



SOUTH AFRICAN
MARITIME SAFETY
AUTHORITY

Presentation to Parliament's Portfolio Committee on Transport

SAFE SHIPS • CLEAN SEAS



SAMSA'S LEGISLATIVE MANDATE

...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.



The Goals of SAMSA - HIGH LEVEL ARTICULATION



- 1. Improve service delivery, strengthen corporate performance and governance, and combat corruption**
 - Improve service delivery through enhanced organisational capability and Batho Pele service ethos
 - Improve and strengthen the risk management framework, governance and compliance processes

- 2. Ensure service excellence in maritime safety, security, health and environmental sustainability**
 - Ensure effective response to maritime threats, risks, incidents and accidents
 - Improve the security of our sea-trade and ensure orderliness in the sea-transport use of our oceans
 - Improve environmental protection and sustainability, and the capacity to respond to the effects of Climate Change

- 3. Promote the development of South Africa's maritime economy, maritime skills & social transformation**
 - Promotion of maritime awareness, skills and creation of jobs, with special focus programmes for under-developed regions and communities, women and black people
 - Promote the development of the maritime industry, advocate for the National Fleet acquisition and adoption of 'Proudly South African Shipping' policy for our Cabotage, coastal and international maritime transport, logistics and trading
 - Promotion of Maritime BBBEE implementation and industry transformation

- 4. Advance and protect South Africa's regional and international maritime interests**
 - Ensure protection of SA's sea lines of communication and trade (particularly against Piracy along the routes)
 - Development of the Maritime Policy, including the Maritime Transport Policy, Merchant and Coastal Shipping Policy
 - Development of South Africa's Maritime Cluster to reposition the country as an International Maritime Center

- 5. Facilitate maritime stakeholder engagement and leverage strategic partnerships**
 - Engage in Memoranda of Understanding with key stakeholders in government, industry and communities
 - Expand the network of partners to enhance SAMSA's domestic and global delivery capacity and effectiveness



SAMSA's TURNAROUND STRATEGIC PILLARS 2007/08- 2010/11

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1. Service, operational and technical excellence

The key purpose of this pillar was to transform SAMSA into an *efficient service provider*, improving on the quality of service delivered. Delays in issuance of certificates, failures to respond to industry needs, long lead times in resolving queries are becoming things of the past. SAMSA is now largely regarded as the hub center for world class maritime expertise, information and services.

2. Innovative and technological breakthroughs

This pillar was a response to the low technology penetrations and innovation uptake in the company and its main thrust was to turn SAMSA into a *competitive industry player and leader*. In 2010 SAMSA successfully entered the maritime satellite industry, commissioning breakthrough ship surveillance, monitoring and tracking technologies such as the Satellite Automatic Identification Systems (AIS), Long Range Identification and Tracking (LRIT) and Vessel Traffic Management and Information Management Systems (VTMIS) and Maritime Incident, Management System (MIMS), which were used to secure the hosting of the 2010 Soccer World Cup on the maritime side and Implementation of the Great Plains System.

3. Corporate governance and institutional development

The focus of this pillar was to transform SAMSA into an *effective Maritime Authority*. In the year 2010 SAMSA had the most stable period in corporate governance, with a fully constituted Board which met almost all its compliance commitments and provided management with the requisite support to turn the company around.



SAMSA's TURNAROUND STRATEGIC PILLARS 2008- 2010/11

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4. Societal and national developmental agenda

The 2010 saw SAMSA achieve the objective of this pillar, that of becoming a *Responsible Corporate Citizen*. The biggest achievement of the turn-around plan was to re-orienting the company from being a self-serving bureaucratic machinery to a company connected and aligned to its shareholder agenda, programmes and responsive to the national interests of the society and communities in which it does business.

5. Global strategic positioning and influence

SAMSA successfully repositioned itself international as the representative body of the South African maritime sector, undertaking trips to Geneva (World Trade Organisation, International Labour Organisation, United Nations Commission on Trade and Development) and London (International Maritime Organisation) to canvass positions which are intended to benefit the South African industry.



2010/2011 Strategic Objectives: Performance Information

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2010/2011 Strategic Objective 1



- Rolled out National Maritime Cluster Strategy
- Policy and Legislative analysis and updates for alignment with international obligations.
- Maritime Industry & Economic Baseline Research conducted

- 62 Cadets on SAMSA programme and 20 cadets being placed on board ships for training board ships in March 2011
- Commissioned Maritime Skills Study
- Learnerships

Develop, promote & transform the Maritime Industry and ensure Satisfaction of International Obligations on Maritime Matters

- Maritime (e.g. Small Vessel/Boating) Industry Development Programme.
- Ship Registry development initiatives (Tonnage Tax, etc.)
- West Indian Ocean Highway Project implemented

- Maritime Stakeholder Engagement and Awareness Campaign.
- Strategic support of Maritime industry initiatives, associations and other key formations.



2010/2011 Strategic Objective 2

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- Stakeholder strategy implemented
- SAMSA Brand engagement and improvement of perceptions
- Customer satisfaction improvement initiatives implemented
- Implementation of CSI programme

- Initiatives implemented to improve adherence to safe fishing practices
- Safety awareness training
- Stevedore safety practices and compliance monitoring

Improve Service
Quality to Customers
& Engage in Corporate
Social Responsibilities

-Won the Maritime Newsmaker of the Year Award

- Response and corrective actions implemented as per the findings of audits, including governance and internal maritime audit (e.g. AG audits, Voluntary IMO audit and the IOMOU).

2010/2011 Strategic Objective 3

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-- Developed a high level design and commissioned a project to implement a ground breaking SAMSA Integrated Operations Management System (SIOMS)

Identify and map SAMSA's operational business processes, policies and procedures for automation and optimisation

Develop & implement business processes, systems and policies.

Update and replace archaic internal ICT systems (Budget forecasting, Financial management, ICT systems) and Supply Chain Management

Implementation of maritime domain awareness and surveillance technologies e.g. LRIT, AIS, etc

2010/2011 Strategic Objective 4

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-Improved succession results

-Identified talented technical staff participating on the succession programme.

Implementation and progress against the Human Capital plan

-Pursuit of the SAMSA Employment Equity plan

-Organisational skills development and training.

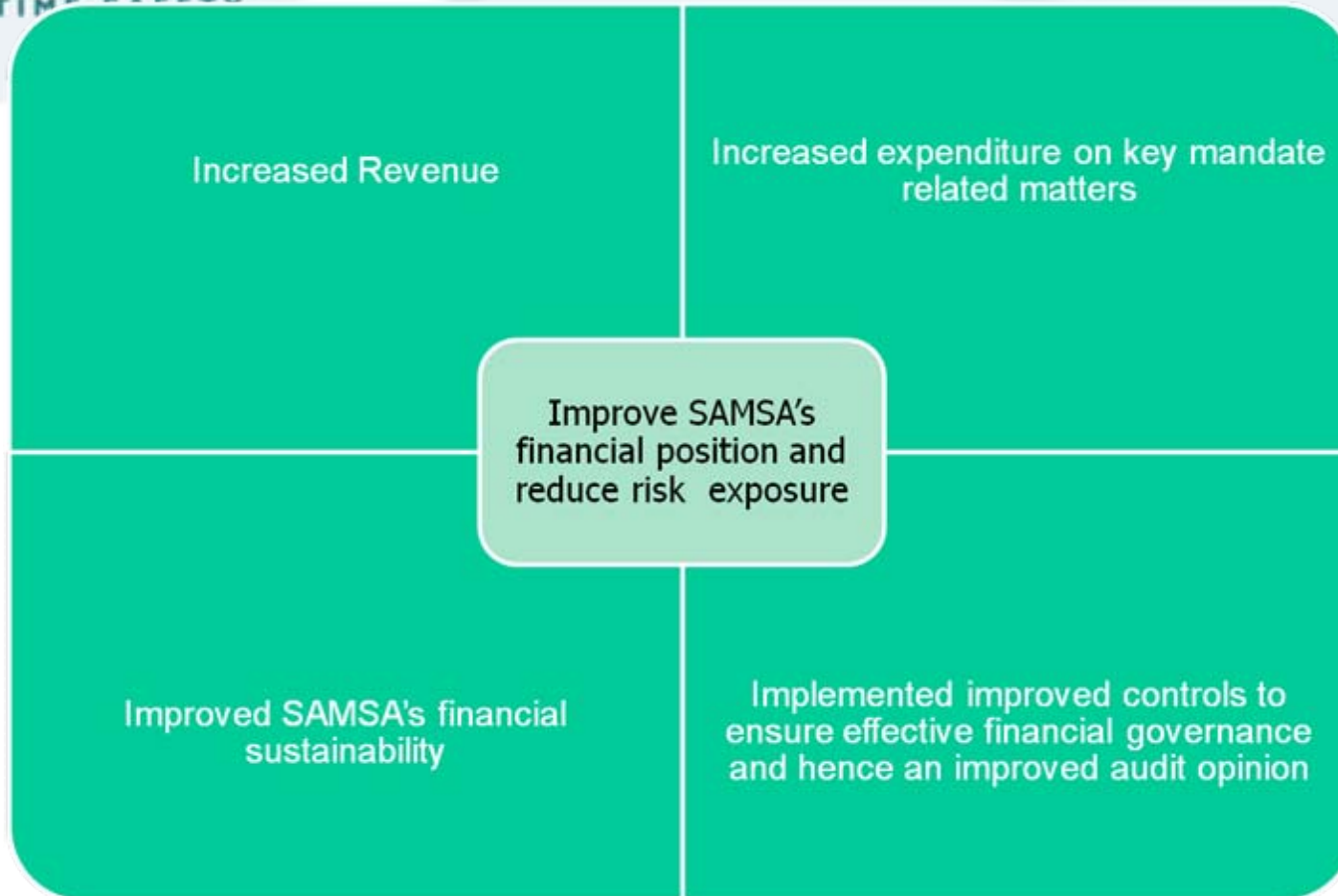
- Targeted training and development of Surveyors and other technical skills

Enhance Human Capital

-Recruitment and appointment of new staff in line with the HR plan

- Embedding of a performance management culture and related best practices.

2010/2011 Strategic Objective 5



Improve SAMSA's financial position and reduce risk exposure

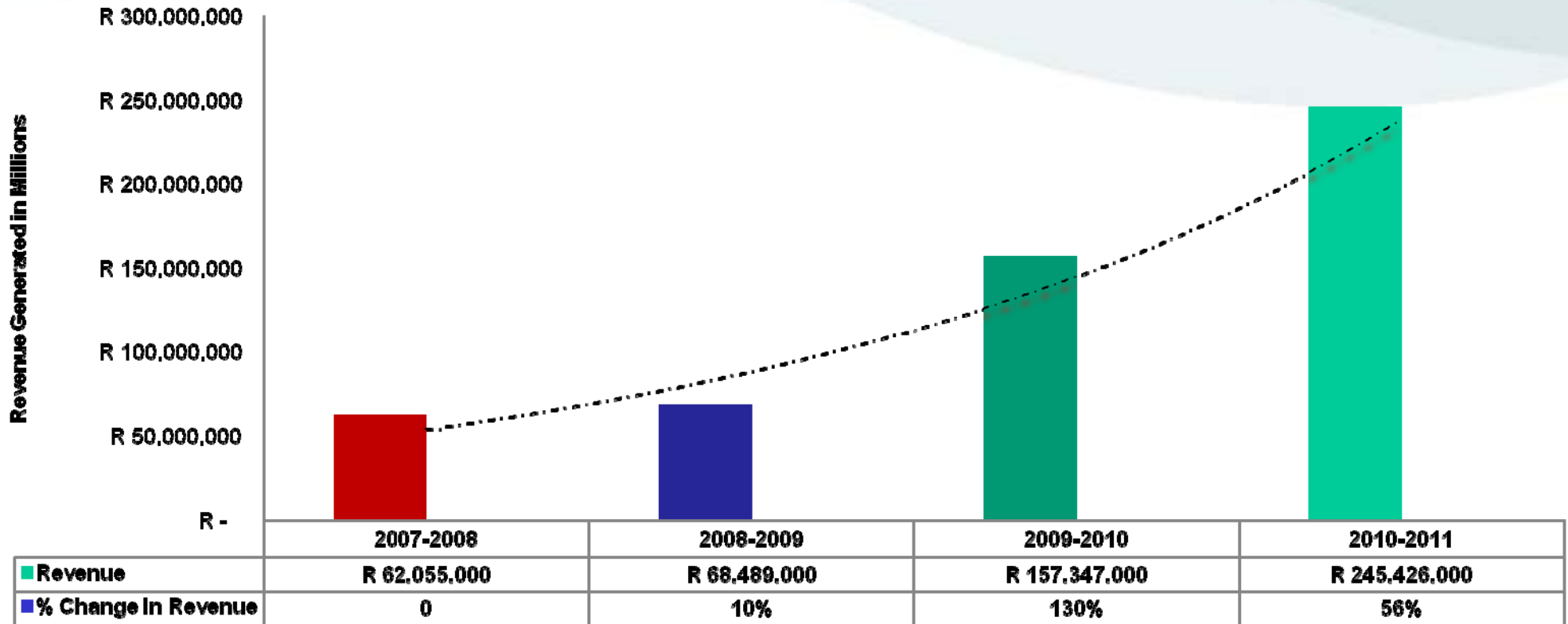
- SAMSA'S AUDITED ANNUAL FINANCIAL STATEMENTS

Reported figures	2010/2011 R' 000	2009/2010 R'000	% Change
Revenue	245 426	157 347	56%
Expenditure	(180 203)	(111 591)	61%
Surplus	75 289	52 396	44%
Interest Income	9 944	6 941	43%
Total Assets	250 739	162 911	54%
Fixed Assets	10 407	6 080	71%
Cash & Cash Equivalents	218 060	134 290	62%
Cash from Operating Activities	91 293	41 765	119%

SAMSA's REVENUE



SAMSA Revenue Trend Analysis



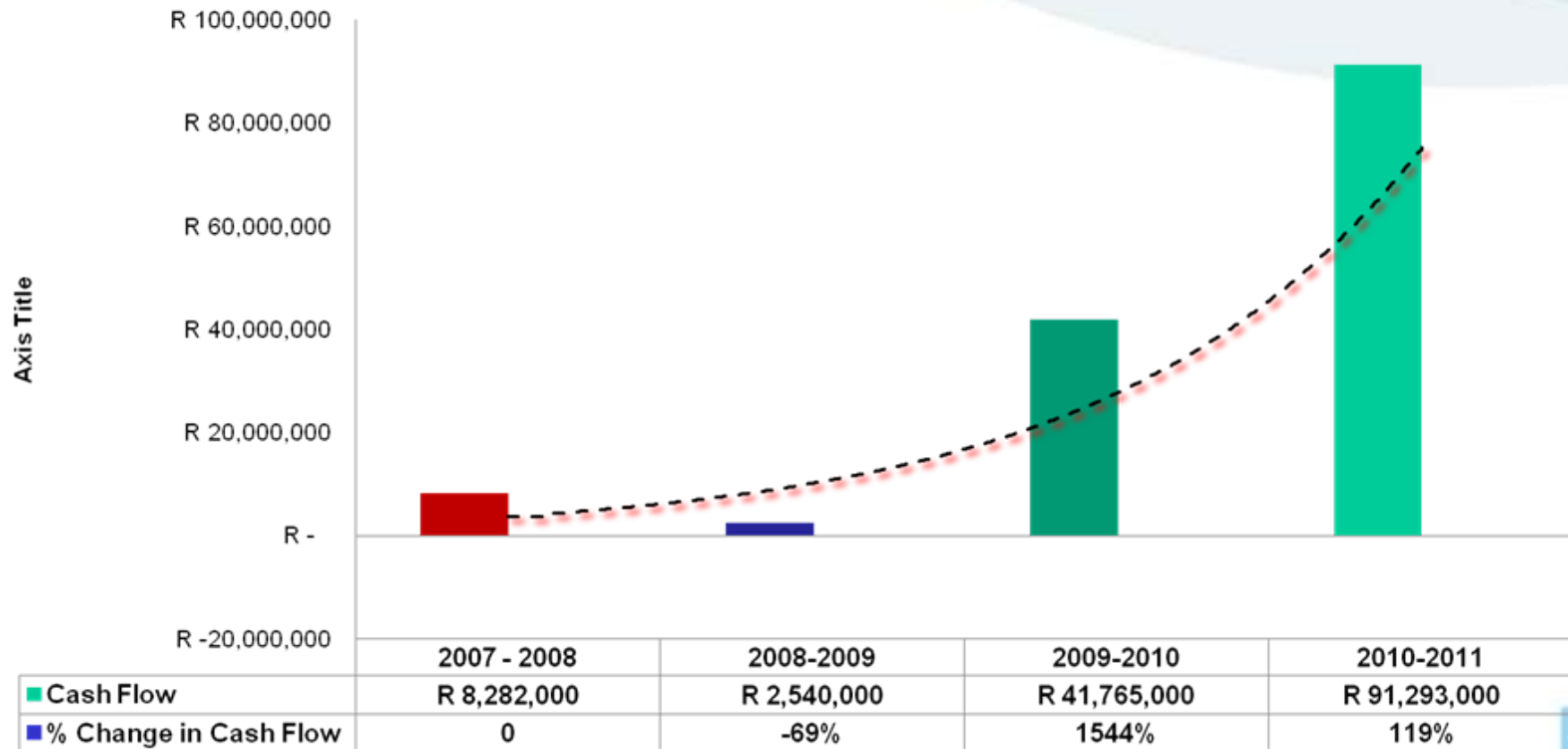
The spectacular financial turn-around of the entity with revenue growth of over 300%



SAMSA's CASH FLOW



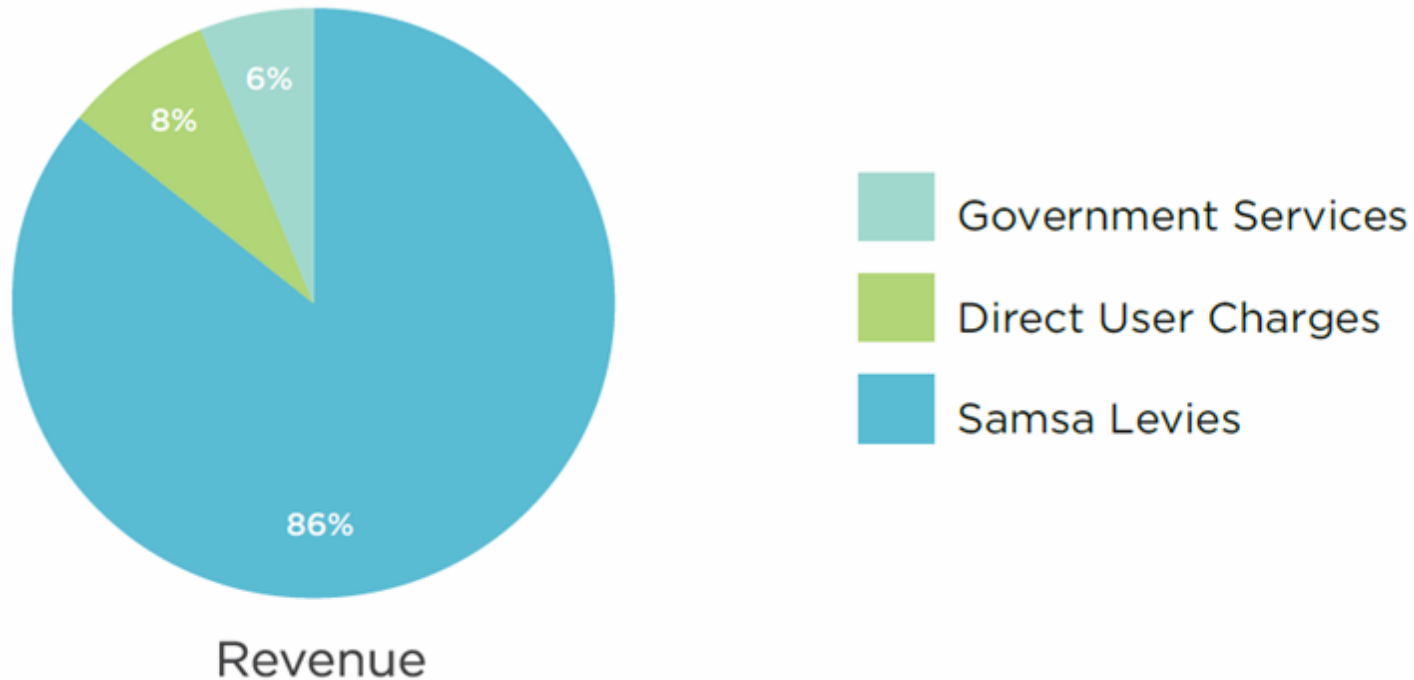
Changes in Cash Flow Position



SAMSA's REVENUE STREAMS

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SAMSA's revenue continues to be derived from three streams of which SAMSA Levies contributed 86% of total revenue. Direct user charges accounted for 8% with government service fees contributing 6% to the organisation's total revenue.

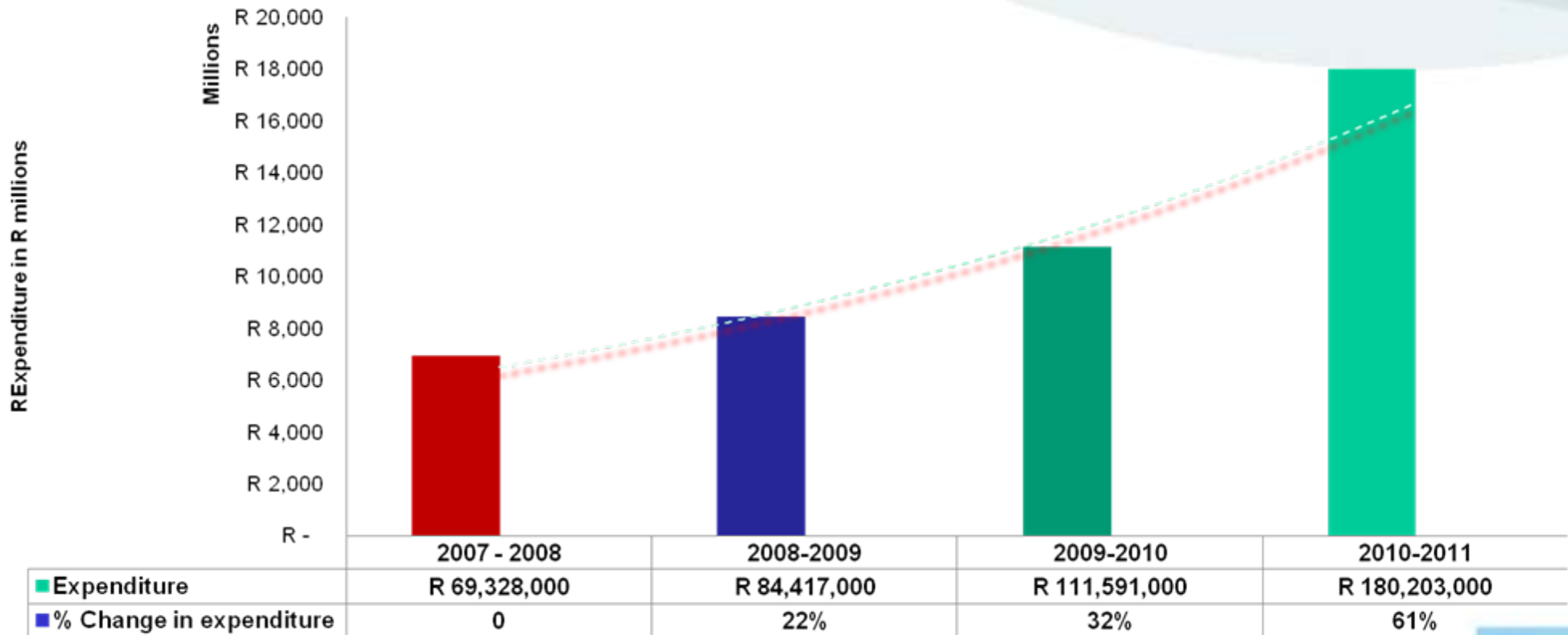


SAMSA has become a much more sustainable institution as it only depends on 6% from government service fees to fund its mandate.

SAMSA's EXPENDITURE



SAMSA Expenditure



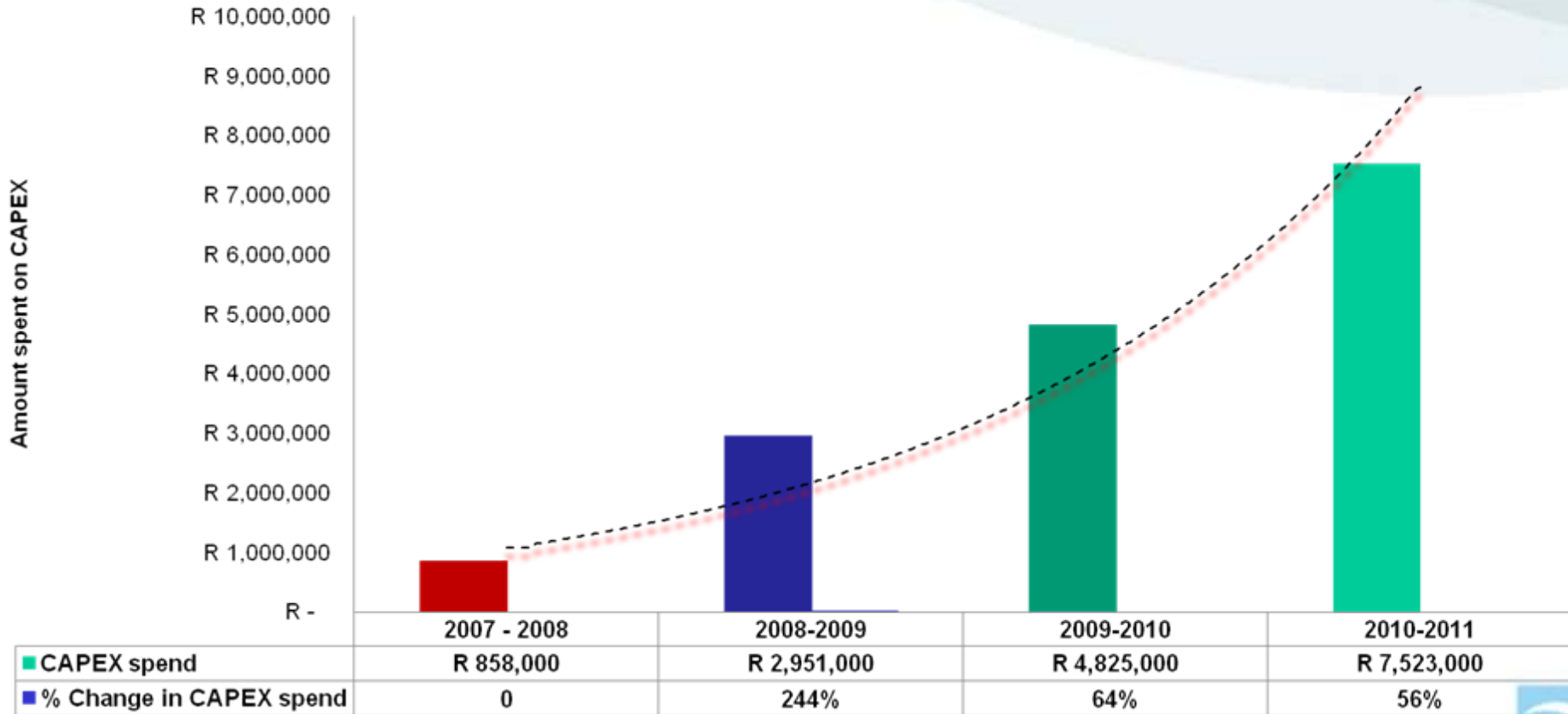
While Revenue has increased by over 300% SAMSA has increased expenditure by only 60%. It has generally cost us a 60% in expenditure to generate an increase in revenue of over 300%!



SAMSA's CAPITAL EXPENDITURE



Capital Expenditure



Capital Expenditure has had a steady increase due to the need for us to revamp our capital infrastructure.



Major Maritime Incidents

RECENT INCIDENTS - MT PHOENIX



RECENT INCIDENTS - MT PHOENIX (DURBAN)



RECENT INCIDENTS - MARGARET (SALDANHA)



RECENT INCIDENTS - MARGARET (SALDANHA)



MARGARET (SALDANHA)



RECENT INCIDENTS - SELI 1 (CAPE TOWN)



RECENT INCIDENTS - SELI 1 (CAPE TOWN)



OTHER HIGHLIGHTS IN 2010/11



- 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%**
- 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 Centre 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 Centre 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



RECENT PERFORMANCE HIGHLIGHTS



- **The Acquisition of SAMSA's First Building In East London**
- **Invitation to present the Maritime Agenda to the Human Resource Development Council of South Africa**
- **The successful hosting of the Maritime Skills Summit in Richards Bay chaired by the Deputy Minister of Education and the Launch of the Maritime Skills Study at the Maritime Day Celebration in conjunction with the Human Resource Development Council**
- **The launch of the SAMSA Centre of Excellence**
- **The successful bidding to host the Torremolimos Convention in September 2011 in Cape Town**
- **The successful bidding to host the Regional Maritime Coordination Centre**
- **The joint efforts between SAMSA, the Navy, the South African Defence Force and the Cape Metro Medics to save the Taiwanese fishermen in peril following an on-board Explosion**



AUDITOR GENERAL'S REPORT



- **2006-2007: Financially Unqualified Opinion**
- **2007-2008: Disclaimer Opinion (Subsequently turned into a qualified opinion after implementing the recovery project)**
- **2008-2009: Clean Audit Opinion (With Matters of emphasis)**
- **2009-2010: Clean Audit Opinion (With Matters of emphasis)**
- **2010-2011: Clean Audit Opinion (With Matters of emphasis)**

AUDIT REPORT



- **SAMSA achieved a clean audit for the financial year**
- **However there were two matters of emphasis which have been addressed as follows:**

Issue	Action Taken
<p>Irregular Expenditure (R6 million) This resulted from event management procurement for a specific event carried out without going to tender due to the fact that there was a global marketing tender which was in the process of being adjudicated</p>	<p>Additional Supply Chain Management capacity has been put in place.</p>
<p>Material Misstatements On advice by AG during the previous financial year audit, the commission paid to TNPA for collecting SAMSA levies was treated in a particular way. During the current year AG raised an issue that it should have been treated differently. The same was corrected but resulted in the misstatement.</p>	<p>Issue raised with AG on how to ensure consistent advice from them and how to deal with different interpretations by AG officers.</p>

CONCLUSION



- **Our Quest for a Clean Administration is underpinned by our mantra “The Enterprise of Integrity” which incorporates three aspects:**
 - **Risk Management**
 - **Ensuring Compliance**
 - **Building Sustainability**

- **This is critical for our ability to reposition SAMSA in the industry and internationally.**

- **Our credibility has allowed our international partners to entrust us with a few initiatives, thus extending our South African influence into the global maritime debate (Climate Change, Port State Control, Piracy, Fishing Vessel Safety, Pollution Prevention, etc)**

- **There is still a long way to go as we still have to contend with delivery challenges and we wish to thank the Portfolio Committee for its oversight role which keeps us in check.**



Thank You



maritime
NEWSMAKER
OF THE YEAR **2010**

was presented on 14 April 2011 to:

South African Maritime Safety Authority