

PORTS REGULATOR OF SOUTH AFRICA

Annual Performance Plan for 2021/2022



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ABBREVIATIONS

ACSA	Airports Company South Africa
APP	Annual Performance Plan
B-BBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CMTP	Comprehensive Maritime Transport Policy
COVID-19	Corona Virus Disease of 2019
DOT	Department of Transport
DPME	Department of Performance Monitoring and Evaluation
ETIMC	Excessive Tariff Increase Margin Credit
GPPS	Global Port Pricing Study
HOPS	Haulier Operator Performance Standards
KPI	Key Performance Indicator
MDFB	Maritime Development Fund Bill
MOPS	Marine Operator Performance Standard
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MYPD	Multi Year Price Determination
NDP	National Development Plan
NERSA	National Energy Regulator of South Africa
NPA	National Ports Authority
NPCC	National Port Consultative Committee`
PCC	Port Consultative Committee
PESTGEL	Political, Economic, Strategic/Social Technological Global Environment Legal
PPPFA	Preferential Procurement Policy Framework Act
PTIP	Port Tariff Incentive Programme
RegCom	Regulatory Committee
ROD	Record of Decision
ROPS	Rail Operator Performance Standards
SCA	Supreme Court of Appeal

SADC	Southern Africa Development Community
STER	Single Transport Economic Regulator
SWOT	Strengths, Weaknesses, Opportunities, Threats
TERB	Transport Economic Regulator Bill
TID	Technical Indicator Description
TOPS	Terminal Operator Performance Standards
WEGO	Weighted Efficiency Gains from Operations

Executive Authority Statement



The recent past has seen an up-swell in maritime activity and initiatives for South Africa. Our ocean economy initiatives have seen the delivery of new port helicopters, South African manufactured tug boats, private sector participation in the concessioning of cruise terminals, oil and gas infrastructure, and other facilities, as well as the delivery of slipways and other marine repair infrastructure projects.

However, in general, comparative performance of our port system with international peers, as well as the actual execution of billions of Rands of approved capital investment and refurbishment in our port system has remained weak over the last few years and port stakeholders and port consultative committees have expressed much dissatisfaction, not without good reason.

The Ports Regulator must therefore continue to hold the Ports Authority to account within its regulatory mandate, implement its Tariff Strategy in moving progressively towards cost reflective tariffs, assist in improving the efficiency and performance of SA ports, make continuous strides in determining and implementing a fair value of port assets, help improve transformation and BBBEE participation in the sector, and allow some discretion to implement port tariff subsidies in the public interest that will support beneficiation, localization, industrialization and other economic imperatives, whilst ensuring that in the main, that our port tariffs and efficiencies become globally competitive.

In this regard it is recognized that the Ports Regulator incentives currently being implemented (WEGO and PTIP) have respectively centred around the improvement of port efficiencies as well as port tariff incentives in the interest of beneficiation, industrialization and localization, both of which are vital for the re-ignition of our cooling economic growth and recovery from the impact of the COVID-19 pandemic.

For the Ministry, alignment between its entities and the objectives of the Department is critical in responding to the service delivery challenges and the economic growth imperatives of our country. The Ports Regulator in crafting its Five-Year Strategy and Annual Performance Plans must therefore ensure that the Members, management and staff have a shared vision and pull in the same direction, and the vision and direction should continue to enhance regulation, the port sector, as well as economic development of our country.

Entities therefore need to demonstrate through their Strategic Plans and Annual Performance Plans how they respond to the injunctions as set out in the National Development Plan, the Medium Term Strategic Framework, the State of the Nation Address, and other Government initiatives such as Operation Phakisa/Oceans Economy, and the Economic Stimulus Packages. The Ports Regulator, as before, needs to clearly define its own unique role in meeting the common objectives set out in the policy instruments of Government within the context of its own mandate, sector conditions, capabilities and resources, and work consistently to achieve these.

Strides have been made in policy development and regulation in the maritime transport sector that will lay the foundations for more progress in the years to come. In July 2017 South Africa launched its Comprehensive Maritime Transport Policy, and it is hoped that the maritime community, together with the maritime entities and Department of Transport, will engage and ensure that the benefits to the sector in coastal shipping, skills development, job creation for South Africans, and advancing and extending SA supply chains outside our borders, will contribute positively in taking forward this important vision for South Africa.

It is expected that during the course of this sixth administration of state, that a new (single) Transport Economic Regulator will be established and that the Ports Regulator, with its existing staff and systems will

form the nucleus of this new regulator. The Transport Economic Regulator Bill (TERB) has been consulted at Parliament and it is anticipated that it will be passed in this Financial Year. The Department of Transport will work together with the Ports Regulator in ensuring a smooth transition as well as capacitating the Ports Regulator with staff and resources in preparation for a wider mandate and role in the economic regulation of the transport logistics chain in South Africa. Also, within this administration, and in terms of section 80(1) of the National Ports Act, I endeavour to ensure that the Ports Authority is corporatized in line with the law passed by our democratic Parliament, so that it can play its proper role in the development, functioning, economic participation, employment and empowerment within South Africa's commercial ports.

As Minister of Transport I have set five priorities to "re-imagine transport, re-imagine the future". Among these priorities is "building a maritime nation, elevating the oceans economy". Key within this priority are the following building blocks of the maritime programme constituting five pillars:

Pillar 1: Enhancing South Africa's Ship Registration Regime

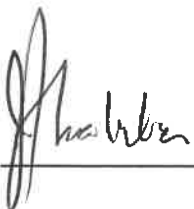
Pillar 2: Mainstreaming maritime through empowering historically disadvantaged persons to access opportunities, support development of young people to take up opportunities in maritime fraternity through recreation and economic opportunities

Pillar 3: Rolling out coastal shipping and create partnerships to ensure sustainable support systems to enable effective implementation. The end-goal is to have a SADC region-wide coastal shipping market.

Pillar 4: Create programmes to elevate fluvial transport and open up new economic opportunities by maximizing the use of inland waterways

Pillar 5: Unlocking maritime for economic stimulation and recreation

I look forward to the outcomes of the Ports Regulator's Strategic Plan and associated Annual Performance Plans and would like to take this opportunity to thank the Chairperson and Regulator Members, the CEO, management and staff for their efforts, commitment, and execution of set performance targets as well as the performance of their regulatory role in fulfilment of the organisation's mandate, in the sixth administration.



Mr FIKILE MBALULA, MP
MINISTER OF TRANSPORT

Accounting Authority Statement



As an entity of the Department of Transport, charged with the responsibility of exercising economic regulation of South Africa's commercial ports, the Ports Regulator of South Africa ("the Regulator") is committed to developing and implementing appropriate and responsive regulatory frameworks that contribute to the competitiveness of South Africa's ports. This is achieved through reducing port administered pricing as an input in the transport value chain; ensuring that the National Ports Authority ("the NPA") plays its role as a regulator of activities in ports and that it complies with the National Ports Act, Act 12 of 2005 ("the Act") and addressing issues of transformation in commercial ports as mandated in the Act. In carrying out its mandate over the NPA as a landlord and port infrastructure company, the Regulator is informed by government's vision to develop commercial ports as articulated in the National Commercial Ports Policy; the National Development Plan (NDP) 2030 and its articulation on administered pricing; the Government's Medium Term Strategic Framework (MTSF) 2020 – 2024; and the priorities set out by the Minister of Transport to increase the contribution of the Ocean Economy to the Gross Domestic Product of the country and the President's interventions to revive the economy. In the development of the plans outlined in this APP for FY2021/22 the Regulator is has taken account of and aims to respond to the following MTSF and Ministerial commitments:

1. Reducing the cost for priority sectors by increasing efficiency of ports which targets the corporatisation of the NPA during the 2019/20 MTEF;
2. Increasing the competitiveness and access to transport modal networks through effective regulation and also through the establishment and operationalisation of the Single Economic Transport Regulator(STER);
3. A four percent increase in the national priority sectors contribution to the country's exports in support of industrialisation, localisation and exports; and
4. Enhancing SA shipping register.

The Regulator's main functions in economic regulation are to consider the proposed tariffs of the Authority; promote regulated competition and the provision of adequate, affordable, and efficient port services and facilities by the NPA; promote equity of access to ports and port facilities, especially for historically disadvantaged individuals and groups and the private sector; and to monitor the NPA to ensure that it complies with the National Ports Act.

The Board's decisions are based on the regulatory frameworks which have been developed with the participation of port users and stakeholders. The year under review will see the implementation of the Multi-Year Tariff Methodology 2021/22 – 2023/24 which was adopted in March 2020 after wide consultations and public hearings, a cornerstone of the Regulators processes to ensure fair, open and transparent decisions. The tariff methodology addresses a number of important foundational matters in the regulation of South Africa's port systems key of which is the corporatisation of the NPA through the implementation of section 3(2) of the National Ports Act in establishing the NPA as a competent, efficient and effective landlord over South Africa's ports and address pricing and operational efficiencies. It is important to note that the Regulator in its most recent tariff decision, retained the assumption that the corporatisation of the NPA is imminent and the resultant treatment of the Authority therefore took into account the need for its sustainability as a standalone entity.

As previously reported, in support of economic development, the Regulator has introduced an incentive for the registration of cargo carrying commercial vessels on the SA flag in support of the Minister's priority in growing the Ocean Economy and contributing to job creation. The growing number of ships taking up this opportunity will improve SA involvement in the maritime sector, increasing jobs, skills and supply chain opportunities to South Africans beyond our boundaries.

Alongside the tariff methodology, the Regulator will continue to bring about required reforms in SA port tariffs through the 10-year tariff strategy, now in its fifth year of implementation, with the aim of ensuring port tariffs

that are reflective of the cost and/or benefit each port user segment derives from using the assigned port infrastructure, facilities and services. The Tariff Strategy continues to maintain much lower prices for beneficiated South African manufactured cargo in export containers as well as SA manufactured export vehicles, in support of local manufacture and industrialization. The Port Tariff Incentive Program (PTIP), a component of the Tariff Strategy, provides a framework for deviation from the published tariffs to support initiatives that are in the public interest as determined by government policy.

The Regulator also plays a critical role in hearing complaints and appeals lodged, against the NPA, by port users and/or persons whose rights are adversely affected by the decisions, actions or failures by the NPA. The port users or affected persons find recourse through the independent and objective Tribunal process. After taking office in June 2020, the Board prioritised the Tribunal function and is committed to efficiently and timeously hear and decide on tribunal matters. Having expeditiously heard, ruled and disposed of matters within our first four months as the regulator as well as setting processes in motion to address other long outstanding matters with affected parties, the Board is and will continue to address the tribunal backlog and new matters as they are lodged in line with section 46 and 47 of the Act and Directives issued in terms of section 30(3) of the National Ports Act.

Ultimately, the different categories of the port users, stakeholders and affected parties are the life-blood of the Regulatory and not all matters will be dealt with through the appeals or complaints process. Our stakeholder engagement program will continue to reach out to port users, including optimising on available technology during COVID-19 restriction on gatherings, to ensure that the Regulator stay informed, abreast of port user expectations in the execution of our functions and issues raised in the Public Regulatory Review conducted in 2020/21.

Through support and advise to the Department of Transport (the Department), as the custodian of the Maritime Transport and Services Sector score card, B-BBEE Council and the B-BBEE Regulations, issued in November 2007 in terms of section 80 (a), (c), (d) and (g) of the National Ports Act, the Regulator will continue to expand its role in the transformation and B-BBEE participation in the maritime sector whilst continuing its analytical and compliance assurance work.

We are encouraged by the commitment of the Department, in line with the NDP objective of enhancing the capacity of the Regulators and the MTSF commitment on establishment of STER, that the Regulator will be supported to fill key unfunded posts whilst we strive to retain the skills we have assembled as greater financial resources become available. We await the Minister's approval of the proposed new structure of the Ports Regulator which will address critical capacity constraints whilst enabling the Regulator to ready itself for an extended role in the STER.

The Board is confident that the execution of the organisation's programs captured herein will allow the Regulator to play its role in contributing to the achievement of these outlined government objectives broadly and particularly in exercising economic regulation of the port system. The Board endorses the 2021/22 Annual Performance Plan and is committed to ensuring its implementation.

I would like to thank Honourable Minister Fikile Mbalula, Deputy Minister Dikeledi Magadzi, Director-General Alec Moemi, and officials of the Department of Transport on behalf of the Ports Regulator and ask for their continued support in the journey ahead.



Chairperson: Ports Regulator of South Africa

Mr. Z.K. Matthews

Accounting Officer Statement



I am privileged to lead the Secretariat of the Ports of Regulator of South Africa which, from humble beginnings, had been driven by a passion and vision to be “regarded nationally and internationally as a world class institution which sets the standards for economic regulation in South African maritime ports”.

With over 90% of South Africa’s trade being seaborne, the country’s commercial ports are not only key nodes in the logistics system but they are critical facilitators of international trade and catalyst for economic recovery and growth. Ports provides an important link between the domestic producers and consumers with international markets. The capability of our commercial port infrastructure, managed by the landlord National Ports Authority (NPA), to support current and future trade volumes and to drive efficiencies in operations, are critical determinants of the country’s competitiveness

in global sea trade, affecting the pricing and attractiveness of South African ports in global shipping. The Ports Regulator exercises economic regulation of the NPA by considering the NPAs annual tariff proposals and the provision of adequate, affordable and efficient port services and facilities; hearing of complaints and appeals against the NPA by port users; ensuring equity of access in the port system and ensuring that the NPA complies with the National Ports Act.

The programmes and projects of the Regulator that are outlined in section 3 of this Annual Performance Plan (APP) FY 2021/22, are aligned to the mission and functions of the Ports Regulator; broader government objectives outlined in the National Development Plan, the Medium Term Expenditure Framework 2019/20 – 2023/24 and Minister of Transport’s priorities for the Oceans Economy as outlined earlier in the Accounting Authority’s Statement.

This lean and young organisation comprises a complement of 21 employees collectively responsible for implementing the projects of the Regulator in the areas of economic regulation, industry development, and legal and compliance (with both an internal and external focus). Support is provided by an administration programme that manages the human resources, Information and Technology, and Supply Chain Management as well as the governance programs that must ensure the organisation’s compliance with financial management prescripts. The Regulator has placed significant reliance on internal capacity in delivering on its mandate and in-house execution of most of the projects committed in the Annual Performance Plan which is evidenced by the organisation’s expenditure trends where over compensation of employees account for 60% of the budget.

Some of the Regulators accomplishment during the 2020/21FY are in terms of the effective transition in leadership with new Regulator members starting in June 2020 and appointment of the CEO on 01 January 2021; the organisations embrace of technology to enable staff and members to work remotely resulting in minimal work disruptions in response to COVID-19 regulations. This includes members holding and concluding tribunal hearings on virtual platform; the virtual consultations with port users, interested and affected parties on the NPAs tariff application with more than 200 hundred participants attending across the eight ports in three sessions on the 31st August 2020 and 1st September 2020.

The tariff decision announced on 29 November 2020, reflects a pragmatic and balanced approach in responding to the NPAs application, the needs of port users as expressed in the submissions received, progress on corporatisation and transformation imperatives in the port system. The ROD includes some relief to businesses operating in the ports through: 30% reductions in license fees for companies applying to provide port activities in 2021/22 payable over the life of the license; 35% discount on dues for non-cargo

working vessels and 65% for vessels spending less than 48% to take on bunkers, stores and/or water and the extension of the 30% discount on marine dues for vessels registered on the South African register up to March 2022 in support of the Department of Transport's initiative to grow the register and provide training opportunities and job creation for South African seafarers.

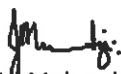
Over the next financial year and medium term period, the executive team will be focusing on the capacitation of the Regulator to ensure that it addresses the challenges in the port regulatory system which broadly include, but are not confined to:

- the effects of COVID-19 on the NPA and the port user segments;
- treatment of the NPAs Regulatory Asset Base in the tariff application based on progress in the corporatisation of NPA;
- NPA's under expenditure on CAPEX which affects its ability to sustain current capacity and provide capacity ahead of demand;
- low efficiency levels in terminal operations as well as congestion that hampers effective evacuation of cargo in and out of port terminals;
- the slow pace of transformation in the provision of port facilities and services, in leases and commercial licenses, despite the NPA meeting the BBBEE level 4 requirements; coupled with the need to improve participation of private sector players and SMMEs in the different offerings in our port system; and
- the continued need for efficient pricing of port infrastructure based on the cost or benefit from the use of infrastructure by different port user segments which takes into account industry structure, sustainability of the NPA and the equitable pricing for port users.

The main outputs of the Ports Regulator i.e. the Records of Decision on tariffs and on appeals or complaints; studies and research reports; are knowledge products. This requires continued focus on training and capacity development which expands the knowledge, capability and analytical sophistication of our staff in regulatory best practices to bring about the desired regulatory outcomes of efficient pricing and port operations, and transformation in provision of port services, facilities and infrastructure and access thereto.

The organisation will realign its expenditure to ensure allocations support the Tribunal function for complaints and appeals to be addressed expeditiously. More resources will also be allocated to enhance, staff and member training, research and studies aimed at understanding pricing and efficiency drivers in port industries and sectors previously not attended to due to capacity constraints. This include a focus on the Authority's lease portfolio, amendments to regulations to support transformation in the port system in anticipation of the Department of Transport's appointment of the B-BBEE Council and the promulgation of the Maritime Transport and Services Sector codes, and processes to support the regulation of the transport sector under the Single Transport Economic Regulator (STER) once the Economic Regulation of Transport Bill (TERB) is passed in Parliament.

I would like to acknowledge the support of the members of the Regulator led by the Chairperson, Mr. Z.K. Matthews, the PRSA EXCO and staff in the development of this APP for FY2021/22. The secretariat is committed to implement the Annual Performance Plan as presented.



Ms. Mukondeleli Johanna Mufaudzi
Accounting Officer: Ports Regulator of South Africa

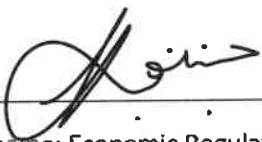
Official sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Ports Regulator of South Africa under the guidance of the Member of the Regulator, Ports Regulator of South Africa
- Takes into account all relevant policies, legislation and other mandates for which the Ports Regulator of South Africa is responsible
- Accurately reflects the outcomes and outputs which the Ports Regulator of South Africa will endeavour to achieve over the period 2021/22

Signature  _____

Name and Surname: Administration. Thokozani Vincent Mhlongo.

Signature  _____


Name and Surname: Economic Regulation. Christoffel Johannes Lotter

Signature: Vacant

Name and Surname: Industry Development

Signature  _____

Name and Surname: Legal and Compliance. Adv. Lesedi Boihang

Signature  _____

Name and Surname: Governance. Adv. Lesedi Boihang

Signature  _____

Name and Surname: Chief Financial Officer. Thokozani Vincent Mhlongo

Signature  _____

Name and Surname: Accounting Officer. Mukondeleli Johanna Mulaudzi

Approved by

Signature:  _____

Name and Surname: Accounting Authority. Zolani Kgosietsile Matthews

PART A: OUR MANDATE

1. STRATEGIC OVERVIEW

1.1. Vision of the Ports Regulator

The Ports Regulator developed its vision at inception and has retained it without alteration as it clearly articulates the primary perspective for the existence of the public entity. The vision of the Ports remains as:

“The Ports Regulator will be regarded nationally and internationally as a world class institution which sets the standards for economic regulation in South African maritime ports”.

1.2. Mission of the Ports Regulator

The mission of the Ports Regulator of South Africa is to

- i) exercise economic regulation of the South African ports system consistent with the government’s strategic objectives;
- ii) promote equity of access to ports and to facilities and services provided in ports;
- iii) monitor the activities of the National Ports Authority to ensure that it performs its functions in accordance with the National Ports Act, 12 of 2005;
- iv) consider the proposed tariffs of the National Ports Authority; and
- v) regulate the provision of adequate, affordable and efficient port services and facilities.

1.3. Values of the Ports Regulator

The Ports Regulator initially established a value set that represented the articulation of its mandates as set out in legislative, regulatory and policy sources. These have been reviewed on an annual basis since inception. The values that the Ports Regulator aspire to have been retained over the years and are articulated to align to the performance of our mandate. They represent the foundation upon which the corporate culture in the Ports Regulator is built and maintained at every level. The Ports Regulator therefore continues to adhere to the Key Values of:

	Values	Behavioural Attributes
P	Protection of the values enshrined in the Constitution of human dignity, equality and freedom.	Being people centred in terms of protecting the rights of our staff enshrined in the Constitution and upholding the democratic values of Fairness, Integrity and Transparency.
R	Respect and Relevance	Respect for others at all levels, maintaining high ethical standards and trust especially with regard to the proper use of the resources entrusted to us by the public.
S	Service Delivery and Stakeholder focus	Striving to exceed stakeholder expectations which engenders credibility.
A	Accountability	Being accountable to the board of the Regulator, its Executive Authority and stakeholders for the decisions and actions it takes.

1.4. Strategic Goals

The Strategic Goals of the Regulator are as follows:

- Ensure implementation of all elements of the regulatory framework within its mandate;
- Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework;
- Maintain its reputation as an organisation with integrity focussed on excellence and delivery;
- Ensuring that all port sector participants comply with the National Ports Act; and
- Consider the proposed tariffs of the Authority and regulate the provision of adequate, affordable and efficient port services and facilities to ensure enhanced competition and investment.

1.5. Legislative Mandates

The Ports Regulator is established in terms of section 29 of the National Ports Act, Act 12 of 2005. The Ports Regulator is a public entity that reports to the Minister of Transport. The Ports Regulator's main functions are to:

- exercise economic regulation of the ports system in line with government's strategic objectives;
- promote equity of access to ports and to facilities and services provided in ports; and
- monitor the activities of the Authority to ensure that it performs its functions in accordance with the Act.

Charged with the responsibility of considering the proposed tariffs of the National Ports Authority; the promotion of regulated competition and to regulate the provision of adequate, affordable and efficient port services and facilities, the Ports Regulator is guided by various government programs aimed at improving the price and operational efficiencies of South Africa's commercial ports thereby contribute to the country's overall goal of reducing the cost of transport and increasing the country's competitiveness in global supply chains.

In addition to the National Ports Act, the Ports Regulator operates within and derives its mandate from a range of statutory and policy instruments, the primary sources being the White Paper on Commercial Ports (2002); the Comprehensive Maritime Transport Policy; the National Ports Act, 12 of 2005, together with the Regulations and Directives thereto.

The Ports Regulator's procedural and substantive mandate is derived from statutory and policy instruments including but not limited to:

- the Constitution of the Republic of South Africa;
- the Public Finance Management Act, 1 of 1999 and the Regulations thereto;
- the Labour Relations Act, Act 66 of 1995 as amended;
- the Basic Conditions of Employment Act, Act 75 of 1997, the Employment Equity Act, Act 55 of 1998.

1.6. Recent court rulings

In general, with the objectives of intervening in a market or sector to drive results similar to those that would prevail if there was competition in the market, monitoring performance of an industry player, enforce accountability, to protect consumers and ensure fair prices. The exercise of regulation constitutes administrative action conferring significant powers on the Regulator which may materially and adversely affect the rights of the public and/or the regulated entity(s).

As an entity of the state undertaking administrative action, the Ports Regulator in its processes and decisions is informed by and complies with the provisions of the Promotion of Administrative Justice Act, Act 3 of 2002 which requires administrative action to be lawful, reasonable and procedurally fair and the provision of reasons for every administrative action.

Supported by a robust stakeholder engagement process, the Ports Regulator adheres to the principles of openness, fairness, transparency and consultation in developing regulatory instruments and in seeking submissions from affected and interested parties on its tariff decisions. To this end, the Regulator keeps abreast of case law on the implementation of administrative action by organs of state, seminal to which in the FY 2021/22 are the following:

Eskom Holdings SOC Limited v National Energy Regulator of South Africa and Others (74870/2019) [2020] ZAGPPHC 2

The case represents the development of jurisprudence on the matter of procedural fairness vis-a-vis application of tariff methodology by the Regulators. The North Gauteng High Court judgment set aside the National Energy Regulator of South Africa (NERSA) decision to disallow Eskom to recover a portion of the Regulatory Clearing Account (RCA), which is part of its Multi-Year Tariff Methodology for the reconciliation of prudently incurred costs, for 2015 -2017 which Eskom successfully took on review.

The review application was premised on the fact that the applicable legislative framework i.e. the MYPD methodology has not been correctly implemented by NERSA. In addition, the principles applied to certain items in previous decisions were not maintained, and no valid reasons were provided for the departures made from these previous precedents. The court found the NERSA's failure to process the decisions within a reasonable time was inconsistent with the Constitution and NERSA had not been consistent in applying its Multi-Year Tariff Methodology. The judgment highlights the need for efficiency in decision making and consistency in application of adopted methodology(s) by regulators.

Sunrise Energy (Pty) Ltd v Avedia Energy (Pty) Ltd et al Case No. A255/18 Western Cape Division

In this case, the High Court appeal judgment emphasised the PRSA's mandate and internal processes in terms of sections 46 and 47 of the National Ports Act No.12 of 2005. On the 8th June 2020, the full bench of the High Court of the Western Cape Division set aside an appeal lodged by Sunrise Energy (Sunrise) on the basis that Sunrise had failed to follow the prescripts of the National Ports Act and should have lodged a complaint with the Ports Regulator, as the body is afforded extensive powers to deal with complaints as effectively and promptly as possible in terms of the National Ports Act, before approaching the High Court.

Applicable case law on transformation and targeting of SMMEs to achieve transformation in certain industries.

Case law relates to the use of regulatory instruments in the transformation and mainstreaming of designated groupings by targeting the procurement spent of public entities, a responsibility which the Regulator is accountable for in its internal procurement process and in the context of driving equity of access to port infrastructure and services by monitoring the National Ports Authority's Broad Based Black Economic Empowerment program.

In the *Afribusiness NPC v Minister of Finance (1050/2019) [2020] ZASCA 140* case, the judgment delivered by the Supreme Court of Appeal ("SCA") on 2 November 2020, declared the 2017 regulations ("Regulations") to the Preferential Procurement Policy Framework Act, 2000 ("PPPFA") invalid, with the invalidity suspended for a period of 12 months to enable the Minister of Finance to correct them.

The basis for the invalidity is that the Minister of Finance exceeded his powers in making the Regulations as they are inconsistent with the PPPFA. Whereas the SCA held that the PPPFA does not allow for the preliminary disqualification of tenderers based on a failure to achieve a particular B-BBEE score or black ownership percentage or other criterion, in terms of the Broad Based Black Economic Empowerment Commission (BBBEE Commission), the Minister of Trade and Industry is empowered through section 9(c) of the B-BBEE Act, upon application by a public entity, to grant a deviation and allow for application targets different from those set in the codes of good practice.

The case *Airports Company of South Africa SOC Ltd v Imperial Group Ltd & Others (1306/18) [2020] ZASCA 02* which was decided on 31 January 2020, wherein the Supreme Court of Appeal (SCA)

dismissed the appeal by the appellant and unanimously found that the preferential procurement policy reflected in ACSA's Request for Bids (RFB) breached section 217 of the Constitution and the provisions of the PPPF Act.

1.7. Other Mandates

National Development Plan

The Ports Regulator aims to respond to the National Development Plan goals, amongst others, to improve efficiencies and reduce the inflation of administered prices in support of building a diversified economy, stimulating manufacturing, enhancing the regulation of market participation, provision of appropriate infrastructure and services. In particular, the Ports Regulator aims to ensure that the National Ports Authority is efficient and financially viable and continues to invest in maintaining, refurbishing and extending port capacity.

Medium Term Strategic Framework 2019 -2024

The Ports Regulator takes cognisance of, and through its regulatory mandate responds to some of the Medium Term Strategic Framework 2019 – 2024 outcomes. Relevant MTSF outcome that the Ports Regulator's decisions in relation to the tariffs of the NPA are concerned with or provide support to the Department of Transport are the those that targets the increased levels of investment by public entities and increased contribution to economic growth; percentage growth in exports for defined national priority sectors; increase competitiveness and access to transport modal networks through effective regulation through the establishment of a Single Transport Economic Regulator (STER) which will subsume the Ports Regulator into a new, wider economic regulator in the transport sector; and the reduction of costs for priority sectors by increasing the efficiency of ports through the corporatisation of the National Ports Authority.

Priorities of the transport sector

The Ports Regulator also has the responsibility to facilitate the implementation of relevant priorities for the Maritime sector as determined by the Minister of Transport. The Minister has set 5 guiding strategic thrusts which will be the focus of the current administration, these are infused by the Khawuleza ethos. The Regulator will assist in building a maritime nation and elevating the oceans economy. This will be done through building blocks of the Minister's maritime programme constituting 5 pillars: **Pillar 1:** Enhancing South Africa's Ship Registration Regime; **Pillar 2:** Mainstreaming maritime through empowering historically disadvantaged persons to access opportunities, support development of young people to take up opportunities in maritime fraternity through recreation and economic opportunities; **Pillar 3:** Rolling out coastal shipping and create partnerships to ensure sustainable support systems to enable effective implementation. The end-goal is to have a SADC region-wide coastal shipping market. This is to include all offshore shipping activities in the Oil and Gas sector; **Pillar 4:** Create programmes to elevate fluvial transport and open up new economic opportunities by maximizing the use of inland waterways; **Pillar 5:** Unlocking maritime for economic stimulation and recreation

PART B: OUR STRATEGIC FOCUS

2. Situational analysis

The analysis of the Ports Regulator's operating environment was conducted by reviewing the Strengths, Weaknesses, Opportunities and Threats (SWOT) reflecting on factors within and from outside the organisation that affect our ability to deliver on our mandate. The External Environment was assessed using PESTGEL.

2.1. Internal Functional Climate – S.W.O.T Analysis

An analysis of the organisations Strengths, Weaknesses, Opportunities and Threats (S.W.O.T) was conducted to determine the factors that affects the ability of the Ports Regulator, in the FY 2021/22 and MTEF period, to deliver on its mandate in a positive way (Strengths and Opportunities) or in an adverse way (Weaknesses and Threats) that may hinder the organisation achieving or sustaining the achievement of its goals. The identified factors characterises and defines the Ports Regulators operational and situational context. The performance factors contributing to each of the elements of the SWOT are identified and referenced to the strategic objectives/programmes of the organisation.

PRSA SWOT Analysis			
1.	Strengths	Performance	Reference (Strategic Objectives)
i)	Competent in carrying out the core function of the organisation which is economic regulation and independent tribunal function, with a good technical base and established practices.	<ul style="list-style-type: none"> - Multi-year Tariff Methodology; - assessment of Tariff Application; and - Regulatory committee to guide this area of performance. - Efficient case management of complaints and appeals; - Efficient hearing of complaints and appeals; and - Timeous decision making; 	Objective 2
ii)	Fulfilling its complete mandate in terms of section 30.	<ul style="list-style-type: none"> - Advanced Tariff Methodology - Increased compliance of the - Authority with its functions in terms of the Act, increased transformation and equity of access. 	Objective 2 and 4
iii)	Clear strategic direction.	<ul style="list-style-type: none"> - Fully functional Regulator. 	Objective 6
iv)	Good governance practices and procedures in place.	<ul style="list-style-type: none"> - Fully functional legal and compliance department to ensure the PFMA King IV are complied with. 	Objective 6
v)	Non - Executives not captured and remain involved with the functioning of the organisation.	<ul style="list-style-type: none"> - Members are appointed as independent non-executives; - Good governance compliance; and - Set direction for the organisation. 	Objective 6

vi)	Absence of high levels of ill-discipline amongst staff.	- High level of professionalism amongst staff.	Objective 1
vii)	Absence of internal strife.	- Organisation is a small one and staff take initiative, with professional work ethic and culture within the organisation.	n/a
viii)	Effective use of resources and cross-cutting measure to ensure efficient use of the budget, with a good retained reserve.	- Good financial controls; - Compliance with National Treasury guidelines with regards to efficient use of public entity resources.	Objective 1
2. Opportunities			
i)	Credibility, and good reputation amongst industry players.	- Trust of industry in the credibility of the Regulator's processes and competence to carry out its functions.	n/a
ii)	Envisaged enactment of the Transport Economic Regulator Act leading to establishment of the Single Transport Economic Regulator around PRSA processes and practices, policy and established methodologies.	- Will form the nucleus of the STER as per legislation.	Objective 2 & 5
iii)	Greater regulatory role in the operations, pricing and access set by the Authority.	- Greater engagement with the Authority and respect cultivated between the two organisations as well trust in the sharing of information.	Objective 2
iv)	Envisaged amendments to the 2007 Regulation and 2009 Directives as issued in terms of the National Ports Act, Act 12 of 2005	- Work on this to be fast tracked with the Department of Transport.	Objective 4 and 5
v)	Feedback to PRSA from the Five year public review.	- Findings from regulatory review highlights areas where Regulators effectiveness can be further enhanced from perspective of port stakeholders.	Objectives 2, 4, and 5.
3. Weaknesses			
i)	Enforcement instruments are lacking.	- This is being addressed through the gazetted ERT Bill	Objective 4
ii)	Existing financial model, constrains the expansion and work of the Regulator.	- This is being addressed through further engagements with the DoT and Treasury on the Maritime Development Fund Bill.	Objective 1
iii)	Limited staff relative to mandate to be performed	- Appointment of additional staff dependent on approval of the revised organogram and increase in budget baseline by the Minister of Transport	n/a
iv)	Information asymmetries.	- This relates to information required by the	Objective 2, 3, 4 & 5

		<ul style="list-style-type: none"> - Regulator and what is provided by the Regulated Entity, and address this through building of credible relationship with the Authority and use of confidential information in accordance with the Directives. 	
v)	Policy gaps (directives and regulations issued in terms of Ports Act).	<ul style="list-style-type: none"> - Policy review and amendments to be undertaken. 	Objective 4 & 5
vi)	Regressed audit record and lack of robust implementation of control processes	<ul style="list-style-type: none"> - Audit and Risk Committee oversight on Irregular Expenditure - Internal audit prioritisation of SCM - SCM checklist developed for implementation - Consequence management of audit findings 	Objective 1
4. Threats			
i)	Limitation on sources of income as per the Act and existing funding model.	<ul style="list-style-type: none"> - Incorporation of the PRSA funding proposal into the MDFB 	Objective 1
ii)	Regulation a very specialised area with limited external capacity	<ul style="list-style-type: none"> - Skills development within niche' areas is a priority for the organisation in terms of the skills development plan, Knowledge Management process and adaptation of generic regulatory training to regulation of ports. 	n/a
iii)	Different interpretation of aspects of the National Ports Act by different parties with no judicial precedent to assist.	<ul style="list-style-type: none"> - Regulator has an opportunity to produce jurisprudence through making sound Tribunal decisions. 	Objective 5
iv)	Absorption and Dilution into the STER.	<ul style="list-style-type: none"> - Actively participate in the process and provide ongoing support and input to business case and implementation plan of STER. 	n/a

2.2. Performance Delivery Environment: External Climate

The following factors in the Ports Regulator's external climate for 2021/22 and beyond were identified using PESTGEL as a tool. The impact of the factors on the Ports Regulator's business as well as action or mitigation to lessen the impact where it is negative or sustain are also identified and presented.

Factors	Impact on PRSA Business	Impact +/-	Action
Political/Strategic			
MTSF strategic goals	Align delivery with MTSF goals	+	Take relevant MTSF goals into account in terms of Regulator performance and tariff considerations.

Ocean's economy – Operation Phakisa	Determine role of the PRSA in relation thereto and implement to inform economic policy and development in terms of access to ports and port facilities and services	+	Take relevant goals into account in terms of Regulator performance and tariff considerations.
Establishment of a Single Transport Economic Regulator	Incorporation of the PRSA into STER and formalise the form, nature and character of organisation relative to current PRSA structure	+	Engagements with DOT re: business case, structure and transitional arrangements into STER
Infrastructure delivery as pillar of economic recovery plan	Support initiative to improve SOE CAPEX implementation	+	Approve NPA CAPEX and monitor and report on implementation
Economic			
High price/cost of doing business in South Africa	Impact on tariff assessment to ensure cost of business in SA ports still further reduced.	-	Balancing of the tariff and use of correct methodology and factors taken into account i.e. enhanced efficiency and value of port assets.
Impact of COVID-19 on port pricing	Impact on tariff assessment to ensure cost of business in SA ports remain responsive to economic condition/impacts	-	Use of tariff methodology to prepare for/and mitigate adverse impact from COVID-19 pandemic
Impact of COVID-19 effects on the fiscus and on funding of the Ports Regulator	Potential reduction of baseline allocations over the MTEF	-	Continuous engagement with the DOT to seek sustained funding of the Ports Regulator on at least the current funding trajectory
Funding to increase capacity and implement full regulatory mandate and activities.	Capacity and resource constraints may continue and organisation may continually fall short of its mandate and/or targets	-	Assist DoT in the required legislative changes that will enable levying a charge on beneficiary of regulation.
Support corporatisation of NPA	Improves the PRSA's monitoring of the NPAs compliance with the National Ports Act	+	Support compliance with the Act
Global Trends			
Enhancing SA's Competitiveness in the global port sector.	Adjust tariffs in line with Tariff Strategy and aim to lower tariffs where appropriate	+	Implementation of the 10-year tariff strategy Efficiency benchmarking monitoring levels of operational efficiencies
Attraction of new investment and new business to SA ports	Demonstrated contribution to economic reconstruction and recovery plan	+	Implementing Tariff Strategy, <i>efficient pricing</i> and continued incentives for capex implementation

Technological			
Rapid advance in technology	Keeping abreast of information technology trends to ensure systems are efficient and productive	+	Relevant and up to date IT systems.
Ensuring information security and integrity	Ensure relevant business impact analysis conducted and information risks sufficiently mitigated.	+	IT Governance Strategy developed and implemented. Monitoring of cyber security legislative development for compliance. Implementation of POPIA requirements
Legal/Legislation			
Changes in Legislative Environment: ERT Maritime Development Fund Bill (MDFB) ¹	Bill to establish the Single Transport Economic Regulator. Incorporation of the PRSA funding proposal into the MDFB	+/-	Expanded powers and functions of the Regulator across the transport sector Ongoing participation in and monitoring of new laws being introduced/passed to address funding of Ports Regulator or regulatory function in STER
Environmental			
Increased Operational costs - Scarce energy resources	Educate staff to save electricity and reduce costs	-	Energy efficiency measures and Awareness training
Environmental resources	Ensure staff have increased awareness regarding environment	-	Move towards a paperless operating environment

¹ Maritime Development Contributions and Levies Bill – SAMSA

PART C: MEASURING OUR PERFORMANCE

3. Programmes of the Ports Regulator

The organisation is established along five functional programmes that are responsible for delivering on the key aspects and objectives of its mandate. These are:

3.1. Corporate Financial and Support Services

The corporate services department is responsible for the implementation of the strategic goal number two which reads “enhancing the capacity to deal with all the output requirements of the organisation in alignment with Government’s Strategic Framework”. The corporate services department is focused on the development, implementation, maintenance and management of the Financial, Human Resource, Enterprise Risk Management, Information Technology and Procurement systems for the effective and efficient operation of the Regulator as well as appropriate enhancement and management of all its resources in accordance with the relevant regulatory compliance frameworks.

The administration department has to deliver effective corporate support to the core programs of the Ports Regulator. The table on the output indicators over the medium term and on a quarterly basis outlines how the Regulator will ensure that the mandate is delivered upon by providing resources to the core programs of the Regulator, resources either in the form of finance, human capital and technical resources. The administration department has to develop, implement and monitor effective systems and internal control for running an efficient and effective administration system with the following outputs:

- Financial reporting, monitoring and budgeting
- Supply Chain Management
- Human Resources Management
- Information Technology Management
- Risk Management
- Assets and facilities Management
- Performance planning, monitoring and reporting
- Statutory Compliance & Reporting

3.2. Economic Regulation

The Department is responsible for the ongoing implementation of economic regulation of ports with primary focus on pricing, access, institutional structure and thus it focuses on the development of policy, strategy, research and implementation instruments with respect to economic regulation of ports. Included under this programme is tariff setting and tariff research, with the NPA being the primary regulated entity in the industry with respect to tariffs. Furthermore, this programme contains regulatory development processes for economic regulation of the ports system, including industry reform, institutional architecture implementation and market rules development.

Over the past two financial years a number of milestones were reached, the Multi-Year Tariff Methodology was reviewed, consulted and published, together with an update on the ten-Year Tariff Strategy. Over the course of 2020/21, amongst others, an updated Port Sector review and Global Port

Tariff Study were published with work continuing with a focus on the National Ports Authority's lease portfolio, expanding the Regulator's body of knowledge and capacity in preparation for the establishment of the STER.

The tariff decision for the 2021/22 tariff year, approved in December 2020, was taken in a time fraught with challenges where the sustainability of the Authority needed to be balanced with the impact higher tariffs will have on port users. The ETIMC facility provided for in the approved tariff methodology was utilised and the Regulator approved an overall average tariff of 0% with progress on the implementation of the Tariff Strategy continuing where cargo dues on export containers are, for example, decreasing by 10%. In addition, discounts of up to 60% were included for vessels using port services and further mechanisms introduced to lower barriers to entry for the provision of port services by allowing licence fees to be paid over the duration of the licence period. More work in this area is underway.

3.3. Industry Development

Industry development program is responsible for stakeholder engagements and management, research to monitor the provision of infrastructure and facilities and promotion of efficiencies in the port system. Industry Development provides relevant technical support to the Department of Transport's on its priorities in the Ocean Economy; creates awareness of the Regulator's work and represent the Regulator and interface with port users in the Port Consultative Committee, National Port Consultative Committee and other fora wherein particular attention is paid to the Port Authority's execution of its capex program and on operational efficiencies with SA ports across a range of Key Performance Indicators. The department continues to gather and analyse port user feedback and perceptions about the work of the Ports Regulator gathered primarily through self-completed surveys at our various consultation road shows and the five-year public regulatory review. The review collates port user feedback on the relevance, independence and effectiveness of the Regulator in the different programs and services it renders to the port community.

Industry Development conducts research, assess and monitor the NPA's performance and focus on efficiencies in the port system including the benchmarking of South African terminals against regional and international terminals. In recent years Industry Development has managed the identification of Key Performance Indicators (KPIs) and assignment of weights by port users and the NPA for the Weighted Efficiency Gains from Operations (WEGO) program. WEGO was introduced in the tariff methodology in 2018 to (dis)incentivise better performance on agreed KPIs, thus link operational performance to tariff pricing. Efficiency measurement and WEGO process has been enhanced by the annual assessment of the NPAs Terminal Operator Performance Standards over the last seven years.

Having completed and shared the findings on transformation in the SA system through an analysis of B-BBEE certificates of companies contracting with the Authority as terminal operators, lease holders or providers of port services and activities, Industry Development reports annually to the Minister of Transport on equity of accesses in ports.

3.4. The Legal Department

The legal department is responsible for monitoring the port industry and its compliance with the National Ports Act, port policy and other regulatory instruments and to maximise effectiveness of legal

services; and operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.

3.2.1. Tribunal

Ensuring the operation of a fair and non-discriminatory quasi-judicial Tribunal in accordance with procedures to hear and adjudicate complaints and appeals as expeditiously as possible in accordance with section 30 (2) (a), section 46 and section 47 of the National Ports Act (12 of 2005).

3.2.2. Legal

The legal department provides legal consultation, legal opinions, counsel, litigation management and advice as well as drafting, vetting and /or reviewing policies, contracts and service level agreements and memoranda of agreements generated by other departments. Duties of the legal department include drafting resolutions, letters, memos and participating in balanced administrative decision-making.

The role of in-house legal counsel is to understand the pressure points, strategy and objectives of the Ports Regulator and effectively communicate the risks and legal issues involved in any decision to management. This enables management to make informed strategic choices within an acceptable legal risk profile. The overall purpose of the legal department is to ensure the Ports Regulator receives appropriate legal support and services.

3.2.3. Compliance Monitoring

The Department conducts compliance monitoring in terms of section 30(1)(c), which ensures the development and operation of a compliance framework to ensure compliance of the National Ports Authority with the National Ports Act. The monitoring aspect of the compliance work is to ensure that the Authority performs its functions in accordance with the National Ports Act, as to ensure the promotion of competition, equity of access to and transformation in the port system.

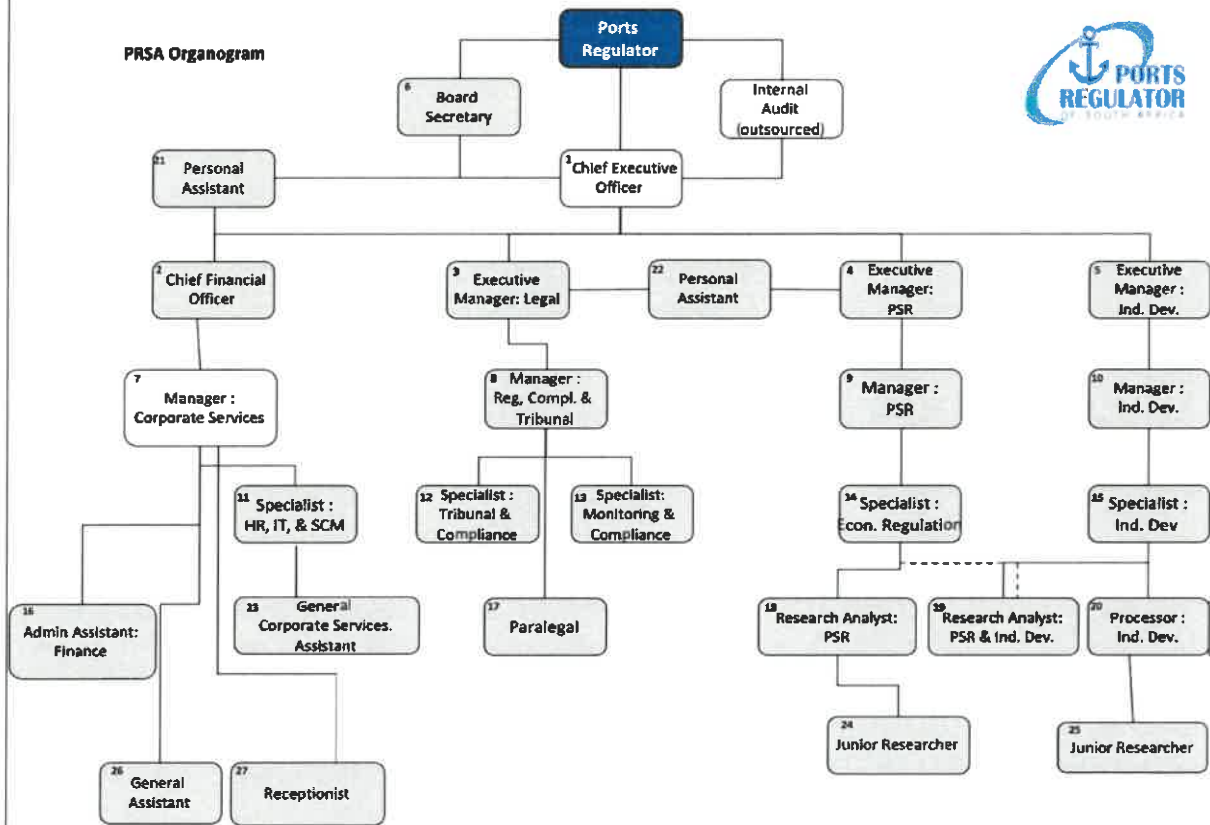
3.5. Governance

The Governance Department encompass the role of the Company/Regulator Secretary work to ensure the organisation complies with the legal framework or precepts it is required to operate in, as well as ensuring that the Regulator complies with its Fiduciary duties towards the organisation.

3.6. Organisational Structure

The Regulator currently operate on a very limited establishment which limits our ability to carry out the full mandate as per the National Ports Act. A memorandum expanding the Ports Regulator secretariat from its current 27 staff to 60 staff was approved by the Regulator (Board) in 2018/2019 and submitted for the Minister of Transport's Approval in order to create the capacity within the Regulator play a meaningful role as a nucleus of the new Single Transport Economic Regulator (STER) for which approvals are at an advanced stage. In 2020/21 the Intern posts were converted into junior Researcher posts in order to enhance the research capacity of the organisation on a permanent basis. Future interns will be appointed outside the organogram structure

PRSA Organogram



3.7. Outcomes, Outputs, Performance indicators and targets

Outcomes	Key Performance Indicators	Actual Audited Performance				Estimated performance	Medium Term Performance Targets			
		2017/18	2018/2019	2019/20	2020/2021		2021/2022	2022/2023	2023/2024	
1. The running of an efficient and effective administration system	Organizational Performance monitored and reported on to the Regulator quarterly.	Achieved. Quarterly reports against planned performance were submitted to DoT and the Regulator.	Achieved. Quarterly reports against planned performance were submitted to DoT and the Regulator.	Quarterly reports submitted to the Regulator for all quarters	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.
Perform salary benchmarking to exercise update salaries against the market	Benchmarking report submitted	-	Benchmarking exercised completed report submitted to the Regulator for approval	-	-	-	-	-	Benchmarking exercised report submitted to the Regulator for approval	-
Ongoing skills development of Members and staff to enhance the effectiveness and efficiency of the organisation. .	Regulator Members and staff training on attendance on Regulatory matters reported annually.	Achieved. Secretariat and Regulator members received training during the year.	Achieved. Secretariat and Regulator members received training during the year.	Achieved. Secretariat and Regulator members received training during the year.	Appropriate training sourced (internal/ external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan	Appropriate training sourced (internal/ external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan	Appropriate training sourced (internal/ external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan	Appropriate training sourced (internal/ external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan	Appropriate training sourced (internal/ external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan	Appropriate training sourced (internal/ external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan

	Conduct a market concentration analysis on the South African Ports system	Market concentration report	New indicator	New indicator	New indicator	New indicator	Preliminary trend analysis on port market concentration	Report on market concentration and abuse of dominance	-	-
	Perform lease management consultation and analysis	Report on lease management	New indicator	New indicator	New indicator	New indicator	Report on lease portfolio of the NPA	Development of a tariff strategy for lease revenue	Consultation and finalisation of a lease tariff strategy	Implementation of the lease tariff strategy
	Conduct research on pre-defined port sector in the South African port system	Report on port industry	New indicator	New indicator	New indicator	New indicator	Report on pre-defined industry in the South African port system	Report on pre-defined industry in the South African port system	Report on pre-defined port industry in the South African port system	Report on pre-defined port industry in the South African port system
	Conduct research on pre-defined port industries	Research Report	New indicator	New indicator	New indicator	New indicator	Report on coastwise cargo flows and vessel movements	Report on shipbuilding and repair industry in the South African ports system	Report on bunkering services in the South African ports system	Report on transshipment in the South African ports system
3.	Port performance monitoring and benchmarking	Report covering the ongoing monitoring of port performance	New indicator	Achieved. WEGO performance assessment conducted and report submitted.	Achieved. WEGO performance assessment conducted and report submitted.	Achieved. WEGO performance assessment conducted and report submitted.	One report covering the ongoing monitoring of port performance	One report covering the ongoing monitoring of port performance	One report covering the ongoing monitoring of port performance	One review report covering the ongoing port performance monitoring of port performance

Implement stakeholder engagement plan to address industry development objectives and Ministerial maritime priorities	Draft and Implement Stakeholder engagement framework	New indicator	Achieved. 4 Quarterly Stakeholder - Engagement reports 1 stakeholder feedback report	4 Quarterly Stakeholder - Engagement reports 1 stakeholder feedback report	Implement annual stakeholder engagement plan and program for structured engagements with different stakeholder groupings as per stakeholder matrix	Implement annual stakeholder engagement plan and program for structured engagements with different stakeholder groupings as per stakeholder matrix	Implement annual stakeholder engagement plan and program for structured engagements with different stakeholder groupings as per stakeholder matrix	Implement stakeholder engagement program for structured engagements as per stakeholder matrix
	Port Economic Regulation Knowledge Management	New indicator	New indicator	New indicator	Design a Ports Regulator Knowledge Management Program framework Capturing and institutionalising tacit economic regulation knowledge and facilitate internal capacity building	Implement knowledge management program Manage Regulator outputs to external stakeholders – publications, website, etc.	Implement knowledge management program Manage Regulator outputs to external stakeholders – publications, website, etc.	Implement knowledge management program Manage Regulator outputs to external stakeholders – publications, website, etc.
Monitor equity of access in SA port system implementation of strategy by the NPA	Progress on reporting of equity access and implementation of	New indicator	Achieved. Strategy developed	Strategy developed	Monitor, advise DOT/NPA and report on transformation in port infrastructure	Monitor and report on transformation in port infrastructure delivery	Monitor and report on transformation in port infrastructure delivery through the NPA	Monitor and report on transformation in port infrastructure delivery through the NPA

		transformation in SA port system through NPA	New indicator	New indicator	New indicator	delivery through the NPA	delivery through the NPA	through the NPA	
Assess planned infrastructure adequacy assessment based on existing efficiency levels	Establish port capacity and performance norms with NPA	New indicator	New indicator	New indicator	Develop productivity/efficiency targets for selected terminals based on non-simulated assessments.	Consult and engage with NPA and/or port users on results and effects on operator performance standards (e.g. TOPS)	-	-	-
Monitor port performance (TOPS and MOPS)	Efficiency targets developed.	Achieved. TOPS analysis report with recommendations on target setting signed by CEO	Achieved. TOPS analysis report with recommendations on target setting signed by CEO	Achieved. TOPS analysis report with recommendations on target setting signed by CEO	Annual report on port performance (including TOPS, MOPS, HOPS and WEGO).	Annual report on port performance (including TOPS, MOPS, HOPS and WEGO).	Annual report on port performance (including TOPS, MOPS, HOPS and WEGO).	Annual report on port performance (including TOPS, MOPS, HOPS and WEGO).	Annual report on port performance (including TOPS, MOPS, HOPS and WEGO).
Assessment of Authority's CAPEX programme.	CAPEX Assessment report	Achieved. 4 Quarterly CAPEX register assessment reports	Achieved. 4 Quarterly CAPEX register assessment reports	Achieved. 4 Quarterly CAPEX register assessment reports	Report on CAPEX implementation	Report on CAPEX implementation	Report on CAPEX implementation	Report on CAPEX implementation	Report on CAPEX implementation
4. Monitoring the port industry its compliance with the National Ports	Improved levels of compliance with the Act by the NPA	Legal has over the past year engaged regularly with the NPA at various	Legal has over the past year engaged regularly with the NPA at various	Legal has over the past year engaged regularly with the NPA at various	5 Compliance Monitoring Reports	Number of compliance monitoring conducted	Number of compliance monitoring conducted	Number of compliance monitoring conducted	Number of compliance monitoring conducted

Act, Port Policy and other Regulatory Instruments.		based on NPA's CRMP	meetings and has issued quarterly compliance finding reports for approval by the Regulator	meetings and has issued quarterly compliance finding reports for approval by the Regulator	meetings and has issued quarterly compliance finding reports for approval by the Regulator	1 B-BBEE Compliance Report	Number of B-BBEE Compliance review conducted	Number of B-BBEE Compliance review conducted	Number of B-BBEE Compliance review conducted
Improved levels equity of access in the ports system by HDIs in accordance with the relevant Regulatory instruments	Aligned and improved legal instruments	Number of B-BBEE compliance reviews/monitoring conducted)	Achieved Reporting on framework to rights of equity of access finalised and submitted	Achieved Reporting on framework to rights of equity of access finalised and submitted	Achieved Reporting on framework to rights of equity of access finalised and submitted	4 Regulatory development reports	Number of engagements conducted with the DOT on regulatory development regarding B-BBEE Maritime Sector Codes	Number of engagements conducted with the DOT on regulatory development regarding B-BBEE Maritime Sector Codes	Number of engagements conducted with the DOT on regulatory development regarding B-BBEE Maritime Sector Codes
To maximize effectiveness of legal services		Number of engagements with the DOT on regulatory development regarding B-BBEE Maritime Sector Codes	Achieved Reporting on regulatory development s	Achieved Reporting on regulatory development s	Achieved Reporting on regulatory development s	4 quarterly legal research reports	Number of research projects on long term leases prejudicial to	Number of compliance monitoring conducted on the section 67 (1) (c) implementation plan	Number of compliance monitoring conducted on the section 67 (1) (c) implementation plan

<p>5. Operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.</p>	<p>Optimised operational efficiency of the Hearing Panel</p>	<p>Percentage of matters finalised by the Tribunal</p>	<p>Achieved Quarterly reports submitted to the Regulator, in terms of number of matters heard/RODs issued, new matters received or matters mediated settled.</p>	<p>Achieved Quarterly reports submitted to the Regulator, in terms of number of matters heard/RODs issued, new matters received or matters mediated and/or settled.</p>	<p>Achieved quarterly reports submitted to the Regulator, in terms of number of matters heard/RODs issued, new matters received or matters mediated and/or settled.</p>	<p>100% finalised Tribunal matters</p>	<p>Percentage of matters finalised by the Tribunal</p>	<p>Percentage of matters finalised by the Tribunal</p>	<p>Percentage of matters finalised by the Tribunal</p>
<p>6. Ensuring good governance and sustainability of the organisation.</p>	<p>Governance and compliance framework in place, reported on and updated annually.</p>	<p>Number of governance and compliance reports to the Regulator as per framework.</p>	<p>Achieved. Good governance practices established and implemented throughout the organisation</p>	<p>Achieved. Good governance practices established and implemented throughout the organisation</p>	<p>Achieved. Good governance practices established and implemented throughout the organisation</p>	<p>4 quarterly governance and compliance reports to the Regulator.</p>	<p>Number of governance and compliance review conducted.</p>	<p>Number of governance and compliance review conducted.</p>	<p>Number of governance and compliance review conducted.</p>
		<p>A draft STER governance framework developed</p>	<p>New indicator</p>	<p>New indicator</p>	<p>New indicator</p>	<p>New indicator</p>	<p>Draft STER governance framework</p>	<p>Draft STER governance framework</p>	<p>Draft STER governance framework</p>

Medium Term Leadership, Governance and Accountability Targets

Performance Outcome	Output	Output Indicator	Annual Targets							
			Audited / Actual Performance		Estimated Performance	MTEF Period				
			2017/18	2018/19		2019/20	2020/21	2021/22	2022/23	2023/24
Improved governance and strengthened control environment	Adequacy of responses to Parliament questions	Percentage responses to Parliament questions within stipulated timelines	-	-	-	100% responses to Parliament questions	100% responses to Parliament questions	100% responses to Parliament questions	100% responses to Parliament questions	100% responses to Parliament questions
	Resolution of reported incidents of corruption	Percentage resolution of reported incidents of corruption	-	-	-	95% resolution of reported incidents of corruption	95% resolution of reported incidents of corruption	95% resolution of reported incidents of corruption	95% resolution of reported incidents of corruption	95% resolution of reported incidents of corruption
	Functionality of ethics structures and adequate capacity	Ethics committees established and operationalised	-	-	-	Departmental Ethics Committees operationalised	Departmental Ethics Committees operationalised	Departmental Ethics Committees operationalised	Departmental Ethics Committees operationalised	Departmental Ethics Committees operationalised
Elimination of wasteful and fruitless expenditure	Implementation of action plan to address audit findings	Percentage implementation of action plans to address audit findings	Annual Progress Report on the implementation of action plan to address audit findings	Annual Progress Report on the implementation of action plan to address audit findings	Annual Progress Report on the implementation of action plan to address audit findings	100% implementation of action plans to address audit findings	100% implementation of action plans to address audit findings	100% implementation of action plans to address audit findings	100% implementation of action plans to address audit findings	100% implementation of action plans to address audit findings
	Reduction of qualified audits	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Unqualified Audit Report with findings	Unqualified Audit Report with findings	Unqualified Audit Report with findings	Unqualified Audit Report with no significant findings	Unqualified Audit Report with no significant findings	Unqualified Audit Report with no significant findings	Unqualified Audit Report with no significant findings	Unqualified Audit Report with no significant findings
	Elimination of wasteful and fruitless expenditure	Percentage reduction of cases of wasteful and fruitless expenditure	-	-	-	100% reduction of cases of wasteful and fruitless expenditure	100% reduction of cases of wasteful and fruitless expenditure	100% reduction of cases of wasteful and fruitless expenditure	100% reduction of cases of wasteful and fruitless expenditure	100% reduction of cases of wasteful and fruitless expenditure

Performance Outcome	Output	Output Indicator	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	Reduction of irregular expenditure	Percentage reduction of cases of irregular expenditure	-	-	-	-	-	75% reduction of cases of irregular expenditure	75% reduction of cases of irregular expenditure	75% reduction of cases of irregular expenditure
	Compliance to 30-day payment requirement	Percentage compliance to 30-day payment requirement	-	-	-	-	-	100% compliance	100% compliance	100% compliance

3.8. Indicators, Annual & Quarterly targets for the 2021/2022 Financial Year

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2021/2022 Quarterly Targets			
					Q1	Q2	Q3	Q4
1. The running of an efficient and effective administration system	All Corporate Services Policies reviewed on an annual basis.	IT, HR and Finance policies reviewed by the Accounting Officer and approved by the Regulator.	Zero baseline for financial year.	Annual review of organisational policies, and submit a report on these to the Regulator for approval.	Review IT systems and processes and update relevant policies. A report to be submitted to the Regulator in this regard.	Financial policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies to be reported on to the AC and the Regulator	HR policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies to be reported on to the HR & Rem Co and the Regulator.	Policy gap analysis to be performed and dashboard report to be submitted to the Regulator for next FY.
	Organisational and employee performance improved.	Organisational performance monitored and reported on to the Regulator quarterly.	Zero baseline for financial year.	Achievement of all targets set in the Annual Performance Plan.	Report on Q4 performance to the Regulator and DOT and the Regulator by 31 May 2021.	Report on Q1 performance to the Regulator and the DOT by 31 July 2021.	Report on Q2 performance to the Regulator and the DOT by 31 October 2021.	Report on Q3 performance to the Regulator and the DOT by 31 January 2022.

		Employee PMS monitored and enhanced by half year and final employee performance reviews to be provided to the Accounting Officer.	Zero for year.	baseline financial	Assessment of employee performance to improve organisational efficiency and performance.	KPI's for staff to be aligned to the APP targets. Employee performance contracts to be signed off by 30 April and report to the HR Committee.	Half yearly performance review to be undertaken in accordance with the policy and reported on the HR Committee.	Management to review organizational performance in relation to individual performance to determine progress on targets and incentives.	Final employee performance reviews to be undertaken and scoring forwarded to and assessed by HR. Report to HR Committee and the Regulator.
	Align Organizational and Employee performance management system with strategy and APP.	Organizational Performance monitored and reported on to the Regulator quarterly.	Zero for year.	baseline financial	Monitoring employee performance in order to achieve alignment with strategic objectives.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.
	HR Management and ongoing skills development of Members and staff to enhance the effectiveness and efficiency of the organisation.	Regulator Members and staff matters dealt with and training on attendance on Regulatory matters reported annually.	Zero for year.	baseline financial	Full implementation of the PRSA HR training plan for Members and staff and annually report to the Regulator on all regulatory training that has taken place in line with the	Review the HR Plan and Develop a training plan for Members and staff that is aligned to the Strategic Plan.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.

				organisational HR plan.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Annual reporting on steps taken to achieve clean audit
Percentage reduction of irregular, wasteful and fruitless expenditure	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Irregular, wasteful & fruitless expenditure eliminated	Zero for financial year.	100% reduction of irregular, wasteful and fruitless expenditure	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular and wasteful fruitless expenditure.	Annual reporting on steps taken to achieve clean audit
Percentage implementation of action plans to address audit findings	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Implementation of action plan to address audit findings	Zero for financial year.	100% implementation of action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings
Ethics committees established and operationalised	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Functionality of PRSA Ethics committee	Zero for financial year.	Operations of PRSA ethics committee monitored	Ethics Committee report to Regulator	Ethics Committee report to Regulator	Ethics Committee report to Regulator	Ethics Committee report to Regulator	Ethics Committee report to Regulator	Ethics Committee report to Regulator
Elimination of fraud and corruption	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Percentage resolution of reported incidents of fraud and corruption	Zero for financial year.	100% resolution of reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption

	Respond to parliamentary questions within the stipulated timelines	Percentage responses to Parliament questions within stipulated timelines	Zero for year.	100% responses to Parliament questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions	
2. Ongoing implementation of Economic regulation of ports (Price, access, institutional structure)	Conduct research on the economic contribution of the South African Ports system in the South African Fresh Produce logistics chain	Publish logistics research report	Zero for year.	Research report on the Fresh Produce logistics chain focussing on fruit.	Develop Terms of Reference and Research Framework	Industry consultation completed with the fruit producers sector	Analyse findings from industry consultation and desktop research and draft research report for submission to CEO	Final report to be submitted to Regulatory Committee
	Complete tariff assessment in accordance with the multi-year tariff methodology and publish record of decision	ROD and Tariff Book published	2020 ROD and Tariff Book	Implement the approved Tariff Methodology and Tariff Strategy through the annual Tariff Decision	Engage with NPA on Tariff Application	Receive Tariff Application from NPA and commence assessment	Complete tariff assessment and publish Record of Decision	Finalise and publish Book and Tariff
	Report on shipbuilding and repair industry in the South African ports system	Report on shipbuilding and repair industry in the South African ports system completed	Zero for year.	Report on shipbuilding and repair industry in the South African ports system	Define scope and develop Research Framework	Data collation and information gathering	Draft report submitted to CEO	Final report submitted to RegCom

	Global Port Pricing Study	Annual GPPS study published	2020 Report	GPPS	Global Port Pricing Study	Tariff Book collection for all four cargo types	Collation of tariff data	Draft report submitted to CEO	Final report submitted to RegCom
	Conduct a Report on market concentration and abuse of dominance	Report on market concentration and abuse of dominance finalised	Zero for year.	baseline financial	Report on market concentration and abuse of dominance	Develop Terms of Reference and Research Framework	Data collation and analysis	Draft report submitted to CEO	Final report submitted to RegCom
	Development of lease revenue strategy	Report on lease revenue strategy	Zero for year.	baseline financial	Lease revenue strategy	Develop Terms of Reference and Research Framework	Consultation with NPA on Lease revenue strategy	Draft report submitted to CEO	Final report submitted to RegCom
	Development of a coastwise cargo tariff strategy	Development of a coastwise cargo tariff strategy	Zero for year.	baseline financial	Tariff strategy on coastwise cargo	Develop Terms of Reference and Research Framework	Data collation and analysis	Draft report submitted to CEO	Final report submitted to RegCom
	Develop and publish bulk Port volumes and cargo flow trends report	Publish port volumes and cargo flows trend report on break bulk cargo	Zero for year.	baseline financial	Volumes and cargo flows trend report	Project overview and data collation	Initial draft report	Complete draft report	Final report submitted to RegCom
	Regulatory Impact Assessment on non-regulated tariffs in South African port environment		Zero for year.	baseline financial	Report on a Regulatory impact assessment on non regulated tariffs in the South African port environment	Project overview and data collation	Initial draft report	Complete draft report	Final report submitted to RegCom

3. Engage stakeholders and monitor provision of infrastructure and facilities; and promotion of efficiencies in the port system.	Implementation of stakeholder engagement plan and knowledge management plan.	Quarterly reports on stakeholder engagement.	Zero baseline for financial year.	Quarterly stakeholder engagement report.	Implement and report on stakeholder engagements	Implement and report on stakeholder engagements.	Implement and report on stakeholder engagements.	Implement and report on stakeholder engagements.
	Monitor port performance (TOPS and MOPS)		Zero baseline for financial year.	1 Annual Report on port performance (TOPS and MOPS)	Research report framework and data collection	Data collection and analysis	Data collection and analysis	Final report
	Port Economic Regulation Knowledge Management System	Port Economic Regulation Knowledge Management System	Zero baseline for financial year	Implement Port Economic Regulation Knowledge Management Systems	Implement and report on KMS activities	Implement and report on KMS activities	Implement and report on KMS activities	Implement and report on KMS activities
	Monitor and report on port performance	Research report: benchmarking SA	Previous port benchmarking report	1 research report on port performance;	Research report framework and data collection	Data collection and analysis	Analysis and draft report	Final report published

	Assessment of Authority's CAPEX programme.	CAPEX Assessment report.	Zero baseline for financial year.	CAPEX assessment report per quarter.	Report: Analyse, tracking and monitoring of CAPEX programme	Report: Analyse, tracking and monitoring of CAPEX programme	Report: Analyse, tracking and monitoring of CAPEX programme
4. Monitoring the port industry and its compliance with the National Ports Act and other Regulatory Instruments to ensure access to and competition within the port system.	Improved levels of compliance with the Act by the NPA	Number of compliance monitoring conducted	5 Reports	5 Quarterly Compliance Monitoring Reports	1 report to the Regulator	1 report to the Regulator	2 report to the Regulator and Executive Authority (S.30(5))
	Improved levels of equity of access in the ports system by HDIs in accordance with the relevant Regulatory instruments	Number of B-BBEE Compliance reviews conducted	1 Report	1 Annual B-BBEE Compliance Review Report	Engage NPA on previous year key findings	Engage NPA on implementation of Corrective Action Plan	1 B-BBEE Review Report to the Regulator
	Aligned and improved legal instruments	Number of engagements with the DoT on legislative development	4 Reports	4 Legislative Development Quarterly Reports	1 Progress Report to the Regulator	1 Progress Report to the Regulator	1 Progress Report to the Regulator

5. Operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.	Optimised operational efficiency of the hearing panel	Report on performance assessment of case management, adjudication of matters and decision making	4 Reports	Tribunal supported by the secretariat to operate an efficient hearing panel on complaints and appeals and report quarterly on case management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on case management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on case management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on case management, adjudication and decision making of the Tribunal.
6. Ensuring good governance and sustainability of the organisation.	Governance and compliance framework in place for the organisation.	Governance and compliance checklist reported on quarterly to the Regulator.	Zero for financial year.	Ensuring good governance and compliance of the organisation.	Draft governance and compliance checklist and submit to the Regulator for approval.	Complete and submit governance and compliance checklist for the quarter and submit to the Regulator.	Update and submit governance compliance checklist for the quarter and submit to the Regulator	Update and submit governance compliance checklist for the quarter and submit to the Regulator
	Governance Framework in place addressing structural/Institutional arrangements to be in place for purposes of STER	Progress Report on Development of Governance Framework	Zero for financial year.	Development of Governance Framework in anticipation of establishment of STER	Progress Report	Progress Report	Progress Report	Progress Report

Annual and Quarterly targets: Leadership, Governance and Accountability

Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage responses to Parliament questions within stipulated timelines	100% responses to Parliament questions	-	Bi-Annual Report on the status of responses to Parliamentary questions	-	Annual Report on the status of responses to Parliamentary questions
Percentage resolution of reported incidents of corruption	95% resolution of reported incidents of corruption	-	Bi-Annual Report on progress made to resolve reported incidents of corruption	-	Annual Report on steps taken to ensure resolution of reported incidents of corruption
Ethics committees established and operationalised	Operations of departmental ethics committees monitored	-	Bi-Annual Report on the status and operations of ethics committees in the Department.	-	Annual Report on the status and operations of ethics committees in the Department.
Percentage implementation of action plans to address audit findings	100% implementation of action plans to address audit findings	-	-	Develop action plans to address audit findings raised by the AGSA for the 2019/20 financial year	Annual Report on the implementation of action plan to address audit findings raised by the AGSA for the 2019/20 financial year.
Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Unqualified Audit Report with no significant findings	-	-	-	Annual Report on efforts taken to achieve an unqualified audit report with no significant findings.
Percentage reduction of cases of wasteful and fruitless expenditure	75% reduction of cases of wasteful and fruitless expenditure	-	Bi-Annual Report on steps taken to reduce wasteful and fruitless expenditure in the Department.	-	Annual Report on steps taken to reduce wasteful and fruitless expenditure in the Department.
Percentage reduction of cases of irregular expenditure	75% reduction of cases of irregular expenditure	-	Bi-Annual Report on steps taken to reduce irregular expenditure in the Department.	-	Annual Report on steps taken to reduce irregular expenditure in the Department.
Percentage compliance to 30-day payment requirement	100% compliance to 30-day payment requirement	-	Bi-Annual Report on steps taken to ensure compliance to the 30-day payment requirement	-	Annual Report on steps taken to ensure compliance to the 30-day payment requirement

3.9. Programme resource considerations

The focus of the entity over the medium term will remain on achieving maximum operational efficiency in all areas and consistently improving up the economic regulation outcomes, BBBEE compliance monitoring, reducing the tribunal backlog, expanding the monitoring and regulatory work on commercial leases, conducting research in support of wider regulation in the transport sector and expanding administrative capacity to deliver on full mandate of the Regulator. This includes having higher availability of tribunal days, greater regulatory certainty with respect to the implementation of the Port Tariff Strategy as published, as well as a greater concentration on the efficiency aspects of the ports system with the inclusion of the efficiency incentive into the tariff methodology. The timeous processing of complaints and appeals remains an area of focus that is being addressed as is a focus on monitoring compliance with the National Ports Act.

The Ports Regulator currently relies solely on fiscal transfers to fund its operational and capital expenditure, however the organisation has submitted an alternate funding proposal to the Executive Authority accompanied by the commensurate amendments to the Act as well as the revision of the organogram, in order to ensure its sustainability into the future. The gazetting of the Bill on the Transport Economic Regulator, thereby forming what would be a new regulatory body regulating the transport sector as a whole where the Ports Regulator, whilst serving an integral part of the process, is still required to function and ensure its sustainability despite being absorbed into the STER at some time in the medium term. The STER is anticipated to be signed into law in the 2020/2021 financial year.

Although the fiscal transfers from the DoT were to increase marginally at an average of 5% over the medium term period, aimed at assisting the Regulator to prepare for the STER and capacitate the Regulator in preparation for the STER, the fiscal constraints brought on by COVID-19 which compounded the country's low economic growth and revenue collection is a threat to the Ports Regulator's funding as the Department of Transport continues to reprioritise its budget and allocations.

Where the administration program was the biggest item of expenditure for the Ports Regulator accounting for an average of 36.2% over the medium term, the Tribunal function will account for higher expenditure than the average of 20% for the different programs. This is based on the fact that the Regulator is a decision making entity which includes tariff decisions, Tribunal decisions as well as research on ports efficiency and compliance monitoring.

The Regulator still spends more on compensation of employees in the overall budget. Employee costs account for an average 60% for the medium term while the balance is allocated to Goods and Services. Expenditure on compensation of employees over the MTEF period will increase by the approved annual adjustments to compensation of employees with no planned additional appointments, except for filling vacancies that have arisen in the year. The Regulator implemented its five-year salary benchmarking in 2018/19 and new salary scales were implemented effective 01 April 2019 with the objective of ensuring that the Regulator offer competitive salaries and retain staff.

There will be an above 1.8 % average increase on expenditure on goods and services (over the medium term) which other than normal running expenses, will be on further training and development. The view of the Regulator is that if the current work force is trained and their skills enhanced, it will result in savings on consultants in the future as staff will be equipped to perform more tasks more efficiently. As the majority of the outputs of the Regulator are dependent on internal staff resources the expenditure of the Ports Regulator will focus mainly on staff and systems to ensure it complies with its mandate and delivers the outcomes that have been articulated herein. The systems are mainly internal regulatory compliance systems and systems for monitoring, information management, and information processing.

The Minister of Transport appointed new Regulator members effective 01 June 2020. The new Regulator members have a clear mandate which among other things include reducing the backlog of the tribunal cases. The Tribunal programme had been suspended when there was no Regulator in place and there are some cases that have been in the system for more than 5 years. Therefore, the Regulator will spend more time and resources to expedite these cases to ensure that no cases are carried over to the STER. The new Regulator members are also tasked with engaging with the Executive Authority in preparation for the STER and ensure that the Ports Regulator prepares itself to be the nucleus of the STER. The training of staff and members of the Regulator Board in regulatory matters will account for significant expenditure.

Closer monitoring of the NPAs CAPEX program as per the 2021/22 – 2023/24 Record of Decision will require more resources to be allocated for outreach program at port by members of the Regulator and staff.

3.10. Organizational Expenditure Trends Overview

The focus of the entity over the medium term will remain on achieving maximum operational efficiency in all areas and consistently improving upon the economic regulation outcomes, BBBEE compliance monitoring and reducing the tribunal backlog. This includes having a higher availability of tribunal days, greater regulatory certainty with respect to the implementation of the Port Tariff Strategy as published, as well as a greater concentration on the efficiency aspects of the ports system with the inclusion of the efficiency incentive into the tariff methodology. The timeous processing of complaints and appeals remains an area of focus that is being addressed as is a focus on monitoring compliance with the National Ports Act.

The Ports Regulator currently relies solely on fiscal transfers to fund its operational and capital expenditure, however the organisation has submitted an alternate funding proposal to the Executive Authority accompanied by the commensurate amendments to the National Ports Act, (12 of 2005) as well as the revision of the organogram, in order to ensure its sustainability into the future. The gazetting of the Bill on the Transport Economic Regulator, to form what would be a new regulatory body regulating the transport sector affects the Ports Regulator which, whilst serving an integral part of the process, must continue performing its functions and ensure its sustainability. The STER is anticipated to be signed into law in the 2021/2022 financial year.

The administration program, for the Regulator still remains the biggest item of expenditure as it accounts for an average of 37% over the medium term while other programs are just below 20%. This is based on the fact that the Regulator is more of a decision making entity which includes tariff decisions, Tribunal decisions as well as research on ports efficiency and compliance monitoring.

The Regulator still spends more on compensation of employees in the overall budget. The employee costs account for 60% average for the medium term while the balance is allocated to Goods and Services. Expenditure on compensation of employees over the MTEF period will increase by an average of 7.1% as there are no planned new appointments.

There will be an above 2.3 % average increase on expenditure on goods and services which other than normal running expenses, will be on further training and development. The view of the Regulator is that if the current work force is trained and their skills enhanced, it will result in savings on consultants in the future as the current staff will be equipped to perform more tasks more efficiently.

As the majority of the outputs of the Regulator are dependent on internal staff resources, the expenditure of the Ports Regulator will continue to focus mainly on staff training and development of systems to ensure the organisation complies with its mandate and delivers the outcomes that have been articulated herein. The organisation's internal regulatory monitoring and compliance systems, data, information management, and information processing requires to be upgraded.

The Minister of Transport appointed new Regulator members effective 01 June 2020. The new Regulator members have a clear mandate which among others, include reducing the backlog of the tribunal cases. The Tribunal programme was suspended when there was no Regulator in place and there are some cases that have been in the system for more than 5 years. Therefore, the Tribunal programme has been resuscitated with the new Regulator members being appointed and they will spend more time and resources to expedite these cases to ensure that no cases are carried over to the STER. The new Regulator members are also tasked with engaging with the Executive Authority in preparation for the STER and ensure that the Ports Regulator prepares itself to be the nucleus of the STER.

Income and Expenditure

Table A.2 PE No

	Audited outcome		Audited outcome	Audited outcome	Approved budget	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2017/18	2018/19				2019/20	2020/21		2017/18-2020/21	2021/22	2022/23		
R thousand													
Administration	13,254	14,424	12,299	15,520	15,520	5.4%	49.7%	15,795	16,439	15,233	-0.6%	37.0%	
Economic regulation	3,978	3,874	3,973	8,123	8,123	26.9%	16.9%	5,660	6,085	6,378	-7.7%	15.5%	
Legal services (G&S)	2,126	1,880	3,272	5,058	5,058	33.5%	10.3%	10,451	11,884	12,028	33.5%	22.9%	
Industry development	3,005	3,321	4,304	7,259	7,259	34.2%	15.1%	7,483	6,929	7,160	-0.5%	16.9%	
Governance	1,702	883	2,786	4,352	4,352	37.2%	8.0%	2,687	2,948	3,115	-10.8%	7.8%	
-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	
Total expense	24,065	24,382	26,634	40,352	40,352	18.8%	100.0%	42,076	44,285	43,914	2.9%	100.0%	

Expenditure per economic classification

Table A.3 PE %

Statement of financial performance		2017/18		2018/19		2019/20		2020/21		2021/22 - 2023/24			2020/21 - 2023/24	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)	Average growth rate (%)
R thousand														
Revenue														
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	1,320	1,075	5,520	1,119	1,460	1,676	1,530	1,530	1,530	1,530	54.9%	12.5%	4.2%	-4.1%
Sale of goods and services other than capital assets of which:	-	6	-	6	-	-	-	-	-	-	-	-100.0%	0.0%	-
Administrative fees	-	6	-	6	-	-	-	-	-	-	-	-100.0%	0.0%	-
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	1,320	1,069	5,520	1,113	1,460	1,676	1,530	1,530	1,530	1,530	54.8%	12.7%	4.2%	-4.1%
Interest, dividends and rent on land	320	960	520	1,021	1,460	1,399	1,530	1,530	1,530	1,530	128.2%	16.9%	3.8%	-4.1%
Transfers received	22,469	22,489	25,619	25,619	36,774	36,774	36,822	36,822	36,822	36,822	100.0%	20.8%	95.8%	3.1%
Tax benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	23,809	23,564	31,139	26,738	38,234	38,450	40,352	40,352	40,352	40,352	96.7%	19.6%	100.0%	2.9%
Expenses														
Current expenses	23,809	24,065	31,139	24,362	38,234	26,634	40,352	40,352	40,352	40,352	86.4%	18.0%	100.0%	2.9%
Compensation of employees	14,028	13,716	16,658	13,320	20,415	17,546	21,511	21,511	21,511	21,511	91.7%	16.2%	58.2%	7.1%
Goods and services	9,562	9,912	14,326	10,042	17,320	6,587	18,360	18,360	18,360	18,360	76.7%	22.8%	40.0%	-2.3%
Depreciation	219	437	155	520	499	499	481	481	481	481	143.1%	3.2%	1.8%	-6.0%
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	23,809	24,065	31,139	24,362	38,234	26,634	40,352	40,352	40,352	40,352	86.4%	18.8%	100.0%	2.9%
Surplus/(Deficit)	-	(501)	-	2,356	-	11,816	-	-	-	-	-	-	-100.0%	-

Financial position	2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21		2021/22 - 2023/24		Average growth rate (%)		Net change/ total: Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	Average %	Average growth rate (%)	2021/22	2022/23	2023/24	Average growth rate (%)	
Carrying value of assets of which:	350	1,488	211	1,819	55	1,812	58	58	755.1%	-65.0%	192	899	939	153.0%	5.3%
Acquisition of assets	-	(135)	(456)	(1,125)	-	-	-	-	276.3%	-100.0%	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued investment interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and prepayments	411	450	420	423	430	448	435	435	103.5%	-1.3%	432	429	448	1.0%	5.1%
Cash and cash equivalents	5,900	15,287	6,582	17,551	5,686	29,094	6,356	6,356	266.5%	-25.4%	7,248	8,605	8,992	12.3%	88.5%
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined benefit plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	7,661	17,205	7,313	19,803	6,171	31,354	6,849	6,849	268.7%	-26.4%	7,872	9,933	10,380	14.9%	100.0%
Accumulated surplus/(deficit)	7,122	16,043	6,744	18,389	5,546	30,370	6,190	6,190	277.3%	-27.2%	7,160	9,215	9,630	15.8%	91.7%
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	132	677	159	817	199	377	210	210	287.3%	-32.3%	211	213	223	2.0%	2.5%
Benefits payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised value of pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	407	485	410	587	426	607	449	449	125.8%	-2.5%	501	505	528	5.8%	5.8%
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total equity and liabilities	7,661	17,205	7,313	19,803	6,171	31,354	6,849	6,849	268.7%	-26.4%	7,872	9,933	10,380	14.9%	100.0%
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Salary level	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number						
	March 2019		Actual				Revised estimates				Medium-term expenditure estimate				Average	Salary level/ total: Average			
	Number of posts on approved establishment	Number of funded posts	2019/20	2020/21	2021/22	2022/23	2023/24	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2020/21 - 2023/24	Rate (%)					
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
			24	17,548	731	24	21,511	896	24	24,043	1,002	24	25,224	1,051	1,000	7.1%	95.8%		
1-6	-	-	2	416	209	2	436	218	2	461	230	2	480	240	2	506	253	8.3%	
7-10	-	-	12	4,708	12	5,425	452	12	5,926	494	12	6,228	519	12	6,563	546	50.9%		
11-12	-	-	2	1,476	738	2	1,668	834	2	1,644	822	2	1,729	864	2	1,812	908	8.3%	
13-16	-	-	7	7,481	1,069	7	10,210	1,459	7	12,175	1,739	7	12,771	1,824	7	13,342	1,906	29.2%	
17-22	-	-	1	3,465	3,465	1	3,772	3,772	1	3,837	3,837	1	4,016	4,016	1	4,198	4,198	3.6%	
Detail																			
1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	-	-	1	188	188	1	195	195	1	207	207	1	216	216	1	228	228	0.9%	
6	-	-	1	210	210	1	219	219	1	232	232	1	242	242	1	255	255	1.0%	
7	-	-	1	210	210	1	219	219	1	315	315	1	329	329	1	347	347	1.2%	
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	-	-	5	1,520	304	5	1,736	347	5	1,759	352	5	1,851	370	5	1,949	390	7.5%	
10	-	-	6	2,753	459	6	3,194	532	6	3,574	596	6	3,761	627	6	3,956	659	14.9%	
11	-	-	1	619	619	1	782	782	1	756	756	1	799	799	1	841	841	3.3%	
12	-	-	1	787	787	1	801	801	1	811	811	1	850	850	1	888	888	3.5%	
13	-	-	3	1,137	379	3	2,443	814	3	3,635	1,212	3	3,633	1,278	3	4,004	1,335	14.2%	
14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	-	-	4	5,987	1,497	4	7,247	1,812	4	7,968	1,992	4	8,349	2,087	4	8,726	2,182	33.2%	
16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	-	-	1	3,300	3,300	1	3,580	3,580	1	3,657	3,657	1	3,631	3,631	1	4,005	4,005	15.6%	
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Performance bonus : Executive				1,021															
Performance bonus				837			1,085			1,129			1,163			1,212			
Total			24	17,548	731	24	21,511	896.3	24	24,043	1,001.8	24	25,224	1,051.0	24	26,411	1,100.5	7.1%	96.3%

Cash flow data	2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		Average growth rate (%)	Average growth rate (%)	Average growth rate (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24					
R thousand																		
Cash flow from operating activities	2,396	55	5,445	3,483	(1,860)	6,587	479	479	160.9%	334	2,549	331	-11.6%	100.0%				
Receipts																		
Tax receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax receipts	320	1,061	351	1,119	1,460	1,676	1,530	1,530	147.1%	1,110	1,290	1,350	-4.1%	3.1%				
Sales of goods and services other than capital assets	-	101	-	98	-	277	-	-	-	-	-	-	-	-	-	-	-	-
of which:																		
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales by market establishment	-	6	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other sales	-	95	-	92	-	277	-	-	-	-	-	-	-	-	-	-	-	-
Other tax receipts	320	960	351	1,021	1,460	1,399	1,530	1,530	134.1%	1,110	1,290	1,350	-4.1%	3.1%				
Transfers received	22,489	22,489	25,519	25,519	36,774	36,774	36,822	36,822	100.0%	40,966	42,995	42,964	3.1%	96.9%				
Tax benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	22,809	23,550	25,870	26,738	38,234	38,459	40,352	40,352	161.4%	42,076	44,285	43,914	2.9%	100.0%				
Payment																		
Current payments	20,413	23,495	20,525	23,475	40,114	31,883	39,873	39,873	98.2%	41,742	41,736	43,583	3.0%	100.0%				
Compensation of employees	14,068	13,716	14,218	13,820	20,415	17,548	21,511	21,511	94.8%	24,043	25,224	26,411	7.1%	58.1%				
Goods and services	6,345	9,779	6,307	9,655	19,699	14,335	18,362	18,362	102.8%	17,689	16,512	17,172	-2.2%	41.9%				
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payment	20,413	23,495	20,525	23,475	40,114	31,883	39,873	39,873	98.2%	41,742	41,736	43,583	3.0%	100.0%				
Cash flow from advancing activities (Financial Institutions only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan principal repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from investing activities	-	(81)	(456)	(849)	-	-	-	-	234.6%	-	-	-	-	-	-	-	-	-
Acquisition of property, plant, equipment and intangible assets	-	(135)	(456)	(1,125)	-	-	-	-	275.3%	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets	-	54	-	136	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of finance leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other flows from financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	2,396	(26)	4,989	2,274	(1,880)	6,557	479	479	-364.1%	334	2,549	331	-11.6%					

3.11. Key Risks and Mitigation

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
Financial Sustainability Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	The Pressure to deliver the Full mandate of the PRSA within the allocated budget	<ul style="list-style-type: none"> - Request revision of budgeted funding during MTEF budget process. - In-year Regulator approval for the use of reserves. - Monitor the progress on the Maritime Development Fund Bill . - Refocus of Mandate deliverables to suite Funding Granted
Regulatory & Legal Risk	Ensure implementation of all elements of the regulatory framework within its mandate	Non-corporatisation of the Regulated entity - the National Ports Authority.	<ul style="list-style-type: none"> - Utilise the bi-annual engagements with Executive Authority to track progress on the processes of NPA corporatisation. - Engaging DoT on the regulations for transitional arrangements on implementation of S3(2)
Performance management	Ensure implementation of all elements of the regulatory framework within its mandate	Lack of enforcement provisions in the National Ports Act, Act 12 of 2005 Failure to ensure efficient Port Performance	Addressed under ERT Bill <ul style="list-style-type: none"> - Continued monitoring of port performance through research. - Evaluation of WEGO data, downtime adjuster and engagement with NPA and industry to validate the data. - Engagement with DOT/DPE on corporatisation and port performance targeting

Human Resource/People Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	'- Non-achievement of the full mandate due to (as per the organogram) insufficient Human Resources.	'- Fill additional posts as soon as funds become available. - On-going training - Pursue higher baseline funding from Treasury.
Human Resource/People Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	Loss of critical skills	'- Create conducive working environment - To advertise and fill funded posts - Assessment on completion of documented core business processes - Knowledge Management Framework to be implemented
Regulator Risk	Consider the proposed tariffs of the Authority and regulate the provision of adequate, affordable and efficient port services and facilities to ensure enhanced competition and investment	Proposed Tariff Rates not see to be adequate, efficient, affordable and enhancing competition	- Continued training of members. - Continued transparent and consistent decision making process and public consultation aligned with the approved Regulatory Tariff Framework including the Tariff Methodology and Tariff Strategy.
Regulator Risk	Ensuring that the Ports Authority comply with the National Ports Act	Non-Compliance with National Ports Authority by Ports Authority	Sufficient funding for vacant posts - - Optimised compliance monitoring programme
Regulator Risk	Maintain its reputation as an organisation with integrity focussed on excellence and delivery	Loss of Regulator Credibility	Specific/General Declarations Various policies such as Declarations of Gifts Policy, Code of Ethics and Business Conduct Policy, Fraud Policy, Charters & Terms of Reference, Governance Compliance Reports, SCM Policy

PART D: TECHNICAL INDICATORS

4.1. Corporate services

Indicator Title	IT, HR and Finance policies reviewed by the Accounting Officer and approved by the Regulator.
Short definition	Annual Review of policies and procedures to ensure relevance to PRSA processes and updates for changes in government policy, frameworks and legislation
Purpose / importance	To ensure that the processes are governed by policy direction and compliance with laws and regulations
Source/ collection of data	Reviewed policies and minutes of meetings for approval of policies
Method of calculation	Simple count
Data limitations	No availability of policy changes legal reference
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	The indicator is for ensuring full compliance with laws and regulations and processes being guided by approved policies
Indicator responsibility	Chief Financial Officer

Indicator Title	Organizational performance monitored and reported on to the Regulator quarterly.
Short definition	Secretariat monitors and report on the performance of the organisation against the set key performance areas as contained in the annual performance plan. The reporting is by the secretariat to the Accounting Authority and the Executive Authority.
Purpose / importance	To ensure that the secretariat is correctly implementing the annual performance plan and to detect areas of underperformance which may need intervention. This will ensure that the entity meets its mandate, mission, vision and strategic goals.
Source/ collection of data	Departmental performance reports
Method of calculation	Simple count
Data limitations	Non-submission of requested information on time and lack of co-operation by the respective departments
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No

Desired performance	The indicator is for the monitoring of the implementation of the annual performance plan as guided by the performance management framework. The entity must meet all the set key performance indicators as agreed to with the Minister of Transport which will help to meet the mandate of the PRSA.
Indicator responsibility	Chief Financial Officer

Indicator Title	Employee PMS monitored and enhanced by conducting half year and final employee performance reviews to be provided to the Accounting Officer.
Short definition	Develop performance deliverables for each employee for each financial year, monitor employee performance monthly and conduct bi-annual assessment and final end of the year assessment.
Purpose / Importance	To ensure that the employees performance is aligned to the overall organizational performance to ensure that the entity meets all its targets for the year.
Source/ collection of data	Monthly activity performance reports by each employee
Method of calculation	Simple count
Data limitations	Non-submission of monthly reports by employees.
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	monthly
New indicator	No
Desired performance	All performance targets set for the year are met which ultimately results in the entity meeting all the performance targets agreed to with the Accounting Authority and the Minister of Transport.
Indicator responsibility	Chief Financial Officer

Indicator Title	Regulator Members and staff matters dealt with and training attendance on Regulatory matters reported annually.
Short definition	Regulator members and staff training taking place as and when required to improve skills identified
Purpose / Importance	The Regulator operates in a unique environment, therefore it is vital to keep Regulator members and the secretariat abreast of any developments and reduce identified skills gap to ensure effective performance of tasks.
Source/ collection of data	Certificates of attendance
Method of calculation	Simple count
Data limitations	No training available or training not completed
Type of indicator	Outcome
Calculation type	Non-Cumulative
Reporting cycle	Monthly
New indicator	No
Desired performance	Reduced skills gap, well trained staff and Regulator members
Indicator responsibility	Chief Financial Officer

4.2. Economic Regulation Indicators

Indicator Title	ROD and Tariff Book published
Short definition	Complete tariff assessment in accordance with the multi-year tariff methodology and publish Record of Decision
Source data	NPA Tariff Application, External Data Sources, Port users, etc.
Method of calculation/asset management	Simple count: 1 Tariff Book
Means of verification	Tariff Book published
Assumptions	Data availability
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Approved Tariff Book
Indicator responsibility	Executive Manager: Economic Regulation

Indicator Title	Logistics Research Report
Definition	Conduct research on the economic contribution of the South African ports system in the South African fruit producers logistics chain
Source data	Public data and industry consultation
Method of calculation/asset management	Simple count: 1 Research report
Means of verification	Final report available
Assumptions	Data availability and Industry co-operation
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Report finalised
Indicator responsibility	Executive Manager: Economic Regulation

Indicator Title	Report on shipbuilding and repair industry in the South African ports system completed
Definition	Report on shipbuilding and repair industry in the South African ports system

Source data	Public data and industry consultation
Method of calculation/asset management	Simple count: 1 Research report
Means of verification	Final report available
Assumptions	Data availability and industry co-operation
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Report finalised
Indicator responsibility	Executive Manager: Economic Regulation

Indicator Title	Annual GPPS study published
Definition	Annual Global Pricing Comparator (benchmarking) Study completed
Source data	International tariff data
Method of calculation/asset management	Simple count: 1 Research report

Means of verification	Final report available
Assumptions	Data availability
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Report published
Indicator responsibility	Executive Manager: Economic Regulation

Indicator Title	Report on market concentration and abuse of dominance completed
Definition	Conduct research on market concentration and abuse of dominance in the South African ports system
Source data	Market information
Method of calculation/asset management	Simple count: 1 Research report
Means of verification	Final report available
Assumptions	Data availability

Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Report finalised
Indicator responsibility	Executive Manager: Economic Regulation

Indicator Title	Lease Revenue Strategy developed
Definition	Development of a Lease Revenue Strategy
Source data	Lease register and Financial Information from the National ports Authority
Method of calculation/asset management	Simple count: 1 Revenue Strategy
Means of verification	Final report available
Assumptions	Data availability
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual

Desired performance	Strategy developed
Indicator responsibility	Executive Manager: Economic Regulation
Indicator Title	Development of a Coastwise Cargo Tariff Strategy
Definition	Development of a Coastwise Cargo Tariff Strategy
Source data	Volume information and VTS data
Method of calculation/asset management	Simple count: 1 Tariff Strategy
Means of verification	Final report available
Assumptions	Data availability
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Coastwise Cargo Tariff Strategy developed and finalised
Indicator responsibility	Executive Manager: Economic Regulation

4.3. Industry Development Technical Indicators

Indicator Title	Reports on engagements held with stakeholders
Short definition	Holding, facilitating and representing the Ports Regulator in Tariff Application/tariff strategy consultation sessions, formal Port Consultative Committee(PCC) and National Port Consultative Committee (NPCC) meetings and roadshows
Purpose / Importance	To ensure stakeholders are informed about, participate in Ports Regulator's regulatory processes; and create awareness of the regulatory frameworks and processes
Source/ collection of data	Stakeholder engagement reports, PCC/NPCC minutes (where applicable)
Method of calculation	Qualitative
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Report on regulatory and port development issues identified during the engagements and high levels of engagements by port users, stakeholders, interested and affected parties with regulatory process
Indicator responsibility	Executive Manager: Industry Development
Indicator Title	Stakeholder engagement program
Short definition	Identification of Regulator strategic stakeholders, interested and affected parties and the influence they have in or can effect on the regulatory processes

Purpose / importance	To ensure a targeted engagement program for the Regulator and Secretariat on the different regulatory process to manage credibility of the Regulatory process and compliance with decision making requirements for an institution making administrative decisions.
Source/ collection of data	Variable, including submissions to the Regulator on tariff methodology, tariff strategy and
Method of calculation	Qualitative
Data limitations	Availability of information
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Report on regulatory and port development issues identified during the engagements and high levels of engagements by port users, stakeholders, interested and affected parties with regulatory process
Indicator responsibility	Executive Manager: Industry Development

Indicator Title	1 Survey of stakeholder feedback/perceptions on the work of the Regulator administered per consultation event
Short definition	Administer self-completed or electronic surveys to solicit stakeholders and port user's feedback on the work of the Regulator at Regulator's roadshows and consultation events.
Purpose / importance	To solicit stakeholder and port user's feedback and perceptions on the work of the Regulator which can be utilized to understand stakeholder's views about the Regulator.
Source/ collection of data	Survey through Self-administered/electronic questionnaires
Method of calculation	Quantitative
Data limitations	None

Type of indicator	Output
Calculation type	Per event and cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Collation of stakeholder feedback, comparison and analysis of trends with previous survey results. To retain ratings of 3.5 and above, identify and implement corrective measures where ratings fall below 3.5
Indicator responsibility	Executive Manager: Industry Development

Indicator Title	Port User (through PCCs) and NPA submissions on WEGO KPIs and weights per port + 1 WEGO record of Decision
Short definition	Submissions from each port, through PCC, and from the NPA on WEGO KPIs and Weights to be measured in the ensuing financial year starting 1 April 2021.
Purpose / importance	To ensure the Required Revenue formula which incentivizes implementation of CAPEX also incentivize the NPA to ensure that the terminal operators operate improve efficiencies in the system and there is industry buy in on the KPIs and incentives
Source/ collection of data	Annual WEGO submissions
Method of calculation	WEGO submission
Data limitations	None
Type of indicator	Output
Calculation type	Quarterly and cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Credible and user supported WEGO performance data at terminal, port and system level to improve efficiencies in the port system

Indicator responsibility	Executive Manager: Industry Development
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Indicator Title	Weighted Efficiency Gains from Operations data
Short definition	Quarterly performance reports and data from NPA on Weighted Efficiency Gains from Operations KPIs
Purpose / importance	To monitor the NPAs performance on WEGO KPIs on a quarterly basis, track progress and engage with NPA and/or port users on sub-optimal performance
Source/ collection of data	NPAs quarterly submission
Method of calculation	Excel model
Data limitations	Verification of performance data by industry stakeholders
Type of indicator	Quantitative
Calculation type	As per model: comparison of current performance with previous best performance
Reporting cycle	Quarterly
New indicator	
Desired performance	NPA to oversee terminal performance and maintain previous best performance levels to earn an incentive or suffer penalty for poor performance
Indicator responsibility	

Indicator Title	Assessment of terminal operator performance and target setting for improved operational efficiencies
Short definition	To continuously assess and report on the setting of terminal performance targets that must drive improvements in port efficiencies based on section xxx of the
Purpose / importance	To continuously assess the extent to which performance targets in the SA port system allows for optimal utilization of design and installed infrastructure as part of adequacy

Source/ collection of data	Terminal Operator Performance Standards (TOPS) excel data file, MOPS reports and quarterly reports from NPA – IPMS report
Method of calculation	Excel model
Data limitations	TOPS and MOPS financial year not aligned to financial year as it runs from July to August
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly and annual
New indicator	No
Desired performance	Annual assessment of the performance trends on performance indicators to ensure evidence based decision making on port operational performance
Indicator responsibility	Executive Manager: Industry Development

Indicator Title	CAPEX register to monitor NPAs quarterly expenditure on CAPEX
Short definition	Implementation of CAPEX register to track NPAs performance and expenditure on Capital projects
Purpose / importance	To ensure continuous in year monitoring of the NPAs expenditure on CAPEX projects to keep track of Capital Works in Progress (CWP), and ensure accountability on under/over expenditure on approved CAPEX.
Source/ collection of data	CAPEX Register, NPAs PCC CAPEX presentations and PCC Road show presentation/report
Method of calculation	Excel data file
Data limitations	Verification of updated expenditure numbers during in-year reporting
Type of Indicator	Cumulative – for the year
Calculation type	Quarterly
Reporting cycle	Quarterly

New indicator	No
Desired performance	NPAs to spend allocated CAPEX budget and to track Capital Works in Progress through in year expenditure trend analysis
Indicator responsibility	Executive Manager: Industry Development

4.4. Tribunal, Legal and Compliance

Indicator Title	Number of Compliance monitoring conducted
Short definition	Conducting compliance audits on the applicable and relevant National Ports Act provisions against National Ports Authority
Purpose / importance	To ensure that the National Ports Authority complies with all the prescripts of the National Ports Act
Source/ collection of data	Compliance Audit Reports approved by the Accounting Officer
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the National Ports Authority
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	The indicator is for the monitoring of the levels of compliance by the National Ports Authority. Improved compliance will be indicative of increased levels of compliance
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of B-BBEE compliance reviews conducted
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Short definition	Conducting B-BBEE compliance audits on the National Ports Regulations, 2009 provisions against licenses, leases and agreements issued by the National Ports Authority
Purpose / importance	To ensure that the National Ports Authority complies with the prescripts of the National Ports Regulations, 2009
Source/ collection of data	Compliance Audit Reports approved by the Accounting Officer
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the National Ports Authority
Type of indicator	Output
Calculation type	Non-cumulative – once a year
Reporting cycle	Annually
New indicator	No
Desired performance	The indicator is for the monitoring of the levels of compliance by the National Ports Authority. Improved B-BBEE compliance will be indicative of increased transformation and empowerment of HDIs in the port system
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of engagements with relevant institutions on regulatory development
Short definition	Engagement with the Departments of Transport (DoT) on progress regarding the B-BBEE Maritime Sector Codes
Purpose / importance	To ensure that the amendments of the relevant regulatory instruments are finalized for the implementation by the Ports Regulator and the National Ports Authority
Source/ collection of data	Progress Reports approved by the Accounting Officer
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the relevant Branch within the DoT

Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Approved B-BBEE Maritime Sector Codes
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of research project on long term leases prejudicial to historically disadvantaged groups as per section 67(1)(c) of the National Ports Act
Short definition	Legal research on long term leases by the National Ports Authority
Purpose / importance	To ensure that the National Ports Authority complies with the provisions of section 67(1)(c) of the National Ports Act
Source/ collection of data	Progress Reports approved by the Accounting Officer
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the National Ports Authority
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Approved Legal Research Report on long term leases
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of draft amendments of the National Ports Regulations, 2007 and National Ports Directives ,2009
Short definition	Initiate the amendments of the National Ports Regulations,2007 and National Ports Directives,2009
Purpose / importance	To review both the Regulations and Directives, identify deficiencies and eventually align to current legislative developments with the concurrence of DoT
Source/ collection of data	Progress reports approved by the Accounting Officer
Method of calculation	Simple count
Data limitations	Lack of co-operation and assistance by the DoT
Type of indicator	Output
Calculation type	Cumulative -- for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Amended National Ports Regulations; and Amended National Ports Directives
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of engagements with relevant institutions on the legislative development
Short definition	Engagement with the Departments of Transport (DoT) on progress regarding the ERT Bill, ERT Business Case and ERT Implementation Plan
Purpose / importance	To ensure that the amendments of the relevant regulatory instruments are finalized for the implementation by the Ports Regulator and the National Ports Authority

Source/ collection of data	Progress Reports approved by the Accounting Officer
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the ITP Branch within the DoT
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Approved ERT Act; Approved ERT Business Case; Approved ERT Implementation; and Approved ERT Budget
Indicator responsibility	Executive Manager: Legal

Indicator Title	Percentage of matters finalized by the Tribunal
Short definition	To receive, screen, investigate and refer matters to tribunal for hearing and decision
Purpose / importance	The Tribunal is to comply with the National Ports Act and its Directives. The Tribunal is to improve its efficiencies and turnaround times in the hearing of complaints and appeals within 30 days after the last day of the hearing
Source/ collection of data	Quarterly Reports approved by the CEO/Regulator
Method of calculation	$\frac{\text{matters finalized by the Tribunal}}{\text{matters received}} \times 100$
Data limitations	No specific limitations

Type of indicator	Cumulative – for the year
Calculation type	Quarterly
Reporting cycle	Quarterly
New indicator	No
Desired performance	Developed case management system
Indicator responsibility	Executive Manager: Legal

4.5. Governance

Indicator Title	Number of governance and compliance review conducted
Short definition	A monitoring tool to assess the performance of the Entity in accordance with the applicable 16 King IV Principles and good corporate governance practices
Purpose / Importance	To monitor, assess and make recommendations in respect of good governance practices
Source/ collection of data	Various regulatory instruments (internal and external), internal processes, and Board/Committee Meetings
Method of calculation	Qualitative Assessment
Data limitations	Timeous access to applicable/relevant information to make informed assessments on the state of governance
Type of indicator	Output based
Calculation type	1 Governance Checklist and 4 Quarterly Governance Reports
Reporting cycle	Quarterly
New indicator	No
Desired performance	The indicator serves to serve as a monitoring tool to monitor and track governance issues, challenges and achievements.
Indicator responsibility	Company/Regulator Secretary

Indicator Title	Number of developed STER Governance Framework
Short definition	A monitoring tool to assess the performance of the Entity in accordance with the applicable King IV Principles and good corporate governance practices during the operation of STER
Purpose / importance	To monitor, assess and make recommendations in respect of good governance practices during STER phase
Source/ collection of data	Various regulatory instruments (internal and external), internal processes, and Board/Committee Meetings
Method of calculation	Qualitative Assessment
Data limitations	Timeous access to applicable/relevant information to make informed assessments on the state of governance
Type of indicator	Output based
Calculation type	4 Quarterly Governance Reports
Reporting cycle	Quarterly
New indicator	No
Desired performance	The indicator serves to serve as a monitoring tool to monitor and track governance issues, challenges and achievements for the anticipated STER.
Indicator responsibility	Company/Regulator Secretary

ANNEXURE A: AMENDMENTS TO STRATEGIC AND PERFORMANCE PLANS

There are no major changes that have been made to the organisations Strategic Plan 2020/21 – 2024/25 as tabled in March 2020, thus the Strategic Plan does not need to be re-tabled. Section 3.7 of the APP reflects adjustments made in the wording of some of the projects which do not change the project deliverables or timelines.

Section 3.10 of the 2021/2022 Annual Performance Plan outlines the new PRSA budget for the medium term which updates the budget as reported in section 8.4 of the Strategic Plan 2020/21 – 2024/25 to reflect changes as per the 2021 MTSF.

The entity revised its programmes by grouping the Monitoring and Tribunal program under Legal Services and established Governance function separate from Legal. The change allows for transparency in budgeting, monitoring and reporting by the entity.