



Annual Performance Plan

For the fiscal year

2018/2019

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FOREWORD BY THE MINISTER OF TRANSPORT

Maritime activity and initiatives for South Africa have been given much attention in the recent past. Indeed, the year 2017 saw an increase in Operation Phakisa delivery of marine repair infrastructure projects, the construction and commissioning into service of South African manufactured tug boats, consultations with the public at Presidential level, and Presidential and Ministerial visits to the Port of Durban. Strides have also been made in policy development and regulation in the maritime transport sector that will lay the foundations for more progress in the years to come.

Cabinet has, in the beginning of 2017, approved the draft Maritime Transport Policy for public comment and it was finally launched on 20 July 2017 in Durban. It constitutes an overarching policy for the maritime sector in its entirety including its governance, planning, industry and shipping transformation and development, skills development and training, and related matters. The Comprehensive Maritime Policy makes pronouncement on these and other areas pertinent for the sector to transform and contribute even more significantly to the country's social and economic development. It heralds benefits to the maritime sector in coastwise shipping opportunities, skills development, job creation for South Africans, and advancing and extending SA supply chains outside our borders, and contribute positively in taking forward this important sector in our logistics chain.

Not long ago we witnessed the first two international vessels to register under the South African flag, and the numbers have started to grow. I wish to congratulate the Ports Regulator for introducing incentives, amongst others, for SA flagging of commercial vessels as this process too will result in work opportunities and skills development for our people.

For the Ministry, alignment between its entities and the objectives of the Department is critical in responding to the service delivery challenges and the economic growth imperatives of our country. The Ports Regulator in crafting its Annual Performance Plan must therefore ensure that its Members, management and staff have a shared vision and pull in the same direction, and the vision and direction should continue to enhance regulation the port sector, and the economic development of our country. Entities therefore need to demonstrate through their Annual Performance Plans how they respond to the injunctions as set out in the National Development Plan, the Medium Term Strategic Framework, the SONA, and other Government initiatives such as Operation Phakisa, and the Nine Point Plan. The Ports Regulator, as before, needs to clearly define its own unique role in meeting the common objectives set out in the policy instruments of Government within the context of its own mandate, sector conditions, capabilities and resources, and work consistently to achieve these.

The Ports Regulator must continue to hold the Ports Authority accountable within its regulatory mandate, implement its Tariff Strategy in moving progressively towards cost reflective tariffs, assist in improving the efficiency and performance of SA ports, make strides in establishing a fair value of port assets, help improve transformation and BBBEE participation in the sector, and publish an overarching system of port tariff subsidies in the public interest that will support beneficiation and other economic imperatives. I look forward to the outcomes of this plan and would like to take this opportunity to thank the Chairperson, Members of the Regulator, the CEO, management, and staff for their hard work and commitment in fulfilling their mandate.

Dr B.E. Nsimande, MP
MINISTER OF TRANSPORT



FOREWORD BY THE CHAIRPERSON OF THE PORTS REGULATOR

It gives me great pleasure to present the Annual Performance Plan of the Ports Regulator of South Africa for 2018/19, prepared in terms of the National Treasury Framework for Strategic Plans and Annual Performance Plans, and in terms of Section 30 of the Treasury Regulations.

In carrying out our mandate of regulating South Africa's commercial ports in line with the National Ports Act, the Ports Regulator has annually conducted public consultation roadshows in major centres in our country where we consult stakeholders and the public in general on the proposed NPA port tariff increases for the coming year and beyond. I am pleased at the increasing numbers as well as increasing involvement of stakeholders at our roadshows which were held in Durban, Johannesburg, Cape Town and Nelson Mandela Bay, over the recent year.

Each year we have given port stakeholders the opportunity to air their views on the NPAs tariff application which we have made public on our website, and as usual the Regulator took into account what is said at these hearings, as well as the written submissions that many have spent much time, money and effort in making. Most have expressed the need for a lowering of tariffs within the tough economic conditions we face as a country over the coming year, whilst maintaining a capable and efficient port system. It is our task to ensure a fair balance as this is fundamentally our core business as a regulator.

It has been just over three years since the Ports Regulator published its first multi-year tariff methodology, and now it has published its 2nd multi-year methodology (MYM2) in March 2017, having continued its open and public approach to its work, conducting public hearings for both the Tariff Methodology as well as the Tariff Determination around the country at key centres.

You will recall that in July 2015 the Ports Regulator published South Africa's long term Port Tariff Strategy, which seeks to reform port infrastructure pricing over a ten-year period, bringing greater fairness, cost reflectiveness and predictability in South Africa's port system, and the current tariff methodology continues to reflect this approach.

We further regulate in line with Government's strategic objectives of stimulating economic growth, job creation, localization, beneficiation and industrialization, as well as transformation. In line with these imperatives and as allowed by the Tariff Strategy, as well as the Comprehensive Maritime Policy launched by the Minister of Transport in July, the Regulator is in the process of finalising and institutionalising a Port Tariff Incentive Programme (PTIP) to enable cross subsidies which are in the public interest, in a fair and transparent manner. We have launched the PTIP from 04 December 2017 onwards in the four major centres – Durban, Johannesburg, Cape Town, and Nelson Mandela Bay, and we are now open for applications.

For the 2018/19 year the Ports Regulator has announced an overall average tariff increase of 2.5% on 01 December 2017, the details of which are in a Record of Decision published on our website. The Ports Regulator as always, strives to reduce the cost of doing business with SA, and reduce cost of export of SA manufactured products to the world, through a fair and well-structured tariff methodology on which tariff determinations are based. Indeed, the Ports Regulator shares a common objective with the NPA and all our stakeholders in the national effort to reduce the cost of doing business.

The existence of the Ports Regulator has been to significantly lower approved tariffs resulting in a saving of more than R6 bn. to port users over the few years of its establishment whilst maintaining the continued sustainability of the National Ports Authority. We continue to be proactive and risk mitigating and maintain an Excessive Tariff Increase Margin Credit (ETIMC) of R2.4 bn. available to offset future increases.

As an organisation, all delivery targets were met or exceeded in the previous financial year and the Ports Regulator achieved a “Clean Audit” for the third time in a row. In the years ahead the Regulator intends to expand its role in the transformation and BBBEE participation of the sector whilst continuing its analytical and compliance work. We hope to be able to enhance the capacity of the Regulator as required by the NDP, fill key unfunded posts and strive to retain the skills we have assembled as greater financial resources become available.

I would like to recognise the efforts of the Regulator Members, staff and management for their work in ensuring the success of the Regulator. I would like to thank the Minister and Deputy Minister and the Department of Transport on behalf of the Ports Regulator, and ask for their continued guidance, support and assistance of in the journey ahead.

As a Regulator, we continue to carry out our functions with impartiality, integrity and collective decision-making with the interests of South Africa at heart. We strive for a legacy of good governance, and continue to create the institutional memory, body of knowledge and analytical tools to take ports regulation forward as well as capacitate new members who may join us in the months and years to come.

I would like to take this opportunity to thank our many stakeholders for your written submissions over the past year as well as for attendance at our roadshows, and assure you that they have made a difference in the decision-making of the Regulator. The introduction of democracy into the ports system, via the National Ports Act of 2005, has indeed brought about a greater involvement in port decision-making, particularly on pricing, for all who have put in the effort!



Mr. Thabadiawa Mufamadi

Chairperson: Ports Regulator of South Africa



FOREWORD BY THE CEO OF THE PORTS REGULATOR

The recent past was dedicated mainly to achieving the building blocks of the final phase of the Tariff Strategy, namely the development of the 2nd tariff methodology, the start of a process of re-valuation of the NPA asset base, and the development of a framework for port tariff incentives that would cater for beneficiation and other economic imperatives that are in the public interest.

Some important pieces of work were finalized before the financial year end in March 2017, including, a Port Efficiency study, the 5th iteration of the Global Port Performance Comparator Study (GPPCS), the Asset Valuation Project of a sample of NPA assets, the 2nd multi-year Tariff Methodology which included port performance improvement incentives, and we also published a consultative paper on the Port Tariff Incentive Programme (PTIP).

The first tariff determination for 2018/19 undertaken in accordance with the 2nd multi-year Tariff Methodology was widely consulted through road-shows, and written submissions by port users, as was the development of the PTIP. In addition to attention on pricing and performance studies, the Regulator spent much effort on its legal compliance and tribunal function as well as on crafting amendments to the National Ports Act which will assist in better regulation, and which are expected to be taken forward by the Department of Transport through the necessary Parliamentary processes in 2018/19. With regard to our core business of port tariffs, after considering the NPA application, as well as the submissions by all stakeholders during the consultation period, the Ports Regulator concluded that an appropriate overall increase in average tariffs for the financial year 2018/19 is 2.5%. We will continue to strive to bring about cost reflective tariffs and assist the South African economy by progressively reducing the cost of doing business with the world.

Many other important initiatives need to be focussed on, such as the implementation of B-BBEE targets as envisaged in Ports Act Regulations and transformation and access imperatives in general. We will continue to enhance the internal capacity of the Regulator, and strive to achieve the deliverables set out in the Strategic Plan and Annual Performance Plan. Some important pieces of work will be implemented in the period ahead and key among these are; a training course on Economic Regulation in the ports sector, a regulatory outcomes strategy, the finalization and implementation of a valuation methodology, continuation of the GPPCS study, the finalization and implementation of the WEGO port performance incentive, reporting on the NPA capital rollout programme, and the promotion and ensuring of equity of access to our ports.

In terms of the assessment of the Regulator's work, stakeholder feedback at our roadshows continued to indicate high regard for the Regulator with scores averaging over 80% for our efficiency, effectiveness, responsiveness, neutrality and independence. The Ports Regulator again received a "Clean Audit" from the Auditor General this year (2016/17 audit), the third since our establishment. I would like to thank my staff and senior management for their dedicated service, at times, beyond the call of duty, in their ongoing achievement of the deliverables set out in the APP and more. I would like to thank the Chairperson Mr Thaba Mufamadi and Regulator Members for their effort and commitment in accomplishing their difficult tasks in the year that has passed. I express my gratitude for the guidance and support of the Minister and Deputy Minister as well as the Senior Managers and staff of the DOT, and look forward to working together to enhance and capacitate the Ports Regulator and the maritime sector as a whole. It thus gives me great pleasure to present the Annual Performance Plan of the Ports Regulator of South Africa for 2018/19, prepared in terms of the National Treasury Framework for Strategic Plans and Annual Performance Plans, and in terms of Section 30 of the Treasury Regulations.

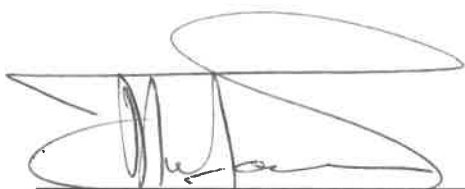
Mr. Mahesh Fakir
Chief Executive Officer

It is hereby certified that this Annual Performance Plan:

Was developed by the management of the Ports Regulator under the guidance of the Members of the Regulator and takes into account all the relevant policies, legislation and other mandates for which the Ports Regulator is responsible. This plan accurately reflects the annual performance which the Ports Regulator will endeavour to achieve over the financial year 2018/19.



Mr. Mahesh Fakir
Chief Executive Officer



Mr. Thaba Mufamadi
Chairperson of the Ports Regulator

Approved by:



Honourable Minister
Dr B.E. Nzimande, MP
Minister of Transport
Executive Authority

STRATEGIC OVERVIEW:

Vision of the Ports Regulator

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

The vision of the Ports remains as:

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

Mission of the Ports Regulator

“The Mission of the Ports Regulator is to:

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

Values of the Ports Regulator

The Ports Regulator initially established a value set that represented the articulation of its mandates as set out in legislative, regulatory and policy sources. These have been reviewed on an annual basis since inception. While there has been no significant change in any of the sources of the Regulator that would support an amendment of these values, they have been articulated in a different way to align to the performance of our mandate, and are the foundation upon which the corporate culture in the Ports Regulator is founded and maintained at every level.

The Ports Regulator therefore continues to adhere to the Key Values of:

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

Review of Legislative and other Mandates

The Regulator derives its mandate from a range of statutory and policy instruments, the primary sources being the White Paper on Commercial Ports (2002), The National Ports Act, 12 of 2005, together with the Regulations and Directives thereto. Procedural and substantive mandate prescripts are also derived from other statutory and policy instruments such as (including but not limited to) the Constitution of the Republic of South Africa, the Public Finance Management Act, 1 of 1999 and the Regulations thereto, the Labour Relations Act (2005), the Basic Conditions of Employment Act, the Employment Equity Act, the National Development Plan, Medium Term Strategic Framework, Ministerial Performance Agreement, Operation Phakisa, the State of Nation Address (SONA), the Ports Regulator Regulatory Review and Strategic Plan.

Strategic Goals:

The Strategic Goals of the Regulator are as follows:

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

Programmes of the Ports Regulator:

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

- **Corporate Financial and Support Services:**

The development, implementation, maintenance and management of the Financial, Human Resource, Information Technology and Procurement systems for the effective and efficient operation of the Regulator as well as appropriate enhancement and management of all its resources in accordance with the relevant regulatory compliance frameworks.

- **Economic Regulation:**

The development of policy, strategy, research and implementation instruments with respect to economic regulation of ports. Included under this programme is tariff setting and tariff research, with the National Ports Authority (NPA) being the primary regulated entity in the industry with respect to tariffs. Furthermore, this programme contains regulatory development processes for economic regulation of the ports system, including industry reform, institutional architecture implementation and market rules development.

- **The Legal Department.**

Spans three areas which include:

- i. **Tribunal:**

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

- ii. **Legal Compliance and Monitoring:**

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

- iii. **Governance:**

which aspect of Legal's work is to ensure the organisation complies with the legal framework or precepts it is required to operate in, as well as ensuring that the Regulator complies with its Fiduciary duties towards the organisation.

- **Industry Development Department**

Industry Development has and continues to focus on stakeholder engagement and related processes ensuring that the required interface between the Regulator and government and industry players takes place. This has been achieved by participating in and/or contributing to various initiatives of the Regulator, Government, and Industry, including amongst others, the National and Port Consultative Committees and the National Transport Forum.

The programme measures port user's perceptions on the performance of Regulator through a self-administered questionnaire completed at each of the Regulator's consultation meeting with port users/stakeholders/role-players. Industry Development has over the past few years, built-up a repository of information on SA port facilities and performance through our port capacity and utilisation studies; port performance bench-marking reports; and monitoring of operator performance standard processes.

Support is provided to two of economic regulation's projects i.e. the process of establishing and embedding the Port Tariff Incentive Program (PTIP) amongst port user community and the measurement of port performance as part of the Weighted Efficiency Gains from Operations. Furthermore, in conjunction with the Legal Department's compliance project which focusses on B-BBEE, Industry Development will compile reports regarding the progress on equity of access within South Africa's port system. With the anticipated promulgation of the B-BBEE Maritime Charter and score-card, work will focus on updating the baseline which was informed by B-BBEE certificates compliant with the old transport score-cards.

Expenditure Trends

The focus of the entity over the medium term will remain on achieving maximum operational efficiency in all areas and consistently improving upon the economic regulation outcomes. This includes having a higher availability of tribunal days, greater regulatory certainty with respect to the implementation of the Port Tariff Strategy as published in July 2015, as well as a greater concentration on the efficiency aspects of the ports system with the recent inclusion of the efficiency incentive into the tariff methodology. The timeous processing of complaints and appeals remains an area of focus that is being addressed as is a focus on monitoring compliance with the National Ports Act. The results of the previously unfunded Asset Valuation Project which received fiscal support and is expected to be implemented and may require an additional phase going forward.

The Ports Regulator currently relies solely on fiscal transfers to fund its operational and capital expenditure, however the organisation has submitted an alternate funding proposal to the Executive Authority accompanied by the commensurate amendments to the National Ports Act, (12 of 2005), in order to ensure its sustainability into the future. The Regulator has applied for a baseline increase and has received moderate amounts to supplement revenue in the outer years in support of its mandate.

The finalisation of the Single Transport Economic Regulator legislation, thereby forming what would be a new regulatory body regulating the transport sector as a whole is pending and the Ports Regulator, whilst serving an integral part of the process, is still required to function and ensure its sustainability despite being absorbed into the STER at some time in the next few years.

The fiscal transfers from the DoT have increased since 2010/2011 at R8.8 million to R15.9 million in 2013/2014 in accordance with the progressive upscaling of its mandate, with further increases up to 2016/2017 at R28.56 million. Baseline increases of R3m, R5m and R10m were granted for the 2017/18 MTEF, resulting in budgets of R22.49m, R25.62m and R31.77m for the three years of the 2017/18 MTEF.

Expenditure on compensation of employees over the MTEF period will increase by an average of inflation related increase. This is because the Regulator will embark on a salary benchmarking exercise where the current salaries will be benchmarked to the market and government. The results of the

benchmark will be implemented on a phased in approach based on the availability of funding. The objective of this exercise was to ensure that the Regulator can offer competitive salaries to the current staff to ensure staff retention. As a result of the baseline increases, some appointments to capacitate the regulator may be possible during the MTEF, especially in the outer years where baseline increases are more significant.

There will be a marginal increase on expenditure on goods and services which other than normal running expenses, will be on further training and development. The view of the Regulator is that if the current work force is trained and their skills enhanced, it will result in savings on consultants in the future as the current staff will be equipped to perform more tasks more efficiently. It is estimated that there will be an average annual decrease of 5.2% in goods and services over the medium term due to the step down in the budget between 2016/17 and 2017/18 but some relief as the 2018/19 budget comes closer to 2016/17 levels.

As the majority of the outputs of the Regulator are dependent on internal staff resources, (although in some functions (e.g. internal audit) it is more cost effective to utilise external resources), the expenditure of the Ports Regulator will focus mainly on staff and systems to ensure it complies with its mandate and delivers the outcomes that have been articulated herein. The systems are mainly internal regulatory compliance systems and systems for monitoring, information management, and information processing. The key expansions in the 2018/2019 financial year will be on internships and staff, as well as escalating the Regulator's work and outreach to the ports sector in fulfilment of its mandate.

Organisational Analysis:

External Climate:

Factors	Impact on PRSA Business	Impact +/-	Action
Political			
MTSF strategic goals	Align delivery with MTSF goals	+	Take relevant MTSF goals into account in terms of Regulator performance and tariff considerations.
Ocean's economy – Operation Phakisa	Determine role of the PRSA in relation thereto and implement to inform economic policy and development in terms of access to ports and port facilities and services	+	Take relevant goals into account in terms of Regulator performance and tariff considerations.
Economic			
Increased price of doing business in South Africa due to currency fluctuations.	Impact on tariff assessment to ensure cost of business in SA ports still further reduced.	(-)	Balancing of the tariff and use of correct methodology and factors taken into account ie enhanced efficiency and value of port assets.
Funding to increase capacity and keep up with regulatory activities.	Capacity and resource constraints may continue and organisation may continually fall short of its targets	+	Assist DoT to fast track funding proposal, and required legislative changes.
Global Trends			
Enhancing SA's Competitiveness in the global port sector.	Adjust tariffs in line with Tariff Strategy and aim to lower tariffs where appropriate in line with international trends	+	Comparator Study looking at similar ports Efficiency benchmarking establishing levels of inefficiencies
Attraction of new investment and new business to SA ports	Demonstrated contribution to economic development	+	Develop and Implement new Tariff Strategy.
Technological			
Rapid advance in technology	Keeping abreast of information technology trends to ensure systems are efficient and productive	+	Relevant and up to date IT systems.
Ensuring information security and integrity	Ensure relevant business impact analysis conducted and information risks sufficiently mitigated.	+	IT Governance Strategy developed.
Legal			

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

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

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

<i>PRSA SWOT Analysis</i>			
1.	Strengths	Performance	Reference (Strategic Plan Objectives)
i)	Competent in carrying out the core function of the organisation which is economic regulation, with a good technical base and established practices.	<ul style="list-style-type: none"> - setting of a Tariff Methodology; - assessment of Tariff Application; and - fully functional and competent Regulatory committee to guide this area of performance. 	Objective 2
ii)	Fulfilling its complete mandate in terms of section 30(1) and (2) of the National Ports Act.	<ul style="list-style-type: none"> - Advanced Tariff Methodology - Increased compliance of the Authority with its functions in terms of the Act, increased transformation and equity of access. 	Objective 2 and 4
iii)	Good audit record and robust control processes.	<ul style="list-style-type: none"> - Fully functional Audit Committee; - Good internal controls and checks and balances; - Internal and external audit which assists; and - Clean audit achieved; CFO appointed. 	Objective 1
iv)	Clear strategic direction.	Fully functional Regulator.	n/a
v)	Good governance practices and procedures in place.	Fully functional legal and compliance department to ensure the PFMA King iii and iv are complied with.	Objective 6

vi)	Competent Tribunal function.	<ul style="list-style-type: none"> - Efficient case management of complaints and appeals; - Efficient hearing of complaints and appeals; - Timeous decision making; and - Effective oversight of external counsel. 	Objective 5
vii)	Non - Executives not captured and remain involved with the functioning of the organisation.	<ul style="list-style-type: none"> - Members are appointed as independent non-executives; - Good governance compliance; and - Set direction for the organisation. 	n/a
viii)	Effective use of resources and cross-cutting measure to ensure efficient use of the budget, with a good retained reserve.	<ul style="list-style-type: none"> - Good financial controls; - Compliance with National Treasury guidelines with regards to efficient use of public entity resources. 	Objective 1
1. Opportunities			
i)	Operate at arms-length from the Authority and credibility in the operation of the Tribunals.	<ul style="list-style-type: none"> - Creation of sound precedent; - Trust of the Authority in good decision making and sound processes of the Regulator to carry out its core functions. 	Objective 5
ii)	Credibility and competence reputation amongst industry players.	<ul style="list-style-type: none"> - Trust of industry in the credibility of the Regulator's processes and competence to carry out its functions. 	n/a
iii)	Absence of strong disciplinary measures amongst staff.	<ul style="list-style-type: none"> - High level of professionalism amongst staff. 	Objective 1
iv)	Absence of internal strife.	<ul style="list-style-type: none"> - Organisation is a small one and staff take initiative, with professional work ethic and culture within the organisation. 	n/a
v)	The establishment of the Single Transport Economic Regulator (STER) around PRSA processes and practices, policy and established methodologies.	<ul style="list-style-type: none"> - PRSA represented on the Steering Committee and active in making inputs to the legislation and processes proposed. 	Objective 2 & 5
vi)	Greater regulatory role in the operations, pricing and access set by the Authority.	<ul style="list-style-type: none"> - Greater engagement with the Authority and respect cultivated between the two organisations as well trust in the sharing of information. 	Objective 2
vii)	Envisaged amendments to the National Ports Act as well as the Directives thereto.	<ul style="list-style-type: none"> - Work on this to be fast tracked with the Department of Transport. Opportunity for enhanced enforcement mechanisms of decisions by the Regulator. 	Objective 4 and 5
viii)	Completion of five year public review of Regulator.	<ul style="list-style-type: none"> - Findings from regulatory review highlights areas where Regulators 	Objectives 2, 4, and 5.

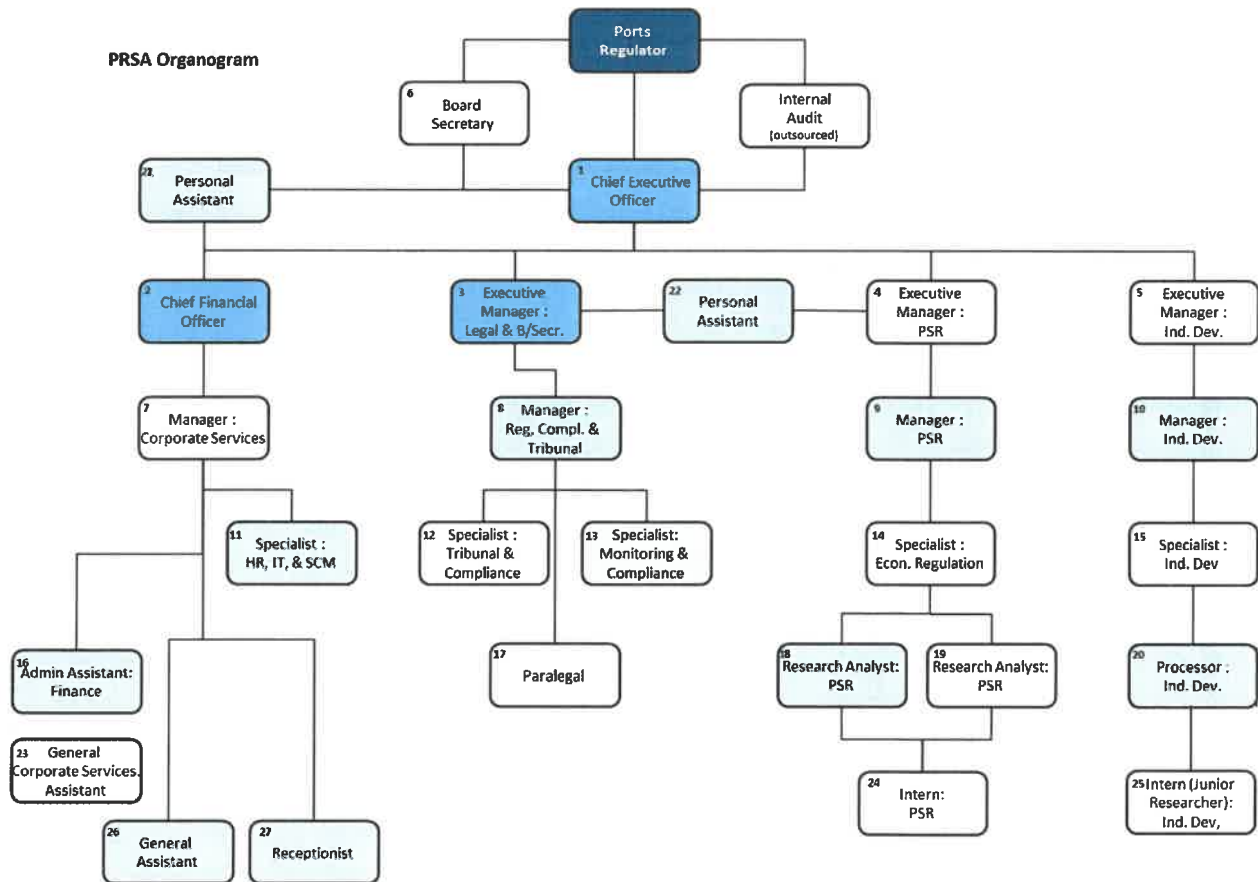
		effectiveness can be further enhanced from perspective of port stakeholders.	
2. Weaknesses			
i.	Regulatory intervention tools needed for regulating unincorporated Authority are not fully in place.	- Draft Regulatory accounts and manual.	Objective 4
ii.	Enforcement instruments are lacking.	- This is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

vii.	Stakeholders not sufficiently active to assist the Regulator.	- Comments received on tariff often not sufficiently detailed. Secretariat embarks on specific and structured engagements with stakeholders even beyond the tariff application.	Objective 3
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In line with the recommendations of the Five Year Regulatory Review, a Stakeholder Engagement Strategy will be implemented to expand the communication of the Regulator to extend awareness of the rights and obligations of all port players and the role that the Regulator plays in the port system.

In developing the PRSA Strategic Objectives and Plan for the 2018/2019 FY, the organisation factored in aspects of the Operational Environmental Analysis as well as from the S.W.O.T Analysis. While the Strategic Goals remained largely unchanged, additional objectives were outlined as indicated in the Annual Performance Plan tables.

Organisational Structure:



Positions earmarked to be filled in the year:

Due to the sharp drop in funding levels between 2016/17 and 2017/18 despite the R3m addition, it was difficult to fill significant executive level vacancies in the organogram in 2017/18. However, the funding of internships and lower level posts was supported. Higher level posts can now begin to be prioritised from 2018/19.

The critical positions of ‘Executive Manager: Policy, Strategy and Research’ and ‘Executive Manager: Industry Development’, are aimed at being filled in the 2018/19 financial year if possible, as well as one-year internship contracts in the legal and economic regulation department.

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

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
1. The running of an efficient and effective administration system	All Corporate Services Policies reviewed on an annual basis.	IT, HR and Finance policies reviewed by the Accounting Officer and approved by the Regulator.	Zero baseline for financial year.	Annual review of organisational policies, and submit a report on these to the Regulator for approval.	Review IT systems and processes and update relevant policies. A report to be submitted to the Regulator in this regard.	Financial policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies to be reported on to the AC and the Regulator	HR policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies to be reported on to the HR & Rem Co and the Regulator.	Policy gap analysis to be performed and dashboard report to be submitted to the Regulator for next FY.
	Organisational and employee performance improved.	Organisational performance monitored and reported on to the Regulator quarterly.	Zero baseline for financial year.	Achievement of all targets set in the Annual Performance Plan.	Report on Q4 performance to the Regulator and DOT and the Regulator by 30 May 2017.	Report on Q1 performance to the Regulator and the DOT by 30 July 2017.	Report on Q2 performance to the Regulator and the DOT by 30 October 2017.	Report on Q3 performance to the Regulator and the DOT by 30 January 2018.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
		Employee PMS monitored and enhanced by conducting half year and final employee performance reviews to be provided to the Accounting Officer.	Zero baseline for financial year.	Assessment of employee performance to improve organisational efficiency and performance.	KPI's for staff to be aligned to the APP targets. Employee performance contracts to be signed off by 30 April and report to the HR Committee.	Half yearly performance review to be undertaken in accordance with the policy and reported on the HR Committee.	Management to review organizational performance in relation to individual performance to determine progress on targets and incentives.	Final employee performance reviews to be undertaken and scoring forwarded to and assessed by HR. Report to HR Committee and the Regulator.
	Align Organizational and Employee performance management system with strategy and APP.	Organizational Performance monitored and reported on to the Regulator quarterly.	Zero baseline for financial year.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.
	HR Management and ongoing skills development of Members and staff to enhance the effectiveness and efficiency of the organisation.	Regulator Members and staff matters dealt with and training attendance on Regulatory matters reported annually.	Zero baseline for financial year.	Full implementation of the PRSA HR and training plan for Members and staff that annually report to the Regulator on all regulatory training that has taken place	Review the HR Plan and Develop a training plan for Members and staff that is aligned to the Strategic Plan.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
2. Ongoing implementation of Economic regulation of ports (Price, access, institutional structure)	Implement the Tariff Methodology.	Perform port tariff assessment in accordance with the Multi-year methodology and issue a Record of Decision.	Zero baseline for financial year.	Tariff decision and ROD publication.	Report on initial engagements with the National Ports Authority on the pending Tariff Application due in Q2 to the RegCom.	Receive NPA's Tariff Application and begin economic assessment in accordance with the Methodology. First Draft Assessment complete.	Final Tariff Assessment report to be approved by the Regulator and ROD submitted to the NPA by 01 December.	Approve and publish Tariff Book in accordance with the ROD.
	Evaluation and impact assessment report of the approved Tariff Strategy.	One Evaluation and impact assessment report.	Zero baseline for financial year.	Final Evaluation and impact assessment report submitted to the Regulator.	Draft review outline submitted to the CEO.	First draft working paper submitted to the CEO.	Draft working paper submitted to RegCom.	Final report submitted to the Regulator.
	Development of interested students and/ or other participants in Economic Regulation.	Report on training provided on Economic Regulation.	Zero baseline for financial year	One or more Short Course Training sessions provided externally on economic regulation.	Report on training provided submitted to the CEO.	Report on training provided submitted to the CEO.	Report on training provided submitted to the CEO.	Report on training provided submitted to the Regulator.
	Develop a range of economic regulatory	Develop outcomes and strategy for achieving outcomes	Zero baseline for financial year	Identify issues and develop outcomes and	Identify issues and draft	Draft report and consult with RegCom.	Draft strategy for achieving outcomes .	Finalise and obtain approval.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
	outcomes for medium and long term and strategy for achieving the regulatory outcomes.			strategy for achieving outcomes.	outcomes framework.			
	Impact monitoring of the economic regulatory interventions on the identified compliance issues as published in the RoD.	Monitor the impact of the Economic Regulatory Interventions on compliance published in the RoD and report to RegCom.	Zero baseline for financial year.	Report with recommendations submitted to RegCom on the impact of the Economic Regulatory Interventions on compliance published in the RoD.	Monitoring report submitted to RegCom.	Monitoring report submitted to RegCom.	Monitoring report submitted to RegCom.	Monitoring report with recommendations submitted to RegCom.
	Model port demand over the medium term.	Port demand model tested and finalised.	Zero baseline for financial year	Report on retro-testing and forward predictability of demand model statistical margin of error.	Data collection for testing of Port Demand Model.	Testing and analysis of Port Demand Model and draft report.	Finalise report and obtain CEO approval for use in tariff determination.	
	Capital Prudency Assessment implemented	Phase 1 Capital Prudency Model used for CAPEX forecast assessment for 2018/19 to 2023/24.	Zero baseline for financial year.	Capital prudency assessment criteria applied in tariff determination.		Implement capital prudency model as part of the tariff determination process.	Implement capital prudency model as part of the tariff determination process.	

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
	Annual Global Tariff Comparator Study.	Global Port Pricing Comparator study.	Six previous studies	Compare SA Port Prices with global ports and produce Comparator study.	Complete data collection for all cargo types chosen.	Complete preliminary price compilation for all cargo types.	Complete research and write up draft report for submission.	Submit final report to the CEO for approval.
	Implement the approved Valuation Methodology for the valuation of the Regulatory Asset Base of the National Ports Authority and include in Tariff Assessment.	Implement the approved Valuation Methodology.	Zero baseline for financial year	Approved report on the Implementation of the approved Valuation Methodology for the valuation of the Starting Regulatory Asset Base (SRAB) of the NPA in the 2019/20 Tariff Assessment.	Request updated asset register from NPA and apply Valuation Methodology criteria to establish preliminary NPA starting RAB Report submitted to CEO.	Apply tariff application CAPEX to the SRAB and report to RegCom.	Include SRAB in 2019/20 tariff assessment as per Valuation Methodology and publish ROD.	Report on the Implementation of the approved Valuation Methodology for the valuation of the SRAB of the NPA included in the 2019/20 Tariff Assessment approved by the Regulator.
3. Engage stakeholders and monitor provision of infrastructure and facilities; and promotion of efficiencies in the port system.	Implementation of stakeholder engagement plan.	Quarterly reports on stakeholder engagement.	Zero baseline for financial year.	One or more engagements with port stakeholders to disseminate information and measure perceptions about the work	Implement and report on stakeholder engagements	Implement and report on stakeholder engagements.	Implement and report on stakeholder engagements.	Implement and report on stakeholder engagements. Report on stakeholder perception survey/s.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
				of the Regulator.				
	Develop Planned infrastructure adequacy assessment	Finalised Assessment Report on adequacy of planned infrastructure	Zero baseline for financial year	Report on capital roll-out programme at existing efficiency levels	Consultations on draft report to confirm infrastructure roll out programme for 2018/19 – 2024/25 (medium term) and determined existing efficiency levels.	Further assessment and modelling of adequacy of planned infrastructure as per roll out programme based on existing infrastructure efficiency levels.	Possible focus groups and RegCom consultations	Finalisation of report and request Regulator approval.
	Research Report on Port Performance: Monitor and report on port performance in line with Weighted	A Report covering the ongoing monitoring of port performance across WEGO KPIs.	Zero baseline for financial year	WEGO Performance Monitoring system developed and WEGO performance report	Engage with NPA to define PRSA based system and process requirements	Develop PRSA system for capturing, validation and verification of data.	Receive and analyse quarterly performance data on WEGO KPIs.	Receive and analyse quarterly performance data on WEGO KPIs and draft report.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
	Efficiency Gains from Operations (WEGO).			completed one quarter after end of financial year with available data.	. for tracking WEGO KPIs Receive and analyse quarterly performance data on WEGO KPIs.	Receive and analyse quarterly performance data on WEGO KPIs.		
	Monitor and report on equity of access in port infrastructure and services as per baseline report and strategy.	Report: monitoring equity of access in port facilities and services and development of strategy.	Zero baseline for financial year.	Develop equity of access strategy.	Review and/or update statistics.	Review and/or update statistics .	Review and/or update statistics and submit status report.	Finalise and/or publish updated Equity of Access in SA ports strategy.
	Develop infrastructure efficiency targets for existing infrastructure.	Efficiency targets developed.	Zero baseline for financial year.	Develop infrastructure operations and marine, service efficiency targets, as a report.	Collect TOPS and MOPS data.	Analyse Data.	Draft report on the Terminal Operator Performance Standards and Marine Operator Performance Standards.	Finalise assessment report and discuss or propose new infrastructure operations and marine, service efficiency targets for the following year.
	Assessment of Authority's CAPEX programme.	CAPEX Assessment report.	Zero baseline for financial year.	CAPEX assessment report per quarter.	Report: tracking and monitoring of CAPEX programme	Report: tracking and monitoring of CAPEX programme	Report: tracking and monitoring of CAPEX programme	Report: tracking and monitoring of CAPEX programme

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
4. Monitoring the port industry and its compliance with the National Ports Act and other Regulatory Instruments to ensure access to and competition within the port system.	Ongoing monitoring of compliance of ports sector participants.	Compliance monitoring for NPA conducted and reported.	Zero baseline for financial year.	Four quarterly reports to the Regulator on the compliance issues and progress, if any, per quarter, and one annual compliance report to the Executive Authority.	Engage the NPA and Regulator regarding the status of compliance by the NPA.	Develop compliance framework for additional port participants and report to the Regulator regarding status of compliance by the NPA.	Engage the NPA and Regulator on the status of compliance by the NPA.	Report to the Regulator regarding status of compliance and annually report to the Executive Authority in terms of section 30(5) of the National Ports Act.
	B-BBEE status review of all S56 and S57 port facilities and service providers for all the ports.	B-BBEE status review of ports in terms of transformation to be completed in accordance with the Regulations to the National Ports Act and submit report to the Regulator.	Zero baseline for financial year	Assess NPA's compliance with B-BBEE Codes and report thereon to the Regulator and the NPA with specific regard to transformation in the port system.	Engage NPA on key findings of the previous Report and plan way forward.	Develop and/or amend the B-BBEE compliance framework and report to the Regulator.	Commence thorough analysis of the 2017 Report and provide draft findings regarding current status of B-BBEE and transformation across the sector to the Regulator.	Report to the Regulator on key B-BBEE findings and transformation across the sector and report annually to the Executive Authority regarding the status of transformation in the port sector.
	Finalise, implement and monitor compliance with a framework of	Framework for rights to equity of access finalized, implemented and	Zero baseline for financial year.	Finalise framework for measuring equity of access across the port	Finalise framework and include instruments of	Obtain necessary approvals for implementation plan.	Commence compliance monitoring and reporting on	Compliance monitoring in accordance with implementation

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
	rights to equity of access to port services and facilities.	compliance thereto monitored.		system and implement compliance assessment .	enforcement and develop implementati on plan.		equity of access.	plan and provide a report thereon.
	Legal instruments required to enforce efficiency standards and equity of access and lock standards into tariff methodology, finalised and implemented.	Legal instruments to enforce efficiency finalised in 2019/20 tariff methodology	Zero baseline for financial year.	Finalise and implement legal instruments framework.	Finalise framework and develop instruments of enforcement implementati on plan such as directives/ ROD prescripts.	Obtain necessary approvals for directives/legal instruments and conduct stakeholder consultations.	Gazette directives or implement efficiency enforcement within the tariff methodology or ROD or compliance assessment.	Report to the Regulator.
5. Operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.	Tribunal to be effectively and efficiently operated to deal with complaints and/or appeals.	Performance assessment of case management, adjudication of matters and decision making.	Zero baseline for financial year.	Chairman supported by the secretariat to perform quarterly performance assessment regarding case management, oversight of pending and emerging litigation, adjudication and decision making of the Tribunal.	Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator, in terms of number of matters heard/RODs issued, new matters received or matters settled.	Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator, in terms of number of matters heard/RODs issued, new matters received or matters settled.	Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator, in terms of number of matters heard/RODs issued, new matters received or matters settled.	Provide case management and litigation support and compile report on all matters dealt with in the quarter to be submitted to the Regulator, in terms of number of matters heard/RODs issued, new matters received or matters settled.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2018/2019 Quarterly Targets			
					Q1	Q2	Q3	Q4
					received or matters settled.	matters settled.	matters settled.	Annually report to the Executive Authority on tribunal matters in terms of section 30(5) of the Ports Act.
6. Ensuring good governance and sustainability of the organisation.	i) Governance and compliance framework in place for the organisation.	Governance and compliance checklist reported to the Regulator.	Zero baseline for financial year.	Ensuring good governance and compliance of the organisation.	Draft governance and compliance checklist and submit to the Regulator for approval.	Compile governance and compliance report to the Regulator.	Compile governance and compliance report to the Regulator.	Compile governance and compliance report to the Regulator.
	MOUs to be concluded by PRSA with regulators and agencies on transversal issues.	MOUs with identified regulators and agencies in place.	Two MOUs in place.	Identify regulators and agencies that have overlapping jurisdiction. Sign MOUs with willing agencies.	Identify regulators and agencies that have overlapping jurisdiction.	Develop appropriate MOUs.	Consult with the Regulator, meet agencies and deliberate MOUs.	Sign and commence implementation of MOUs.

Income and Expenditure

Table A.2: Ports Regulator of South Africa

	Audited Outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Administration	9 014	9 744	13 888	11 378	8.1%	49.1%	10 206	11 422	12 086	2.0%	39.6%	
Economic regulation	2 152	2 839	4 504	4 067	23.6%	14.9%	5 061	7 289	7 635	23.4%	20.4%	
Tribunal	3 020	3 156	3 579	2 039	-12.3%	13.5%	4 410	5 265	5 539	39.5%	14.6%	
Industry development	2 618	2 535	2 987	3 709	12.3%	13.4%	3 741	4 828	5 179	11.8%	15.1%	
Monitoring	968	1 907	2 937	2 616	39.3%	9.1%	2 552	3 330	3 513	10.3%	10.4%	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	
Total expense	17 772	20 181	27 895	23 809	10.2%	100.0%	25 970	32 134	33 952	12.6%	100.0%	

Expenditure per economic classification
Table A3 Ports Regulator of South Africa

Statement of financial performance	2014/15		2015/16		2016/17		2017/18		2014/15-2017/18		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Expenditure/total: Average (%)
R thousand																
Revenue																
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	302	411	310	485	401	964	320	1 320	1.4%	47.5%	351	360	430	-31.2%	2.3%	
Sale of goods and services other than capital assets of which:	-	3	-	-	-	7	-	-	-	-100.0%	-	-	-	-	-	-
Administrative fees	-	3	-	-	-	7	-	-	-	-100.0%	-	-	-	-	-	-
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	302	408	310	485	401	957	320	1 320	1.4%	47.9%	351	360	430	-31.2%	2.3%	
Transfers received	16 852	16 852	27 627	27 627	28 561	28 561	22 489	22 489	98.6%	10.1%	25 619	31 774	33 522	14.2%	97.7%	
Total revenue	17 154	17 263	27 937	28 112	28 962	29 525	22 809	23 809	100.0%	11.3%	25 970	32 134	33 952	12.6%	100.0%	
Expenses																
Current expenses	17 154	17 772	27 937	20 181	28 962	27 868	22 809	23 809	100.0%	10.2%	25 970	32 134	33 952	12.6%	100.0%	
Compensation of employees	11 623	9 794	11 860	11 579	13 365	12 191	14 764	14 028	55.3%	12.7%	16 658	19 345	20 504	13.5%	60.9%	
Goods and services	5 089	7 554	15 778	8 170	15 205	15 501	7 826	9 562	43.2%	8.2%	9 157	12 687	13 290	11.6%	38.5%	
Depreciation	442	424	299	432	392	176	219	219	1.5%	-19.8%	155	102	158	-10.3%	0.6%	
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	17 154	17 772	27 937	20 181	28 962	27 868	22 809	23 809	100.0%	10.2%	25 970	32 134	33 952	12.6%	100.0%	
Surplus/(Deficit)	-	(509)	-	7 931	-	1 630	-	-	-100.0%	-	-	-	-	-	-	-
Deficit financing check											ok	ok	ok	ok		

Cash flow data	2014/15		2015/16		2016/17		2017/18		2015/16 - 2017/18		2014/15 - 2016/17		2018/19 - 2020/21		2017/18 - 2020/21	
	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)	Budget estimate	Revised estimate	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)
R thousand																
Cash receipts from stakeholders	17 154	17 238	27 937	28 093	28 962	29 525	22 809	22 809	100.0%	100.0%	9.8%	25 970	32 134	33 952	14.2%	100.0%
Tax receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	-	3	-	-	-	7	-	-	-	-	-100.0%	-	-	-	-	-
Transfers received	16 852	16 852	27 627	27 627	28 561	28 561	22 489	22 489	98.7%	98.7%	10.1%	25 619	31 774	33 522	14.2%	98.7%
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and rent on land	270	309	305	466	401	957	320	320	1.3%	1.3%	1.2%	351	360	430	10.4%	1.3%
Unclassified revenue	32	74	5	-	-	-	-	-	0.0%	0.0%	-100.0%	-	-	-	-	-
Tax benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash paid to stakeholders	16 512	18 588	28 678	19 735	36 203	27 465	20 413	20 413	100.0%	100.0%	3.2%	20 525	23 472	27 066	9.9%	80.3%
Current payments	16 512	18 588	28 678	19 735	36 203	27 465	20 413	20 413	100.0%	100.0%	3.2%	20 525	23 472	27 066	9.9%	100.0%
Compensation of employees	11 623	9 794	11 860	11 579	12 673	12 191	14 068	14 068	48.4%	48.4%	12.8%	14 218	16 851	20 119	12.7%	71.1%
Goods and services	4 889	8 794	16 818	8 156	23 530	15 274	6 345	6 345	51.6%	51.6%	-10.3%	6 307	6 621	6 947	3.1%	28.9%
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from operating activities	642	(1 350)	(741)	8 358	(7241)	2 060	2 396	2 396	9.9%	9.9%	-221.1%	5 445	8 662	6 886	42.2%	
Cash flow from advancing activities (Financial Institutions only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of finance leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (e.g. issuances of shares, revaluations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	642	(1 737)	(741)	8 380	(7704)	1 476	2 396	2 396	-211.3%	-211.3%	42.2%	5 445	8 662	6 886	42.2%	

Financial position	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/ Budget Average %	Average growth rate (%)	Net change/ total: Average (%)	Medium-term estimate	Average growth rate (%)	Net change/ total: Average (%)
	2014/15	2015/16	2016/17	2017/18	2014/15	2017/18	2018/19	2019/20	2020/21	2014/15	2017/18	2018/19	2019/20	2020/21	2018/19	2020/21
Cash and cash equivalents	7 429	5 457	9 685	15 313	7 239	6 900	91.3%	8.1%	90.1%	6 882	5 686	6 356	6 356	-2.7%	91.8%	
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Defined benefit plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets	8 294	6 552	10 242	16 720	7 661	7 661	100.0%	5.4%	100.0%	7 652	6 507	6 846	6 846	-3.7%	100.0%	
Accumulated surplus/(deficit)	6 748	6 087	7 848	15 670	7 122	7 122	82.0%	5.4%	94.1%	6 744	5 546	6 190	6 190	-4.6%	91.4%	
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowings	80	-	-	-	-	-	0.2%	-	-	-	-	-	-	-	-	
Finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade and other payables	846	120	2 025	524	132	132	12.6%	3.2%	1.9%	159	196	207	207	16.2%	2.5%	
Benefits payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capitalised value of pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Provisions	620	345	369	526	407	407	5.2%	5.7%	4.0%	410	426	449	449	3.3%	6.1%	
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total equity and liabilities	8 294	6 552	10 242	16 720	7 661	7 661	100.0%	5.4%	100.0%	7 313	6 168	6 846	6 846	-3.7%	100.0%	
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Salary level	Post status estimated for 31 March 2017		Number and cost of personnel posts filled/planned for on funded establishment												Number		
	Number of posts on approved establishment	Number of funded posts	Actual		Revised estimates		Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21						
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost			
Salary level	19	19	12	642	19	14	738	19	16	877	20	19	967	20	20	1 025	100.0%
1-6	4	4	353	88	4	838	209	2	356	178	2	370	185	2	390	195	12.9%
7-10	8	8	2554	319	8	3	397	10	5	503	10	5320	532	10	5714	571	58.7%
11-12	1	1	669	669	1	740	740	1	820	820	1	891	891	1	952	952	5.1%
13-16	5	5	5813	163	5	6	1 229	6	7	1 429	6	9 265	1 544	6	9 758	1 626	28.2%
17-22	1	1	2802	802	1	3	3 130	1	3	3 313	1	3	3 499	1	3 691	3 691	5.1%
Detail																	
1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	1	1	139	139	1	145	166	1	154	154	1	162	162	1	174	174	0.9%
4	1	1	159	159	1	162	230	1	171	171	1	180	180	1	190	190	1%
5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	2	2	30	15	2	460	-	-	-	-	-	-	-	-	-	-	0.8%
7	4	4	918	230	4	1	298	4	1	297	4	1	303	4	1 315	329	6.9%
8	1	1	114	114	1	345	438	1	368	368	1	401	401	1	454	454	2.2%
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	3	3	341	447	3	1	671	5	3	607	5	3	299	5	3 567	713	15.8%
11	1	1	622	622	1	678	-	1	749	749	1	823	823	1	889	889	4.5%

