



Annual Performance Plan 2023/2024

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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
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
PPFA	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



Shareholder's Statement

The Ports Regulator, an entity within the umbrella of the Department of Transport, is a key institution in the reform and development of the South African ports system. As an economic regulator of our eight commercial ports, the Regulator has over the years, and within its mandate, held the National Ports Authority to account resulting in a mature tariff system, a clear strategic direction for the ports, and increased transparency and fairness for all port stakeholders.

The role of the Regulator has matured over the course of regulation and since its inception in 2007. It has implemented a Tariff Methodology which is supported by a range of supporting tools and mechanisms including a Tariff Strategy, the Port Tariff Incentive Programme, the Global Pricing Comparator Study, Port Capacity and Utilisation studies and various research to assist in improving the efficiency and performance of SA ports.

In a post-Apartheid South Africa, the Regulator continues to monitor and support transformation in the ports system and promotes participation of B-BBEE companies through the implementation of port tariff subsidies in the public interest that will support beneficiation, localization, industrialization and other economic imperatives, whilst ensuring that in the main, our port tariffs and efficiencies become globally competitive. The Regulator is cognisant of the importance of collaboration and recognises the need to work with other organs of state, regulatory bodies, and research organisations to fully discharge the transport policies and mandates of the Government of South Africa.

The challenges of the system do not go unnoticed. The weakening of the comparative performance of our port system with its international peers, the inability to implement capital infrastructure and maintenance of existing assets, and the breakdowns of key superstructure pieces are all recognised as urgent matters that require attention. In the recent past a perfect storm has been brewing thus worsening the existing problems. The vandalising of the rail network, combined with the instability of the electricity supply, the effects of COVID-19 on global and domestic trade, the aftermath of the floods in KZN and increases in inclement weather patterns, breakdowns in equipment leading to work stoppages, declaration of force majeure which have left not only port users frustrated but importantly, exerted a significant cost to our economy through delays and the cost of our imports and exports, and the riots and civil unrest on KZN have all compounded the existing problems of the system.

Understandably, port stakeholders and port consultative committees have expressed much dissatisfaction, demanding that these challenges be addressed as a matter of urgency. The effects of these challenges on port volumes and South Africa's place along the global trade route cannot be underestimated and it is understood that these challenges must be overcome in order to restore South Africa's position as a global hub of the African continent.

Some of these problems are beyond the mandate of the Regulator, however, the Regulator remains part of the institutional architecture that must bring about the required changes and reforms in the port system and is thus expected to drive its mandate aggressively whilst participating and influencing processes to bring about the required changes.

For the Ministry, alignment between its entities and the objectives of the Department of Transport is critical in responding to the service delivery challenges and the economic growth imperatives of our country. The Ports Regulator, in crafting its Five-Year Strategy and Annual Performance Plans ("APP") must therefore ensure that the Members and the Secretariat have a shared vision for the organisation, one which will continue to enhance regulation, enhance the port sector, as enhance the economic development of our beautiful country.

It is expected that the Regulator, in discharging its mandate also responds to the injunctions as set out in the National Development Plan, the Medium-Term Strategic Framework, the State of the Nation Address, and other Government initiatives such as Operation Phakisa/Oceans Economy, and the Economic Reconstruction and Recovery Plan. The Regulator therefore must clearly define unique role, as an independent body, 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. It is further expected that this be clearly and adequately reflected in the Regulator's Annual Performance Plan.

Strides have 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. In July 2017, SA launched its Comprehensive Maritime Transport Policy ("CMTP"), and it is envisaged that the maritime community, together with the maritime entities and the DoT, will engage and ensure that the principles contained within the CMTP will provide benefits to the sector in terms of coastal shipping, skills development, employment opportunities, and advancing and extending SA supply chains both regionally and internationally. We hope we can all contribute positively in taking this important vision for SA forward for it to benefit the many generations still to come.

The anticipated Transport Economic Regulator is fast becoming a reality with the passing of the Bill for concurrence by the National Council of Provinces. The work between the DoT and the Regulator to ensure a smooth transition as well as 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, must now continue in earnest. Also, within this administration, and in terms of section 80(1) of the National Ports Act, 12 of 2005, I endeavor to ensure that the National Ports Authority is corporatized in line with the law passed by our democratic Parliament, so that it can play its proper role in the development, functioning, economic participation, employment and empowerment within South Africa's commercial ports.

As Minister of Transport, I have set five priorities to "Re-imagine Transport, Re-imagine The Future". Among these priorities is "Building A Maritime Nation, Elevating the Oceans Economy". Key within these priorities is the following building blocks of the maritime programme which constitute five pillars:

Pillar 1: Enhancing South Africa's Ship Registration Regime.

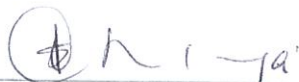
Pillar 2: Mainstreaming maritime through empowering historically disadvantaged persons to access opportunities, support development of young people to take up opportunities in maritime fraternity through recreation and economic opportunities.

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.

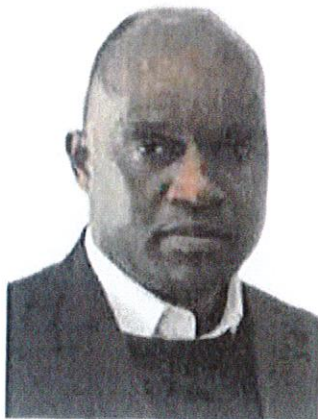
Pillar 4: Create programmes to elevate fluvial transport and open up new economic opportunities by maximizing the use of inland waterways.

Pillar 5: Unlocking maritime for economic stimulation and recreation.

I look forward to the outcomes of the Ports Regulator's Strategic Plan and associated Annual Performance Plans and would like to take this opportunity to thank the Chairperson and Regulator Members, the CEO, and its Secretariat for their efforts, commitment, and execution of set performance, targets as well as the performance of their regulatory role in fulfilment of the organisation's mandate, in the sixth administration.



Ms SINDISIWE CHIKUNGA, MP
MINISTER OF TRANSPORT



Accounting Authority Statement

The Ports Regulator of South Africa, as a Schedule 3A entity in terms of the Public Finance Management Act ("the PFMA"), and as the economic regulator for the eight commercial ports in South Africa, as well as the regulator for the landlord of the ports, the National Ports Authority ("the Authority" / "the NPA"), remains committed to the process of port and to bringing about operational efficiency through its work. The Regulator is charged with the responsibility of undertaking economic regulation of ports in line with government objectives; promotion of equity of access to ports and to port facilities and services provided in ports; and monitor the activities of the Authority to ensure that it performs its functions in accordance with the Act.

The Regulator is further entrusted with the responsibilities of hearing appeals and complaints; coordinating and harmonising the exercise of jurisdiction over competition matters with the competition commission; consider the proposed tariffs of the Authority; promote regulated competition and regulate the provision of adequate, affordable and efficient port services and facilities. The organisation's projects encapsulated in this 2023/24 Annual Performance Plan (APP) address the various elements of our functions and obligations to port users as set out in the Act.

As the Regulator, we are committed to effective governance and oversight of both the Authority and our Secretariat, to ensure that we contribute to the achievement of both government objectives and our own. Our regulatory decisions in relation to appeals and complaints and on port pricing must not only be administratively sound and follow the prescripts applicable to those undertaking administrative decision but must be responsive and bring about the required changes in or through port pricing, efficiency monitoring and incentivisation without compromising our independence or credibility.

Through tariff regulation and the pricing of services in the ports system, the focus remains on implementing appropriate port prices on a user benefit / user pay basis as set out in the Tariff Strategy and implementing recognised and credible regulatory models as a basis for the calculation of the Revenue Requirement of the Authority. The principles, and nuances of regulation must carefully balance the needs of the regulated entity, the objectives of the Country, the requirements of port users, the considerations of business owners, and the economic state of both the country and the global economy.

The previous pricing systems were inadequate in their reflection of costs, and the system was heavily subsidised. The Regulator intends, through effective regulation, on providing the correct signals to the Authority in order to drive the required behaviour and address inefficiencies in the system thus ultimately improving South Africa's global standing on port performances; a measure which has noticeably weakened over the recent past due to a myriad of issues.

In conjunction with the Tariff Strategy which sets out the long-term trajectory of port pricing, continuous strides in regulation are being made with the maturing of the regulatory framework. The third iteration of the Multi-Year Tariff Methodology was recently published, along with the twelfth iteration of the Global Pricing Comparator Study. The Strategy was reviewed and updated to include the work conducted on efficient marine pricing and increased focus has also been placed on Capital Expenditure and operational efficiencies.

The framework, more specifically the Methodology, determines the overall revenue the Authority requires for the financial period. This in turn enables the Authority to implement infrastructure projects (CAPEX); cover operational expenditure, as well as generate a return commensurate with the risk in investing in the SA ports.

The Regulator, in support of the importance of providing capacity ahead of demand to support current and future port volumes, continue to approve the Authority's CAPEX budget. The CAPEX programme remains the key driver of port development and supports government's infrastructure development plan. During the 2023/24 FY, the Regulator will continue to monitor the Authority's delivery model and interventions to improve port infrastructure delivery.

The corporatisation of the Authority in line with section 3(2) remains an area of focus as it will have an impact on the review of the Tariff Methodology that will be applicable during the 2023/24 FY. That is, the current methodology must be reviewed and adjusted to take into account the timing and effects of the corporatisation of the Authority. The Regulator continue to follow and where applicable participate in the establishment of the Single Transport Economic Regulator that may have a bearing on the existence and the nature of port economic regulation within the broader transport economic regulation mandate.

Suffice to say that the after-effects of COVID-19 pandemic continue to be felt in the global port community and the entire domestic port system. To continue to offer recovery support to the domestic port users and the economy, the Regulator announced an average inflation linked 3.32% tariff adjustment for the 2023/24 FY whilst retaining incentives previously introduced to respond to various developmental needs in the port system. These includes: 30% discount on marine charges for vessels on the SA register to encourage registration on South Africa's ship registry; 60% discounts for vessels calling SA ports for the sole purpose of taking on bunkers without spending more than 48 hours at the port; 30% discount on license fees for port activities and to be paid in equal instalments on an annual basis over the duration of the license.

The projects outlined for the 2023/24 FY directly and indirectly addresses how the Regulator will respond to the challenges arising out of its mandate and operational environment. The members of the Regulator continue to rely on the support and leadership of the Minister of Transport, Honourable Ms. Sindisiwe Chikunga; the Deputy Minister of Transport, Honourable Mr. Lisa Mangcu and her guidance on the priorities and development of the maritime industry and Oceans Economy. The Executive Team of the Ports Regulator led by the CEO and the staff continue to work tirelessly to achieve the targets set in the APP and contribute to the maturing economic regulation of South Africa's commercial ports, the pricing thereof and efficiencies.



Accounting Officer's Statement

South Africa's commercial ports are an important node in the transport logistics system facilitating and supporting the country's trade with the rest of the world. The sum of exports and imports of goods and services as a share of GDP stood at 56% in 2021. Much of the trade is through commercial ports, amplifying the significance of commercial ports. The provision of adequate and efficient port infrastructure to catalyse and support economic growth cannot be over emphasised and underlines the importance of the Ports Regulator as an independent economic regulator of our country's ports. We continuously strive to be "regarded nationally and internationally as a world class institution which sets the standard for economic regulation in South African maritime ports."

Our mission, which directs the energy and efforts of our staff and executive team, dictate that we focus on three critical areas namely: setting of tariffs for adequate, affordable, and efficient port infrastructure, services and facilities under the control of the National Ports Authority; ensure equity of access to facilities in our ports wherein the Regulator Members, supported by the Secretariat continue to hear appeals and complaints from port users who are adversely affected by the decisions, action or inaction of the Authority; and our compliance monitoring program focused on measuring the extent to which the Authority effectively implements its function as defined in the National Ports Act, Act 12 of 2005.

For the 2023/24FY, Members of the Regulator have approved the implementation of thirty-one (31) targets from seven (7) strategic objectives driven across the five programs of the organisation.

In **Programme One** which is responsible for running an efficient and effective administration system, greater effort will be placed on expanding capacity and capability for Human Resources Development; Information and Technology capabilities that can improve the efficiencies of the organisation and where possible, leapfrog our current limitations on staffing by embracing digital solutions.

Programme Two drives the ongoing implementation of economic regulation of ports with a focus on prices, access and institutional structure of the Authority. In 2023/24FY, we look forward to the National Ports Authority's tariff application to be submitted on a revised tariff methodology which will determine a pricing and efficiency trajectory for the Authority in its legal form. Research projects aimed at enhancing the Tariff Strategy on the lease and marine revenue will be undertaken and ultimately assist in determining the direction the sector must take as we near the end of the ten-year implementation programme for the Tariff Strategy in its current iteration.

Programme Three continues to drive our stakeholder engagement programme, including support for the Department of Transport's initiatives in the Oceans Economy; conducts research to monitor efficiencies and capacity utilisation in the system; and transformation in the ports system through analysis of trends on Broad Based Black Economic Empowerment implemented by the Authority.

We expect the long-awaited Transport Charter Council to move with speed in promulgating maritime transport and services sector codes that will empower the Regulator to monitor effective transformation in the sector.

Programme Four, which is responsible for operating an effective and efficient tribunal to hear complaints and appeals, will continue 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 for the port system. The program is also charged with the responsibility to embed internal compliance frameworks for the organisation whilst providing corporate legal services.

Programme Five which is managed by the Company Regulator Secretariat, provides support to the governing body, ensuring good governance and sustainability of the organisation under the strategic leadership and oversight of the Members of the Regulator.

Section 3 of the Annual Performance Plan for 2023/24 provides details on the thirty-one (31) projects that are implemented to achieve the strategic outcomes for the organisation and in the port sector. Port users in the South African system has faced not only the effects of the global pandemic COVID-19, but also serious challenges on the domestic and localised port front including civil unrest, cyber-attacks, force majeure, union strikes, electricity instability, flooding, and equipment breakdowns.

Significant inefficiencies have resulted in the Authority's net profits being reduced, through the Weighted Efficiency Gains from Operations (WEGO), by an amount of R202million for the 2023/24FY bringing it to a cumulative R420m since the implementation of the WEGO. Whilst the financial loss is significant in sending the right message to the Authority about the need for tighter oversight on terminal operators and their performance, the Regulator's concern remains the effects that inefficiencies have on our port's competitiveness. The Regulator thus expects increased rigour on the implementation of the Terminal Operator Performance Standards that are agreed, set and monitored in order to achieve continuous improvement at each terminal and at each port. Concerted effort and activities are identified for the 2023/24 FY and for the foreseeable future.

For ports to continue supporting trade, the provision of capacity ahead of demand as an ethos must be embraced and committed to. However, the lack-lustre performance of the Authority in implementing projects under the CAPEX has meant the South African port capacity lags behind the demands of a growing economy. Whilst the slow economic growth rate has helped in cushioning the effects, ports and the supporting rail capacity feeding into and out of ports, are significant choking points to the economic recovery the country is working hard to achieve. In 2023/24 South African companies trading in commodities were not able to optimise on the commodities boom.

Regulatory interventions to ensure the Authority addresses these have been included in the Record of Decision and will remain our focal point in 2023/24FY. It is anticipated that a Board of the Authority constituted in terms of section 14 of the Act will bring the necessary vigour and impetus to the Authority's CAPEX. The Regulator's projects demonstrate our commitment, within our mandate and influence, to enable the Authority to re-imagine and develop South African ports to be the competent facilitator of trade and the country's competitiveness require by the Commercial Ports Policy.

Internally, like the human equivalent of a sixteen (16) year old, the Ports Regulator capabilities are maturing gradually to embrace our full mandate. We anticipate our full staff complement of 29 employees as per our current approved organogram. In addition, the Single Transport Economic Regulator Bill has been programmed in the 1st term of the Select Committee on Transport, Public Services and Administration, Public Works and Infrastructure registering progress in the legislative process signaling the imminence of the STER and the requisite support from the Regulator in the 2023/24FY.

I would like to acknowledge and appreciate the leadership, guidance and support of the Members of the Regulator and the Independent Audit and Risk Committee members in enabling and ensuring that my team and I work tirelessly to achieve these important targets and projects. The support of the Minister of Transport Honorable Sindisiwe Chikunga has been invaluable as they constantly challenge us to go beyond the set targets to focus on the impact of our work. The diligence of our port stakeholders in their individual capacities, through their associations and the representative structures of the National Port Consultative Committee and the Port Consultative Committees in holding us accountable to our mandate creates an enabling environment for all of us to put the interests of the country as served by the ports ahead. We expect nothing less in 2023/24FY and we look forward to another great year.

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
- Takes into account 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 endeavor to achieve over the period 2023/24FY.

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

Signature MN
Ms. Nokuzola Nkowane
Executive Manager: Industry Development

Signature Lesedi
Adv. Lesedi Boliang
Executive Manager: Legal

Signature Mhlongo
Ms. Nosisa Andile Luthando Ubemuhle Mhlongo
Company Secretary: Governance

Signature Thokozani
Mr. Thokozani Mhlongo
Executive Manager: Administration and Chief Financial Officer

Signature Nkowane
Ms. Nokuzola Nkowane
Acting Chief Accounting Officer

Signature Tshisikhawe
Dr. Tshisikhawe Victor Munyama
Chairperson: Ports Regulator of South Africa

Approved by

Signature Chikunga
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 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	Behavioural 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.
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1.4. Strategic Goals

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

- 1) Ensure implementation of all elements of the regulatory framework within our mandate;
- 2) Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework;
- 3) Maintain our reputation as an organisation with integrity focussed on excellence and delivery;
- 4) 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
- 5) 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 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 private 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.

The defined South African architecture thus include an independent regulator to regulate pricing of port infrastructure provided by the National Ports Authority and the National Ports Authority would be regulated, through issuance of licenses, agreements, setting of port rules and concession agreements for the provision of infrastructure with the South African Maritime Safety Authority (SAMSA) carrying out 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 public entity that reports to the Minister of Transport and responsible for the following three main functions defined in section 30(1) of the Act:

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

Section 30(2) places obligations on the Ports Regulator to hear appeals and complains against the National Ports Authority from port users as defined in section 46 and 47 of the Act; to consider the proposed tariffs of the National Ports Authority; to promote regulated competition; regulate the provision of adequate, affordable and efficient port services and facilities. The Regulator is guided by the 2007 Regulations and Directives issued in line with section 80 of the Act in carrying out its functions.

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 7 of 1996;
- the Public Finance Management Act, 1 of 1999 and the Regulations thereto;
- the Labour Relations Act, Act 66 of 1995 as amended;
- the Basic Conditions of Employment Act, Act 75 of 1997,
- the Employment Equity Act, Act 55 of 1998,
- the Promotion of Administrative Justice Act, Act 3 of 2000
- the Promotion of Access to Information Act, Act 2 of 2000
- the Protection of Personal Information Act, Act 4 of 2013.

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 Promotion of Administrative Justice Act, Act 3 of 2002 which requires administrative action to be lawful, reasonable and procedurally fair and the provision of reasons for every administrative action.

Supported by a robust stakeholder engagement process, the Ports Regulator adheres to the principles of openness, fairness, transparency and consultation in developing regulatory instruments and in seeking submissions from affected and interested parties on its tariff decisions.

To this end, the Regulator keeps abreast of case law on the implementation of administrative action by organs of state, the same case law seminal to which in the 2023/24FY are the following:

The Constitutional Court ruling on Preferential Procurement Regulations and subsequent suspension until February 2023

Following the Constitutional Court's judgment of 16 February 2022 on the matter between the Minister of Finance and Afribusiness regarding the 2017 Preferential Procurement Regulations (the 2017 Regulations), the Minister of Finance launched an application to the Constitutional Court seeking clarity

on its judgement of 16 February 2022. The Constitutional Court handed down the Judgment on 30 May 2022. The Constitutional Court upheld the SCA ruling which found the 2017 Regulations to not accord with empowering provisions of the PPPFA suspending the ruling for a year (up to February 2023) to afford government to amend the regulations. For the 2023/24 FY.

National Treasury issued the Preferential Procurement Regulations, 2022 and which took effect on 16 January 2023. The Eskom v National Energy Regulator case (Eskom Holdings SOC Limited v National Energy Regulator of South Africa and Others (74870/2019) [2020] ZAGPPHC 2) 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 it failed to apply its applicable legislative framework i.e., the MYPD methodology, 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).

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 PRSA'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 PRSA has extensive powers to deal with complaints as effectively and promptly as possible in terms of the National Ports Act.

1.7. Other Mandates

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 goals, amongst others, 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 price and operational efficiencies whilst remaining financially viable so as to continue investing in the maintenance, refurbishing and expansion of port capacity in support of the country's import and exports.

Medium Term Strategic Framework 2019 -2024

The Ports Regulator takes cognisance of, and through its regulatory mandate responds to some of the Medium-Term Strategic Framework 2019 – 2024 outcomes. As a public entity the Regulator is aligned with MTSF priorities. In particular, the Ports Regulator is committed to and will contribute to **Priority 1: A capable, ethical and developmental state** and **Priority 2: Economic transformation and job creation**. In filling vacancies in the organisation care 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 program. **Priority number two** is relevant to the Ports Regulator's decisions in tariff setting for the NPA. The tariff setting process supports investment in port infrastructure through approved CAPEX and incentivises improvements in port efficiencies.

Through the regulatory decisions and within the framework of the tariff methodology, the Regulator supports the 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 PRSA achieves this by ensuring that its regulatory framework, in particular the treatment of the Regulatory Asset Base (RAB) is in support of the Corporatisation of the NPA as defined in the MTEF and its tariff decisions incentivises the NPA to address the low levels of efficiency in ports terminals through the Weighted Efficiency Gains from Operations (WEGO), which has now resulted in over R400m reduction of the National Ports Authority's profit due to poor efficiencies on measured Key Performance Indicators. The corporatisation of the NPA is anticipated to further enhance efficiencies through governance, executive and investment decisions that primarily addresses port development imperatives.

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

Priorities of the Transport Sector

The Ports Regulator also has the responsibility to facilitate the implementation of relevant priorities for the Maritime sector as determined by the Minister of Transport. The Minister has set five (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 up new economic opportunities by maximizing the use of inland waterways;

Pillar 5: Unlocking maritime for economic stimulation and recreation.

PART B: OUR STRATEGIC FOCUS

2. Situational Analysis

Development and updating of the Ports Regulator's 2023/24 Annual Performance Plan was guided by the Members of the Regulator supported by the Secretariat. The Secretariat considered the proposed changes during a strategic planning session on 12 – 13 December 2022. Members of the Board set the direction for 2023/24 at a strategic planning and risk workshop held on 23 – 24 January 2022. In attendance were the Departments of Transport and Public Monitoring and Evaluation. Alignment of the 2023/24FY 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 National Ports Act, 12 of 2005.

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 resolves disputes and appeals for its stakeholders, ensuring fairness and parity in the NPA's 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 ultimate 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.

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 empowered by the Act, to ensure terminal operators efficiency. The regulatory frameworks implemented 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.

- PRSA has significantly lowered approved tariffs (over R10 bn savings to port users) whilst maintaining the sustainability of National Ports Authority.
- PRSA is proactive and risk mitigating for port users by maintaining an Excessive Tariff Increase Margin Credit facility (ETIMC). For the 2023/24FY period the ETIMC stands at about R1,1billion which is available to offset future high increases.
- On 01 December 2022, the Regulator announced an average tariff adjustment of 3,32% - in line with forecasted inflation for 2022/23FY and lowest of all SOE tariff increases in the economy (of which container export cargo dues were decreased by 10% and imports by 3% thus contributing to improved competitiveness of SA goods).
- In July 2015 the Ports Regulator published South Africa's long term Port Tariff Strategy, through which reforms are 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.
- Aware of the limitations of regulatory instruments in driving beneficiation, localization and industrialization, the Regulator developed the Port Tariff Incentive Programme (PTIP) aimed at facilitating incentives for beneficiation and other cross subsidies in the public interest.
- 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 as per MTSF outcomes and DoT priorities.

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 below.



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 revenue shows that PRSA regulation 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 PRSA to competition, regulation and price setting resulted in lower real tariffs and a sustainable 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 incentivise development of CAPEX. With the exception of 2021/22FY, the NPA in the past five years managed to spend on average *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 lost opportunity for trade owing to congestion and reduce competitiveness. Furthermore, in lumpy port infrastructure investments, the implication of delayed capital spending is price shocks as inadequate capacity cannot mitigate absorption of costs increases. The Regulator is considering exploring additional measures to quantify and allocate the risk where it can be managed best in an effort to ensure that adequate, and efficient capacity is delivered at the right cost.

Transformation of the port system to ensure (a) more private sector players in port operations and (b) participation of Historically Disadvantaged Groups and SMMEs in the provision of facilities and services has been very slow. Efforts to drive transformation has been affected by antiquated Regulations (adopted in 2007), the lack of a transformation strategy capable of bringing about required transformation in the different sub-sectors in ports from the NPA, and the inability to promulgate specific Maritime Transport Sector codes by government.

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

2.2. 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 2023/24FY and MTEF period, to deliver on its mandate in a positive way (Strengths and Opportunities) or in an adverse way (Weaknesses and Threats) that may hinder the organisation achieving or sustaining the achievement of its goals. The identified factors 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.

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

iv)	Clear strategic direction.	- Fully functional Regulator.	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)	Non – Executive Directors not captured and remain involved with the functioning of the organisation.	- Members are appointed as independent non-executives; - Members set strategic direction for the organisation and oversee good governance compliance.	Objective 6
vii)	High level of professionalism amongst staff.	- Absence of high levels of ill-discipline amongst staff.	Objective 1
viii)	Absence of internal strife.	- Organisation is a small one and staff take initiative, with professional work ethic and culture within the organisation.	n/a
ix)	Effective use of resources and cross-cutting measure to ensure efficient use of the budget, with a good retained reserve.	- Good financial controls; - Compliance with National Treasury guidelines with regards to efficient use of public entity resources.	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 PRSAs tariff methodology and tariff strategy.	Objective 2 and Objective 3
2. Opportunities			
i)	Credibility, and good reputation amongst industry players.	- Trust of industry in the credibility of the Regulator's processes and competence to carry out its functions.	Objective 2 and Objective 3
ii)	Envisaged enactment of the Transport Economic Regulator Act leading to establishment of the Single Transport Economic Regulator around PRSA processes and practices, policy and established methodologies.	- Will form the nucleus of the STER as per legislation.	Objective 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 respect cultivated between the two organisations as	Objective 2

		well trust in the sharing of information.	
iv)	Envisaged amendments to the 2007 Regulation and 2009 Directives as issued in terms of the National Ports Act, Act 12 of 2005	- Work on this to be fast tracked with the Department of Transport.	Objective 4 and 5
v)	Feedback to PRSA from the Five-year public review.	- Findings from regulatory review highlights areas where Regulator's effectiveness can be further enhanced from perspective of port stakeholders.	Objectives 2, 4, and 5.
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.	Objective 1, 2 and 4
3. Weaknesses			
i)	Enforcement instruments for implementation of PRSA compliance findings against the National Ports Authority are lacking.	- This must be addressed through the gazetted legislative amendment of the National Ports Act or passing of the Transport Economic Regulator Bill for the powers it confers on the Regulator and the Council.	Objective 4
ii)	Existing financial model and full reliance on the National Fiscus constrains the expansion and work of the Regulator.	- This must be addressed through further and continuous engagements with the DoT and National Treasury.	Objective 1
iii)	Limited staff relative to mandate to be performed	- Appointment of additional staff dependent on approval of the revised organogram and increase in budget baseline by the Minister of Transport	n/a
iv)	Information asymmetries.	This relates to information required by the Regulator and what is provided by the Regulated Entity, and address this through building credible relationship with the National Ports Authority and the use of confidential information in accordance with the Directives.	Objective 2, 3, 4 and 5

v)	Policy gaps (directives and regulations issued in terms of Ports Act).	- Policy reviews and amendments to be undertaken.	Objective 4 & 5
4. Threats			
i)	Funding limitations and inadequate funding model.	<ul style="list-style-type: none"> - Alternate funding model together with proposed amendments to section 42 of the National Ports Act to be effected; or - The passing of the Transport Economic Regulator Bill with its provision for a regulatory charge to be levied on beneficiaries of regulation. 	Objective 1
ii)	Regulation a very specialised area with limited external capacity	<ul style="list-style-type: none"> - Skills development within niche' areas is a priority for the organisation in terms of the skills development plan, Knowledge Management process and adaptation of generic regulatory training to include a focus on regulation of ports. 	n/a
iii)	Differences in interpretation of aspects of the National Ports Act by different parties with no judicial precedent to assist.	<ul style="list-style-type: none"> - Regulator has an opportunity to develop jurisprudence through Tribunal decisions. 	Objective 5
iv)	Absorption and Dilution into the STER.	<ul style="list-style-type: none"> - Actively participate in the STER process and provide ongoing support and input to business case and implementation plan of STER. 	n/a

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 2023/24 FY. Where positive benefits are anticipated, the reported action highlights how we will optimise on the potential to realise the positive outcomes.

Factors	Impact on PRSA Business	Impact +/-	Action
Political/Strategic			
MTSF strategic goals	Regulatory outcomes must respond to regulatory framework and align the PRSA's delivery with MTSF goals	+	Take relevant MTSF goals into account in terms of Regulator's performance of its functions and tariff considerations.
Ocean's economy – Operation Phakisa	Determine role of the PRSA in relation thereto and implement to inform economic policy and development in terms of access to ports and port facilities and services	+	Take relevant goals into account in terms of Regulator performance and tariff considerations.
Establishment of a Single Transport Economic Regulator	Change in the structure and nature of economic regulation of port infrastructure	+/-	Engagements with DOT re: business case, structure and transitional arrangements for the PRSA into STER
Infrastructure delivery as pillar of economic recovery plan	Support initiative to improve SOE CAPEX implementation	+	Approve NPA CAPEX, monitor and report on its implementation
National Ports Act Amendments – proposed amendments to enable enforcement of PRSA's decisions put in abeyance in favour of Transport Economic Regulation Bill.	Lack of enforcement powers for the PRSA resulting in non-implementation of compliance findings on the regulated entity	-	Continued monitoring and/or engagements with DOT on the National Ports Act amendments and/or passing of the Transport Economic Regulator Bill and/or establishment of the Single Transport Economic Regulator
Economic			
High price/cost of doing business in South Africa	Tariff assessment to ensure port infrastructure, facilities and services' components of the cost of doing business in SA ports are sustainably reduced.	-	Use of adopted tariff methodology and continued re-balancing of tariffs in line with tariff strategy to enhance pricing and operational efficiency and value of port assets.
Impact of the fiscus on the funding of the Ports Regulator	Potential reduction of baseline allocations over the MTEF	-	Continuous engagement with the DOT to seek sustained funding of the Ports Regulator on at least the current funding trajectory

Funding to increase capacity and implement full regulatory mandate and activities.	Capacity and resource constraints may continue, and organisation may continually fall short of fulfilling its full mandate and/or targets	-	Assist DoT in the required legislative changes that will enable levying a charge on beneficiaries of regulation.
PRSA's contribution to transformation objectives in the provision and development of port infrastructure, facilities and services by monitoring compliance of the National Ports Authority with the National Port Act, Act 12 of 2005 and the Regulations	Ineffective outcomes from monitoring of transformation based on 2007 B-BBEE (transformation) regulations that are now outdated – lack of targeted interventions for targeted groups.	-	Support DOT and government processes (DTIC review of B-BBEE Sector codes) to update of Regulations.
Pricing of port infrastructure in the absence of effective competition in port operations	High terminal operator handling charges dilutes the effects of smoothed infrastructure tariffs regulated by the PRSA	-	Support the Transport Economic Regulator Bill and establishment of the Single Transport Economic Regulator which will undertake price regulation 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 port users 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			
Rapid advance in technology	Automation of PRSA 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.

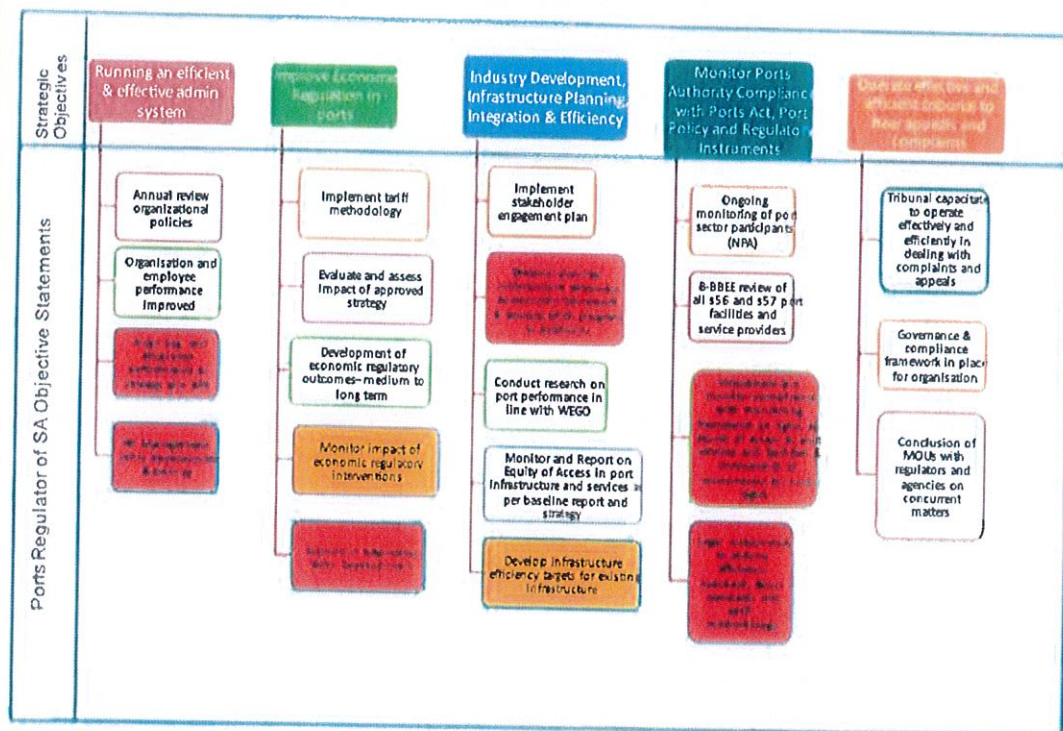
Ensuring information security and integrity	Ensure relevant business impact analysis conducted and information risks sufficiently mitigated.	+	IT Governance Strategy and IT plan developed, implemented and monitored. Monitoring of cyber security legislative development for compliance.
Legal/Legislation			
Changes in Legislative Environment: Transport Economic Regulator Bill/Act	The passing of the Transport Economic Regulator Bill in its current form will expand economic regulation functions and allow for price setting and regulation in the wider transport and logistics sector.	+/-	Participate and monitor new laws being introduced/passed to address overall economic regulations of the Port sector.
Passing and implementation of Maritime and Transport Services score cards to effect real transformation in the ports	Current B-BBEE regulations are outdated and limits transformation in ports to NPA contracting with at least 75% of companies with a Level 4 B-BBEE rating.	-	Submission to the DOT on the NPA's B-BBEE Compliance and required policy and strategy interventions to drive transformation in ports and inputs into transformation initiatives in ports based on compliance work.
Environmental			
Increased Operational costs -Scarce energy resources	Educate staff to save electricity and reduce costs	-	Energy efficiency measures and Awareness training
Environmental resources	Ensure staff have increased awareness regarding environment	-	Move towards a paperless operating environment
National Ports Authority's adaptation to environmental/climate change	Delays in NPA project implementation due to Environmental factors and the opportunity costs thereof. The cost of overall climate change adjustments in the NPAs CAPEX plans/mitigation strategy with possible effects on the tariff trajectory (capex and/or opex)	+/-	Monitor NPA's CAPEX and OPEX for inclusion and/or implementation of climate change adaptation

PART C: MEASURING OUR PERFORMANCE

3. 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 2 and detailed below:

Figure 2: PRSA strategic objectives and objective statements



3.1. Administration, Corporate Financial and Support Services

The corporate services department is responsible for the implementation of the 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 administration department has to 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 administration department has to develop, implement and monitor effective systems and internal control for running an efficient and effective administration system with the following outputs:

- Financial reporting, monitoring and budgeting
- Supply Chain Management
- Human Resources Management
- Information Technology Management

- Risk Management
- Assets and Facilities Management
- Performance planning, monitoring and reporting
- Statutory Compliance & Reporting.

The 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 establishment of fully-fledged and separate Human Resources, Finance and SCM, and Information Technology capabilities are an immediate priority which will be enabled by the review and approval of the revised organogram. 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.

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, institutional structure and thus it focuses on 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 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 Regulator's body of knowledge and capacity in preparation for the establishment of the STER.

The tariff decision for the 2023/24 announced in December 2022, was assessed against the tariff methodology, the prevailing economic environment, and in the context of 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 current Multi-Year Tariff Methodology ends with the 2023/24FY tariff application. 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.

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

The Economic Regulation team stabilised from the rapid changes experienced in staff complement that took place in 2021 and 2022. The established regulatory frameworks and internal capacity enabled a smoother transition without affecting the stability in the regulatory approach and trajectory. The staff complement will grow from 05 to 06 (complimented by an intern) by end of 2023 under the current approved structure. Where the expanded organogram is approved, the Regulator will prioritise the activation of new posts to match required additional capacity.

3.3. Industry Development (ID)

The Industry Development Department is responsible for:

- stakeholder engagements and management,
- Research and capex analysis to monitor the provision of infrastructure and facilities,
- analysis of the equity of access to port services and facilities, and
- promotion of efficiencies by the National Ports Authority (NPA) in the port system.

Industry Development's role is directly linked to the Regulator Functions as outlines in Section 30 (1) (a), (b) and (c). ID contributes to economic regulation through the performance monitoring of NPAs operational efficiencies and Capex execution. Industry Development's role also include providing relevant technical support to the Department of Transport on its priorities in the Oceans Economy; creates awareness of the Regulator's work and represent the Regulator and interface with port users in the Port Consultative Committee, National Port Consultative Committee and other fora wherein particular attention is paid to the Port Authority's execution of its capex program and on operational efficiencies with SA ports across a range of Key Performance Indicators.

The department continues to gather, primarily through self-completed surveys at our various consultation road shows and the five-year public regulatory review, and analyse port user feedback and perceptions about the work of the Ports Regulator. The review collates port user feedback on the relevance, independence and effectiveness of the Regulator in the different programs and services it renders to the port community. Industry Development conducts research, assess and monitor the NPA's performance and focus on efficiencies in the port system including benchmarking the performance of South African terminals against regional and international terminals.

In recent years Industry Development has managed the process for the identification of Key Performance Indicators (KPIs) and assignment of weights by port users through the Port Consultative Committees and the NPA for the Weighted Efficiency Gains from Operations (WEGO) program. WEGO was introduced in the tariff methodology in 2018 to (dis)incentivise better performance on agreed KPIs, thus link operational performance to tariff pricing. Efficiency measurement and WEGO process has been enhanced by the annual assessment of the NPAs Terminal Operator Performance Standards over the last nine years which shows that South African terminal performance targets are generally set well below performance norms resulting in inconsistent improvement in port services and efficiencies.

In the 2022/23FY the NPA and port user representatives in the PCC at each of the eight commercial ports were consulted on the NPAs intention to cascade WEGO penalty and incentives to the Terminal Operator Performance Standards (TOPS). Port users rejected the cascading in favour of the NPA re-opening the stakeholder engagement process whilst in the interim implementing and effectively managing an effective continuous improvement program with terminal operators

The development of a port performance/capacity utilisation model to assist in assessing the setting of performance targets in line with available terminal capacity as part of the Regulator's role to monitor

the Authority's role in improving efficiencies as regulator of terminals was completed in 2022/23FY enabling the operationalisation of the model in 2023/24FY and beyond.

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

Challenges experienced on availability of information, continued poor performance on execution of capex and consistent poor performance on meeting WEGO targets and TOPS, has necessitated that ID supported by the Legal Department, pursue a much more robust approach to ensure compliance and improvements in areas of capex execution, oversight function and operational efficiencies. Considerations on available tools to ensure compliance will be explored.

Similar to Economic Regulation, the Department's human capacity has changed significantly during the previous three Financial Years with the departure of three out of five staff members (due to promotions and 1 resignation). For the 2023/24FY, focus will be on filling of vacancies and stabilising the staff complement to ensure that the Department continues to fulfil its mandate.

3.4. The Legal Department

The legal department is responsible for monitoring the port industry and its compliance with the National Ports Act, port policy and other regulatory instruments and to maximise effectiveness of legal services; and operating an effective and efficient tribunal to hear complaints and appeals under the National Ports 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), section 46 and section 47 of the National Ports Act (12 of 2005). The independent tribunal has adopted a themed regulatory approach in terms of our mandate as per section 30(1)(a) to (c) of the National Ports Act.

3.6. Legal Services

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

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

- **Litigation and/or administrative hearings** - by ensuring that the PRSA is represented in civil or administrative proceedings and by approaching the High Court or any superior courts to

enforce compliance against the Authority, as and when the need arise in the absence of any enforcement provisions in the Ports Act;

- **Legal opinions and advise** – by providing legal opinions and advice to the secretariat and members of the Regulator;
- **Policy and Legislative Review** – by assisting the PRSA in the monitoring, reviewing of legislation, policies, regulations, directives, etc.,
- **Contract Management** – by drafting, reviewing and approving contracts, service level agreements and any other legal documents;
- **Monitoring of legislative developments** - continuous engagement with the DoT, DPE and the DTIC on any legislative developments (e.g., National Ports Amendment Bills, S.3(2), ERT Bill);
- **Judgment monitoring** – Monitoring seminal judgment(s) relevant to the PRSA; and
- **Regulatory forecast** – amendment of the 2007 Regulations (transformation); and the 2009 Directives (Tribunal Procedures)

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 National Ports Authority with the National Ports Act.

The monitoring function is aimed at:

- conducting desktop monitoring and assessment using publicly available information;
- reviewing data submitted by the Authority;
- doing pre-arranged or unannounced inspections using the monitoring powers available to us under the Ports Act;
- conducting investigations on any suspected non-compliance against the Ports Act by the Authority; and
- obtaining reasonable assurance that the activities of the Authority are conducted in compliance with the Ports Act.

The compliance monitoring process is intended to ensure that the Authority performs its functions in accordance with the National Ports Act.

The legal department also enables the Ports Regulator to comply with all relevant and applicable legislation, regulations, standards and codes. In this regard, the organisation is strengthening its compliance functions and systems to fully comply with applicable regulatory frameworks.

The legal department is again responsible to monitor compliance of the National Ports Regulations of 2007 (2007 Regulations), by the Authority, with the aim of ensuring transformation of the port industry/system and fulfilling the mandate as espoused in section 30(1)(b) of the Ports Act by promoting competition, equity of access to ports and to facilities and services provided in ports.

The Department currently comprises of 5 staff members and given the extended mandate to be executed, in a form of future own initiative investigations and possible hearings on non-compliance to

Regulations 2 and 3 of the 2007 Regulations, the legal department will need to be well resourced and capacitated in the 2023/24 FY.

3.8. Governance

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

3.9. 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 in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Monitoring employee performance in order to achieve alignment with strategic objectives.
	Perform salary benchmarking exercise to update salaries against the market	Benchmarking report submitted	-	Perform job grading and salary benchmarking exercise	Member approval and finalisation of job grading and benchmarking exercise Implementation of job grading and benchmarking outcome	Implementation of job grading and benchmarking outcome	Implementation of job grading and benchmarking outcome

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	Ongoing skills development of Members and staff to enhance the effectiveness and efficiency of the organisation.	Regulator Members and staff training on 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 organisational 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 organisational 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 organisational 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 organisational 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 organisational HR plan.
	Develop SCM, ITC & HR strategies to expand output requirements to support Regulator	SCM, ITC and HR 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
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	Regulatory impact assessment published	Regulatory impact assessment on port tariff regulation in the South African port	Regulatory impact assessment on non-port tariff regulation in the South African		Review of Port Tariff Strategy	Update regulatory impact assessment on port tariff regulation in

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	on port regulation in the South African port system		infrastructure environment	port terminal environment			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's Study)	Research studies conducted on pricing and efficiency/performance (Global Port Comparator's Study)
	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		Assessment of Tariff Application FY 2025/26 (consideration of capital ramp-up)
	Perform lease management consultation and analysis	Report on lease management	Report on pre-defined port industry in the South African Ports System	Report on pre-defined port industry in the South African Ports System	Report on pre-defined port industry in the South African Ports System	Report on pre-defined port industry in the South African Ports System (Study of efficacy of Capital Investments in the Port Sector (timing and capacity)	Report on pre-defined port industry in the South African Ports System
	Conduct research on	Research Report	Report on coastwise cargo flows and vessel movements	Report on shipbuilding and repair industry in the	Report on bunkering services	Regulatory Accounting (RA) Principles for the	Report on recreational facilities and usage of South African

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	pre-defined port industries			South African ports system	in the South African ports system	South African Port System	commercial ports system
	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
3. Port performance monitoring and benchmarking	Completed report on port performance	Report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance	One review report covering the ongoing monitoring of port performance
	Implement stakeholder engagement plan to address industry development objectives	Draft and Implement Stakeholder engagement framework	Implement annual stakeholder engagement plan Program for structured engagements with port users, stakeholders, interested, affected parties, etc. Support Department of Transport on coastal shipping and developments on regional maritime transport matters in support of Oceans Economy and other	Review and implement annual stakeholder engagement plan	Review and implement annual stakeholder engagement plan	Review and 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.

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
			Ministerial maritime priorities				
		Port Economic Regulation Knowledge Management	Design a Ports Regulator Knowledge Management Program – capturing and institutionalizing tacit economic regulation knowledge and facilitate internal capacity building	Implement knowledge management program	Implement knowledge management program	Implement the Knowledge Management System to align with existing tools for a central information repository.	Implement the Knowledge Management System in collaboration with ICT to align with existing tools for a central information repository.
	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 assessment based on existing	Establish baseline port capacity and performance norms with NPA	Develop productivity/efficiency targets for selected terminals based on non-simulated assessments.	Consult and engage with NPA and/or terminals and/or port users on results and effects on operator performance standards (e.g. TOPS)	Develop model for setting productivity/efficiency targets for selected terminals based on non-simulated assessments.	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	Implement capacity utilization study model through modelling of terminals to monitor productivity and efficiency targets. Monitoring of efficiencies in port

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	efficiency levels					Monitoring of efficiencies in port based on modelled results and adjustment of model as and when necessary	based on modelled results and adjustment of model as and when necessary
	Monitor port performance	Annual Reports and Number of Technical Working Committees to monitor performance.	Annual report on port performance (including TOPS, MOPS, ROPS, HOPS and WEGO.	Annual report on port performance (including TOPS, MOPS, ROPS, HOPS and WEGO.	Annual report on port performance (including TOPS, MOPS, ROPS, HOPS 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 own initiative investigations conducted	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports	5 Compliance Monitoring Reports

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
5. Monitoring equity of access to ports and to 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
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.	Section 30(5) B-BBEE Report	-	-	Consolidated B-BBEE s.30(5) Report	Consolidated B-BBEE s.30(5) Report
			Quarterly Tribunal Reports	-	-	4 Quarterly Tribunal Reports	4 Quarterly Tribunal Reports
7. Ensuring regulatory compliance	Improved levels of compliance with various regulatory	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

Strategic Objectives	Outcomes	Key Performance Indicators	Medium Term Performance Targets				
			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
within the organisation	frameworks by the PRSA					compliance in the organisation	
8. 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 Regulator.	5 Quarterly Governance Reports			Compile quarterly governance and compliance reports to the Regulator.	Compile quarterly governance and compliance reports to the Regulator.

3.10. Program Outputs, Indicators, Annual & Quarterly targets for the 2023/2024 Financial Year

Table 2: Program Outputs, Indicators, Annual & Quarterly targets for the 2023/2024 Financial Year

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
1. The running of an efficient and effective administration system	All Corporate Services Policies reviewed on an annual basis.	IT, HR and Finance policies reviewed by the Accounting Officer and approved by the Regulator.	Zero baseline for financial year.	Annual review of organisational policies and submit a report on these to the Regulator for approval.	Review Risk Management Frameworks, IT systems and processes and update relevant policies. A report to be submitted to the CEO.	Financial policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies reported to the CEO	HR policies to be reviewed in line with relevant legislative amendments (if any) and policies to be amended accordingly. Amended policies reported to the CEO.	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 31 May 2023.	Report on Q1 performance to DOT by 31 July 2023.	Report on Q2 performance to the DOT by 31 October 2023.	Report on Q3 performance to DOT by 31 January 2024.
	Employee PMS monitored and enhanced by conducting half year and final employee performance reviews to be	Employee PMS monitored and enhanced by conducting half year and final employee performance reviews to be	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	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

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
		provided to the Accounting Officer.			April and report to the CEO.			HR. Report to CEO.
	Align Organizational and Employee performance management system with strategy and APP.	Organizational Performance monitored and reported on to the Regulator quarterly.	Zero baseline for financial year.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.	Provide quarterly reports to the Regulator regarding organisational performance.
	HR Management and ongoing skills development of Members and staff to enhance the effectiveness and efficiency of the organisation.	Regulator Members and staff matters dealt with and training attendance on Regulatory matters reported annually.	Zero baseline for financial year.	Full implementation of the PRSA HR and training plan for Members and staff and annually report to the Regulator on all regulatory training that has taken place in line with the organisational HR plan.	Review the HR Plan and Develop a training plan for Members and staff that is aligned to the Strategic Plan.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.	Implementation of the HR plan and the training plan with a quarterly progress report to the Regulator.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
	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.
	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

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
	Respond to parliamentary questions within the stipulated timelines	Percentage responses to Parliament questions within stipulated timelines	Zero baseline for financial year.	Timely (7 days' turnaround time from date of receipt) response to Parliament questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions	Quarterly Report on the status of responses to Parliamentary questions
	Resource requirements of the organisation sourced through an approved SCM strategy	Implementation of SCM strategy	Zero baseline for financial year.	Development and implementation of SCM strategy	Develop Terms of Reference and appoint service provider	Draft SCM strategy submitted to CEO	Obtain Regulatory approval and implement SCM strategy	Implement SCM strategy
	Expand the Human Resources support functions to core programmes through strategy	Developed and implemented HR strategy	Zero baseline for financial year.	Develop and implement HR Strategy	Develop Terms of Reference and appointment of service provider	Draft HR strategy submitted to CEO	Obtain Regulator approval and implement HR strategy	Implement HR strategy
	Capacitation of ICT function	Developed and implemented ICT strategy	Zero baseline for financial year.	Develop and implement ICT Strategy	Develop Terms of Reference and appointment of service provider	Draft ICT strategy submitted to CEO	Obtain Regulator approval and implement ICT strategy	Implement ICT strategy

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
	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 the procurement plan	Quarterly report to the Regulator on transformation initiatives within PRSA procurement plan	Quarterly report to the Regulator on transformation initiatives within PRSA procurement plan	Quarterly report to the Regulator on transformation initiatives within PRSA procurement plan	Quarterly report to the Regulator on transformation initiatives within PRSA procurement plan
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	2022/23 ROD and Tariff Book	Implement the approved Tariff Methodology and Tariff Strategy through the annual Tariff Decision	Engage with NPA on Tariff Application	Receive Tariff Application from NPA and commence assessment	Complete tariff assessment and publish Record of Decision	Finalise and publish Book
	Implementation of revised tariff methodology	Regulatory accounting framework and related	2023/24 – 2025/26 Tariff Methodology and recommendations	Regulatory accounting framework	Terms of reference and preliminary draft	Consultations with NPA and relevant stakeholders on preliminary framework	Analyse and consolidate the Regulatory Accounting Framework and related	Regulatory Committee and Board approval of the Accounting Framework and related

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
	Conduct research on the study of efficacy of capital investments in the Ports Sector	Completion of research report	Zero baseline for financial year	Research report on the study of efficacy of capital investments in the Ports Sector	Develop Terms of Reference and Research Framework	Research and literature review on timing of capital investments cycles and related factors	Analyse findings from desktop research and draft research report for submission to CEO	Final report to be submitted to Regulatory Committee
	Global Port Pricing Study	Annual GPPS study published	2020 GPPS Report	Global Port Pricing Study	Tariff Book collection for all four cargo types	Collation of tariff data	Draft report submitted to CEO	Final report submitted to RegCom
	Reviewing and updating tariff strategy by incorporating the lease and marine revenue strategies	Updated tariff strategy	Zero baseline for financial year.	Updated tariff strategy	Consultations with NPA on the required data sets (classification of costs in NPA's records)	Analyse and consolidate the inputs, (illustration of impact thereof)	Revise the draft report and update tariff strategy	Regulatory Committee and Board approval of the updated strategy
	Regulatory Impact Assessment on non-regulated tariffs in South African port environment		Zero baseline for financial year.	Report on a Regulatory impact assessment on non-regulated tariffs in the South African port environment	Project overview and data collation	Initial draft report	Complete draft report	Final report submitted to RegCom
3. Port performance	Implementation of stakeholder engagement plan	Quarterly reports on	2022/23 FY Report	Quarterly stakeholder	Implement and report on	Implement and report on	Implement and report on	Implement and report on

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
monitoring and benchmarking	and knowledge management plan.	stakeholder engagement.		engagement report.	stakeholder engagements.	stakeholder engagements.	stakeholder engagements.	stakeholder engagements.
					Report on support provided to DOT's initiatives and interventions on Oceans Economy and Minister Priorities for the Maritime Sector	Report on support provided to DOT's initiatives and interventions on Oceans Economy and Minister Priorities for the Maritime Sector	Report on support provided to DOT's initiatives and interventions on Oceans Economy and Minister Priorities for the Maritime Sector	Report on support provided to DOT's initiatives and interventions on Oceans Economy and Minister Priorities for the Maritime Sector
	Monitor port performance (TOPS and MOPS)		2022/23 FY Report.	1 Annual Report on port performance (TOPS and MOPS)	Research report framework and data collection	Data collection and analysis	Data collection and analysis	Final report
	Monitor and report on port performance	Research Report: SA Port Capacity and Utilization Report – 2023/24	2015/16 SA Port Capacity and Utilization Report	One (1) research report on port performance; update infrastructure utilisation and operational efficiency report	Research report framework, data collection.	Data collection analysis and terminals simulation.	Data analysis, simulated terminals results and draft report	Final report published by 31 March 2024.
	Manage implementation of WEGO		2022/23 FY WEGO ROD	WEGO ROD Published by 31/03/23	Consultations/	Analyse 2022/23 WEGO performance	Consultations/ presentations on WEGO	Submission of proposed WEGO KPIs by

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
					presentations on preliminary WEGO results		results in tariff process	NPA and Port users. Confirmation of WEGO KPIs, wights and targets for 2023/24. WEGO ROD Published by 31/03/2023.
	Monitor and report on equity of access in port infrastructure and services as per strategy.	Report: Monitoring equity of access in port facilities and services	2022/23 Report	Report on implementation of equity of access in SA ports.	Research and data collection on equity of access in SA ports	Monitor and report on equity of access in SA ports	Monitor and draft report on equity of access in SA ports	Review and/or update BBBEE statistics and final status report.
	Monitor infrastructure productivity and/or efficiency targets for existing infrastructure	Report: non-simulated efficiency/productivity targets for existing infrastructure	Non-simulated model of terminal capacity	Identify terminals for modelling. Consultations with NPA and selected terminals. Report on identified and selected terminals. Feedback to NPA and selected terminals.	Project operationalizati on: Identify terminals for modelling in the 2023/24 FY. Consultations with NPA and selected terminals.	Consultations with NPA and selected terminals.	Consultations with NPA and selected terminals. Draft report on modelled terminals' results.	Final report on efficiency/productivity targets for modelled terminals by 31/03/2024.

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
	Assessment of Authority's CAPEX programme.	CAPEX Assessment/ Analysis report.	2022/23 FY Report	Quarterly CAPEX Spend and Maintenance Schedule Reports submission Quarterly meetings with NPA CAPEX Team. Annual CAPEX Assessment Report.	Quarterly CAPEX Spend and Maintenance Schedule Reports submission. Quarterly meetings with NPA CAPEX Team. Report: Analyse, tracking and monitoring of submitted CAPEX performance to date.	Quarterly CAPEX Spend and Maintenance Schedule Reports submission. Quarterly meetings with NPA CAPEX Team. Report: Analyse, tracking and monitoring of submitted CAPEX performance to date.	Quarterly CAPEX Spend and Maintenance Schedule Reports submission. Quarterly meetings with NPA CAPEX Team. Report: Analyse, tracking and monitoring of submitted CAPEX performance to date.	Quarterly CAPEX Spend and Maintenance Schedule Reports submission. Quarterly meetings with NPA CAPEX Team. Report: Analyse, tracking and monitoring of submitted CAPEX performance to date.
3. Monitorin g the National Ports Authority and its complianc e with the National Ports Act and other	Improved levels of compliance with the Act by the NPA	Number of compliance monitoring and own initiative investigations conducted	5 Reports	5 Quarterly Compliance Monitoring Reports	1 report to the Regulator	1 report to the Regulator	1 report to the Regulator	2 reports to the Regulator and S.30(5) Executive Authority

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
Regulatory Instruments								
5. Monitoring equity of access to ports and to 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)	1 Report	1 Annual B-BBEE Compliance Monitoring Report	Engagement Report on NPA's previous year key findings	Monitoring Report on NPA's implementation of Corrective Action Plan	Capturing and verification of BBBEE information received from the NPA	1 final B-BBEE Compliance Monitoring and Enforcement Report to the Regulator
			1 Report	1 Section 30(5) B-BBEE Report	Consolidated BBBEE s.30(5) Report	N/A	N/A	N/A
6. Operating an effective and efficient tribunal to hear complaints and appeals	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.	4 Reports	4 Quarterly Tribunal Reports	1 Quarterly Tribunal Report	1 Quarterly Tribunal Report	1 Quarterly Tribunal Report	1 Quarterly Tribunal Report

Strategic Objective	Outcomes	Key Performance Indicator	Baseline	Annual Target	2023/2024 Quarterly Targets			
					Q1	Q2	Q3	Q4
7. Ensuring regulatory compliance within the organisation	Improved levels of compliance with various regulatory frameworks by the PRSA	Number of compliance management reports	4 Reports	4 Compliance Management Reports	1 Quarterly Compliance Management	1 Quarterly Compliance Management	1 Quarterly Compliance Management	1 Quarterly Compliance Management
8. Ensuring good governance and sustainability of the organisation.	Governance framework in place for the organisation.	Governance reported on quarterly to the Regulator.	Zero baseline for financial year.	4 Governance checklists	1 Governance checklist	1 Governance checklist	1 Governance checklist	1 Governance checklist

3.11. Programme Resource Considerations

The focus of the entity over the medium term will remain on achieving maximum operational efficiency in all areas, and consistently improving up the economic regulation outcomes, B-BBEE compliance monitoring, conducting compliance investigations, convening hearings or collaborating with other statutory bodies in order to coordinate and harmonise the performance of functions similar or relate to those of the Regulator, dealing with tribunal matters as expeditiously as possible, expanding the monitoring and regulatory work on commercial leases, conducting research in support of wider regulation in the transport sector and expanding administrative capacity to deliver on full mandate of the Regulator. This includes having higher availability of tribunal days, greater regulatory certainty with respect to the implementation of the Port Tariff Strategy as published, as well as a greater concentration on the efficiency aspects of the ports system with the inclusion of the efficiency incentive into the tariff methodology. The timeous processing of complaints and appeals remains an area of focus that is being addressed as is a focus on monitoring compliance with the National Ports Act.

The Ports Regulator currently relies solely on fiscal transfers to fund its operational and capital expenditure; however, the organisation has submitted an alternate funding proposal to the Executive Authority accompanied by the commensurate amendments to the Act as well as the revision of the organogram, in order to improve its resources and ensure its sustainability into the future. The gazetting of the Bill on the Transport Economic Regulator, thereby forming what would be a new regulatory body regulating the transport sector as a whole where the Ports Regulator, whilst serving an integral part of the process, is still required to function and ensure its sustainability despite being absorbed into the STER at some time in the medium term. Where it was anticipated that the STER would be signed into law in the 2022/2023FY financial year, the draft Bill was only sent to National Council of Provinces for consultations in the second half of 2022 and only likely to be considered by the National Assembly for approval in 2023/24FY.

The Regulator spends more on compensation of employees in the overall budget. 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. The Regulator implemented its five-year salary benchmarking in 2018/19FY and new salary scales were implemented effective 01 April 2019 with the objective of ensuring that the Regulator offer competitive salaries and retain staff. Adjustments were made to conduct the next benchmarking in 2022/23 for the outcomes to be implemented in 2023/24. This will enable 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 Ports Regulator will continue to be focussed mainly on staff and 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 – 2023/24FY Record of Decision will require more resources to be allocated for member and staff outreach program at the various ports.

3.12. Income and Expenditure Trends

Table 3: Income and Expenditure Trends

	Audited outcome	Audited outcome	Audited outcome	Approved budget	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate	2023/26	Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2019/20	2020/21	2021/22	2022/23	2019/20-2022/23	2022/23 - 2025/26	2023/24	2024/25	2025/26	2026/27
Administration	12,299	13,108	15,295	16,477	10.2%	41.4%	17,440	18,894	19,893	39.7%
Economic regulation	3,973	3,782	4,858	7,390	23.0%	14.1%	7,743	8,110	8,501	17.3%
Legal services (G&S)	3,272	9,175	10,241	11,053	50.0%	23.4%	8,764	8,176	8,702	-7.7%
Industry development	4,304	3,792	3,745	6,935	17.2%	13.4%	7,430	7,925	8,229	5.9%
Governance	2,786	3,237	1,722	2,630	-1.9%	7.7%	2,737	3,072	3,041	5.0%
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
Total expense	26,634	33,094	35,861	44,485	18.6%	100.0%	44,114	46,177	48,466	100.0%

Statement of financial performance																		
	2019/20		2020/21		2021/22		Audited outcome	2022/23		Budget estimate	Approved budget	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total Average (%)	Medium-term estimate		Average growth rate (%)	Expenditure/total Average (%)

Financial position	2019/20			2020/21			2021/22			2022/23			2019/20 - 2022/23			2023/24 - 2025/25			Average			Net change		
	Budget			Audited outcome			Budget			Audited outcome			Budget estimate			Approved budget			Outcome Budget Average %			Average growth rate %		
	2019/20			2020/21			2021/22			2022/23			2022/23			2023/24			2023/24			2023/23 - 2025/25		
Carrying value of assets of which:	55	1,812		58	1,791		1,944		1,931		2,010		2,010		2,010		2,010		186.5%			3.0%		17.6%
Acquisition of assets	-	-	-	-	(478)	-	-	-	(471)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued investment interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and prepayments	430	448		435	474		432		410		429		429		433		436		102.1%			0.8%		3.8%
Cash and cash equivalents	5,686	29,094		6,355	38,724		7,248		37,048		8,605		8,605		8,992		9,123		88.7%			0.6%		78.6%
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined benefit plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	5,171	31,354		6,649	38,989		9,624		33,389		11,044		11,044		11,357		11,351		113.5%			1.0%		100.0%
Accumulated surplus/(deficit)	5,546	30,370		6,190	37,177		8,972		37,148		10,326		10,326		10,517		10,453		95.0%			0.5%		92.9%
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	159	377		210	1,113		211		1,532		213		213		223		245		384.8%			7.7%		2.1%
Benefits payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised value of pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	426	607		448	659		501		739		505		505		528		599		135.6%			8.2%		5.0%
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total equity and liabilities	6,171	31,354		6,649	38,989		9,624		39,389		11,044		11,044		11,357		11,351		113.5%			1.0%		100.0%
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash flow data																		
R thousand	2019/20		2020/21		2021/22		2022/23		2023/24		2024/25		2025/26		2026/27 - 2027/28		Average growth rate (%)	Expected duration total: Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	Outcome/ Budget: Average: %	Average growth rate (%)	Expected duration total: Average (%)	Medium-term estimate						
												2023/21 - 2022/23	2019/20 - 2021/22	2023/24	2024/25	2025/26		
Cash flow from operating activities	1,880	6,587	479	8,004	334	760	2,549	1,462	837.4%	-160.6%	268.4%	3,917	1,013	1,103	-8.0%	100.0%		
Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax receipts	1,460	1,675	1,530	1,108	1,110	1,667	1,280	1,490	110.2%	-3.8%	3.5%	1,550	1,701	1,855	7.5%	3.6%		
Sales of goods and services other than capital assets	-	277	-	10	-	280	-	-	-	-100.0%	0.4%	-	-	-	-	-		
Sales of goods and services produced by entities (incl. capital assets) of which:	-	277	-	10	-	280	-	-	-	-100.0%	0.4%	-	-	-	-	-		
Administrative fees	-	-	-	10	-	9	-	-	-	-	0.0%	-	-	-	-	-		
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other sales	-	277	-	-	-	271	-	-	-	-100.0%	0.3%	-	-	-	-	-		
Sales of scrap, waste, arms and other used current goods (excl capital assets)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other non-tax receipts	1,460	1,399	1,530	1,096	1,110	1,387	1,280	1,490	99.7%	2.1%	3.2%	1,550	1,701	1,855	7.8%	3.5%		
Transfers received	36,774	36,774	38,822	38,822	40,966	40,966	42,995	42,995	100.0%	5.3%	95.4%	42,564	44,476	46,611	2.7%	95.4%		
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total receipts	38,234	38,450	40,352	38,910	42,076	42,633	44,285	44,485	100.3%	5.0%	100.0%	44,114	46,177	48,465	2.9%	100.0%		
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Current payments	40,114	31,883	38,873	31,926	41,742	41,831	41,736	45,347	92.7%	13.0%	100.0%	48,101	47,190	48,589	2.8%	100.0%		
Compensation of employees	20,415	17,548	21,311	18,212	24,043	19,719	25,224	29,435	93.1%	18.8%	55.8%	30,929	32,410	33,974	4.9%	66.4%		
Goods and services	19,699	14,335	18,362	13,714	17,699	22,124	16,512	18,512	92.3%	4.8%	44.2%	17,172	14,780	15,595	-1.9%	33.6%		
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total payment	40,114	31,883	38,873	31,926	41,742	41,831	41,736	45,947	92.7%	13.0%	100.0%	48,101	47,190	48,589	2.6%	100.0%		
Cash flow from investing activities (Financial Institutions only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Disbursements and other payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Repayments and other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash flow from investing activities	-	-	-	(425)	-	(471)	-	-	-	-	-	-	-	-	-	-		
Acquisition of property, plant, equipment and intangible assets	-	-	-	(425)	-	(471)	-	-	-	-	-	-	-	-	-	-		
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Acquisition of software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Proceeds from the sale of property, plant, equipment and intangible assets	-	-	-	-	-	15	-	-	-	-	-	-	-	-	-	-		
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	(1,880)	6,587	479	7,578	334	320	2,549	1,462	-160.6%	(1,013)	(1,103)	(3,917)	(1,013)	(1,103)	-8.0%	100.0%		

3.13. Key Risks and Mitigation

Table 4: Key Risks and Mitigation

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
Financial Sustainability Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	Insufficient baseline resources to achieve mandate requirements	<ul style="list-style-type: none"> - Revision of budgeted funding during MTEF budget process. - In year Regulator approval for the use of reserves. - Refocus of Mandate deliverables to suite Funding Granted - Bilateral meeting engagements with the Executive Authority on PRSA funding matters. - Monitor the ERT Bill.
Regulatory & Legal Risk	Ensure implementation of all elements of the regulatory framework within its mandate	Delayed corporatisation of the Regulated entity - the National Ports Authority	<ul style="list-style-type: none"> - Balance Sheet of NPA for Investment - Monitoring of the Act to track progress on the Corporatisation of the authority. (Monitoring the Legislative Developments) - Incentivise the NPA through the varied implementation of the VoA methodology - Implement ROD for 2023/24 - Direct Engagement with all involved Departments relating to Corporatization outstanding matters.

Risk Category	Strategic Goal	Risk Description	Risk Mitigation	Review and Implementation the Tariff Methodology
Regulator Risk	Ensuring that the Ports Authority comply with the National Ports Act	Lack of enforcement provisions in the National Ports Act, Act 12 of 2005 Inability to Enforce NPA's Compliance with the National Ports Act (including section 31 of the Act that relate to Equitable Access)	<ul style="list-style-type: none"> - Addressed under ERT Bill - Quarterly compliance reviews - Quarterly engagement meetings between Ports Authority and the Regulator (WORKSTREAMS) - Optimised compliance monitoring programme - To enforce Regulator decisions by approaching the High Court - Escalation of repetitive findings to the Regulator 	
Human Resource/People Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	Insufficient Human Resources due to non-alignment of current organogram to mandate requirements	<ul style="list-style-type: none"> - Engage with other DoT entities to utilise their excess support staff to perform activities where PRSA has limited resources - Internal staff development program - Performance management and incentive program - Application for retention of reserves in terms of section 53(3) of the PFMA - Utilisation of reserves for retention and appointment of additional short-term staff. 	

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
			<ul style="list-style-type: none"> - Implementation of Employee wellness program - Revised the organogram and has been submitted to the DOT for approval. - Ongoing engagement with DOT for approval of the revised organogram together with revised baseline allocation
Human Resource/People Risk	Enhancing the capacity to deal with all the output requirements of the organisation in alignment with the Government's Medium Term Strategic Framework	Inability to attract and retain critical skill	<ul style="list-style-type: none"> - Performance of Salary benchmarking and Job Grading periodically - Provision of training opportunities where in line with the budget - Retention Strategy - Implementation of the Succession policy after approval by REMCO and HR Committees
Regulator Risk	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	Tariff Rates approved that result in non-achievement of the desired objectives (i.e., affordable, sustainable equitable tariffs)	<p>Knowledge Management Strategy</p> <ul style="list-style-type: none"> - Continued training of Regulator members. - Continued transparent and consistent decision-making process and public consultation aligned with the approved Regulatory Tariff Framework including the Tariff Methodology and Tariff Strategy. - Clear, transparent, consistent and open tariff regulatory framework including a Multi-year Tariff Methodology, Ten-year Tariff Strategy

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
			<p>(updated in 2019/20), Performance incentives and Industry support program (PTIP)</p> <ul style="list-style-type: none"> - Stakeholder, interested parties and port users' involvement in development of regulatory instruments. - Transparency of decisions and decision-making process (Via Audit, Reviews) - Public Communication and information accessibility and availability. - Annual tariff assessment through public consultation/roadshows held in 4 provinces of South Africa (at least 3 port regions). Publications on PRSA website, email accessibility. - Outcomes/impact of Regulator decisions carefully modelled on transparent frameworks. - Regulatory review is conducted every 5 years. - Research on emerging industry issues in line with the approved Tariff Framework - Research conducted and published on port performance (pricing and efficiency against set standards). Inclusion of a WEGO down time adjustor in the methodology - PRSA involvement in Ports Consultative committee's (PCCs) and NPCC providing
Performance management & Regulator Risk	Ensure implementation of all elements of the regulatory framework within its mandate	<p>Failure to ensure that the Ports Authority brings about efficient Port Performance (via tariff Methodologies that incentivises capital expenditure to enhance port performance)</p>	

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
			<p>opportunity for interaction with all port stakeholders.</p> <ul style="list-style-type: none"> - A performance component has been added to the regulatory methodology (WEGO) which incentivises performance and disincentivises poor port performance (i.e. Enforcement of Components of the WEGO Model) - Engagements with port users for buy in into the WEGO process. - Continued monitoring of port performance through research - Implementation of WEGO as a reward/penalty system - Evaluation of TOPS and WEGO data and engagement with NPA and industry to validate the data. - Engagement with Department of Transport/Department of Public Enterprises on Port performance targeting - Monitor implementation of the ERT Bill in relation to the possible economic regulation of terminals
		Failure to appoint Regulator Members in a timely manner	<ul style="list-style-type: none"> - Quarterly progress reporting to the Department

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
Regulator Risk	Maintain its reputation as an organisation with integrity focussed on excellence and delivery	Loss of PRSA Reputation due to diminished good corporate governance	<ul style="list-style-type: none"> - Monitoring of expiry dates for current Regulator Members - Escalation of delays to Accounting Authority for possible interventions. - Various policies such as Declarations of Gifts Policy, Code of Ethics and Business Conduct Policy, Fraud Policy, Charters & Terms of Reference, Governance Compliance Reports, SCM Policy - Governance and induction training of the staff and members. - Annual declarations by staff have been completed. - Declarations for new members. - Declarations by members at every Regulator meeting. - Independent audit committee chair - Code of ethics approved and implemented - Regular feedback mechanism in place with stakeholders. whistle blowing, fraud prevention plan & hotline - Regulatory review is conducted every 5 years.

Risk Category	Strategic Goal	Risk Description	Risk Mitigation
			<ul style="list-style-type: none"> - Transparency of decisions and decision-making process - Public Communication and information accessibility and availability. (Including tribunal decisions/outcomes. - Annual tariff assessment through public consultation/roadshows held in 4 provinces of South Africa. Publications on PRSA website, email accessibility. - Outcomes/impact of Regulator decisions carefully modelled on transparent frameworks.

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

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

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 PRSA.
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 final 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

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	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. Tribunal, Legal and Compliance

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

Indicator Title	Number of B-BBEE compliance monitoring and enforcement conducted
Short definition	Conducting B-BBEE compliance monitoring on the National Ports Regulations, 2007 provisions against licenses, leases and agreements issued by the National Ports Authority
Purpose / importance	To ensure that the National Ports Authority complies with the prescripts of the National Ports Regulations, 2007
Source/ collection of data	Compliance Monitoring Reports approved by the Accounting Officer
Method of calculation	Simple count
Data limitations	Non-submission of requested information and lack of co-operation by the National Ports Authority
Type of indicator	Output
Calculation type	Non-cumulative – once a year
Reporting cycle	Annually
New Indicator	No
Desired performance	The indicator is for the monitoring of the levels of compliance and holding hearings to enforce non-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 Tribunal Reports on the support given to the Hearing Panels in the case management, adjudication, mediation and decision making of the tribunal matters.
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 2009 Directives. The Tribunal is to improve its efficiencies and turnaround times in the hearing of complaints and appeals.
Source/ collection of data	Quarterly Tribunal Reports approved by the CEO/Regulator
Method of calculation	Number of appeals or complaints finalised / matters lodged with Regulator
Data limitations	No specific limitations
Type of indicator	Cumulative – for the year
Calculation type	Quarterly
Reporting cycle	Quarterly
New indicator	No
Desired performance	Effectual tribunal hearings
Indicator responsibility	Executive Manager: Legal

Indicator Title	Number of compliance management reports.
Short definition	To manage and oversee the organisation's activities in line with the applicable regulatory frameworks.
Purpose / importance	The Compliance function is to identify, assess, advice on, monitor and report on the regulatory compliance risks in the organisation. To ensure that the Ports Regulator complies with the prescripts of the applicable legislation
Source/ collection of data	Quarterly Compliance Management Reports approved by the CEO/Regulator
Method of calculation	Number of non-compliances by the Ports Regulator
Data limitations	Non-submission of requested information and lack of co-operation by the various Departments
Type of indicator	Cumulative – for the year
Calculation type	Quarterly
Reporting cycle	Quarterly
New indicator	No
Desired performance	The indicator is for the monitoring of the levels of compliance by the Ports Regulator. Improved internal compliance will be indicative of increased levels of compliance
Indicator responsibility	Executive Manager: Legal

4.5. Governance

Indicator Title	Number of governance reports conducted
Short definition	A monitoring tool to assess the performance of the Entity in accordance with the applicable 16 King IV Principles and good corporate governance practices
Purpose / importance	To monitor, assess and make recommendations in respect of good governance practices
Source/ collection of data	Various regulatory instruments (internal and external), internal processes, and Board/Committee Meetings
Method of calculation	Quantitative Assessment
Data limitations	Timeous access to applicable/relevant information to make informed assessments on the state of governance
Type of Indicator	Output based
Calculation type	Cumulative - for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Good corporate governance
Indicator responsibility	Company/Regulator Secretary

ANNEXURE A: AMENDMENTS TO PERFORMANCE PLAN

There are no major changes that have been made to the organisations Strategic Plan 2020/21 -2024/25. The Regulator will undertake a comprehensive review of the organisation's performance to inform the next Strategic Plan period and information by any 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 2019/20 – 2024/25 Strategic Plan.