



MOTORSPORT SOUTH AFRICA NPC

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REPORT BY THE CHIEF EXECUTIVE OFFICER FOR THE MSA ANNUAL GENERAL MEETING TO BE HELD ON 25 SEPTEMBER 2018

These remain extremely challenging times for local motorsport, with a faltering SA economy and an ever-weakening Rand making participation in the sport, and the hosting of events, more and more challenging. This being said, South Africans are a resilient bunch and the sport remains reasonably healthy considering the headwinds it is facing. Congratulations are therefore due to all involved (competitors, promoters, event organisers and race officials) for continuing to pursue their passion for motorsport in the most trying of circumstances.

For me, the main highlight of the past year was seeing the FIA World Rallycross Championship come to Cape Town for the first time. It was a great event and a reminder for me, and I am sure many others, why we fell in love with this sport in the first place. The racing was spectacular and the event organisers can rightly be extremely proud of what they achieved at the first attempt. Hopefully the 2018 edition will be even better and it is eagerly anticipated by many I am sure.

Another highlight was Camden McLellan winning the European 85cc Motocross Championship, showing once again that South Africa produces some of the best riding talent in the world. Camden then went on to take part in the Junior World Motocross Championships in Australia, where he picked up a podium finish and a 5th overall placing. Congratulations to Camden and hopefully he will follow in the footsteps of illustrious local motocross legends Greg Albertyn, Grant Langston and Tyla Rattray in the future.

MSA's board of directors recently adopted a five year strategic plan for the company dubbed 'MSA 2023'. The plan is built on four projects/pillars, being the following:

MOTORSPORT SOUTH AFRICA IS THE ONLY RECOGNISED MOTORSPORT FEDERATION IN SOUTH AFRICA



Department:
Sport and Recreation South Africa
REPUBLIC OF SOUTH AFRICA

Directors: A. Scholtz (Chief Executive Officer), A. Taylor (Financial), D. Easom,
G. Hall, A. Harri, E. Murray, M. Rowe, R. Schilling, Ms M. Spurr, S. van der Merwe

1. Transformation

This is a critical element but one that is extremely difficult to achieve due to the high costs of motorsport participation and the fact that the vast majority of the South African population have never been exposed to motorsport growing up. However, this is a challenge that we must all collectively take on, and succeed at, if motorsport is to have a sustainable future in this country. Effective transformation needs to take place throughout the sport, from competitors to race officials to event organisers to the sport's administrators, up to and including MSA directors.

2. Industry support

Many will remember the days when quite a few of the motor manufacturers took local motorsport so seriously that they even ran 'works' factory teams and the likes of BMW and Opel (Delta in those days) built special road cars with the main aim of going racing with them. Sadly those days are behind us now and are unlikely to ever return. However, there are a number of industries (motor manufacturers, tyre companies, fuel companies, component suppliers, etc.) that support and underpin local motorsport. Special efforts need to be made to once again actively embrace these entities and together come up with initiatives that will benefit both them and local motorsport. Creative thinking will be required and constructive input will be welcomed from wherever it may come.

3. How can we help you?

The aim here is to make MSA as 'user-friendly' an organisation as possible. MSA is not just its full time staff but also everyone that represents the organisation in one way or another, such as commission, panel or regional committee members and race officials. Treating people with politeness, fairness and decency costs nothing but counts for a tremendous amount. This is a culture MSA would like to see adopted throughout the sport and it will make attendance at events a more pleasant experience for everyone involved. However, successfully fostering the culture referred to is a two way street and requires all involved in the sport to support the concept and conduct themselves accordingly. The MSA-bashing that takes place regularly on social media is not helpful and often completely devoid of fact. MSA is not perfect, far from it, but it is happy to engage with people who are prepared to do so in a constructive and positive manner, in order to try and resolve the issues that inevitably arise in the sport from day to day. Social media is not the correct platform to try and resolve issues amicably and in the best interests of the sport.

4. 'Go to' federation

This is tied to the fostering of the *"How can we help you?"* culture referred to above and the aim here is to create an MSA that people want to engage with rather than feel they have to. To this end, MSA will be constantly seeking ways to add value to all the various stakeholders in the sport. Running a professional organisation (and MSA is widely respected internationally and locally amongst other sports federations for its administration and professionalism) costs money and MSA is therefore never going to be the 'cheapest option'. Because of this, value for money (both perceived and real) becomes commensurately more important and this is where the efforts will be focused in trying to make MSA the automatic 'Go to' federation of choice.

MSA is committed to following the abovementioned strategy plan to build an improved organisation for the future, one able to best serve the interests of local motorsport as it evolves in ways we probably can't even imagine at the moment. I therefore urge the company's members, and all involved in the sport, to embrace and support the 'MSA 2023' initiative.

Financial stability is important for any company and this is particularly true for companies operating in the South African environment, where shrinking revenues are the norm. For this reason, MSA's management has followed a policy of reducing expenses as far as possible over the past number of years. This policy has allowed the company's reserves to grow to a point where they are nearly at the level of one year's income, which was the aim. The vast majority of the surplus generated during 2017 was interest earned on the company's financial reserves and MSA's board has taken a decision to utilize this surplus to create a fund that the company's members can borrow against to sustain and grow local motorsport. The following broad principles will apply in this regard:

- Funding assistance will be made available to the company's affiliated members on a loan-type basis, repayable within a maximum period of two years.
- MSA will assist to fund a maximum of 50% of a project, i.e. MSA will match the applicant 'Rand for Rand'.
- Any loan offered would be on terms and conditions stipulated by MSA.
- MSA will establish a 'funding committee' to consider applications and grant loans for projects deemed to be deserving.

Preference will be given to projects that are aligned to the 'MSA 2023' strategy plan, or that otherwise seek to preserve the country's motorsport infrastructure. It is hoped that the initiative will assist the company's members in their valuable efforts to sustain and grow South African motorsport.

In closing, I would like to once again thank all of those involved in the administration, promotion and organisation of local motorsport for their efforts in keeping the sport moving forward for another year. I would also like to extend a special vote of thanks to Advocate George Avvakoumides, who stepped down earlier this year after serving as MSA chairman for a period of nearly four years. George brought a sense of stability to MSA in turbulent times and it was a privilege for me to have been able to work with him.

Kind regards,

A handwritten signature in black ink, appearing to read 'A Scholtz', with a long horizontal flourish underneath.

ADRIAN SCHOLTZ
CHIEF EXECUTIVE OFFICER