



## QUARTER 2 PERFORMANCE REPORT AS AT 30 SEPTEMBER 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. This second performance report is a reflection of the C-BRTA mid-term performance against the Annual Performance Plan 2016-17.

#### **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

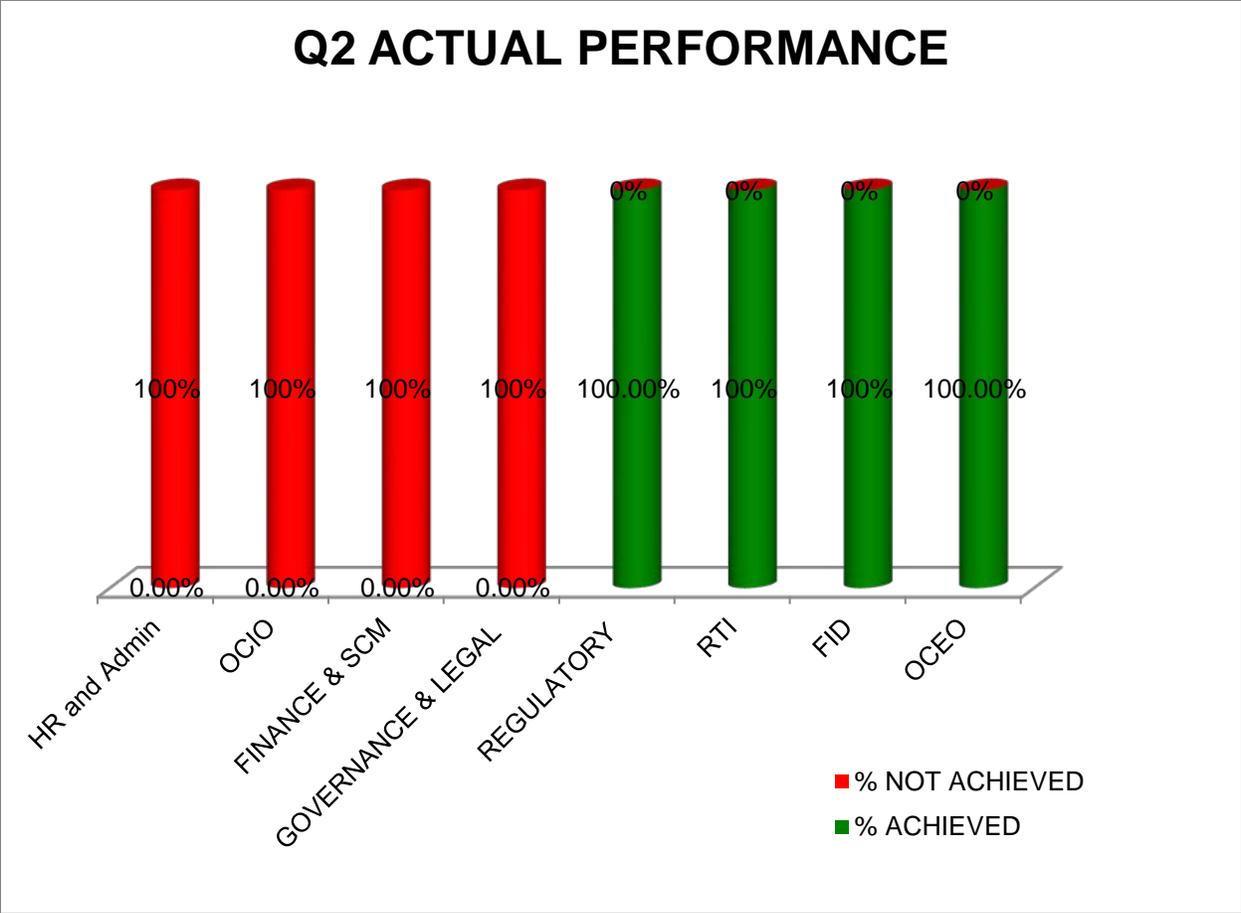
During the quarter under review, a total of eighteen (18) predetermined indicators were planned, with each division having a minimum of two (2) indicators, with the exception of Finance and Supply Chain Management which had one indicator.

The Quarter 2 performance is 61.11%, which represents achievement of eleven (11) out of eighteen (18) predetermined indicators. This implies a 33.84% improvement in performance when comparing with the second quarter of the 2015/16 financial year, where the performance was at 27.27%. The Agency implemented initiatives to recover the targets that were not met at the end of the quarter 1, whereby four (4) out seven (7) indicators were recovered, bringing the Quarter 1 performance to 83.33%. The year-to-date performance is standing at 72.22%.

It is important to note that the following indicators are at a risk of not being achieved due to a number of reasons as stated on the respective programmes (*see section 4.1.2; 4.1.3 & 4.1.4 below respectively*). This will reduce the Agency's performance by 16.67% at the end of the financial year. The indicators and annual targets are as follows:

- Developed and implemented new revenue streams as per financial sustainability strategy (Revised financial Sustainability Strategy & Implemented cross-border charges as a new revenue stream);
- Development and implemented new business system (Developed and piloted new permit System at Head Office); and
- Developed Business Case on Comprehensive levying of cross border charges (Submitted a draft legislative proposal on comprehensive levying of cross-border charges).

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



**Figure 1: Performance indicator per division**

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

PROGRAMME	Q2			
	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	0	0%	100%
GOVERNANCE & LEGAL SERVICES	2	0	0%	100%
REGULATORY SERVICES	2	2	100%	0%
ROAD TRANSPORT INSPECTORATE (RTI)	2	2	100%	0%
FID	3	3	100%	0%
OCEO	4	4	100%	0%
<b>OVERALL PERFORMANCE</b>	<b>18</b>	<b>11</b>	<b>61.11%</b>	<b>38.89%</b>

**Figure 2: Breakdown of Performance indicator per division**

Figure 3 below outlines the Agency's Overall performance for Quarter 2:

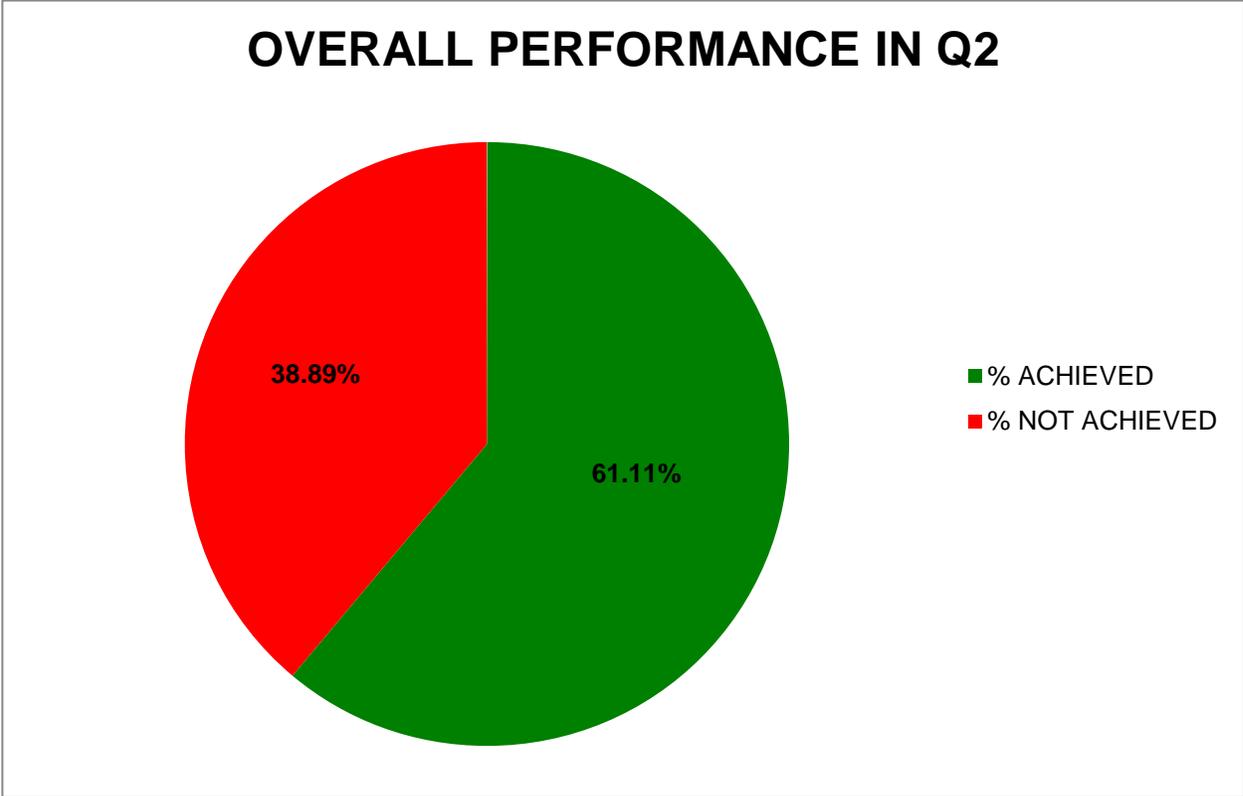


Figure 3: Overall Quarter 2 Performance

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 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	Progress report linked to approved implementation plan submitted to Board for noting	<p>A Culture Change Implementation plan was approved by Board as a recovery for Quarter 1 performance.</p> <p>A progress report has been drafted but will only be submitted to Board during the 3<sup>rd</sup> Quarter.</p>	Not achieved	<p>Target not achieved.</p> <p>Progress report was not submitted as the Implementation Plan was not yet submitted for Board approval before reporting on progress.</p> <p>The Culture Change implementation plan was subsequently approved by Board on 27 September 2016.</p>
Facilitate the migration of the Road Transport Inspectorate function to Road Transport	Progress report linked to approval Implementation Plan submitted to Board for	The RTI migration implementation plan was submitted to Board for noting	Not achieved	<p>Target not achieved.</p> <p>Progress report was not</p>

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
Management Cooperation (RTMC)	noting	as a recovery for Quarter 1 performance.  A progress report has been drafted but will only be submitted to Board during the 3 <sup>rd</sup> Quarter.		submitted as the Implementation Plan had not yet been submitted for approval by the Board.  The RTI Migration implementation plan was approved by Board on 27 September 2016.

#### 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 progress report on the implementation of the Culture Change Plan has been drafted and will be presented for approval in Quarter 3.

##### 4.1.1.2.1.2. Facilitate the migration of RTI function to RTMC

The progress report on the implementation of the RTI migration plan has been drafted and will be presented to Board for noting in Quarter 3.

##### 4.1.1.3. Key challenges and corrective action

The division's Annual Performance Plan targets for quarter 2 were not met, the quarter were Q1 targets were approved in the quarter under review. In addition, some of the HR operational plan targets linked to APP Implementation Plans were not achieved specifically as a result of the delay in the approval of the culture change implementation plan.

## 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 to the Minister a proposal to have the revenue streams implemented to the Minister.	The Agency has developed a Comprehensive Business Case for the introduction of cross border charges and submitted same to the Department of Transport and Ministry. A joint Task Team was established comprising of officials from the Department and the C-BRTA. The Terms of Reference for the Task Team as well as the project plan were drafted and submitted to the Department for further consideration and inputs. The Task Team has not met in the second quarter to consider and approve the project plan.	Not Achieved	Target not achieved.  The introduction of cross border charges requires a partnership approach with the Department of Transport and buy-in from other government stakeholders (SARS, DTI, DIRCO, Department of Tourism). Due to the nature and impact of the project, the Agency requested the Department to inform relevant government stakeholders of the need to consult with them on the intention to introduce cross border charges.

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
		The Office of the Director-General was approached to provide support with regard to consultations with key stakeholders (South African Revenue Service, Department of Trade and Industry, Department of Tourism, etc.) and still awaiting response. A comprehensive proposal (or cabinet memorandum) will be submitted to the Minister once consultations with these public sector stakeholders have taken place.		Letters were drafted and send to the Office of the Director-General for consideration and signature before dissemination to the stakeholders. The Agency is still awating the Department to inform stakeholders accordingly.  The mid-year assessment projects that this target will not be met at the end of the financial year.

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 the 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 Agency has developed the comprehensive business case for the introduction of cross border charges. The business case was submitted to the Department of Transport (DoT, hereinafter referred as Department) for consideration. A joint Task Team was established comprising of officials from the DoT and the C-BRTA and the Terms of Reference of the task team were drafted and submitted to the Department in the previous quarter. The Agency also drafted the project plan aligned to the terms of reference and the Annual Performance Plan for further discussion and finalization by the Task Team. However the Task Team has not met during the quarter.

Based on the draft project plan, consultations with various stakeholders, including Department of Trade and Industry, Department of Tourism, South African Revenue Service and Department of International Relations and Cooperation were planned for the second quarter; however these consultations did not take place as the Agency is still awaiting the go-ahead from the Department. The Office of the Director-General was requested to disseminate letters to these stakeholders informing them of the need to consult with them on our intention to introduce cross border charges. Consultations with public sector stakeholders will commence once the letters of support for the introduction of cross border charges have been signed and stakeholders informed appropriately by the Department.

#### **4.1.2.2. Other strategic initiatives**

With the current revenue stream of permit fees under threat of 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 SADC liberalization agenda. The Agency is currently developing an accreditation scheme for operators and this is in support of the envisaged quality regulations. It is also envisaged that the accreditation fees will be levied to operators who apply to be accredited in the scheme.

The stream will be implemented in the long term once the operator accreditation scheme has been put in place to support the implementation of the quality regulations. It is anticipated that all SADC countries would have migrated from quantity to quality regulations by the year 2022.

The Agency is implementing a Turnaround Plan to ensure business continuity and sustainability of operations while servicing the liability arising from the Constitutional Court judgement of the 12<sup>th</sup> May 2015 declaring the 2011 permit tariff invalid. The initial liability of R318 million is mainly serviced through savings generated by the implementation of cost containment measures. Total refunds to operators as at the end of September 2016 amounted to R69, 6 million and a further R43, 2 million is contracted to be refunded. These refunds are funded from monthly cash surpluses and reserves.

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. The bids for off-site storage, back-end support and maintenance and panel of attorneys were evaluated during the quarter and the bid specifications for the new permit system were also finalized by the Bid Adjudication Committee

#### **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 as a revenue stream requires the active support and participation of the DoT. There are on-going engagements with the Department to activate the project. The Office of the Director-General was made aware of this initiative and consultation with key stakeholders will be undertaken jointly with the Department. The need for the introduction of cross border charges was also raised with the Shareholder in the Annual General Meeting on the 9<sup>th</sup> September 2016.

### 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 progress report as per project plan to the Board for noting	<p>The Project plan is being updated with approach on enterprise architecture.</p> <p>The Progress report has been approved by EXCO and noted by Board accordingly.</p>	Not Achieved	<p>Target not achieved</p> <p>The project plan has not yet been approved need to update for integrated enterprise architecture approach.</p> <p>There is progress on the project as reported on the Progress report submitted.</p>
Optimise Technology Foundation	Submitted implementation plan to the Board for noting	<p>Terms of Reference (ToR) for the back-end and front end upgrade defined but pending Bid Adjudication Committee (BAC) approval.</p> <p>A Progress reported was drafted so as to provide progress</p>	Not Achieved	<p>Target not achieved due to capacity constraints.</p> <p>The delay in the approval of ToRs also resulted in the procurement process as targeted in the implementation plan to be delayed as well.</p>

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
		to-date on project even though progress is not as per implementation plan. This report was then submitted to Board for noting.		

#### **4.1.3.2.1. Annual Performance Plan Achievements/Progress**

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

##### **4.1.3.2.1.1. Developed and Implemented new permit system**

The target for quarter 2 required the IT Division to provide a progress report to the C-BRTA Board for noting the progress on the implementation of the system. Although the implementation plan was not submitted for Board approval as required by the Annual Performance Plan 2016-17, it was compiled and approved by the Audit and Risk Committee subject to changes. The updated plan provided was then withdrawn from the C-BRTA Board meeting due to further enhancements required on the plan. The intention is to resubmit the implementation plan for approval in the next Board meeting. The said plan will also incorporate the integrated enterprise architecture. This has caused a delay on the acquisition process pending the resuscitation of the enterprise architecture definition programme for the C-BRTA. The Enterprise Architecture will outline how all the systems in C-BRTA will interconnect with one another. It will also guide how the Permit Application function will fit in the overall Cross-Border Road Transport System that will respond to all the C-BRTA's mandate imperatives.

The acquisition of the New Permit Management System will thus commence once the Enterprise Architecture (EA) of the "TO BE" organization is defined.

##### **4.1.3.2.2. Optimise Technology Foundation**

The objective of this target is to upgrade the technology platforms of the agency i.e. both back-end and front-end to enable efficient and effecting IT services.

The target for the quarter was to provide Board with a progress report as per implementation plan for noting, and this was not achieved. This was as a result of the delayed progress due to the ToR not yet having been approved by the BAC and this led to the procurement process as targeted in the implementation plan to be delayed.

The procurement process has commenced to source the back-end infrastructure and the front-end infrastructure and a catch-up plan is place for the front-end technology refresh roll out.

#### **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. To date, an Information Security Management Policy has been developed and approved by the IT Steering Committee.

The file plan was developed and approved by EXCO, even though it can only be implemented after approval by the National Archives and Records Services of South Africa (NARS). Whilst 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.

## 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 sub-committees, monitor and report on compliance matters, conduct investigations to prevent fraud and corruption, provide legal support, advisory services and facilitate internal audit, as well as 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	10% fraud and corruption programmes implemented	The quarter 2 fraud and corruption report.	Not Achieved	Target not achieved
Developed Business Case on comprehensive levying of cross border charges	Submitted draft legislative proposal on comprehensive levying of cross border user charges to the Board	<p>Consultations were only held with freight and passenger transport cross border operators.</p> <p>A draft Project Plan and Operators Consultation report was then compiled for the Quarter.</p>	Not Achieved	<p>Target not achieved</p> <p>The consultation with external Stakeholders is still ongoing. The Division could only consult with freight and passenger transport cross border operators. The planned consultation with relevant Government Departments was proposed to be conducted through the Department of Transport. Correspondence was sent to DoT requesting that, as the process owner, invitations</p>

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
				<p>to relevant Departments be issued from their side. The development of the Legislative proposal is dependant on the outcome of the envisaged discussion paper.</p> <p>The mid-year assessment projects that this target will not be met at the end of the financial year.</p>

#### **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**

As part of implementing the Anti Corruption Strategy, a Communication plan was developed and the gift Registers for the Regions were developed. The Integrity Management Services assisted Labour Relations in the formulation of charge sheet. The division engaged with the Public Service Commission for knowledge sharing around the conducting of lifestyle audits.

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

The consultation with external Stakeholders is still ongoing. The Division could only consult with cross border freight and passenger (bus) transport operators. The planned consultation with relevant Government Departments was proposed to be conducted through DoT. Correspondence was sent to DoT requesting that, as the process owner, invitations to relevant Departments be issued from their side. The development of the Legislative proposal is dependent on the outcome of the envisaged discussion paper.

The development of the Legislative proposal is dependent on the outcome of the envisaged discussion paper.

#### **4.1.4.3. Other strategic Initiatives**

The Board approved the Gift Policy, Strategic Risk Register, revised Board Committees Membership and Business Continuity Plan in the quarter under review. The Board further approved the 2016-17 reporting cycle in the quarter under review which will ensure that all set quarterly targets in line with the Annual Performance Plan 2016-17 are approved within respective quarters through Board and Sub-Committee scheduled teleconferences.

The Board in the Agency's 9<sup>th</sup> Annual General Meeting with the Minister of Transport presented the financial year 2015/16 Annual Report incorporating the audited Annual Financial Statements, confirmation of the Audit Committee Members, the Audit Fees for Auditor-General South Africa for the financial year ended 31 March 2016 and confirmation of the Auditor-General South Africa as the Agency's External Auditors for the Minister's approval.

A project plan linked to legislative proposal on comprehensive levying of cross border charges was drafted for endorsement by the Executive Committee. A Consultation workshop was held on the proposed Comprehensive levying of Cross Border Road User Charges with operators.

In the quarter under review Internal Audit team conducted four audit reviews and the reports thereof will be presented to the Audit and Risk Committee for adoption. Quarter 1 Compliance Report for financial year 2016/17 was approved by the Board for submission to the Department of Transport and National Treasury.

A total of six Service Level Agreements were vetted, six legal opinions were rendered, one internal theft investigation was conducted and two pieces of legislations were finalised. A draft Litigation Policy was developed.

#### **4.1.4.5. Key Challenges and Corrective Action**

The division could not present the developed project plan linked to the legislative proposal on comprehensive levying of cross border charges to the Executive Committee in the quarter under

review due to the September Executive Committee meeting being converted into a special meeting to consider other critical business imperatives. The project plan is anticipated to be presented to the Executive Committee for endorsement in the third quarter.

## 4.1.5. Regulatory Services

### 4.1.5.1. Introduction

The Regulatory Services Division's responsibility is 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 extra-territorial 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	Consultations were executed with Namibia, Malawi and Zimbabwe during the quarter under review. The Ministry of Transport & Infrastructural Development: Zimbabwe and the Ministry of Transport and Public Works: Malawi concurred to pilot the model for 6 months starting	Achieved	

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
		<p>from 1 August and 1 September 2016, respectively.</p> <p>Management is awaiting feedback from the Road Transport Safety Agency on the piloting of the model on the Zambia route.</p> <p>The Progress report on the pilot implementation was submitted and noted by the Regulatory Committee.</p>		
Developed and implemented Operator Compliance Accreditation Scheme (OCAS)	Consult with key transport stakeholders to facilitate the National Feasibility Assessment	The following stakeholders were consulted during the quarter under review: Federation of Eastern and Southern African Road Transport Association (FESARTA); Road Freight Association (RFA); South African Association of Freight Forwarders (SAAFF); National Cross-Border Taxi Organization	Achieved	

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
		(NCBTO); Maputo Corridor Logistics Initiative(MCLI); Trans-Kalahari Corridor (TKC) Secretariat; Walvis Bay Corridor Group Secretariat; South African Commuter Coach Bus Operator		

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 the period under review. A draft consultation plan was developed after presentation on the execution of the Socio Economic Impact Assessment System (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**

Consultations were executed with Namibia, Malawi and Zimbabwe during the quarter under review. The Ministry of Transport & Infrastructural Development: Zimbabwe and the Ministry of Transport and Public Works: Malawi concurred to pilot the model for 6 months starting from 1 August and 1 September 2016, respectively. Management is awaiting feedback from the Road Transport Safety Agency on the piloting of the model on the Zambia.

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

The following stakeholders were consulted during the quarter under review:

- Federation of Eastern and Southern;
- African Road Transport Association (FESARTA);
- Road Freight Association (RFA);
- South African Association of Freight Forwarders (SAAFF);
- National Cross-Border Taxi Organisation (NCBTO); and
- Maputo Corridor Logistics Initiative (MCLI).

#### 4.1.5.3. Other strategic initiatives

The annual target is 76 000 permits and 21 148 permits were issued during the quarter under review.

<b>Applications referred to Counterparts</b>		
Swaziland	10 applications 6 applications	Taxis Organised Groups
Botswana	20 applications 7 application	Taxis Organised Group
Lesotho	3 applications	Organised Groups
Namibia	7 application	Organised Group
Zambia	3 application	Organised Group
Mozambique	115 applications 7 applications 2 applications	Taxis Organised Groups Buses
Zimbabwe	46 applications 1 application 3 applications	Taxis Organised Group Buses
<b>Applications referred by Counterparts</b>		
Mozambique	130 applications 2 applications	Goods Buses
Zimbabwe	14 application	Taxi

	1 applications 1 application	Buses Organised Group
Namibia	10applications 4 applications	Taxis Buses
Botswana	5 applications	Taxis

#### 4.1.5.4. Key Challenges and Corrective Action

There were no key challenges were faced by the division during the quarter.

#### 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	58 534 number of inspections conducted	The percentage increase achieved was 31.66% (58 543 - 77 066/58 543*100)	Achieved	Targeted inspections were conducted at busy regions such as Limpopo and Upington recorded a higher

				percentage of inspections due to permanent deployment at Violsdrift.
Number of key findings reports on inspections and prosecutions	Submit Law Enforcement Section 39(2) report to Board for noting	The Law Enforcement Sect 39(2) report noted by the Board on 27 September 2016.	Achieved	

#### **4.1.6.2.1. Annual Performance Plan Achievements/Progress**

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

##### **4.1.6.2.1.1. Percentage increase in the number of inspections conducted**

For the quarter under review, the target was to conduct 58 534 inspections and 77 066 inspections were conducted. Therefore, the target of 5% increase in inspections was exceeded by 31.66%. This was achieved through targeted inspections conducted at busy regions such as Limpopo. Upington recorded a higher percentage of inspections due to permanent deployment at Vioolsdrift.

##### **4.1.6.2.1.2. 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 27 September 2016 and therefore the target was achieved. Some of the critical findings were:-

- 7 475 permits expired and 4 003 were returned. The category with the largest number defaulting on returns is minibuses with 2 712 expired and 779 returned. The risk associated with non-return of expired permits is that the permits could be altered and re-used.
- There is a general tendency not to return 14 days and 3 months permits e.g. out of 466 expired 14 day permits, only 234 were returned whilst out of 6 831 expired 3 month permits, only 3 193 were returned resulting in a non-compliance rate of 50 percentage and 47 percent respectively.
- The Countries with the highest number of expired permits were Zimbabwe with 1 912, Mozambique with 1 165 and Botswana with 992. Tourist permits do not have a specific destination and 133 were returned. Operators who failed to comply with submission of documents were flagged for non-compliance.
- For the period under review, 62 816 vehicles were inspected. 33% of vehicles were inspected on the N1 corridor through Beitbridge and Groblersbrug ports of entry, while 17% were inspected on Gauteng routes, including taxi ranks and industrial areas.

- Out of the 62 816 vehicles that were inspected during the reporting period, 54% of them were buses inspected on the N1 Limpopo corridor through Beitbridge, followed by 42% from Gauteng.
- On the same corridor, 28% of vehicles inspected were trucks, followed by 18% in Gauteng. 73% constitute bakkies that were inspected on the N1 Limpopo corridor through Beitbridge followed by 16% in Mpumalanga. These numbers indicate the so-called “Malaishas” that travelling to Zimbabwe using light delivery vans with trailers. 63% of vehicles inspected were midi-buses travelling on the N4 Mpumalanga, followed by 26% on the N1 Corridor through Beitbridge.
- Out of a total of 62 816 vehicles inspected, a total of 2 000 operators were found operating without valid cross border permits on different routes countrywide and 1 243 were found to be in an un-roadworthy condition.

#### 4.1.6.3. Other strategic initiatives

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

###### (i) Vioolsdrift: Tuesday to Sunday

Deployment at Vioolsdrift port of entry during the reporting quarter was made from Tuesdays to Sundays as per the operational plan deployment strategy. The target was achieved.

###### (ii) Ficksburg: Monday to Friday

Deployment at Ficksburg port of entry during the reporting quarter was made from Mondays to Fridays as per the operational plan deployment strategy. Additional deployment was made over most weekends during the reporting quarter. The target was achieved.

###### (iii) Skilpadhek: Thursday and Friday

Deployment at Skilpadshek port of entry during the reporting quarter was made on Thursdays and Fridays as per the operational plan deployment strategy. The target was achieved.

#### **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 takes place.

## 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.

### 4.1.7.2. 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 report on 70% operator constraints addressed and resolved within 6 months to the Board for noting	<p>The percentage achieved at the end of the quarter was 72.72% based on resolution of 8 out of 11 constraints that were registered.</p> <p>The progress report on operator constraints addressed was submitted to Board for noting.</p>	Achieved	

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
Percentage of operator conflicts addressed within 6 months	Submitted report 70% on resolution of passenger transport conflicts registered to the Board for noting	The percentage achieved at the end of the quarter was 71.43% based on resolution of 5 out of 7 conflicts that were registered.  The progress report on passenger transport conflicts resolved was submitted to Board for noting.	Achieved	
Number of the Industry Partnership Development Plan (IPDP) recommendations implemented	Submitted Board Stakeholder forum reports for noting	Cross Border Bus Operators Forum conducted and a report was submitted to the Board for noting.	Achieved	

#### 4.1.7.3. Annual Performance Plan Achievements/Progress

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

##### 4.1.7.3.1. Percentage of operator constraints addressed within 6 months

Freight and passenger cross-border operators face challenges along the various corridors while conducting their business. These barriers and constraints are encountered domestically in South Africa or in the destination or transit country. In this quarter the Joint Route Management Group and Joint Committee meetings were held with Zimbabwe. These are meetings designed to address the needs of operators and most importantly to resolve constraints raised by operators.

For the period under review, the following performance was achieved:

- Five constraints were carried over from the previous financial year ;
- Two constraints were reported in Quarter 1;
- Four constraints were reported in Quarter 2
- Five constraints were resolved in Quarter 1;
- Three constraints were resolved in Quarter 2;
- One constraint was escalated in Quarter 2; and
- Three constraints are outstanding.

This gives an overall performance of 72.72% resolution of operator constraints for the first half of the financial year.

#### **4.1.7.3.2. 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. These complaints can be in a form of intra-association conflict or inter-association conflict.

- Three conflicts were carried over from the previous financial year;
- Four conflicts were reported in Quarter 1;
- Three conflict were resolved in Quarter 1;
- No conflict was reported in Quarter 2;
- Two conflicts were resolved in Quarter 2; and
- Two conflicts remain unresolved.

This represents 71.43% resolution of conflicts since the beginning of the financial year.

#### **4.1.7.3.3. Number of Industry Partnership Development Plan (IPDP) recommendations implemented**

The Agency convened a Cross-Border Bus Operators Forum during the quarter. Operators raised a number of issues, and the following will be escalated to the Regulatory Committee for policy decisions:

- Leasing of vehicles;
- Time tables;
- Spot fines;
- Stickers on taxis; and
- Multiple pick-up and drop-off en route.

#### **4.1.7.4. 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

### 4.1.8.1. 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.

### 4.1.8.2. 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	Data gathering and analysis Stakeholder consultation Progress report completed The progress report on ASCBOR was submitted to the Board for noting.	Achieved	
Number of Country profiles developed or updated	Developed country profile (Malawi) for Board noting	Data gathering, report consolidation and a final report compilation Final Country Profile Report completed The Board noted the developed country profile (Malawi).	Achieved	

KPI	Planned Target	Actual Performance	Achieved/Not Achieved	Reason for Non-/ over achievement
Percentage achieved on client satisfaction survey conducted on freight and passenger (taxi and buses) operators	Progress report on the roll out of survey plan	Survey questionnaire developed and a team to conduct surveys identified.  Progress Report on the implementation of the Survey Plan	Achieved	
Number of initiatives to increase C-BRTA's visibility	At least 1 paper presented at transport conferences	3 Papers were presented and published at Southern African Transport Conference	Achieved	

#### 4.1.8.3. Annual Performance Plan Achievements/Progress

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

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

In the quarter under review, the focus was on data gathering and analysis, and stakeholder consultations. Analysis of the North-South Corridor, Maputo Development Corridor and Trans Kalahari Corridor and related key border posts was conducted as well as the assessment of key regional developments in the SADC regional corridors and border posts that may affect cross-border road transport.

A Progress Report was submitted to the Board for noting.

#### **4.1.8.3.2. Number of country profiles developed or updated**

In this financial year, the target is to develop two (2) country profiles for Malawi and Lesotho. In the quarter under review, the Unit conducted data gathering and analysis with respect to economic and trade data that was outstanding and further sustained furthermore finalised the consolidation of the report. The Country Profile Report for Malawi was submitted to the Board for noting.

#### **4.1.8.3.3. Percentage achieved on client satisfaction survey conducted on freight and passenger (taxis and buses) operators**

The Customer Satisfaction Surveys are used to measure customer satisfaction or dissatisfaction with specific areas of the Agency and services. They also offer an outside perspective to the Agency's operations.

In preparation for the Customer Satisfaction Surveys for freight operators in Q3 and passenger operators in Q4, the following activities have been undertaken:

- Survey questions developed and shared with Regulatory, Road Transport Inspectorate, Finance, and Facilitation and Industry Development for input;
- Questionnaires developed;
- Team to conduct surveys identified; and
- Schedule of surveys developed

#### **4.1.8.3.4. Number of initiatives to increase visibility of the C-BRTA**

The target is to present a paper at one conference each quarter. In the quarter under review, the Q1 target was recovered and two other papers were presented at the Southern African Transport Conference 2016. Furthermore, topics were submitted for two conferences to be held in Q3.

#### **4.1.8.4. Key challenges and corrective action**

There were no key challenges faced by the division during the quarter.

## **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.