



The slide features a map of Africa with several black dots indicating project locations, set against a background of concentric white circles. In the top right corner is the logo for the Cross-Border Road Transport Agency (C-BRTA), which includes a stylized blue and white graphic of a road and a truck. The text 'Annual Performance Plan' is displayed in a gold font, with a small lightbulb icon. Below this, there are three circular icons: a truck, a person, and a calendar. The text '2019-20' is positioned next to the person icon. The bottom half of the slide has a solid yellow background with the following text in black: 'Presentation to the Portfolio Committee on Transport' and '3 September 2019'.

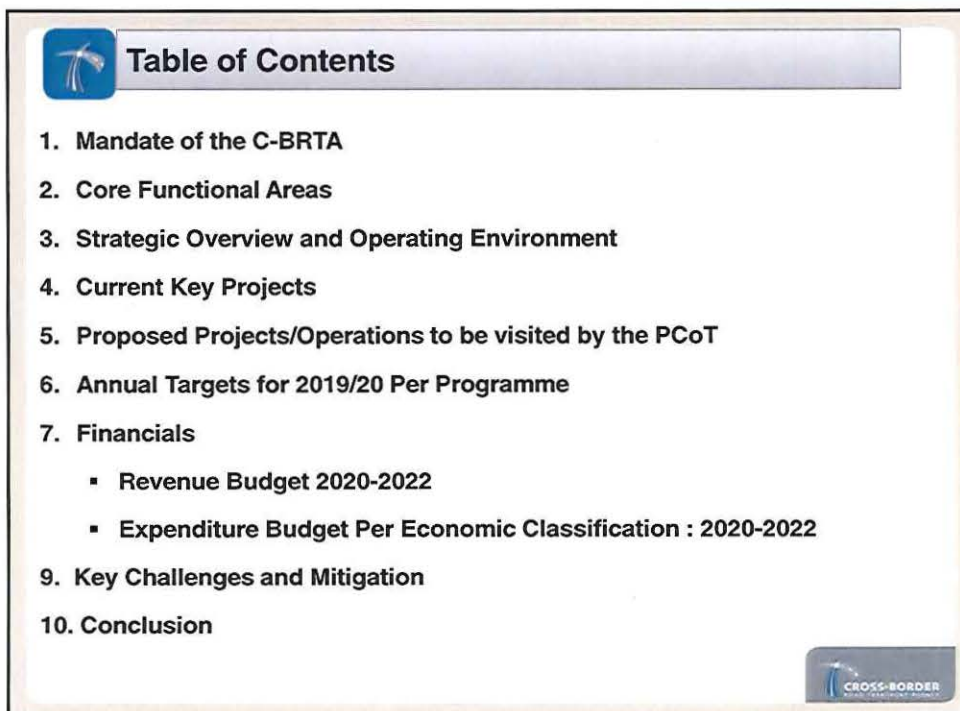
CROSS-BORDER
ROAD TRANSPORT AGENCY

Annual Performance Plan

2019-20

Presentation to the Portfolio Committee on Transport

3 September 2019



The slide has a light blue header bar with a small logo on the left and the text 'Table of Contents'. Below the header is a list of ten numbered items. Item 7, 'Financials', has two sub-items listed with square bullet points. The slide concludes with a small logo in the bottom right corner.

Table of Contents

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 - Revenue Budget 2020-2022
 - Expenditure Budget Per Economic Classification : 2020-2022
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10. Conclusion

CROSS-BORDER
ROAD TRANSPORT AGENCY



MANDATE OF THE C-BRTA



Who Are We

WHY WE EXIST?

The C-BRTA exists primarily for the purpose of enhancing regional integration, trade and economic development through licensing and regulating commercial cross-border transport operations.

OUR VISION

An integrated SADC region characterised by high intra-trade and economic development.

OUR MISSION

To enhance regional integration, trade and economic development.





Mandate of the C-BRTA

The C-BRTA is established in terms of C-BRT Act No. 4 of 1998 to provide for co-operative and co-ordinated provision of advice, regulation, facilitation and law enforcement in respect of cross-border road transport to enhance regional integration, trade flows and economic development by:

- improving the unimpeded flow by road of freight and passengers in the region;
- liberalising market access progressively in respect of cross-border freight road transport;
- introducing regulated competition in respect of cross-border passenger road transport;
- reducing operational constraints for the cross-border road transport industry as a whole;
- enhancing and strengthen the capacity of the public sector in support of its strategic planning, enabling and monitoring functions; and
- empowering the cross-border road transport industry to maximise business opportunities and to regulate themselves incrementally to improve safety, security, reliability, quality and efficiency of services.

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National Development Plan

National Development Plan

Chapter 4 of the NDP identifies transport as one of the key economic infrastructures required for:

- Enhancing economic development by bridging geographic distances affordably, reliably and safely;
- Economic development by supporting transportation of goods, facilitating regional trade and regional integration;
- Aggressive expansion of trade and investment underpinned by the development of hard infrastructure, unlocking trade systems and enhancing performance of supply chains;
- Reducing red tape, corruption and delays at border posts; and
- Chapter 7 of the NDP also requires South Africa to harmonise border policies with regional trading partners.

Note: C-BRTA is central to the achievement of the above objectives

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SADC Protocol

SADC Protocol on Transport, Communications and Meteorology

- ❑ Article 3.5 provides institutional framework and enables member states to facilitate unimpeded access and travel between territories of member states;
- ❑ Article 5.2 requires harmonisation of road transport policy which provides for equal treatment, non-discrimination, reciprocity, fair competition to cross-border transport operators;
- ❑ Article 5.3 requires each country and the region collectively to introduce measures to liberalise cross-border market access policies in respect of cross-border carriage of goods;
- ❑ Article 5.4 requires member states to conclude bilateral or multilateral agreements for regulation of cross-border road transport operations; and
- ❑ Article 5.5 requires member states to ensure domestic measures shall conform to regional policies and coordinate their efforts in this regard.

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Apex Priorities



APEX PRIORITY	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR
Build a better Africa and World	To proactively provide value added advisory services to the Minister of Transport and other relevant stakeholders on cross border	Developed model to calculate transit and cost of delays at commercial border posts
	To establish and sustain strategic partnerships with stakeholders to enable the Agency to achieve its objectives	Facilitated implementation of the SADC Protocol and regional agreements
Advance nation-building and social cohesion, and a safe South Africa for all	To improve compliance with road transport legislation	Developed and implemented Operator Compliance Accreditation Scheme
Renewing and building a Capable, Honest Developmental State and a Social Compact	To improve efficiencies in business operations	Percentage of temporary permits issued within pre-determined turn-around times Developed and implemented a new cross border management system
	To establish and sustain strategic partnerships with stakeholders to enable the Agency to achieve its objectives	Developed and implemented stakeholder management plan

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CORE FUNCTIONAL AREAS

Core Functional Areas

Advisory	Monitoring and counteracting any restrictive measures that may be implemented by other member states in the SADC region and advising the Minister of Transport on regional transport imperatives and challenges
Facilitation	Developing partnerships with SADC counterparts and fostering positive relationships aimed improving transport facilitation and development of trade among SADC countries
Regulatory	Responsible for the issuing and managing processes pertaining to cross border permits
Law Enforcement	Monitoring carriers' adherence to the law by carrying out law enforcement operations.

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Border And Corridor Environment

- There are **53 land border posts** between South Africa and neighbouring countries -19 designated as commercial border posts;
- There are 4 border posts that carry significant volume of commercial traffic: **Beitbridge, Lebombo, Maseru and Skilpadshek** (listed by traffic volume);
- These border posts are located in the busiest corridors linking South Africa to the SADC region namely the **North-South Corridor, Maputo/ N4 Corridor and Trans-Kalahari Corridor**;
- The cost of doing business for operators is impacted on by:
 - Delays at the border posts;
 - Inadequate infrastructure (road, parking) at the border posts; and
 - Frequency of stoppages for law enforcement along the transport corridors;

Key role players at border posts are:


- DHA (Immigration/ Border management Agency);
- SARS (Customs);
- SAPS (Border Police);
- Environment, forestry and fisheries;
- Agriculture, Land Reform and Rural Development;
- DOH (Port Health); and
- State Security Agency.

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CURRENT KEY PROJECTS




 Current Key Projects		
PROJECT NAME	PROJECT DESCRIPTION	PROJECT OBJECTIVES
OPERATOR COMPLIANCE ACCREDITATION SCHEME (OCAS)	<ul style="list-style-type: none"> o Intelligent risk based regulatory and road safety tool for certifying and licensing commercial road transport operators o Safety and quality management mechanism for regulating market access for all commercial vehicles across the border 	<ul style="list-style-type: none"> ✓ Ensure proactive compliance by all stakeholders in the value chain in discharging safety and regulatory requirements. ✓ Improve compliance to road transport regulatory requirements and reduce road carnage in support of the National Road Safety Strategy and the UN Global Plan for the Decade of Action for Road Safety 2011-2020. ✓ Introduce an effective and harmonized regulatory system that will lead to unimpeded flow of cross-border road transport, reduction in operational constraints, improved reliability and predictability and regional integration.


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 Current Key Projects...		
PROJECT NAME	PROJECT DESCRIPTION	PROJECT OBJECTIVES
CROSS-BORDER FLOW CALCULATOR FOR MEASURING CORRIDOR TRANSIT TIME	<ul style="list-style-type: none"> o Tool to identify delays and bottlenecks at key commercial border posts and corridors and quantify transit costs and costs of delays. 	<ul style="list-style-type: none"> ✓ Provide invaluable data to regulatory authorities, travellers, traders and the business community for decision making. ✓ Enable cross-border travellers to make informed decisions regarding which border post to use and when to use it, thus saving time and resources by deploying vehicles less likely to encounter congestion and delays. ✓ Assist industry and border stakeholders (customs, immigration, etc.) to make informed operational decisions such as the assignment of staff or the opening of additional lanes/counters to accommodate surges in demand. ✓ Support improved planning both at the border and for the transport network that provides access through South Africa and its neighbours. Planning decisions would include facility design or layout modification that would ease the congestion at a particular border post. ✓ Make a case for needed improvements in areas such as infrastructure upgrades and increased staffing.


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 Current Key Projects...		
PROJECT NAME	PROJECT DESCRIPTION	PROJECT OBJECTIVES
COMPREHENSIVE LEVYING OF CROSS-BORDER CHARGES FOR FOREIGN VEHICLES	<ul style="list-style-type: none"> o Levying of cross border charges on foreign commercial cross-border vehicles transiting or terminating trips in South Africa o Mechanism to harmonize regulatory framework in the region to achieve fairness, competitiveness and equality for South African Cross-Border Operators 	<ul style="list-style-type: none"> ✓ Create and ensure fair, equal and reciprocal treatment of all cross-border road transport operators conducting operations in the region. ✓ Create a competitive operating environment for South African operators (currently their cost of doing business are higher than operators from other countries in the region). ✓ Achieve harmonisation of the regulatory framework between South Africa and other SADC member states in line with the provisions of the SADC Protocol. ✓ Subject all cross-border operators to similar treatment, fair and equal operating conditions which may have an impact on road safety as the only other parameter they will be competing on is service quality, which comes with safe, efficient, quality and improved operations. ✓ Generate additional revenue from regulating foreign commercial vehicles.


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 Current Key Projects...		
PROJECT NAME	PROJECT DESCRIPTION	PROJECT OBJECTIVES
LINKING AFRICA PLAN (LAP)	<ul style="list-style-type: none"> o Trade and transport plan that supports the vision that intra-Africa trade can unlock Africa's industrial potential 	<ul style="list-style-type: none"> ✓ Seeks to improve African economies through the transformation of cross-border transport and trade systems to create an environment that supports intra-Africa trade and industrialisation. ✓ Identify interventions that will enhance trade, transport and industrialisation, in order to establish integrated transport infrastructure/ systems; link small, disparate economies into one continental economy (continental free trade area) and increase trade and industrialisation to realise the aspirations of the AU Agenda 2063. ✓ Seeks to address transport and trade regulatory issues, harmonising cross-border trade and transport governance matters, creation of conditions of predictability for cross-border road transport operators and other stakeholders in the value chain.


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PROPOSED PROJECTS/OPERATIONS TO BE VISITED BY THE PCOT




 Cross-Alive Campaigns		
DESCRIPTION	OBJECTIVES	PLANNED DATES AND LOCATION
<p>Cross-Alive campaign is a <u>Road Safety Initiative</u> of the C-BRTA that takes the form of a <u>Joint Law Enforcement Operation</u> carried out near a South African Border Post</p> <p>The operations are carried out jointly with other law enforcement agencies and border stakeholders (e.g. RTMC, SAPS, SADF, Port Health, DHA, SARS, and law enforcement agencies from neighbouring countries)</p>	<ul style="list-style-type: none"> o Promote road safety along major corridors leading to ports of entry ensuring that passengers and goods are transported across the border in a safe manner o Curb non-compliance by cross-border operators and illegal cross-border operations o Enhance and focused general law enforcement by different agencies to enforce law against illegal goods, counterfeits, stolen vehicles, etc. o Collaborate, share best practices with other neighbouring countries with a view to adopt a uniform standard operating procedures 	<p>Current Financial year</p> <ul style="list-style-type: none"> ▪ Dates: 15 – 17 October ▪ Location: Mpumalanga on the N17 near Oshoek Border Post <p>Next Financial Year</p> <ul style="list-style-type: none"> ▪ Dates: To be confirmed (October Transport Month, Peak period close to Easter Holidays or Festive Season) ▪ Location: To be confirmed (e.g. Musina close to Beitbridge Border Post, or Mpumalanga close to Lebombo Border Post)

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 Border Visit – Beitbridge Border Post	
BACKGROUND	KEY CHALLENGES AND IMPACT
<ul style="list-style-type: none"> ▪ Beitbridge is the border post between South Africa and Zimbabwe, and it is one of the busiest border posts in Africa ▪ Beitbridge border post is a gateway for goods exported from South Africa by road transport to most eastern and southern African countries ▪ It also serves as an entry point for goods exported from DRC, Zambia and Zimbabwe to international markets as well as imports from the international markets to these countries through the Port of Durban 	<ul style="list-style-type: none"> ○ Beitbridge is a bottleneck and a constraint to the unimpeded movement of goods and passengers between RSA and neighbouring countries through the North-South Corridor ○ Challenges encountered by operators on both side of the border include congestion due to inadequate infrastructure, delays due to inefficient clearing processes, duplication of inspections, and lack of ICT inter-connectivity ○ The impact of these bottlenecks is the high cost of doing business for cross-border operators, resulting in uncompetitive pricing of goods procured in the region which is also a cost to the country's economy

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 Border Visit – Beitbridge Border Post...	
INTERVENTION	REASON FOR THE VISIT
<ul style="list-style-type: none"> ✓ The C-BRTA and the Ministry of Transport and Infrastructural Development in Zimbabwe are working together with border authorities (Immigration, Customs, Port Health and Agriculture) at Beitbridge border post to improve the movement of goods and passengers ▪ The Agency together with these stakeholders have developed and agreed on the Beitbridge Border Post Action Plan recommending interventions with timeframes to address identified challenges 	<ul style="list-style-type: none"> ○ The Portfolio Committee is invited to visit Beitbridge to experience the state of the border and witness the implementation of the Action Plan so as to enable the Committee to engage with relevant Ministers with a view to improve the border post efficiencies and trade facilitation ○ Date: To be confirmed for later in 2020/21 financial year

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Annual Targets for 2019/20 Per Programme

CROSS-BORDER
ROAD TRANSPORT AGENCY

ADMINISTRATION

CROSS-BORDER
ROAD TRANSPORT AGENCY


 **Programme 1: Administration**

GOAL 4 : Enhance organisational performance in order to improve sustainability

Strategic Objective 6: To ensure the financial viability and sustainability

Key Performance Indicator		2019/20 Target	
Developed and implemented new revenue streams		Roll-out project plan for 'Sale of Information' revenue stream	
Q1	Q2	Q3	Q4
Implementation as per approved plan	Implementation as per approved plan	Implementation as per approved plan	Rolled-out project plan for the financial year


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 **Programme 1: Administration Continued**

GOAL 4 : Enhance organisational performance in order to improve sustainability

Strategic Objective 6: To ensure the financial viability and sustainability

Key Performance Indicator		2019/20 Target	
Strategic Objective 7: Improve efficiency in business operations			
Developed and implemented cross border management system		Implemented prioritised interventions as per the approved EA plan	
Q1	Q2	Q3	Q4
Approved Business Requirements for new iCBMS	System Solution Designed	Permit issuing functionality developed (front-office and online)	Pilot Permit issuing functionality (front-office and online)

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Programme 1: Administration Continued

GOAL 4 : Enhance organisational performance in order to improve sustainability

Strategic Objective 7: To introduce and implement regulated competition of cross border movements as pertaining to cross border movements

Key Performance Indicator		2019/20 Target	
Developed Permit Fee Regulations		Submitted Draft Permit Fee Determination Model to DoT	
Q1	Q2	Q3	Q4
EXCO approved Permit Fee Determination Model	Board approved Permit Fee Determination Model submitted to DoT	No target has been set for the 2 quarters as the process of publication falls within the DoT purview	

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REGULATORY SERVICES





Programme 2: Regulatory Services

GOAL 1 : Facilitate unimpeded flow of cross-border transport

Strategic Objective 1: To introduce and implement regulated competition of cross border movements

Key Performance Indicator		2019/20 Target	
Implemented scientific tool used by the Regulatory Committee to manage supply and demand of cross-border passenger transport		Developed 4 quarterly MAR implementation reports	
Q1	Q2	Q3	Q4
Updated Market Access Regulation tool(Model)	Quarterly MAR implementation report developed	Quarterly MAR implementation report developed	Quarterly MAR implementation report developed
Quarterly MAR implementation report developed			

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Programme 2: Regulatory Services Continued


GOAL 1 : Facilitate unimpeded flow of cross-border transport


Strategic Objective 1: To introduce and implement regulated competition of cross border movements


Key Performance Indicator		2019/20 Target	
Developed and Implemented Operator Compliance Accreditation Scheme (OCAS)		OCAS Registration Platform developed	
Q1	Q2	Q3	Q4
OCAS Manual Registration Platform designed	OCAS registration Model developed	Develop OCAS Manual Registration Platform	Approved OCAS Manual Registration Platform

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 Programme 2: Regulary Services Continued			
GOAL 1 : Facilitate unimpeded flow of cross-border transport			
Strategic Objective 1: To introduce and implement regulated competition of cross border movements			
Key Performance Indicator		2019/20 Target	
Percentage of temporary permits issued within pre-determined turnaround times		<ul style="list-style-type: none"> 95% of compliant applications for temporary permits processed and issued in front office within 8 working hours 95% of compliant applications for temporary permits processed and issued in back office within 1 day 	
Q1	Q2	Q3	Q4
95% of compliant applications for temporary permits processed and issued in front office within 8 working hours	95% of compliant applications for temporary permits processed and issued in front office within 8 working hours	95% of compliant applications for temporary permits processed and issued in front office within 8 working hours	95% of compliant applications for temporary permits processed and issued in front office within 8 working hours
95% of compliant applications for temporary permits processed and issued in back-office within 1 day	95% of compliant applications for temporary permits processed and issued in back-office within 1 day	95% of compliant applications for temporary permits processed and issued in back office within 1 day	95% of compliant applications for temporary permits processed and issued in back office within 1 day


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PROFILING SERVICES



 Programme 3: Profiling Services			
GOAL 3 : Promote safe and reliable cross-border transport			
Strategic Objective 2: To improve compliance with road transport legislation			
Key Performance Indicator		2019/20 Target	
Number of operator and corridor profiling reports for decision making		4 Operator and Corridor Profiling (Section 39) reports submitted to EXCO for recommendation to Regulatory Committee	
Q1	Q2	Q3	Q4
EXCO recommended Operator and Corridor Profiling (Section 39 period covered January - March) report	EXCO recommended Operator and Corridor Profiling (Section 39 period covered April - June) report	EXCO recommended Operator and Corridor Profiling (Section 39 period covered July - September) report	EXCO recommended Operator and Corridor Profiling (Section 39 period covered October - December) report

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 Programme 3: Profiling Services Continued			
GOAL 3 : Promote safe and reliable cross-border transport			
Strategic Objective 2: To improve compliance with road transport legislation			
Key Performance Indicator		2019/20 Target	
Implemented Law Enforcement Monitoring Tool		Monitored law enforcement performance against targets	
Q1	Q2	Q3	Q4
Progress report on law enforcement indicating performance against targets	Progress report on law enforcement indicating performance against targets	Progress report on law enforcement indicating performance against targets	Progress report on law enforcement indicating performance against targets

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STAKEHOLDER RELATIONS




Programme 4: Stakeholder Management

GOAL 2: Strategic positioning to promote integration of the African continent

Strategic Objective 3: To establish and sustain strategic partnerships with stakeholders so as to enable the Agency to achieve its objectives

Key Performance Indicator		2019/20 Target	
Developed and implemented stakeholder management plan		Engage stakeholders in line with the Stakeholder Management Plan	
Q1	Q2	Q3	Q4
Stakeholder Engagement Report indicating level of achievement of the objectives as per stakeholder management plan	Stakeholder Engagement Report indicating level of achievement of the objectives as per stakeholder management plan	Stakeholder Engagement Report indicating level of achievement of the objectives as per stakeholder management plan	EXCO approved Impact assessment report

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Programme 4: Stakeholder Management Cont...

GOAL 2: Strategic positioning to promote integration of the African continent

Strategic Objective 3: To establish and sustain strategic partnerships with stakeholders so as to enable the Agency to achieve its objectives


Key Performance Indicator		2019/20 Target	
Facilitated the implementation of the SADC protocol and regional agreements		Monitor implementation of SADC protocol and regional agreements	
Q1	Q2	Q3	Q4
Monitored implementation of the SADC protocol and regional agreements as per approved action plan	Monitored implementation of the SADC protocol and regional agreements as per approved action plan	Monitored implementation of the SADC protocol and regional agreements as per approved action plan	Approved Implementation Assessment report

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RESEARCH AND ADVISORY




 Programme 5: Research And Advisory Services				
GOAL 2: Strategic positioning to promote integration of the African continent				
Strategic Objective 4: To proactively provide value added advisory services to the Minister of Transport and other relevant stakeholders on cross border matters in the transport sector				
Key Performance Indicator			2019/20 Target	
Number of Annual State of Cross-border operations reports (ASCBOR) submitted to the Minister and other relevant stakeholders			1 ASCBOR report to the Minister and other stakeholders	
Q1	Q2		Q3	Q4
Development of ASCBOR as per approved project plan	Development of ASCBOR as per approved project plan	of	EXCO noted Draft ASCBOR	Board approved ASCBOR submitted to the Minister of Transport and published on the C-BRTA website


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 Programme 5: Research And Advisory Services				
Continued				
GOAL 2: Strategic positioning to promote integration of the African continent				
Strategic Objective 4: To proactively provide value added advisory services to the Minister of Transport and other relevant stakeholders on cross border matters in the transport sector				
Key Performance Indicator			2019/20 Target	
Number of country profiles developed			2 country (DRC and Tanzania) profiles developed	
Q1	Q2		Q3	Q4
Development of DRC country profile as per approved project plan	EXCO approved developed DRC country profile		Development of Tanzania country profile as per approved project plan country	EXCO approved developed Tanzania country profile

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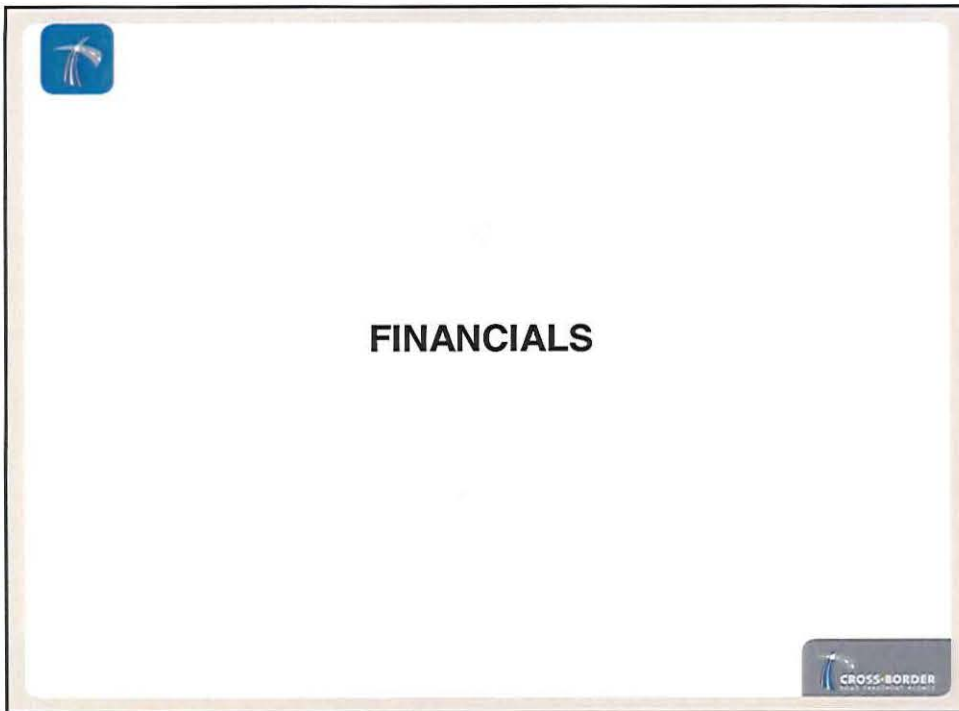


 Programme 5: Research And Advisory Services Continued			
GOAL 2: Strategic positioning to promote integration of the African continent			
Strategic Objective 4: To proactively provide value added advisory services to the Minister of Transport and other relevant stakeholders on cross border matters in the transport sector			
Key Performance Indicator		2019/20 Target	
Developed a model to calculate transit delays at commercial border posts		Piloted Cross-Border Flow Calculator model in 1 corridor (Trans Kalahari)	
Q1	Q2	Q3	Q4
Developed Corridor piloting instruments	Execute surveys for piloting of Cross-Border Flow Calculator as per approved project plan	Draft corridor pilot report	Piloted Cross-border Flow calculator model at the Trans-Kalahari Corridor

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 Programme 5: Research And Advisory Services Continued			
GOAL 2: Strategic positioning to promote integration of the African continent			
Strategic Objective 5: To proactively promote transformation and development of the cross-border industry			
Key Performance Indicator		2019/20 Target	
Developed and implemented Industry Development Strategy		Implemented Industry Development strategy	
Q1	Q2	Q3	Q4
Implemented industry development initiatives as per approved implementation plan	Implemented industry development initiatives as per approved implementation plan	Implemented industry development initiatives as per approved implementation plan	Implemented Industry Development Strategy initiatives for 2019/20

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Revenue Budget: 2020 - 2022

CATEGORY	ACTUAL		MEDIUM TERM ESTIMATES		
	31-Mar-18	31-Mar-19	BUDGET	BUDGET	BUDGET
	AUDITED	AUDITED	BUDGET	BUDGET	BUDGET
	R'000	R'000	R'000	R'000	R'000
Permit Income	213,600	194,802	203,194	215,378	241,224
Prescription Income		162,716	-	-	-
Interest	4,561	5,230	5,723	5,434	5,090
Other Income	3,248	645	675	713	753
Fines, Penalty	29,974	41,645	39,596	37,616	35,735
TOTAL REVENUE	251,382	405,038	249,188	259,141	282,802
Surplus / Deficit	55,103	180,990	3,470	470	8,068


REVENUE SOURCES

- Permit Income
- Interest
- Other Income
- Fines, Penalty

Key Budget assumptions relating to Revenue:

- Revenue is expected to increase slightly due to inflationary increase.
- Fines and penalties expected to decline due to envisaged improvements in compliance.
- Penalty Income is recorded in C-BRTA and payable to RTMC as part of funding cross border law enforcement – governed by Principal/Agency relationship.


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Expenditure Budget Per Economic Classification: 2020 - 2022

	MONTHLY TRIM ESTIMATES				
	ACTUAL	ACTUAL	BUDGET	BUDGET	BUDGET
	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22
	AUDITED	AUDITED	BUDGET	BUDGET	BUDGET
	R'000	R'000	R'000	R'000	R'000
OPERATING EXPENDITURE	196,280	224,047	246,718	258,671	274,734
Administration Fees	29,974	37,027	39,596	37,636	35,735
Compensation of Employees	110,892	126,314	144,701	157,001	170,346
Goods and Services	52,464	57,047	57,753	58,030	59,279
Depreciation and Amortisation	2,950	3,659	3,667	6,024	9,373
CAPITAL EXPENDITURE	5,235	5,250	13,300	10,190	11,100
PPE	3,917	1,500	4,700	2,000	2,000
INTANGIBLE ASSETS	1,319	3,750	8,600	8,190	9,100
TOTAL EXPENDITURE	201,515	229,297	259,018	268,771	285,834


Expenditure composition




- Administration Fees
- Compensation of Employees
- Goods and Services


Key Assumptions relating to Expenditure:


- **Compensation of employees to increase by 15% consisting of:**
 - annual salary inflation
 - filling of only critical vacant positions due to funding constraints
- **Goods and services to increase by 1.2% consisting of:**
 - 5.6% inflation and 5.4% implementation of IT capabilities and other new projects
 - Travel cost reduced by 20% due to implementation of cost cutting measures given the financial constraints
- **Depreciation and amortisation to increase with increase in IT capabilities**

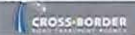






KEY CHALLENGES AND MITIGATION



 Key Challenges/Risks and Mitigation		
Strategic Objective	Key Challenge	Action Taken / Action to be Taken
Governance	<ul style="list-style-type: none"> Board not properly constituted Board term of office ended 30 April 2019 	<ul style="list-style-type: none"> Board term extended for 6 months – 30 October 2019. Process to appoint new members underway at the DoT.
	<ul style="list-style-type: none"> Outdated legislation with limited powers to make regulations on matters connected to the mandate. 	<ul style="list-style-type: none"> Submitted legislative review proposal to DoT for facilitating the public consultation process. Proposal to streamline administrative provisions in regulations drafted.
Financial Sustainability	<ul style="list-style-type: none"> High prevalence of illegal cross border operations 	<ul style="list-style-type: none"> Joint law enforcement operations with SAPS, RTMC & other relevant authorities. Cross-Border Permit as a requirement at borders part of the BMA Bill.

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 Key Challenges/Risks and Mitigation		
Strategic Objective	Key Challenge	Action Taken / Action to be Taken
Financial Sustainability	<ul style="list-style-type: none"> Agency funded through the permit tariff (user charge) which is impacted by market forces. 	<ul style="list-style-type: none"> Agency pursuing alternative revenue streams, i.e. implementation of cross-border charges, sale of information, etc.
Compliance to regional instruments (SACU MOU)	<ul style="list-style-type: none"> Impasse between cross border and domestic transport operators on RSA/Lesotho route 	<ul style="list-style-type: none"> Established National Ministerial Task Team (NMTT) led by DoT. Ongoing stakeholder engagements – industry and SADC Secretariat. Development of draft bilateral agreement.

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Conclusion

Successful Execution of our mandate will lead to:

- Enhanced seamless cross-border road transport movements;
- Improved compliance and road safety;
- Harmonized regulatory environment;
- Reduction in the cost of doing business;
- Increased trade between the country and neighbouring countries in the region;
- Improvement in economic growth and socio-economic development;
- Improved regional competitiveness and investment;
- Improvement in regional integration, trade and economic development;
- and
- Sustainable cross-border value chain.

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