



Forecourt Focus:

Promoting the interest of the fuel retailers



NEWS UPDATES



Reggie Sibiyi
Chief Executive Officer

Who we are

The Fuel Retailers Association of Southern Africa (FRA) is a registered employers organisation under the provisions of the Labour Relations Act, 66 of 1995.

The FRA, is a financially independent and fully autonomous association that ensures the survival and success for all its members who are Fuel Service Station Owners in the retailing of fuel in South Africa.

The Association monitors and becomes involved wherever necessary with all aspects of retail fuel governance, distribution and sales in South Africa in order to protect and enhance Fuel Retailers' interests. The Association's income base is through membership fees.

Vision

To create a robust, sustainable environment that provides a reasonable return on investment for all efficient Fuel Retailers.

The primary objective of the FRA is to promote and protect the best interests of Fuel Retailers and its members in particular.

Mission

To engage with all stakeholders to facilitate and promote open and transparent communications to ensure the industry is prepared for 2010 and beyond.

MARGIN

The industry had good news when the Honourable Minister of Energy, Ms Dipuo Peters announced that our application for a retail margin adjustment of 8.5cpl was approved to be effective 06 October 2010. Again FRA in association with PRAF worked very hard through various motivations and stakeholder relations management, to achieve a margin increase for the retailers. Without a proper margin, this industry would not survive. That is why retailers need to support the Associations that are continuously engaging Government and other stakeholders to improve and protect the Retailers' Margin. There is no one else except the Industry Associations who will do that on your behalf.

WAGE NEGOTIATIONS

In 2010, the Motor Industry Bargaining Council (MIBCO) entered into a wage negotiation process. As a bargaining council, MIBCO is a statutory body allowing the various Parties to the Council (the FRA, RMI and the trade unions, Numsa and Misa) to regulate, inter alia, conditions of employment, as well as minimum wages for the Industry via collective bargaining processes. The benefit of this is that the various industries are being given the opportunity to actively participate in the collective bargaining processes and to express the separate needs of the various sectors falling under the registered scope of MIBCO.

The 2010 negotiation process was a very challenging one, in a number of ways, but we are pleased that a final settlement agreement was reached. The new agreement will remain in place until August 2013. The margin obtained also covered the wage increases for 2010/2011. The future two years wage increases will also be subject to a profit margin adjustment.

Again the FRA was on every media during the whole process of

negotiations fighting for the interest of the Fuel Retail Industry.

TASK 141

In the 2010 Forecourt Times Magazine, we covered extensively the broader principles of Task 141. This is the new way of determining the Retailer Margin in the future, likely to be implemented next year, 2011. There are changes which will impact on your current margin either positively or negatively. When you register as an FRA member you will get the full details of what this new and very important dispensation means for you and your business in the future. Stay abreast of changes that can impact on the viability of your business.

NEW NEMA REGULATIONS

The new NEMA EIA Regulations which delist filling stations as activities that need an environmental authorisation came into effect on Monday 2 August 2010.

The delisting of filling stations in favour of just the storage tanks means that it will be much harder to ensure that the impacts that new filling stations are likely to have on existing filling stations are taken into consideration during EIA processes.

In terms of the new Regulations it is going to be a great deal easier for smaller filling stations, especially so called "micro" or "modular" or "mobile" stations, to be established where there is no need for more filling stations and the costs of stopping them from springing up all over the place will be exponentially higher.

There are different views on the matter but the FRA with its obligation to protect the interest of the industry is in consultation with the legal experts to ensure that this new regulation does not in any way bring instability to the industry.