

**PORTS REGULATOR OF SOUTH  
AFRICA**

Annual Performance Plan for  
2022/2023



<b>ABBREVIATIONS.....</b>	<b>3</b>
EXECUTIVE AUTHORITY STATEMENT: DEPUTY MINISTER OF TRANSPORT .....	7
ACCOUNTING AUTHORITY STATEMENT .....	9
ACCOUNTING OFFICER STATEMENT .....	12
<b>PART A: OUR MANDATE.....</b>	<b>16</b>
<b>1. STRATEGIC OVERVIEW .....</b>	<b>16</b>
1.1. VISION OF THE PORTS REGULATOR.....	16
1.2. MISSION OF THE PORTS REGULATOR .....	16
1.3. VALUES OF THE PORTS REGULATOR .....	16
1.4. PRSA'S STRATEGIC OBJECTIVES, OBJECTIVE STATEMENTS, OUTCOMES AND GOAL STATEMENTS.....	17
1.5. STRATEGIC GOALS .....	18
1.6. LEGISLATIVE MANDATES.....	18
1.7. RECENT COURT RULINGS.....	19
1.8. OTHER MANDATES .....	21
<i>National Development Plan</i> .....	21
<i>Medium Term Strategic Framework 2019 -2024</i> .....	22
<i>Priorities of the transport sector</i> .....	22
<b>PART B: OUR STRATEGIC FOCUS.....</b>	<b>23</b>
<b>2. SITUATIONAL ANALYSIS.....</b>	<b>23</b>
2.1. INTERNAL FUNCTIONAL CLIMATE – S.W.O.T ANALYSIS.....	23
2.2. PERFORMANCE DELIVERY ENVIRONMENT: EXTERNAL CLIMATE .....	26
<b>PART C: MEASURING OUR PERFORMANCE .....</b>	<b>30</b>
<b>3. INSTITUTIONAL PROGRAMMES OF THE PORTS REGULATOR .....</b>	<b>30</b>
3.1. ADMINISTRATION, CORPORATE FINANCIAL AND SUPPORT SERVICES .....	30
3.2. ECONOMIC REGULATION .....	31
3.2.1. TRIBUNAL .....	33
3.2.2. LEGAL SERVICES .....	33
3.2.3. REGULATORY COMPLIANCE AND MONITORING .....	34
3.6. OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS.....	35
3.7. PROGRAM OUTPUTS, INDICATORS, ANNUAL & QUARTERLY TARGETS FOR THE 2022/2023 FINANCIAL YEAR.....	42
3.8. PROGRAMME RESOURCE CONSIDERATIONS.....	53
3.9. ORGANIZATIONAL EXPENDITURE TRENDS OVERVIEW .....	54
3.10. INCOME AND EXPENDITURE TRENDS.....	56
3.11. KEY RISKS AND MITIGATION .....	59
<b>PART D: TECHNICAL INDICATORS .....</b>	<b>62</b>
4.1. CORPORATE SERVICES .....	62
4.2. ECONOMIC REGULATION INDICATORS .....	64
4.3. INDUSTRY DEVELOPMENT TECHNICAL INDICATORS .....	70
4.4. TRIBUNAL, LEGAL AND COMPLIANCE.....	75
4.5. GOVERNANCE .....	80
<b>ANNEXURE A: AMENDMENTS TO PERFORMANCE PLAN .....</b>	<b>82</b>

## **ABBREVIATIONS**

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

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

## Executive Authority Statement: Minister Fikile Mbalula



As the world starts its journey of recovery following the devastating impacts of the COVID-19 pandemic in all spheres of life, the Department of Transport entrusted by the South African government, has committed to lead the economic and social recovery of the Transport Industry. There are many challenges facing the Transport Industry, and the Maritime Sector has not been spared. The economic recovery requires commitment and an integrated approach for successful execution of interventions.

The COVID-19 pandemic has taught us that the world as we know it, is no more. We need to be innovative, agile, and intentional about bringing about fundamental changes to the transport industry. As a Department, our strategy to reimagine transport and its role in growing the economy and creating jobs is anchored on a dynamic interplay between continuity and change.

We continue to build momentum towards the realization of the goals of the White Paper on Transport Policy, while we become innovative and efficient on how we do things resulting in accelerated, meaningful and sustainable service delivery.

With the Khawuleza ethos forming the foundation in delivering transport services to South African citizens over the last three years, our focus remains guided by five strategic priorities which include: Priority 3: Infrastructure build that stimulates economic growth and job creation; Priority 4. Building a maritime nation, elevating the oceans economy; and Priority 5. Accelerating transformation towards greater economic participation

Over the years, port users and stakeholders continue to raise challenges they experience in our port system. Issues of lack of execution of capital projects by the National Ports Authority, the high cost of doing business in the SA ports and the delays experienced by shipping lines in South Africa's commercial ports resulting in the levying of demurrage, and others, continue to be raised at Port Consultative Committees (PCC) which have been brought to the attention of the President Ramaphosa.

These concerns are not without merit, we have seen the poor performance of our container terminals in "The Container Port Performance Index 2020, A Comparable Assessment of Container Port Performance", where ports of Durban, Cape Town, Port Elizabeth and Ngqura were all placed at the bottom on both the statistical and administrative approaches with the Port of Ngqura and Port of Durban last at No. 351 respectively.

On 22 June 2021, an announcement by President Cyril Ramaphosa on establishment of Transnet National Ports Authority (TNPA) as an independent subsidiary of Transnet was made. This was in light of the challenges experienced by port users but also government's efforts to accelerate the implementation of structural economic reforms.

The Ports Regulator of South Africa (PRSA) has a critical and strategic role to play in ensuring that South African ports are positioned to be globally competitive whilst ensuring that South Africans have access to cost effective port services.

As the department of Transport, we have a strong focus on building a globally competitive maritime industry. This will be made possible through the South African ports' infrastructure build, promotion of safe and competitive ports, elevating the oceans economy and intentional maritime transformation

that enables access to port services and greater economic participation. Capital expenditure to drive infrastructure developments continues to be a strategic focus area. I will, therefore, be holding the PRSA accountable for ensuring that South African ports managed by the National Ports Authority, are operated efficiently and bring about efficiencies in the port system and are competitive to drive recovery of the South African economy and contribution to future economic growth.

We continue to move forward on the establishment of the new Single Transport Economic Regulator with a view to consolidate all economic regulation of transport within a single entity and policy framework. The aim is to promote the development of an integrated system of economic regulation of all passenger and goods transport and improve efficiency in line with international standards and local requirements. In line with “re-imagine transport, re-imagine the future” for the transport sector, the five pillars and building blocks for the maritime program remains: Pillar 1: Enhancing South Africa’s ship registration regime. Pillar 2: Mainstreaming maritime through empowering historically disadvantaged persons to access opportunities, support development of young people and to take up opportunities in the maritime fraternity through recreation and economic opportunities. Pillar 3; Rolling out coastal shipping and create partnerships to ensure sustainable support system to enable effective implementation. Pillar 4: Create programmes to elevate fluvial transport and open up new economic activities by maximising the use of inland waterways. Pillar 5: unlocking maritime for economic stimulation and recreation.

As we intensify the recovery of the maritime industry, all hands are needed on deck to improve the overall efficiencies of South Africa’s terminals and global ranking on competitiveness of our container terminals. The Covid-19 Pandemic has also intensified our drive of introducing new technologies to increase digitization.

Let us all work collectively towards improvements in maritime transport system.



**Mr FIKILE MBALULA, MP**  
**MINISTER OF TRANSPORT**

## Executive Authority Statement: Deputy Minister of Transport



The Department of Transport's has the mandate not only to provide safe, secure, reliable and affordable accessible transport and transport networks, but also to contribute to South Africa's economic recovery, growth and development. In executing this mandate through its entities, the Department plays oversight on transport entities in the Maritime and Oceans Economy environment including the Ports Regulator of South Africa and the South African Maritime Safety Authority (SAMSA).

As identified through Operation Phakisa and the Minister's priorities aimed at "building a maritime nation, elevating the oceans economy", South Africa's Maritime Industry continue to present enormous and yet to be fully tapped economic growth and development potential. The infrastructure built of the NPA, which must ensure adequate port terminal capacity, facilities and services are provided to support current and future volumes is a key pillar to economy recovery effort. Even with the prevailing COVID-19 operating environment and its challenges on the shipping and port operations, the maritime sector must contribute to the country's GDP growth as well as job creation. The shipping and related maritime industry which facilitates trade through our ports, remain global in nature, and requires efficient port pricing and terminal operations that reduces transportation cost and improves the attraction of international trade to our waters.

The Honourable Minister of Transport, Mr Fikile Mbalula has issued a call to "Changing Lanes, Moving South Africa Forward" through reimagining transport and reimagining the future and cementing its role in growing the economy and creating jobs. The department has seven (7) specific delivery programmes that target focus on the transport Agencies.

The Ports Regulator of South Africa is charged with responsibility to ensure that the National Ports Authority's (NPA) implements the objects of the National Ports Act, Act 12 of 2005 and delivery port infrastructure, facilities and services that meets the economic and developmental needs of the country and improve our competitiveness in international trade. South African ports should be the integration points of the South African economy and therefore, it is crucial that our container terminals are efficient and competitive. Improving the ports' global ranking in performance should be in the forefront of the NPA with firm oversight from the Regulator.

This is as various research studies published in the past year have shown poor performance and that highlight firmer interventions and focus are required from the NPA to turn around South Africa's port performance to achieve the defined port objectives. Appropriate regulatory decisions and interventions by the Ports Regulator must continue to be implemented to address poor performance by the NPA and terminal operators. Just as important is an inclusive port industry which allows the participation of diverse South African companies in the various facet of port functions ranging from terminal operations, to commercial leases and licenses for various port activities that makes our ports function. Transformation must broaden access and participation of companies across the board with specific focus on historically disadvantaged groupings to small, medium and macro (SMME) enterprises.

As the country changes gears and focus on recovery and sustained programs post the lockdown restrictions, the PRSA must ensure that it fully discharges its mandate of ensuring that our South African ports are competitive, efficient and monitor Broad Based Black Economic Empowerment (B-BBEE) in all

our commercial ports and services delivered therein. The Regulator must fully exercise its mandate of oversight and compliance over the NPA ensuring an effective port system and the country emerges as a strong maritime nation by elevating the Oceans Economy.

To this end and in line with the Act, President Mr. Cyril Ramaphosa announced in June 2021 the corporatization of NPA. Efforts are underway between the Departments of Transport and Public Enterprises to implement this long outstanding requirement which must yield positive outcomes and impact on port developing by strengthening the oversight of terminal operations by the NPA, prioritisation of port infrastructure and CAPEX projects and the operations of the NPA as the landlord and sole port infrastructure owner as defined in the Commercial Ports Policy and the Act. Therefore, supported by the department of Transport, the Regulator must monitor progress on the establishment of NPA as an independent entity. Amongst others, during the 2022/23 Annual Performance Plan period the Regulator must focus on:

1. Greater regulatory role in the operations, pricing and access set by the NPA.
2. Strong focus on successful execution of infrastructure projects as pillar of the economic recovery plan.
3. Effective and efficient engagement with stakeholders on regulatory outputs and processes.
4. Continued growth and development of an empowered regulator workforce which is capacitated to deliver on its mandate.

The Department will provide support in addressing areas of challenges including: Enforcement instruments for implementation of the Regulator's compliance findings against the National Ports Authority which are currently lacking.

Whilst understanding the impact of Covid-19 on the overall port business, the Regulator must ensure that NPA's strategic Covid-19 and operational recovery initiatives yield measurable results in the short-term and medium-term with effective engagements with the Department, where applicable, to address bottlenecks in the port system for our intervention. I am looking forward to the Regulator's successful execution of its Annual Performance Plan 2022/23 FY and wish the Board and its Secretariat all the best in discharging its mandate.

---

**MS SINDISIWE CHIKUNGA, MP**  
**DEPUTY MINISTER OF TRANSPORT**



## Accounting Authority Statement



The Ports Regulator remains committed to the process of reforming South Africa's port pricing and bringing about operational efficiency through regulation of the NPA and monitoring of its performance in line with the National Ports Act. As an economic regulator of South Africa's commercial ports, the Regulator is charged with the responsibility to undertake economic regulation of ports in line with government objectives; promote equity of access to ports and to port facilities and services provided in ports; monitor the activities of the Authority to ensure that it performs its functions in accordance with this Act. As the Regulator we must accordingly, hear appeals and complaints, co-ordinate and harmonise the exercise of jurisdiction over competition matters with the competition commission, consider the proposed tariffs of the Authority; promote regulated competition and regulate the provision of adequate, affordable and efficient port services and facilities. The organisation's projects encapsulated in this 2022/23 Annual Performance Plan (APP) address the different elements of our functions and obligations to port users as per the National Ports Act.

Overall, as a collective appointed by Minister Fikile Mbalula in June 2020, we are committed to effective governance and oversight on the organisation to ensure that the Regulator contributes to the achievement of government objectives. Our regulatory decisions in relation to appeals and complaints and on port pricing must not only be administratively sound and follow the prescripts applicable to those undertaking administrative decision but that the decisions are responsive and bring about the required changes in or through port pricing, efficiency monitoring and incentivisation.

The overall focus of the Regulator is to bring about appropriate port prices on a user benefit/user pay basis with frameworks for addressing required cross-subsidisation in the port system; to send the signal to the Authority that will ultimately drive the required behaviour in addressing inefficiencies in the system that have led to SA ports occupying the bottom rungs out of 351 ports globally in the World Bank's 2021 report .

The setting of port pricing is effectively the setting of administered prices. We continue to make strides in reforming port pricing and addressing efficiencies in line with the regulatory frameworks (developed with ports users participation across the port system) in the form of our multi-year tariff methodology

and the tariff strategy which respectively, determines the overall revenue that the NPA generates from the port system to implement infrastructure projects (CAPEX) and cover operational expenditure as well as generate a return commensurate with the risk in investing in the SA ports, and also apportion the incidence of the tariffs to the port user groupings (cargo owners, terminal operators and lessees and shipping lines). Understanding the importance of providing capacity ahead of demand to support current and future port volumes, the Regulator has approved the NPAs CAPEX budget for 2022/23 even with its dismal failure to spend previous approved allocation. The CAPEX programme is key driver of port development and supports government's Revised Economic Recovery Plan amongst whose pillars is infrastructure delivery. The Regulator's outreach program in 2022/23 will include close monitoring of the Authority's delivery model and interventions to improve port infrastructure delivery including under the corporatised NPA.

Port tariff setting does not take place in a vacuum.

The corporatisation of the National Ports Authority in line with section 3(2) which gained momentum in the last three years should be nearing completion in the 2022/23 Financial Year. This will have an impact on the review of the tariff methodology which will be applicable to the 2023/24 FY, after which the current methodology must be reviewed, retained and adjusted to take into account the timing and effects of corporatisation of the NPA. The Regulator is also keenly following, and where applicable participating in the establishment of the Single Transport Economic Regulator which may have a bearing on the existence and the nature of port economic regulation within the broader transport economic regulation mandate.

COVID-19 has continued to affect the performance of ports globally. In response to the impact of COVID-19 and its effects on the port users and the economy in general, the collective of the Regulator announced an average inflation linked 4.8% tariff adjustment for the 2022/23 FY whilst retaining incentives previously introduced to respond to various developmental needs in the port system. These includes: 30% discount on marine charges for vessels on the SA register and those to be registered up to 31 March 2023 to encourage registration on South Africa's ship registry; 60% discounts for vessels calling SA port to take on bunkers without spending more than 48hours at port; 30% discount on license fees for companies to provide various port services for which a license is required including e.g. vessel registration agents, diving, stevedoring, hull-cleaning, etc.

The value of the incentives is still being quantified, and will overall be discounted by the magnitude of the impact of COVID-19 on businesses within the port space. Submissions from some segments of the port user fraternity indicate positive strides, for example, SA flagged vessels are creating more

opportunities for training of South African seafarers. The discount of vessel taking on bunkers, if properly marketed may have resulted vessels diverting and using the Suez Canal during the closure of the Canal due to grounding of the Evergiven. Trade will be affected by developments in Russia and the Ukraine which may disrupt the transportation of cargo and eventually inflow and outflow of cargo in our ports.

The projects presented for the 2022/23 FY directly and indirectly addresses how the Regulator will respond to the challenges arising out of its mandate and operational environment outlined. The members of the Regulator continue to rely on the support and leadership of the Minister of Transport Mr. Fikile Mbalula; the Deputy Minister of Transport, Ms. Sindisiwe Chikunga and her guidance on the priorities and development of the maritime industry and Oceans Economy. The Executive Team of the Ports Regulator led by Ms. Mulaudzi and the staff that work tirelessly to achieve the targets set in the APP and contribute to the maturing economic regulation of South Africa's commercial ports, the pricing thereof and efficiencies.



---

Dr. Tshisikhawe Victor Munyama

Acting Chairperson, Ports Regulator of South Africa.

## Accounting Officer Statement



The global economy continues to be in turmoil with the conflict in Russia and the Ukraine; COVID-19 restrictions and projected increases in inflation rates for 2022/23 as economies begin to unwind accommodative monetary policy stance. As global shipping industry and trade adjusted to global responses to arrest and minimise the movement of people and goods in a bid to arrest the spread of the virus, the COVID-19 restrictions since the beginning of 2020 resulted in a significant reduction of port activity before recording the start of an upswing in the 2021/22 Financial Year. United Nations Conference on Trade

and Development (UNCTAD) expected an upswing in annual trade of about 4.8% at the back of countries opening up to trade. The maritime industry has also seen significant increases in freight rates for the transportation of goods. Cargo owners through increased pricing of maritime transportable goods will absorb the cost.

As we adopt this performance plan for the Ports Regulator, South Africa has not yet reached the targeted vaccination rates and the country is still on lock down, albeit with progressive relaxation of restrictions.

The Regulator's 2022/23 Annual Performance Plan is a product of the review conducted by staff and members that took account of the Ports Regulator's mandate in light of the global challenges and domestic imperatives outlined in the Executive Authority's statements and in our reported SWOT and PESTGEL exercises. Whereas the organisation faces capacity and funding challenges highlighted in this document the Secretariat, supported by the Regulator members and governing body, are committed to the following strategic objectives defined and retained for the five-year period 2020 - 2025:

1. To run an efficient and effective administrative system. The Regulator's workforce comprise a headcount of 27. Employee must be capacitated and empowered to ensure implementation of all elements of the regulatory framework within the regulators mandate. The Regulator must broadened this strategic objective to ensure that staff and Regulator members are capacitated adequately and respond to Priority 1 in the Medium Term Strategic Framework (MTSF) 2019 – 2024.
2. Improve economic regulation in ports. Under this objective the Regulator develops regulatory frameworks in consultation with stakeholders, interested and affected parties ensuring transparency, openness and ultimately certainty in the regulatory trajectory for the port system.
3. Ensure industry development, infrastructure planning, integration and efficiencies in the port system. Stakeholder engagement to support the development of an open and transparent regulatory

environment as well as research into the provision and delivery of infrastructure that responds to the needs of port users and port system within a framework that is sustainable and affordable.

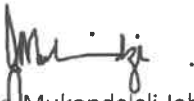
4. Monitor port authority's compliance with Ports Act, Port Policy and Regulatory Instruments. Under this objective, the Regulator's programmes are aimed to the NPAs and its compliance with the Act as well as lobbying of the state, primarily the Department of Transport, on applicable policy and legislative frameworks to enable, bolster and enhance the regulatory function; capacity of the institution as well as transformation in the port system.
5. Operate and effective and efficient tribunal to hear appeals and complaints. With port users, interested and affected parties empowered by sections 46 and 47 of the Act to bring appeals and complaints to the Regulator, the members are supported by the Secretariat and where applicable external experts, to hear appeals and concerns which must ensure that the NPA is performs its functions in accordance with the Act.

The Regulator projects are aligned to the objectives of the government in line with the NDP 2030, MTSF and Economic Recovery plan noting the following: The PRSAs aims to reduce the cost of living for SA and the cost doing business with SA through fair and well-structured tariff methodology on which tariff determinations are based and is proactive and risk mitigating for port users, maintains an Excessive Tariff Increase Margin Credit facility (ETIMC). About R645m is available to offset future high increases after R1, 18bn was utilised for the 2022/23FY to bring tariff within inflation. The Tariff Strategy maintains on average 70% lower prices for highly beneficiated South African manufactured cargo in export containers and on SA manufactured export vehicles. All automotive industry cargo dues were equalized at 60% discounted level for all OEMs since 2016 reducing the cost of doing business to smaller SA auto manufacturers, contributes to beneficiation and SA industrialization, and ultimately reduce the cost of doing business as per MTSF outcome 2.5.6 and DoT priorities.

Operational Efficiencies in the port system. The PRSA's port performance incentives programme, the Weighted Efficiency Gains from Operations (WEGO), encourages efficient port operations penalizing the NPA R152m in the 2022/23 FY for lack of improvements in port efficiencies. WEGO is currently the only (dis)incentive to address drive improvements in the port efficiencies. All proposals of the NPA capital projects were approved.

PRSAs work on transformation in port system continues through analysis of trends with B-BBEE in the port sector submitted which may be submitted to the Minister as section 30(5). The report is used to lobby government (the DOT) to promulgate new score cards for the Maritime Transport and Services Sector and the Regulator has proposed revisions for the 2009 Regulations which will be processed in the 2022/23FY as the current regulations are inadequate.

The 2022/23 FY will see the implementation of key projects in advancing the mandate of the organisation including: Benchmarking of employees' salaries and benefit structures to attract the right skills, capacity and capabilities and achieve the separation of functions in Corporate Services and re-introduction of internship program. Supporting the DOT on technical and regulatory input on the corporatisation of NPA; the development of marine and lease strategies as part of maturation of the tariff strategy; and research to develop broader regulatory frameworks for STER. We also aim to complete a model to determine optimal efficiency targets for selected terminals based on design/installed capacities; implement a Knowledge Management System for PRSA; develop capacity for timely resolution of appeals and complaints, internal capacity to support tribunal processes: appeals, complaints, required investigations, and maturation of the internal compliance function.



Ms. Mukondeleli Johanna Mulaudzi

CEO: Ports Regulator of South Africa

Signature  \_\_\_\_\_

Name and Surname: Administration  
**Thokozani Mhlongo**

Signature \_\_\_\_\_

Name and Surname: Economic Regulation

Signature  \_\_\_\_\_

Name and Surname: Industry Development  
**NOKUZOLA NKOWANE**

Signature  \_\_\_\_\_

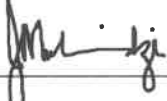
Name and Surname: Legal  
**Lesedi Boihang**

Signature \_\_\_\_\_


Name and Surname: Governance

Signature  \_\_\_\_\_

Name and Surname: Chief Financial Officer  
**Thokozani Mhlongo**

Signature  \_\_\_\_\_

Name and Surname: Accounting Officer

Approved by   
Signature \_\_\_\_\_

Name and Surname: Executive Authority

## PART A: OUR MANDATE

### 1. STRATEGIC OVERVIEW

#### 1.1. Vision of the Ports Regulator

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

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

#### 1.2. Mission of the Ports Regulator

The mission of the Ports Regulator of South Africa is to

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

#### 1.3. Values of the Ports Regulator

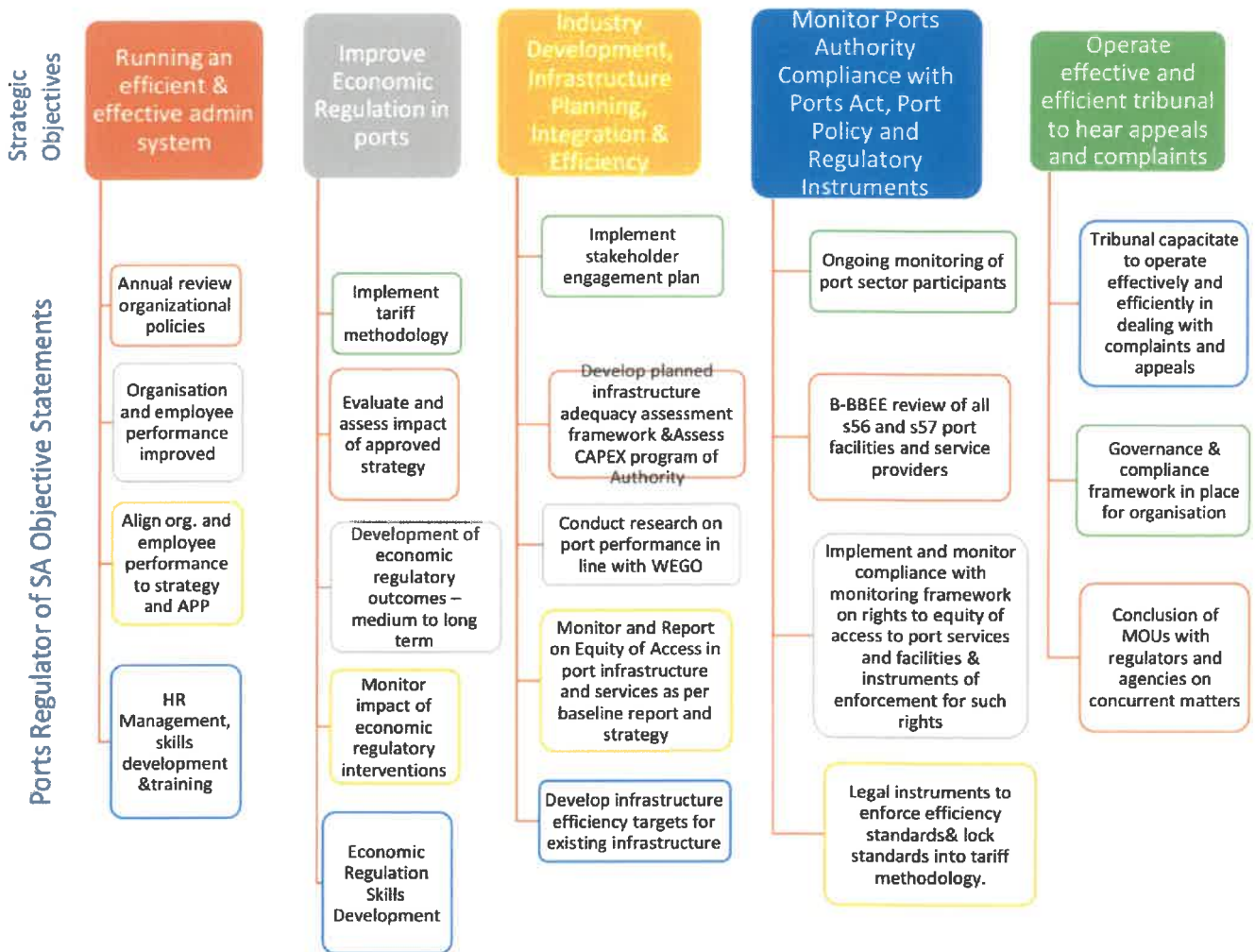
The Ports Regulator initially established a value set that represented the articulation of its mandates as set out in legislative, regulatory and policy sources. These have been reviewed on an annual basis since inception. The values that the Ports Regulator aspire to have been retained over the years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

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



### 1.4.PRSA’s strategic objectives, objective statements, outcomes and goal statements

As adopted in the 2020/21 - 2024/25 Strategic Plan of the Ports Regulator of South Africa, the organisation is committed to the five strategic objective stated below with the objective statements.



The defined strategic objective and objective statements were further broken down into strategic outcomes and goal statements for the organisation that in turn gave rise to the organisation’s Outcomes, Outputs, Performance indicators and targets in section 3.6 and Annual Performance targets in section 3.7.

Strategic outcome/ Goal statement	Description
1.Strategic outcome	Ensure implementation of all elements of the regulatory framework within its mandate
Goal statement	Implementation of the regulatory framework which is in place that ensures regulatory certainty and intervention in required areas in accordance with state policy, that responds to all appropriate stakeholder needs
2. Strategic outcome	Enhance the capacity to deal with all the output requirements of the organisation
Goal statement	Maintain and enhance where appropriate all systems, resources and staff competencies to ensure the delivery of the Regulators mandate
3.Strategic outcome	Continue to maintain its reputation as an organisation with integrity focussed on delivery and excellence
Goal statement	Ensure that it delivers the appropriate outcomes that are predictable, timeous, clear, and in alignment with policy and the regulatory framework and meet the needs of the country with integrity and excellence
4.Strategic outcome	Ensure that the NPA comply with the National Ports Act, Act 12 of 2005
Goal statement	Monitor and intervene to ensure that the NPA complies with the Ports policy and legislative requirements
5. Strategic outcome	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
Goal statement	Promote equity of access to ports and port facilities and services, regulated the efficiency and effectiveness of the provision of port services and facilities by the Authority to enhance competition and attract new investment

### 1.5.Strategic Goals

The Strategic Goals of the Regulator are as follows:

- Ensure implementation of all elements of the regulatory framework within its mandate;
- Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework;
- Maintain its reputation as an organisation with integrity focussed on excellence and delivery;
- Ensuring that all port sector participants comply with the National Ports Act; and

Consider the proposed tariffs of the Authority and regulate the provision of adequate, affordable and efficient port services and facilities to ensure enhanced competition and investment.

### 1.6.Legislative Mandates

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

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

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

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

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

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

### **1.7.Recent court rulings**

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

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

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

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

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

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

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

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

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

Case law relates to the use of regulatory instruments in the transformation and mainstreaming of designated groupings by targeting the procurement spent of public entities, a responsibility which

the Regulator is accountable for in its internal procurement process and in the context of driving equity of access to port infrastructure and services by monitoring the National Ports Authority's Broad Based Black Economic Empowerment program.

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

The basis for the invalidity is that the Minister of Finance exceeded his powers in making the Regulations, as they are inconsistent with the PPPFA.

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

The Constitutional Court thereafter confirmed that the Public Procurement Regulations are invalid, after the Minister, on an urgent basis, sought confirmation from the Constitutional Court about the invalidity of the Procurement Regulations. As we start the 2022/23 FY, all procurement has been halted as the National Treasury seek clarification on the suspension of the SCA judgement.

The case *Airports Company of South Africa SOC Ltd v Imperial Group Ltd & Others (1306/18) [2020] ZASCA 02* which was decided on 31 January 2020, wherein the Supreme Court of Appeal (SCA) dismissed the appeal by the appellant and unanimously found that the preferential procurement policy reflected in ACSA's Request for Bids (RFB) breached section 217 of the Constitution and the provisions of the PPPF Act.

## **1.8. Other Mandates**

### **National Development Plan**

The Ports Regulator aims to respond to the National Development Plan goals, amongst others, to improve efficiencies and reduce the inflation of administered prices in support of building a diversified economy, stimulating manufacturing, enhancing the regulation of market participation,

provision of appropriate infrastructure and services. In particular, the Ports Regulator aims to ensure that the National Ports Authority is efficient and financially viable and continues to invest in maintaining, refurbishing and extending port capacity.

#### Medium Term Strategic Framework 2019 -2024

The Ports Regulator takes cognisance of, and through its regulatory mandate responds to some of the Medium Term Strategic Framework 2019 – 2024 outcomes. As a public entity, the Regulator is aligned with MTSF priorities. In particular, the Ports Regulator is committed to and will contribute to **Priority 1: A capable, ethical and developmental state and Priority 2: Economic transformation and job creation**. In filling vacancies in the organisation care will be taken to continue identifying professionals that are dedicated to meeting the service delivery requirements in the port sector in line with our mandate, whilst nurturing internal talent and *“growing our own timber”*. The organisation will shift its focus to enhancing our Human Resources Development program. Priority number two is relevant to the Ports Regulator’s decisions in tariff setting for the NPA. The tariff setting process supports investment in port infrastructure through approved CAPEX and incentivises improvements in port efficiencies. Through the regulatory decisions and within the framework of the tariff methodology, the Regulator supports the MTSF goal for increased levels of investment by public entities and increased contribution to economic growth; percentage growth in exports for defined national priority sectors and the reduction of costs for priority sectors by increasing the efficiency of ports through the corporatisation of the National Ports Authority. The Regulator will increasingly contribute to the MTSF goal to increase competitiveness and access to transport modal networks through effective regulation through its redefined role in the Single Transport Economic Regulator (STER) when it is established. It is envisaged that the STER will subsume the Ports Regulator into a new, wider economic regulator in the transport sector.

#### Priorities of the transport sector

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

## PART B: OUR STRATEGIC FOCUS

### 2. Situational analysis

The members of the Regulator supported by the Secretariat guided development and updating of the Ports Regulator’s 2022/23 Annual Performance Plan. The Secretariat conducted a strategic planning session on 24 – 25 August 2021 whilst the Board planning and risk workshops were held on 27 -28 October 2021. Alignment of the 2022/23 Annual Performance Plan with government and the Department’s strategic plan was confirmed when the Acting Chairperson and the Management Team attended and participated in the Department of Transport’s strategic planning session on 13-14 January 2022.

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

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

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

PRSA SWOT Analysis			
1.	Strengths	Performance	Reference (Strategic Objectives)
i)	Competent in carrying out the core function of the organisation, which is economic regulation, and independent tribunal function, with a good technical base and established practices.	<ul style="list-style-type: none"> <li>- Multi-year Tariff Methodology;</li> <li>- assessment of Tariff Application; and</li> <li>- Regulatory committee to guide this area of performance.</li> <li>- Efficient case management of complaints and appeals;</li> <li>- Efficient hearing of complaints and appeals; and</li> <li>- Timeous decision-making.</li> </ul>	Objective 2
ii)	Fulfilling its complete mandate in terms of section 30.	<ul style="list-style-type: none"> <li>- Robust Tariff Framework comprising Tariff Methodology and Tariff Strategy consulted with stakeholders.</li> <li>- Increased monitoring of the NPA’s compliance with its functions in terms</li> </ul>	Objective 2 and 4

		of the Act, and on transformation and equity of access in SA ports.	
iii)	Good audit record and robust control processes	<ul style="list-style-type: none"> <li>- Fully functional Audit Committee;</li> <li>- Good internal controls and checks and balances;</li> <li>- Effective Internal and External Audit</li> <li>- Clean audit achieved.</li> </ul>	Objective 1.
iii)	Clear strategic direction.	<ul style="list-style-type: none"> <li>- Fully functional Regulator.</li> </ul>	Objective 6
iv)	Good governance practices and procedures in place.	<ul style="list-style-type: none"> <li>- Fully functional legal and compliance department to ensure the PFMA King IV are complied with.</li> </ul>	Objective 6
v)	Non – Executive Directors not captured and remain involved with the functioning of the organisation.	<ul style="list-style-type: none"> <li>- Members are appointed as independent non-executives;</li> <li>- Members set strategic direction for the organisation and oversee good governance compliance.</li> </ul>	Objective 6
vi)	High level of professionalism amongst staff.	<ul style="list-style-type: none"> <li>- Absence of high levels of ill-discipline amongst staff.</li> </ul>	Objective 1
vii)	Absence of internal strife.	<ul style="list-style-type: none"> <li>- Organisation is a small one and staff take initiative, with professional work ethic and culture within the organisation.</li> </ul>	n/a
viii)	Effective use of resources and crosscutting measure to ensure efficient use of the budget, with a good retained reserve.	<ul style="list-style-type: none"> <li>- Good financial controls;</li> <li>- Compliance with National Treasury guidelines concerning efficient use of public entity resources.</li> </ul>	Objective 1
ix)	Effective and efficient engagement with stakeholders on regulatory outputs and processes.	<ul style="list-style-type: none"> <li>- Port users, interested and affected parties participate and make submissions on the NPAs Tariff Application, and are consulted and invited to make inputs on the PRSAs tariff methodology and tariff strategy.</li> </ul>	Objective 2 and Objective 3
<b>2. Opportunities</b>			
i)	Credibility and good reputation amongst industry players.	<ul style="list-style-type: none"> <li>- Trust of industry in the credibility of the Regulator's processes and competence to carry out its functions.</li> </ul>	Objective 2 and Objective 3
ii)	Envisaged enactment of the Economic Regulation of Transport Act leading to establishment of the Single Transport Economic Regulator around PRSA processes and practices, policy and established methodologies.	<ul style="list-style-type: none"> <li>- Will form the nucleus of the STER as per legislation.</li> </ul>	Objective 2 & 5
iii)	Greater regulatory role in the operations, pricing and access set by the Authority.	<ul style="list-style-type: none"> <li>- Greater engagement with the Authority and respect cultivated between the two organisations as well trust in the sharing of information.</li> </ul>	Objective 2



iv)	Envisaged amendments to the 2007 Regulation and 2009 Directives as issued in terms of the National Ports Act, Act 12 of 2005	- Work on this to be fast tracked with the Department of Transport.	Objective 4 and 5
v)	Feedback to PRSA from the Five-year public review.	- Findings from regulatory review highlights areas where Regulator's effectiveness can be further enhanced from perspective of port stakeholders.	Objectives 2, 4, and 5.
<b>3. Weaknesses</b>			
i)	Enforcement instruments for implementation of PRSA compliance findings against the National Ports Authority are lacking.	- This must be addressed through the gazetted legislative amendment of the National Ports Act or passing of the Economic Regulation of Transport Bill for the powers it confers on the Regulator and the Council.	Objective 4
ii)	Existing financial model and full reliance on the National Fiscus constrains the expansion and work of the Regulator.	- This must be addressed through further and continuous engagements with the DoT and National Treasury.	Objective 1
iii)	Limited staff relative to mandate to be performed	- Appointment of additional staff dependent on approval of the revised organogram and increase in budget baseline by the Minister of Transport	n/a
iv)	Information asymmetries.	This relates to information required by the Regulator and what is provided by the Regulated Entity, and address this through building credible relationship with the Authority and the use of confidential information in accordance with the Directives.	Objective 2, 3, 4 & 5
v)	Policy gaps (directives and regulations issued in terms of Ports Act).	- Policy review and amendments to be undertaken.	Objective 4 & 5
<b>4. Threats</b>			
i)	Limitation on sources of income as per the Act and existing funding model.	- Alternate funding model together with proposed amendments to section 42 of the National Ports Act to be effected; or - The passing of the Economic Regulation of Transport Bill with its provision for a regulatory charge to be levied on beneficiaries of regulation.	Objective 1
ii)	Regulation a very specialised area with limited external capacity	- Skills development within niche' areas is a priority for the organisation in terms of the skills development plan, Knowledge Management process and adaptation of generic regulatory training to include a focus on regulation of ports.	n/a

iii)	Differences in interpretation of aspects of the National Ports Act by different parties with no judicial precedent to assist.	- Regulator has an opportunity to develop jurisprudence through Tribunal decisions.	Objective 5
iv)	Absorption and Dilution into the STER.	- Actively participate in the STER process and provide ongoing support and input to business case and implementation plan of STER.	n/a

## 2.2. Performance Delivery Environment: External Climate

The Regulator reviewed and retained or adjusted the factors in the Ports Regulator's external climate, which were identified in the 2021/22 using the PESTGEL analysis tool. The table below confirms the factors, the identified positive and/or negative impacts on the Ports Regulator's business as well as action the organisation will take to lessen negative impact during the 2022/23 FY. Where positive benefits are anticipated, the reported action highlights how we will optimise on the potential to realise the positive outcomes.

Factors	Impact on PRSA Business	Impact +/-	Action
Political/Strategic			
MTSF strategic goals	Regulatory outcomes must respond to regulatory framework and align the PRSA's delivery with MTSF goals	+	Take relevant MTSF goals into account in terms of Regulator's performance of its functions and tariff considerations.
Ocean's economy – Operation Phakisa	Determine role of the PRSA in relation thereto and implement to inform economic policy and development in terms of access to ports and port facilities and services	+	Take relevant goals into account in terms of Regulator performance and tariff considerations.
Establishment of a Single Transport Economic Regulator	Change in the structure and nature of economic regulation of port infrastructure	+/-	Engagements with DOT re: business case, structure and transitional arrangements for the PRSA into STER
Infrastructure delivery as pillar of economic recovery plan	Support initiative to improve SOE CAPEX implementation	+	Approve NPA CAPEX, monitor and report on its implementation
National Ports Act Amendments – proposed amendments to enable enforcement of PRSA's decisions put in abeyance in favour of Economic	Lack of enforcement powers for the PRSA resulting in non-implementation of compliance findings on the regulated entity	-	Continued monitoring and/or engagements with DOT on the National Ports Act amendments and/or passing of the Economic Regulation of Transport Bill and/or establishment of the Single Transport Economic Regulator

Regulation of Transport Bill.			
Economic			
High price/cost of doing business in South Africa	Tariff assessment to ensure port infrastructure, facilities and services' components of the cost of doing business in SA ports are sustainably reduced.	-	Use of adopted tariff methodology and continued re-balancing of tariffs in line with tariff strategy to enhance pricing and operational efficiency and value of port assets.
Impact of COVID-19 on port pricing	Ensure tariff assessment responds to economic condition/impacts and continues to reduce the cost of business in SA ports.	-	Use of tariff methodology to prepare for/and mitigate adverse impact from COVID-19 pandemic
Impact of COVID-19 effects on the fiscus and on funding of the Ports Regulator	Potential reduction of baseline allocations over the MTEF	-	Continuous engagement with the DOT to seek sustained funding of the Ports Regulator on at least the current funding trajectory
Funding to increase capacity and implement full regulatory mandate and activities.	Capacity and resource constraints may continue and organisation may continually fall short of fulfilling its full mandate and/or targets	-	Assist DoT in the required legislative changes that will enable levying a charge on beneficiaries of regulation.
PRSA's contribution to transformation objectives in the provision and development of port infrastructure, facilities and services by monitoring compliance of the National Ports Authority with the National Port Act, Act 12 of 2005 and the Regulations	Ineffective outcomes from monitoring of transformation based on 2007 B-BBEE (transformation) regulations that are now outdated – lack of targeted interventions for targeted groups.	-	Support DOT and government processes (DTIC review of B-BBEE Sector codes) to update of Regulations.
Pricing of port infrastructure in the absence of effective competition in port operations	High terminal operator handling charges dilutes the effects of smoothed infrastructure tariffs regulated by the PRSA	-	Support the Economic Regulation of Transport Bill and establishment of the Single Transport Economic Regulator which will undertake price regulation across transport sub-sectors
Slow economic recovery and effects of COVID-19 responses resulting in constrained fiscal environment	Possible reduction of PRSAs funding and its baseline allocation which may lead to inability to fulfil the organisation's full mandate	-	Effective use of allocations and approved reserves.  Advocate for baseline adjustments in line with expanding agenda within fiscal space.

	Tariff decision responsive to the prevailing economic conditions in the SA port system to protect the interest of port users and sustainability of the National Ports Authority	-	Effectiveness of tariff methodology and tariff strategy in protecting port users and ensuring sustainability of the National Ports Authority - Prudent use of the Excessive Tariff Increase Margin Credit (ETIMC)
<b>Global Trends</b>			
Enhancing SA's Competitiveness in the global port sector.	Adjust tariffs in line with Tariff Strategy and aim to lower tariffs where appropriate	+	Implementation of the 10-year tariff strategy Efficiency benchmarking monitoring levels of operational efficiencies
Attraction of new investment and new business to SA ports	Demonstrated contribution to economic reconstruction and recovery plan	+	Implementing Tariff Strategy, <i>efficient pricing</i> and continued incentives for capex implementation
<b>Technological</b>			
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 and IT plan developed, implemented and monitored.  Monitoring of cyber security legislative development for compliance.
<b>Legal/Legislation</b>			
Changes in Legislative Environment:  Economic Regulation of Transport Bill/Act	The passing of the Economic Regulation of Transport Bill in its current form will expand economic regulation functions and allow for price setting and regulation in the wider transport and logistics sector.	+/-	Participate and monitor new laws being introduced/passed to address funding of Ports Regulator or regulatory function in STER
Passing and implementation of Maritime and Transport Services score cards to effect real transformation in the ports	Current B-BBEE regulations are outdated and limits transformation in ports to NPA contracting with at least 75% of companies with a Level 4 B-BBEE rating.	-	Submission to the DOT on the NPA's B-BBEE Compliance and required policy and strategy interventions to drive transformation in ports and inputs into transformation initiatives in ports based on compliance work.
<b>Environmental</b>			
Increased Operational costs -Scarce energy resources	Educate staff to save electricity and reduce costs	-	Energy efficiency measures and Awareness training

Environmental resources	Ensure staff have increased awareness regarding environment	-	Move towards a paperless operating environment
National Ports Authority's adaptation to environmental/climate change	Delays in NPA project implementation due to Environmental factors and the opportunity costs thereof. The cost of overall climate change adjustments in the NPAs CAPEX plans/mitigation strategy with possible effects on the tariff trajectory (capex and/or opex)	+/-	Monitor NPA's CAPEX and OPEX for inclusion and/or implementation of climate change adaptation

## **PART C: MEASURING OUR PERFORMANCE**

### **3. Institutional Programmes of the Ports Regulator**

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

#### **3.1. Administration, Corporate Financial and Support Services**

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

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

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

The full administration functions are carried out by a committed and highly driven staff complement of five individuals three of whom carry-out disparate multiple functions. For example, the functions for Supply Chain Management (SCM), Human Resource Development and Information Technology (IT) reside with one Specialist assisted by a general administrator. Whilst the corporate services, financial management, risk management resides with the Chief Financial Officer who, by default has also been the organisation’s Chief Risk Officer. The result is that the important principle and practice of separation of duties and oversight on different function must still be realised especially as the organisation grows and expands its functions and activities. Separation of functions and personnel is important to enable staff to be fully effective and efficient in executing on each of the functions. For example, the Regulator’s Human Resource function must take a lead to cultivate and drive the development of regulatory skills and competence due a limited pool in the country that will be more pronounced when the Regulator becomes a nucleus to STER. This will require a fully-fledged HR capability that is not

encumbered by SCM and IT responsibilities, as is currently the case. In addition, the corporate services/financial management function must be brought into alignment with the Accounting Officer's Guide for Financial Management and has been flagged by the Auditor General as an area of concern in the past.

To address the shortcomings, the Regulator approved an expanded organogram in 2018, which is still awaiting approval of the Minister of Transport. During the 2021/22 FY, the Regulator approved the sourcing of some of these functions on contract basis additional to the establishment to start enhancing the organisation's Administration capability. The Regulator's will focus in building administrative capacity to support regulatory functions as per the National Ports Act and to lay the foundation for a wider regulatory mandate in the medium term. The staff complement will grow from the current six (excluding CEO and PA to CEO) to nine (including personnel on fixed term contracts).

### **3.2. Economic Regulation**

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

Over the past two financial years a number of milestones were reached, the Multi-Year Tariff Methodology was reviewed, consulted and published, together with an update on the ten-Year Tariff Strategy. Over the course of 2020/21, amongst others, an updated Port Sector review and Global Port Tariff Study were published with work continuing with a focus on the National Ports Authority's lease portfolio, expanding the Regulator's body of knowledge and capacity in preparation for the establishment of the STER.

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

Over the medium term, the Regulator will review the Multi-Year Tariff Methodology as the application of the current Methodology ends with the 2022/23 tariff application. As per practice, the review will include consultations with port users, interested and affected parties and it will take into account the change structure of the NPA as section 3(2) of the National Ports Act is implemented by the Minister of Public Enterprises in consultation with the Minister of Transport.

With the imminent passing of the Transport Economic Regulator legislation and the establishment of the Single Transport Economic Regulator, studies and research will be implemented to enable a smoother transition into regulation in the transport and logistic chain beyond the current confines to regulation of port infrastructure, facilities and services.

During the 2020/21 and 2021/22 the Economic Regulation team has experienced rapid changes in staff complement not comparable to any other year since 2013. The established regulatory frameworks and internal system will enable a smoother transition with care taken to ensure stability in the regulatory approach and trajectory. The staff complement will grow from 04 to 06 by end of 2023 under the current approved structure. Where the expanded organogram is approved, the Regulator will prioritise the activation of new posts to match required additional capacity.

### **3.3. Industry Development**

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

Industry Development conducts research, assess and monitor the NPA's performance and focus on efficiencies in the port system including the benchmarking the performance of South African terminals against regional and international terminals.

In recent years, Industry Development has managed the process for the identification of Key Performance Indicators (KPIs) and assignment of weights by port users through the Port Consultative Committees and the NPA for the Weighted Efficiency Gains from Operations (WEGO) program. WEGO was introduced in the tariff methodology in 2018 to (dis)incentivise better performance on agreed KPIs, thus link operational performance to tariff pricing. Efficiency measurement and WEGO process has been enhanced by the annual assessment of the NPAs Terminal Operator Performance Standards over the last nine years which shows that South African terminal performance targets are generally set well below performance norms resulting in overall lack of consistency and improvement in port services and efficiencies. Analysis of year eight TOPS performance was presented in all of the eight PCCs during the 2020/21 FY resulting in retention of the five WEGO KPIs for 2021/22 and a process to find better alignment on KPIs between the NPA and port users for ensuing years.

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



In the medium term, the Industry Development department will focus on enhancing its support to economic regulation on stakeholder processes. The department will develop and implement a port performance model to assist in assessing the setting of performance targets as part of the Regulator's role to monitor the Authority's role in improving efficiencies as regulator of terminals.

Similar to Economic Regulation, the Department's human capacity has changed significantly during the previous two Financial Years with the departure of three out of five staff members (due to promotions and one resignation). In 2022/23, focus will be on filling vacancies and stabilising the staff complement to ensure that the Department continues to fulfil its mandate. Staff complement is expected to grow from 04 in 2021/22 to 05 in 2022/23.

### **3.4. The Legal Department**

The legal department is responsible for monitoring the National Ports Authority and its compliance with the National Ports Act, port policy and other regulatory instruments and to maximise effectiveness of legal services; and managing an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.

#### **3.2.1. Tribunal**

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

#### **3.2.2. Legal Services**

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

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

**Litigation and/or Administrative hearings** - by ensuring that the PRSA is represented in civil or administrative proceedings;

**Legal opinions and advice** – provide legal opinions and advice to the secretariat and members of the Regulator;

**Policy and Legislative Review** – Assist the PRSA in the review of legislation, policies, regulations, directives, etc,

**Contracts** – Draft, review and approve contracts, service level agreements and any other legal documents.

### **3.2.3. Regulatory Compliance and Monitoring**

The Department conducts compliance monitoring in terms of section 30(1)(c), ensures the development and operation of a compliance framework to monitor compliance of the National Ports Authority with the National Ports Act. The monitoring function is aimed at ensuring that the Authority performs its functions in accordance with the National Ports Act to promote competition, equity of access to port facilities and services and to bring about transformation in the port system. The legal department also assist ensuring that the Ports Regulator complies with all relevant and applicable legislation, regulations, standards and codes. In this regard, the organisation is strengthening its compliance systems to fully comply with applicable regulatory frameworks.

The Department comprise four staff members that will increase to 05 in the 2022/23 FY.

### **3.5. Governance**

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

### 3.6. Outcomes, Outputs, Performance indicators and targets

Outcomes	Key Performance Indicators		Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
1. The running of an efficient and effective administrative system	Align Organizational and Employee performance management system with strategy and APP	Organizational Performance monitored and reported on to the Regulator quarterly.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.
	Perform salary benchmarking exercise to update salaries against the market	Benchmarking report submitted	-	Perform job grading and salary benchmarking exercise	Member approval and finalisation of job grading and benchmarking exercise Implementation of job grading and benchmarking outcome	Implementation of job grading and benchmarking outcome	Implementation of job grading and benchmarking outcome
	Ongoing skills development of Members and staff to enhance the effectiveness and efficiency of the organisation.	Regulator Members and staff training attendance on Regulatory matters reported annually.	Appropriate training sourced (internal/external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the	Appropriate training sourced (internal/external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the	Appropriate training sourced (internal/external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the	Appropriate training sourced (internal/external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the	Appropriate training sourced (internal/external) for members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the

			organisational HR plan	organizational HR plan	organizational HR plan	organizational HR plan	organizational HR plan.
2. Ongoing Improvement of Economic regulation of ports (Price, access, institutional)	Conduct research on the economic contribution of the South African ports system in its logistics chain	Logistics research report completed annually	Research report on the economic contribution of the South African port system on at least one sector or industry	Research report on the economic contribution of the South African port system on at least one sector or industry	Research report on the economic contribution of the South African port system on at least one sector or industry	Research report on the economic contribution of the South African port system on at least one sector or industry	Research report on the economic contribution of the South African port system on at least one sector or industry
	Conduct a regulatory impact assessment on port regulation in the South African port system	Regulatory impact assessment published	Regulatory impact assessment on port tariff regulation in the South African port infrastructure environment	Regulatory impact assessment on non-tariff regulation in the South African port terminal environment			Update regulatory impact assessment on port tariff regulation in the South African port infrastructure
	Continuous price and efficiency assessments against global practice	Number of research studies conducted	Research studies conducted on pricing and efficiency/performance	Research studies conducted on pricing and efficiency/performance	Research studies conducted on pricing and efficiency/performance	Research studies conducted on pricing and efficiency/performance	Research studies conducted on pricing and efficiency/performance
	Conduct a market concentration analysis on the South African Ports system	Market concentration report	Preliminary trend analysis on port system market concentration	Report on market concentration and abuse of dominance			Review and update market concentration report

	Perform lease management consultation and analysis	Report on lease management	Report on pre-defined port industry in the South African Ports System	Report on pre-defined port industry in the South African Ports System	Report on pre-defined port industry in the South African Ports System	Report on pre-defined port industry in the South African Ports System	Report on pre-defined port industry in the South African Ports System
	Conduct research on pre-defined port industries	Research Report	Report on coastwise cargo flows and vessel movements	Report on shipbuilding and repair industry in the South African ports system	Report on bunkering services in the South African ports system	Report on transshipment in the South African ports system	Report on recreational facilities and usage of the South African commercial ports system
3. Port performance monitoring and benchmarking	Completed report on port performance	Report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance
	Implement stakeholder engagement plan to address industry development objectives	Draft and Implement Stakeholder engagement framework	Implement annual stakeholder engagement plan Program for structured engagements with port users, stakeholders, interested, affected parties, etc. Support Department of Transport on coastal shipping and developments on regional maritime transport matters in support of Oceans Economy and other	Review and Implement annual stakeholder engagement plan	Review and Implement annual stakeholder engagement plan	Review and Implement annual stakeholder engagement plan	Review and Implement annual stakeholder engagement plan

			Ministerial maritime priorities				
		Port Economic Regulation Knowledge Management	Design a Ports Regulator Knowledge Management Program – capturing and institutionalizing tacit economic regulation knowledge and facilitate internal capacity building	Implement knowledge management program	Implement knowledge management program	Implement knowledge management program	Implement knowledge management program
	Monitor equity of access in SA port system implementation of strategy by the NPA	Progress reporting on equity of access and implementation of transformation in SA port system through NPA	Monitor, advise DOT/NPA and report on transformation in port infrastructure delivery through the NPA	Monitor and report on transformation in port infrastructure delivery through the NPA	Monitor and report on transformation in port infrastructure delivery through the NPA	Monitor and report on transformation in port infrastructure delivery through the NPA	Monitor and report on transformation in port infrastructure delivery through the NPA
	Assess planned infrastructure adequacy assessment based on existing efficiency levels	Establish baseline port capacity and performance norms with NPA	Develop productivity/efficiency targets for selected terminals based on non-simulated assessments.	Consult and engage with NPA and/or terminals and/or port users on results and effects on operator performance standards (e.g. TOPS)	Develop model for setting productivity/efficiency targets for selected terminals based on non-simulated assessments.	Monitoring of efficiencies in port based on modelled results and adjustment of model as and when necessary	Monitoring of efficiencies in port based on modelled results and adjustment of model as and when necessary
	Monitor port performance		Annual report on port performance (including TOPS,	Annual report on port performance (including TOPS,	Annual report on port performance (including TOPS,	Annual report on port performance (including TOPS,	Annual report on port performance (including TOPS,

			MOPS, ROPS, HOPS and WEGO.	MOPS, ROPS, HOPS and WEGO.	MOPS, ROPS, HOPS and WEGO.	MOPS, ROPS, HOPS and WEGO.	MOPS, ROPS, HOPS and WEGO.
			Report on CAPEX implementation	Report on CAPEX implementation	Report on CAPEX implementation	Report on CAPEX implementation	Report on CAPEX implementation
4. Monitoring the port industry and its compliance with the National Ports Act, Port Policy and other Regulatory Instruments.	improved levels of compliance with the Act by the NPA	Number of Regulatory Compliance monitoring conducted based on NPA's CRMP	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports
	Improved levels equity of access in the ports system by HDIs in accordance with the relevant Regulatory instruments	Number of B-BBEE compliance reviews/monitoring conducted)	1 B-BBEE Compliance Report	1 B-BBEE Compliance Report	1 B-BBEE Compliance Report	1 B-BBEE Compliance Report	1 B-BBEE Compliance Report
To maximize effectiveness of legal services		Number of engagements with relevant institutions on	4 Legislative Amendment Reports	4 Legislative Amendment Reports	4 Legislative Amendment Reports	4 Legislative Amendment Reports	4 Legislative Amendment Reports



		legislative development					
	Aligned and improved legal instruments	Technical support in the draft amendments of the National Ports Regulations, 2007 (B-BBEE) and National Ports Directives ,2009 (Tribunal)	1 Draft Amended National Ports Regulations  1 Draft Amended National Ports Directives	1 Approved Amended National Ports Regulations  1 Approved Amended National Ports Directives	-	-	-
<b>5. Operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.</b>	Optimised operational efficiency of the Hearing Panel	Report on performance assessment of case management, adjudication of matters and decision-making.	Tribunal supported by the secretariat to operate an efficient hearing panel on complaints and appeals and report quarterly on case management, adjudication and decision making of the Tribunal.	Tribunal supported by the secretariat to operate an efficient hearing panel on complaints and appeals and report quarterly on case management, adjudication and decision making of the Tribunal.	Tribunal supported by the secretariat to operate an efficient hearing panel on complaints and appeals and report quarterly on case management, adjudication and decision making of the Tribunal.	Tribunal supported by the secretariat to operate an efficient hearing panel on complaints and appeals and report quarterly on case management, adjudication and decision making of the Tribunal.	Tribunal supported by the secretariat to operate an efficient hearing panel on complaints and appeals and report quarterly on case management, adjudication and decision making of the Tribunal.
<b>6. Ensuring good governance and sustainability of the organisation .</b>	Governance and compliance framework in place reported on and updated annually.	Governance and compliance reported on a quarterly basis to the Regulator as per framework.	Compile quarterly governance and compliance reports to the Regulator.	Compile quarterly governance and compliance reports to the Regulator.	Compile quarterly governance and compliance reports to the Regulator.	Compile quarterly governance and compliance reports to the Regulator.	Compile quarterly governance and compliance reports to the Regulator.

3.7. Program Outputs, Indicators, Annual & Quarterly targets for the 2022/2023 Financial Year

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2022/2023 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 Risk Management Frameworks, IT systems and processes and update relevant policies. A report to be submitted to the Regulator.	Financial policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies reported to the ARC and the Regulator	HR policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies reported 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 Executive Authority by 30 April 2022  Annual Reporting to DOT, NT, AGSA and the Regulator by 31 May 2022.	Report on Q1 performance to Executive Authority by 31 July 2022.	Report on Q2 performance to Executive Authority by 31 October 2022.	Report on Q3 performance to Executive Authority by 31 January 2023.
		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.	Performance agreements for CEO and all Executives finalised	Half yearly performance review to be undertaken in accordance with the policy and reported on the HR Committee.	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 with the organisational HR plan.	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.
	Percentage reduction of irregular, wasteful and fruitless expenditure	Irregular, wasteful & fruitless expenditure eliminated	Zero baseline for financial year.	100% reduction of irregular, wasteful and fruitless expenditure	Quarterly reporting on steps taken to reduce irregular, wasteful and fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular, wasteful and fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular, wasteful and fruitless expenditure.	Quarterly reporting on steps taken to reduce irregular, wasteful and fruitless expenditure.
	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Zero baseline for financial year.	Full compliance with the elements of regulatory audit	-	-	-	Annual reporting on steps taken to achieve clean audit

	Full implementation of action plans to address audit findings	Implementation of action plan to address audit findings	Zero baseline for financial year.	Full implementation of action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings	Quarterly reporting on action plans to address audit findings
	Elimination of fraud and corruption	Percentage resolution of reported incidents of fraud and corruption	Zero baseline for financial year.	100% resolution of reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption	Quarterly Report on progress made to resolve reported incidents of fraud and corruption
	Respond to parliamentary questions within the stipulated timelines	Percentage responses to Parliament questions within stipulated timelines	Zero baseline for financial year.	Timely (7 days' turnaround time from date of receipt) response to Parliament questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions
<b>2. Ongoing implementation of Economic regulation of ports (Price,</b>	Conduct research on the economic contribution of the South	Publish logistics research report	Zero baseline for financial year.	Research report on the Fresh Produce logistics chain	Develop Terms of Reference and Research Framework	Industry consultation completed with the fruit	Analyse findings from industry consultation and desktop research and	Final report to be submitted to Regulatory Committee

access, institutional structure)	African Ports system in the South African Fresh Produce logistics chain			focussing on fruit.		producers sector	draft research report for submission to CEO	
	Complete tariff assessment in accordance with the multi-year tariff methodology and publish record of decision	ROD and Tariff Book published	2020/21 ROD and Tariff Book	Implement the approved Tariff Methodology and Tariff Strategy through the annual Tariff Decision	Engage with NPA on Tariff Application	Receive Tariff Application from NPA and commence assessment	Complete tariff assessment and publish Record of Decision	Finalise and publish Tariff Book
	Report on shipbuilding and repair industry in the South African ports system	Report on shipbuilding and repair industry in the South African ports system completed	Zero baseline for financial year.	Report on shipbuilding and repair industry in the South African ports system	Define scope and develop Research Framework	Data collation and information gathering	Draft report submitted to CEO	Final report submitted to RegCom
	Global Port Pricing Study	Annual GPPS study published	2020 GPPS Report	Global Port Pricing Study	Tariff Book collection for all four cargo types	Collation of tariff data	Draft report submitted to CEO	Final report submitted to RegCom
	Conduct a Report on market concentration and abuse of dominance	Report on market concentration and abuse of dominance finalised	Zero baseline for financial year.	Report on market concentration and abuse of dominance	Develop Terms of Reference and Research Framework	Data collation and analysis	Draft report submitted to CEO	Final report submitted to RegCom
	Development of lease	Report on lease revenue strategy	Zero baseline for financial year.	Lease revenue strategy	Develop Terms of Reference	Consultation with NPA on	Draft report submitted to CEO	Final report submitted to RegCom

	revenue strategy				and Research Framework	Lease revenue strategy		
	Development of a coastwise cargo tariff strategy	Development of a coastwise cargo tariff strategy	Zero baseline for financial year.	Tariff strategy on coastwise cargo	Develop Terms of Reference and Research Framework	Data collation and analysis	Draft report submitted to CEO	Final report submitted to RegCom
	Develop and publish break bulk Port volumes and cargo flow trends report	Publish port volumes and cargo flows trend report on break bulk cargo	Zero baseline for financial year.	Volumes and cargo flows trend report	Project overview and data collation	Initial draft report	Complete draft report	Final report submitted to RegCom
	Regulatory Impact Assessment on non-regulated tariffs in South African port environment		Zero baseline for financial year.	Report on a Regulatory impact assessment on non-regulated tariffs in the South African port environment	Project overview and data collation	Initial draft report	Complete draft report	Final report submitted to RegCom
<b>3. Engage stakeholders and monitor provision of infrastructure and facilities; and promotion of efficiencies in the port system.</b>	Implementation of stakeholder engagement plan and knowledge management plan.	Quarterly reports on stakeholder engagement.	Zero baseline for financial year.	Quarterly stakeholder engagement report.	Implement and report on stakeholder engagements  Report on support provided to DOT's initiatives and interventions on Oceans	Implement and report on stakeholder engagements.  Report on support provided to DOT's initiatives and interventions on Oceans	Implement and report on stakeholder engagements.  Report on support provided to DOT's initiatives and interventions on Oceans	Implement and report on stakeholder engagements.  Report on support provided to DOT's initiatives and interventions on Oceans Economy and Minister

					Economy and Minister Priorities for the Maritime Sector	Economy and Minister Priorities for the Maritime Sector	Economy and Minister Priorities for the Maritime Sector	Priorities for the Maritime Sector
	Monitor port performance (TOPS and MOPS)		Zero baseline for financial year.	1 Annual Report on port performance (TOPS and MOPS)	Research report framework and data collection	Data collection and analysis	Data collection and analysis	Final report
	Monitor and report on port performance	Research report: benchmarking SA port performance and efficiencies	Previous port benchmarking report	1 research report on port performance; update infrastructure utilisation and operational efficiency report	Research report framework and data collection	Data collection and analysis	Analysis and draft report	Final report published
		Manage implementation of WEGO	2020 WEGO ROD	WEGO	Consultations/presentations on preliminary WEGO results	Analyse 2021/22 WEGO performance	Consultations/presentations on WEGO results in tariff process	Confirmation of WEGO KPIs and targets for 2022/23: NPA and Port users and/or WEGO ROD
	Monitor and report on equity of access in port	Report: monitoring equity of access in port	2021/22 Report	Report on implementation of equity of	Research and data collection on equity of	Monitor and report on equity	Monitor and report on equity	Review and/or update BBBEE



	infrastructure and services as per strategy.	facilities and services		access in SA ports.	access in SA ports	of access in SA ports	of access in SA ports	statistics and status report.
	Monitor infrastructure productivity and/or efficiency targets for existing infrastructure	Report: non-simulated efficiency/productivity targets for existing infrastructure	Zero baseline for financial year.	Draft report with proposed non-simulated productivity/efficiency targets on selected terminals and consultations with NPA/terminals/port users on results	Project implementation	Consultation with NPA/Terminals/port users	Consultation with NPA/Terminals/port users	Project report on efficiency/productivity targets for existing infrastructure
	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
<b>4. Monitoring the port industry and its compliance with the National Ports Act and other Regulatory Instruments to ensure access to and competition</b>	Improved levels of compliance with the Act by the NPA	Number of compliance monitoring conducted	5 Reports	5 Quarterly Compliance Monitoring Reports	1 report to the Regulator	1 report to the Regulator	1 report to the Regulator	2 report to the Regulator and Executive Authority (S.30(5))

within the port system.								
	Improved levels equity of access in the ports system by HDIs in accordance with the relevant Regulatory instruments	Number of B-BBEE Compliance reviews conducted	1 Report	1 Annual B-BBEE Compliance Review Report	Engage NPA on previous year key findings	Engage NPA on implementation of Corrective Action Plan	Analysis of current year NPA B-BBEE Review Report	1 B-BBEE Review Report to the Regulator
	Aligned and improved legal instruments	Number of engagements with the DoT on legislative development regarding new B-BBEE Maritime Sector Codes	4 Reports	4 Legislative Development Quarterly Reports	1 Progress Report to the Regulator	1 Progress Report to the Regulator	1 Progress Report to the Regulator	1 Progress Report to the Regulator
		Number of engagements with the DoT on the legislative development of the ERT Bill, the development of the STER Business Case and its Implementation Plan	4 Reports	4 Legislative Development Quarterly Reports	1 Progress Report to the Regulator	1 Progress Report to the Regulator	1 Progress Report to the Regulator	1 Progress Report to the Regulator
		Number of draft amendments of the National Ports Regulations, 2007	4 Reports	1 amended National Ports Regulations	1 Draft Amended National Ports Regulations to	1 Progress Report to the Regulator on the amendment	1 Progress Report to the Regulator on the amendment	1 Amended National Ports Regulations

					the DoT containing the regulatory proposals	process by the DoT	process by the DoT	
		Number of draft amendments of the National Ports Directives, 2009	4 Reports	1 amended National Ports Directives	1 Draft Amended National Ports Directives to the DoT containing the regulatory proposals	1 Progress Report to the Regulator on the amendment process by the DoT	1 Progress Report to the Regulator on the amendment process by the DoT	1 Amended National Ports Directives
5. Operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.	Optimised operational efficiency of the hearing panel	Report on performance assessment of case management, adjudication of matters and decision making	4 Reports	Tribunal supported by the secretariat to operate an efficient hearing panel on complaints and appeals and report quarterly on case management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on case management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on case management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on case management, adjudication and decision making of the Tribunal.	Quarterly Tribunal Report on case management, adjudication and decision making of the Tribunal.
6. Ensuring regulatory compliance within the organisation	Improved levels of compliance with various regulatory frameworks by the PRSA	Number of compliance management frameworks developed	Zero baseline for financial year	Ensuring regulatory compliance within the organisation	Draft Compliance Management Framework and Roadmap for approval	Quarterly Report on the implementation of the Compliance Management process	Quarterly Report on the status of compliance in the organisation	Quarterly Report on the status of regulatory compliance in the organisation

	Promote high ethical standards	Implementation of ethics policy and standards	Zero baseline for financial year.	Full compliance with ethical standards and objectives	Ethics Committee report to Regulator	Ethics Committee report to Regulator	Ethics Committee report to Regulator	Ethics Committee report to Regulator
<b>7. Ensuring good governance and sustainability of the organisation.</b>	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

### 3.8. Programme resource considerations

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

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

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

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

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

April 2019 with the objective of ensuring that the Regulator offer competitive salaries and retain staff.

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

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

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

### **3.9. Organizational Expenditure Trends Overview**

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

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

of the process, must continue performing its functions and ensure its sustainability. The STER was anticipated to be signed into law in the 2021/2022 financial year.

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

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

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

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

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

### 3.10. Income and Expenditure Trends

Table A2 PE No

R thousand	Audited outcome	Audited outcome	Audited outcome	Approved budget	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2018/19	2019/20	2020/21	2021/22	2018/19-2021/22		2022/23	2023/24	2024/25	2021/22 - 2024/25	
Administration	14,424	12,299	12,721	14,772	0.8%	44.7%	15,691	16,704	17,769	6.4%	37.2%
Economic regulation	3,874	3,973	3,782	6,359	18.0%	14.3%	6,789	7,197	7,574	6.0%	16.0%
Legal services (G&S)	1,880	3,272	9,591	10,983	80.1%	18.8%	11,940	9,735	8,679	-7.5%	23.7%
Industry development	3,321	4,304	3,792	7,272	29.9%	14.6%	6,929	7,160	7,309	0.2%	16.4%
Governance	883	2,786	3,237	2,680	45.0%	7.5%	2,936	3,118	2,809	1.5%	6.6%
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expense</b>	<b>24,362</b>	<b>26,634</b>	<b>33,123</b>	<b>42,076</b>	<b>19.9%</b>	<b>100.0%</b>	<b>44,285</b>	<b>43,914</b>	<b>44,140</b>	<b>1.6%</b>	<b>100.0%</b>



Financial position	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	Outcome/	Average	Net change/	Medium-term estimate			Average	Net change/
									Budget	growth	total				growth	total
									Average	rate	Average	2019/20 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25
%	(%)	(%)	2019/19 - 2021/22	2022/23	2023/24	2024/25	2021/22 - 2024/25	(%)	(%)							
Carrying value of assets	211	1,819	55	1,812	58	1,791	132	1,344	1,427.5%	2.2%	9.9%	2,040	1,932	1,302	-2.5%	17.8%
of which:																
Acquisition of assets	(45)	(1,125)	-	-	-	(45)	-	-	348.1%	-101.0%	-1.7%	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued investment interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and prepayments	420	423	430	440	435	474	432	432	103.5%	0.7%	2.7%	429	433	436	0.3%	4.0%
Cash and cash equivalents	6,682	17,561	5,686	29,094	6,356	36,724	7,248	7,248	348.0%	-25.5%	67.7%	8,605	8,992	9,123	8.0%	78.2%
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined benefit plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>7,313</b>	<b>19,883</b>	<b>6,171</b>	<b>31,354</b>	<b>6,848</b>	<b>38,989</b>	<b>7,872</b>	<b>9,524</b>	<b>353.7%</b>	<b>-21.4%</b>	<b>100.0%</b>	<b>11,044</b>	<b>11,357</b>	<b>11,361</b>	<b>5.7%</b>	<b>100.0%</b>
Accumulated surplus (deficit)	5,744	18,389	5,546	30,370	6,130	37,177	7,460	8,912	370.0%	-21.5%	94.4%	10,326	10,637	10,517	5.7%	93.0%
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Released income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	159	817	159	371	210	1,111	211	211	323.2%	-36.5%	2.9%	213	223	245	5.1%	2.1%
Benefits payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised value of persons	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	410	587	426	687	448	934	501	501	134.0%	-6.1%	3.7%	505	528	533	6.1%	4.0%
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>7,313</b>	<b>19,883</b>	<b>6,171</b>	<b>31,354</b>	<b>6,848</b>	<b>38,989</b>	<b>7,872</b>	<b>9,524</b>	<b>353.7%</b>	<b>-21.4%</b>	<b>100.0%</b>	<b>11,044</b>	<b>11,357</b>	<b>11,361</b>	<b>5.7%</b>	<b>100.0%</b>
Current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash flow data	Audited outcome		Audited outcome		Audited outcome		Budget estimate		Approved budget		Outcome/Budget	Average growth rate	Expenditure/total	Medium-term estimate			Average growth rate	Expenditure/total	
	Budget	2018/19	Budget	2019/20	Budget	2020/21	Budget estimate	2021/22	Approved budget	2021/22	Average %	(%)	Average (%)	2022/23	2023/24	2024/25	2021/22 - 2024/25	(%)	(%)
		2018/19		2019/20		2020/21		2021/22		2021/22	2019/20 - 2021/22	2019/20 - 2021/22							
<b>Cash flow from operating activities</b>	5,445	3,253	(1,880)	6,567	479	8,004	334	334	415.0%	-53.2%	116.0%		2,549	331	454		10.8%	100.0%	
<b>Receipts</b>																			
<b>Tax receipts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-tax receipts</b>	351	1,119	1,460	1,576	1,530	1,108	1,110	1,110	112.6%	-4.3%	3.5%		1,290	1,350	1,145		1.0%	2.8%	
Sales of goods and services other than capital assets	-	98	-	277	-	10	-	-	-	-100.0%	0.3%		-	-	-		-	-	-
Sales of goods and services produced by entity (excl. capital assets)	-	98	-	277	-	10	-	-	-	-100.0%	0.3%		-	-	-		-	-	-
of which:																			
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales by rental establishment	-	6	-	-	-	-	-	-	-	-	-100.0%	0.0%	-	-	-	-	-	-	-
Other sales	-	92	-	277	-	10	-	-	-	-100.0%	0.3%		-	-	-		-	-	-
Sales of scrap, waste, arms and other used current goods (excl. capital assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other tax receipts	351	1,021	1,460	1,399	1,530	1,098	1,110	1,110	104.0%	2.6%	3.2%		1,290	1,350	1,145		1.0%	2.8%	
Transfers received	25,619	25,619	36,774	36,774	38,822	38,822	40,966	40,966	100.0%	16.9%	96.6%		42,955	42,564	42,955		1.5%	97.2%	
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	25,970	26,738	38,234	38,450	40,352	39,930	42,076	42,076	100.4%	16.3%	100.0%		44,285	43,914	44,140		1.6%	100.0%	
<b>Payment</b>																			
<b>Current payments</b>	20,525	23,475	40,114	31,883	38,873	31,926	41,742	41,742	98.7%	21.1%	100.0%		41,736	43,383	43,686		1.5%	100.0%	
Compensation of employees	14,218	13,020	20,415	12,540	21,511	18,242	24,043	24,043	91.8%	20.3%	57.1%		25,224	25,411	30,779		0.6%	62.3%	
Goods and services	6,307	9,655	19,699	14,336	18,362	13,714	17,699	17,699	88.3%	22.4%	42.9%		16,512	17,172	12,907		-10.3%	37.7%	
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total payment</b>	20,525	23,475	40,114	31,883	38,873	31,926	41,742	41,742	98.7%	21.1%	100.0%		41,736	43,383	43,686		1.5%	100.0%	
<b>Cash flow from advancing activities (Financial institutions only)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disbursements and other payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayments and other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow from investing activities</b>	(45)	(88)	-	-	-	(42)	-	-	310.3%	-100.0%	-		-	-	-		-	-	-
Acquisition of property, plant, equipment and intangible assets	(45)	(115)	-	-	-	(42)	-	-	340.1%	-100.0%	-		-	-	-		-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets	-	130	-	-	-	-	-	-	-	-	-100.0%		-	-	-		-	-	-
Other flows from investing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow from financing activities</b>																			
Deleted income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of finance leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other flows from financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58
<b>Net increase / (decrease) in cash and cash equivalents</b>	4,989	2,274	(1,880)	6,567	479	7,578	334	334		-47.2%			2,549	331	454		10.8%		

### 3.11. Key Risks and Mitigation

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
Financial Sustainability Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	Insufficient baseline resources to achieve mandate requirement	<ul style="list-style-type: none"> <li>1- Request revision of budgeted funding during MTEF budget process.</li> <li>- In year regulator approval for the use of reserves.</li> <li>- Refocus of Mandate deliverables to suite Funding Granted</li> <li>- (Direct Engagements the DoT on Funding Model)</li> <li>- Monitor the ERT Bill.</li> </ul>
Regulatory & Legal Risk	Ensure implementation of all elements of the regulatory framework within its mandate	Delayed corporatisation of the Regulated entity - the National Ports Authority	<ul style="list-style-type: none"> <li>1- Bi-annual engagements with Executive Authority to track progress on the processes of NPA's corporatization.</li> <li>- Make input on the road map in the corporatisation of the NPA</li> <li>- Contingency plan on prioritisation of resources in case of loss of court case</li> <li>- Input to amendments to legislation and regulations to be in line with current industry and international developments</li> <li>- Regular training/refresher on legislation and regulations, including amendments</li> </ul>

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
			<ul style="list-style-type: none"> <li>- Introduce checklists to augment existing controls and procedures to monitor and ensure compliance</li> </ul>
Regulator Risk	Ensuring that the Ports Authority comply with the National Ports Act	Inability to enforce NPAs compliance with the National Ports Act.	<ul style="list-style-type: none"> <li>- Optimised compliance monitoring programme</li> <li>- To enforce Regulator decision by approaching the High Court</li> <li>- Negotiated compliance with the National Ports Act.</li> </ul>
Human Resource/People Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	Insufficient Human Resources due to Non-alignment of current organogram to mandate requirements	<ul style="list-style-type: none"> <li>- Fill additional post as soon as funds become available</li> <li>- Ongoing engagement with DOT for approval of the revised organogram together with revised baseline allocation</li> </ul>
Human Resource/People Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	Inability to attract and retain critical skills	<ul style="list-style-type: none"> <li>- To advertise and fill funded posts</li> <li>- Retention Strategy</li> <li>- Implementation of the succession policy after approval by REMCO and HR Committees</li> </ul>
Regulator Risk	Consider the proposed tariffs of the Authority and regulate the provision of adequate, affordable and efficient port	Tariff Rates approved that result in non-achievement of the desired objectives (i.e.	<ul style="list-style-type: none"> <li>- Continued training of Regulator members.</li> </ul>

	services and facilities to ensure enhanced competition and investment	affordable, sustainable equitable tariffs).	<ul style="list-style-type: none"> <li>- Continued transparent and consistent decision making process and public consultation aligned with the approved Regulatory Tariff Framework including the Tariff Methodology and Tariff Strategy.</li> </ul>
Regulator Risk & Performance Management	Ensure implementation of all elements of the regulatory framework within its mandate	Failure to ensure that the Ports Authority brings about efficient Port Performance (via tariff Methodologies that incentivises capital expenditure to enhance port performance)	<ul style="list-style-type: none"> <li>- Continued monitoring of port performance through research</li> <li>- Implementation of WEGO as a reward/penalty system</li> <li>- Evaluation of TOPS and WEGO data and engagement with NPA and industry to validate the data.</li> <li>- Engagement with DOT/DPE on Port performance targeting</li> <li>- Monitor implementation of the ERT Bill in relation to the possible economic regulation of terminals</li> </ul>
Regulator Risk	Maintain its reputation as an organisation with integrity focussed on excellence and delivery	Loss of Regulator Reputation	<ul style="list-style-type: none"> <li>- Various policies such as Declarations of Gifts Policy, Code of Ethics and Business Conduct Policy, Fraud Policy, Charters &amp; Terms of Reference, Governance Compliance Reports, SCM Policy</li> </ul>

## PART D: TECHNICAL INDICATORS

### 4.1. Corporate services

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

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

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

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

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

#### 4.2. Economic Regulation Indicators

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



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

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

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

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

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

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

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

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

Desired performance	Strategy developed
Indicator responsibility	Executive Manager: Economic Regulation

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

### 4.3. Industry Development Technical Indicators

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

<b>Indicator Title</b>	Stakeholder engagement program
<b>Short definition</b>	Identification of Regulator strategic stakeholders, interested and affected parties and the influence they have in or can effect on the regulatory processes

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

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

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

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



Indicator responsibility	Executive Manager: Industry Development
--------------------------	---

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

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

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

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

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

#### 4.4. Tribunal, Legal and Compliance

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

Indicator Title	Number of B-BBEE compliance reviews conducted
-----------------	---

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

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

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

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

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

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

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

Indicator Title	Percentage of matters finalized by the Tribunal
Short definition	To receive, screen, investigate and refer matters to tribunal for hearing and decision
Purpose / importance	The Tribunal is to comply with the National Ports Act and its Directives. The Tribunal is to improve its efficiencies and turnaround times in the hearing of complaints and appeals within 30 days after the last day of the hearing
Source/ collection of data	Quarterly Reports approved by the CEO/Regulator
Method of calculation	Number of appeals or complaints finalised / matters lodged with Regulator
Data limitations	No specific limitations
Type of indicator	Cumulative – for the year

Calculation type	Quarterly
Reporting cycle	Quarterly
New indicator	No
Desired performance	Developed case management system
Indicator responsibility	Executive Manager: Legal

#### 4.5. Governance

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





## **ANNEXURE A: AMENDMENTS TO PERFORMANCE PLAN**

There are no major changes that have been made to the organisations Strategic Plan 2020 -2025. Section 3.6. reflects adjustment made in the wording of targets which do not change the projects.