



SOUTH AFRICAN
MARITIME SAFETY
AUTHORITY

SAMSA

“...enterprise of integrity”

**Presentation to
Parliament's Portfolio Committee on Transport**

**Commander Tsietsi Mokhele
CEO - SAMSA
On behalf of SAMSA
21 October 2010
Parliament House
Cape Town**

SAFE SHIPS • CLEAN SEAS





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LEGAL MANDATE OF SAMSA – - THE SOUTH AFRICAN MARITIME AUTHORITY



...SAMSA ACT, 5 OF 1998

CHAPTER 1

10

SOUTH AFRICAN MARITIME SAFETY AUTHORITY

Establishment and transfer of certain functions

2. (1) The South African Maritime Safety Authority is hereby established as a juristic person.

(2) The administration of the laws mentioned in the first column of the Schedule is transferred to the Authority subject to the amendments (if any) contained in the third column of the Schedule, with effect from a date fixed by the Minister by notice in the *Gazette* which must not be a date before 1 April 1998. 15

Objectives

3. The objectives of the Authority are— 20

- (a) to ensure safety of life and property at sea;
- (b) to prevent and combat pollution of the marine environment by ships; and
- (c) to promote the Republic's maritime interests.



Environmental Protection Vessel



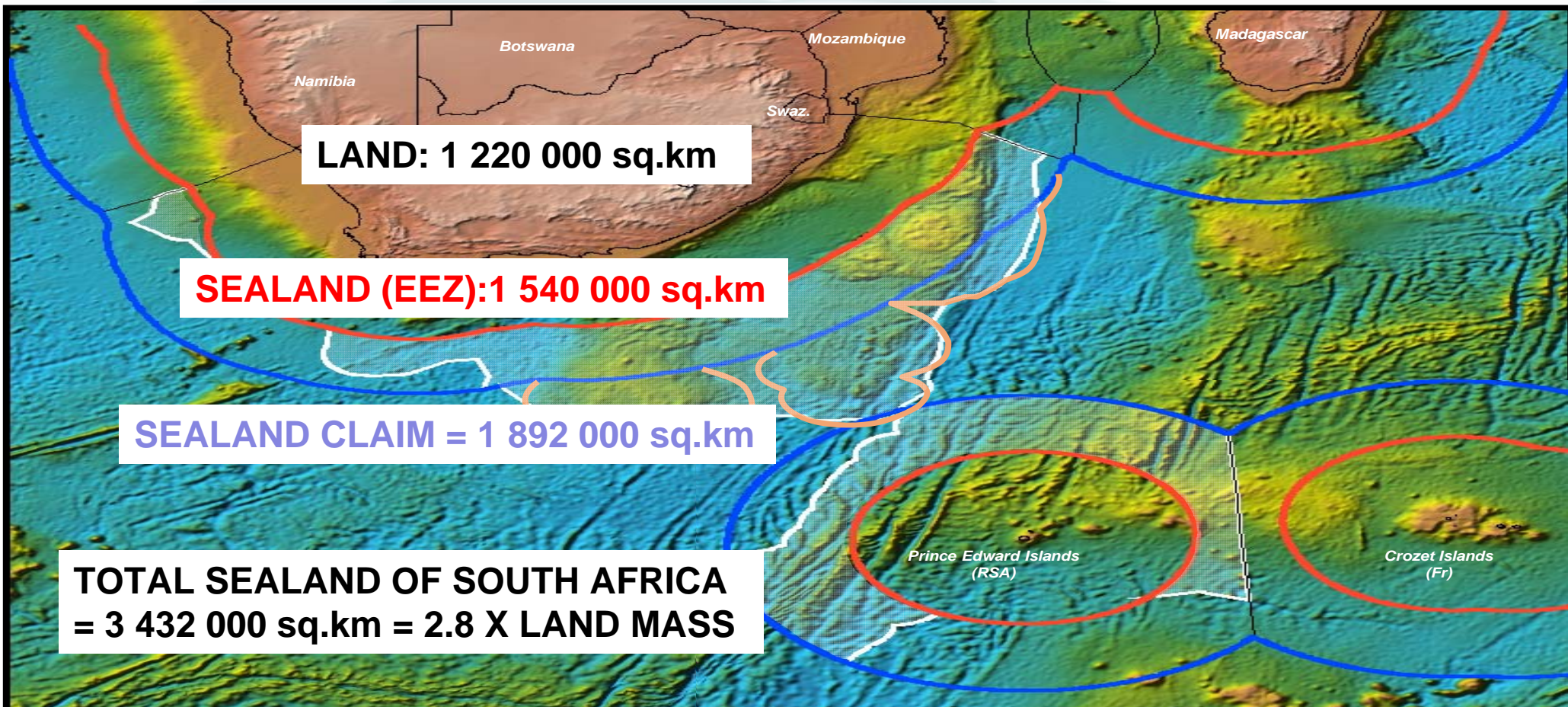
Salvage tug



UNDERSTANDING THE ROLE AND MANDATE OF SAMSA:

SOUTH AFRICA'S MARITIME GEOGRAPHY 101

- South Africa's Land and Sea-land



Land Mass Of South Africa = 1 1220, 000 Sq.Km

Current Sea-land (EEZ) = 1 540 000 Sq.Km

New Claim Of Sea-land = 1 892 000 Sq.Km

Total Sea-land = 3 432 000 Sq.Km = 2.8 Times The Size Of Land Mass

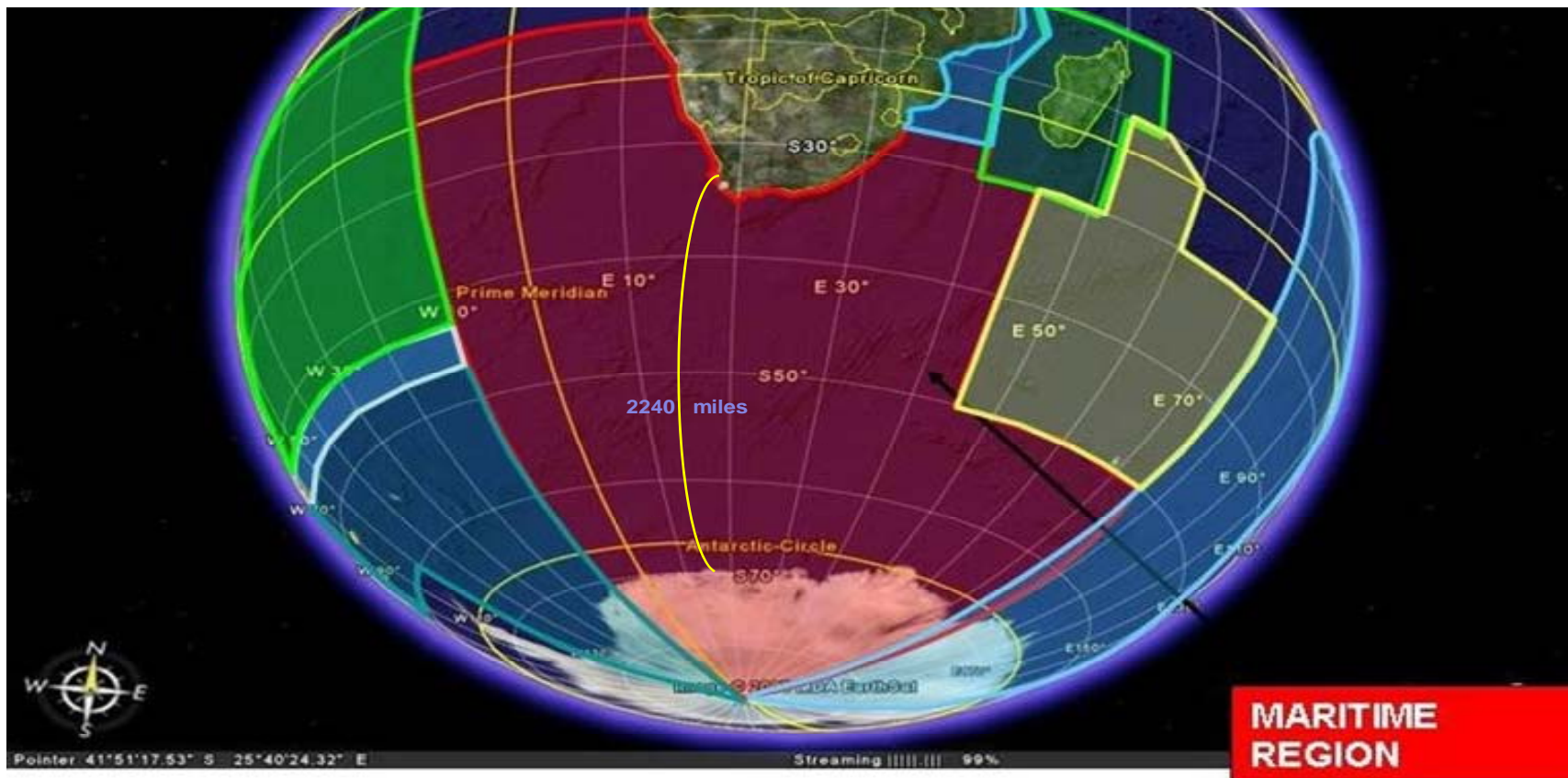
UNDERSTANDING THE ROLE AND MANDATE

SOUTH AFRICA'S MARITIME GEOGRAPHY 101

- Maritime Locations and Features

South Africa

- # has a coast line of about 3,000km in length
- # own 8 commercial ports and tens of fishing and recreational harbours
- # is surrounded by three oceans – Indian, Atlantic and Southern Oceans
- # has an Island - Marion (Prince Edward) in the Southern Ocean, about 2000km from mainland
- # has sovereign rights and a science station in the Antarctic Region over 4,000km south
- # about 30% of world crude and petro-chemical production is transported through SA waters



UNDERSTANDING THE ROLE AND MANDATE:

SOUTH AFRICA'S MARITIME GEOGRAPHY 101

- African Maritime Context



Africa

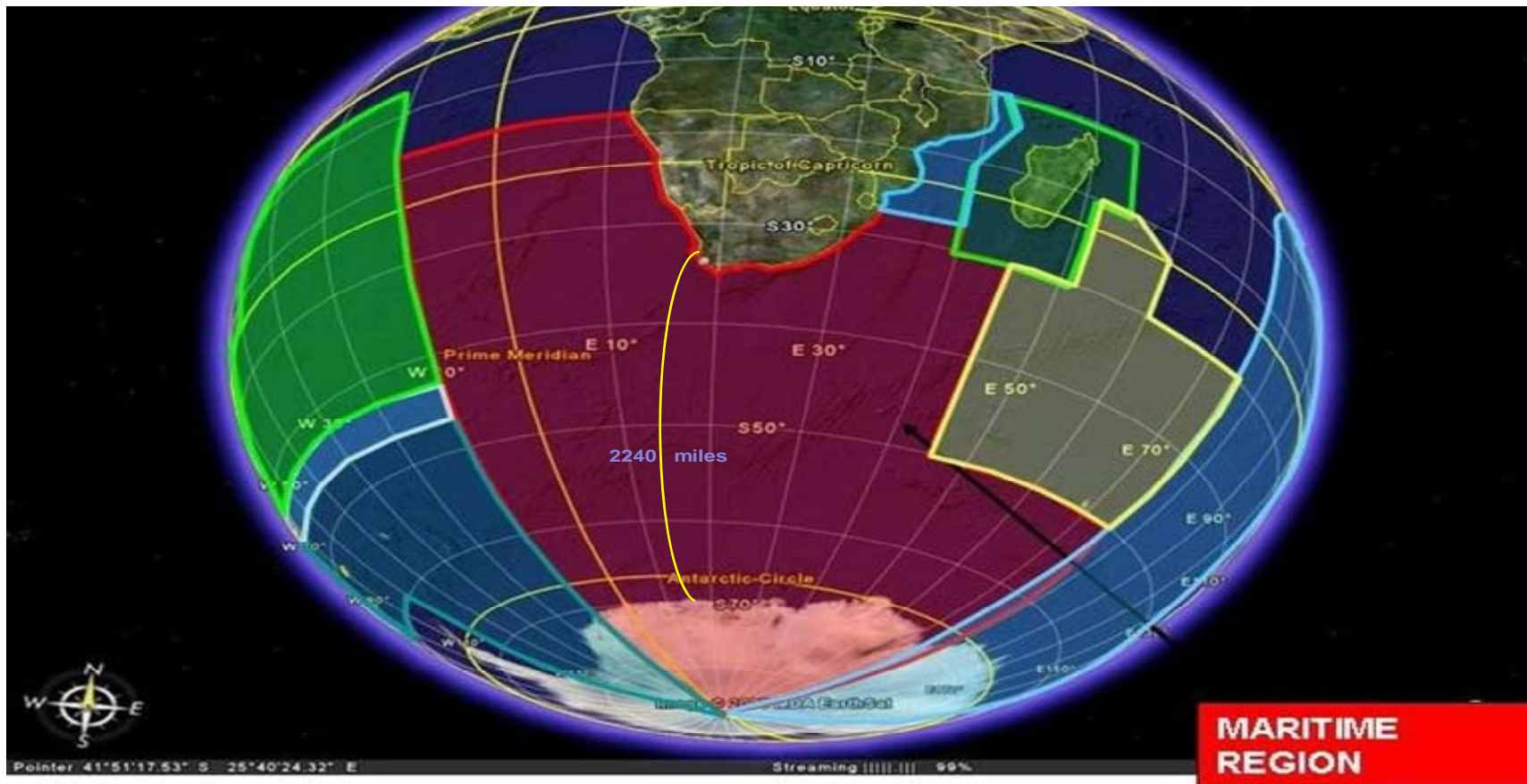
- is the largest island on planet Earth surrounded by 4 oceans on all sides
- has 39 out of 54 countries (72%) as littoral and island states
- 91% of trade is by sea , with only about 9% of intra-regional trade
- South Africa is her biggest exporter into the continent (25%), biggest importer
- SA has a population of 49m, SADC market has 240m people, African market almost 1 billion
- 30% of world crude and petro-chemicals is transported around the Cape



SAMSA MANDATE 1: SAFETY OF LIFE AND PROPERTY AT SEA - Maritime Safety and Security

To ensure the safety of life & property at sea [now extended to include maritime security]

- ✓ Provide maritime search and rescue services, including as salvage interventions to ships in distress
- ✓ Enforce safety in the standards of employment and work of the seafarers
- ✓ Serve as the country's lead custodian of maritime education and the seafarer qualifications authority
- ✓ Control quality of ships, their safe operating standards, including oil and gas platforms and boats



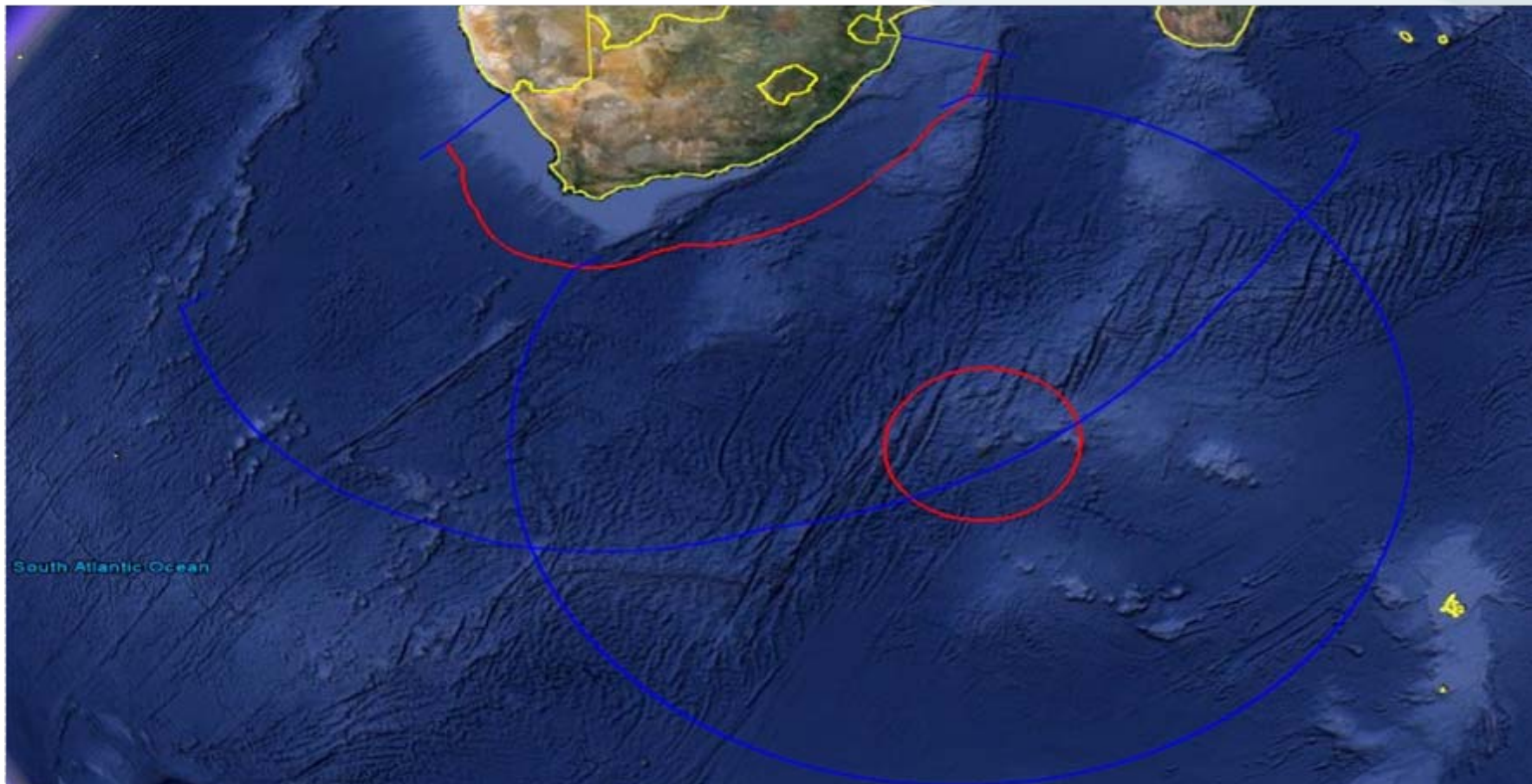
Maritime Rescue Area – 27.7mil km²

Landside Area – 1.2mil km²

SAMSA MANDATE 1: SAFETY OF LIFE AND PROPERTY AT SEA - Maritime Safety and Security



LONG RANGE TRACKING AND IDENTIFICATION OF SHIPS



Red polygon = 200 miles = 350km; Blue polygon = 1000 miles = 1800km

SAMSA MANDATE 2: PROTECT MARINE ENVIRONMENT - Prevent and Combat Pollution



To prevent and combat pollution of the marine environment by ships

- ✓ Enforce international and domestic standards and laws to protect the environment
- ✓ Ensure pro-active prevention of pollution of the marine environment by ships
- ✓ Ensure combating and clean-up in cases of pollution by ships



SAMSA MANDATE 3: PROMOTE SOUTH AFRICA'S MARITIME INTERESTS

- Advance National Maritime Interests



To promote the Republic's maritime interests

✓ Economic

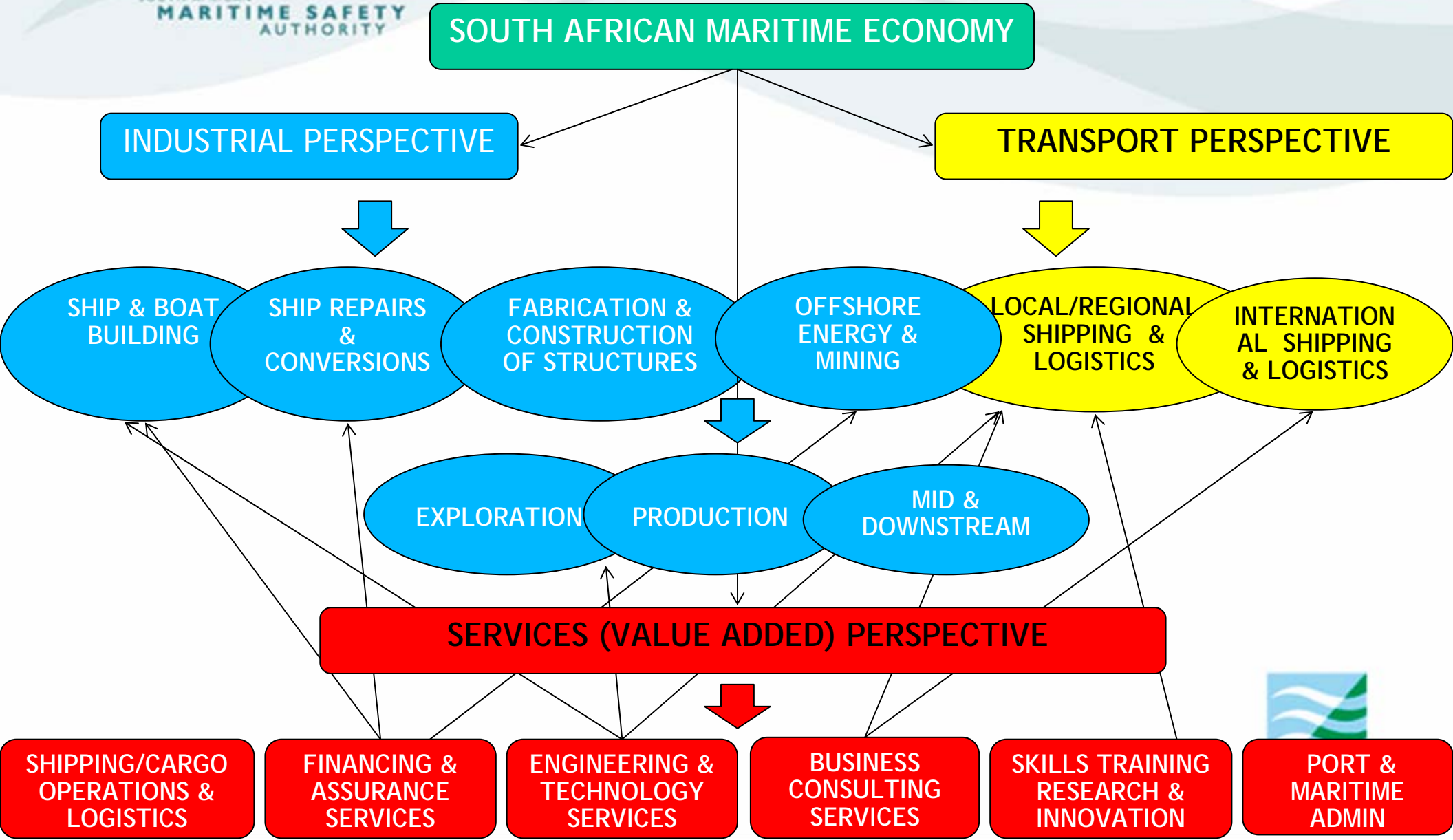
- ❖ **Promote the maritime industry as the new engine of economic growth ie the new growth path**
- ❖ **Assist in creating a conducive regulatory and economic environment for growth and investment**
- ❖ **Contribute to the release of the full potential of South Africa's maritime industry**
- ❖ **Ensure the modernisation of the country's shipping administration and growth of its ship registry**

✓ Social

- ❖ **Creation of maritime awareness, particularly on economic growth, jobs and careers**
- ❖ **Promote transformation of the maritime sector through involvement of women and black people**
- ❖ **Use maritime as an economy for the rural young especially jobs on the world fleet [currently partnering with Eastern Cape and KwaZulu Natal]**



SAMSA MANDATE 3: PROMOTE SOUTH AFRICA'S MARITIME INTERESTS - Advance National Maritime Interests



SAMSA STRATEGIC GOALS 2008 - 2013



- 1. Ensure service excellence in maritime safety, security, health and environment**
- 2. Promote South Africa's maritime industry/economy development**
 - ✓ Promotion of Maritime BBEE and industry transformation
 - ✓ Promotion of maritime awareness, maritime industry skills capacity and creation of jobs
 - ✓ Development of industry with joint public and private capital in strategic areas such as ship acquisition
- 3. Advance and protect South Africa's regional and international maritime interests**
 - ✓ Development of the Maritime Policy, including the Maritime Transport Policy and Shipping Policy
 - ✓ Development of South Africa's Maritime Cluster to reposition the country as a key Maritime Center
- 4. Facilitate maritime stakeholder engagement and leverage strategic partnerships**
 - ✓ Engage in Memoranda of Understanding with key stakeholders including government and industry
- 5. Review the SAMSA role and mandate**
 - ✓ Repositioning SAMSA as South Africa's the lead maritime authority (including the review the SAMSA Act of 1998)
- 6. Implement the SAMSA turnaround strategy**
- 7. Implement 2010 FIFA Soccer World Cup readiness plans (2010 Deliverable)**



SAMSA Strategic Objectives, Projects, Budgets...Structures



SAMSA PERFORMANCE AGAINST SET OBJECTIVES 2009/2010

OBJECTIVES	INITIATIVES	TARGETS	ACHIEVEMENT
<ul style="list-style-type: none"> ▪Develop, promote & transform the maritime industry and ensure satisfaction of international obligations on maritime matters. 	<ul style="list-style-type: none"> ▪ Initiate a development agenda for the maritime sector in the country ▪ Organise & develop maritime industry structures- through clustering ▪ Comply with applicable regimes on maritime (IMO) – SOLAS, UNCLOS etc ▪ Ensure alignment of international obligations with domestic statutory compliance. ▪ Follow on IMO findings and address shortcomings ▪ Engage on and implement the small vessels (boating) pleasure/ social agenda 	<ul style="list-style-type: none"> ▪ BEE structure formed ▪ One national maritime cluster ▪ LRIT Implementation, Mandated surveys & S&Rescue missions ▪ Reviews of all regulatory /policy environment ▪ Cleared all VIMSAS shortcomings ▪ New policy on boating and a full implementation of key regulations 	<ul style="list-style-type: none"> ▪ BEE maritime association formed (Black Maritime Association) ▪ Cluster engagements with govt and state entities done. ▪ LRIT operational ▪ Mandates on S&R, inspections on track ▪ Key regulatory reviews done ▪ Some VIMSAS findings cleared (SAMSA relevant) ▪ Implementation on track & policy drafted
<ul style="list-style-type: none"> ▪Improve SAMSAs financial position and reduce risk exposure. 	<ul style="list-style-type: none"> ▪Upgrade and implement financial system ▪Introduce & implement new revenue model/ base ▪Develop & plan new risk management matrix and plan. 	<ul style="list-style-type: none"> ▪New revenue model/base ▪New risk profiles and risk mitigating factors ▪Functioning financial 	<ul style="list-style-type: none"> ▪ New tariff structure in place ▪ New risk profile completed ▪ New financial system in use. Adding new modules

SAMSA PERFORMANCE AGAINST SET OBJECTIVES 2009/2010

OBJECTIVES	INITIATIVES	TARGETS	ACHIEVEMENT
<ul style="list-style-type: none"> ▪ Improve service quality to customers & engage in corporate social responsibilities. 	<ul style="list-style-type: none"> ▪ Know & understand customer needs through new databanks and surveys ▪ Improve SAMSA brand in line with new SAMSA agenda ▪ Engage in corporate social investment ▪ Re-brand and reposition SAMSA and centres in line with new agenda. 	<ul style="list-style-type: none"> ▪ 1 customer survey & database ▪ CRM Strategy or Plan ▪ A CSI approach and plan ▪ New rebranding plan 	<ul style="list-style-type: none"> ▪ Surveys undone but planned ▪ Marketing strategy incorporating CSI, CRM, and branding in place
<ul style="list-style-type: none"> ▪ Develop & implement business processes, systems and policies. 	<ul style="list-style-type: none"> ▪ Development and review of processes, policies to enhance value. ▪ Align systems processes and policies ▪ Establish new and improve on ship registration system and seafarer certification systems 	<ul style="list-style-type: none"> ▪ New processes for centre for seafarers (certification) and fishing ▪ Processes for Industry and other centres 	<ul style="list-style-type: none"> ▪ Processes and systems acquisition for certification, certification commenced. ▪ Policy committee engaged on a range of policies (8 policies developed)

SAMSA PERFORMANCE AGAINST SET OBJECTIVES 2009/2010



SOUTH AFRICAN

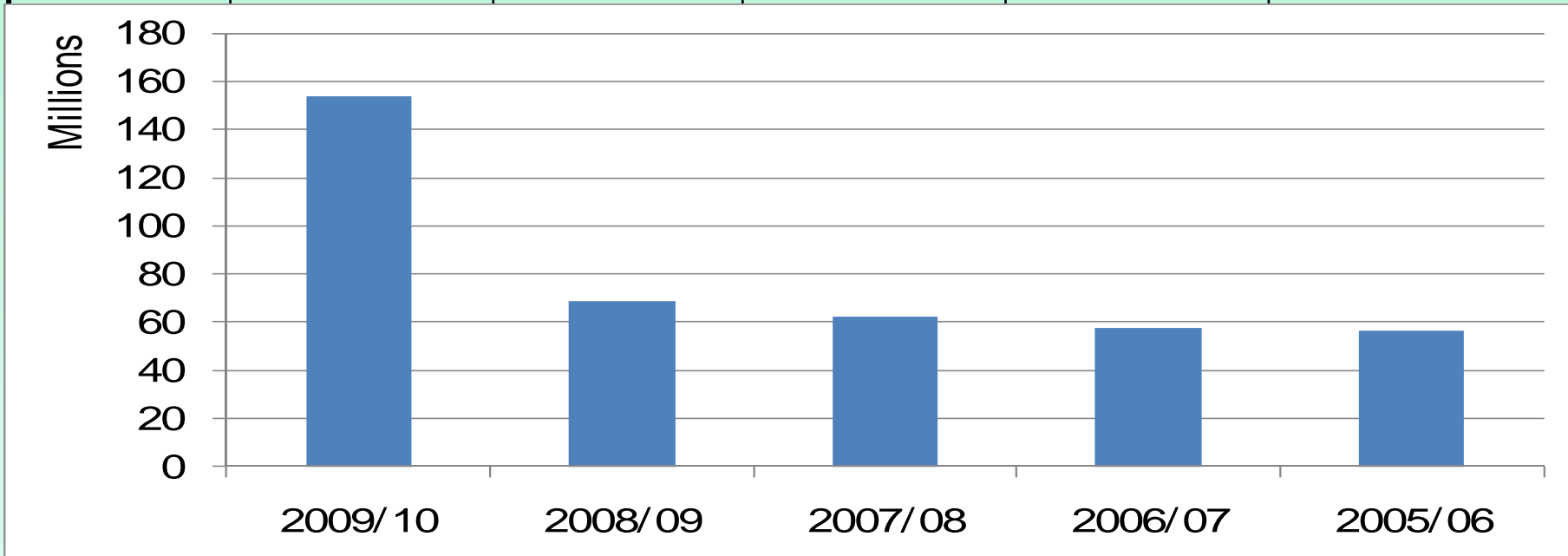
OBJECTIVES	INITIATIVES	TARGETS	ACHIEVEMENT
<ul style="list-style-type: none"> ▪ Enhance human capital. 	<ul style="list-style-type: none"> ▪ Build (hire) new human capacity ▪ Implement human resource development and talent management strategies ▪ Enhance existing capacity ▪ Build, enhance information capital ▪ Develop and implement employment equity and gender transformation programmes 	<ul style="list-style-type: none"> ▪ Required staff for centres hired ▪ 2 skills programmes ▪ Performance culture developed ▪ New business culture (effective and dedicated team) ▪ 2 new systems/databases created. 	<ul style="list-style-type: none"> ▪ New capacity continually being brought as per HR details (total 16) ▪ Gender programme & workplace exposure in place ▪ Performance reporting is in place (quarterly basis) ▪ Databases not yet created ▪ Leadership change management program done

SAMSA FINANCIAL REVIEW

- SAMSA Account: Revenue Trend

- SAMSA Revenue has grown from R68 million in the year financial year 2008/9 to R154 million in the year 2009/10;
- Revenue is projected to be at +/-R250 million for the year 2010/11 financial year.

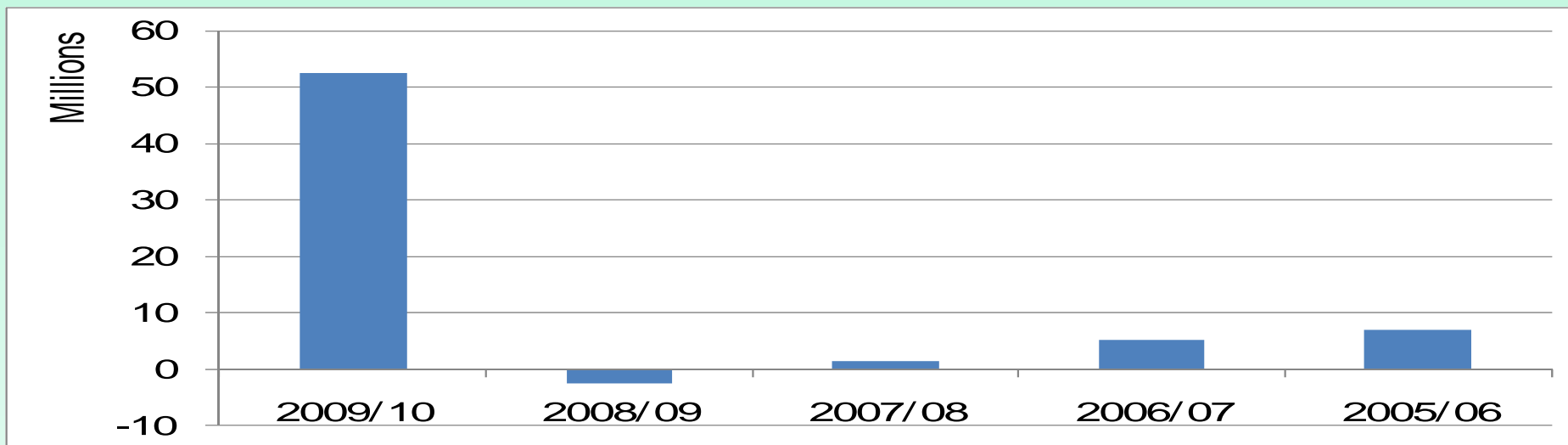
	2009/10	2008/09	2007/08	2006/07	2005/06
	R'000	R'000	R'000	R'000	R'000
Revenue	R153 716	R68 489	R62 055	R57 818	R56 722



SAMSA FINANCIAL REVIEW

- SAMSA Account: Surplus/(Deficits)

	2010/11 Budget	2009/10	2008/09	2007/08
	R'000	R'000	R'000	R'000
Revenue	224,495	153,716	68,489	62,055
Op Expenses	186,495	107,960	80,723	76,000*
Operating Surplus/(Deficits)	Budget Projections		Budgeted Deficit	Budgeted Deficit
			= (R12,234)	= (R14m*)
Actuals	Actuals	Actuals	Actuals	Actuals
	= R43,764	= R52,396	= (R2,567)	= R5,025m



SAMSA FINANCIAL REVIEW

OTHER SAMSA ACCOUNTS

- Maritime Fund

● The Maritime Fund, which forms part of the SAMSA Annual Report, is administered by SAMSA on behalf of the Minister of Transport;

● As at 31 March 2010, the Maritime Fund had total reserves of only R16 million which is far cry to the amounts of money that would be required should South Africa experience a disaster similar to the one which occurred in the Gulf of Mexico in the US.

OTHER SAMSA ACCOUNTS

- World Bank Marine Highway (WIOMH) Project

● The Western Indian Ocean region includes five coastal countries (Kenya, Mozambique, South Africa, Tanzania, and Somalia), one large island state (Madagascar), three small island states (Comoros, Mauritius and Seychelles), and the island territories of France La Réunion

● SAMSA is project managing, on behalf of the Government of South Africa, the Marine Highway Project (WIOMH) funded by the World Bank;

● On the financial side, SAMSA has effectively managed the project funds and managed to get clean audits for the financial years 2008 and 2009 from Deloitte & Touche, who are the project's auditors

SAMSA FINANCIAL REVIEW

OTHER SAMSA ACCOUNTS

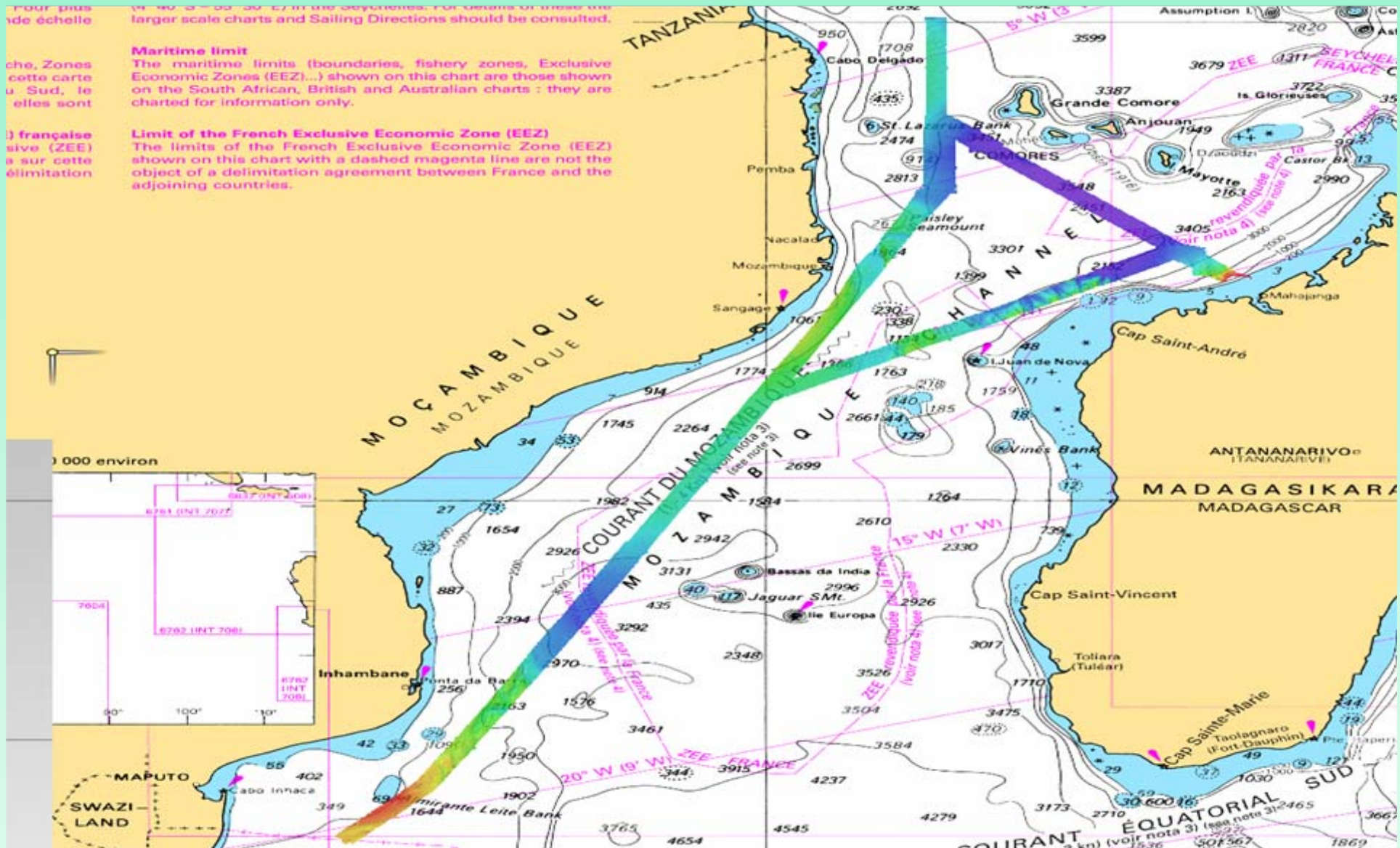
- Capital Base

- **SAMSA's total assets have grown from R95 million in the year 2005/06 to R163 million in the year 2009/10;**
- **Although a significant amount of the assets are held as liquid investments, these will soon be turned into fixed assets as SAMSA continues to implement its capital investment projects to improve service delivery**
- **Over 90% collection from customers, with government fund making up only R17m out of the R163m**
- **Focused investment in capital infrastructure and human capital**

SAMSA FINANCIAL REVIEW

OTHER SAMSA ACCOUNTS

Western Indian Ocean Marine Highway PROJECT -THE PROGRESS



SAMSA STRATEGIC PROJECTS 2009/2010

SOUTH AFRICAN
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- **Implementation of the SAMSA Turnaround and Repositioning Plan, focusing on:**
 - ✓ Improving the financial position of the entity (after deficit budgeting for over 3 years)
 - ✓ Improving the skills, systems and technological base of the company [Center for Excellence - 2010]
 - ✓ Repositioning the entity to reflect SAMSA's full mandate and role as a Maritime Authority
- **Delivery of the Western Indian Ocean Marine Highway (sponsored by World Bank and GEF)**
- **Implementation of the expanded regional Maritime Search and Rescue programme**
- **Implementation of the coastal maritime traffic monitoring and surveillance systems:**
 - ✓ Long Range Identification and Tracking System (LRIT); Satellite Automatic Identification System
- **Establishment of a National Maritime Industry/Economy Cluster 2010/2011: Key deliverables are**
 - ✓ Creation and management of a coherent programme for the maritime sector
- **Improve the technology and systems in the company**
 - ✓ Implementation of a financial/accounting system and web-site portal 2009/2010
 - ✓ Implementation of new operating systems ie Ship registration and Seafarer certification system
- **Implementation and inland roll-out of the Small Vessels and Inland Waterways regulations**
- **Implementation of the IMO Voluntary Audit Scheme – Correction Plan to improve compliance**
- **Research Studies on: The feasibility study on the implementation Maritime BBEE Charter in the maritime transport industry**
 - ✓ The risk assessment in the provision of the maritime pollution prevention capability and marine aids to navigation
 - ✓ Development of South Africa's Maritime Skills Strategy and Maritime Job Creation Plan



HIGHLIGHTS

A WORLD FIRST. CONGRATS TO SISTERS OF THE SEA THEY MADE IT!



Die seevaarders wat die SA Agulhas die volgende paar dae sal beman, is in der waarheid almal vroue. Die vaart van Kaapstad na Durban is deel van nasionale marienewek en is 'n poging om jong mense, veral vroue, van beroepsgeleenthede in seevaart bewus te maak.

Foto: MICHAEL HAMMON

Vroue wys hul slag op SA Agulhas

All-women SA crew sails into history books

Text / Photo's : IVOR MARKMAN (c)

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HIGHLIGHTS

- Pulling off a **World -1st when an all-female crew** sailed a deep-sea vessel Agulhas, going to sea and through 3 South African ports wherein port services were provided by other females (Oct 2010)
- The roll-out of the **maritime awareness campaign** amongst policy makers, the public and schools, leading the establishment of a network of maritime high schools, adding universities to offer maritime courses
- The spectacular financial turn-around of the entity with **revenue growth of over 300%** within 18 months
- The successful implementation of the Audit Recovery Plan to reverse the 2007 disclaimer financial audit, achieving an **'clean' ie unqualified Audit Opinions** for 2008/2009 and 2009/2010
- The establishment and launch of the **SAMSA CENTER FOR SEA WATCH AND RESPONSE**, and implementation of the compulsory **IMO Long Range Identification and Tracking system (LRIT)**
- The establishment and launch of the **SAMSA CENTER FOR BOATING**, expanding SAMSA capacity to regulate inland boating safety in all 9 Provinces (without any funding)
- The launch of the **SAMSA SEAFARER OF THE YEAR AWARDS, SAMSA CENTER FOR SEAFARERS AND FISHING** and establishment of a network of South African female sailors – **THE SISTERS OF THE SEA NETWORK**, which strengthen SAMSA's capacity to promote seafaring careers and intervene in creating safer and more secure conditions
- The initiation and convening of the country's **maritime cluster of policy departments on maritime affairs**
- **Stabilisation of the SAMSA Board**, improvements in corporate governance and capacitation of management
- Assertion of SAMSA to lead the development of the Maritime Strategy in South Africa and Africa

LOWLIGHTS

- ❑ The untimely passing at sea of a South African female cadet, Miss Akhona Geveza, amidst suspicions of sexual violation. Investigations are ongoing in South Africa, Croatia and United Kingdom
- ❑ The continued loss of lives and injuries in shipping, particularly in fishing and inland waterways
- ❑ The delays in the ratifications of international conventions and legislative measures, affecting the competitiveness of the maritime sector and compliance levels of those dependant on these laws
- ❑ The forensic investigation conducted by KPMG at SAMSA in 2008/2009 leading to the collapse of the SAMSA Board, affecting the morale and programmes of the entity
- ❑ The SAMSA Board led by the new Interim Chairperson engaged the CEO on the forensic allegations for the 1st time since it commenced over 18 months earlier, considered all facts and circumstances surrounding the incident, thereafter concluding that the investigation was unfortunate and ill-advised
- ❑ The delays in appointing a permanent Board at SAMSA following the collapse of the previous Board and appointment of Interim members whose terms end at the end of October 2010

CONCLUSIONS

- ❖ SAMSA wishes to thank the members of the Portfolio Committee on Transport on inviting us earlier in the year and now, giving us an opportunity to account for the activities SAMSA and engage on the work lying ahead
- ❖ SAMSA wishes to assure the parliamentary committee that it is committed to upholding high standards in service delivery and corporate governance and compliance
- ❖ SAMSA is ready and going ahead with the development of the Maritime Agenda which could see the maritime sector becoming a new growth curve/path for South Africa

RECOMMENDATIONS



❖ Hounorable members of the Committee are requested to support SAMSA in ensuring the success of the company's strategic repositioning in, amongst other things:

- Expediting the process to appoint a permanent Board at SAMSA
- Supporting the initiative to develop and adopt the Maritime Agenda and Strategy for South Africa
 - Create a new developmental economy
- Supporting a speedy finalisation and ratification of the:
 - African Maritime Charter
 - Maritime BBBEE Charter
 - Tonnage Tax Policy and
 - Maritime Transport Policy
- Recognition and adoption of the maritime sector as a key economic sector with a potential to create thousands of quality jobs can be created within the sector especially increasing seafaring jobs
- Facilitating [fast track] the ratification of a number of international maritime legislation in line with the outcomes of the International Maritime Organisation's audit scheme which took place in 2008
- Support our joint effort with Department of Environmental Affairs to restructure and recapitalise the Maritime Fund aimed at maritime disaster management, particularly oil pollution combating [post Gulf of Mexico]
- Support SAMSA's effort undertaken with provinces and relevant departments to increase the country's maritime training and development – Maritime High schools, Maritime FETs and Maritime courses at varsity, as well as the acquisition of the training vessel [target Agulhas]



SAMSA THANKS YOU ALL!