



CEO Report - September 2023

Dear Members

A very warm welcome to all of you and thank you for attending the Pedal Power Association AGM 2023. I'd like to extend a special welcome to lifetime PPA members and those from overseas dialling in this evening.

PPA is a team effort, and I would like to thank a number of people for their hard work, dedication, and support over the last 12 months. If I've forgotten anyone, please forgive me:

- My staff for their dedication and commitment despite ongoing challenging economic conditions.
- The PPA Executive Committee for their strategic oversight and support over the past 12 months.
- For close to 50 years, our partners at the Cape Town Cycle Tour Trust.
- Our ongoing partnership with Tim Mosdell and the team from BEN (the Bicycling Empowerment Network). This partnership is a very important element in the PPA's mission to provide accessibility to bicycles across South Africa.
- Our sponsorship partners at Toyota, the Road Accident Fund, Coca Cola (Pen beverages) and Safely Home (the Western Cape Government). Without your constant support and backing, we would not be able to deliver all we do.
- To the Western Cape Government, especially Premier Alan Winde and the Minister of Mobility, Ricardo Mckenzie. We must also thank the Ministry of Education and the head of the National Life Orientation Curriculum Ismail Teladia and all the Departments who we work with, thank you for your ongoing support in our endeavours to advocate on behalf of all cyclists and cycling in general.
- Thanks also to National Transport Department, the eThekweni Municipality and the City of Joburg for the ongoing engagement and support.
- To all the cycling clubs including but not limited to KPPC, CSC, East Coast Cycling, Giants Cycling Club, our own cycling ambassadors Macfarlane Moleli and Liezel van der Westhuizen and the many friends of the PPA who have given their time and energy to help deliver on our mandate. A big thank you.
- To our suppliers, business partners and partner NGO's who enable our work. We value your commitment and look forward to many more years of doing business together. Thanks to the Dutch Consulate General, Cycle Lab, the Lions Club of Pretoria South, Road Rangers Gauteng, Dragons Sports, Think Bike Marshalls in Cape Town, Volume Photography, Active Mobility Forum, The Young Urbanists, the Bicycle Mayor, Mpongo Cycling, Jaga Cycles, Ride Joburg, Tour Durban, Amashova, Kaltsha Cycles, Langa Bike Hub, Timbuktu in the Valley and the Promise to Andre campaign.

- To the media outlets that have supported us and continue to amplify our messaging. We have many to thank but special mentions to go to Heart FM, DSTV/Multichoice and the Carte Blanche team, SABC, ENCA and Prime Media.
- To Cycling South Africa and all the Provincial structures that we work with inside your organisation. Thanks for your support.

Thank you to all of you for your commitment and support over the last 12 months. It's a pleasure and privilege to work with you all.

THE CYCLING ENVIRONMENT

The Market context

From a macro-economic perspective, South Africa and the world in general still face huge headwinds.

Globally there are a number of issues which are having an ongoing impact everywhere. Namely, the ongoing tensions between the US and China, the war in the Ukraine, the digital dominance and East v West competitiveness of the BIG 6 (Alphabet, Meta & Amazon and Alibaba, TenCent and Tick Tok). The climate crisis and its associated issues as society grapples with the transition to cleaner sources of energy (although the humanity's energy needs are still currently powered by fossil fuels (over 80%)). The US Elections in 2024 are starting to get into full swing and many foreign policy decisions hinge on the lead up to and the final result of these. The US economy still remains under pressure given the inflation / interest rate levels post all the stimulus that was injected into the economy because of lockdowns. And finally, there is a move away from globalisation after a 40 year cycle (given the risk we all faced in the three year lockdown period, the war in Europe, Nation States wanting sovereignty (BREXIT) and constant threat of conflict in certain zones around the world).

In the local South African context, we still remain under pressure. The ongoing blackouts are an overriding threat to the economy and unemployment. Policy uncertainty in some sectors as well as political instability and poor leadership in some areas as well as ongoing infrastructure decay put further challenges on an already weak economy. The 2024 General elections loom large, and many are awaiting their outcome in May 2024 before making investment decisions in and around South Africa. Inflation and CPI remains high and as a result interest rates are pegged at a 14 year high of just below 12%. A challenge for most cash strapped citizens.

The direct impact this all has on the PPA, is a significantly reduced contribution from our members. The PPA has purposely kept our membership rates over the last 12 months at R200 to cater for the Post lockdown environment we are all living in.

Income from events remains under pressure (huge increase in compliance and government legislation) and sponsorship in general has been under pressure for a few years already. We do however remain committed to investing in our events and you will see our calendar is increasing each year post lockdown. We are bringing on new events geographically and over more disciplines.

The Cape Town Cycle Tour, the jewel in the cycling crown has also come under the same pressure in recent years. As one of the two Cycle Tour Trust beneficiaries, PPA feels the trickle-down effect through a reduced distribution from the Cape Town Cycle Tour Trust and an overall reduction in membership fees.

Part of our mitigation is to manage costs prudently. As an overall philosophy, whilst trying to grow the top line, we remain committed to managing costs tightly and reducing where we can. In the last 12 months we've saved significant OPEX and overhead costs through tight cost controls and improving efficiencies. This is an ongoing focus.

It is encouraging to see that in year one of our five year strategy, we have already started to see support and collaboration in the right areas. Our funding model is already showing some good signs and the type of content and range of media coverage that we are able to "earn" (i.e., secure at little or no cost) is very exciting. We grew our earned media from R6 123 000 to R8 865 000 (45% uplift) and the type of content we are publishing is also shifting to a more generalist cycling / non-motorised transport viewpoint as opposed to just recreational cycling. Our socials also grew nicely – the big one, Meta, (Facebook & Instagram) grew between 4% -12% depending on the sub brand. Our audiences on X remained at our current levels and a sustained focus on our collaboration project with BEN the Bike4All drove a 300% growth on Meta.

Our strategic framework

We have a very clear and well-articulated vision.

"Cycling has become recognized, acceptable, popular and accessible to all as a mode of transport and recreation".

Our Mission, which will lead us towards this vision has been encapsulated as follows:

"Raising awareness of cycling's role as a key and sustainable mode of transport and making it easy and safe for everyone to cycle anywhere anytime".

Our 5 strategic pillars and 2 business goals drive everything we do:

Strategic elements

Our "Five in Five": Five key elements delivered over the next five years (by 2028)

1. National Events
2. Schools programs
3. Bike distribution
4. Brand / technical advocacy (Public / Private sector)
5. Diversification of funding (Private sector / International)

Business goals

1. Grow our Membership to 15 000 by 2025 (power / influence of numbers, relevance to our members)
2. Diversify our revenue streams (80/20 in favour of Corporate Social Investment, and grant and donor funding by FY25)

Success over the next five years will be measured by:

1. A Safer environment to cycle in
2. An improving infrastructure to support cycling systems not just cycle paths.
3. A wider accessibility to bicycles and cycling.
4. A greater awareness of cycling as a sustainable economic driver and appropriate support through corporate funding.
5. PPA is viewed as a key stakeholder in all planning, Non-Motorised Transport development and implementation nationwide.
6. Events that deliver nationally to a much wider & diverse member base.
7. The PPA's brand positioning can be summarised as a "National organization which lives and delivers on the mantra of **"Cycling is part of the solution"**.
8. Our 80/20 funding split.
9. Membership which is sustained at 15 000 because of our relevance.

A deep dive into our strategic elements & goals

GOALS

1. MEMBERSHIP

Membership remained under pressure during the past year, but we were able to get to almost 75% of pre covid numbers. The membership fee remained low post lockdown. (FY23 set at R200). Revenues were however significantly down given the overall "price re-set" of our membership fee starting in FY22 post lockdown.

In the current 2024 financial year we have kept our membership fees at more than half of what they were in 2019/2020. This ongoing re-set of our pricing is fair and reflective of the current economy, and we look forward to providing a more robust membership offering given where we are going as an organisation. As part of our business goals and strategic elements highlighted above, we aim to take the emphasis away from membership fees and sponsorship moving into the future.

Our long term aim is to be able to maintain a healthy membership base such that we have the ability and influence to help shape the cycling landscape from an overall and technical advocacy point of view. In order to do this, we need to remain relevant to members Nationally. We believe that through our action plans that we are taking now, our members will see the value over the next few years.

Action Plans

Consolidate overall member benefits

- Discount entries to all PPA owned events (events that are wholly owned and managed by PPA as opposed to those where we provide some form of support to the organisers for a fee).
- Guarantee preferential early entry to the 2024 Cape Town Cycle Tour and other value adds.
- To the point informative Newsletters.
- Preferential seeding at fun rides and published timing results.
- Discounts and membership benefits from our expanding list of partners (see www.pedalpower.org.za)

Promoting PPA's non-event work

As part of our new positioning and strategy, we are increasingly focusing on highlighting the non-event work that PPA does. As members become more selective on events, we hope to retain them by significantly strengthening our position as an organisation that promotes road safety particularly for cyclists and pedestrians and aims to bring bicycle mobility to all communities around South Africa. Our campaign and advocacy work assist in keeping you safe on a social ride with friends, or if you're cycling to work or school, and a growing number of cyclists will create a tipping point that is needed to kick start a culture of cycling in the country.

Where the money goes to

Whilst investing heavily in events, the PPA is committed to creating an overall culture of cycling throughout the country and therefore spends time / money investing in grass-roots programs.

Along with increasing our events portfolio nationwide over the next five years, our ability to support the everyday commuter / utility cyclist along with the younger generation coming through our schools are ever important. Road safety focus and affordable bicycles are the key to driving this culture of cycling.

Our main programs, Stay Wider of the Rider, Bike4All and Cool Kid of a Bike programs (in partnership with BEN) aim to address the need for safety on roads, safer roads all-round and more access to bicycles around South Africa. You can read more about these programs on our website www.pedalpower.org.za

2. DIVERSIFIED FUNDING STREAMS

Our long term strategy is to take the reliance off funding from the Cape Town Cycle Tour towards a Corporate CSI / Donor / grant funding strategy. We have already seen some results from this and are working hard to build partnerships / relationships with some of the listed/large Corporates in South Africa that see the benefit / results of what our long term non – motorised transport strategy will realise.

Whilst we do rely on our members for their annual fees, we have lowered these significantly recently and we aim to keep these competitive into the future to allow for a larger (which means more influential) member base.

STRATEGIC ELEMENTS

1. EVENTS

State of play

The events environment is once again back in full swing, and cyclists have many options to choose from. The PPA needs to remain relevant and credible in this space and has focused on a number of pillars which we believe will keep our events “in demand”:

- a. Value for money
- b. National footprint
- c. Convenience (areas/time)
- d. Safety first
- e. Variety of great experiences
- f. Innovation within various event disciplines
- g. Inclusive to all

Going into the detailed actions

- **Material discounts on all PPA events**
In delivering our “value for money” pillar, we continue to offer material discounts on all of our events (between 20% - 25%). We understand the economic pressures and we subsidise our events in order to keep costs as low as possible for our members.
- **Safety first**
We have many different formats of events and one type which introduces cyclists safely into a road context, is our Saturday social rides (introduced in September 2018). These remain popular allowing both a relaxed social interaction as well as an opportunity for those less experienced cyclists to learn “on the job”.
Our Killarney sessions during the summer months on Tuesday nights continue to provide safe spaces for people to enjoy a ride out.
Our goal is to open up additional safe spaces around the country for all cyclists to feel welcome.
Mass participation events are executed with the highest degree of safety and security, and we will keep to these world class safety standards despite the increasing operational and compliance costs. We will not put cyclists at risk.
- **Mountain biking and gravel riding**
We’ve re-introduced our Mountain Bike Challenge in FY24 and will be hosting a Gravel event in December 2023.

- **Inclusive to all**
Our mass participation events form the backbone of our portfolio, offering safe cycling opportunities for new and seasoned cyclists. Our events and seeding serve as a year-round marketing platform for the Cape Town Cycle Tour. The latest events calendar is on our website www.pedalpower.org.za and we look forward to another exciting season. Some of the events which the PPA owns are listed below and we also assist third party organisers to put on safe and fun events for their constituencies. In doing this, our aim is to help grow cycling in a safe and well managed environment as much as possible.

Current Road events owned / organised by PPA

Maluti Double90 Team Challenge

One Tonner

PPA Funride Series

Tour de PPA

12 & 3 hours of Killarney

Killarney training sessions (September to December & January to March)

Old Mutual Wealth Double Century

Road events supported but not owned by PPA

West Coast Express

Winelands Cycle Race

Current MTB events owned / organised by PPA

Tiletoria Elgin Valley MTB and trail run

The MTB Challenge

Jar from Dirt Gravel ride

MTB events supported but not owned by PPA

Eselfontein MTB Stage Race

- **National Footprint / Convenience**
We have an event scheduled in Gauteng for May 2024 and are working very hard with the Western Cape Government, the City of Cape Town and SANParks to re-introduce both Road and MTB bike events in and around the Southern Suburbs of the Western Cape and Table Mountain. More events are being planned in different parts of the Country over the next few years.

2. SCHOOLS PROGRAMS/BIKE DISTRIBUTION/BRAND ADVOCACY

In partnership with BEN, the Bike4All and Cool Kid on a Bike programs drive most of our schools' engagements.

We had a significant development in FY23 when we landed a partnership with the Western Cape Education Department to develop, produce and present content on our Safety programs to all learners across the entire province. This program will reach over 1500 schools in the province and over 1.5m learners by

2025. The program forms part of the LO (Life Orientation curriculum in schools). This will be rolled out to Gauteng in 2024.

Our partners from Toyota invested in this program through the funding of bicycles as well as safety programming within targeted schools.

Our Safe Cycling sub-brand, Stay Wider of the Rider, remains a key advocacy tool for the wider issue of safety on our roads.

Bike4All

Bike4All, in partnership with BEN, was once again awarded the Bicycle Distribution component of the Provincial Sustainable Transport Programme (PSTP) Tender with the Western Cape Mobility Department. A three year contract in which 400 bicycles will be distributed per year.

To date 33 distributions have been conducted as part of the 2023 Bicycle Distribution Project (BDP) resulting in the handing over of 198 bicycles. This represents almost 50% of the distributions planned for the year. These distributions account for those projects included in the latest Western Cape Premier's Cycle Tour in May 2023 and those included in the World Bicycle Day event held in Langa on Saturday 03 June.

We supported the Road Safety Management team for Mandela Day where 25 bicycles were distributed in the Swartland in the Western Cape, where safety training was conducted. It has led to Road Safety Management inviting us to a possible Open Streets in Piketberg, details of which are still to be confirmed. In addition to the distributed bicycles, the BDP for 2023 includes an investigation into and piloting of cargo eBikes. In year one (2023), the emphasis of the project will focus on Research and Development and the testing of shortlisted options. We will look to roll-out the chosen options in 2024/2025.

Safe cycling has remained a key element of the Bike4All project, and together with the Cool Kid on a Bike program which we formally launched with the Western Cape Education department as part of their LO (Life Orientation curriculum) we aim to ensure that not only is every beneficiary of a bicycle properly trained before they receive their bicycle, but that we provide a broad based road safety programming to over 1,5m children across 1500 schools in the entire Province for the next three years.

We aim to launch this program in the Gauteng schools in 2024 and to possibly take it further in the following years (the areas of which still need to be defined).

Finally, it is our aim to take the B4A program Nationally, and to this end we are working with the National Department of Transport in Pretoria to try and make this a reality.

As we move forward, we remain committed to enabling strong partnerships, creating access to bicycles to those who can least afford it, providing an end-to-

end package for bicycle distribution and supporting a range of mobility projects in a collaborative approach.

Safe Cycling

Overview

During FY23, the PPA continued to expand our safe cycling campaign Nationally. Our focus areas being the Western Cape, Gauteng, Gqeberha and KZN. We are able to carry out this valuable work because of the grant monies we receive from our generous funders. Our key funders being Toyota and the RAF. We wish to thank both of these organisations for their continuous and loyal support to keep the safe cycling campaign growing throughout South Africa.

Tactical Activities (Activations, events)

Our regular activations in 2022-2023 continued, promoting, our tag lines “Cycling is part of the solution” as well as our hash tag #CyclistsLivesMatter.

Activities included reflective bib handouts, sticker handouts to cycle shops and motorists to ask for 1m space when passing a cyclist, awareness rides, donation drives, Chapman’s Peak Powerade handouts, Expo’s, start groups as well as a range of social media campaigns - all to promote safety on the road, improvement of infrastructure and bike mobility. We also activated across various Provinces (mostly in disadvantaged areas) in providing reflective bibs, lights, lumo tags, arm bands and backpack covers, to commuters across South Africa. We are in the process of expanding our activations to other provinces such as the Northwest and Limpopo.

We are proud to have a long-standing partnership with the Cape Town Cycle Tour Trust and we partner regularly on various activities (outside of the iconic Cape Town Cycle Tour and related EXPO). We are also building relationships with other key events around the country, Ride Joburg, being the latest collaboration.

In 2022/2023, we supported awareness rides in Mamelodi, Tshwane, Cradle of Humankind, Soweto, Davytown, Benoni, Ga-Rankuwa in the Northwest, Durban and in the Western Cape throughout the year. The messaging being very clear: please give cyclists 1m space on the road and slow down when approaching a cyclist.

A highlight for us in May 2023 was to be a part of the Western Cape Premiers Cycle Tour in the Overberg region. Together with BEN, we were able to hand out bicycles to local communities’ neighborhood watches and many well deserving schools. We also conducted safety training programs throughout the region. It was wonderful sharing the love of cycling with these communities, and we sincerely felt honored and privileged to participate in this. We’re already looking forward to the 2024 edition.

Importantly, we continue to engage regularly with the National Department of Transport as well as with local governments and municipalities and many role players to secure safer road conditions for commuting as well as recreational cyclists. This is a long-term strategy for us to achieve a safer cycling universe across the Country.

Our proactive social media channels and media campaigns assisted with extending our reach throughout South Africa, Africa, and many other countries.

In July we celebrated the 10th year of the Stay Wider of the Rider safety campaign and to commemorate this milestone, we are launching our 10-year LTD edition jerseys later in the year.

Collaborations and partnerships

In addition to and as part of the ongoing partnership with BEN we are pleased to have been able support a number of other NGOs and organisations in their efforts to grow cycling. We would like to especially recognise them for their efforts in making cycling more attractive and safer. They include Kaltsha Cycles, the Langa Bike Hub, the Young Urbanists and Timbuktu in the Valley.

Stay Wider Merchandise & visibility drive

A focus for the PPA over the last 12 months has been to increase our footprint and availability of all our merchandise items. We have secured a nationwide partnership with Cycle Lab which resulted in us doubling our sales in FY23. Whilst we are very competitively priced for an imported item, the small margins we do make on each product helps us continue to fund our Safe Cycling programs. We are signing deals to place product in many more outlets across the country so please look out for the Stay Wider branding in a cycling shop near you.

It is also encouraging to see how many vehicles are already proudly sporting our “Share the road/Stay wider of the rider” bumper stickers. We see them on all kinds of vehicles, from taxis and buses to cars and scooters. Stickers were recently distributed nationally at intersections in Gauteng, Cape Town, Durban, Gqeberha, Polokwane and Ga-Rankuwa and these are also handed out to cycle shops for distribution.

Crash & crime map

We continue with our map for online and social media purposes, pinning all cycle crashes and theft hot and black spots to keep members informed of dangerous areas. The information comes in handy for media interviews and reports. We also launched a PPA Stay Wider of the Rider WhatsApp line to report crashes and other crime related incidents on a national level.

Legal assistance

PPA continues to monitor incidents on a case-by-case basis and if an incident arises, which allows us to enforce the 1-metre rule, then we will pursue it. Drunken driving cases are also followed closely.

Donation Drive

We launched a donation drive in the Western Cape, KZN, Gauteng and Gqeberha and hope to extend our reach to the other provinces very soon. Unwanted cycling items were collected and redistributed to cyclists in disadvantaged communities. Donation bins are still available at selected cycle shops.

3. ADVOCACY

Over the last 12 months our advocacy initiatives have grown tremendously and are the key element of our five strategic elements in the next five years.

Advocacy in all of its forms is a long term play for the PPA and it aims to position us as one of the key voices in the Non-Motorised Transport space in South Africa. A position which will allow us to assist in providing a more sustainable transport system and safer cycling in South Africa.

We would like this strategic element of our business to be able to open the eyes & minds of politicians, administrators, the private sector, and the public to the benefits of bicycle mobility and more broadly, Non-Motorised Transport (NMT) as key for a more sustainable and just transport system. Improved health, better social cohesion, reduced congestion, better economic and educational opportunities, a more sustainable environment, and wider mobility choices for low-income earners are just some of the compelling reasons for utility cycling to be taken seriously by everyone.

Finally, we believe that cycling and walking should be the departure point for each and every transport and urban development project or programme. It is the foundation of sustainable transport which is so critical in addressing the impacts of climate change and assisting in addressing social justice.

Current Initiatives and actions that we're involved in

The PPA is involved in helping shape and is making contributions to various policies and legislation that have an overall impact on NMT and sustainability in general. There is a long list below, some of which are long-term projects and some which we believe could show progress within the next few years. Each is a complex and political process where we aim to have a meaningful voice.

1. The "upgrades" to the M3 between Rhodes Drive/Newlands Avenue and Hillwood Rd in Cape Town.

2. The NMT upgrades in Mitchells Plain, Khayelitsha and Muizenberg Beachfront in Cape Town.
3. The City of Cape Town's Comprehensive Integrated Transport Plan.
4. Ongoing interaction with the City of Cape Town/ JHB / KZN NMT departments.
5. Engagement with the City of Cape Town Integrated Transport Planning Subcommittee.
6. Engagement with the National Department of Transport's Safe Cycling and Walking Task Team.
7. Ongoing engagement with the President's Climate Commission on the role of NMT and Cycling in the Just Transition.
8. 8. COP 27/28 - tracking of all the sustainable transport /NMT conversations.
9. 9. Comment on the National Land Transport Strategic Framework (2023 – 2028).
10. Comment on the Proposed Addition of a 3rd Lane to the M3 Northbound between Princess Anne Avenue and the N2 in Cape Town.
11. Inputs into Cape Town's Long term plan 2050.
12. Comments on the National Transport Act Amendment Bill.
13. Interaction with Stellenbosch Ratepayers' Association wrt overall NMT strategy.
14. Comment on the City of Cape Town's Energy Strategy.

Concluding Remarks

Although it has been a challenging 12 months given the ongoing economic challenges, we remain committed to our overall strategy of “Five in Five” – to deliver material growth within our five key strategic elements by 2028.

We remain committed to investing in events Nationally, enabling more people safely on bikes more often through our safety and bike distribution programs in schools and communities and we continue to advocate in the right areas for our members, cyclists and cycling in general. Ultimately aiming to move towards creating a cycling culture in South Africa.

We thank you all for your support along the journey, and for those of you who challenge us to do better. We welcome that ongoing engagement. It shows us that you all do care about the future of our beloved pastime and the sustainability of our country.

Thank you

Neil Robinson
CEO