part of the exercise, will be developing an OHS toolkit that will be made freely available to all SAMBRA members later in 2021.

SAMBRA App

SAMBRA is in the process of developing a mobile application that will also be free for use to all SAMBRA members and the public. The intended launch date of the app is end November 2021. The app will place members in the grasp of consumers on their mobile devices. The many features include a digital and photographic check-in process, digital quotations and the short-term financial tool.

Members will have the ability, upon registration, to either utilise all the app features or choose only those app features that they feel are of most value to their particular business.

Write-off Register

SAMBRA is working tirelessly on the demand for publication of the VIN numbers of all written off vehicles in a write-off register available to any member of the public wishing to research the purchase of a used vehicle.

Each case of a poorly repaired vehicle that should have seen the scrapheap is being investigated. SAMBRA has employed the services of a forensic assessor to document each case. These investigations are then sent to the South African Insurance Association (SAIA) and in turn, to the relevant insurer.

We are building our case and each investigation strengthens this. There have been many media articles published and radio interviews conducted and each time SAMBRA receives many enquiries from members of the public who have purchased a 'lemon'. These consumers that have purchased the vehicles, often unseen off a digital platform, have been left compromised and financially distressed. Discussions with a leading online dealer are at a point where they are willing to provide SAMBRA with each of these cases that find a way into their system.

Insurers and Intermediary Partners

Our industry has been on a roller coaster over the last year. SAMBRA is acutely aware of the relationship between certain insurers and their assessing company and their abuse of our industry to drive down the average cost of repair. SAMBRA's view on this remains the same: insurers should agree terms within an SLA with each of our members. These terms will then give guidance to any appointed intermediary. It is our view, in the absence of this, that the Insurer and intermediary are guilty of an unfair business practice and that each case should be investigated by the Competition Commission. We have sought legal opinion on this issue and will be approaching the Commission during October 2021.

SAMBRA finances

SAMBRA's finances are in good order and are being productively utilised to drive several initiatives focused on 'pushing back' against unfair business practice and enhancing member profitability. For the period under review, the budget allocation for legal fees was exceeded, but with good reason, as interaction with our legal teams was necessary on a number of fronts. The ongoing opinions on the actions of Insurer intermediaries, the introduction of the POPIA Act, and the review of OEM contracts are some of these issues.

SAMBRA is finding it more and more necessary to engage with its legal partners on a daily basis to ensure that its membership has the tools necessary to

remain sustainable in the current business climate. Naturally, the legal opinions are funded from accumulated reserves.

Sealants Calculator

SAMBRA has collaborated with the Collision Repairers Association of South Africa (CRA) to develop a sealants calculator. Both associations are party to the Audatex User Group and felt that it was necessary to develop a calculator that “filled the gap” when calculating the cost of sealants, stone chip, and cavity wax applications. A technical team spent months live testing these applications, recording the data, and developing a costing model that will be accepted by the insurance industry as fair. Audatex cannot calculate the material cost for sealers and protection applications, hence the necessity for this calculator. It is simple to use, but more importantly, free to use. The development costs were shared equally by both Associations. This calculator will be available from end October 2021.

WesBank RT46 program

Wesbank was awarded the RT46 programme and engaged with SAMBRA to assist with on-boarding of accredited members. The registration process, managed by FlowCentric, was straight forward and was completed. SAMBRA and WesBank are continuously engaging to improve processes and workflow applications.

Green Practice

We have had to put the green practices and ethical waste disposal project with the University of Stellenbosch on hold. We will be picking this up once the industry returns to some sort of 'normal' again. It has also become apparent that managing this element of our industry will probably entail a joint venture with other industries which create paint and paint by-product waste to achieve economies of scale. Research, based on practices in other countries, has indicated that a taxation system is needed to fund the resources required to competently and sustainably drive an ethical disposal project.

VDQ

SAMBRA desisted from its participation in the management of the Governing Board of the Vehicle Damage Quantification Governance Body of South Africa (SAVDQ). After many years of supporting this project, we felt it in the best interest of SAMBRA and our members to exit and focus on the delivery mechanisms. The qualification development plan will be completed by the training arm of the RMI and will play a role in the facilitation of students to qualify against the curriculum being finalised. Membership to the Vehicle Damage Quantification Board of South Africa (VDQGBSA) and payment of registration fees to that entity remain voluntary and therefore at the discretion of each member.

Business Management

The business management project is ongoing and remains a focus of SAMBRA. Effective business management requires consistent exposure to best practices and, in time, we hope that SAMBRA's tutorials will take the form of video.

While this project is still very much part of our strategy, the continued use of our overseas advisor will exceed our budget. The NEC will be reviewing this in October and we will be appointing a local service provider to achieve the goal of a free service to SAMBRA members.

SAMBRA website

The SAMBRA website overhaul is complete. Our statistics show that website traffic is growing tremendously. There are now an average of 95 000 impressions a month with 'search for a repairer' being the top user interface. Two search results from the August 2021 report indicate that this activity is improving in our industry, with 449 people visiting by searching 'how to join SAMBRA' and 384 people visiting by searching 'how to open a panelbeating business'. The SAMBRA public relations and website management service providers work in tandem to ensure quality content.

Pay Before Release

One of our most effective and influential tools as an industry is Pay Before Release. This has seen huge benefit to members that have enforced the practice over the past year and

in many cases, poor payment practices have been eradicated. This is ongoing and has our constant attention.



South African Petroleum Retailers' Association

Competition Commission

The introduction of the competition guidelines on 1 July has been a game changer for the MBR industry. Dealing with enquiries from SAMBRA members who have had experiences with Insurers, brokers, or the variety of intermediaries acting in their stead, will take up a lot of SAMBRA's resources in the year to come. What is clear is that we are moving into a far more unrestricted market place and the Insurance sector has a lot of work to do to catch up with OEMs that are way ahead of Insurers in terms of complying with the guidelines.

The competition commission is 'in enforcement mode' so it will be best for Insurers to catch up quickly!

Lastly, it is imperative that SAMBRA applies the required resources to educate consumers – only a well-informed consumer can make the right choice and it is our job to ensure they have the tools to do so in our sector.

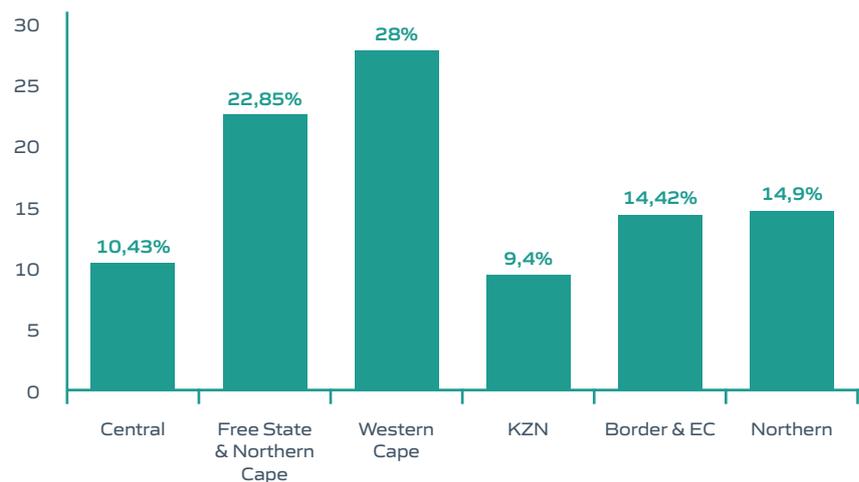
The year in reflection has no doubt been the epitome of change evidenced by all economic sectors, local and abroad. Disruptions like COVID-19, the changing environment and the civilian unrest in July 2021 has forced business owners to introspect and re-imagine operations to remain relevant.

This sector is burdened with daunting legal and regulatory compliance, coupled with day to day operational challenges. SAPRA helps retailers with many of the challenges and interpretation of the sometimes confusing industry semantics. This year SAPRA focused on a strong communication strategy and business rescue initiatives to help retailers navigate the turbulence.

SAPRA strives for sustainable growth and profitability of Petroleum Retailers in a difficult trading environment. When SAPRA takes on challenges facing the industry, we do so in an inclusive way, as the results impact all retailers in the country.

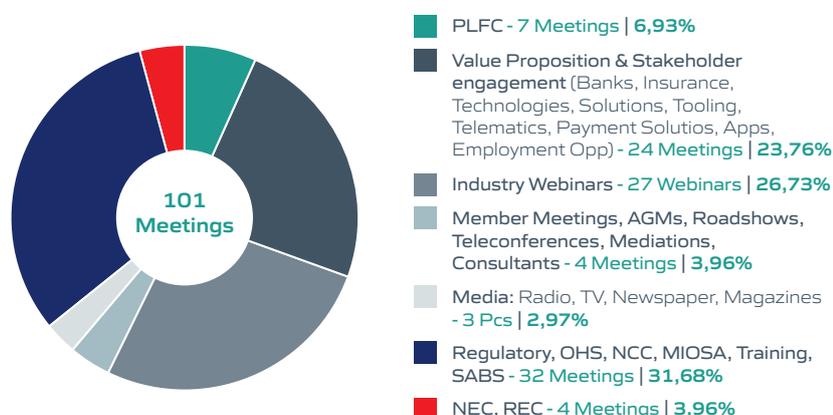
Membership

2020 / 2021



Regional Executive Committees exist in each of the demarcated areas. Online Member meetings are held periodically to ensure that the voice of the petroleum retailer is heard.

Activity Streamline



Retail site applications rise while volumes shrink

History has shown a steady decline in the fuel volume (no volume growth, cost increases and margin shortfalls). The situation has been further exacerbated by COVID-19, where many retailers sustained unimaginable losses. The current work-from-home trend is also a material contributor. The continued development of new retail sites threaten retailer viability, especially in an already shrinking market. While many licenses continue to be granted, the pie is not growing. SAPRA advocates a moratorium on new site developments in the medium term.

Managing Market Forces

Trends

SAPRA continuously tracks trends and, where necessary, facilitates platforms to effect change. The one constant that will give one business a leading edge over another will be service delivery and redefining the customer experience. Many retailers have already grasped this concept and have taken customer experience to heightened levels.

Retailer Environment

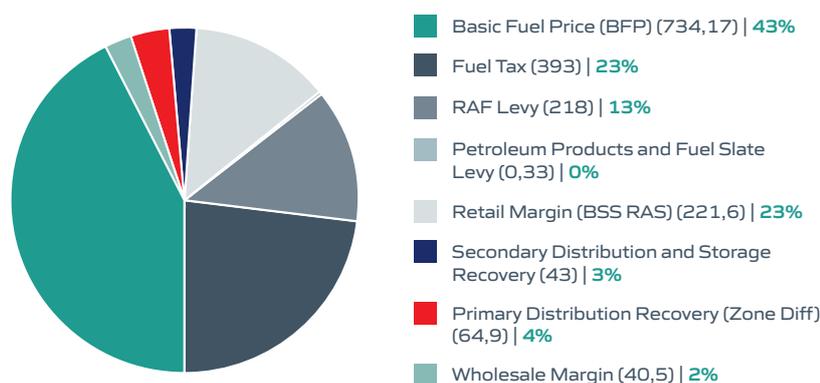
The business of retailing petroleum products remain construed as a high turnover/high profit business model, mostly attributed to an all-inclusive and inflated total rand turnover. **This inflated turnover includes many variable elements beyond normal retailer control, such elements are depicted in the diagram below:**

Compliance and the PCF

In the absence of regular compliance audits, illicit trading practices are increasingly causing progressive loss of volume to compliant retailers. SAPRA launched a Whistle Blower hotline for members to channel violations, in an effort to assist policing authorities to drive necessary compliance. The whistle blower hotline cases are now being reported and investigated by the newly formed Petroleum Compliance Forum (PCF). To report illicit trading activity, please visit <https://sapra.co.za/whistle-blower/>. The PCF started in November 2020 with stakeholders including the Department of Mineral Resources and Energy (DMRE), industry associations, Transnet, the National Energy Regulator of South Africa (NERSA), SAPS, SARS, Treasury, research analysts, legal, inspectorates, and others. This collaboration harnesses value from each stakeholder to realise the end objective, which is to stop

Petrol Pricing in the RSA

Price components in cpl for **RON 93** in Gauteng (Zone 9C) as at 7 July 2021 - R17.20 per liter.



illegal trading of petroleum product. SAPRA is actively engaged with the Petroleum Compliance Forum, as it understands the significant impact this has on retailer sustainability. The partnership between stakeholders has yielded positive results. We are very satisfied with the momentum the exercise has gained since inception, and credit must be given to the DMRE and all stakeholders.

Communication

SAPRA, in conjunction with the Petroleum Compliance Forum communication team, have embarked on a wide-spread awareness campaign to highlight the rampant illegal fuel trade and the consequential effects. **The communication strategy aims to reach a broad target audience including:**

- Industry stakeholders.
- Organised business and labour.
- Communities in affected areas.
- The South African public.
- Law enforcement Agencies (SAPS, SARS).
- The media.

Radio interview – PCF

To raise awareness of the many contraventions that occur in the trading of petroleum products, SAFM’s Cathy Mohlahlana interviewed SAPRA’s Director, Vishal Premllal, and Gadibolae Dihlabo of the Liquefied Petroleum Gas Association of South Africa (LPGSA) at the end of March 2021.

Statistics on cases reported since November 2020

Comments	Industry	SAPRA	Total
Number of cases reported	55	73	128
Number of cases investigated			46
Compliance issues/Notices served			7
Businesses closed			4
Notice of intention to cancel license			6
Allegation could not be proven			21
Pending cases			44

COVID-19 – Impact on business

Retail sites were mandated by government to stay open from the start of the hard lockdown. This was the start of ‘business unusual’. The year-on-year figures for April 2020 show a drop of up to 70% in fuel

sales with a concurrent drop in C Store revenue of up to 50%. Although operating expenditure was cut significantly (on average by 36%), the losses were unavoidable, as forecourts are geared to run at much higher volumes.

There is no doubt that COVID-19 has shocked South African economic activity. SAPRA offices kept industry informed through a regular COVID-19 monitor. A SAPRA Business Continuity Plan and Risk Adjusted Strategy helped retailers prepare for the unprecedented times. SAPRA’s direct inroads into the DMRE helped us interpret some of the ambiguous regulations. **As a united South Africa, we saw the coming together of stakeholders, ubuntu style, to unite and offer assistance. Some interventions that aided retailer sustainability:**

- The UIF and TERS application process and tracking was expedited through a special vehicle tool.
- SAPRA lobbied successfully to raise the tax threshold in the Draft Disaster Management Tax Relief Administration Bill, 2020, from the prescribed R50-m, as retailer turnovers are abnormally inflated.
- SAPRA kept retailers apprised with changes during the lockdown.
- SAPRA proposed, via the South African Petroleum Industry Association (SAPIA), for key stakeholders in the supply chain to be afforded a virtual platform to discuss COVID challenges, subject to approval from the authorities. An industry forum now meets periodically to discuss challenges faced in each sector.

- Engagements with banks.
- Contribution holidays for employers in the Motor Industry Retirement Funds, Moto Health Care Fund, and the Motor Industry Sick-, Accident- and Maternity Pay Fund (SAF).
- Dealing with intimidation at forecourts: some SAPRA members faced intimidation from parties, posing as a political party with union affiliation, making unsolicited demands on employers. SAPRA and the AGRI sector channelled concerns, via BUSA, to the DEL. The intimidation has subsequently slowed down.



Industry study into compensation

Petroleum retailers are currently compensated through the RAS model for various OPEX items depending on a number of variables. The retail activities are restricted to benchmark service station (BSS). The BSS operating costs include all driveway-related operational costs and exclude all expenditure of a capital nature. Initial discussions started between the DMRE and affected industry parties, as the application of OPEX is not consistent across industry and is open for misinterpretation. After discussions with DMRE, and with their support, SAPRA decided to embark on an industry study to determine all relevant driveway-related operating costs, to make recommendations to possible changes to operating cost (OPEX) TOR, and to define each cost component.

Noting the changes that occurred since date of inception, and possible additions that may not be included, these variables now

need to be reviewed to effect relevance now. Therefore, SAPRA accordingly decided to support an all-encompassing industry-commissioned study that will bring about relevance to the existing OPEX and the application thereof.

The first phase of the study, which commenced during the year under review, sought to find clarity on the various definitions currently in RAS, and any new definitions that may be relevant today. Participating

stakeholders include industry associations, dealer councils and the DMRE (observer status only).

PLFCC update

The draft codes prepared by the PLFC are being reviewed by the Department and the dti. Once this process is completed, we will be advised of the way forward, which we believe will be circulated for public comment and possible roadshows around the country.

Conclusion

Was COVID-19 the reality awakening for all business owners to realise that change is real, that disruption is real, and that the old way of work will never be the same again? No one could have imagined that the simple filling station of the 1970s would transform into what we see today. In the same way, it is hard for us to conceive what the fuel stations of the future will look like. What we do know is that they will be strikingly different to what is on offer today.



South African Vehicle And Bodybuilders' Association

The COVID-19 Pandemic took the world by surprise and its negative impacts were felt on all aspects of travel and logistics.

From a SAVABA perspective there were two major issues that we have found thus far as having the most severe effects: steel price increases and shortage of truck chassis.

Steel price increases

The exorbitant, near-monthly, steel price increments have caused major challenges for our members. Like other Associations, our members pride themselves on pricing that can be quoted and honoured for a reasonable period. Customers appreciate this from a budgeting perspective and this has played a part in providing a stable financial environment for our members as well as their customers to operate in, thereby contributing to better customer retention in the long term.

From the start of the pandemic, members found themselves in the unprecedented situation of having to increase prices monthly, without being able to provide so much as a notice period, as they themselves were not granted the luxury of reasonable notice for the increases. The effect of this has often resulted in a shortfall in quoted prices for members, which has been a bone of contention between bodybuilders and their clients.

To make matters worse, due to the national, hard lockdown being imposed last year, there was a lack of long-term consideration and forward planning from many senior steel supply companies and

manufacturers in the sector. Their decision to close plants rather than maintain minimum production levels with skeleton staff to avoid the lengthy, and costly restarting and recommissioning of these plants, has resulted in a material shortage that has continued throughout the year, with no improvement in sight.

Substantial shortage of truck chassis

Due to the temporary closure of production plants and ports internationally and locally, combined with travel restrictions, there have been delays in OEMs receiving all necessary parts required to complete units. The end result is that body and trailer builders could not fulfill their much-needed orders in an already pressurised period. This has once again led to reduced revenues, as the limited supply of chassis are being shared between dealerships.

The aforementioned issues have severely impacted many businesses in our industry and has been the downfall of several blue-chip companies.

To date, there has been a lack of government and external support for our industry, which is the backbone of the construction and logistics value chain.

We need roleplayers to engage to pave the way for a better future and to ensure our industry as a whole is able to stabilise and flourish again.

One of the most significant adjustments of the pandemic has been the lack of face-to-face contact. While virtual meetings work for many, representatives who traditionally visited businesses to present products, conduct training and build relationships and brand awareness, have found this challenging and were still limited in their interactions by either travel restrictions or by the customers' limitations on physical meetings at year-end.

During the height of the COVID-19 pandemic, the RMI Board agreed to an additional COVID-19 relief consideration towards membership subscriptions for existing members into the current financial year. This COVID-19 relief offer was well received and showed great compassion for the hardships that had been forced upon business owners during the lockdown. To accommodate this reduction in income, SAVABA has managed its finances closely.

We have achieved acceptable results financially as an Association in the period under review, which can be attributed to the radical cost-cutting in our budget, coupled with reduced expenses due to ongoing travel restrictions.

The Association has managed to grow its membership, albeit

it marginally, which has also contributed to our stable finances.

Throughout the past year, SAVABA continued its constant interaction with the Department of Trade, Industry and Competition (the dtic) and the National Regulator for Compulsory Specifications (NRCS) to address the most pressing issues facing our members in the industry.

In early 2021, SAVABA made contact with the Director Generals of both the dtic and Development Partners International (DPI) requesting their intervention in the continuous steel increments being imposed on our member businesses.

Similarly, during the second half of 2020, SAVABA made submissions to the MECs of Transport in KwaZulu-Natal and Gauteng to address issues such as MIB vehicle registration and licensing.

SAVABA also participated in several meetings with WesBank during the past year to streamline processes and enable our members to easily apply for RT46 work.

Meetings/Interaction between NRCS and SAVABA

The stakeholder meetings with the NRCS that were instituted in early 2019 were a huge success, with both parties recognising the need to work together. Therefore, the meetings continued during the 2020/2021 financial year, with the agreement to hold quarterly meetings of this nature every year.

During the year under review, meetings were held in October 2020, April 2021 and June 2021. These interactions continue to prove fruitful and invaluable in addressing the concerns and issues our members experience with the regulator and vice versa.

Interaction with the dtic

During the year, SAVABA continued to engage with the dtic on all pertinent issues facing the industry. This engagement took the form of written communication as well virtual meetings. The most important issue raised with the department in the past year was the constant increases in the steel price. This gave rise to much back and forth communication between the dtic and SAVABA and also included a few meetings with the dtic Director of Primary Metals regarding the Department's formulation of a 'Steel Masterplan' to address the current steel prices and limited stock availability. The outcomes of these meetings were communicated to the SAVABA membership.

In essence, our relationship with the dtic remains strong and stable.

AGMs

A National Annual General Meeting was held on 21 October 2020.

NEC

The following members were elected to serve on the NEC for 2019 and confirmed to continue in their positions for the 2020/2021 financial year:

Mams Rehaman
Eduan Naude (Chairman)
Bruce Morgan
Jaco Bezuidenhout (Vice-Chairman)
Sarel Dippenaar
Danie Fourie

Great appreciation is extended to the above committee members who continue to sacrifice their time and effort to ensure the Association continues to remain stable, sustainable, and adds ongoing value to members during these unusual and trying times.

Conclusion

In concluding the report for the 2020/2021 financial year, SAVABA is extremely grateful for the continued support of all members of the Association, the thankless efforts of the committee members who give freely of their time and expertise and, finally, to the Staff who keep the Association on the right path. Last, but not least, we also have great appreciation of the greater RMI membership and the RMI staff who work alongside the Association.

SAVABA is looking forward to continuing to do all it can to assist members and be of value to their business, especially in these uncertain times as we all grapple with the 'new normal'.



Tyre, Equipment, Parts Association

From an economic perspective, the landscape on 1 July 2020 had what appeared to be a very bleak outlook, given the ravages of COVID-19 on the industry and the South African economy.

One of the most significant adjustments to the pandemic is the way business has been conducted during the past year and how it is likely to continue for the foreseeable future, or at least until the situation has 'normalised'.

It has been noted that the explosion in the adoption of Teams and Zoom has left many people feeling disjointed from reality. Especially where representatives who traditionally visited businesses to present products, conduct training and build relationships and brand awareness, just simply could not do so and were still limited at year-end by travel restrictions or by limitations on contact meetings. Trade shows, both locally and across the globe, have either been halted completely or are transitioning to online events – even virtual malls. This has, to a large extent, has left a large cap in opportunities to expand ranges and introduce new parts to markets across South Africa.

Despite these challenges, TEPA was able to still able to stay focused and managed to expand the membership of Association comfortably and in line with Associational targets. The successful conclusion of a new corporate membership for AutoZone nationally at year-end also bodes well for the new year. AutoZone will no doubt add immense expertise and relevant experience to the TEPA mix.

Financial results satisfactory

During the height of the COVID-19 pandemic, the RMI Board agreed to an additional COVID-19 relief consideration towards membership subscriptions for existing members into the new year. This offer was well received and showed great compassion for the hardships that had been forced upon the business owners during the lockdown.

For the year under review, TEPA recorded acceptable financial results, which can largely be attributed to radical cost-cutting,

cost savings due to travel restrictions, effective management of Associational finances, and an increase in membership numbers.

Introduction of guidelines

One of the major commercial factors during the year was the publication of the Guidelines for Competition in the Automotive Industry – Aftermarket. Despite numerous submissions from TEPA, the Commission chose to publish

the definition of Parts as Original Parts and Non-Original Parts.

TEPA continues to be of the opinion that the origin of Original Parts stems from the original source of the part. As the OEM is synonymous with the assembly of a vehicle as an original equipment vehicle, the same can be said of the component parts that are supplied by Original Source Manufacturers of the parts. Therefore, TEPA's interpretation of the definition allows for the use of Original Parts as those being manufactured and branded by the original manufacturer of the parts and supplied through a reputable supply chain in the same branding that the manufacturer owns the copyright of.

Therefore, Original Parts are all parts with a traceable pedigree and that carry a full product warranty backing from the source. This should prove to be good news for recognised and reputable brands of parts in South Africa. It should also be noted that tyres are also included as parts in this definition.

Training and development in the TEPA space

Over the past year, TEPA has developed a Tyre Training Academy suite of courses, including an Introduction to Workshops, an Introduction to Tyre Theory, Wheel Balancing, Fitting Batteries, Fitting Brakes, Fitting Shocks and Wheel Alignment.

The take-up of courses has thus far been promising and we expect the growth of these courses and their relevance to increase exponentially as the need for online theory training and education increases.



The courses are each linked to a certificate of completion of the theoretical work and thereafter, once a practical assessment has been completed, the second certificate of practical competence will be issued, thus covering both theory and practical development of people in the industry.

Reducing membership costs

During the year, TEPA developed the SAF Calculator to highlight the savings applicable to the business subscription to the Sick-, Accident- and Maternity Pay Fund. This calculator is an online estimator of the costs and potential savings that can be accrued annually with a subscription to the Fund. While the calculator does not cover all the potential savings, it does highlight the savings applicable to direct sick leave taken during a year based on the 3-year cycle.

Fitment Centre Grading System

TEPA has for some years mooted the option of providing a Fitment Centre Grading process. This has

been considered in many forms, but the associated costs have always been a barrier. From 1 May 2021, TEPA therefore introduced an honesty-based grading system for fitment centres. We provide an online grading system that is free to use and reasonably quick to complete.

The grading system is linked to a database which, although fully encrypted to protect information, will still allow TEPA to analyse the information using Business Intelligence Software. The system allows for separation of franchises and brands, regions, towns, sections of the information and additional information, making the business of uplifting our members so much more meaningful.

Finally, and most importantly, this will be a first step in addressing the numerous requests received from the fleet operators and insurance and warranty providers for differentiation of the dealers issued with authorisations in similar fashion as mechanical workshops currently enjoy. Going forward, this simple system can be expanded and further developed to add even more value.

TEPA answering the call of others

In 2019, MIWA approached TEPA to address the issue of labour costs being incurred and carried by the workshops whenever a newly fitted part was found to be defective. After two years of research and development, TEPA has launched iToo Defective Parts Labour Insurance cover for workshops.

The principle is that if a MIWA member sources parts from a TEPA member and the part is found to be defective, subject to certain terms and conditions, the labour portion of the rework of the job would be covered by the TEPA member's policy.

In concluding the report for the 2020/2021 financial year TEPA is very grateful for the continued support of its members, the tireless efforts of Committee members who give so freely of their time and expertise and the Staff of the Association. Last, but not least, we sincerely appreciate the efforts of the greater RMI membership and the RMI staff who work alongside the Association.



Vehicle Testing Association

During the year under review, in the Western Cape, Ferose Oaten was re-elected as Chairperson, with Rafiek Pather of Lansdowne VTS elected as Vice-Chairperson.

In Gauteng, Johannes Tshabala was elected as Chairperson with Hennie Vermaak as Vice-Chairperson, and in KwaZulu-Natal, Naeem Sheik was elected as the Chairperson. Ferose Oaten was also elected as the National Chairperson.

The protracted COVID pandemic and the subsequent limitations placed on test stations in Gauteng and KwaZulu-Natal greatly influenced the test station business over the past year. At year-end, these limitations were still in place and have caused severe losses to Gauteng and KwaZulu-Natal stations with multiple lanes. During the year, we have also unfortunately seen test stations having to close their doors due to the ongoing financial strain.

National Executive Meetings (NEC)

The following members were elected to serve on the NEC in 2019 and were re-confirmed again in at the AGM in 2020:

- Ferose Oaten – Chairperson
- Johannes Tshabalala
- Hennie Vermaak- Vice Chair
- Naeem Sheik

Sixteen NEC Meetings were held over the period.

Great appreciation is extended to the aforementioned committee members, who continue to sacrifice their time and effort to ensure the Association continues to remain stable, sustainable, and continues to add value to members during these unusual and trying times.

AGMs

One combined National AGM was held virtually on 22 October 2020.

VTA Meetings

The following meetings were held in different provinces during the period in review:

October 2020:

Meeting with the test station industry in Gauteng to discuss the alignment of strategy prior to meeting with Gauteng Department of Transport regarding test station limitations.

November 2020:

Meeting with the Gauteng Department of Transport Test Station Head of Department to discuss testing limitations in the province. The VTA was represented by Gauteng Ptovidnet Chairperson and Vice-chair.

November 2020:

Follow-up meeting with the Gauteng Department of Transport Test Station Head of Department to discuss testing limitations in the province. The VTA was represented by its Gauteng Chairman.

April 2021:

KwaZulu-Natal Industry meeting to discuss concerns with the provincial Department of Transport. Attended by the VTA Regional Chairman.

April 2021:

Industry meeting with KwaZulu-Natal Department of Transport.

April 2021:

KwaZulu-Natal members meeting regarding proposed SLA V4 for KwaZulu-Natal Department of Transport.

30 April 2021:

Legal briefing with Barnard Inc. to request a legal opinion on DEKRA Interdict - KwaZulu-Natal.

May 2021:

KwaZulu-Natal Members/Industry meeting regarding issues with and communication to be sent to KwaZulu-Natal Department of Transport in respect of proposed SLA V4.

May 2021:

Meeting with DEKRA and their legal counsel regarding ongoing action against KwaZulu-Natal MEC.

June 2021:

KwaZulu-Natal VTA and industry meeting regarding SLA V4 interdict application.

Limitations on Test Stations

As both Gauteng and KwaZulu-Natal were affected by limitations on test stations, there were many submissions made on behalf of test stations to provide some relief on this matter, with submissions being sent to Adv Johannes Makgatho from the National Department of Transport to the Minister of Transport, Fikile Mbalula, to request the lifting of the limitation of 24 tests per day per test station in the two provinces.

Submissions were also made to the MECs of both Gauteng and Kwazulu-Natal. While some concessions were made, after extensive efforts, at year-end the limitations remained in place in these provinces. Other provinces did not implement any limitations, and in the Western Cape, very strict provisions were implemented for precautionary measures for COVID.

Service Level Agreement with Test Stations

The VTA engaged with the authorities in KwaZulu-Natal regarding the concerns of members needing to sign a service level agreement where test stations would not have been allowed to render additional services. This matter is ongoing.



Acceptance of ARSO Standards

The VTA engaged its membership to gauge their reaction to the implementation of minimum standards for roadworthy testing, testing equipment and qualifications of examiners. Our members opted to render a 'yes' vote to accept the minimum standards.

Representation of the Industry on TC 1033

The industry is governed by the National Road Traffic Act and its revisions. The main standards are SANS 10047 and SANS 10216, which are both part of the work and activities of the Technical Committee 1033.

Several meetings were held during the period under review, but the two standards were not updated. Mr Peter Cross, the Chairperson of TC 1033, retired during the financial year.

Conclusion

The VTA NEC is constantly and continuously working hard in the background fighting for our members to ensuring they have a level playing field to conduct their business.

Strong membership continues to be key to being able to lobby and pressure the relevant authorities and to gain recognition with the Department of Transport, both nationally and provincially. We therefore wish to encourage existing members to play a role in ensuring that vehicle test stations in your immediate area or those that you have contact with are encouraged to join the VTA and become active in the industry's affairs.

Overview of RMI Labour Activities



The RMI Team continues to protect and promote the interest of its Members on the various Boards of Trustees for the Motor Industry Retirement Funds. Currently, a total of more than R43bn in managed funds are under investment by the Fund Administrators with exceptional performance recorded for all of the Funds.

Motor Industry Retirement Funds

	Fund Value	Surplus	Total
Copartes	1 085 079 214	0	1 085 079 214
MIPF	6 193 709 093	1 474 558 174	7 668 267 268
AW Prov	19 337 177 405	340 347 974	19 677 525 380
MI Prov	14 468 905 651	32 938 050	14 501 843 702
MIBF	327 529 231	0	327 529 231
	41 412 400 595	1 847 844 199	43 260 244 795

Source: Motor Industry Fund Administration | Data as at 30 June 2021.

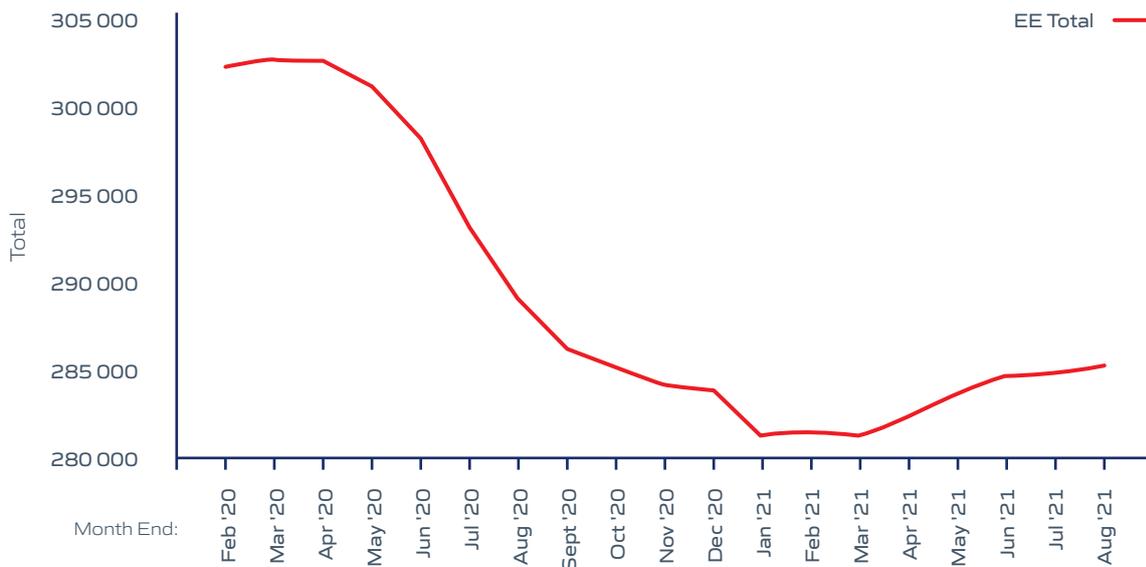
The MIBCO wage agreement the RMI negotiating team concluded early in 2020 enters the last year of its three-year cycle on 1 September 2021, and the entire Main Agreement will expire on 31 August 2022. The RMI negotiating team has already commenced with the preliminary processes in preparation for MIBCO negotiations set to commence early in 2022.

Members can rest assured that a new, fresh approach to drafting and concluding an agreement for the industry will be adopted in 2022 to avoid businesses being caught up in unfavourable agreements (such as the current one) in the event of a catastrophe, such as a pandemic.

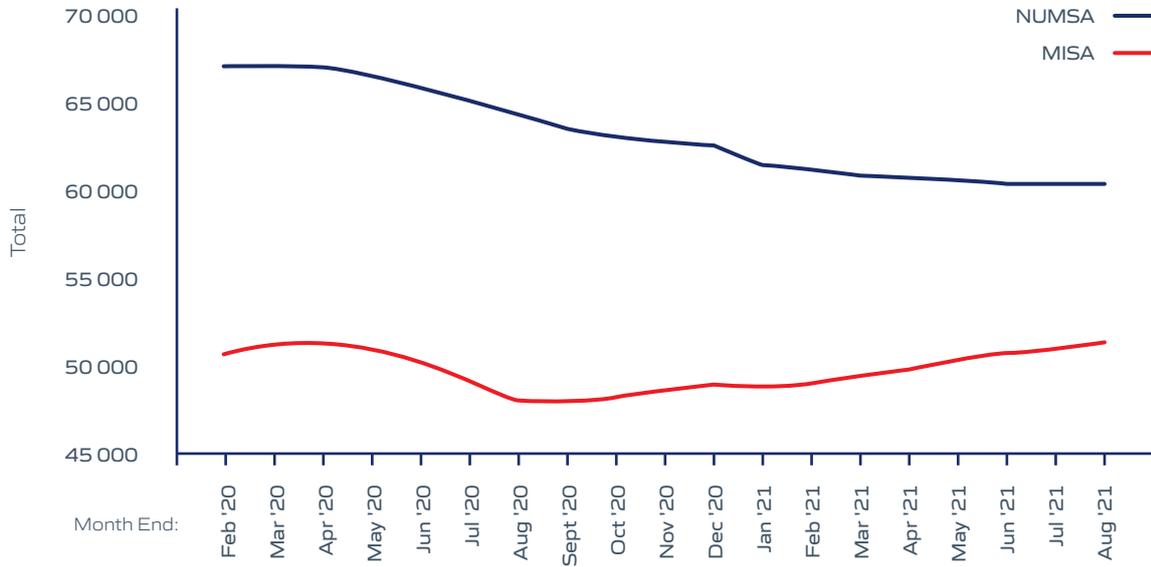
The Motor Industry Bargaining Council (MIBCO) has been led ably by its President, Ms Nava Annamalay, and the MIBCO Governing Board for the past year. Over the past three years there have been several challenges, but the RMI Team representing industry has worked tirelessly to ensure the restoration of good governance.

All the MIBCO administrative and provident fund collective agreements are currently in force and effect and the MIBCO Inspectorate is actively conducting compliance visits to all businesses in the industry. The Dispute Resolution Centre (DRC), accredited by the CCMA to resolve employer-employee disputes in the industry, recorded exceptional rates of settlement and continues to conclude referred cases at a cost-per-case far less than what the CCMA can achieve. Self-determination through the bargaining council system remains, for now, the most viable alternative to government regulation of the industry.

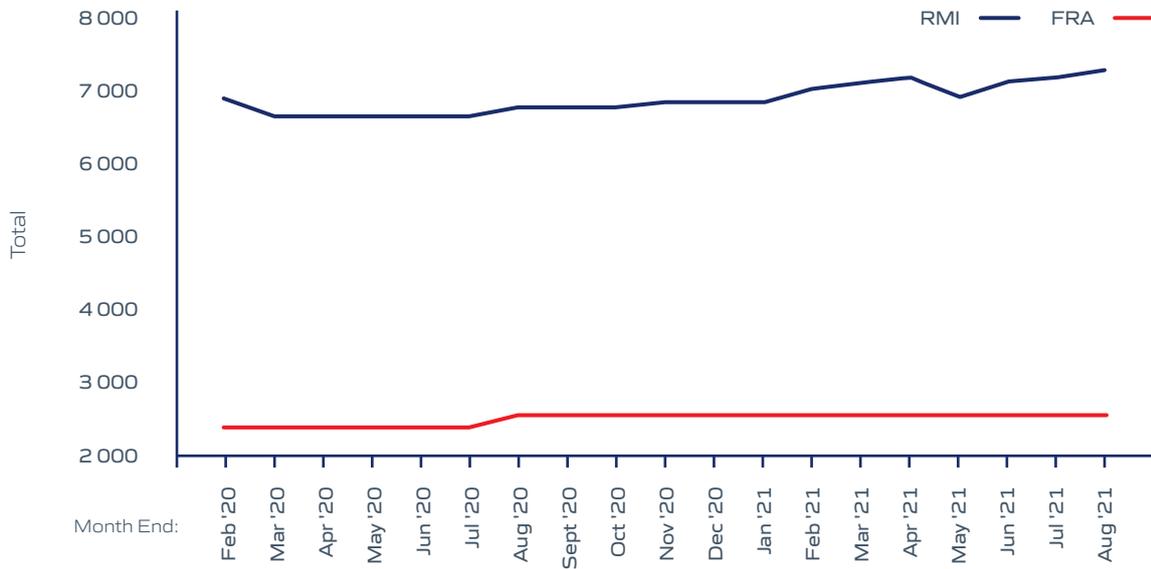
Employee Movement



Union Movement



Employer Party Organisation Movement



The Sick-, Accident- and Maternity Pay Fund continues to represent an excellent benefit for members, with healthy performance recorded. The current agreement has been extended to 31 August 2022.

The Sick-, Accident- and Maternity Pay Fund received an unqualified audit report for the period ending 31 December 2020. The table below reflects the financial position of the Fund on 30 April 2021.

	YTD Actual	Actual Last Year	Variance Yr on Yr	Variance % Yr on Yr
INCOME				
Contribution Received	19 579 097	21 052 303	-1 473 206	-16.33
Contributions Received SAF	17 190 653	18 507 818	-1 317 165	-16.33
Contributions Received Materni	2 388 444	2 544 485	-156 041	-16.33
Current Account Interest	140	1 490	-1 351	-80.19
Interest Received	140	1 490	-1 351	-80.19
Investment Interest	1 268 509	2 513 067	-1 244 557	-61.95
Investment Interest	1 773 980	2 489 140	-1 264 187	-62.77
Penalty Interest	43 556	23 927	19 629	-7.81
Total Income	20 847 747	23 566 860	-2 719 114	-21.81
EXPENSES				
Claims Paid Out	-18 111 109	-10 650 527	-7 460 583	-299.26
Sick Claims Paid Out	-18 111 109	-10 650 527	-7 460 583	-299.26
Claims Paid Out	-3 023 373	-3 126 437	103 064	-28.05
Accident Claims Paid Out	-866 513	-839 256	-27 256	-374.30
Maternity Claims Paid Out	-2 156 860	-2 287 181	130 321	7.01
Bank Charges	-792	-752	-40	-
Bank Charges	-792	-752	-40	-
Audit Fees	-	-260 540	260 540	100
MISA Death and Benefit Fund	-	-148 015	148 015	100
Non Party Death Benefit Fund	-	-112 525	112 525	100
Total Expenses	-21 135 274	-14 038 256	-7 097 019	-156.28
Net Income (Deficit)	-287 528	9 528 605	-9 816 133	-127.79

The financial impact of the national state of disaster for participants in the Fund has been accounted for and the adverse impact was far lower than anticipated.

We remind employers that participation in the Fund is restricted to paid-up members of the RMI only, with membership being compulsory for employees that are members of the Motor Industry Staff Association

(MISA). All non-MISA members, employed by RMI-registered employers, may participate in the Fund on a voluntary basis.

Voluntary membership by non-MISA members is at the behest of the employer and represents a benefit that is better than that provided for in the MIBCO Main Collective Agreement.

Below is a summary of benefits accruing to employees that are members of the Fund.

MISA Members	All other Employees	General Employee Benefits
<p>Sick Leave</p> <p>First 10 days at 100% of wages/salaries.</p> <p>Next 5 days at 50% of wages/salaries.</p> <p>Employers will pay the MISA members directly and claim the benefit back from the Fund afterwards.</p> 	<p>Sick Leave</p> <p>15 days at 75% of wages/salaries.</p> 	<p>Accident Pay</p> <p>Up to 40 days at 75% of wages/salaries.</p>  <p>Maternity Pay</p> <p>Up to 17 weeks at 30% of wages/salaries.</p> 

With effect from 1 January 2021, all employees registered on the Fund will receive the following additional benefits after eight consecutive weeks' contributions:

1. A death benefit of **R20,000.00** per Fund member, upon the passing of the member;
2. A funeral benefit of **R10,000.00** for the Fund member, as well as his or her spouse/partner, children between the ages of 14 and 18 and **R7,000.00** for children under the age of 14, to a maximum of three claims per year; and
3. A funeral benefit of **R7,000.00** in the case of the stillbirth of a child of the member.

Moto Health Care Fund

Moto Health Care Fund, the Retail Motor Industry's preferred medical aid service provider, represents good value for money with an industry-relevant benefit mix that will cater for all income- and age groups.

Moto Health Care is a restricted scheme operating in the retail sector of the automotive value chain. It was formed in 2007 when two bargaining council schemes (MIMED and Automed) merged to form a single

medical scheme to cater for the healthcare needs of staff employed in the motor industry. Upon its establishment it registered with the Council for Medical Schemes and is now fully compliant with the Medical Schemes Act.

Moto Health Care is a well reserved scheme and has maintained a solvency ratio around 60% for the past year. The scheme has over the past five years approved and implemented contribution increases that are lower than the industry average. This was made possible by sound financial management and a lower than forecasted claims experience assisted by better outcomes management through the integrated care model and wellness coaching.

The scheme is well governed by a Board of Trustees, independently elected by members from amongst members, who meet regularly to oversee the affairs of the scheme. In addition to the Board of Trustees, an Audit Committee comprising of three fully independent members also meet regularly to ensure that the scheme is fulfilling all corporate governance obligations and make recommendations to the Board on pertinent issues, from time to time.

The Fund is in a healthy financial position and Fund performance for the financial year ending 31 December 2021 is projected as per the table opposite.

	Actual	
	R million	R PMPM
Number of Members		18 897
Risk Contribution Income	269.29	2 824
(Relevant Healthcare Expenditure)	-280.40	-2 940
Gross Healthcare Result	-11.11	-117
(Non-healthcare Expenditure)	-26.17	274
Net Healthcare Result	-37.28	-391
Investment Income	-8.68	91
Surplus	-45.97	-482



RMI Industrial Relations Service

The RMI Regional Offices provide an ongoing IR service by highly skilled legal practitioners specialising in labour relations, including offerings such as chairing disciplinary enquiries, attending to grievance meetings, representing Members at the DRC, CCMA, and Labour Court, assisting with the compiling of employment equity plans, submitting reports, and managing strikes in the workplace. This service is provided to Members at a highly subsidised rate unavailable anywhere else.

As a registered employers' organisation, the RMI represents an excellent value proposition for employers in the retail motor industry. Such employers are encouraged to join the RMI if they are not already highly valued Members.

Financial Report

Period ended 30 June 2021.



The audited financial statements were tabled for acceptance and ratification at the Board meeting held on 15 September 2021. **The financials continued to reflect surpluses, despite the devastating effect the COVID-19 pandemic has had on both local and global economies.**

The budget approved for the period ended 30 June 2021 was a deficit budget, with the Board finding it necessary to aid our members in whatever way they could to alleviate financial hardship and remain members of the RMI. It certainly was a surprise when, with the exception of a few Associations, the RMI returned surpluses. Continuing with the trend established in 2020/2021, the RMI Board has again offered COVID-19 financial relief for the 2021/2022 year, this time of 15%.

Previous decisions taken by the Board to strengthen the RMI balance sheet by converting existing assets, both current and fixed, into more desirable properties in burgeoning areas, has been somewhat retarded, due to a huge dip in the sale of commercial property. The underlying decision to do so remains in place.

The strategy of selling our existing properties and replacing them with new, better located properties will be continued into the foreseeable future. If possible, the buildings will be rented out to long-term tenants, either in part or as a whole.

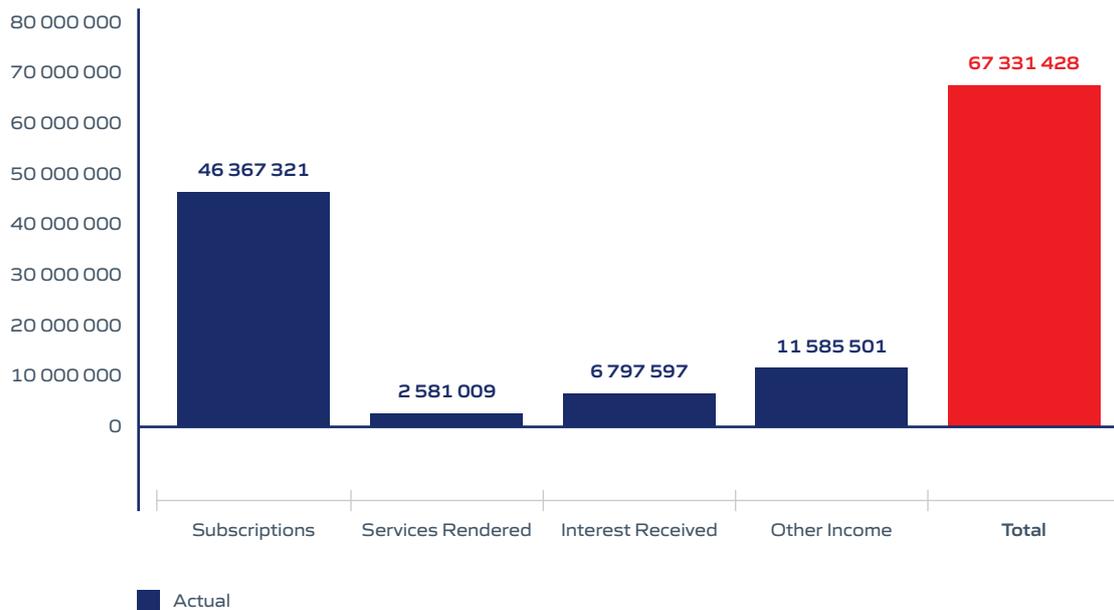
Revenue

As a result of the 35% COVID-19 relief offer to members across the board, the year under review saw income decrease from **R71 216 781** as at 30 June 2020 to **R67 331 428** in 2021, or **5.8%** against a projected attrition of **15%**. The RMI cash reserves have grown substantially during the period under review, increasing from **R90 711 601** to **R115 288 097** as at financial year-end.

It was agreed that a dividend of **R5 000 000** be declared against the RMI4Sure cell captive. These funds were received and are included in the revenue for the period under review.

Also included in revenue is training income, with various projects underway, including the Department of Labour, MerSETA New Venture Project, and the TVET Partnership Project HWK Erfurt.

Income RMI and Associations 30 June 2021



Contingent Asset

The Organisation has shares in Guardrisk Insurance Company in the form of a Cell Captive, RMI4Sure. On 1 July 2018 the Solvency Assessment and Management ('SAM') regulatory regime came into effect. The structure and the methodology required for the Solvency Capital Requirements ('SCR') of the cell under SAM are very different from the previous regime,

known as 'Interim Measures'. Several meetings have been held with Guardrisk and their actuarial team to ensure that the income (in the form of dividends) and bonuses to active policy holders have been calculated correctly and that there are sufficient capital reserves available to cover any contingencies.

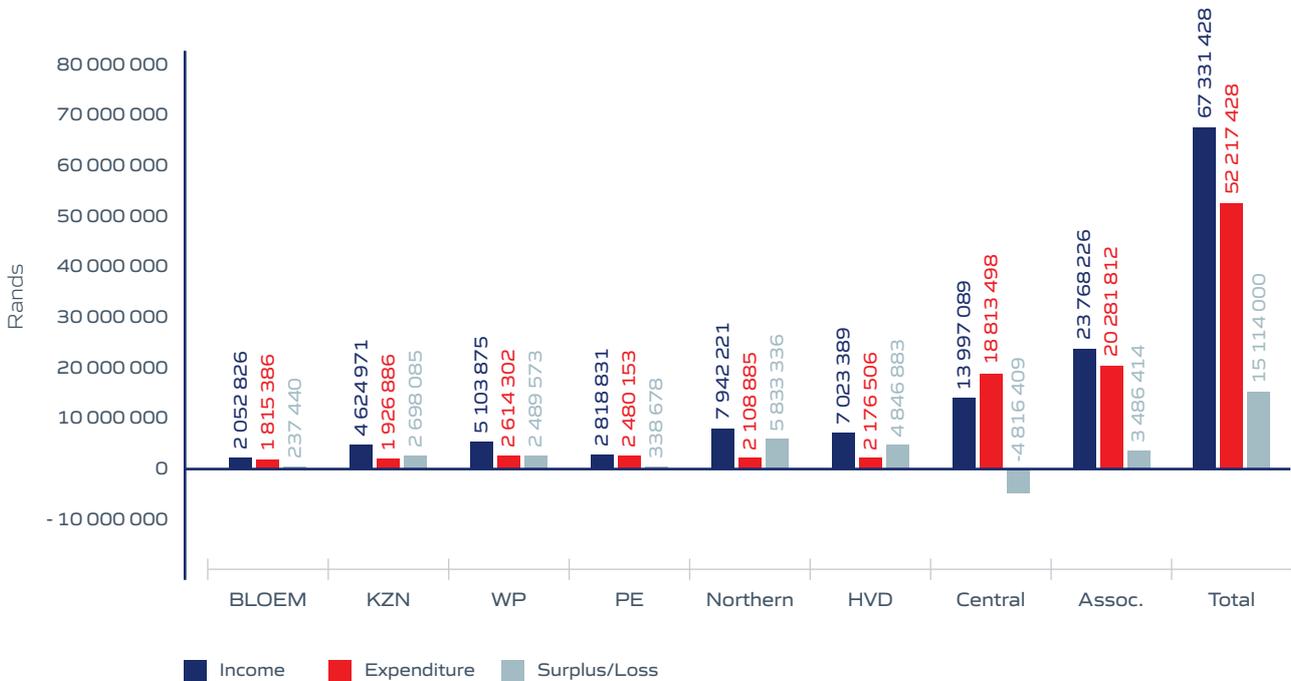
Expenditure

Total expenditure decreased substantially from R57 144 403 in 2020 to R52 217 428 in 2021. This reduction in expenditure was due mainly to the COVID-19 lockdown, which resulted in reduced costs, including office closures, electronic meetings, and extremely limited travel, which are some of the main expenditure items for the RMI, after remuneration.

R15 114 000

The actual surplus achieved as at 30 June 2021.
This surplus is across all regions and Associations.

Abridged Income Statement RMI and Associations



Solvency

Current assets available for the payment of liabilities have increased from 148 cents in 2020 to 168 cents in 2021.



The stated intention of the RMI Board to have six months' worth of Opex Reserve has been achieved. We currently have 42.21 months of reserves, including the Associations, and 20.79 months of reserves excluding the Associations.

Equity

The Statement of Changes in Equity from 1 July 2018 to 30 June 2021 reflects a positive change in equity holding of R35 591 041. This trend would explain the improvement in reserves.

Statement of Changes in Equity

Consolidated Financial Statements for the year ended 30 June 2021. Registration number LR2/6/3/45

Figures in Rand	Revaluation of land and buildings reserve	Special training reserve	Other NDR	Total reserves	Accumulated surplus	Total equity
Balance at 01 July 2018	5 774 714	4 169 890	3 544	9 948 148	70 372 232	80 320 380
Changes in equity						
Interest on special training reserve	-	258 322	-	258 322	-	258 322
Surplus for the year	-	-	-	-	9 815 348	9 815 348
Total changes	-	258 322	-	258 322	9 815 348	10 073 670
Balance at 01 July 2019	5 774 714	4 428 212	3 544	10 206 470	80 187 580	90 394 050
Changes in equity						
Surplus for the year	-	-	-	-	14 370 138	14 370 138
Transfer from special training reserve	-	-4 662 269	-	-4 662 269	3 898 678	-763 591
Interest on special training reserve	-	234 057	-	234 057	-	234 057
Transfer from reserves	-	-	-3 544	-3 544	-	-3 544
Transfer to non-current asset held for sale	-	-	-	-	-256 610	-256 610
Total changes	-	-4 428 212	-3 544	-4 431 756	18 012 206	13 580 450
Balance at 31 July 2020	5 774 714	-	-	5 774 714	98 199 786	103 974 500
Changes in equity						
Surplus for the year	-	-	-	-	15 114 000	15 114 000
Transfer from special training reserve	-3 177 079	-	-	-3 177 079	-	-3 177 079
Total changes	-3 177 079	-	-	-3 177 079	15 114 000	11 936 921
Balance at 30 June 2021	2 597 635	-	-	2 597 635	113 313 786	115 911 421

Cash Flow

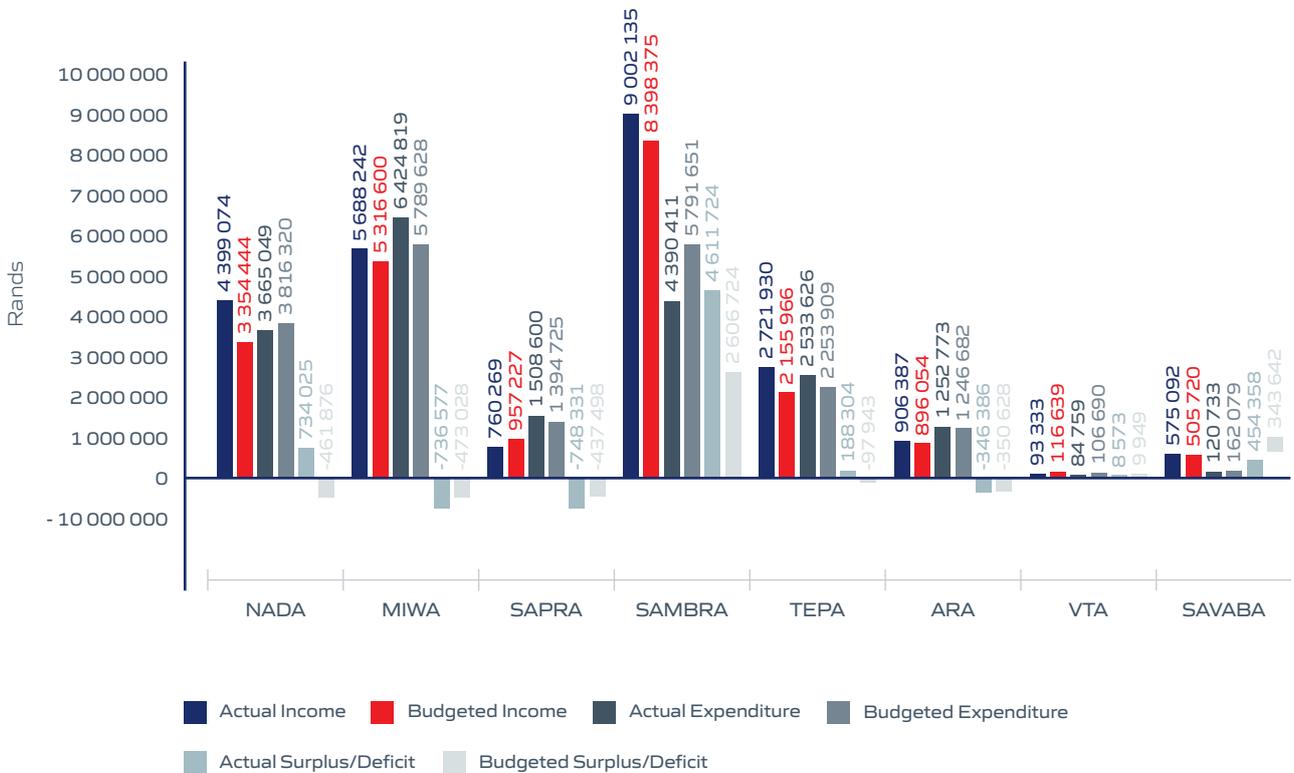
The RMI is arguably in its strongest financial position since inception. This is encouraging given the uncertain times we are experiencing. The RMI would be in far more negative situation if these reserves were not available to carry us through difficult times.

Date (CoH)	1 Jul '12	1 Jul '13	1 Jul '14	1 Jul '15	1 Jul '16
Balance	23 540 420	22 323 791	21 241 543	33 462 818	45 248 369
Movement	-1 216 629	-1 082 248	12 221 275	11 785 551	14 801 909

Date (CoH)	1 Jul '17	1 Jul '18	1 Jul '19	1 Jul '20	1 Jul '21
Balance	60 050 278	75 141 351	81 638 901	90 711 601	115 288 097
Movement	15 091 073	6 497 550	9 072 700	24 576 496	

Cash on Hand (CoH)

Abridged Financial Statements for Association 30 June 2021



Our objective is to **promote, protect and encourage the interests of members and the motoring public** by setting and maintaining **proper standards of service and ethical trading conditions** in the industry.

RMI Office Bearers

Period ended 2020/2021.



RMI Board of Directors

Jeánné Esterhuizen
*President,
Independent Director*

Frans Maritz
Vice President

Jakkie Olivier
Chief Executive Officer

Vuyani Mpofu
Independent Director

Jeremiah Modiba
Independent Director

Ferose Oaten

Mark Dommissé

Frank MacNicol

Eugene Ranft

Lindsay Bouchier

Riaan Botha

Les McMaster

Andrea Bogner

Sello Molemela

Eduan Naude

George Jacovides

Charles Canning

Danie Fourie

Trevor Gordon



RMI Audit & Risk Committee

Lindsay Bouchier

Brand Member -
Chairperson

Marcel van Ruler

Independent

Bruce Allen

Independent

Saskia le Roux

Independent

Jakkie Olivier

Chief Executive Officer

Jan Schoeman

Chief Operations Officer

Renee Coetsee

Financial Director

Gary McCraw

Company Secretary

RMI Labour Executive Committee

Les McMaster [Northern Region]

Henry van der Merwe [Central Region]

Dewald Ranft [Free State/Northern Cape Region]

Frans Maritz [Western Cape Region]

Trevor Gordon - Vice Chairperson [Eastern Cape Region]

Lindsay Bouchier - Chairperson [Border Region]

Mark Roberts [KwaZulu-Natal Region]

Belonging is Better Business

here's why



Your voice

RMI represents the industry at:

Centralised wage negotiations.

Various MIBCO and Industry-related Boards and committee structures.

Various South African Bureau of Standards (SABS) committees and working groups.

The National Regulator for Compulsory specifications (NRCS), defending our industry when compulsory specifications and standards are compromised.

The Moto Health Care Fund, Industry Provident Funds and the Sick, Accident and Maternity Pay Fund.

Meetings hosted by reputable organisations recognised by government, big business, consumers and relevant stakeholders like Business Unity SA (BUSU).

Legacy
& unity



100 + years

retail motor industry
representation

8,000 +

member businesses
our unity is our strength



Supports your business

Professional industrial relations advice ensuring procedural and substantive **fairness** when disciplining staff.

Chairing of disciplinary hearings and **automatic entry** at the CCMA, DRC and Labour Court.

Exceptional CPA **support** at the National Consumer Commission (NCC) and the Motor Industry Ombudsman of South Africa (MIOSA).

Facilitation of a business-to-business complaint where both parties are RMI members, with a **complaint resolution** rate in excess of 95%.

Training needs and representation via merSETA and W&RSETA.

Industry-specific products like RMI4BEE, RMI4LAW, RMI4OHS and RMI4SURE.



Keeps you in the know

Industry labour relations seminars.

Automobil magazine and weekly web letters.

Commenting on industry topics in the media, and participating in and hosting numerous conventions and shows.

RMI Constituent Associations



Eight Associations fall proudly under the RMI umbrella.

Inter-associational business-to-business trading is encouraged in the interests of all stakeholders.

The Retail Motor Industry Organisation (RMI) is a proactive, relevant, retail and associated motor industry organisation recognised as the leading voice in South Africa's automotive aftermarket. It serves the daily needs of its members and plays a key role in enabling motor traders to deliver a superior service to motoring consumers.



The **Automotive Remanufacturers' Association** represents the remanufacturing trade sector. This includes component remanufacturers involved in safety-critical components, inclusive of, but not limited to vehicle cooling, turbocharger and braking systems; automotive engineers who machine and remanufacture engine components by way of expert engineering – ultimately rebuilding engines to its original specifications, and specialists in the repair, servicing and remanufacturing of diesel fuel injection systems fitted to diesel engines in earth moving equipment, highway trucks, stationary engines and passenger vehicles.

ARA promotes the responsible reuse of remanufactured engine components for a 'greener' environment (carbon footprint). Its members are dedicated to providing consumers with only the best advice, finest service delivery, and highest quality workmanship.



The **Motor Industry Workshop Association** represents general repairs, auto electrical; air conditioning; accessories and fitment as well as transmission and driveline workshops, while striving to remain ahead of the ever-changing technologies and best practices of the

aftermarket motor industry. MIWA encourages members to support inter-associational, business-to-business trading with a view to strengthen the RMI. MIWA remains the leading resource for members ensuring continued relevance and sustainability.

 **The National Automobile Dealers' Association** represents the interests of business people who own or operate new motor vehicle and motorcycle franchise dealerships and qualifying used motor vehicle and motorcycle outlets.

NADA is committed to the image enhancement of the retail motor business, facilitating the interface between dealers and OEMs, importers and distributors, building relationships between dealers and customers and bringing relevant industry issues to the attention of government. NADA is the respected voice on all matters relating to motor vehicle and motorcycle dealer business.

 **The South African Motor Body Repairers' Association** is the pre-eminent motor body repair association in South Africa representing the majority of accredited motor body repairers.

SAMBRA's grading system, which was introduced over 30 years ago, regulates repair standards in the motor body repair industry in South Africa and instils confidence in consumers and industry stakeholders alike. The Association works in close collaboration with various key industry stakeholders including Insurers, Original Equipment

Suppliers, paint and equipment suppliers, the labour department and trade unions, as well as related SETAs – to maintain industry sustainability and development. It ensures the provision of technical and business management skills training in order for members to meet the demands of the industry.

 **The South African Petroleum Retailers' Association** represents the interests of all petroleum retailers in South Africa. Its aim is to improve growth and profitability for the investor. SAPRA plays an important role in tracking global and local trends that affect sustainability and help retailers remain relevant in an ever-changing business environment.

Retailers voice concerns through one of the seven regional chairs strategically located around the country, into a National Executive Committee (NEC), where strategy and solutions are developed. This bottom up approach is a fundamental SAPRA imperative.

 **The South African Vehicle and Bodybuilders' Association** members are professional, certified and regulated vehicle body builders in South Africa who manufacture commercial vehicle body applications (tanker, coal, refrigerated trucks and trailers) and bus bodies (commuter and tourist type).

Members manufacture using the latest equipment and highly trained staff to ensure strict compliance with NRCS regulations; SABS standards and all other legal specifications and requirements.

 **The Tyre, Equipment, Parts Association** represents tyre dealers, garage and workshop equipment and tool importers and distributors, auto part wholesalers, retailers and independent operators in the aftermarket motor parts industry as well as manufacturers and importers of parts for the automotive aftermarket.

The members of TEPA represent, promote, sell and endorse the use of legitimate, bona fide, quality branded products. TEPA members also export parts, equipment and components into Africa and other countries in the world. TEPA encourages at all times inter-associational RMI business-to-business trading, intent on strengthening the RMI Organisation as a whole. TEPA is seen as the mark of integrity and fair trade for the consumer, the business operator and the government. The Association is the legitimate voice of the tyre, equipment, and parts industry in South Africa and is positioned as an intermediary between government, business, and the consumer.

 **The Vehicle Testing Association** represents private vehicle testing stations that are committed to operating within the law in accordance with the Road Traffic Act and the relevant SANS standards.

In this highly regulated environment, the association represents the interests of its members at government level working groups and is committed to enhancing the reputation of the industry in all the spheres.

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Regional manager (EC & Border)



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Regional manager (Free State & NC)



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Regional Manager (WC)



Julian Pillay

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