



Annual Performance Plan

For the fiscal year

2019/2020

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FOREWORD BY THE MINISTER OF TRANSPORT



South Africa's maritime sector has received much attention in the recent past. Indeed, the recent years have witnessed a focus on Operation Phakisa and the delivery of marine repair infrastructure projects, the construction and commissioning into service of South African manufactured tug boats, the launch of the Comprehensive Maritime Transport Policy, as well as the commencement of the review of the Merchant Shipping Act. These strides in policy development have been accompanied by two important initiatives in regulation in the maritime transport sector; namely the gazetting for public consultation of the Transport Economic Regulation Bill as well as the National Ports Amendment Bill, both of which will lay the foundations for more progress in the years to come.

I wish to congratulate the Ports Regulator for introducing incentives into its regulatory architecture, amongst others, in previous years, for SA flagging of commercial vessels in the interests of promoting work opportunities and skills development for our people. In addition, the Regulator has developed, consulted and launched an overarching framework for port tariff incentives (the PTIP) by which cross-subsidies within the port tariff structure may be implemented, to promote beneficiation, localisation and industrialisation. The Regulator also undertook the consultation and development of a performance incentive system called WEGO to ensure future improved efficiency in our port operations.

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 Annual Performance Plan must therefore ensure that its 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, and the economic development of our country. Entities therefore need to demonstrate through their Annual Performance Plans how they respond to the injunctions as set out in the National Development Plan, the Medium Term Strategic Framework, the SONA, and other Government initiatives such as Operation Phakisa, and the stimulus package announced by the President. 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.

The Ports Regulator must continue to hold the Ports Authority accountable within its regulatory mandate, make progress towards cost reflective tariffs, promote the efficiency and performance of SA ports, help achieve transformation and BBBEE participation in the sector, and support beneficiation and other economic imperatives. I look forward to the outcomes of this plan and would like to take this opportunity to thank the CEO, management, and staff for their hard work and commitment in fulfilling their mandate.

A handwritten signature in black ink, appearing to read 'F. Mbalula', written over a horizontal line.

Hon. Fikile Mbalula, MP
MINISTER OF TRANSPORT

FOREWORD ON BEHALF OF THE CHAIRPERSON OF THE PORTS REGULATOR

It gives me great pleasure to present the Annual Performance Plan of the Ports Regulator of South Africa for 2019/20, prepared in terms of the National Treasury Framework for Strategic Plans and Annual Performance Plans, and in terms of Section 30 of the Treasury Regulations.

The Ports Regulator has once again lived up to its aim of reducing the cost of living to South Africans as well as the cost of doing business by approving a below inflation average increase on Port Authority tariffs of 2.5% for 2018/19.

The Ports Regulator also took cognisance of the expected subdued economic activity over the tariff period coupled with a strong capital expenditure program included in the application, and opted to add R345 million to the Excessive Tariff Increase Margin Credit (ETIMC) to ensure that overall average tariffs in the outer two years of the period under review and beyond, remain close to the inflation target band.

In support of South Africa's economic growth and job creation imperatives, the Tariff Strategy of July 2015 continues to be implemented to effect tariff reform and achieve cost reflective tariffs over a 10 year period, and still maintains much lower prices for highly benefited South African manufactured cargo in export containers as well as SA manufactured export vehicles, in support of local manufacture and industrialization.

Also in support of economic development, the Regulator has developed, consulted and launched an overarching framework for port tariff incentives (the PTIP) which has received its first application. The PTIP forms part of the final phase of the Regulator's tariff strategy and serves as a mechanism by which cross-subsidies within the port tariff structure may be implemented, quantified, as well as be fair and in the public interest. A reduction in tariff, if justified and approved, will be granted through the amendment of a specific tariff line. Interested parties may apply via the PRSA website where the application process is explained in detail and forms are available.

Given the many anecdotal accounts of the need for the operational performance of SA ports to improve, the Regulator also undertook the development, consultation and publishing of a performance incentive system to ensure future improved efficiency in port operations. The performance incentive system, called Weighted Efficiency Gains on Operations (WEGO), allows the Ports Authority as a regulator of operators, to gain or lose up to 5% profit for up to 10% increase or decline (respectively) on year on year performance for a basket of measurable indicators that were consulted with the NPA and Port Consultative Committees across the country.

South Africa's first formal Methodology for the Valuation of the Regulatory Asset Base of the National Ports Authority has been completed and published. The Regulator concluded that an approach which ensures Financial Capital Maintenance will be the preferred valuation methodology as it ensures the repayment of capital invested by the authority.

The Ports Regulator has over the years significantly lowered tariffs resulting in a saving of more than R6bn to port users whilst maintaining the continued sustainability of the National Ports Authority. Over recent years, the organisation produced the first Port Sector Review, and Regulatory Review done by stakeholder consultation and surveys. Other important work over the years included the ongoing Global Ports Pricing Comparator Study, Capacity Utilisation study for SA ports, and the Ports Efficiency Benchmarking Study, all valuable to reduce the cost of doing business with South Africa, and vital to the success of the National Development Plan and our economic success as a country. The Regulator's

compliance monitoring work included research on BBBEE and equity of access in our ports, and analysing Ports Act compliance. Regulator Members have proposed additional Ports Act amendments to the DoT. Proposals for legislative amendments to the National Ports Act were completed, a workshop held between Regulator Members and Departmental Legal Officials, and a memorandum submitted to the department to take forward through Parliamentary processes, which I hope will be supported in order to enhance regulation and prepare for the wider transport economic regulator as envisaged in the Transport Economic Regulation Bill.

Delivery targets have been met in the past year and the Ports Regulator achieved a “Clean Audit” for the fourth time. In the years ahead the Regulator intends to continue its work in the transformation and BBBEE participation of the sector whilst continuing its analytical and compliance work. We hope to be able to enhance the capacity of the Regulator as required by the NDP, and fill key unfunded posts as greater financial resources become available

I would like to recognise the efforts of the Regulator Members, CEO, staff and management for their work in ensuring the success of the Regulator. I would like to thank the Minister and Deputy Minister as well as the Department of Transport and on behalf of the Ports Regulator, for their guidance, support and assistance over the years.

M FAKIR: DELEGATED ACCOUNTING AUTHORITY



FOREWORD BY THE CEO OF THE PORTS REGULATOR

Having achieved much progress in the recent past in which the Regulator published amongst others, a 10 year Port Tariff Strategy, the second multi-year Tariff Methodology (MYM2), a Ports Sector Review, a Regulatory Review, as well as studies benchmarking South African ports to their global peers both with respect to pricing as well as performance, the past year was dedicated mainly to developing, consulting and completing the elements of the final phase of the Tariff Strategy process, namely the design of the ports *performance incentive system* within the tariff methodology, the development of a *Valuation Methodology* for the NPA Regulatory Asset Base, and the development and

launch of a *framework for port tariff incentives* that would cater for beneficiation and other economic imperatives that are in the public interest.

The performance incentive system, called Weighted Efficiency Gains on Operations (WEGO), is based on five key indicators that were consulted with the NPA and Port Consultative Committees in the major commercial ports. The system which rewards year on year improvements in performance and penalises deteriorating performance, allows the Ports Authority, to gain or lose up to 5% profit for up to 10% increase or decline on a proportional basis.

For many years, ports sector stakeholders have contested the extent of the regulatory asset base of the NPA on which a return is calculated and depreciation allowed within the Required Revenue Methodology adopted by the Regulator. In this regard, after consultation, a Methodology for the Valuation of the Regulatory Asset Base of the National Ports Authority has been completed and published, and the Regulator has decided to use a Financial Capital Maintenance approach to directly compensate the authority for its capital investments rather than replacement costs methods which are based on estimates. The Regulator concluded that the Trended Original Cost (TOC) approach will be the preferred valuation methodology for post 1991 assets while assets with capitalisation dates before 1990 will be treated on the basis of the historical cost method.

In support of beneficiation, localization and industrialization, the Regulator has developed, consulted and launched the Port Tariff Incentive Programme (the PTIP) which serves as the mechanism by which port stakeholders can apply for cross-subsidies within the port tariff structure and these can be quantified, as well as assessed if beneficial to the economy, fair, and in the public interest. A reduction in tariff, if justified and approved, will be granted through the amendment of a specific tariff line, and both the DOT and the dti will be involved in the assessment process.

In addition to attention on the regulatory architecture and associated regulatory reform initiatives, the Regulator conducted research on B-BBEE in the ports sector, a study on continental port developments, its annual global tariff comparator study and other work relating to capex as well as the tariff assessment for the 2018/19 financial year. In addition, the Regulator spent much effort on its legal compliance and tribunal function as well as on finalising amendments to the National Ports Act which will assist in better regulation, and which are expected to be taken forward by the Department of Transport through the necessary Parliamentary processes in the coming financial year.

In terms of the assessment of the Regulator's work, stakeholder feedback at its Tariff Application roadshows continued to indicate high regard for the Regulator with scores averaging in the region of 80%. The Ports Regulator again received a "Clean Audit" from the AG, the fourth since the organisation was established.

I would like to thank the Chairperson Mr Thaba Mufamadi and Regulator Members as well as the Minister, Deputy Minister and the Senior Managers and staff of the Department of Transport, and look forward to working together to enhance and capacitate the Ports Regulator and the maritime sector as a whole.

I would like to thank my staff and senior management for their dedicated service beyond the call of duty, in their ongoing achievement of the deliverables set out in the APP and more. In the year ahead the Regulator will continue its implementation of the tariff strategy in bringing about cost reflective tariffs and assisting South African economy by progressively reducing the cost of living for our people, and the cost of doing business and competing with world markets. We will also continue the work on monitoring the implementation of BBBEE targets as envisaged in Ports Act Regulations and in the interests of the radical economic transformation objectives of government. In line with the National Development Plan and the development of the Transport Economic Regulator, we will strive to enhance the capacity of the Regulator, and strive to achieve the deliverables set out in the Strategic Plan and Annual Performance Plan.

It thus gives me great pleasure to present the Annual Performance Plan of the Ports Regulator of South Africa for 2019/20, prepared in terms of the National Treasury Framework for Strategic Plans and Annual Performance Plans, and in terms of Section 30 of the Treasury Regulations.

Mr. Mahesh Fakir

Chief Executive/Accounting Officer

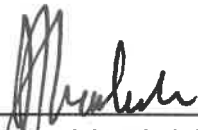
It is hereby certified that this Annual Performance Plan:

Was developed by the management of the Ports Regulator under the guidance of the Members of the Regulator and takes into account all the relevant policies, legislation and other mandates for which the Ports Regulator is responsible. This plan accurately reflects the annual performance which the Ports Regulator will endeavour to achieve over the financial year 2019/20.



Mr. Mahesh Fakir
Chief Executive/Accounting Officer
Delegated Accounting Authority

Approved by:



Hon. Fikile Mbalula, MP
MINISTER OF TRANSPORT

STRATEGIC OVERVIEW:

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”.

The Mission of the Ports Regulator 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.

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. While there has been no significant change in any of the sources of the Regulator that would support an amendment of these values, they have been articulated in a different way to align to the performance of our mandate, and are the foundation upon which the corporate culture in the Ports Regulator is founded 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. |

Review of Legislative and other Mandates

The Regulator derives its mandate from a range of statutory and policy instruments, the primary sources being the White Paper on Commercial Ports (2002), Comprehensive Maritime Transport Policy, The National Ports Act, 12 of 2005, together with the Regulations and Directives thereto. Procedural and substantive mandate prescripts are also derived from other statutory and policy instruments such as (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 (2005), the Basic Conditions of Employment Act, the Employment Equity Act, the National Development Plan, Medium Term Strategic Framework, Ministerial Performance Agreement, Operation Phakisa, the State of Nation Address (SONA), the Ports Regulator Regulatory Review and Strategic Plan.

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.

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:

- **Corporate Financial and Support Services:**

The development, implementation, maintenance and management of the Financial, Human Resource, 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.

- **Economic Regulation:**

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 National Ports Authority (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.

- **The Legal Department.**

Spans three areas which include:

- i. **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).

- ii. **Legal Compliance and 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.

- iii. **Governance:**

which aspect of Legal's work is 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.

- **Industry Development Department**

Industry development program continues to represent and create awareness of the Regulator's work as well as 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. Contributions and insights gained will be a consideration, amongst others, in the Weighted Efficiency Gains from Operations (WEGO) program introduced. Updates of the capacity and utilisation study as well as port performance benchmarking will be undertaken during the 2019/20 even as WEGO takes root.

Having completed and shared the findings on transformation in the SA system through an analysis of BBBEE certificates of companies contracting with the Authority as terminal operators, lease holders or providers of port services and activities, Industry Development has developed a strategy highlighting what each of the role-players in ensuring equity of access in ports should be playing. During 2019/20 more effort will be placed in monitoring and reporting on the implementation of the strategy. Should the department promulgate a new charter, the 2019/20 project will also include review of current baseline.

The section 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.

Expenditure Trends

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. This includes having a higher availability of tribunal days, greater regulatory certainty with respect to the implementation of the Port Tariff Strategy as published in July 2015, as well as a greater concentration on the efficiency aspects of the ports system with the recent 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 implementation of the Asset Valuation Methodology and may require an additional implementation phase going forward.

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), in order to ensure its sustainability into the future. The Regulator has applied for a baseline increase to support of its mandate discharge based on its strategy. The gazetting of the Bill on Single 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 next few years.

The fiscal transfers from the DoT have increased since 2010/2011 at R8.8 million to R15.9 million in 2013/2014 in accordance with the progressive upscaling of its mandate, with further increases up to 2016/2017 at R28.56 million. Baseline increases of R5m per year have been applied for during the 2018 MTEF budget process, this was engaged on also during the Minister's visit to the Ports Regulator on 24 August 2018, as well as its Annual General Meeting on 25 September 2018.

Expenditure on compensation of employees over the MTEF period will increase by an average of inflation related increase plus additional expenditure for the planned appointments of Executive Managers. This is because the Regulator has embarked on a salary benchmarking exercise where the current salaries will be benchmarked to the market and government. The results of the benchmark when approved for implementation, will be implemented on a phased in approach based on the availability of funding. The objective of this exercise is to ensure that the Regulator can offer competitive salaries to the current staff to ensure staff retention. As a result of the baseline increases, some appointments to capacitate the regulator may be possible during the MTEF.

There will be an above 10% 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 the current staff will be equipped to perform more tasks more efficiently. It is estimated that there will be an average annual decrease of 14.6% in goods and services over the medium term due to the increase in number of employees which represents a step up in running expenses. As the majority of the outputs of the Regulator are dependent on internal staff resources, (although in some functions (e.g. internal audit) it is more cost effective to utilise external 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.

Organisational Analysis:

External Climate:

| Factors | Impact on PRSA Business | Impact +/- | Action |
|---|---|------------|--|
| Political | | | |
| 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. |
| Economic | | | |
| Increased price of doing business in South Africa due to currency fluctuations. | 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 ie enhanced efficiency and value of port assets. |
| Funding to increase capacity and keep up with regulatory activities. | Capacity and resource constraints may continue and organisation may continually fall short of its targets | + | Assist DoT to fast track funding proposal, and required legislative changes. |
| 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 in line with international trends | + | Comparator Study looking at similar ports Efficiency benchmarking establishing levels of inefficiencies |
| Attraction of new investment and new business to SA ports | Demonstrated contribution to economic development | + | Develop and Implement new Tariff Strategy. |
| 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. |
| Legal | | | |

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| Changes in Legislative Environment | Understanding the new maritime scorecards and impact on industry and NPA reporting to the Regulator. Amendments to the National Ports Act (12 of 2005). Bill to establish the Single Transport Economic Regulator. | +/- | Ongoing monitoring of new laws being passed and amendments to existing legislation to assess impact on PR business and where appropriate ensuring compliance therewith. Submission to the Department regarding BBBEE compliance with maritime scorecards |
| Environmental | | | |
| Increased Operational costs - Scarce energy resources | Educate staff to save electricity and reduce costs | - | Awareness training |
| Environmental resources | Ensure staff have increased awareness regarding environment | - | Awareness training |

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

A S.W.O.T analysis was conducted to determine the organisational situational analysis with performance that addresses the four factors discussed. Where appropriate, pertinent factors are addressed through the organisational strategic objectives.

| <i>PRSA SWOT Analysis</i> | | | |
|---------------------------|---|---|---------------------------------------|
| 1. | Strengths | Performance | Reference (Strategic Plan Objectives) |
| i) | Competent in carrying out the core function of the organisation which is economic regulation, with a good technical base and established practices. | <ul style="list-style-type: none"> - setting of a Tariff Methodology; - assessment of Tariff Application; and - fully functional and competent Regulatory committee to guide this area of performance. | Objective 2 |
| ii) | Fulfilling its complete mandate in terms of section 30(1) and (2) of the National Ports Act. | <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) | Good audit record and robust control processes. | <ul style="list-style-type: none"> - Fully functional Audit Committee; - Good internal controls and checks and balances; - Internal and external audit which assists; and - Clean audit achieved. | Objective 1 |
| iv) | Clear strategic direction. | Fully functional Regulator. | n/a |
| v) | Good governance practices and procedures in place. | Fully functional legal and compliance department to ensure the PFMA King iii and iv are complied with. | Objective 6 |

| | | | |
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| vi) | Competent Tribunal function. | <ul style="list-style-type: none"> - Efficient case management of complaints and appeals; - Efficient hearing of complaints and appeals; - Timeous decision making; and - Effective oversight of external counsel. | Objective 5 |
| vii) | 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. | n/a |
| viii) | Effective use of resources and cross-cutting measure to ensure efficient use of the budget, with a good retained reserve. | <ul style="list-style-type: none"> - Good financial controls; - Compliance with National Treasury guidelines with regards to efficient use of public entity resources. | Objective 1 |
| 1. Opportunities | | | |
| i) | Operate at arms-length from the Authority and credibility in the operation of the Tribunals. | <ul style="list-style-type: none"> - Creation of sound precedent; - Trust of the Authority in good decision making and sound processes of the Regulator to carry out its core functions. | Objective 5 |
| ii) | Credibility and competence reputation amongst industry players. | <ul style="list-style-type: none"> - Trust of industry in the credibility of the Regulator's processes and competence to carry out its functions. | n/a |
| iii) | Absence of strong disciplinary measures amongst staff. | <ul style="list-style-type: none"> - High level of professionalism amongst staff. | Objective 1 |
| iv) | Absence of internal strife. | <ul style="list-style-type: none"> - Organisation is a small one and staff take initiative, with professional work ethic and culture within the organisation. | n/a |
| v) | The establishment of the Single Transport Economic Regulator (STER) around PRSA processes and practices, policy and established methodologies. | <ul style="list-style-type: none"> - PRSA represented on the Steering Committee and active in making inputs to the legislation and processes proposed. | Objective 2 & 5 |
| vi) | Greater regulatory role in the operations, pricing and access set by the Authority. | <ul style="list-style-type: none"> - Greater engagement with the Authority and respect cultivated between the two organisations as well trust in the sharing of information. | Objective 2 |
| vii) | Envisaged amendments to the National Ports Act as well as the Directives thereto. | <ul style="list-style-type: none"> - Work on this to be fast tracked with the Department of Transport. Opportunity for enhanced enforcement mechanisms of decisions by the Regulator. | Objective 4 and 5 |
| viii) | five year public review of Regulator. | <ul style="list-style-type: none"> - Findings from regulatory review highlights areas where Regulators | Objectives 2, 4, and 5. |

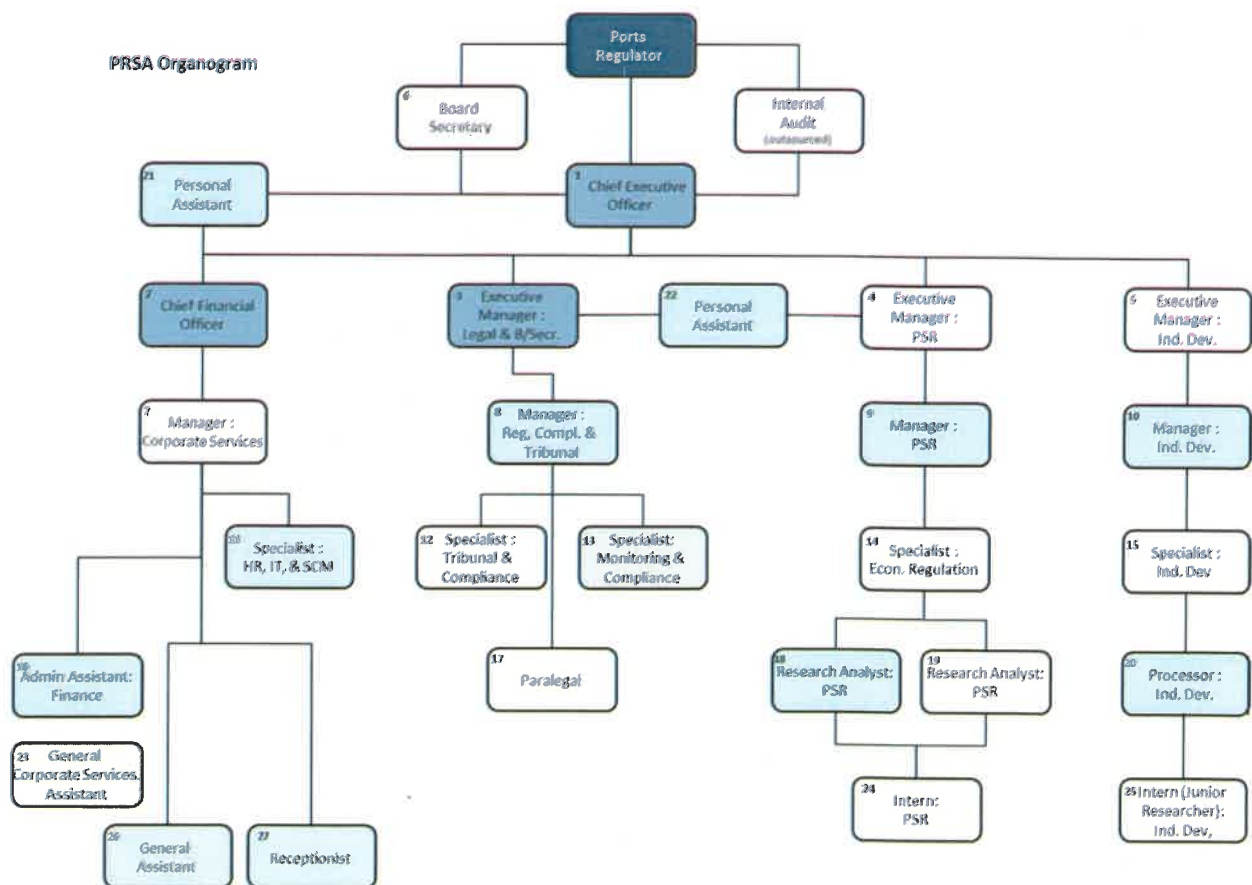
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| | | effectiveness can be further enhanced from perspective of port stakeholders. | |
| 2. Weaknesses | | | |
| i. | Regulatory intervention tools needed for regulating unincorporated Authority are not fully in place. | - Draft Regulatory accounts and manual. | Objective 4 |
| ii. | Enforcement instruments are lacking. | - This is being addressed through the proposed legislative amendments. | Objective 4 |
| iii. | Existing financial model, constrains the expansion and work of the Regulator. | - This is being addressed through further engagements with the DoT and Treasury. | Objective 1 |
| iv. | Limited staff relative to mandate to be performed. | - Appointment of additional staff dependant on increase in budget baseline. | n/a |
| v. | Information asymmetries. | This relates to information required by the - Regulator and what is provided by the Regulated Entity, and address this through building of credible relationship with the A - uthority and use of confidential information in accordance with the Directives. | Objective 1 & 3 |
| vi. | Policy gaps. | - Policy review to be undertaken. | Objective 4 |
| 3. Threats | | | |
| i. | Limitation on sources of income as per the Act and existing funding model. | - Alternate funding model together with proposed amendments to the National Ports Act submitted to the Minister for further engagement. | Objective 1 |
| ii. | Shortage of appropriate skills due to general lack of regulatory skills in South Africa as a whole. | - Internship programme to develop skills started and enhanced. | Objective 1 |
| iii. | Shortage of staff due to constrained budget. | - Engaging with DOT to supplement the budget. | Objective 1 |
| iv. | Very specialised area of Regulation. | - Skills development within niche' areas is a priority for the organisation in terms of the skills development plan. | n/a |
| v. | Different interpretation of aspects of the National Ports Act by different parties with no judicial precedent to assist. | - Regulator has an opportunity to produce jurisprudence through making sound Tribunal decisions. | Objective 5 |
| vi. | Absorption and Dilution into the STER. | - May be dilution of work already done and new procedures adopted. It is therefore important to actively | n/a |

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| | | participate in the process and provide ongoing input thereto. | |
| vii. | Stakeholders not sufficiently active to assist the Regulator. | - Comments received on tariff often not sufficiently detailed. Secretariat embarks on specific and structured engagements with stakeholders even beyond the tariff application. | Objective 3 |

In line with the recommendations of the Five Year Regulatory Review, a Stakeholder Engagement Strategy will be implemented to expand the communication of the Regulator to extend awareness of the rights and obligations of all port players and the role that the Regulator plays in the port system.

In developing the PRSA Strategic Objectives and Plan for the 2019/2020 FY, the organisation factored in aspects of the Operational Environmental Analysis as well as from the S.W.O.T Analysis. While the Strategic Goals remained largely unchanged, additional objectives were outlined as indicated in the Annual Performance Plan tables.

Organisational Structure:



Positions earmarked to be filled in the year:

The critical positions of 'Executive Manager: Policy, Strategy and Research' and 'Executive Manager: Industry Development', are aimed at being filled in the 2019/20 financial year if possible, as well as one-year internship contracts in the legal and economic regulation department.

Strategic Objectives and Targets as set out in the Strategic Plan for the 2018/2019 Financial Year:

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 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 30 May 2019. | Report on Q1 performance to the Regulator and the DOT by 30 July 2019. | Report on Q2 performance to the Regulator and the DOT by 30 October 2019. | Report on Q3 performance to the Regulator and the DOT by 30 January 2020. |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|---------------------|--|--|-----------------------------------|---|---|---|---|--|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| | | Employee PMS monitored and enhanced by conducting half year and final employee performance reviews to be provided to the Accounting Officer. | Zero baseline for financial year. | 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 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 baseline for financial year. | 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 attendance on Regulatory matters reported annually. | Zero baseline for financial year. | Full implementation of the PRSA HR and training plan for Members and staff and annually report to the Regulator on all regulatory training that has taken place in line | 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. |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|--|---|--|-----------------------------------|--|--|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| 2. Ongoing implementation of Economic regulation of ports (Price, access, institutional structure) | Implement the Tariff Methodology. | Perform port tariff assessment in accordance with the Multi-year methodology and issue a Record of Decision. | Zero baseline for financial year. | Tariff decision and ROD publication. with the organisational HR plan. | Report on initial engagements with the National Ports Authority on the pending Tariff Application due in Q2 to the RegCom. | Receive NPA's Tariff Application and begin economic assessment in accordance with the Methodology. First Draft Assessment complete. | Final Tariff Assessment report to be approved by the Regulator and ROD submitted to the NPA by 01 December. | Approve and publish Tariff Book in accordance with the ROD. |
| | Review of the approved Tariff Strategy. | One reviewed tariff Strategy. | Zero baseline for financial year. | Final Reviewed Tariff Strategy approved by the Regulator. | Draft review outline submitted to the CEO. | First draft working paper submitted to the CEO. | Draft working paper submitted to RegCom for consultation. | Final report submitted to the Regulator for approval. |
| | Review of the Tariff methodology | One Tariff Methodology approved and Published. | Zero baseline for financial year | Tariff Methodology, consulted, approved and published | Report on framework for review of tariff methodology. | Draft Tariff methodology submitted to the CEO. | Draft Methodology approved by Regulator for public consultation. | Final methodology approved and published. |
| | Monitoring of implementation of economic regulatory outcomes strategy (ROS) for | One monitoring report | Zero baseline for financial year | Report submitted to RegCom on the implementation | ROS impact assessment framework developed. | Draft impact assessment and monitoring report submitted to CEO | Draft report submitted to RegCom . | Final Report submitted to the Regulator. |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|---------------------|---|--|-----------------------------------|--|-------------------------------------|---|---|---|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| | medium and long term and strategy for achieving the regulatory outcomes. | | | on and impact of the ROS. | | | | |
| | Impact monitoring of the economic regulatory interventions on the identified compliance issues as published in the RoD. | Monitor the impact of the WEGO Interventions on compliance published in the RoD and report to RegCom. | Zero baseline for financial year. | Report with recommendations submitted to RegCom on the impact of the WEGO Interventions on compliance. | Monitoring report submitted to CEO. | Monitoring report submitted to CEO. | Monitoring report submitted to CEO. | Final Monitoring report with recommendations submitted to RegCom. |
| | Lease profile of the NPA created and analysed. | Analyse the terminal leases of the NPA and assess the rental profile with regards to price, duration and cost. | Zero baseline for financial year | Report with analysis and recommendations submitted to RegCom | Submit Framework for report to CEO | Submit draft report to CEO | Submit draft report to RegCom | Submit final report to RegCom |
| | Capital Prudency Assessment implemented | Capital Prudency Model used for CAPEX forecast assessment for 2020/21 | Zero baseline for financial year. | Capital prudency assessment criteria applied in tariff determination | | Implement capital prudency model as part of the tariff determination process. | Implement capital prudency model as part of the tariff determination process. | |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|---------------------|---|---|----------------------------------|---|--|---|---|--|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| | Annual Global Tariff Comparator Study. | Global Port Pricing Comparator study. | Seven previous studies annually | Compare SA Port Prices with global ports and produce Comparator study. | Complete data collection for all cargo types chosen. | Complete preliminary price compilation for all cargo types. | Complete research and write up draft report for submission. | Submit final report to the CEO for approval. |
| | Implement the approved Valuation Methodology for the valuation of the Regulatory Asset Base of the National Ports Authority and include in Tariff Assessment. | Implement the approved Valuation Methodology. | Zero baseline for financial year | Report on the implementation of the approved Valuation Methodology for the valuation of the Starting Regulatory Asset Base (SRAB) of the NPA included in the 2020/21 Tariff Assessment. | Update the asset register from NPA and apply Valuation Methodology criteria to establish NPA RAB. Report submitted to CEO. | Apply tariff application CAPEX to the RAB and report to RegCom. | Include RAB in 2020/21 tariff assessment and publish ROD. | Report on the Implementation of the approved Valuation Methodology for the valuation of the SRAB of the NPA included in the 2020/21 Tariff Assessment approved by the Regulator. |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|--|---|---|-----------------------------------|--|---|---|--|--|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| 3. Engage stakeholders and monitor provision of infrastructure and facilities; and promotion of efficiencies in the port system. | Implementation of stakeholder engagement plan. | Quarterly reports on stakeholder engagement. | Zero baseline for financial year. | One or more engagements with port stakeholders to disseminate information and measure perceptions about the work of the Regulator. | Implement and report on stakeholder engagements | Implement and report on stakeholder engagements. | Implement and report on stakeholder engagements. | Implement and report on stakeholder engagements. |
| | Develop Planned infrastructure adequacy assessment | Finalised Assessment Report on adequacy of planned infrastructure | Zero baseline for financial year | Reviewed report on capital roll-out programme at existing efficiency levels | - | - | Update projects in capital roll-out program and operational efficiency numbers | Finalisation of report and request Regulator approval. |
| | Research Report on Port Performance: Monitor and report on port performance | A Report covering the ongoing monitoring of port performance | Port benchmarking report | Report on SA port performance – operations | Port performance data collated | Previous and current port performance data collated | Report consulted with relevant stakeholders and finalised. | Results confirmed and/or published |
| | Monitor and report on equity of access in port infrastructure and services as per | Report: monitoring equity of access in port facilities and services | Zero baseline for financial year. | Monitor and report on implementation of equity of | Review and/or update statistics. | Monitor and report on implementation of equity of access strategy | Review and/or update statistics and submit status report. | Report on implementation of equity of access strategy |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|---------------------|--|---|-----------------------------------|--|---|---|--|--|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| | baseline report and strategy. | and development of strategy. | | access strategy. | | | | |
| | Develop infrastructure efficiency targets for existing infrastructure. | Efficiency targets developed. | Zero baseline for financial year. | Develop infrastructure operations and marine, service efficiency targets, as a report. | Collect TOPS and MOPS data. | Analyse Data. | Draft report on the Terminal Operator Performance Standards and Marine Operator Performance Standards. | Finalise assessment report and discuss or propose new infrastructure operations and marine, service efficiency targets for the following year. |
| | 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 | Report: Analyse, tracking and monitoring of CAPEX programme |
| | Liaise with DoT on the development of coastal shipping | Number of engagements with DoT on the development of coastal shipping and reporting to the CEO/Regulator quarterly. | Zero baseline for financial year. | 4 quarterly reports on progress on liaison with DoT on the development of coastal shipping | Report progress on the engagements and development of coastal shipping to CEO/Regulator | Report progress on the engagements and development of coastal shipping to CEO/Regulator | Report progress on the engagements and development of coastal shipping to CEO/Regulator | Report progress on the engagements and development of coastal shipping to CEO/Regulator |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|---|--|---|-----------------------------------|--|---|---|--|---|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| 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. | Ongoing monitoring of compliance of ports sector participants. | Compliance monitoring for NPA conducted and reported. | Zero baseline for financial year. | Four quarterly reports to the Regulator on the compliance issues and progress, if any, per quarter, and one annual compliance report to the Executive Authority. | Engage the NPA and report to the Regulator regarding the status of compliance by the NPA. | Develop existing compliance template with input from port participants and report to the Regulator regarding status of compliance by the NPA. | Report to Regulator on the status of compliance by the NPA. | Report to the Regulator regarding status of compliance and annually report to the Executive Authority. |
| | B-BBEE status review of all S56 and S57 port facilities and service providers for all the ports. | B-BBEE status review of ports in terms of transformation to be completed in accordance with the Regulations to the National Ports Act and submit report to the Regulator. | Zero baseline for financial year | Assess NPA's compliance with B-BBEE Codes and report thereon to the Regulator and the NPA with specific regard to transformation in the port system. | Engage NPA on key findings of the 2018 Report and plan way forward. | Engage the NPA on the Development of B-BBEE compliance template and report to the Regulator. | Obtain and commence analysis of the NPA BB-BEE Report and provide draft findings regarding current status of B-BBEE and transformation to the Regulator. | Report to the Regulator on key B-BBEE findings and transformation across the sector and report annually to the Executive Authority regarding the status of transformation in the port sector. |
| | Liaise with DoT on the framework for rights to equity of access – the | Framework for rights to equity of access engaged on | Zero baseline for financial year. | 4 quarterly reports on progress on liaison of the | Report progress on rights to equity of access | Report progress on rights to equity of access | Report progress on rights to equity of access | Report progress on rights to equity of access to CEO/Regulator |

| Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | |
|--|--|---|---------------------------------------|--|---|--|--|--|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| | promulgation of new BBEE codes in the Maritime sector. | with a view to implementation and compliance monitoring in the ports system and reporting to the CEO/Regulator quarterly. | | framework for equity of access in the Maritime sector with DoT. | to CEO/Regulator | to CEO/Regulator | to CEO/Regulator | |
| | Liaise with Government Departments on the implementation of Section 3(2) of the National Ports Act (corporatisation) | Number of engagements with government departments on s3(2) and reporting to the CEO/Regulator quarterly. | Zero baseline for financial year. | 4 quarterly reports on progress on liaison with government on the implementation of s3(2) of the National Ports Act | Report progress on the implementation of s3(2) of the National Ports Act to CEO/Regulator | Report progress on the implementation of s3(2) of the National Ports Act to CEO/Regulator | Report progress on the implementation of s3(2) of the National Ports Act to CEO/Regulator | Report progress on the implementation of s3(2) of the National Ports Act to CEO/Regulator |
| 5. Operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act. | Tribunal to be effectively and efficiently operated to deal with complaints and/or appeals. | Performance assessment of case management, adjudication of matters and decision making. | Four active matters for finalisation. | Chairman supported by the secretariat to perform quarterly performance assessment regarding case management, oversight of pending and emerging | Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator | Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator, | Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator, | Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator, |

| | Strategic Objective | Outcomes | Key Performance Indicator | Baseline | Annual Target | 2019/2020 Quarterly Targets | | | | |
|--|--|--|---|-----------------------------------|---|---|--|---|---|---|
| | | | | | | Q1 | Q2 | Q3 | Q4 | |
| | | | | | litigation, 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 baseline 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 | Update and submit governance compliance checklist for the quarter and submit to the Regulator |

Income and Expenditure

Table A.2 PE No

| | Audited Outcome | | Audited Outcome | Approved budget | Average growth rate (%) | | Expenditure/total: Average (%) | Medium-term estimate | | | | Average growth rate (%) | | Expenditure/total: Average (%) | |
|----------------------|-----------------|---------------|-----------------|-----------------|-------------------------|---------------|--------------------------------|----------------------|---------|--------------|---------|-------------------------|--|--------------------------------|--|
| | 2015/16 | 2016/17 | | | 2017/18 | 2018/19 | | 2015/16-2018/19 | 2019/20 | 2020/21 | 2021/22 | 2018/19 - 2021/22 | | | |
| R thousand | | | | | | | | | | | | | | | |
| Administration | 9 744 | 13 888 | 11 952 | 10 745 | 3.3% | 12 761 | 12 936 | 13 683 | | 8.4% | | | | 33.6% | |
| Economic regulation | 2 839 | 4 504 | 4 328 | 8 853 | 46.1% | 9 497 | 10 182 | 10 312 | | 5.2% | | | | 26.1% | |
| Tribunal | 3 156 | 3 579 | 2 802 | 4 333 | 11.1% | 5 968 | 6 364 | 6 959 | | 17.1% | | | | 15.7% | |
| Industry development | 2 535 | 2 987 | 3 327 | 3 656 | 13.0% | 5 328 | 5 779 | 6 223 | | 19.4% | | | | 13.9% | |
| Monitoring | 1 907 | 2 937 | 1 676 | 3 552 | 23.0% | 3 830 | 4 211 | 4 488 | | 8.1% | | | | 10.8% | |
| | - | - | - | - | - | - | - | - | | - | | | | - | |
| | - | - | - | - | - | - | - | - | | - | | | | - | |
| | - | - | - | - | - | - | - | - | | - | | | | - | |
| | - | - | - | - | - | - | - | - | | - | | | | - | |
| | - | - | - | - | - | - | - | - | | - | | | | - | |
| Total expense | 20 181 | 27 895 | 24 085 | 31 139 | 15.6% | 37 384 | 39 472 | 41 665 | | 10.2% | | | | 100.0% | |

Expenditure per economic classification

Table A.3 PE No

| Statement of financial performance | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | Outcome/Budget Average % | 2015/16-2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | Expenditure/total: Average (%) | Average growth rate (%) | Expenditure/total: Average (%) | Average growth rate (%) |
|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|-----------------|-----------------|--------------------------|-------------------------|-------------------------|---------------|----------------------|---------------|-------------------|---------------|---------------|--------------------------------|-------------------------|--------------------------------|-------------------------|
| | Budget | Audited Outcome | Budget | Audited Outcome | Budget | Audited Outcome | Budget estimate | Approved budget | | Average growth rate (%) | Average growth rate (%) | 2019/20 | Medium-term estimate | 2021/22 | 2018/19 - 2021/22 | | | | | | |
| Revenue | | | | | | | | | | | | | | | | | | | | | |
| Tax revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-tax revenue | 310 | 485 | 401 | 964 | 1 320 | 1 075 | 351 | 5 520 | 337.7% | 124.9% | 610 | 650 | 700 | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets of which: | - | - | - | 7 | - | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sales by market establishment | - | - | - | 7 | - | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other sales | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other non-tax revenue | 310 | 485 | 401 | 957 | 1 320 | 1 069 | 351 | 5 520 | 337.2% | 124.9% | 610 | 650 | 700 | - | - | - | - | - | - | - | - |
| Transfers received | 27 627 | 27 627 | 28 561 | 28 561 | 22 489 | 22 489 | 25 619 | 25 619 | 100.0% | -2.5% | 36 774 | 38 822 | 40 965 | 36 774 | 38 822 | 40 965 | 36 774 | 38 822 | 40 965 | 16.9% | 94.3% |
| Total revenue | 27 937 | 28 112 | 28 962 | 29 525 | 23 809 | 23 564 | 25 970 | 31 139 | 105.3% | 3.5% | 37 384 | 39 472 | 41 665 | 37 384 | 39 472 | 41 665 | 37 384 | 39 472 | 41 665 | 10.2% | 100.0% |
| Expenses | | | | | | | | | | | | | | | | | | | | | |
| Current expenses | 27 937 | 20 181 | 28 962 | 27 895 | 23 809 | 24 085 | 25 970 | 31 139 | 96.8% | 15.6% | 37 384 | 39 472 | 41 665 | 37 384 | 39 472 | 41 665 | 37 384 | 39 472 | 41 665 | 10.2% | 100.0% |
| Compensation of employees | 11 860 | 11 579 | 13 365 | 12 191 | 14 028 | 13 716 | 16 658 | 16 658 | 96.8% | 12.9% | 20 931 | 22 194 | 23 602 | 20 931 | 22 194 | 23 602 | 20 931 | 22 194 | 23 602 | 12.3% | 55.8% |
| Goods and services | 15 778 | 8 170 | 15 205 | 15 528 | 9 562 | 9 932 | 9 157 | 14 326 | 96.5% | 20.6% | 16 351 | 17 120 | 17 613 | 16 351 | 17 120 | 17 613 | 16 351 | 17 120 | 17 613 | 7.1% | 43.8% |
| Depreciation | 299 | 432 | 392 | 176 | 219 | 437 | 155 | 155 | 112.7% | -28.9% | 102 | 158 | 450 | 102 | 158 | 450 | 102 | 158 | 450 | 42.7% | 0.8% |
| Interest, dividends and rent on land | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total expenses | 27 937 | 20 181 | 28 962 | 27 895 | 23 809 | 24 085 | 25 970 | 31 139 | 96.8% | 15.6% | 37 384 | 39 472 | 41 665 | 37 384 | 39 472 | 41 665 | 37 384 | 39 472 | 41 665 | 10.2% | 100.0% |
| Surplus/(Deficit) | - | 7 931 | - | 1 630 | - | (521) | - | - | - | -100.0% | - | - | - | - | - | - | - | - | - | - | - |

| Cash flow data | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2016/17 - 2018/19 | | 2015/16 - 2017/18 | | 2019/20 | | 2020/21 | | 2021/22 | | Average growth rate (%) | Expenditure/total: Average (%) | |
|---------------------------------|---------|-----------------|---------|-----------------|---------|-----------------|-----------------|-----------------|-------------------|------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|-------------------------|--------------------------------|---|
| | Budget | Audited Outcome | Budget | Audited Outcome | Budget | Audited Outcome | Budget estimate | Approved budget | Average % | Average rate (%) | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| R thousand | | | | | | | | | | | | | | | | | | | | | |
| Cash receipts from stakeholders | 27 937 | 28 093 | 28 962 | 29 525 | 22 809 | 23 550 | 25 970 | 25 970 | 101.4% | | | -2.6% | 32 134 | 33 953 | 36 066 | | | 11.6% | | 100.0% | |
| Tax receipts | - | - | - | 7 | - | 101 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sales of goods and service | 27 627 | 27 627 | 28 561 | 28 561 | 22 489 | 22 489 | 25 619 | 25 619 | 100.0% | | | -2.5% | 31 774 | 33 522 | 35 366 | | | 11.3% | | 98.6% | |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | 305 | 466 | 401 | 957 | 320 | 960 | 351 | 351 | 198.5% | | | -9.0% | 360 | 431 | 700 | | | 25.9% | | 1.4% | |
| Unclassified revenue | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax benefit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outside shareholders interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash paid to stakeholders | 28 678 | 19 734 | 36 203 | 27 465 | 20 413 | 23 495 | 20 525 | 20 525 | 86.2% | | | 1.3% | 23 472 | 27 066 | 28 667 | | | 11.8% | | 77.8% | |
| Current payments | 28 678 | 19 734 | 36 203 | 27 465 | 20 413 | 23 495 | 20 525 | 20 525 | 86.2% | | | 1.3% | 23 472 | 27 066 | 28 667 | | | 11.8% | | 100.0% | |
| Compensation of employ | 11 860 | 11 579 | 12 673 | 12 191 | 14 068 | 13 716 | 14 218 | 14 218 | 97.9% | | | 7.1% | 16 851 | 20 119 | 21 427 | | | 14.7% | | 72.5% | |
| Goods and services | 16 818 | 8 155 | 23 530 | 15 274 | 6 345 | 9 779 | 6 307 | 6 307 | 74.6% | | | -8.2% | 6 621 | 6 947 | 7 240 | | | 4.7% | | 27.5% | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax payment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outside shareholders int | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash flow from operations: | (741) | 8 359 | (7 241) | 2 060 | 2 396 | 55 | 5 445 | 5 445 | -11 290.1% | | | -13.3% | 8 662 | 6 887 | 7 399 | | | 10.8% | | - | - |
| Cash flow from advances | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan disbursements | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan principal repayment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash flow from investing | 22 | (2) | (463) | (584) | - | (81) | - | (456) | 237.4% | | | -374.7% | - | - | - | | | -1.0% | | - | - |
| Acquisition of property, pl | - | (2) | (463) | (584) | - | (135) | - | (456) | 254.2% | | | 510.9% | - | - | - | | | -1.1% | | - | - |
| Other flows from investin | 24 | 24 | - | - | - | 54 | - | - | - | | | -100.0% | - | - | - | | | 0.1% | | - | - |
| Domestic | - | 24 | - | - | - | 54 | - | - | - | | | -100.0% | - | - | - | | | 0.1% | | - | - |
| Foreign | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Interest | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Outside shareholders in | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Cash flow from financin | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Deferred income | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Borrowing Activities | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Domestic | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Foreign | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Repayment of finance lec | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Other (e.g. issuance of s | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Interest | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | | | - | - | - | - | | | - | | - | - |
| Net increase / (decrease) in | (741) | 8 381 | (7 704) | 1 476 | 2 396 | (26) | 5 445 | 4 989 | -15.9% | | | -15.9% | 8 662 | 6 887 | 7 399 | | | 10.8% | | - | - |

| Financial position | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | 2018/19 - 2021/22 | | Net change/total: Average (%) | | |
|---|--------------|-----------------|---------------|-----------------|--------------|-----------------|-----------------|-------------------|-----------------|-----------------|--------------|--------------|-------------------|-------------------------|----------------------|-------------------------|-------------------------------|-------------|---------------|
| | Budget | Audited Outcome | Budget | Audited Outcome | Budget | Audited Outcome | Budget estimate | Approved budget | Budget estimate | Approved budget | 2019/20 | 2020/21 | 2021/22 | Average growth rate (%) | Medium-term estimate | Average growth rate (%) | | | |
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2015/16 - 2018/19 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2015/16 - 2018/19 | 2018/19 - 2021/22 | 2018/19 - 2021/22 | 2018/19 - 2021/22 | | | |
| Carrying value of assets of which: | 687 | 631 | 489 | 1 581 | 350 | 1 239 | 211 | 211 | 210.8% | 210.8% | 211 | 211 | 210.8% | 210.8% | 55 | 58 | 192 | -3.1% | 1.8% |
| Acquisition of assets | - | (2) | (463) | (584) | - | (135) | - | (466) | 254.2% | 254.2% | - | - | - | - | - | - | - | -100.0% | -1.6% |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued investment interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables and prepayments | 38 | 54 | 68 | 394 | 411 | 450 | 420 | 420 | 140.7% | 140.7% | 420 | 420 | 140.7% | 420 | 432 | 429 | 429 | 0.7% | 6.1% |
| Cash and cash equivalents | 7 205 | 13 838 | 9 685 | 15 313 | 6 900 | 15 287 | 6 682 | 6 682 | 167.8% | 167.8% | 6 682 | 6 682 | 167.8% | 6 682 | 6 356 | 7 248 | 7 248 | 2.7% | 92.1% |
| Non-current assets held for sale | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Defined benefit plan assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Derivatives financial instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total assets | 7 930 | 14 523 | 10 242 | 17 288 | 7 661 | 16 976 | 7 313 | 7 313 | 165.3% | 165.3% | 7 313 | 7 313 | 165.3% | 7 313 | 6 168 | 6 846 | 7 869 | 2.5% | 100.0% |
| Accumulated surplus/(deficit) | 6 096 | 14 040 | 7 848 | 16 238 | 7 122 | 15 814 | 6 744 | 6 744 | 190.0% | 190.0% | 6 744 | 6 744 | 190.0% | 6 744 | 5 546 | 6 190 | 7 157 | 2.0% | 90.9% |
| Capital and reserves | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital reserve fund | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Finance lease | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trade and other payables | 1 484 | 161 | 2 025 | 524 | 132 | 677 | 159 | 159 | 40.0% | 40.0% | 159 | 159 | 40.0% | 159 | 207 | 211 | 211 | 9.9% | 2.8% |
| Benefits payable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capitalised value of pensions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Provisions | 350 | 322 | 369 | 526 | 407 | 485 | 410 | 410 | 113.5% | 113.5% | 410 | 410 | 113.5% | 426 | 449 | 501 | 501 | 6.9% | 6.4% |
| Managed funds (e.g. poverty alleviation fund) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Derivatives financial instruments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total equity and liabilities | 7 930 | 14 523 | 10 242 | 17 288 | 7 661 | 16 976 | 7 313 | 7 313 | 165.3% | 165.3% | 7 313 | 7 313 | 165.3% | 7 313 | 6 168 | 6 846 | 7 869 | 2.5% | 100.0% |
| Contingent liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Salary level | Post status estimated for 31 March 2019 | | Number and cost of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | |
|---|---|------------------------|---|-----------|-------------------|-------|-----------|----------------------------------|---------|-----------|---------|---------|-----------|-------------------------|-----------------------------|-------|-------|---|
| | Number of posts on approved establishment | Number of funded posts | Actual | | Revised estimates | | | Medium-term expenditure estimate | | | 2021/22 | | | Average growth rate (%) | Salary level total: Average | | | |
| | | | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | | | | | | |
| | | | Number | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | |
| 20 | 19 | 13 716 | 686 | 19 | 16 658 | 877 | 21 | 20 931 | 997 | 21 | 22 194 | 1 057 | 21 | 23 602 | 1 124 | 12.3% | 95.1% | |
| 2 | 2 | 804 | 201 | 2 | 350 | 175 | 2 | 362 | 181 | 2 | 386 | 193 | 2 | 410 | 205 | 5.4% | 9.8% | |
| 11 | 11 | 3 807 | 423 | 11 | 5 749 | 523 | 11 | 6 074 | 552 | 11 | 6 583 | 598 | 11 | 7 028 | 639 | 6.9% | 53.8% | |
| 11 - 12 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 - 16 | 6 | 5 997 | 1 000 | 5 | 7 025 | 1 405 | 7 | 10 790 | 1 541 | 7 | 11 358 | 1 623 | 7 | 12 088 | 1 727 | 19.8% | 31.6% | |
| 17 - 22 | 1 | 3 109 | 3 109 | 1 | 3 534 | 3 534 | 1 | 3 705 | 3 705 | 1 | 3 868 | 3 868 | 1 | 4 076 | 4 076 | 4.9% | - | |
| Detail | | | | | | | | | | | | | | | | | | |
| 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | 1 | 145 | 145 | 1 | 154 | 154 | 1 | 162 | 162 | 1 | 174 | 174 | 1 | 185 | 185 | 6.3% | 0.8% | |
| 4 | 1 | 162 | 162 | 1 | 171 | 171 | 1 | 180 | 180 | 1 | 190 | 190 | 1 | 202 | 202 | 5.7% | 0.9% | |
| 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | 2 | 460 | 230 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | 4 | 1 136 | 284 | 4 | 1 187 | 297 | 4 | 1 213 | 303 | 4 | 1 315 | 329 | 4 | 1 400 | 350 | 5.7% | 6.2% | |
| 8 | 1 | 345 | 345 | 1 | 368 | 368 | 1 | 401 | 401 | 1 | 454 | 454 | 1 | 484 | 484 | 9.6% | 2.1% | |
| 9 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | 6 | 2 151 | 538 | 6 | 3 785 | 631 | 6 | 4 122 | 687 | 6 | 4 444 | 741 | 6 | 4 747 | 791 | 7.8% | 20.6% | |
| 11 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | 1 | 521 | 521 | 1 | 942 | 942 | 1 | 1 007 | 1 007 | 1 | 1 113 | 1 113 | 1 | 1 186 | 1 186 | 8.0% | 5.1% | |
| 14 | 3 | 4 064 | 1 355 | 3 | 4 370 | 1 457 | 3 | 4 680 | 1 553 | 3 | 4 798 | 1 599 | 3 | 5 167 | 1 722 | 5.7% | 23.0% | |
| 15 | 2 | 1 137 | 569 | 1 | 1 213 | 1 213 | 3 | 4 523 | 1 508 | 3 | 4 809 | 1 603 | 3 | 5 052 | 1 684 | 60.9% | 18.0% | |
| 16 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 | 1 | 2 966 | 2 966 | 1 | 3 283 | 3 283 | 1 | 3 499 | 3 499 | 1 | 3 651 | 3 651 | 1 | 3 846 | 3 846 | 5.4% | 17.3% | |
| 19 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Performance bonus : Executive Performance bonus | | | | | | | | | | | | | | | | | | |
| | 20 | 13 716 | 686 | 19 | 16 658 | 876.7 | 21 | 20 931 | 996.7 | 21 | 22 194 | 1 056.9 | 21 | 23 602 | 1 123.9 | 12.3% | 94.0% | |
| Total | | | | | | | | | | | | | | | | | | |