



QUARTER 1 PERFORMANCE REPORT AS AT 30 JUNE 2016



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A. GENERAL INFORMATION

1. STRATEGIC OVERVIEW

The Cross Border Road Transport Agency (C-BRTA) is mandated to regulate access to the commercial cross-border road transport market. Its regulatory function serves as a catalyst for facilitating trade through transport. Cross-border road transport is a prerequisite for the promotion of economic growth and development, the improvement of the quality of life and social interaction of all citizens within the region.

The C-BRTA embraces reality on the ground in the domestic and regional environments in order to be able to be responsive to the needs of transport sector stakeholders. Therefore, the Agency has adopted an operator centric strategy for the new electoral cycle, 2015 – 2020. The focus of this Strategy is to ensure that all of the Agency's plans are responsive to the needs of the cross-border operators' needs.

The new strategy seeks to leverage on progress achieved by the Changing Gears Strategy, which was used as the "vehicle" to reposition the Agency as a strategic and meaningful player within the cross-border road transport industry.

The Agency has an approved Annual Performance Plan which comprises of quarterly targets which need to be delivered in the 2016/17 financial year.

1.1. The C-BRTA Vision

"The leading Road Transport Trade Facilitation Agency within the SADC region"

1.2. The Mission of the C-BRTA

"To spearhead social and economic development within the SADC region through facilitating unimpeded cross border road transport movements".

1.3. Core Values

The values are the core priorities of the Agency's culture. The Agency would endeavour to attract and retain individuals who subscribe to the values below:

- **Integrity** - we are professional, honest, fair and do not tolerate crime, fraud and corruption
- **Transparency** - we are open and accountable in our interactions with our stakeholders and staff
- **Reliability** - we are dependable, trustworthy and value our customers
- **Efficiency** - we are innovative and passionate about performance
- **Effectiveness** - we achieve our set goals and objectives with desired outcomes
- **Social responsibility** - we seek to contribute towards the greater good of our country and continent by supporting social development and economic growth

1.4. Strategic Objectives

To improve its business processes, the C-BRTA has adopted the following five medium term strategic goals;

Table 1: C-BRTA Strategic Goals

| C-BRTA STRATEGIC GOALS |
|---|
| 1. Enhance organisational performance |
| 2. Facilitate unimpeded flow of cross-border transport |
| 3. Promote safe and reliable cross-border transport |
| 4. Promote regional integration |
| 5. Strategic positioning to enhance organisational sustainability |

2. LEGISLATIVE AND OTHER MANDATES

The C-BRTA is a Schedule 3A public entity in terms of the Public Finance Management Act, No 1 of 1999 (PFMA).

The C-BRTA's strategic goals are informed by various legislative mandates and related Government policies and directives inter alia:

2.1. Constitutional Mandate

In the execution of the Agency's functions and in line with the founding legislation, the C-BRTA shall comply with the Constitution of the Republic of South Africa with specific reference to the following sections:

- Section 41: Co-operative governance values;
- Section 195: Basic values and principles governing public administration;
- Sections 231: International agreements.

2.2. Legislative and Policy Mandates

1. **Cross-Border Road Transport Act, 4 of 1998**, provides the Agency with the mandate to improve the unimpeded flow by road of freight and passengers in the region, liberalise market access progressively in respect of cross-border freight road transport, introduce regulated competition in respect of cross-border passenger road transport and to reduce operational constraints for the cross-border road transport industry as a whole, enhance and strengthen the capacity of the public sector in support of its strategic planning, enabling and monitoring functions and to empower the cross-border road transport industry to maximise business opportunities and to regulate themselves incrementally to improve safety, security, reliability, quality and efficiency of services.
2. The **National Land Transport Act, 5 of 2009**, provides for the process of transforming and restructuring the national land transport system. In essence it provides for the mandate of the three spheres of authority in the transport sector and confers mandate to these authorities to perform certain functions that includes regulation.

3. **National Road Traffic Act, 93 of 1996**, as amended, provides for road traffic matters which shall apply uniformly throughout the Republic of South Africa. The NRTA in essence provides for traffic regulations that govern licensing of motor vehicles, operation of motor vehicles, vehicle road worthiness, driver licensing and fitness.
4. The **National Development Plan** identifies the transport sector as one of the major economic pillars for the economic development of Republic. The Plan asserts that South Africa's development is affected by what happens in the region and the world and its success will depend on the country's understanding and response to such developments. It also asserts the need to overcome poor transport links and infrastructure networks, as well as tariff and non-tariff barriers, high cost of doing business in the region as key imperatives that should be overcome if the region is to attract investment and improve trade.
5. **Tourism Act, 3, of 2014**, provides for the development and promotion of sustainable tourism for the benefit of the republic, its residents and its visitors. The C-BRTA regulates market access to the tourism transport sector through a permit regime. The Agency also has the mandate to conduct law enforcement in regard to compliance to road traffic regulations in the tourism sector.
6. The **SADC Protocol on Transport, Communications and Meteorology**, provides for the integration of regional transport, communications and meteorology networks. In essence for road transport the objective of the protocol is to make it as easy as possible for cross border road transport operators to move from one country to the other through reduction of non-tariff barriers, improving harmonisation, provision of adequate infrastructure with the intention of improving efficiency, and facilitating both transport and trade in the region. The Protocol also provides for interventions and actions which responsible authorities or regulatory authorities in the member states at operational level should perform towards improving cross border movements.

7. **Hazardous substances Act, 15 of 1973**, which provides for control of substances which may cause injury or ill health to or death of human beings during handling and transportation. Thus, the Act provides for conditions of carriage and transportation of such hazardous goods through corridors, division of such substances or products into groups in relation to the degree of danger, prohibition and control of the importation, manufacture, sale, use, operation, application, modification, disposal or dumping of such substances and products and other matters connected therewith.
8. **Bilateral Agreements** concluded between South Africa and Malawi, Mozambique, Zambia and Zimbabwe, which provide for promoting and facilitating international road freight and passenger services. The agreements provides for formal acknowledgement of the need for the countries to facilitate cross border road transport movements, the conditions of carriage of goods and passengers, the need for harmonisation, vehicle documentation and establishment of Joint Route Management Committees and Joint Committees. They also provide for the need for equal treatment of transport operators and reciprocity between the two member states.
9. The **1996 White Paper on Transport** identifies the broad goal of transport being to achieve smooth and efficient interaction that allows society and the economy to assume their preferred form. Transport also plays a leadership role as a catalyst for development. The Paper also sets out the transport vision of the Republic as being the provision of safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers among others.
10. The **SACU MoU**, provides for facilitation and maintenance of effective road transport arrangements, and in particular equitable shares in road transportation with a view to support trade within the Customs Union. The C-BRTA in this regard works towards a common goal of improving cross border road transport operations with a view to improving the sector.

11. The **Trans Kalahari Corridor (TKC) MoU**, provides for promotion of effective and integrated management of the TKC. The TKC was established with a view to improve regional trade and economic development through efficient transport. Improving the efficiency of transportation is brought about by reduction of constraints and bottlenecks whilst at the same time reducing externalities, improving market access and improving productivity.

12. South Africa is also a signatory to some international conventions, which were designed to enhance the harmonisation and facilitation of efficient road transport movements, namely the **International convention on the harmonisation of frontier controls of goods, of 1982**, which aims to improve international movement of goods by all modes of inland transport; and the **Convention on road traffic, of 1968**, which provides for facilitation of road traffic and increasing road safety through the adoption of uniform road traffic rules. As the Agency implements its mandate, the Agency considers the provisions of these conventions.

B. INSTITUTIONAL PERFORMANCE

The activities of the Cross-Border Road Transport Agency (C-BRTA) are organised in five divisions with projects.

The five programme areas are aligned to the strategic objectives in the form of a performance scorecard that could easily measure the achievements against the set objectives.

The anchor of the Agency is captured in the Annual Performance Plan 2016-17 with targets for each quarter. Further, other operational activities are included in the Operational Plans and monitored on a monthly basis.

The five core functional areas are the following:

A. Administration

- Human Resources and Administration
- Finance and Supply Chain Management (SCM)
- Office of the Chief Information Officer (CIO)
- Governance and Legal Services

B. Regulatory Services

C. Road Transport Inspectorate (RTI)

D. Facilitation and Industry Development (FID)

E. Office of the Chief Executive Officer (CEO)

3. EXECUTIVE SUMMARY

3.1. Overview of Agency's Performance

During the quarter under review, a total of eighteen (18) predetermined indicators were planned, with each division having a minimum of two (2) indicators, with the exception of Finance and Supply Chain Management which has one indicator.

The performance for the quarter is 61.11%, which represents achievement of eleven (11) out of eighteen (18) predetermined indicators. This represents a 13.28% improvement in performance when comparing with the first quarter of the 2015/16 financial year, where the performance was at 47.83%.

The Agency has implemented initiatives to recover the targets that were not met at the end of the quarter and these will be monitored on an on-going basis.

Figure 1 below graphically outlines the Agency's performance as attained by the different divisions in Quarter 1:

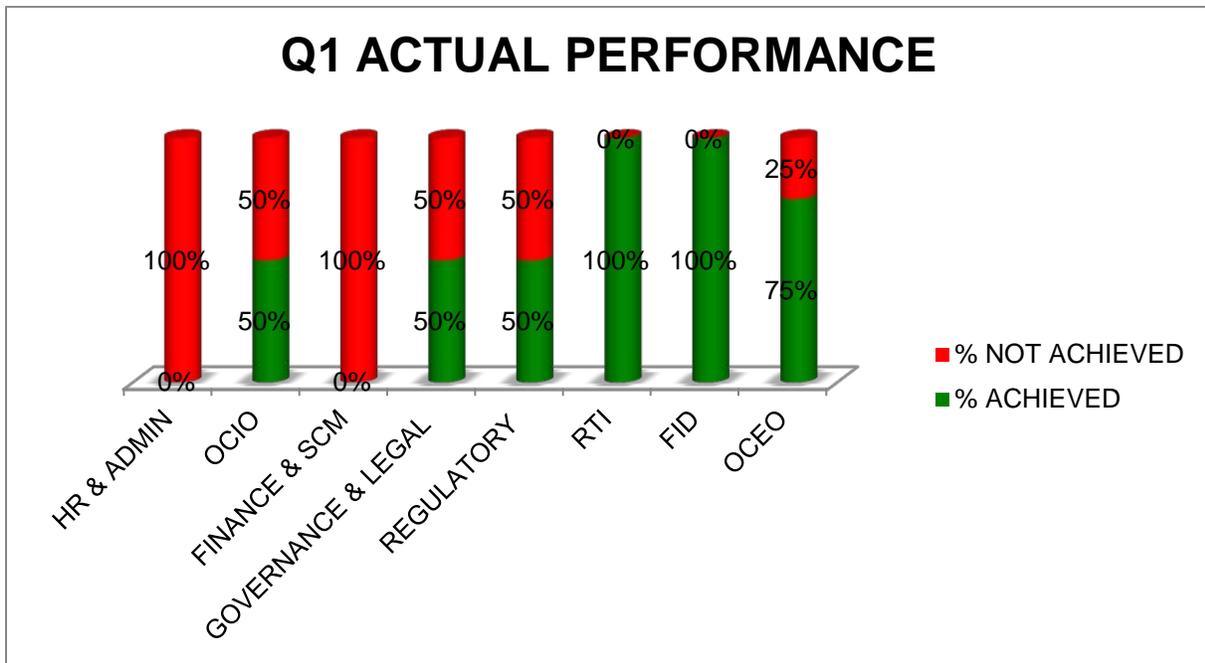


Figure 1: Performance indicator per division

Figure 2 below further graphically outlines the Agency's performance as attained by the different divisions in Quarter 1:

| PROGRAMME | Q1 | | | |
|---|-----------|-----------|---------------|----------------|
| | KPIs | ACHIEVED | % ACHIEVED | % NOT ACHIEVED |
| HUMAN RESOURCES & ADMINISTRATION | 2 | 0 | 0% | 100% |
| FINANCE & SCM | 1 | 0 | 0% | 100% |
| OFFICE OF THE CHIEF INFORMATION OFFICER | 2 | 1 | 50% | 50% |
| GOVERNANCE & LEGAL SERVICES | 2 | 1 | 50% | 50% |
| REGULATORY SERVICES | 2 | 1 | 50% | 50% |
| ROAD TRANSPORT INSPECTORATE (RTI) | 2 | 2 | 100% | 0% |
| FID | 3 | 3 | 100% | 0% |
| OCEO | 4 | 3 | 75% | 25% |
| OVERALL PERFORMANCE | 18 | 11 | 61.11% | 38.89% |

Figure 2: Breakdown of Performance indicator per division

Figure 3 below outlines the Agency's Overall performance for Quarter 1:

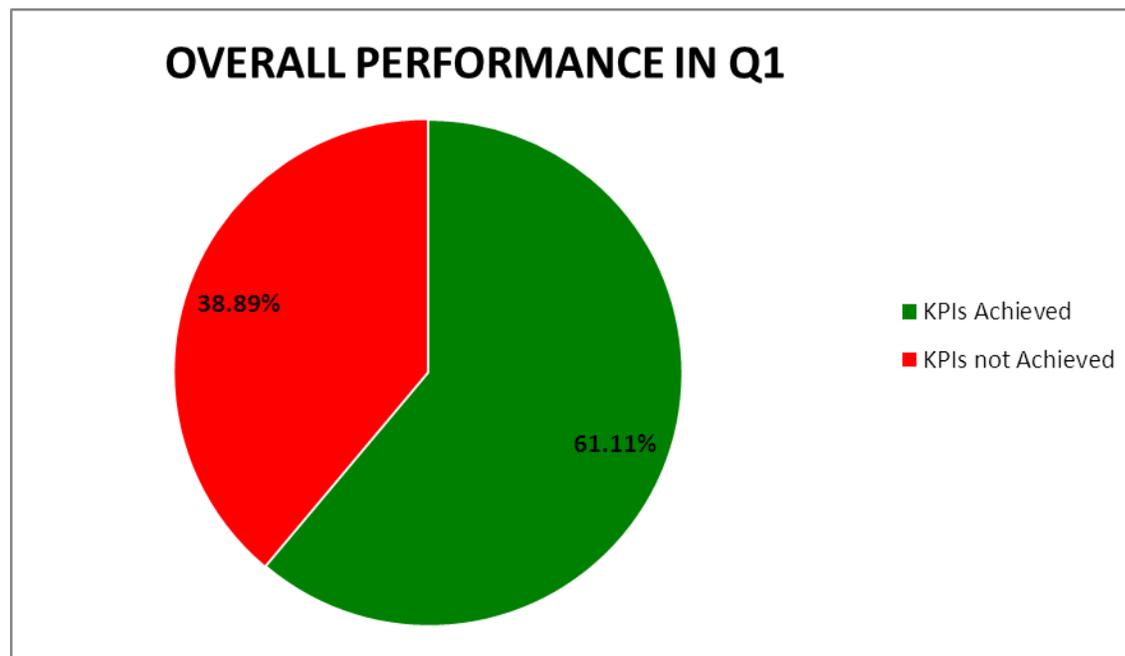


Figure 3: Overall Quarter 1 Performance

4. PERFORMANCE INFORMATION BY DIVISION

4.1. PROGRAMME ADMINISTRATION

4.1.1. Human Resources and Administration

4.1.1.1. Introduction

The purpose of the Human Resources and Administration division is to provide professional advice and related services, human resources and facilities management to enable and enhance business delivery. These services include developing and adopting strategies that are responsive to the business strategy and strategic tasks confronting the Agency.

4.1.1.2. Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|--|--|-----------------------|--|
| Percentage improvement in organisational culture | Submit implementation plan to Board for approval | <p>The implementation plan was developed and presented to the Human Resources and Remuneration Committee (HR & REMCO).</p> <p>The implementation plan was referred back to Management for further work and enhancement. The implementation plan will be presented to HR & REMCO at the meeting of July 2016.</p> | Not achieved | <p>Target not achieved.</p> <p>The implementation plan presented to HR & REMCO was not approved and recommended to Board due to material enhancements that were recommended.</p> |

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|--|---|-----------------------|--|
| Facilitate the migration of the Road Transport Inspectorate function to Road Transport Management Cooperation (RTMC) | Board approval for establishment of Inter-Agency Transition Project Team and implementation Plan | A draft plan was developed and served at the Executive Committee meeting (EXCO) and recommended changes were effected. Thereafter the Migration implementation plan was presented to HR & REMCO and was referred back to Management for further enhancements. | Not achieved | Target not achieved. Additions from HR & REMCO were not effected timeously for tabling with the Board for approval. |

A Culture Change and the Migration Implementation Plans were referred back by the Human Resources and Remuneration Committee (HR & REMCO) for further enhancements.

The set targets for quarter 1 for Human Resources and Administration were not achieved.

4.1.1.2.1. Annual Performance Plan Achievements/Progress

The following progress was made on targets that were due in the quarter:

4.1.1.2.1.1. Percentage improvement in organisational culture

A Draft Plan served at EXCO and changes thereof were effected. HR & REMCO recommended material changes to the plan and will be considered at the next meeting, the target was not achieved.

4.1.1.2.1.2. Facilitate the migration of RTI function to RTMC

A draft plan was served at EXCO and changes thereof were effected, thereafter it was presented to HR & REMCO. An internal Operational Task Team has been set up to manage the migration project.

4.1.1.3. Key challenges and corrective action

There have been challenges with the availability of relevant officials at the Road Traffic Management Corporation (RTMC) due to other commitments. There are on-going engagements to ensure the engagements take place to align processes and plans for the Migration of the RTI function.

4.1.2. Finance and Supply Chain Management (SCM)

4.1.2.1. Introduction

The purpose of the Finance and Supply Chain Management (SCM) division is to ensure provision of financial and supply chain management to the Agency and its line functions while ensuring compliance with statutory requirements and best practice models.

4.1.2.1. Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|---|--|-----------------------|--|
| Developed and implemented new revenue streams as per financial sustainability strategy | Submitted revised financial sustainability strategy to Board for approval | <p>The engagement with the Department (DoT) of Transport on the identified key revenue stream (implementation of cross border charges) took place during the quarter under review.</p> <p>A Task Team has been established in the Department of Transport and officials from the Agency are part of the team. The Terms of Reference have been finalised and awaiting final approved by the relevant authority within the Department of Transport.</p> | Not Achieved | <p>The ongoing engagements with the Department of Transport will inform the revision of the Financial Sustainability strategy.</p> <p>Delayed meeting with the officials from the Department of Transport to discuss and agree on the process of implementing cross border charges, which is a key revenue stream as per the approved financial sustainability strategy.</p> |

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|-----|----------------|--|-----------------------|-----------------------------------|
| | | A project plan for the implementation of the cross border charges was drafted and submitted to the Department of Transport for further consideration and approval. | | |

The key performance indicator for the current year relates to the implementation of the identified streams, particularly the implementation of cross border charges. The Agency has set a strategic objective of ensuring that it is financially viable and sustainable. To ensure financial sustainability, the Agency developed a financial sustainability strategy in the 2015/16 financial year and identified various revenue streams which can be pursued by the Agency.

A feasibility exercise was conducted on the identified revenue streams. The outcome of feasibility exercise indicated that the implementation of cross border charges and accreditation fees for the accreditation of operators in the operator accreditation scheme are both feasible to fund the operations of the Agency.

4.1.2.1.1. Annual Performance Plan Achievements/Progress

4.1.2.1.1.1. Developed and implemented new revenue streams as per financial sustainability strategy

The Department of Transport was consulted on the business case on comprehensive levying of cross border user charges. A joint Task Team was established comprising of officials from the Department and the C-BRTA and the Terms of Reference (ToR) for the Task Team are awaiting approval from relevant authority within the Department.

The Agency drafted a project plan aligned to the Terms of Reference (ToR) and the Annual Performance Plan for further discussion and finalisation by the Task Team.

The financial sustainability strategy will be reviewed and revised once agreement has been reached with the Department of Transport on the project plan. The target was not achieved.

4.1.2.2. Other strategic initiatives

The current revenue stream of permit fees is under threat from the SADC liberalization agenda. The Agency has identified accreditation fees as a stream that will replace permit fees as and when the quality regulations are fully implemented as part of the liberalization of SADC. The Agency is currently developing an accreditation scheme for operators and this is in support of the envisaged quality regulations. It is envisaged that accreditation fees will be levied to operators who apply to be accredited to the scheme.

The stream will be implemented in the long term once the operator accreditation scheme is in place. Initial engagements has taken place with the research team and a comprehensive research on the on the introduction of quality regulations and their impact on permit tariff regime is still to be conducted.

With the Constitutional Court judgement of the 12th May 2015 declaring the 2011 permit tariff invalid, the liability of R318 million relating to operator refunds was created in the financial books. The Agency has since developed a turnaround plan to ensure business continuity and sustainability of operations while servicing the liability. The liability is mainly serviced through savings generated by the implementation of cost containment measures. With tightly management of the expenditure, the Agency was able generate a surplus of R11,2 million in the first quarter for the year. Monthly management accounts are produced and used to monitor financial performance and position of the Agency as well as its cash flow.

The Supply Chain Management unit continues to process procurement requirements in accordance with the relevant prescripts.

4.1.2.3. Key challenges and corrective action

The current financial position of the Agency is a challenge as it reflects a state of technical insolvency. This is as a result of the liability for operator refunds. A Turnaround Plan was developed and is being implemented with a view of diversifying the revenue base.

Cost containment measures are being implemented to generate surpluses that can be used to service the obligation.

The implementation of the cross border charges and other identified revenue streams requires the active support of the Department of Transport and there are on-going engagements with the officials of the Department and a joint Task Team has been established.

Capacity is being created within the internal control unit with the filling of the post of Manager: Risk Manager and Internal Control.

4.1.3. Office of the Chief Information Officer

4.1.3.1. Introduction

The purpose of the Office of Chief Information Officer (Information Technology Services) Division is to provide Information and Communication Technology (ICT) support to business and ensure that technology adds value to the business and its stakeholders through introduction of efficiencies.

4.1.3.2. Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|---|---|--|-----------------------|---|
| Developed and implemented new business system (Permit system) | Submitted project plan to the Board for approval | The Project Plan was developed and recommended by the Audit and Risk Committee subject to changes. The changes from the Audit and Risk Committee are still being incorporated. | Not Achieved | The changes from the Audit and Risk Committee are still being incorporated to the Project Plan prior to presentation to the Board for approval. |
| Optimise Technology Foundation | Submitted implementation plan to the Board for noting | The Board noted the Implementation Plan for Optimising Technology Foundation | Achieved | |

4.1.3.2.1. Annual Performance Plan Achievements/Progress

The following progress was made on targets due in the quarter:

4.1.3.2.2. Developed and Implemented new permit system

The objective of this target is to develop a new permit system that will replace the current legacy system used by the Regulatory Services Division which is not supporting business and operators' requirements.

The implementation plan was not presented to the Board for approval therefore the target was not achieved.

4.1.3.2.3. Optimise Technology Foundation

The objective of this target is to upgrade the technology platforms of the Agency i.e. both back-end front-end to enable efficient and effecting IT services. The target for the quarter required that an implementation plan be noted by Board and was done after Executive Committee approval of the plan. The target was achieved.

4.1.3.3. Other strategic Initiatives

An information security management system (ISMS) is a set of policies concerned with information security management or IT related risks. The governing principle behind ISMS is that an organization should design, implement and maintain a coherent set of policies, processes and systems to manage risks to its information assets, thus ensuring acceptable levels of information security risk. Information Security Management Policy has been defined and approved by the IT Steering Committee

The file plan was developed and approved by EXCO, however the file plan can only be implemented after approval by the National Archives and Records Services of South Africa (NARS). While IT has the necessary back up and offsite storage of tapes, the Disaster Recovery Site can only be established once a remote site has been identified and a service provider appointed.

4.1.3.4. Key Challenges and corrective action

The main challenge in the IT division involves the current limited IT capacity, however, the process to request recruitment of more personnel has commenced through the Human Resources and Administration division. There are dependencies from internal functions, particularly Supply Chain Management, which if not properly managed pose, a threat on the achievement of some targets.

4.1.4. Governance and Legal Services

4.1.4.1. Introduction

The purpose of the Governance and Legal Services division is to establish sound corporate governance systems by providing guidance to the Board and its subcommittees, monitor and report on compliance matters, conduct investigations to prevent fraud and corruption, provide legal support and advisory services and facilitate internal audit, and Risk Management.

4.1.4.2. Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|--|--|-----------------------|--|
| Implemented fraud and corruption prevention programmes | Submitted Fraud and corruption implementation plan to the Board for approval | The Board approved the implementation plan on Fraud and Corruption | Achieved | |
| Developed Business Case on comprehensive levying of cross border charged | Developed discussion paper and workshopped with the relevant stakeholders | Discussion paper was developed but only Internal stakeholders were consulted | Not Achieved | Although draft discussion paper was drafted external stakeholder consultation is outstanding |

In the quarter under review, the Board approved the Fraud and Corruption implementation Plan, which was a key performance indicator for Quarter 1 of the Annual Performance Plan.

4.1.4.2.1. Annual Performance Plan Achievements/Progress

The following progress was made on targets due in the quarter:

4.1.4.2.1.1. Implemented fraud and corruption prevention programmes

The Board approved the implementation plan of fraud and corruption, therefore the target was achieved.

4.1.4.2.1.2. Developed Business Case comprehensive levying of cross-border charges

An internal task team was established to develop a discussion paper on Cross-Border charges. An inaugural meeting was convened to develop a draft discussion paper based on the Business case that was approved by the Board.

The Agency is part of the Task Team with the Department of Transport, which Task Team was established to consider the Cross-Border Road charges and this process will inform the discussion paper. A workshop is planned with external stakeholder in order to finalize the discussion paper. The target was not achieved.

4.1.4.3. Other strategic Initiatives

The Board approved the draft Permit fee Regulations that must be submitted to the Minister of Transport for publication.

Although the Regulatory Committee considered the Draft Route Adherence Regulations, the Committee resolved that an independent legal opinion be sought to determine whether the C-BRT Act empowers the Minister to promulgate such Regulations.

Induction sessions were conducted for the newly appointed Board members and for the Board sub-committee: Human Resources and Remuneration Committee (HR and Recom). Although the Committees membership were re-established and approved by the Board in May 2016, the Board has resolved to reconsider this in the second quarter. Currently the Committees are operating as per the Board resolution of May 2016.

As part of providing guidance and direction to the Agency, the Board established an ad hoc Committee to consider the possibility of out of court settlement on the 2014 Regulations Court review application. The Committee is ready to make recommendations to the Board after obtaining a legal opinion from the attorneys on record.

The Internal Audit Plan was drafted in consultation with Management and presented to the Audit and Risk Committee for consideration and approval. The Audit and Risk Committee was further presented with the revised internal Audit Charter and the revised Audit Committee Charter which were approved. The revised Audit Committee Charter was finally adopted by the Board of Directors.

4.1.4.5. Key Challenges and Corrective Action

The establishment of the Task Team by the Department of Transport required the review and alignment of processes and impacted of progress made by the Agency's internal Task Team on comprehensive levying of cross-border charges. A parallel process will be conducted between the internal Task Team and Departmental Task Team in order to achieve this target.

4.1.5. Regulatory Services

4.1.5.1. Introduction

The Regulatory Services Division is responsible to regulate and control access to the cross-border road transport market of freight and passengers. The regulation is based on a permit administration regime, which is anchored on principles of reciprocity, equal treatment, non-discrimination and extraterritorial jurisdiction. The objective of the regulation services is to improve and promote social and economic development and regional integration through progressive liberalization of the cross-border freight market and by means of the introduction of regulated competition within the cross border passenger market.

The Division is also tasked to ensure compliance to the Agency's empowering and related legislation as well as the provisions of the bi- and multi-lateral road transport agreements. It is worth noting that the latter agreements are attached to the Transport Deregulation Act, as amended, that consequently accords the provisions of the agreements the same status as domestic law.

4.1.5.2. Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|---|---|-----------------------|---|
| Implemented scientific tool used by the Regulatory Committee to manage supply and demand of cross border passenger transport | Progress report on the pilot implementation to the Regulatory Committee for noting | The Regulatory Committee noted the progress report on the pilot implementation | Achieved | |
| Developed and implemented Operator Compliance Accreditation Scheme (OCAS) | Consult with key transport stakeholders to facilitate the National Feasibility Assessment | A Consultation plan was developed. The National Transport Forum was consulted on the National Feasibility Assessment. | Not Achieved | The Consultation Plan and Report are pending tabling to EXCO. |

The progress report on the pilot implementation of Market Access Regulation was tabled and noted by the Regulatory Committee. An initial consultation with Zambia and a follow-up consultation with Mozambique were executed during. Draft Consultation plan developed after presentation on the execution of the SEIAS at the National Transport Forum and the Operator Stakeholder Forum.

4.1.5.2.1. Annual Performance Plan Achievements/Progress

The following progress was made on key performance indicators due in the quarter:

4.1.5.2.1.1. Implemented scientific tool used by the Regulatory Committee to manage supply and demand cross-border passenger transport

The progress report on the pilot implementation of Market Access Regulation was considered by Executive Committee and noted by the Regulatory Committee therefore, the target was achieved.

4.1.5.2.1.2. Developed and Implemented Operator Compliance Accreditation Scheme (OCAS)

A workshop was executed as part of the consultation plan at the National Transport Forum. The Consultation Plan and Report are pending tabling to EXCO. The target was not achieved.

4.1.5.3. Other strategic initiatives

4.1.5.3.1. Regulatory Services Operations

Adjudication of application for temporary permits submission of permits issued was tabled and approved by the Regulatory Committee on 21 June 2016.

Percentage of temporary permits issued from front and remote office within pre-determined turnaround times, permits issued in line with benchmark – 3 days for compliant remote applications and 1 day or temporary applications.

4.1.5.4. Other strategic initiatives

The annual target is 76 000 permits which translates to 6 333 permits per month and 19 603 permits were issued during the quarter under review, 604 permits more than the projected target.

| Applications referred to Counterparts | | |
|--|------------------|------------------|
| Swaziland | 12 applications | Taxis |
| Botswana | 15 applications | Taxis |
| | 1 application | Organised Group |
| Lesotho | 3 applications | Organised Groups |
| Namibia | 1 application | Organised Group |
| Zambia | 1 application | Organised Group |
| Mozambique | 127 applications | Taxis |
| | 2 applications | Organised Groups |
| Zimbabwe | 55 applications | Taxis |
| | 1 application | Organised Group |
| | 13 applications | Buses |
| Applications referred by Counterparts | | |
| Mozambique | 87 applications | Goods |
| | 2 applications | Buses |
| Zimbabwe | 1 application | Taxi |
| | 6 applications | Buses |
| | 1 application | Organised Group |
| Namibia | 20 applications | Taxis |
| | 2 applications | Buses |
| | 2 applications | Organised Groups |
| Botswana | 2 applications | Buses |

4.1.5.5. Key Challenges and Corrective Action

No serious challenges were experienced by the Regulatory Services during the reporting period. Consultations on the National Feasibility Assessment will be accelerated in the second quarter of the 2016/17 financial year.

4.1.6. Road Transport Inspectorate (RTI)

4.1.6.1. Introduction

The strategic intent of Road Transport Inspectorate (RTI) is to improve compliance with road transport legislation. The Division is structured to cover the following focus areas:-

Law enforcement - which involves targeted physical road side inspections to ensure compliance with all cross border road transport legislation as well as regional transport agreements, i.e. SADC Protocol on Transport, Communications and Meteorology. This is the core functional area of the programme and involves prosecution of non-compliant operators. Key to the success of the programme is the development of an efficient Inspectorate as well as collaboration with other law enforcement agencies.

Law enforcement profiling - which involves analysis of enforcement data for intelligence based decision making.

4.1.6.2. Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|---|--|-----------------------|--|
| Percentage increase in the number of inspections conducted | Conduct 58 534 inspections | 62 816 inspections were conducted | Achieved | Targeted inspections at busy regions such as Limpopo and Gauteng |
| Number of key findings reports on inspections and prosecutions | Submit Law Enforcement Section 39(2) report to Board for noting | The Law Enforcement Section 39(2) report was submitted before the Board on 21 June 2016 for noting | Achieved | |

4.1.6.2.1. Annual Performance Plan Achievements/Progress

The following progress was made on key performance indicators due in the quarter:

4.1.6.2.2. Percentage increase in the number of inspections conducted

For the quarter under review, the target was to conduct 58 534 inspections and 62 816 inspections were conducted. Therefore, the target was exceeded. This was achieved through targeted inspections at busy regions such as Limpopo and Gauteng.

4.1.6.2.3. Number of key findings report on inspections and prosecutions as approved by the Executive Committee (EXCO)

The Law Enforcement Section 39(2) report was submitted to the Board for noting on 21 June 2016 and therefore the target was achieved. Some of the critical findings were:-

- 786 expired permits were returned out of a total of 4 471. This reflects a non-compliance rate of 82%.
- The vehicle types with the highest non-compliance rate are condor/stallion: 100%, panel wagon: 100%, bakkies: 94%, buses: 93% and midi-buses: 90%. The source for the volumes of foreign registered commercial vehicles that enter South Africa from SADC Region is mainly the CSIR database and some research conducted by the C-BRTA Research Unit.
- A total of 2 524 permits for freight vehicles expired compared to 1 768 passenger permits. The findings are that there is a tendency for short-term permits to be altered into one-year permits for use by illegal operators. The highest number of permits issued to South African Cross Border Road Transport vehicles are traveling to the SADC Region are destined to Zambia, followed by Zimbabwe and then Mozambique. There is currently no information on the volumes of South African cross-border vehicles into the SADC Region, therefore the information is based on the number of permits issued by the C-BRTA.
- The analysis also reflects that most 14-day permits were not returned with a non-compliance rate of 88%.
- The Countries with the highest number of expired permits were Mozambique with 1047, Zimbabwe with 1682 and Botswana with 724.
- Tourist permits do not have a specific destination and none were returned.
- The highest volumes of foreign cross-border road transport coming into South Africa, originates from Zimbabwe, followed by Zambia and Mozambique.

- The highest volume of South African cross-border freight vehicles into SADC region is destined to Zambia, followed by Zimbabwe and Mozambique. Zimbabwe is the biggest trading partner of South Africa in SADC, Zambian industries and mines export the bulk of their commodities to Asian countries through the port of Durban and industrial links between South Africa and Mozambican firms.
- A total number of 576 fines were issued to operators for operating contrary to their permit conditions, (fail to adhere to time-table and operate when they are not supposed to operate in specific days), which contributes to border congestion.
- The highest numbers of un-roadworthy vehicles were found in Limpopo and Gauteng with 311 and 181 respectively.

4.1.6.3. Other strategic initiatives

Number of borders with permanently deployed Inspectors within 2km proximity from major borders

- (i) Violsdrift: Tuesday to Sunday
Deployment for the reporting period (1 April 2016 to 20 June 2016) was made from Tuesdays to Sundays. No deployment was made for the week of 03 to 06 May 2016. In view of adherence to implementing cost containment measures and reducing operational expenditure by 20 percent, it was not financially viable to deploy an Inspector for a day or two in that week.
- (ii) Ficksburg: Monday to Friday
Deployment for the reporting period (1 April 2016 to 20 June 2016) was made from Mondays to Fridays. Additional deployment was made on most weekends.
- (iii) Skilpadhek: Thursday and Friday
Deployment for the reporting period (1 April 2016 to 20 June 2016) was made on Thursdays and Fridays between 06:00 and 13:00.

4.1.6.4. Key Challenges and Corrective Action

There was uncertainty regarding the migration of Law Enforcement to the Road Traffic Management Corporation (RTMC), which led to the affected staff having low morale. This is currently being addressed with the consultations by the Human Resources and Administration division. The consultations will continue as planned until the migration is realised.

4.1.7. Facilitation and Industry Development (FID)

4.1.7.1. Introduction

The purpose of the Facilitation and Industry Development (FID) Division is to establish and maintain co-operative and consultative relationships and structures with key stakeholders in South Africa and in the SADC region with a view to removing impediments and operational constraints experienced by operators along the cross-border road transport corridors with a view to improve the unimpeded flow by road of freight and passengers in the region. In addition, FID monitors the implementation of cross-border road transport agreements with counterpart countries to ensure that cross-border operations are based on reciprocity, equal treatment and non-discrimination.

The Division also exists to add value to cross-border road transport operations by facilitating the provision of training, capacity building and the promotion of entrepreneurship generally and, in particular, in respect of small, medium and micro-enterprises with an interest in cross-border road transport.

4.3.2. Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|--|---|-----------------------|-----------------------------------|
| Percentage of operator constraints addressed within 6 months | Submitted progress report on operator constraints addressed and resolved within 6 months to the Board for noting | The Board noted submitted progress report on constraints addressed and resolved | Achieved | |
| Percentage of operator conflicts addressed within 6 months | Submitted progress report on operator conflicts registered to the Board for noting | The Board noted the submitted progress report on conflicts registered | Achieved | |

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|--|--|-----------------------|--|
| Number of the Industry Partnership Development Plan (IPDP) recommendations implemented | Submitted Board stakeholder forum reports for noting | The Board noted the stakeholder report of two forums | Achieved | Two forums were held during the reporting period |

The Agency performed relatively well with regard to the resolution of operators constraints which were 71.43% and the resolution of passenger operator conflicts 80% in the quarter under review.

In as far as the implementation of the Industry Partnership Development Programme is concerned; the division hosted a Stakeholder Consultative Forum and Operator Forum for taxi operators.

4.3.2.1. Annual Performance Plan Achievements/Progress

The following progress was made on key performance indicators due in the quarter:

4.3.2.1.1. Percentage of operator constraints addressed within 6 months

The cross-border operators face challenges in the cross-border corridors while conducting their business. These barriers and constraints are encountered domestically in South Africa or in the destination or transit country. The Board noted the progress report reflecting 71.43% performance on the operator constraints addressed and resolved during this reporting period, therefore target was achieved.

Five (5) constraints were carried over from the previous financial year:

1. Operators reported that people not holding South African passports are treated differently by Immigration at the Beitbridge Border Post. Furthermore there are continuous changes by Immigration authorities on entry at both Zimbabwe and the South African side of the border. This constraint was closed after the investigation was concluded.

2. The communities near Magobistad Border Post complained about the restricted movement due to the limited operational hours of the border. They also requested that the travellers between South Africa and Botswana be provided with Customs services on an ad hoc basis since they have to use the Ramatlabama if they have goods to declare. The constraint is still open and engagements are on going to resolve the constraint.
3. The Dedza Border Post between Malawi and Mozambique closes at 18h00. The infrastructure at the border is limited and lighting is inadequate. In the winter season when it gets dark, buses that arrive at the border post after 17h00 are not cleared by Customs as the border closes at 18h00, resulting in the buses spending the night at the border post. The constraint is still open and has been referred to the Malawi Ministry responsible for Transport to engage relevant authorities.
4. South African operators are experiencing delays at the Container Depot (CONDEP) of up to three days and the facilities are inadequate, creating unbearable conditions. This constraint was closed after engagements with ZIMRA.
5. South African operators complained that officials that escort trucks from the Beitbridge Border Post to CONDEP demand payment of bribes so that they could be escorted immediately. This constraint was closed after being dealt with at the Beitbridge inter-border meeting.

Two constraints were reported in the quarter:

1. South African tanker vehicle operators transiting to either to Zambia or the Democratic Republic of Congo (DRC) are being delayed at the Beitbridge Border Post due to the Zimbabwe Revenue Authority (ZIMRA) system of randomly selecting tanker vehicles for inspections. This leads to delays. This constraint was closed after being dealt with at the Beitbridge inter-border meeting.
2. South African operators have reported that they wait to be escorted from the Beitbridge Border area to the CONDEP for days. This constraint was closed after engagements with ZIMRA and was targeted at operators doing illegal activities.

4.3.2.1.2. Percentage resolution of passenger transport conflicts registered and resolved within 6 months

From time to time cross-border taxi operators will complain about the operations of other cross-border stakeholders that impact negatively on their business. The Agency regards these complaints as conflicts if stakeholders involved could not resolve the situation, and mediation interventions are undertaken to resolve the conflict. The progress report showing 80% resolution of passenger operators conflicts registered during the reporting period has been noted by Board therefore the target was achieved.

Three conflicts were carried over from the previous financial year:

1. Suspension of MAGALDTA's operations in Rustenburg by RUSZMOLDTA. The conflict was escalated to the Ministry of Transport in Zimbabwe.
2. BCBTA's possession of permits to Gweru where they have no joint venture partners in Gweru. The conflict was resolved after it was established that they operate on different routes.
3. Harassment of South African taxi operators by the MOSALDTA members. The matter was resolved at a special Joint Committee meeting held in Nelspruit.

Two constraints were reported in the quarter:

1. Unfair treatment of members by N4 cross-border taxi association's executive committee. The matter is still in progress.
2. Intimidation of Ekurhuleni Taxi Association (ETA) members by the Bushbuckridge Transport Services (BTS), where BTS forces ETA members to produce permits and confiscate them. The matter was resolved through engagements with the two parties.

4.3.2.1.3. Number of Industry Partnership Development Plan (IPDP) recommendations implemented

- The Stakeholder Consultative Forum serves as a platform where all government stakeholders with a role to play in the cross-border road transport industry discuss ways and means of improving the unimpeded flow by road of freight and passengers in the region improving; and reducing operational constraints for the cross-border road transport industry as a whole.
- Cross Border Taxi Operators Forum is a platform to raise challenges facing cross-border road transport operators; together come up with solutions to challenges; share information that will improve operations; share latest developments affecting cross-border operations; and give update on reported issues and challenges. The Stakeholder Forum Report was submitted to Board for noting. The target was achieved.

4.3.3. Other strategic initiatives

- A number of initiatives were undertaken to facilitate the provision of training, capacity building and the promotion of entrepreneurship with a focus on passenger cross-border road transport operators.
- The Agency continues to maintain relationships with industry stakeholders by engaging in bilateral engagements and participating in a number of forums and consultative networks.
- The Small, Medium and Micro-sized Enterprise (SMME) Development Support Plan has been finalized and completed.
- Implement strategies to encourage the cross-border road transport industry to become more self-regulatory.

4.3.4. Key challenges and corrective action

The Facilitation and Industry Development Division had no serious challenges during the reporting period.

4.1.8. Office of the Chief Executive Officer

4.4.1 Introduction

The main purpose of the Office of the Chief Executive Officer is to provide strategic support by driving initiatives within the areas of strategic projects, international relations, customer services, research and project management in the C-BRTA, to enable the organisation to achieve its objectives and goals.

The Division is also responsible for organisational performance and communication within the Agency. This Division provides oversight on performance monitoring and evaluation to ensure that a sound performance culture is embedded within the organisation.

4.4.2 Divisional Executive Summary

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|--|--|---|-----------------------|-----------------------------------|
| Number of Annual State of Cross Border Operations Reports (ABSCOR) submitted to the Minister and other relevant stakeholders | Submitted progress report on ASCBOR to the Board for noting | The Board noted the progress report on ASCBOR | Achieved | |
| Number of Country profiles developed or updated | Progress report on the development of the country (Malawi) profile | The Board noted the progress report on the Malawi country profile | Achieved | |
| Percentage achieved on client satisfaction survey conducted on freight and passenger (taxi and buses) operators | Develop Survey Plan | EXCO approved the Survey plan | Achieved | |

| KPI | Planned Target | Actual Performance | Achieved/Not Achieved | Reason for Non-/ over achievement |
|---|---|---|-----------------------|---|
| Number of initiatives to increase C-BRTA's visibility | At least one (1) paper presented at transport conferences | Two (2) topics submitted to Transport Conferences were not accepted | Not Achieved | No paper was presented at a Transport Conference in the reporting period. |

In an effort to improve the satisfaction levels of cross-border customers, the Agency developed a Customer Satisfaction Survey Plan that is intended to guide the Agency in measuring the satisfaction of cross-border operators with its products and services.

4.4.2.1 Annual Performance Plan Achievements/Progress

The following progress was made on targets due in the quarter:

4.4.2.1.1 Number of Annual State of Cross-Border Operations Report submitted to the Minister and other relevant stakeholders

The Progress report on the Annual State of Cross-Border Operations Report provides solutions that can be implemented to overcome cross-border constraints based on lessons learned from other regions and best practices. The progress report on Annual State of Cross-Border Operations Report was noted by the Board. The target was achieved.

4.4.2.1.2 Number of country profiles developed or updated

The Progress report on the development of the Malawi country profile was developed and submitted to the Board for noting. The country profile will focus on trade environment; trade policy; documents required for importation and exportation; business environment; road transport legislation; road user chargers; passenger volumes and trends amongst other key cross border issues. The target was achieved.

4.4.2.1.3 Percentage achieved on client satisfaction survey conducted on freight and passenger (taxis and buses) operators

The Customer Satisfaction Survey plan was developed, presented to the Executive Committee and approved. The Customer Satisfaction Survey plan covers platforms for conducting surveys;

questionnaire forms; survey process and the customer satisfaction score. The target was achieved.

4.4.2.1.4 Number of initiatives to increase visibility of the C-BRTA

The Division submitted two presentation topics to two different conferences for consideration i.e. the Southern African Railway Conference and the 1st Annual Fleet Management, Risk and Security Conference, both held in May 2016. However, the topics submitted for the quarter were not approved for presentation. The target was not achieved.

4.4.3 Key challenges and corrective action

The achievement of the target on increasing the visibility of the C-BRTA through presentation at Transport Conferences is dependent on external stakeholders' acceptance of proposed topics in line with the conference theme. To mitigate this problem in future the Division is developing a process of proactively identifying other relevant future Transport related Conferences to present papers at.

C. CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the quarter.

D. SUMMARY OF FINANCIAL INFORMATION

Refer to Management Accounts.

E. ANNEXURE

Refer to the performance dashboard.