



Annual Performance Plan 2024/2025

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Abbreviations

ACSA	Airports Company South Africa
APP	Annual Performance Plan
B-BBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CMTF	Comprehensive Maritime Transport Policy
COVID-19	Corona Virus Disease of 2019
DOT	Department of Transport
DPME	Department of Performance Monitoring and Evaluation
ETIMC	Excessive Tariff Increase Margin Credit
GCF	Gross Capital Formation
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
Reg. Com	Regulatory Committee
ROD	Record of Decision
ROPS	Rail Operator Performance Standards
SCA	Supreme Court of Appeal
SADC	Southern Africa Development Community
STER	Single Transport Economic Regulator
SWOT	Strengths, Weaknesses, Opportunities, Threats
TERB	Transport Economic Regulator Bill
TID	Technical Indicator Description
TOPS	Terminal Operator Performance Standards
WEGO	Weighted Efficiency Gains from Operations



Minister's Foreword

The mandate of the Ports Regulator of South Africa derived from the National Ports Act, Act 12 of 2005 ("the Act") directs the Ports Regulator to undertake economic regulation of South Africa's eight (8) commercial ports in line with government objectives. The Ports Regulator is also responsible for ensuring, through its regulatory frameworks, that there is equity of access to ports infrastructure, facilities, and services. This means ensuring that the National Ports Authority levels the playing fields in the port system to ensure participation of all who qualify in the provision and use of thereof. Equally important, the Ports Regulator is responsible for ensuring that the National Ports Authority complies with its functions in terms of the Act and its objects.

As reported in their Annual Reports, the Ports Regulator has over the years implemented projects and achieved targets it has set for effective regulation of our ports, bringing about an open, transparent, and fair tariff setting environment with the approved Tariff Methodology and Tariff Strategy. These critical regulatory instruments, which the Regulator develops in consultation with port stakeholders, have allowed the entity to smooth tariffs making prices for port infrastructure affordable to port users and importantly, maintaining the sustainability of the National Ports Authority by allowing the Authority revenues required to implement its CAPEX, OPEX, and earn a return, amongst its obligations. The introduction and management of the ETIMC by the Ports Regulator has provided a much-needed facility to smooth tariffs for port users in the event where tariff adjustments would otherwise be high.

We applaud the introduction of the Weighted Efficiency Gains from Operations (WEGO) to deal with port inefficiencies. We have noted that most of the indicators that determines whether the National Ports Authority earn additional profits for improved efficiencies or has its net profits reduced due to deteriorating performance, remain in the red which has resulted in a cumulative reduction of over R600million in the Authority's profits over the last five years. The Members of the Regulator and National Ports Authority's Board are encouraged to ensure that port users start experiencing real turn around and changes in port performance for the better. Whilst the reduction in profits must and does send a strong message for behavioural change by the NPA, i.e. to drive efficient operations by terminal operators especially in the container sector, this incentive is applied after the fact. Immediate and short-term turn-around measures are required at affected terminals, which measures must be embedded so that the system does not, after registering much needed improvements, revert to business as usual. This includes improvements that are reported as part of the Recovery Plan at the back of the dire port congestion problems at the Port of Durban and Cape Town's container terminals that affected the country's imports and exports in the lead to the country's busy festive season and the citrus sector's export season. Through partnerships between the Ports Authority, terminal operators and private sector role players and labor, solutions were implemented which saw significant progress recorded in a shorter period of time than initially anticipated.

The Ports Regulator, in discharging its mandate, must continue to implement the injunctions set out in the National Development Plan, the Medium-Term Strategic Framework, the State of Nation Address, and other Government initiatives such as Operation Phakisa/Oceans Economy, and the Economic Reconstruction and Recovery Plan.

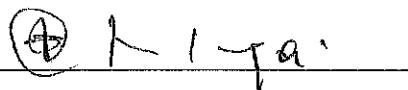
Together with the shareholding Minister at Public Enterprises and under the auspices of the Road Map on

Logistics Recovery for South Africa, the Department of Transport has committed to interventions aimed at unblocking bottlenecks in the rail system that affect port volumes to the benefit of affected port stakeholders. Importantly, government has taken the necessary steps to effect section 3(2) of the National Ports Act by appointing a Board of the National Ports Authority in line with section 14 of the Act. This is in line with our commitment to comply with the Act and achieve the target to corporatise the National Ports Authority set out in the 2019 – 2024 Medium Term Strategic Framework. The Ports Regulator should imminently regulate a corporatised National Ports Authority, doing away with the challenges that have plagued the Regulator in dealing with a deemed Authority and resultant partially effective regulatory outcomes and impacts.

The anticipated Transport Economic Regulator is fast becoming a reality with the National Assembly processing the Bill for ultimate signature by the President. Transitional arrangements, including capacitating the Regulator with staff and resources in preparation for a wider mandate and role in the economic regulation of SA's transport logistics chain, are required as the Single Transport Economic Regulator becomes a reality in the 2024/25 APP period. I have no doubt that the Members, supported by the Secretariat, will be up to the task. It is imperative that the Secretariat of the Regulator be stabilized and empowered to operate as the nucleus of the Single Transport Economic Regulator on promulgation of the Act.

Under the leadership of Mr. Ngcobo, the Members of the Regulator are commended for setting the targets and deliverables for the 2024/25FY, assigning resources and ensuring the organisation is fit for purpose. It is important that the Ports Regulator continues to implement the targets set in the APP 2024/25 with necessary focus on the impact the regulatory decisions are making in the port system. During the 2024/25 APP period government will, after the national elections, adopt the next Medium Term Strategic Framework (MTSF) with priorities of the 6th Administration which may require revisions.

Together with Deputy Minister Hon. Lisa Mangcu, the DG, Advocate Mlawu and his EXCO I wish the Members, the CEO Ms. Mulaudzi, the Executive Team of the Regulator and staff the best in implementing the projects outlined in this Annual Performance Plan.



Honourable Ms. Sindisiwe Chikunga, (MP)

Minister: Department of Transport



Chairperson's Statement

On behalf of the Members of the Regulator that took over the responsibility of exercising economic regulation of South Africa's eight commercial ports under that National Ports Authority for the next three years, I present the Ports Regulator's Annual Performance Plan for the 2024/25 Financial Year. We are cognisant of the challenges that faces South African ports in effectively and efficiently servicing trade and development through ports. The competitiveness of SA ports on pricing and operational efficiency is a necessary and critical input to economic growth. Affordable port prices contribute to the lowering of transportation costs by making SA terminals attractive to shipping lines, increasing port costs, and lowering unit costs to South African importers and exporters. Efficient ports which guarantee short port stay, or port stays that are not longer than scheduled also improves our terminal competitiveness in global shipping on our shipping routes. It is, therefore, important that the National Ports Authority provides adequate, affordable, and efficient port infrastructure, facilities and services to South African importers and exporters.

The Ports Regulator's regulatory frameworks aim to achieve this objective i.e. ensure that the Ports Authority provides adequate, affordable, and efficient port infrastructure and marine service. Equally important, the National Ports Authority must, as defined in the National Ports Act, Act 12 of 2005, play its oversight role on providers of terminal operations to achieve efficient services, level the playing field and increase the participation of HDI, SMMEs and private sector providers in the management of terminals, commercial leases for the use of port real estate and in the provision of various port activities.

It is important to recognize that the port and marine infrastructure portfolio under the National Ports Authority contributes a significant portion to the country's Gross Capital Formation (GCF) which is a key pillar of the government's economic growth and job creation ambitions as well as the Economic Recovery Plan. As a result, and in line with the adopted Multi-Year Tariff Methodology, the Ports Regulator has been consistent in approving the CAPEX projects applied for by the Authority, demanding improvements in the implementation thereof over the years.

International studies as well as studies undertaken by the Regulator itself show significant deterioration of port performance standards across all our ports. The Weighted Efficiency Gains from Operations (WEGO) which was introduced and first implemented in 2016/17 has not only quantified but has also provided a dashboard on the performance of each port on five KPIs. The fact that this dashboard remains red on most KPIs shows that focused attention must remain on measuring and monitoring performance until the dashboard is predominantly green or white reflecting improved and sustained good performance. It is this dashboard that has allowed all role-players in the port system to go beyond anecdotes in engaging on interventions and the Ports Regulator believes that the National Ports Authority and terminal operators supported by users will find continuous improvement solutions to the demonstrated poor performance, at which point the WEGO can be reviewed.

The Ports Regulator has over the years adjudicated over complaints and appeals at the heart of which is a push through the Records of Decision to bring about equity in the way different port users access port infrastructures, services, or facilities. Several of the Records of Decision in recent years have also required the National Ports Authority to be consistent in applying set operational standards or processes, thereby ensuring that it is compliant with the Act.

The Ports Regulator's review of the implementation of the Broad Based Black Economic Empowerment in the port system since 2016 highlights the shortcomings in efforts to drive transformation through compliance with antiquated regulations (2007). The regulations consider the National Ports Authority to be compliant if it enters into contract or agreements with at least 75% of companies with a level 4 B-BBEE contributor status. The regulations are quiet on ownership, management and participation of women, youth, people with disabilities and those from townships (where applicable). There are also no transformative requirements for supplier and enterprise development programs that aim to empower SMMEs, HDIs and emerging private sector companies to participate in port terminal development, commercial leases and agreements, and port activities in a meaningful way.

We applaud the Ministry of Transport for the appointment of the B-BBEE Council in May 2023 and will welcome the promulgation of the long-awaited updated Transport Sector Codes which will empower the Regulator and the Department of Transport to update the 2007 Regulations. This must pave a way for the National Ports Authority to consult on and finalise a transformation strategy which we will duly monitor.

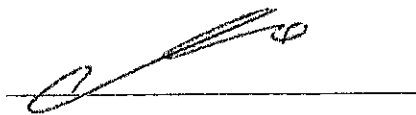
The 2024/25 APP is the last one to be developed and implement under the organisation's 2020/21 – 2024/25 Strategic Plan whose goals were to:

- Ensure implementation of all elements of the regulatory framework within its mandate;
- Enhance the capacity to deal with all the output requirements of the organisation;
- Continue to maintain its reputation as an organisation with integrity focused on delivery and excellence;
- Ensure that all port sector participants comply with the 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.

During the 2024/25 APP period a comprehensive review of the performance of the Ports Regulator on these goals and its mandate will be conducted to inform strategic goals, outcomes and intended impacts for economic regulation of ports and the next Medium Term Strategic Framework period. Our focus and energies will be on regulatory instruments and frameworks in line with the current reforms and trajectory for commercial ports in the context of a corporatised National Ports Authority. The anticipated passing of the Economic Regulation of Transport Bill by the National Assembly and assent by the President will require significant focus from the Regulator in establishing the Single Transport Economic Regulator.

We look forward to providing leadership to the Secretariat and to working with the Transport Ministry to ensure that the Ports Regulator is fit for purpose to play an impactful role in the foundational stages of the country's ambitions for broader and integrated regulation of Transport.

The Members of the Regulator's gratitude goes to the Minister of Transport Hon. Sindisiwe Chikunga for your unwavering support to the Ports Regulator during the 2023/24 Financial Year. We also appreciate the leadership provided by Deputy Minister, Hon. Lisa Mancgu who charged the Regulator to ensure that the organisation continues to undertake its mandate in the SA ports system and to use its influence in the broader port ecosystem. Together with the DG of Transport and his Executive we will continue to work hard to ensure that the Ports Regulator focuses on achieving our set targets as well as outcomes that will impact the port pricing, efficiencies, and transformation. We stand ready and support the Ports Regulator Secretariat led by the Chief Executive Officer, Ms. Jowie Mulaudzi and the Executive Managers. Your commitment, diligence and hard work can only take the organisation further in 2024/25.



Mr. Aubrey Ngcobo

Chairperson, Ports Regulator of South Africa



Accounting Officer's statement

The Ports Regulator's Annual Performance Plan for 2024/25 was prepared and is presented as the last under the organisation's 2020/21 – 2024/25 Strategic Plan. Therefore, as we conclude the 2020 – 2025 period, it is important to reflect on the commitments made which are the backdrop to this APP.

The Ports Regulator committed itself to enhance its role in developing and implementing economic regulation frameworks to continue reforming port pricing towards affordable, effective, and efficient prices. To this end, over the past several years, the Ports Regulator's operating principles were grounded on extracting the maximum regulatory impact from the lowest overhead cost, given the constrained fiscal environment. This modus operandi saw a core of critical/personnel relying on inhouse capacity to implement required technical regulatory, industry research and legal functions whilst managing a lean organisation. Insourcing of specialist expertise would be done when demanded by our operational needs to keep costs as low as possible.

It has been and remains the Regulator's contention that although this approach was in keeping with the precepts of the PFMA and it worked for the Regulator to an extent, greater financial resources will be required in expanding the areas of its mandate faster to remain relevant in an evolving economic and port operational climate.

The organisation's focus for the 2020/21 – 2024/25 period was to enhance its human resource capacity and management capability; the stakeholder engagements and management thereof especially on its core regulatory processes i.e. consultations to review and/or obtain stakeholder inputs/feedback towards approval of our respective multi-year tariff methodologies, the development and approval of a revised port tariff strategy, the complaints and/appeals processes, monitoring compliance of the Authority with the provisions of the Act, and measuring and reporting on trends with transformation in the port system through the NPAs implementation and compliance with Broad-Based Black Economic Empowerment in its contracting with terminal operators, commercial lease agreements and permits for various port activities.

Our APPs during this period reflected on the challenges experienced and the gains made which includes, though not confined to:

- A revision of the proposed organogram to increase the headcount from 29 positions to 60 which would capacitate the organisation to have a fit for purpose corporate services structure allowing for separation of functions under the lean structure in 2020/21.
- Activation of all the 29 positions on the approved organogram and a recruitment drive to fill all vacancies and filling of positions in Corporate Services through short term contracts additional to the establishment in 2021/22.
- Budget adjustments for the different functions were Administration/Corporate Services grew from actual budget of R13.1million in 2020/21 to R18.9million in 2024/25; Economic Regulation

and Tariffs will grow from the R3,8million actual budget (2020/21) to R8.1million in 2024/25; Industry Development grew from an actual of R3,8million (2020/21) to R7.9million in 2024/25 with Legal, Compliance, Monitoring and Tribunal decreasing marginally from R9,2million actual (2020/21) to R8,2million in 2024/25. At about R3.1million for 2024/25, the Governance function's allocation is retained at same levels as of 2020/21FY.

A total of 32 targets have been committed to for the 2024/25 APP with a majority in Programme One. Programme one is responsible for running an efficient and effective administration system, and it will continue efforts to expand capacity and capability for Human Resources Development, Supply Chain Management; Risk Management; Information and Technology capabilities to improve the efficiencies of the organisation. The approval and implementation of the Human Resources, Supply Chain and Information and Technology strategies will take the organisation forward in building and enhancing the Ports Regulator's capabilities.

Programme two focus on implementation of five main projects which includes tariff determination of for the 2025/26 – 2027/28FY, the review and finalization of the tariff strategy and research projects on a selected port sector. The imminent corporatisation of the National Ports Authority will require all-hands on deck as we test the provision of the existing tariff methodology on a corporatizing NPA. Significant inefficiencies have resulted in the Authority's net profits being reduced, through the Weighted Efficiency Gains from Operations by an amount of R226m for the 2024/25 FY bringing it to a cumulative of R660million. The financial loss is significant and should send the right message to the Authority about the need for tighter oversight on terminal operators, a culture of continuous performance improvement.

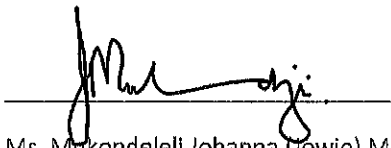
Programme three continues to drive our stakeholder engagement programme, including support for the Department of Transport initiatives in the Oceans Economy; conducts research to monitor efficiencies and capacity utilization in the system; and transformation in the port system through analysis of trends on Broad Based Black Economic Empowerment implemented by the Authority as well as supporting the Transport Charter Council, with research on transformation in the port system as it finalise and promulgate the Integrated Transport Sector Council Charter for the Transport Sector. Industry Development will also focus on dialogue on the implementation of the Weighted Efficiency Gains from Operations and issues with the National Ports Authority on continuous improvement and incentivization of performance of terminals.

Programme four operates an effective and efficient tribunal to hear complaints and appeals to provide port users the required recourse on decisions, action, or inaction of the Authority to bring about equity of access and ensure the Authority complies with the Act and its regulatory frameworks of the port system. The programme is charged with the responsibility to embed internal compliance frameworks for the organisation whilst providing corporate legal services.

The Ports Regulator has participated in and continues to support the Department of Transport in legislative programme that addresses our capacity and funding constraints affecting our ability to embrace our full mandate including processes to expand the current organogram to a complement of 60 and/or interim measures to close capacity gaps in corporate services before the establishment of the Single Transport Economic Regulator. Once again, the modest budget of R44million per annum was retained. Our baseline has been retained, however, additional allocations a sorely required for the sustainability of the organisation.

I wish to thank the Members of the Regulator for setting guidance and a strategic direction for and providing stability for the organisation as we conclude the 2020 – 2025 Medium Term Strategic Period. We look forward to detailed assessment and analysis of our performance as an organisation and sector as we ready ourselves

for the next MTSF period. My appreciation also goes to the Minister and Deputy Minister of Transport Hon. Ms. Sindisiwe Chikunga and Hon. Mr. Lisa Mangcu as well as DG Mlawu for your support to the Ports Regulator. Lastly to the Executive team and staff at the Ports Regulator, there is not much that can be accomplished without you. We will continue to find ways to improve not only the lives of South Africans through the technical work you do, but we will strive to improve our working environment for the Ports Regulator to be an employer of choice! I thank each and everyone one of you.




Ms. Mokondeleli Johanna (Jowie) Mulaudzi


CEO & Accounting Officer

Official Sign Off

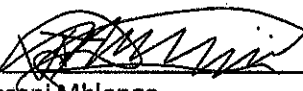
It is hereby certified that this Annual Performance Plan:


- was developed by the management of the Ports Regulator of South Africa under the guidance of the Member of the Regulator, Ports Regulator of South Africa
- Considers all relevant policies, legislation, and other mandates for which the Ports Regulator of South Africa is responsible.
- Accurately reflects the outcomes and outputs which the Port Regulator will endeavour to achieve over the period 2024/25FY.

Signature 
Mr. Pule Mothiba
Executive Manager: Policy, Strategy and Research

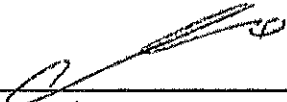
Signature 
Ms. Nokuzola Nkowane
Executive Manager: Industry Development

Vacant
Executive Manager: Legal

Signature 
Mr. Thokozani Mhlongo
Chief Financial Officer

Signature 
Ms. Mukondeleli Johanna (Lowie) Mulaudzi
Chief Executive and Accounting Officer

Approved

Signature 
Mr. Aubrey Ngcobo
Chairperson: Ports Regulator of South Africa

Approved:

Signature 
Ms. Sindisiwe Chikunga, MP.
Minister of Transport

PART A: OUR MANDATE

1. STRATEGIC OVERVIEW

1.1. Vision of the Ports Regulator

The vision of the Ports Regulator 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”.

This vision has stood the test of time as it encapsulates what the organisation consistently strives to be in an international and South African context. The Ports Regulator consistently works towards this vision by implementing programmes aligned to its mission.

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

Below are the values that informs the conduct of the Ports Regulator’s members and staff, which also characterise its engagements with the National Ports Authority, port users, interested and affected parties:

	Values	Behavioral Attributes
P	Protection of the values enshrined in the Constitution of human dignity, equality and freedom.	Being people centred and 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 regarding the proper use of the resources entrusted to us by the public. Ensuring the relevance of our regulatory frameworks in setting prices, addressing appeals and complaints and monitoring the National Ports Authority in its compliance with the objects of the National Ports Act.
S	Service Delivery and Stakeholder focus	Striving to exceed stakeholder expectations which engenders credibility of the decisions of the Regulator.
A	Accountability	The Secretariat is accountable to the Members of the Board of the Regulator, the Ministry of Transport as its Executive Authority and port stakeholders for the decisions and actions it takes.

1.4. Strategic Goals

Interlinked with the mission of the Regulator are our five Strategic Goals, namely:

- i. Ensure implementation of all elements of the regulatory framework within our mandate;
- ii. Enhance the Regulator's capacity to deal with all the output requirements of the organisation and in alignment with the Government's Medium Term Strategic Framework;
- iii. Maintain our reputation as an organisation with integrity, focused on excellence and delivery;
- iv. Ensuring that the National Ports Authority comply with the National Ports Act and provide infrastructure, services and facilities that serve the South African economy, trade and global competitiveness; and
- v. 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 a positive investment environment for the National Ports Authority to meet the needs and demands of the economy.

1.5. Legislative Mandates

The Ports Regulator of South Africa is part of the institutional architecture that the government of South Africa adopted for the governance of South African ports through the National Commercial Ports Policy of 2002. Defining a vision for a complementary port system made up of proclaimed commercial port under the ownership of the State through an Authority which in turn regulates public and private sector providers of terminal operations, the Commercial Ports Policy laid the basis for the establishment of the Ports Regulator and the National Ports Authority with distinct regulatory functions. The National Ports Authority would be the sole owner of port infrastructure, facilities and related services, and is thus a monopoly infrastructure owner and provider.

The defined South African architecture thus include an independent ports regulator to regulate pricing of port infrastructure provided by the National Ports Authority and to bring about efficiencies in port operations overseen by the National Ports Authority.

The National Ports Authority in turn, is empowered to regulate the port system through issuance of licenses, agreements, setting of port rules and concession agreements for the provision of infrastructure. Safety and security concerns in the port system are addressed through the South African Maritime Safety Authority (SAMSA) which bears responsibility and the functions of a safety regulator.

The Ports Regulator was thus established in terms of section 29 of the National Ports Act, Act 12 of 2005 ("the Act") as a Schedule 3A public entity that reports to the Minister of Transport and is responsible for the following three main functions defined in section 30(1) of the Act:

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

Section 30(2) places obligations on the Ports Regulator:

- i. to hear appeals and complains against the National Ports Authority from port users as defined in section 46 and 47 of the Act;
- ii. to consider the proposed tariffs of the National Ports Authority;
- iii. to promote regulated competition; and
- iv. to regulate the provision of adequate, affordable, and efficient port services and facilities.

In carrying out its functions the Regulator is guided by the 2007 National Ports Regulations (“the Regulations”) issued in terms of section 80 of the Act as well as the 2009 National Ports Directives (“the Directives”), issued in line with section 30(3) of the Act.

Economic regulatory frameworks are the locus of the Act, the Regulations and Directives. In addition to these, the Ports Regulator operates within and derives its mandate from a range of statutory and policy instruments that defines procedural and substantive mandate including but not limited to:

- The Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996).
- The Public Finance Management Act, Act No.1 of 1999, as amended, and Regulations thereto.
- The Labour Relations Act, Act No.66 of 1995, as amended (“LRA”).
- The Basic Conditions of Employment Act, Act No.75 of 1997 (“BCEA”).
- The Employment Equity Act, Act No.55 of 1998 (“EEA”).
- The Promotion of Administrative Justice Act, Act No.3 of 2000 (“PAJA”).
- The Promotion of Access to Information Act, Act No.2 of 2000 (“PAIA”).
- The Protection of Personal Information Act, Act No.4 of 2013 (“POPIA”).

1.6. Recent Court Rulings

In general, the objectives for regulation through administered pricing is to intervene in a market or sector characterised by a single firm or dominant player(s) in order to drive results similar to those that would prevail if there was competition in the market; to monitoring performance of a monopoly industry player; to enforce its accountability to customers and role-players, to protect consumers, ensure fair prices and allocative efficiency in South Africa’s commercial ports.

The exercise of economic regulation constitutes administrative action conferring significant powers on the Regulator which may materially and adversely affect the rights of the public and/or the regulated entity(s).

As an entity of the state undertaking administrative action, the Ports Regulator in its processes and decisions is informed by and complies with the provisions of the PAJA 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 government and organs of state, seminal to which are the following:

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

The **Eskom v National Energy Regulator case** remains instructive on the need for a Regulator to implement its approved methodology in the determination of tariffs of the Regulated entity.

Eskom took the NERSA on review on the basis that NERSA failed to apply its applicable legislative framework i.e., the MYPD methodology, and that NERSA also failed to maintain principles applied in previous decisions and did not offer valid reasons for departing from set precedent. 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 remains and it highlights for regulators the need for efficiency in decision making and consistency in application of adopted methodology(s).

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

The High Court appeal judgment emphasised the Ports Regulator's mandate with regards sections 46 and 47 of the National Ports Act No.12 of 2005 where on 8th June 2020 the full bench of the High Court of the Western Cape Division set aside an appeal lodged by Sunrise Energy (Sunrise) due to Sunrise's failure to follow the process prescribed in the National Ports Act i.e., lodging a complaint with the Ports Regulator before approaching the High Court. The Western Cape High Court confirmed that the Ports Regulator has extensive powers to deal with complaints as effectively and promptly as possible in terms of the National Ports Act.

1.7. Other Mandates

1.7.1. National Development Plan 2030

The Ports Regulator's decisions on port tariffs, as administered price, continue to take account of and respond to the National Development Plan goal to improve efficiencies and reduce inflationary effects of administered prices in manufacturing. The NDP requires the control of inflationary effects of administered pricing, to support the country's effort to build a diversified economy, stimulate manufacturing, enhance the regulation of market participation, and provision of appropriate infrastructure and services. In particular, the Ports Regulator aims to ensure that the National Ports Authority drives cost reflective and affordable port infrastructure, service and facility prices and operational efficiencies whilst remaining financially viable and continue investing in the maintenance, refurbishing and expansion of port capacity in support of the country's import and exports.

1.7.2. Medium Term Strategic Framework 2019 -2024

The Ports Regulator takes cognisance of, and through its regulatory processes, responds to some of the Medium-Term Strategic Framework 2019 – 2024 outcomes. As a public entity the Regulator is aligned with MTSF priorities: **Priority 1: A capable, ethical, and developmental state and Priority 2: Economic transformation and job creation.**

Priority 1 in filling vacancies in the organisation, care should 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 programs by developing and implementing its Human Resources strategy.

Priority 2 is relevant to the Ports Regulator's decisions in tariff setting operational efficiencies management for the NPA. The tariff setting process supports investment in port infrastructure through approved CAPEX and incentivizes improvements in port efficiencies.

1.7.3. Minister's 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 (5) guiding strategic thrusts which are the focus of the current administration and 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 five (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 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

Development and updating of the Ports Regulator's 2024/25 Annual Performance Plan was guided by the Members of the Regulator supported by the Secretariat. The Secretariat will consider the changes to be made during a strategic planning session. Members of the Board will set the direction for 2024/25 at a strategic planning and risk workshops on the 11th – 12th January 2024 and 24th January 2024. Alignment of the 2024/25FY Annual Performance Plan with government and the Department's Strategic Plan shall be confirmed during the yet to be scheduled Department of Transport's strategic planning session.

2.1. Operating Environment

The Ports Regulator of South Africa exists to set the standards for economic regulation for the South African maritime ports through the development of regulatory frameworks and related capacity. The Regulator also acts as the communication platform on regulatory processes for industry stakeholders.

In line with the mission statement, the regulator also promotes equity of access to ports and to facilities and services provided in ports by monitoring the activities of the National Ports Authority to ensure that it performs its functions in accordance with the Act.

The Regulator continues to develop and implement regulatory frameworks and processes to gradually move towards a more affordable, equitable and competitive port system. The Regulator considers the proposed tariffs of the National Ports Authority and adjusts it to align with legislation and to benefit stakeholders thus underlining the importance of providing adequate, affordable, and efficient port services and facilities to promote enhanced competition and investment.

Through its formally established and structured tribunal, the Regulator *adjudicates over* complaints and appeals by port users or any interested and/or affected party whose rights have been adversely affected by a decision, action, or inaction of the National Ports Authority. This is to ensure fairness and parity in the National Ports Authority's administration and management of the port system.

The Regulator is therefore poised to effect increased trade and economic growth through fair trade in the port industry. The increased participation of traders and the rest of the stakeholders enhances financial and economic viability and investment in the port system culminating in an effective and productive SA ports industry with positive relationships between industry participants and the regulated entity.

The Ports Regulator's aim is to reduce the cost of doing business for and with South Africa as well as the export cost of doing business with the world, through a fair and well-structured tariff methodology on which tariff determinations are based. The reduction of the cost of doing business is also supported by the Ports Regulator's mandate of overseeing that SA ports are efficient in their operations resulting in minimal vessel delays.

As the Regulator of prices for port infrastructure, facilities and services under the sole ownership and control of the National Ports Authority, the Ports Regulator ensures affordable, efficient, and sustainable pricing of port infrastructure.

The Regulator energies are focused on the development and implementation of appropriate regulatory

frameworks that provides the right signals for the NPA to invest in and maintain infrastructure to serve trade through SA ports.

By virtue of the 2002 Commercial Ports Policy the NPA is a regulator of terminal operators and is empowered by the Act to ensure terminal operators' efficiency. The regulatory frameworks implemented by the Ports Regulator must therefore ensure that the NPA's oversight on terminal operators brings about efficiencies that promote the global competitiveness of SA's exports and imports. Furthermore, the Regulator is required to oversee the NPA on its mandate to bring about transformation in the provision of terminal operations, port services (stevedoring, diving, vessel registration agents, etc.), implementation of CAPEX and in the management of its property portfolio.

2.2. Impacts of Ports Regulator in regulation of port infrastructure, facilities, and services:

2.2.1. Port reform through Tariff Methodology and Tariff Strategy

The application of systematic tariff methodology and strategy has resulted in the approved adequate tariffs (resulting in over R9bn savings paid-back to port users for projects and operational costs funded and not executed) whilst maintaining the sustainability of National Ports Authority.

The Tariff Methodologies implemented by the Ports Regulator has enabled long-term sustainability and predictability of port costs for the industry by is proactively maintaining an Excessive Tariff Increase Margin Credit facility (ETIMC) which serves as a buffer to lower tariff increase in years of shocks. For the 2023/24FY period the ETIMC stands at about R1,1billion which is available to offset future price spikes.

In July 2015 the Ports Regulator published South Africa's long term Port Tariff Strategy, through which reforms were implemented to ensure that, except in the case of approved cross subsidies, the incidence of port tariffs on the four main user groups are reflective of the cost of infrastructure used or benefit accrued to a user from the existence of particular port infrastructure, facility or service. The tariff strategy trajectory brings about greater fairness, cost reflectiveness and predictability in assignment of tariff incidence. In line with the Port Tariff Strategy, the exporters of manufactured goods (through export containers and as vehicles) have seen a consistent decreasing tariffs and the exporters of mining commodities have faced rising tariff trajectory albeit at a slower rate and pace.

In support of governments ambitions to increase local manufacturing and export of manufactured/beneficiated goods, the Regulator implements differentiation of tariff in support of South African manufactured goods that are exported in containers and for export vehicles by maintaining, on average, 70% lower prices for highly beneficiated South African manufactured cargo in export containers as well as SA manufactured export vehicles. Tariffs for export containers and Roro's have either been reduced or kept unchanged over the last 6 years contributing to beneficiation and SA industrialization, reduce the cost of doing business in support of government's MTSF outcomes and DoT objective to increase the maritime sector's contribution to the country's economic growth.

2.2.2. Balancing sustainable funding of the Ports Authority and affordable tariffs for port users

Since inception, the Regulator has struck a balance in keeping the NPA financially sustainable while managing tariff adjustment to affordable levels as depicted in Figure 1.

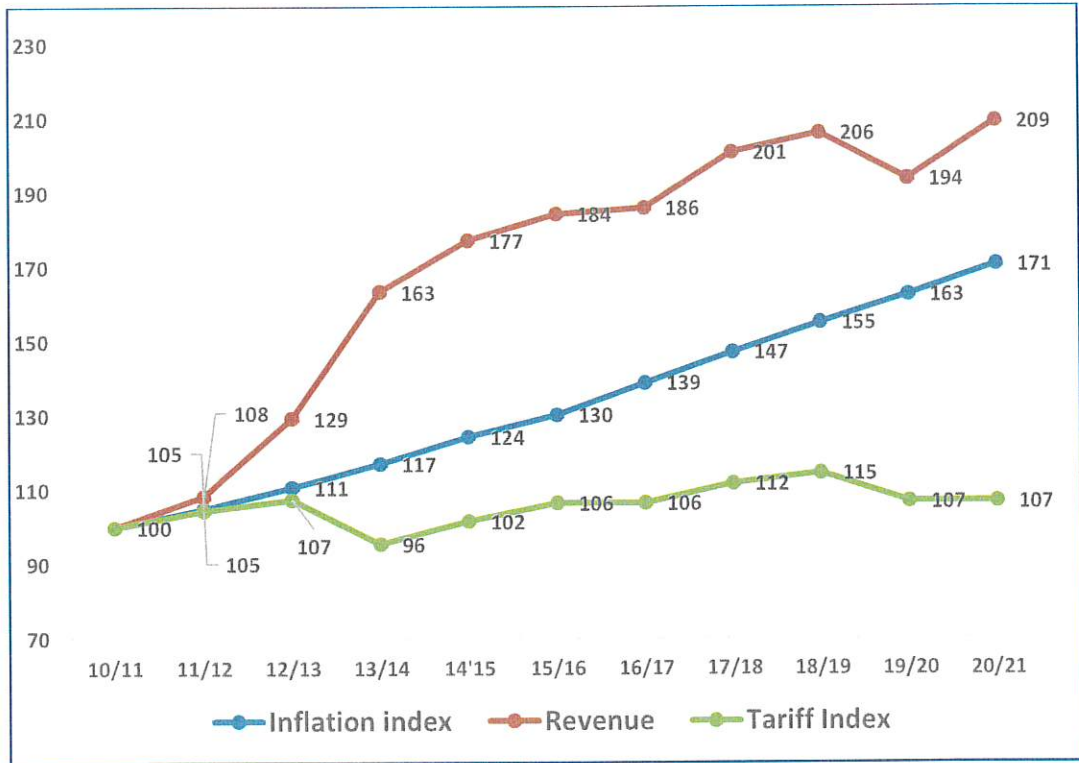


Figure 1: Regulatory outcomes/impacts on Ports Authority and port users

An analysis of the Regulator’s decisions on tariff adjustment relative to inflation and the NPAs revenues shows that Ports Regulator’s decisions and price setting has resulted in lower real tariffs (below inflation) and a sustainable revenue base for the National Ports Authority, which must be invested in the provision of required port capacity through the CAPEX programme.

The approach of the Ports Regulator to regulation and price setting resulted in lower real tariffs to enable affordability and economic growth whilst ensuring sustainability of the National Ports Authority. A challenge for the Regulator and all stakeholders is that the NPA has been unable to spend its approved CAPEX notwithstanding the regulatory framework which incentivises the implementation of CAPEX to provide and expand port infrastructure and facilities.

2.2.3. Port CAPEX implementation

The Regulator’s mandate is to ensure the provision of adequate and affordable infrastructure by the Ports Authority. The CAPEX applied for, supported by port users through the PCCs, has always been approved by the Regulator with the treatment of the Regulatory Asset Base (RAB) incentivizing the development of and commissioning of port infrastructure.

Except for the 2021/22FY, the NPA in the past five years managed to implement less than half of the approved CAPEX, compromising the ability of the port system to support the required economic recovery through the provision of physical infrastructure and a lost opportunity for increased trade owing to congestion. Furthermore, with port infrastructure investment being lumpy by nature, the implication of delayed capital spending in the long term is inadequate port capacity to facilitate trade through ports. The Regulator is hopeful that the corporatisation of the Authority and appointment of its own Board to decide on investments in ports, coupled with the Economic Recovery Plan and its Road

Map for ports and rail will bring about a turnaround in the Ports Authority's prioritization and implementation of CAPEX.

2.2.4. Regulator's signal of need for the Ports Authority to address operational efficiencies in South Africa's ports.

Benchmarking of South Africa's port performance has seen the country's terminals ranking at the bottom on various performance indicators, especially in the recent past. Deterioration in terminal performance and efficiencies resulted in the Ports Regulator introducing the Weighted Efficiency Gains from Operations (WEGO) to (dis)incentivise (poor)improved performance on Key Performance Indicators through reduced or additional profits. Implemented since 2016, WEGO has resulted in over R660m reduction in the National Ports Authority's net profit due to deteriorating port performance and inefficiencies on the measured Indicators as demonstrated in the results for the 2022/23FY as depicted below.

2022/23 Financial Year - WEGO Report								
WEGO Key Performance Indicators	Port of Richards Bay	Port of Durban	Port East London	Port of Ngqura	Port of Port Elizabeth	Port of Mossel Bay	Port of Cape Town	Port of Saldanha
Vessel Service Delays - TNPA Marine Services	-20,0%	-645,7%	2,8%	-19,5%	18,9%	0,0%	6,2%	-27,5%
Vessel Service Delays - Terminal Operators	-40,0%	0,0%	0,0%	0,0%	0,0%	0,0%	20,0%	0,0%
Ship Working Hour	-0,7%	-2,5%	-0,7%	-1,8%	-2,1%	0,0%	-2,1%	-0,9%
Berth Productivity	0,9%	-0,5%	-4,4%	-3,0%	-2,2%	0,0%	-5,4%	-0,5%
Ship Productivity Indicator	-6,9%	-5,5%	-2,9%	-0,7%	-4,7%	-10,2%	-6,1%	-1,6%
Ship Turnaround Time	-5,5%	-4,4%	-10,9%	-0,1%	-17,0%	-3,6%	-25,0%	-4,4%
Port Efficiency Gain	-72,0%	-658,6%	-16,2%	-25,1%	-7,0%	-13,8%	-12,4%	-34,8%
Capped at 15%	-15,0%	-15,0%	-15,0%	-15,0%	-7,0%	-13,8%	-12,4%	-15,0%
Revenue Weighting	13,0%	51,0%	1,9%	5,5%	5,3%	0,7%	14,5%	8,1%
Weighted Port Performance	-1,9%	-7,7%	-0,3%	-0,8%	-0,4%	-0,1%	-1,8%	-1,2%
TNPA WEGO	-14,19%	LEGEND:		White	No Change from Previous Best Performance			
				Green	Improvement from Previous Best Performance			
				Red	Decline from Previous Best Performance			

Table 1: 2022/23 Financial Year – Annual WEGO Report

The end state is for the port system to have the WEGO dashboard in green or white depicting sustained or continuous improvement in each port on the various Key Performance Indicators with the Ports Authority overseeing a reward and/or disincentive system which is transparent. The corporatisation of the NPA is anticipated to further enhance efficiencies through governance, executive and investment decisions that primarily addresses port development and performance imperatives.

2.2.5. Regulator's alignment with Medium Term Strategic Framework and port efficiencies.

Through our regulatory decisions and within the framework of the Methodology, the Regulator supports the 2019-2024 Medium Term Strategic Framework goal for increased levels of investment by public entities; the target to grow exports for defined national priority sectors by 4%; and the reduction of input costs for priority sectors. As a regulator which does not set policy, the Regulator achieves this by ensuring that its regulatory framework, particularly the treatment of the RAB is in support of the Corporatisation of the NPA as defined in the MTEF. Furthermore, the Methodology and regulatory tariff

decisions are intended to convey the correct signals through the WEGO for the behavioral change required of the Authority in ensuring efficiency improvement in port terminals.

2.2.6. Research to benchmark and support economic regulation of ports.

The Ports Regulator has conducted research and published various reports on aspects of regulation and/or the South African port system including benchmarking of South Africa's port infrastructure and terminal handling pricing with that of comparator ports; assessment of performance of terminal operators on performance standards agreed to with the Authority's (Terminal Operator Performance Standards/TOPS); the Global Pricing Comparator study (GPCS) and trends with implementation of Broad Based Black Economic Empowerment (B-BBEE). The GPCS which tracks and compares the quantum of marine charges, cargo dues and terminal handling charges applicable in the handling of various cargo types at South African ports and terminals compared to those at comparator ports for a unitary vessel typically calling at the same ports and terminals.

Adequate funding and partnership with relevant institutions will be necessary for the Ports Regulator's research agenda to expand to include projects that will provide insights into global shipping and maritime trends and the demands that such changes places on appropriate economic regulatory signals and responses to the Ports Authority. This includes Smart Ports, digitalization in the maritime sector, changes brought about by new technologies in shipping, the role of ports in the emerging and burgeoning green energy industry.

2.2.7. Monitoring compliance of the Authority with the National Ports Act.

The Regulator's own initiative compliance audits are slowly enabling the NPA to further comply with the legislative requirements, i.e. applications to the Minister of Transport to review, vary or extend the boundaries of ports to incorporate land outside port limits which the NPA wishes to operate in in terms of their Port Development Framework Plans.

2.2.8. Transformation is the provision of port infrastructure, facilities and services.

The Regulator monitors the implementation of B-BBEE and transformation in the port system. to ensure (a) more private sector players in port operations and (b) participation of Historically Disadvantaged Individuals (HDIs) and SMMEs in the provision of facilities and services.

Efforts to drive transformation have been affected by the antiquated National Ports Regulations of 2007 Regulation 3(2) which states that "from the fifth year following the commencement of the Regulations at least 75% per year of all agreements and licenses shall be entered, issued or granted to persons or entities who have attained the B-BBEE status of at least a Level Four Contributor"; the lack of a transformation strategy capable of bringing about required transformation in the different sub-sectors in ports from the NPA, and the delays in finalizing and promulgating of Maritime Transport Sector codes by government.

The periodic B-BBEE compliance reviews by the Regulator, shows that the compliance levels by the Authority have improved from 54% in 2021FY to 94% in 2022FY. However, compliance with the 2007 regulations belies the fact that there is very limited change in ownership and management patterns by blacks, women, and youth. The Regulator will update the 2007 regulations to align with the awaited new sector codes to be promulgated by the Integrated Transport Sector Broad Based Black Economic Empowerment Council (ITSBC).

The adjudicated tribunal matters have yielded positive impact ranging including:

- i. Enabled of equity of access by HDIs to the port facilities.
- ii. Ensuring that NPA’s decisions are substantively and procedurally fair.
- iii. Ensuring NPA monitors licensed port activities.
- iv. Ensuring NPA performs its functions in a procedurally fair manner.

2.2.9. Transport Economic Regulation

The Regulator shall increasingly contribute to the MTSF goal to increase competitiveness and access to transport modal networks through effective regulation in a redefined role in the Single Transport Economic Regulator (STER) when it is established. It is envisaged that the STER shall subsume the Ports Regulator into a new, wider economic regulator for the transport sector.

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

2.2.10. 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 2024/25FY and MTEF period, to deliver on its mandate in a positive way (Strengths and Opportunities) and Weaknesses and Threats that may hinder the organisation sustaining its performance and achieving its goals. The identified factors characterise and define 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.

Ports Regulator 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.	<p>Consulted and approved Multi-year Tariff Methodology which takes into account delays in implementation of chapter 2 of the Act (corporatisation of the NPA)</p> <p>Records of Decision balances needs of the regulated entity, port users and government objectives.</p> <p>Case management of appeals and complaints</p> <p>Efficient hearing of complaints and appeals and</p> <p>Timeous records of decision.</p>	Objective 2
ii)	Fulfilling Regulator’s mandate in terms of section 30 of the Act.	Robust Regulatory Framework comprising of Tariff Methodology and Tariff Strategy consulted with stakeholders.	Objectives 2 and 4

		<p>Increased monitoring of the NPA's:</p> <ul style="list-style-type: none"> • compliance with its functions in terms of the Act, • transformation in the port sector • equity of access in SA ports through B-BBEE monitoring & reporting, hearing of appeals and complaints 	
iii)	Good audit record and robust control processes	<p>Fully functional Audit and Risk Committee with Independent Members and chaired by an Independent Member.</p> <p>Effective internal controls with adequate checks and balances.</p> <p>Effective assurance through Internal and External Audit</p> <p>Clean audit achieved.</p>	Objective 1
iv)	Members set clear strategic direction set and oversee the Secretariat	<p>Members set strategic direction for the organisation and ensure compliance with good governance practices.</p> <p>Fully functional Regulator.</p>	Objective 6
v)	Good governance practices and procedures in place.	- Fully functional legal and compliance department to ensure the PFMA King IV are complied with.	Objective 6
vi)	Members of Regulator function as Non – Executive Directors with effective processes for declaring and/or managing interest to ensure that there is no regulatory capture, and Member's decisions are not compromised	Members are appointed as independent non-executives;	Objective 6
ix)	Effective use of resources and cross-cutting measure to ensure efficient use of the budget, and management of retained surpluses.	<p>Good financial controls.</p> <p>Compliance with National Treasury guidelines with regards to efficient use of public entity resources, including management of retained surpluses.</p>	Objective 1
x)	Effective and efficient engagement with stakeholders on regulatory outputs and processes.	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 Ports Regulator's tariff methodology and tariff strategy.	Objectives 2 and 3
i)	Credibility, and good reputation amongst industry players.	Industry trust and high levels of credibility on the Regulator's processes and competence to carry out its functions demonstrated in annual feedback during roadshows.	Objectives 2 and 3
2. Opportunities		Performance	Reference (Strategic Objectives)

ii)	Enactment of the Transport Economic Regulator Act leading to establishment of the Single Transport Economic Regulator Ports Regulator processes and practices, policy and established methodologies.	Envisaged to form the nucleus of the Single Transport Economic Regulator in the Economic Regulation of Transport Bill when enacted.	Objectives 2 and 5
iii)	Greater regulatory role in the operations, pricing and access set by the National Ports Authority.	Greater engagement with the Authority and professional respect cultivated between the two organisations. - Greater awareness and driving the understanding of the Authority's role as an instrument of economic growth and an extension of both local and global supply chains.	Objective 2
iv)	Envisaged amendments to the 2007 Regulations and 2009 Directives as issued in terms of the Act	Work on this to be fast tracked with the Department of Transport.	Objectives 4 and 5
vi)	Education and skill sets, can consolidate the knowledge base into tools and frameworks.	The industry has knowledge and research gaps - Regulator should lead in closing these gaps.	Objectives 1, 2 and 4
3. Weaknesses		Performance	Reference (Strategic Objectives)
i)	Enforcement instruments for implementation of Regulator's 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 Regulations 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 constrained National Fiscus and transfers from the DOT limits the capacity and expansion of the work of the Regulator.	Inadequate funding, capacity and capability to undertake functions including the audit and monitor the performance of the NPA.	Objectives 1, 2,3
iii)	Limited staff relative to mandate to be performed	Appointment of additional staff dependent on approval of the revised organogram and lobby for increase in budget baseline Boosting and appointment of engineers to aid the Regulator to appraise the Authority's engineering projects.	Objective 2
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 National Ports Authority and the use of confidential information in accordance with the Directives. The commercial, operations and engineering information derived from the Regulated Entity is not easily verifiable and therefore	Objectives 2, 3, 4 and 5

		embedding information asymmetries.	
v)	Policy gaps (directives and regulations issued in terms of Ports Act).	Policy reviews and amendments to be undertaken, including through the Economic Regulation of Transport Bill/Act.	Objectives 4 and 5
4. Threats		Performance	Reference (Strategic Objectives)
i)	Funding limitations and inadequate funding model.	Alternate funding model together with proposed amendments to section 42 of the National Ports Act to be affected; 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)	Economic regulation is a specialized discipline with limited pool of skills from which to draw.	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.	Objectives 2 and 3
iii)	Differences in interpretation of aspects of the National Ports Act by different parties with no judicial precedent to assist.	Records of decision by hearing panel(s) clarifies interpretation of the Act on a case-by-case basis.	Objective 5
iv)	Potential loss of human capital resources arising from uncertainties regarding 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.	Objective 1

2.3. 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 FY 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 2024/25 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 Ports Regulator Business	Impact (+/-)	Action
Political/Strategic			
MTSF strategic goals	Regulatory outcomes must respond to regulatory framework and align the Ports Regulator'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 the role of the Ports Regulator 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, records of decisions and tariff considerations.
Establishment of a Single Transport Economic Regulator	Change in the structure and nature of economic regulation of port infrastructure and operations	+/-	Engagements with DOT re: business case, HR Migration Plan, Organizational Structure and Transitional Arrangements for the Ports Regulator into the TER.
Infrastructure delivery as pillar of economic recovery plan	Support initiatives to improve SOE CAPEX implementation.	+	Approve NPA CAPEX, monitor and report on its implementation
National Ports Act Amendment – proposed amendments to enable enforcement of Ports Regulator's decisions put in abeyance in favour of Economic Regulation of Transport Bill.	Lack of enforcement powers for the Ports Regulator resulting in its inability to ensure that the National Ports Authority complies with the Ports Regulator's findings and decisions.	-	Continued monitoring and/or engagements with DOT on the amendments of the National Ports Act and/or passing of the Economic Regulation of Transport Bill (ERT Bill) and/or establishment of the STER.
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.
Poor performance of terminal operators affecting economic performance of the country	Pressure for the Ports Regulator to address the crisis with port performance directly or to respond beyond its mandate.	-	Effectively contextualise and communicate the role of the Ports Regulator in economic regulation of port infrastructure and regulatory interventions. Lobby the DOT for legislative amendments to accord the Ports Regulator with enforcement powers. Investigate the utilization of Tariff Records of Decision to enforce

			implementation of decisions – role of AGSA or external auditor of the NPA. Lobby government to oversee and ensure NPA plays its oversight function over terminal operators and ensure an efficient functioning of the port system.
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 introduce a new funding model.
Ports Regulator’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 and its Regulations	Ineffective outcomes from monitoring of transformation based on the outdated 2007 Regulations. Delayed promulgation of B-BBEE Maritime Specific Sector Codes by the Charter Council further delays real transformation in the ports system.	-	Support DOT and government processes (DTIC review of B-BBEE Sector codes) to amend the 2007 Regulations and/or inputs into the Integrated Transport BBBEE Maritime Specific Sector Codes. Collaborate with the B-BBEE Council to facilitate the access to services and facilities in South African ports.
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 Ports Regulator. Terminal Operator inefficiencies resulting in penalties and demurrage increase overall port costs and the cost of doing business in South Africa	-	Support the Economic Regulations of Transport Bill and establishment of a Transport Economic Regulator which will undertake price regulations across transport sub-sectors
Established Regulatory Frameworks incentivising capital and operating costs efficiency	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 portusers and ensuring sustainability of the National Ports Authority - Prudent use of the Excessive Tariff Increase Margin Credit (ETIMC)
Global Trends			
Enhancing SA’s Competitiveness in the global port sector.	Adjust tariffs in line with Tariff Strategy and aim to lower tariffs where appropriate	+	Implementation of the 10-year tariff strategy Efficiency benchmarking monitoring levels of operational efficiencies
Attraction of new investment and new business to SA ports	Demonstrated contribution to economic reconstruction and recovery plan	+	Implementing Tariff Strategy, <i>efficient pricing</i> and continued incentives for CAPEX implementation

Technological			
Ability of the Secretariat to keep abreast with rapid advance in and deploy appropriate technology to optimize business processes	Automation of the Ports Regulator business processes to assist in delivering more effectively on the mandate. Keeping abreast of information technology trends to ensure systems are efficient and productive.	+	Relevant and up to date IT systems. A fully capacitated IT department within the Secretariat of the Ports Regulator.
Ensuring information security and integrity	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.
Deployment and or adoption of technology to optimize port performance, improve port efficiencies and respond to obligations on digitalization and greening of ports.	Appropriate regulatory response to the NPAs OPEX, CAPEX and Research and Development	+/-	Research and development of appropriate regulatory responses, including co-operation with agencies with mandate re: compliance with environmental obligations
Legal/Legislation			
Changes in Legislative Environment: Economic Regulation of Transport Bill/Act Amendment of the National Ports Act and its Regulations	The approval 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. The amended National Ports Act will enable the Ports Regulator to have enforcement powers and introduce a new funding model. Amendment of the 2007 National Ports Regulations will enable transformation in the ports systems	+/-	Participate and monitor new laws being introduced/passed to address overall economic regulations of the Port sector. Assist DoT in the required legislative changes that will enable the Ports Regulator with its enforcement powers, regulations to drive transformation in the port sector and funding stream.
Passing and implementation of Maritime and Transport Services score cards to effect real transformation in the ports	Current 2007 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.
Environmental			

Increased operational costs due to use of energy of resources that are not energy efficient or carbon mitigating	Educate staff to save electricity and reduce costs. Full compliance to relevant policies that support an environmentally-friendly office.	-	Energy efficiency, recycling 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 and incentivize NPA's CAPEX and OPEX for inclusion and/or implementation of climate change adaptation and initiatives on decarbonization and the use of clean/efficient energy in ports.

PART C: MEASURING OUR PERFORMANCE

3. Ports Regulator’s Institutional Programmes

The organisation is established along five functional programmes that are responsible for delivering on the key aspects and objectives of its mandate. These are summarised in Figure 1 and detailed below:

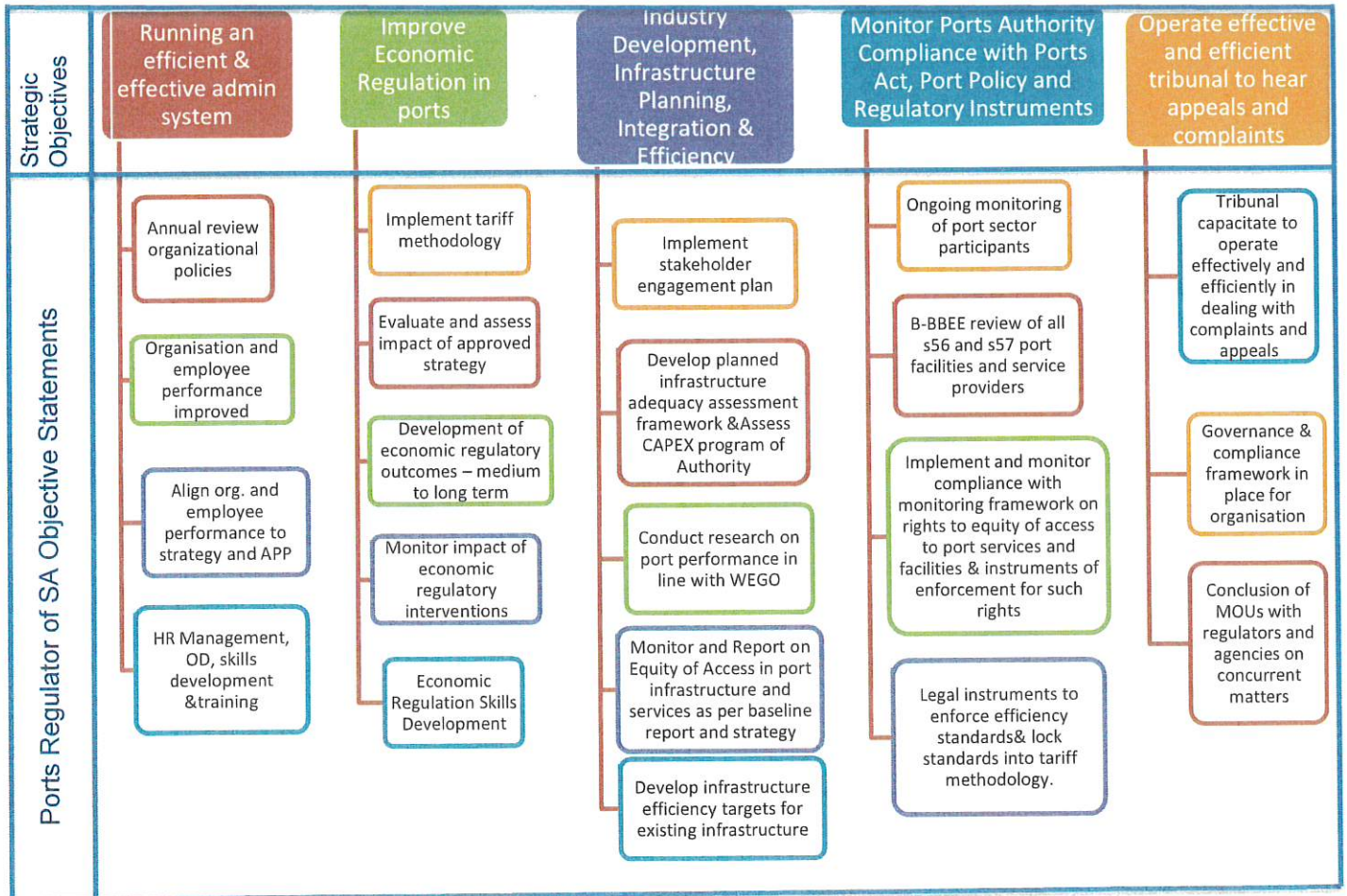


Figure 1: Strategic objectives and objective statements of the Ports Regulator.

3.1. Administration, Corporate Financial and Support Services

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

The Corporate Services department must deliver effective corporate support to the core programs of the Ports Regulator. The table on the output indicators (Table 1) over the medium term and on a quarterly basis outline 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 Corporate Services department has to develop, implement and monitor effectiveness 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 administration functions are carried out by a committed and highly driven staff complement of five individuals who continue to perform multiple functions, challenging the organisation not only to be robust in monitoring the separation of functions but the Audit and Risk Committee to play an even closer oversight role on corporate services.

The Regulator must establish fully-fledged and separate Human Resources, Risk Management, Finance and SCM, and Information Technology capabilities as a matter of priority to capacitate the organisation to deal with anticipated growth in the scope and functions undertaken and achieve separation of functions for effective accountability. The proposed organogram which aims to grow the staff complement from 29 to 60 people is yet to be approved by the Department of Transport.

Governance

The Governance functions are overseen by the Company/Regulator Secretary whose responsibility is to support the Members of the Regulator in complying with their governance duties towards the organisation and that the organisation is in compliance with applicable legal prescripts and legislations.

3.2. Policy, Research and Strategy (PSR)

The Department is responsible for the ongoing implementation of economic regulation of ports with primary focus on pricing, access, and research of emerging developments in the sector to inform policy analysis and the strategic management of the regulatory programs relating to pricing of long-term infrastructure. Furthermore, the department develops, enhances, and implements 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 department 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 several 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 2020/21FY tariff year, 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 Ports Regulator's body of knowledge and capacity in preparation for the establishment of the STER. The Ports Regulator has made progress in implementing the Tariff Strategy to achieve cost-based tariffs to the benefit of exporters and importers of manufactured goods by reducing the tariffs to gradually reflect base rates for these commodities handled in containers.

The tariff decision for the 2023/24 announced in December 2022, was assessed against the tariff methodology, the prevailing economic environment of recovery from market disruptions caused by the 2020 Covid19 pandemic, and the need to respond and contextualize the government announcement to corporatise the National Ports Authority. The Regulator approved an overall 3,32% tariff adjustment and retained the incentives for SA flagged vessels (30% discount on marine charges); bunkering vessels (60% discount on marine charges); and lower cargo dues for export containers and vehicles. Cargo dues for liquid bulk remain unchanged.

The Regulator finalised the review of the Tariff Methodology during the last quarter of 2023/24 in consultations with port users, interested and affected parties with the new methodology proposing how the NPA will be treated in the event it is corporatized in accordance with section 3(2) of the National Ports Act, by 31 March 2023. Consequentially, the NPA will be treated differently as an operating division of Transnet SOC limited with implications on the determination of the required revenues.

The Ports Sector, like any other aspects of the South African economy are caught in the low economic growth path where growth is anemic and port users are left with fewer mitigations to excessive tariff increase and higher costs absorption. The Regulator may increasingly be faced with complaints on rising costs and therefore urged to act decisively on suboptimal performance of the infrastructure owned and operated by the Authority and Terminal Operators in the ports system.

The PSR capacities and skills base in the department will need to be significantly increased and enhanced for the department to be able to assess the tariff applications of corporatised National Ports Authority and when called upon aid the Regulator to reflect appropriately on the matters of affordability, productive and allocative efficiencies in the ports sector. The department will also need to aid the Regulator to deal with matters of crisis because of excessive pricing. This should lead to regulatory approaches that promotes cost optimization by the Authority to bring about the balance of affordability of services and sustainability of the regulated entity.

With the imminent passing of the Transport Economic Regulation 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. However, due care should be given to retention of the skilled professionals as traditionally, transitional phases come with uncertainty of job security, location of work and the rate of changes in the organization that may unsettle some of the professionals.

Although the department experienced rapid turnover of staff over the past two years, new team members with experience from other regulatory agencies joined the Department This has enabled a better transition and continuation of the program of economic regulation. The established regulatory frameworks and internal capacity enabled a smoother transition without affecting the stability in the regulatory approach and trajectory. Vacant positions were filled, and the staff complement increased marginally from 05 to 06 (complimented by an intern) by end of 2023 as per current approved structure.

When the expanded organogram is approved, the Regulator will prioritise the activation of new posts to match required additional capacity with staff complement for economic regulation increasing to 16.

3.3. Industry Development (ID)

The Industry Development Portfolio is diverse in nature and is responsible for, amongst other functions, engage with stakeholders of the Regulator, monitor and report on the efficiency of the SA port system, and conduct assessments of the Authority's CAPEX programmes.

Industry Development in collaboration with the other portfolios of the Regulator, drives the following processes which form part of the Regulator's mandate:

- i. Monitoring and reporting on operational performance of SA port system with particular focus on the SA ports' operational efficiencies informed by agreed upon Key Performance Indicators between the Port Authority, Terminal Operators, and other key stakeholders.
- ii. Research studies to identify opportunities and weaknesses which will lead to performance improvements for the SA ports system.
- iii. The Authority's CAPEX programme, CAPEX trends, and analysis with regards to prudence, capacity, demand, etc.
- iv. The transformation agenda and its alignment with the National Ports Act's objective of promoting the development of an effective and productive South African port industry that can contribute to the economic growth and development of the country.
- v. Increasing awareness and disseminating information about the duties and activities of the Regulator.
- vi. Manages the perceptions of stakeholders about the work of the Regulator through self-administered questionnaires at Regulator events, roadshows, etc.
- vii. Support the Department of Transport's (DOT) initiatives and interventions on the Oceans Economy and the Minister's Priorities for the Maritime Sector as reflected on the Minister's Performance Agreement.

The Regulator's stakeholder interactions, specifically the Port Consultative Committees (PCC), National Port Consultative Committees (NPCC), KPI and WEGO Sub-Committees, Tariff Roadshows, and Annual PCC Port Performance Roadshows, reveal that port users continue to have pain points and experience challenges in areas such as:

- i. **Terminal Performance:** port users continuously complain about equipment breakdowns in key terminals e.g., container terminals, unavailability of adequate resources to handle cargo efficiently. This demonstrates lack of investment in terminals especially those operated by Transnet Port Terminals in ports like Richards Bay and Container Terminals.
- ii. **Landside Congestion:** The unreliability and increased unavailability of rail services has driven cargo to be transported via road, which has created high volumes of trucks on SA ports roads but also on national roads leading to the ports. The unprecedented number of trucks queuing for port access in the Port of Richards Bay has resulted in port users raising a red flag on the sustainability of this untenable situation.
- iii. The Port Authority's inability to spend its CAPEX as approved by the Regulator through the Port Authority's Tariff Application year-on-year continues to plague SA ports. The inability to invest

in SA ports infrastructure timeously, is a great concern. Furthermore, its protracted approval processes and decision-making, is of great concern for port users and as a result, the Port Authority has cost them money in demurrage costs as a result of delays and lost business opportunities.

- iv. **Operational inefficiencies:** notwithstanding the nine years of implementation of Terminal Operator Performances Standards and its related Marine, Haulier and Truck Operator Performance Standards, with Key Performance Indicators monitored by the PCCs, port users and international port benchmark studies reports SA ports as inefficient. The WEGO was established to ensure that the Tariff Methodology takes account of and drives the right behaviour by the NPA i.e. oversight of terminal operations to ensure efficiencies in the port system, including making appropriate and timely investment in infrastructure, services and facilities. Industry Development performs diverse research to understand reasons for poor performance to be addressed in the regulatory process, benchmark port performance and address information asymmetry in SA port sector.

Industry Development will conclude three (3) additional research reports, which will be utilised internally to enhance the Regulator's research and performance monitoring capability as well as expand the regulatory body of knowledge. The following reports will be published to enhance our monitoring of developments in ports:

- i. National Ports Authority's Capital Project Register
- ii. Analysis of trends in the implementation of Equity of Access in SA Ports
- iii. Analysis of trends in terminal performance on the Terminal Operator Performance Standards (TOPS).

3.4. The Legal Department

The legal department is responsible for monitoring the Ports Authority and its compliance with the National Ports Act to ensure the Authority complies with the Act, and effectually managing tribunal matters that are adjudicated by the designated Hearing Panels in term of section 30(2)(a) of the Act.

3.5. 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), read with sections 46 and 47 of the Act. The independent tribunal has adopted a themed regulatory approach in terms of our mandate as per section 30(1)(a) to (c) of the Act.

3.6. Legal Services

The overall purpose of the Department is to ensure the Regulator receives appropriate legal support and services in:

- i. **Litigation and/or administrative hearings**
- ii. **Legal opinions and advise**
- iii. **Policy and Legislative Review**
- iv. **Contract Management**
- v. **Monitoring of legislative developments** – including on the Act and ERT Bill.

3.7. Compliance 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 Authority with the Act. The monitoring function is aimed at:

- i. Conducting desktop monitoring and assessment using publicly available information.
- ii. Reviewing data submitted by the Authority.
- iii. Conducting pre-arranged or unannounced inspections using the monitoring powers under the Ports Act.
- iv. Obtaining reasonable assurance that the activities of the Authority are conducted in compliance with the Ports Act.
- v. Monitoring compliance of the Authority with the Regulations of 2007, with the aim of ensuring transformation of the port industry/system and fulfilling the mandate as espoused in section 30(1)(b) of the Act by promoting equity of access to ports and to facilities and services provided in ports and ensuring port competition.

The Department currently comprises of five staff members, which is envisaged to grow to thirteen in the proposed expanded organogram. Additional capacity in the legal department is to implement compliance audits and possible increases in hearings where the Authority is reported to be non-compliant with comply the Act.

3.8. Outcomes, Outputs, Performance indicators and targets

Table 1: Outcomes, Outputs, Performance Indicators and targets

Strategic Objectives	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 administration 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 to achieve alignment with strategic objectives.	Monitoring employee performance to achieve alignment with strategic objectives.	Monitoring employee performance to achieve alignment with strategic objectives.	Monitoring employee performance to achieve alignment with strategic objectives.	Monitoring employee performance 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 organizational HR plan.	Appropriate training sourced (internal / external) for Members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan.	Appropriate training sourced (internal / external) for Members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan.	Appropriate training sourced (internal / external) for Members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan.	Appropriate training sourced (internal / external) for Members and staff to attend and annually report to the Regulator on all regulatory training that has taken place in line with the organizational HR plan.

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	Develop SCM, ITC & HR strategies to expand output requirements to support Regulator	SCM, ITC and IT strategies developed and approved				Develop SCM, ITC and HR strategies that will support the expansion of the output requirements of the Regulator	Implement, monitor and report
Ensuring good governance and sustainability of the organisation.	Governance in place, reported on and updated annually.	Number of Governance reports on a quarterly basis to the Ports Regulator.	4 Quarterly Governance Reports	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.
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	Assessment of Tariff Application FY 2024/25 (in the phase of capital ramp-up)	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 ports system	Regulatory impact assessment published	Regulatory impact assessment on port tariff regulation in the South African port infrastructure environment	Regulatory impact assessment on non-port tariff regulation in the South African port infrastructure environment	Regulatory impact assessment on port tariff regulation in the South African port infrastructure environment	Review of Port Tariff Strategy	Update regulatory impact assessment on port tariff regulation in 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 (Global Port Comparator Study)	Research studies conducted on pricing and efficiency/performance. (Global Port Comparator's Study)

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets					
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
	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	Report on market concentration and abuse of dominance	Report on market concentration and abuse of dominance		
	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	Regulatory Accounting (RA) Principles for the South African Port System	Report on marina and recreational facilities and usage of South African commercial ports system or	
	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 (Clean technologies and infrastructure to handle green hydrogen cluster)	
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	One review report covering the ongoing monitoring of port performance

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	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 portusers, 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 Ministerial maritime priorities	Review and implement annual Stakeholder Engagement Plan	Review and update the Annual Stakeholder Engagement Plan. Implement the Plan in line with the Engagement Calendar.	Review and update the Annual Stakeholder Engagement Plan. Implement the Plan in line with the Engagement Calendar.	
		Knowledge Management System roll-out.	Design a Ports Regulator Knowledge Management Program – capturing and institutionalizing tacit economic regulation knowledge and facilitate internal capacity building	Implement Knowledge Management program	Implement the Knowledge Management System to align & ensure training is done.	Implement the Knowledge Management System in collaboration with ICT and KMS Champions to align with existing tools for a central information repository.	

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	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 the NPA transformation Agenda for equity of access in SA Port system.	Monitor and report on the NPA Transformation Agenda for equity of access in SA Port system.
	Assess planned infrastructure adequacy based on existing efficiency levels	Establish baseline port 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.	Monitor and report on infrastructure delivery through the NPA CAPEX execution.	Monitor and report on infrastructure delivery through the NPA CAPEX execution.
						Implement capacity utilization study model through modelling of terminals to monitor productivity and efficiency targets. Monitoring of efficiencies in port based on modelled results and adjustment of model as and when necessary	Implement capacity utilization study model through modelling of terminals to monitor productivity and efficiency targets. Monitoring of efficiencies in port based on modelled results and adjustment of model as and when necessary

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	Monitor port performance	Annual Reports and Number of Technical Working Committees to monitor performance.	Annual report on port performance (including TOPS, MOPS and WEGO).	Annual report on port performance (including TOPS, MOPS and WEGO).	Annual report on port performance (including TOPS, MOPS and WEGO).	Annual report on port performance (including TOPS, MOPS and WEGO).	Annual report on port performance (including TOPS, MOPS and WEGO).
		Annual Capex Report and Number of Technical Working Committees to monitor CAPEX execution.	Report on CAPEX implementation	Report on CAPEX implementation	Report on CAPEX implementation	Annual NPA CAPEX Assessment/ Analysis Report.	Annual NPA CAPEX Assessment/ Analysis Report.
4. Monitoring the National Ports Authority and its compliance with the National Ports Act.	Improved levels of compliance with the Act by the NPA	Number of Compliance monitoring and down initiative investigations conducted	4 Compliance Monitoring Reports	4 Compliance Monitoring Reports	4 Compliance Monitoring Reports	4 Compliance Monitoring Reports	4 Compliance Monitoring Reports
5. Monitoring equity of access to ports and facilities and services provided in ports	Improved levels equity of access in the ports system by HDIs in accordance with the relevant Regulatory instruments	Number of B-BBEE compliance monitoring and enforcement against the Authority with the requirements of Regulations 2 and 3 (2007 Regulations)	Annual B-BBEE Compliance Report	1 B-BBEE Compliance Report	1 B-BBEE Compliance Report	1 B-BBEE Compliance Monitoring and Enforcement Report to the Regulator	1 B-BBEE Compliance Monitoring and Enforcement Report to the Regulator
			Section 30(5) B-BBEE Report	-	-	Consolidated B-BBEE s.30(5) Report	Consolidated B-BBEE s.30(5) Report

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
6. Operating an effective and efficient legal department relating to tribunal and litigation matters	Optimised operational efficiency of the tribunal.	Number of Tribunal Reports on the support given to the Hearing Panels in the case management, adjudication, mediation and decision making of the tribunal matters.	Quarterly Tribunal Reports	-	-	4 Quarterly Tribunal Reports	4 Quarterly Tribunal Reports
7. Ensuring regulatory compliance within the organisation	Improved levels of compliance with various regulatory frameworks by the Ports Regulator	Number of compliance management reports	Quarterly Compliance Reports	-	-	4 Quarterly Reports on the status of regulatory compliance in the organisation	4 Quarterly Report on the status of regulatory compliance in the organisation
Ensuring good governance and sustainability of the organisation.	Governance in place, reported on and updated annually.	Number of Governance reports on a quarterly basis to the Ports Regulator.	5 Quarterly Governance Reports			Compile quarterly governance and compliance reports to the Regulator.	Compile quarterly governance and compliance reports to the Regulator.

3.9. Program Outputs, Indicators, Annual & Quarterly targets for the 2024/2025 Financial Years

Table 2: Program Outputs, Indicators, Annual & Quarterly targets for the 2024/2025 Financial Year

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
The running of an efficient and effective administration system	Prioritised Corporate Services Policies reviewed.	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.	Financial policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly.	HR policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly.	Policy gap analysis to be performed and dashboard report to be submitted to the CEO for next FY.
	Organisational and employee performance improved.	Organisational performance monitored and reported on to the Regulator quarterly.	Zero baseline for financial year.	Achievement of all targets set in the Annual Performance Plan.	Report on Q4 performance to the Regulator and DOT by 30 April 2024 and the Regulator by 31 May 2024.	Report on Q1 performance to DOT by 31 July 2024.	Report on Q2 performance to DOT by 31 October 2024.	Report on Q3 performance to DOT by 31 January 2025.
		Employee PMS monitored and enhanced by conducting half year and final employee performance reviews to be provided to the Accounting Office	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 CEO	Performance agreements for previous financial year for CEO and all Executives finalised	Half yearly performance review to be undertaken in accordance with the policy and reported on the CEO.	Final employee performance reviews to be undertaken and scoring forwarded to and assessed by HR. Report to CEO

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
	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 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 Ports Regulator 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.	Develop training plan and submit to TETA by 30/04/2024.	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 cases of irregular, wasteful and fruitless expenditure.	Irregular, wasteful & fruitless expenditure eliminated	Zero baseline for financial year.	100% reduction of cases 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.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
	Increased procurement and effective payments of suppliers and service providers	Percentage of payments effected within 30 days, in line with the National Treasury guidelines	Zero baseline for financial year.	100% invoices paid within 30 days	100%	100%	100%	100%
	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 elements of regularity 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 question within the stipulated timelines	Percentage responses to Parliament questions within stipulated timeliness	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

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
	Resource requirements of the organisation sourced through an approved SCM strategy	Implementation of SCM strategy	Zero baseline for financial year.	implementation of SCM strategy	Approval of SCM Strategy	Quarterly reporting on implementation of SCM strategy	Quarterly reporting on implementation of SCM strategy	Quarterly reporting on implementation of SCM strategy
	Expand the Human Resources support functions to core programmes through implementation of HR strategy	Implemented HR strategy	Zero baseline for financial year.	Implement HR Strategy	Approval of HR Strategy	Quarterly reporting on HR strategy	Quarterly reporting on HR strategy	Quarterly reporting on HR strategy
	Develop effective ICT infrastructure and services to support the Regulator and Secretariat	Implemented ICT strategy	Zero baseline for financial year.	Implement ICT Strategy	Approval of IT strategy	Quarterly reporting on IT strategy	Quarterly reporting on IT strategy	Quarterly reporting on IT strategy
	Contribution to the transformation initiatives	Reports to the Regulator on procurement plan	Zero baseline for financial year	Quarterly reporting to the Regulator on Implementation of transformation on procurement plan	Quarterly report to the Regulator on transformation initiatives within Ports Regulator procurement plan	Quarterly report to the Regulator on transformation initiatives within Ports Regulator procurement plan	Quarterly report to the Regulator on transformation initiatives within Ports Regulator procurement plan	Quarterly report to the Regulator on transformation initiatives within Ports Regulator procurement plan

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
Ensuring good governance and sustainability of the organisation.	Improved Governance processes within the Ports Regulator	Number of quarterly Governance Reports to the Regulator	Zero baseline	4 Governance Reports	1 Governance Report	1 Governance Report	1 Governance Report	1 Governance Report
		Number of recommended training programmes for Regulator Members	Zero baseline	Training Programmes conducted for Regulator Members	1 Training Programme conducted for Regulator Members	1 Training Programme conducted for Regulator Members	1 Training Programme conducted for Regulator Members	1 Training Programme conducted for Regulator Members
2. Ongoing implementation of Economic regulation of ports (Price, access, institutional structure)	Complete tariff assessment in accordance with the multi-year tariff methodology and publish record of decision	ROD and Tariff Book published	2024/25 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 and noting by RegCom	Complete tariff assessment, ROD approval by the Board	Finalize and publish Tariff Book
	Clean technologies and infrastructure to handle green energy including gas	Completion of research report	Zero baseline for financial year.	Research report on the study of clean technologies and related infrastructure to handle green energy and gas cargoes	Develop Terms of Reference and Research Framework	Research and literature review on the study of clean technologies and related infrastructure to handle green energy and gas cargoes	Analyze findings from desktop research and draft research report for submission to CEO	Final report to be submitted to Regulatory Committee for approval
	Global Pricing Comparator Study	Annual GPCS study published	2020 GPCS Report	Global Pricing Comparator Study	Tariff Book collection for all	Collation of tariff data	Draft report submitted to CEO	Final report to be submitted to Regulatory

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets				
					Q1	Q2	Q3	Q4	
					four cargo types				Committee for approval
	Review of Tariff Strategy to measure corrections over the last 10 years	Recommended approach for the next 10 years	Zero baseline for financial year.	Updated Tariff Strategy	Appointment of an expert and kick-off the project	Analyze and consolidate the inputs, (illustration of impact thereof)	Revise the draft report and update tariff strategy		Regulatory Committee and Regulator approval of the updated Strategy
	Integrated Intermodal Transport System (including operations by PSP)		Zero baseline for financial year.	Research report on the Integrated Intermodal Transport System (including operations by PSP).	Project overview and data collation	Initial draft report	Complete draft report		Final report to be submitted to Regulatory Committee for approval
3 Engage stakeholders and monitor provision of infrastructure and facilities; and promotion of efficiencies in the port system	Stakeholder Management-Engagement Platforms & Reporting	Quarterly reports on stakeholder engagement and implementation of the Stakeholder Management Strategy	Zero baseline for financial year.	Annual stakeholder engagement report encompassing all engagement on outcomes. Implementation of the Stakeholder Management Strategy.	Quarterly stakeholder engagement Report. Technical Working Committee Report. PCC Report	Quarterly stakeholder engagement Report. Technical Working Committee Report. PCC Report	Quarterly stakeholder engagement Report. Technical Working Committee Report. PCC Report		Quarterly stakeholder engagement Report. Technical Working Committee Report. PCC Report
	Manage implementation and performance of WEGO and	WEGO & TOPS Analysis Performance Report	Previous Year's WEGO Record of Decision and TOPS Report.	Annual WEGO ROD Publication by 31 March.	Quarterly WEGO/TOPS Analysis Performance	Quarterly WEGO/ TOPS Analysis Performance Report.	Quarterly WEGO/ TOPS Analysis Performance Report.		Quarterly WEGO/ TOPS Analysis Performance

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
	TOPS			TOPS Report by 31 March	Report. Consultations/presentations on preliminary WEGO results	Analyse 2023/24 FY WEGO performance	Consultations/presentations on WEGO results in tariff process	Report. Confirmation of WEGO KPIs and targets for new FY: NPA and Port users and/or WEGO ROD
	Monitor and report on equity of access in port infrastructure and services as per NPA Strategy.	Annual Report: Equity of access in SA ports.	2023/24 Report	Annual Report: Equity of access in SA ports.	Research and data collection on equity of access in SA ports	Progress Report on equity of access in SA ports	Review and/or update BBBEE statistics and status report.	Finalise the Annual Report on Equity of access in SA ports.
	Assessment of Authority's CAPEX programme and monitoring of infrastructure productivity and/or efficiency targets for existing infrastructure	CAPEX Assessment report.	23/24 FY NPA's Intervention Plans	CAPEX assessment report per quarter.	Report: Analyse, tracking and monitoring of CAPEX programme. Monitor Progress NPA's Intervention Plans.	Report: Analyse, tracking and monitoring of CAPEX programme. Monitor Progress NPA's Intervention Plans.	Report: Analyse, tracking and monitoring of CAPEX programme. Monitor Progress NPA's Intervention Plans.	Report: Analyse, tracking and monitoring of CAPEX programme. Monitor Progress NPA's Intervention Plans.
4 Monitoring the National Ports Authority and its compliance with the National Ports Act and	improved levels of compliance with the Act by the NPA	Number of compliance monitoring conducted	4 Reports	4 Quarterly Compliance Monitoring Reports to the Regulator	1	1	1	1

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
other Regulatory Instruments to ensure access to and competition within the port system,								
	Improved levels equity of access in the ports system by HDIs in accordance with the relevant Regulatory instruments B-BBEE status review of all s56 and s57 port facilities and service providers for all ports	Number of B-BBEE Compliance reviews conducted	1 Report	1 Annual B-BBEE Compliance Review Report	-	-	1	1
		Number of consolidated section 30(5) & (6) reports submitted to the Regulator for approval	1 Consolidated Report	1 Consolidated Compliance Report	-	1	-	-
5. Operating an effective and efficient tribunal to hear complaints and	Optimised operational efficiency of the tribunal and litigation.	Percentage of received tribunal cases received and managed within the timelines	100%	100% Tribunal cases received and managed within timelines	100%	100%	100%	100%

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2024/2025 Quarterly Targets			
					Q1	Q2	Q3	Q4
appeals								
6. Ensuring regulatory compliance within the organisation	Improved levels of compliance with various regulatory frameworks by the Ports Regulator	Number of internal compliance monitoring conducted	4 internal compliance reports	4 reports	1 report	1 report	1 report	1 report
7. Ensuring optimized and maximized quality of legal services	Improved quality of legal services	Percentage of effective internal legal services rendered within the timelines	New target	100% of effectual legal services rendered within specified timelines	100%	100%	100%	100%

3.10. Programme Resource Considerations

The focus of the entity over the medium term continues along the same trajectory with focus on achieving maximum operational efficiency and improving on economic regulatory outcomes. In addition, B-BBEE compliance monitoring and investigations, tribunal processes, and collaboration with other statutory bodies will be conducted to further execute the mandate of the Regulator. The Regulator is proud of its commitment to expanding the regulatory body of knowledge and will continue its ad-hoc projects including the monitoring and regulatory analysis on commercial leases in the ports system and its research in support of wider regulation in the transport sector.

The intention is to increase the stability, maturity, and reliability on an efficient port system that is supported by the principles of the Tariff Strategy, and to host complaints function that port users can have faith in. The regulatory focus remains on the efficiency within the ports system, and on the implementation of CAPEX. 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 and the Regulator intends on increasing the number of available tribunal days. Quarterly compliance audits and the timeous processing of complaints and appeals as well as monitoring of compliance with the Act falls within the ambit of the Regulator's focus.

The Regulator currently relies 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, to improve its resources and ensure its sustainability into the future.

The gazetting of the Economic Regulation of Transport Bill, thereby forming what would be a new regulatory body regulating all transport sector 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 TER at some time in the medium term. The ERT Bill is anticipated to be tabled before the National Assembly for approval by the end of 2023/24 FY and eventually to the President of the Republic of South Africa and promulgation.

Employee costs account for an average 69% 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 due to resignations. Adjustments were made to conduct the benchmarking in 2022/23 and the outcomes were implemented in 2023/24. That enabled the organisation to offer competitive packages and retain key personnel where applicable. Training and upskilling of employees is important to ensure that staff remain at the cutting edge in their respective fields and to minimise the use of consultants except where such expertise are required. The expenditure of the Regulator will continue to be focused mainly on staff and on enhancing internal systems to deliver on the outcomes articulated herein. The systems are mainly internal regulatory compliance systems and systems for monitoring, information and knowledge management, information processing and communication capability. Closer monitoring of the NPAs CAPEX program as per the 2021/22 – 2023/24 FY Record of Decision will require more resources to be allocated for member and staff outreach program per port.

3.13. Income and Expenditure Trends

PE No Entity name	2020/21		2021/22		2022/23		2023/24		Approved budget	2020/21-2023/24	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	Audited outcome	Audited outcome	Audited outcome	Audited outcome	Audited outcome	Audited outcome	2024/25	2025/26					2026/27					
R thousand																		
PE10 Ports Regulator of South Africa																		
Administration	13 108	15 295	20 279	17 440	17 440	10,0%	40,6%	18 894	19 993	20 913	6,2%	40,7%						
Economic regulation	3 782	4 658	5 972	7 743	7 743	27,0%	13,6%	8 110	8 501	8 892	4,7%	17,5%						
Legal services (G&S)	9 175	10 241	10 848	8 764	8 764	-1,5%	24,5%	8 176	8 702	9 702	1,3%	18,4%						
Industry development	3 792	3 745	8 560	7 430	7 430	25,1%	14,0%	7 925	8 229	8 608	5,0%	17,0%						
Governance	3 237	1 722	4 175	2 737	2 737	-5,4%	7,3%	3 072	3 041	3 181	5,1%	6,4%						
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expense	33 094	35 861	49 834	44 114	44 114	10,1%	100,0%	46 177	48 466	50 696	4,7%	100,0%						

Financial position	Audited outcome		Audited outcome		Approved budget		Average growth rate (%)		Net change/ total: Average (%)		Average growth rate (%)		Net change/ total: Average (%)	
	2020/21	2021/22	2022/23	2023/24	2020/21 - 2023/24	2020/21 - 2023/24	2024/25	2025/26	2023/24 - 2025/27	2023/24 - 2025/27	2024/25	2025/26	2023/24 - 2025/27	2023/24 - 2025/27
Carrying value of assets of which:	1 820	1 931	1 649	1 721	-1,8%	5,3%	1 804	1 889	1 976	4,7%	5,8%			
Acquisition of assets	(426)	(471)	(37)	-	-100,0%	-0,6%	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued investment interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and prepayments	474	410	742	774	17,8%	1,9%	812	850	890	4,8%	2,6%			
Cash and cash equivalents	36 724	37 048	26 210	27 388	-9,3%	92,9%	28 682	30 030	31 412	4,7%	91,6%			
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined benefit plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statutory receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	39 018	39 399	28 601	29 863	-8,5%	100,0%	31 298	32 769	34 278	4,7%	100,0%			
Accumulated surplus/(deficit)	37 206	37 148	25 396	26 517	-10,7%	91,8%	27 790	29 097	30 437	4,7%	88,8%			
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unspent conditional grants and receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	1 113	1 502	1 800	1 879	19,1%	4,8%	1 970	2 062	2 157	4,7%	6,3%			
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised value of pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	689	739	1 405	1 467	28,0%	3,4%	1 538	1 610	1 684	4,7%	4,9%			
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service concession arrangement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total equity and liabilities	39 018	39 399	28 601	29 863	-8,5%	100,0%	31 298	32 769	34 278	4,7%	100,0%			
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Statement of financial performance										
R thousand	Audited outcome		Approved budget		Average growth rate (%)		Expenditure/total: Average (%)		Expenditure/total: Average (%)	
	2020/21	2021/22	2022/23	2023/24	2020/21-2023/24	2024/25	2025/26	2026/27	2023/24 - 2026/27	2026/27
Revenue										
Tax revenue	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	1 108	1 667	2 087	1 550	11,8%	1 701	1 997	2 089	10,5%	3,9%
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-	-
Sales of goods and services produced by entity of which:	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-	-
Sales by market establishment	-	-	-	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	1 108	1 667	2 087	1 550	11,8%	1 701	1 997	2 089	10,5%	3,9%
Transfers received	38 822	40 966	42 895	42 564	3,1%	44 476	46 469	48 607	4,5%	96,1%
Total revenue	39 930	42 633	45 082	44 114	3,4%	46 177	48 466	50 696	4,7%	100,0%
Expenses										
Current expenses	33 094	35 861	49 834	44 114	10,1%	46 177	48 466	50 696	4,7%	100,0%
Compensation of employees	18 659	19 719	27 659	31 667	19,2%	32 802	34 348	36 020	4,4%	71,2%
Goods and services	14 013	15 808	21 667	12 125	-4,7%	13 037	13 764	14 306	5,7%	28,1%
Depreciation	382	334	308	322	-5,5%	338	354	370	4,7%	0,7%
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Total expenses	33 094	35 861	49 834	44 114	10,1%	46 177	48 466	50 696	4,7%	100,0%
Surplus/(Deficit)	6 836	6 772	(4 752)	-	-100,0%	-	-	-	-	-

Cash flow direct method	Audited outcome		Approved budget	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term estimate		Average growth rate (%)		Expenditure/total: Average (%)	
	2020/21	2021/22		2020/21 - 2022/23	2023/24		2024/25	2025/26	2023/24 - 2026/27	2024/25		2025/26
	8 004	780		-50,0%	550		686	819	1 918	51,6%		100,0%
Cash flow from operating activities												
Receipts												
Tax receipts	-	-	-	-	-	-	-	-	-	-	-	
Non-tax receipts	1 108	1 667	2 087	2 160	24,9%	4,0%	2 281	2 388	2 497	5,0%	4,9%	
Sales of goods and services other than capital assets	10	280	3	-	-100,0%	0,2%	-	-	-	-	-	
Sales of goods and services produced by entity (excl. capital assets)	10	280	3	-	-100,0%	0,2%	-	-	-	-	-	
of which:												
Administrative fees	10	9	3	-	-100,0%	-	-	-	-	-	-	
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	
Other sales	-	271	-	-	-	0,2%	-	-	-	-	-	
Sales of scrap, waste, arms and other used current goods (excl capital assets)	-	-	-	-	-	-	-	-	-	-	-	
Other non-tax receipts	1 098	1 387	2 084	2 160	25,3%	3,6%	2 281	2 388	2 497	5,0%	4,9%	
Transfers received	38 822	40 966	42 996	42 664	3,1%	96,0%	44 607	46 704	48 852	4,7%	95,1%	
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	
Total receipts	39 930	42 633	45 082	44 724	3,9%	100,0%	46 868	49 092	51 349	4,7%	100,0%	
Payment												
Current payments	31 926	41 853	55 863	44 174	11,4%	100,0%	46 202	48 273	49 431	3,8%	100,0%	
Compensation of employees	18 212	19 719	27 871	31 666	20,2%	56,4%	32 801	34 347	36 019	4,4%	71,7%	
Goods and services	13 714	22 134	28 012	12 508	-3,0%	43,6%	13 401	13 926	13 412	2,4%	28,3%	
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-	
Total payment	31 926	41 853	55 863	44 174	11,4%	100,0%	46 202	48 273	49 431	3,8%	100,0%	
Cash flow from advancing activities (Financial institutions only)	-	-	-	-	-	-	-	-	-	-	-	
Disbursements and other payments	-	-	-	-	-	-	-	-	-	-	-	
Repayments and other receipts	-	-	-	-	-	-	-	-	-	-	-	
Cash flow from investing activities	(374)	(466)	(37)	-	-100,0%	-	-	-	-	-	-	
Acquisition of property, plant, equipment and intangible assets	(426)	(471)	(37)	-	-100,0%	-	-	-	-	-	-	
Investment property	-	-	-	-	-	-	-	-	-	-	-	
Acquisition of software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from the sale of property, plant, equipment and intangible assets	52	15	-	-	-100,0%	-	-	-	-	-	-	
Other flows from investing activities	-	-	-	-	-	-	-	-	-	-	-	
Cash flow from financing activities	-	-	-	-	-	-	-	-	-	-	-	
Deferred income	-	-	-	-	-	-	-	-	-	-	-	
Borrowing activities	-	-	-	-	-	-	-	-	-	-	-	
Repayment of finance leases	-	-	-	-	-	-	-	-	-	-	-	
Other flows from financing activities	-	-	-	-	-	-	-	-	-	-	-	
Net increase / (decrease) in cash and cash equivalents	7 630	324	(10 838)	550	-58,4%	-	686	819	1 918	51,6%	-	

Salary level	March 2023		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number							
	Number of posts on approved establishment	Number of funded posts	Actual						Revised estimates						Medium-term expenditure estimate						Average growth rate of personnel posts Total (%)	Average salary level Total (%)
			2022/23			2023/24			2024/25			2025/26			2026/27			2023/24 - 2026/27 (%)				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
1-6	37	37	27 860	929	31 667	880	36	32 802	911	29	34 348	1 184	29	36 020	1 242	29	36 020	1 242	4,4%	100,0%		
7-10	9	9	356	176	753	94	8	326	41	1	261	261	1	274	274	1	274	274	-28,6%	12,8%		
11-12	9	9	2 320	258	4 738	526	9	4 997	555	9	5 266	585	9	5 542	616	9	5 542	616	5,4%	28,0%		
13-16	8	8	5 428	603	6 590	732	9	6 951	772	9	7 331	815	9	7 728	859	9	7 728	859	5,5%	28,0%		
17-22	2	2	12 784	1 598	13 567	1 696	8	14 220	1 778	8	14 887	1 861	8	15 569	1 946	8	15 569	1 946	4,7%	24,9%		
Detail	2	2	6 972	3 486	6 019	3 010	2	6 308	3 154	2	6 604	3 302	2	6 907	3 454	2	6 907	3 454	4,7%	6,2%		
1	8	8	118	118	516	74	7	77	11	-	-	-	-	-	-	-	-	-	-100,0%	0,6%		
2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	1	1	238	238	237	237	1	249	249	1	261	261	1	274	274	1	274	274	5,0%	0,8%		
7	1	1	275	275	292	292	1	308	308	1	323	323	1	340	340	1	340	340	5,2%	0,9%		
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	8	8	2 045	256	4 446	556	8	4 689	566	8	4 942	618	8	5 202	650	8	5 202	650	5,4%	14,3%		
11	8	8	4 557	570	5 730	716	8	6 043	759	8	6 373	797	8	6 718	840	8	6 718	840	5,4%	18,4%		
12	1	1	871	871	860	860	1	908	908	1	958	958	1	1 010	1 010	1	1 010	1 010	5,5%	2,8%		
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	2	2	1 630	815	2 860	1 330	2	2 788	1 394	2	2 919	1 460	2	3 052	1 526	2	3 052	1 526	4,7%	8,5%		
15	5	5	8 809	1 762	8 874	1 776	5	9 301	1 860	5	9 737	1 947	5	10 184	2 037	5	10 184	2 037	4,7%	28,2%		
16	1	1	2 345	2 345	2 033	2 033	1	2 131	2 131	1	2 231	2 231	1	2 333	2 333	1	2 333	2 333	4,7%	6,5%		
17	1	1	2 549	2 549	2 207	2 207	1	2 313	2 313	1	2 421	2 421	1	2 532	2 532	1	2 532	2 532	4,7%	7,0%		
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	1	1	4 423	4 423	3 812	3 812	1	3 995	3 995	1	4 183	4 183	1	4 375	4 375	1	4 375	4 375	4,7%	12,1%		
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Performance bonus : Executive Performance bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	37	37	27 860	929	31 667	879,6	36	32 802	911,2	29	34 348	1 184,4	29	36 020	1 242,1	29	36 020	1 242,1	4,4%	100,0%		

3.11. Key Risks linked to strategic goals of the Ports Regulator of South Africa

Over the 2024/25 APP period the Members of the Regulator will oversee the following strategic risks that were identified. Quarterly reports on the risks and mitigation actions will be considered by the Audit and Risk Committee which comprise three independent members and is chaired by an Independent Chairperson.

Table 4: Key Risks linked to strategic goals.

#	STRATEGIC GOAL	RISK TITLE
1	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 requirements
2	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 utilize retained surplus funds
3	Ensure implementation of all elements of the regulatory framework within its mandate	Delayed corporatisation of the Regulated entity – the National Ports Authority.
4	Ensuring that the Ports Authority comply with the National Ports Act	Inability to Enforce NPA's Compliance with the National Ports Act
5	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 and specialist skills to meet mandate requirements
6	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
7	Consider the proposed tariffs of the Ports Authority and regulate the provision of adequate, affordable and efficient port services and facilities to ensure enhanced competition and investment	Tariff Rates approved that result in non-achievement of the desired objectives (i.e. affordable, sustainable equitable tariffs)
8	Ensure implementation of all elements of the regulatory framework within its mandate	Failure to ensure that the Ports Authority brings about efficient Port Performance
9	Ensure implementation of all elements of the regulatory framework within its mandate	Disruption to business operations
10	Maintain its reputation as an organisation with integrity focussed on excellence and delivery	Failure to maintain Regulator credibility

PART D: TECHNICAL INDICATORS

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

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

	performance plan as guided by the performance management framework. The entity must meet all the set key performance indicators as agreed to with the Minister of Transport which will help to meet the mandate of the Ports Regulator.
Indicator responsibility	Chief Financial Officer

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

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

Indicator responsibility	Chief Financial Officer
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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	Port Tariff Strategy published
Definition	Revised Tariff Strategy for the Port System (incorporating marine charges and lease strategy)
Source data	NPA's accounting data records
Method of calculation/asset management	Simple count: 1 Strategy
Means of verification	Strategy published
Assumptions	Data availability and Industry co-operation
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Report finalised
Indicator responsibility	Executive Manager: Economic Regulation

Indicator Title	Annual GPCS 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	Regulatory Accounting Principles Manual
Definition	Regulatory Accounting Principles for the South African Port System
Source data	Literature review
Method of calculation/asset management	Simple count: 1 Research report
Means of verification	Final report available
Assumptions	Data availability
Disaggregation of beneficiaries	Port users
Reporting cycle	Annual
Desired performance	Report finalised
Indicator responsibility	Executive Manager: Economic Regulation

Indicator Title	Study of efficacy of capital investments
Definition	Study of efficacy of capital investments in the Port System (capacity and timing)
Source data	Literature review
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	Strategy developed
Indicator responsibility	Executive Manager: Economic Regulation

4.3. Industry Development Technical Indicators

Indicator Title	Study of efficacy of capital investments
Definition	Study of efficacy of capital investments in the Port System (capacity and timing)
Source data	Literature review
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	Strategy developed
Indicator responsibility	Executive Manager: Economic Regulation

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

Indicator Title	Stakeholder engagement program
Short definition	Identification of Regulator strategic stakeholders, interested and affected parties and the influence they have in or can effect on the regulatory processes
Purpose / Importance	To ensure a targeted engagement program for the Regulator and Secretariat on the different regulatory process to manage credibility of the Regulatory process and compliance with decision making requirements for an institution making administrative decisions.
Source / collection of data	Variable, including submissions to the Regulator on tariff methodology, tariff strategy
Method of calculation	Qualitative
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Report on regulatory and port development issues identified during the engagements and high levels of engagements by port users, stakeholders, interested and affected parties with regulatory process
Indicator responsibility	Executive Manager: Industry Development

Indicator Title	1 Survey of stakeholder feedback/perceptions on the work of the Regulator administered per consultation event
Short definition	Administer self-completed or electronic surveys to solicit stakeholders and port user's feedback on the work of the Regulator at Regulator's roadshows and consultation events.
Purpose / importance	To solicit stakeholder and port user's feedback and perceptions on the work of the Regulator which can be utilized to understand stakeholder's views about the Regulator.
Source/ collection of data	Survey through Self-administered/electronic questionnaires
Method of calculation	Quantitative
Data limitations	Limited responses.
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	WEGO Record of Decision by 31 March, annually
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 submissions
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	Weighted Efficiency Gains from Operations data
Short definition	Quarterly performance reports and data from NPA on Weighted Efficiency Gains from Operations KPIs
Purpose / importance	To monitor the NPAs performance on WEGO KPIs on a quarterly basis, track progress and engage with NPA and/or port users on sub-optimal performance
Source/ collection of Data	NPAs quarterly submission
Method of calculation	Excel model/Data sheets
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	No
Desired performance	NPA to oversee terminal performance and maintain previous best performance levels to earn an incentive or suffer penalty for poor performance
Indicator responsibility	Executive Manager: Industry Development

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
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 NPA's 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, NPA's 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 and availability of data timeously
Type of indicator	Cumulative – for the year
Calculation type	Quarterly
Reporting cycle	Quarterly
New indicator	No
Desired performance	NPA 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. Legal

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 Authority
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
Short definition	Conducting B-BBEE compliance audits on the National Ports Regulations, 2009 provisions against licenses, leases and agreements issued by the National Ports Authority in line with the Authority with the requirements of Regulations 2,3 and 4(2)
Purpose / importance	To ensure that the National Ports Authority complies with the prescripts of the National Ports Regulations,2009
Source/ collection of data	Compliance Audit Reports approved by the Accounting Authority
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the National Ports Authority
Type of indicator	Output
Calculation type	Non-cumulative – once a year
Reporting cycle	Annually
New indicator	No
Desired performance	The indicator is for the monitoring of the levels of compliance by the National Ports Authority. Improved B-BBEE compliance will be indicative of increased transformation and empowerment of HDIs in the port system
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of consolidated section 30(5) and 30(6) reported to the Regulator for approval.
Short definition	Section 30(5) Report to be compiled and submitted to the Minister whenever necessary and section 30(6) Report must be submitted to the Minister by no later than 30 June of each year. Therefore, consolidated reports will be submitted at the end of Quarter 2 as per section 44 requirements.
Purpose / importance	To ensure that the matters relating to the application and purpose of the Act as well as activities of the Regulator are reported to the Minister for his intervention, when necessary.
Source/ collection of data	Quarterly Reports approved by the Accounting Authority
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation and collaboration by the relevant Departments of the Ports Regulator.
Type of indicator	Output
Calculation type	Non-cumulative – once a year
Reporting cycle	Annually
New indicator	Yes
Desired performance	Approved Consolidated section 30(5) and (6) Reports
Indicator responsibility	Executive Manager: Legal

Indicator Title	Percentage of received tribunal cases managed within the timelines
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 Accounting Authority
Method of calculation	matters managed by Secretariat 100% matters received.
Data limitations	Insufficient budget to manage tribunal matters. Delayed exchange of pleadings Prolonged postponements by parties Pending judicial review in the High Court on preliminary Issues
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To finalise all tribunal matters within the gazetted timelines.
Indicator responsibility	Executive Manager: Legal

Indicator Title	Percentage of legal services rendered.
Short definition	Dispensing effectual legal services to the organization (legal opinions, review of policies, contract management) in line with defined turnaround times
Purpose / importance	To ensure that the Ports Regulator is legally protected.
Source/ collection of data	Legal services register
Method of calculation	Number of requests received. Number of legal services rendered.
Data limitations	No legal requests received from various Departments.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Reduce potential legal risks.
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of Internal compliance monitoring conducted.
Short definition	Conducting compliance audits on the relevant and applicable legislative provisions
Purpose / importance	To ensure that the Ports Regulator complies with the prescripts of the applicable legislation.
Source/ collection of data	Internal Compliance Monitoring Reports approved by the Accounting Authority
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the various internal Departments
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure improved levels of compliance by the Ports Regulator.
Indicator responsibility	Executive Manager: Legal

4.5. Governance

Indicator Title	Number of Governance Checklists submitted to the Regulator
Short definition	Checklist completed on the King IV Governance Principles
Purpose / importance	To report on the Regulator's adherence to Corporate Governance Principles
Source/ collection of data	Report considered by the Regulator and/or Minutes
Method of calculation	Simple count
Data limitations	Non-submission of requested information by Regulator Members/the Secretariat for the Regulator's consideration
Type of indicator	Output based
Calculation type	Cumulative - for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	To monitor and report on the Regulator's adherence to Corporate Governance Principles
Indicator responsibility	Company/Regulator Secretary

Indicator Title	Number of Training Programmes conducted for Regulator Members
Short definition	Continuous development for Regulator Members
Purpose / importance	Implementing continuous development for Regulator Members
Source/ collection of data	Certificates of attendance for Training attended by Regulator Members
Method of calculation	Simple count
Data limitations	Delayed procurement processes, insufficient funding and unavailability of Regulator Members/Lack of attendance
Type of indicator	Output
Calculation type	Cumulative for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Effective facilitation of continuous development for Regulator Members
Indicator responsibility	Company/Regulator Secretary

5. ANNEXURE A: AMENDMENTS TO PERFORMANCE PLAN

There are no major changes that have been made to the organisation's Strategic Plan 2020/21 -2024/25. The Regulator will undertake a comprehensive review of the organisation's performance to inform the next Strategic Plan period, this includes adjustments that may be required in view of new priorities articulated in the Medium-Term Strategic Framework for 2024/25 and beyond. Section 3.9. reflects adjustment made in the wording of targets in the 2020/21 – 2024/25 Strategic Plan.