



S30 (6) & S44 REPORT **2024/2025**

(INCORPORATING THE
ANNUAL REPORT IN
TERMS OF THE PFMA)



PORTS REGULATOR OF SOUTH AFRICA

ANNUAL REPORT 2024/2025 FINANCIAL YEAR

RP243/2025

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PART A

GENERAL INFORMATION

PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Ports Regulator of South Africa
REGISTRATION NUMBER:	N/A
PHYSICAL ADDRESS:	Suite 1101 The Marine Building 22 Dorothy Nyembe Street, Durban 4001
POSTAL ADDRESS:	Private Bag X54322 Durban 4000 +27 31 365 7800
FAX NUMBER:	+27 31 365 7858
EMAIL ADDRESS:	info@portsregulator.org
WEBSITE ADDRESS:	www.portsregulator.org
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	Standard Bank Limited South African Reserve Bank
COMPANY/REGULATOR SECRETARY:	Linomso Corporate Governance Services (Pty) Ltd



LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements	POPIA	Protection of Personal Information Act
AGSA	Auditor-General of South Africa	PCC	Port Consultative Committee
APP	Annual Performance Plan	PCOT	Portfolio Committee on Transport
B-BBEE	Broad-Based Black Economic Empowerment	PRSA	Ports Regulator of South Africa
Capex	Capital Expenditure	QSE	Qualifying Small Enterprise
CEO	Chief Executive Officer	RAB	Regulatory Asset Base
CFO	Chief Financial Officer	ROR	Rate of Return
CMTF	Comprehensive Maritime Transport Policy	RR	Required Revenue
CRMP	Compliance Risk Management Plan	SAMSA	South African Maritime Safety Authority
CSI	Corporate Social Investment	SADC	Southern Africa Development Community
DOT	Department of Transport	SARS	South African Revenue Services
ERT	Economic Regulation of Transport	SCM	Supply Chain Management
EMC	eThekweni Maritime Cluster	SMME	Small, Medium and Micro Enterprise
ETIMC	Excessive Tariff Increase Margin Credit	STER	Single Transport Economic Regulator
GRAP	Generally-Recognised Accounting Principles	TETA	Transport Education Training Authority
ITP	Integrated Transport Planning	the Act	National Ports Authority Act No.12 of 2005
KPI	Key Performance Indicator	TOPS	Terminal Operator Performance Standard
MOPS	Marine Operator Performance Standards	VOA	Valuation of Assets
MTDP	Medium Term Development Plan	WEGO	Weighted Efficiency Gains from Operations
MTEF	Medium-Term Expenditure Framework		
MTSF	Medium-Term Strategic Framework		
NCOP	National Council of Provinces		
NDP	National Development Plan		
NPA	National Ports Authority/ the Authority		
NPCC	National Ports Consultative Committee		
PFMA	Public Finance Management Act		



Mr Zenzele Bongani Aubrey Ngcobo

Chairperson of the Regulator

FOREWORD BY THE CHAIRPERSON

It is with great pride that I present the Annual Report of the Ports Regulator of South Africa (PRSA) for the 2024/25 financial year. This report reflects the progress we have made in fulfilling our mandate, the challenges encountered, and the direction we intend to take as we continue advancing the economic regulation of South Africa's ports system.

Introduction

The 2024/25 financial year marked the Board's first full year in office. Despite the departure of some members to other responsibilities, the remaining team of eight members worked diligently to set an ethical tone and ensure sound governance. Through close consultation with the Department of Transport, we concluded a "Relationship by Objective" exercise that strengthened our working environment and addressed inherited challenges.

Economic regulation is a specialised and complex responsibility. Against the backdrop of delays in the corporatisation of the National Ports Authority (NPA),

the Board nonetheless delivered a tariff decision for 2025/26 that balanced affordability for port users with the NPA's revenue requirements for operations, capital investment, and an appropriate regulatory return. Our regulatory processes remain committed to fairness, transparency, and predictability—supporting competitiveness, transformation, and the reduction of the cost of doing business.

Strategy and Performance

Our work in the final year of the 2019–2025 Medium Term Strategic Framework remained anchored on five imperatives: implementing the regulatory framework, building organisational capacity, safeguarding integrity and reputation, ensuring compliance with the Act, and regulating tariffs to promote efficient and affordable ports.

Key achievements include:

- Issuing a tariff Record of Decision approving a weighted average tariff adjustment of 4.40%, retaining discounts for SA-flagged vessels and

bunkering, and introducing a new discount for vessels with green certification.

- Finalising tribunal matters that strengthened fairness in port user treatment.
- Achieving 90.6% of APP targets, maintaining a clean audit outcome, and publishing benchmarking research on port pricing.

Despite operating with only 27 employees, the organisation has delivered consistently and with impact.

Strategic Relationships

Engagement with port users through the September 2024 tariff roadshows provided valuable insight into user concerns, particularly the timely delivery of infrastructure and improvements in port productivity. Our Weighted Efficiency Gains from Operations framework continues to monitor and benchmark port performance across system-wide KPIs.

For the first time, the Regulator engaged with the new Board of the NPA appointed under the National Ports Act. These engagements clarified the regulatory framework and objectives, while also highlighting concerns over delayed capital expenditure and insufficient oversight. We also remained engaged with broader freight system reforms through the National Logistics Crisis Committee and the Freight Logistics Roadmap.

Challenges

The year was not without difficulty. Congestion in Durban and Cape Town, largely from equipment failures and operational inefficiencies, underscored the urgent need for sustainable improvements. Our regulatory focus included:

- Preparing for the corporatisation of the NPA under Chapter 2 of the Ports Act.
- Driving improved efficiencies through stronger Authority oversight and the Weighted Efficiency Gains framework.
- Assessing transformation in the port system, with emphasis on B-BBEE and the inclusion of women-owned enterprises.
- Preparing for the transition to the Transport Economic Regulator (TER) under the Economic Regulation of Transport Act.

Medium- to Long-term Focus

Looking ahead to the 2025–2030 Medium Term Development Period, we will continue building a strong, independent, and credible regulator as we transition into the TER. Our focus will remain on tariff regulation, efficiency oversight, transformation, and research to support a competitive and inclusive port system. We have adopted the following five regulatory outcomes for the five year period:

1. Affordable, adequate and efficient port infrastructure and services.
2. Open transparent regulatory processes through effective stakeholder management.
3. Organisational excellence supported by strengthened regulator's capacity.
4. A transformed accessible and equitable port system which supports SMME development.
5. An efficient and innovative port system embracing technological advances.

Acknowledgements

On behalf of the Board, I thank the Honourable Minister of Transport, Ms Barbara Creecy, and Deputy Minister, Mr Mkhuleko Hlengwa, for their leadership and support. I also commend my fellow Board Members for their diligence, and extend deep appreciation to the Chief Executive Officer, Ms Mukondeleli Johanna Mulaudzi, her Executive Team, and all PRSA staff for their commitment and resilience.

Finally, we are grateful to all stakeholders who engaged with us constructively during the year. Together, we continue building a world-class regulatory institution that underpins South Africa's trade competitiveness and economic growth.



Mr Zenzele Bongani Aubrey Ngcobo

Ports Regulator of South Africa

Date: 31 July 2025



Ms Mukondeleli Johanna Mulaudzi

Chief Executive Officer
Ports Regulator of South Africa

CHIEF EXECUTIVE OFFICER'S OVERVIEW

Introduction

The Ports Regulator of South Africa (PRSA) successfully navigated its first full year under the newly appointed Board in 2024/25. The organisation finalised the Relationship by Objective (RBO) exercise in February 2024 which identified and set an action plan to address organisational challenges experienced in the previous year allowing a level of stabilisation of the operating environment, a focus on remedial interventions and improving working relations. We delivered effectively on the mandate of economic regulation of ports, achieving over 90% of its performance targets and securing a clean audit outcome.

The year was characterised by ongoing delays in the corporatisation of the National Ports Authority (NPA), persistent port congestion (notably in Durban and Cape Town), and the broader transition to the Transport Economic Regulator (TER). Through tariff decisions, performance oversight, and stakeholder engagement, the PRSA worked to balance affordability for port users with sustainability for the NPA, while also advancing transformation and transparency in the sector

Organisational performance

The PRSA's work was anchored on five programmes: **Administration, Economic Regulation, Legal Services, Industry Development, and Governance**. Highlights include:

- **Tariff Regulation:** Approved a weighted average increase of 4.4% for 2025/26, retaining key discounts for SA-flagged vessels, bunkering, and introducing a 10% discount for vessels with green certification.
- **Appeals & Complaints:** 17 tribunal matters were finalised, strengthening fairness in user treatment.
- **Research & Benchmarking:** Produced global port pricing studies, clean technology research, and dry port development analyses.
- **Efficiency Oversight:** Maintained the **Weighted Efficiency Gains from Operations (WEGO)** framework, imposing penalties on the NPA for continued inefficiencies.
- **Stakeholder Engagement:** Hosted tariff roadshows across four regions with over 250 participants, ensuring transparency and stakeholder buy-in.

General financial review and spending trends

The PRSA is funded mainly through transfers from the Department of Transport, interest income, and fees for appeals/complaints. For 2024/25FY

- Total revenue: R46.1m (slightly higher than 2023/24 at R44.6m).
- Interest income decreased due to lower cash balances, but approval was obtained to use surplus funds in line with PFMA s53(3).
- Staff costs (R26.5m) continue to dominate our expenditure with vacancies contributing to the organisation's unspent funds and our general expenses rose to R14m vs R12.5m budgeted.
- Capital spending remains minimal. Only R10k was spent on property, plant, and equipment in 2024/25, mainly for replacing aged assets, compared to R2.14m in 2023/24. There were no major infrastructure projects or intangible asset investments.

The entity secured a clean audit, though irregular expenditure of R4.79m was disclosed (down from R12.8m in 2023/24) due to procurement non-compliance.

Capacity Constraints and Challenges

- Staff complement remains 27, far below the required 60 approved by the Minister of Transport to ensure a fit-for-purpose entity.
- Delays in finalising the organogram and approving a revised funding model constrain capacity.
- Persistent congestion, equipment breakdowns, and weak oversight by the NPA continue to undermine efficiency.
- Reliance on fiscal transfers makes financial sustainability uncertain, especially in view of the TER transition.

Discontinued key activities / activities to be discontinued

There were no major core activities discontinued during the year under review.

New or proposed key activities

The organisation focused on completing projects in line with the 2019-2024 Strategic Plan with no new projects included in 2024/25. Although work has started for a full review of the tariff methodology and tariff strategy tailored for a corporatised Authority, this is only due in 2025/26 FY. In the approved tariffs for 2025/26, the regulatory framework introduced **green** incentives (tariff discounts for vessels with environmental certification). The five regulatory outcomes highlighted by the Chairperson amplify the areas for new projects in the future.

Transformation

The Regulator assessment of the Authority's B-BBEE in the previous year was consistent with findings from prior years i.e. the Authority tend to meet target for at least 75% of contracts for various port activity and licenses at level 4 B-BBEE. However, black and women ownership remains variable and below 51% and 30% thresholds.

The MOU signed with the B-BBEE Commission in March 2024 set the stage for the first round table discussion in December 2024 hosted by the Ports Regulator/B-BBEE Commission and the Commission for Gender Equality. The Round table provided women in maritime a platform to share their experiences in accessing port services and facilities. The following observations underscores areas that the collective, including the Authority must focus on:

- Significant growth in presence but slow growth in impactful participation of woman in the maritime industry;
- Funding for woman owned enterprises to address funding as a critical constraint;
- Encouraging skills development and self-empowerment initiatives to benefit capable women owned enterprises; and
- Outreach initiatives and platforms to capacitate young people and women in remote communities

Requests for roll over of funds

In line with PFMA s53(3), approval was obtained from National Treasury to use retained surpluses, which were incorporated into the adjusted 2024/25 budget.

Supply Chain Management

Our supply chain management function remains significantly under resourced due to the current organogram. During the period under review SCM largely complied with PFMA and PPPFA requirements through the new SCM policy and strategy to improve procurement planning and supplier performance monitoring.

All concluded unsolicited bid proposals

No unsolicited bid proposals were concluded in 2024/25.

Audit report matters in the previous audit year

In 2023/24, the Auditor-General raised concern regarding irregular expenditure (about xx) largely linked to procurement non-compliance and provisions of section 37(1)(b) of the National Ports Act. The 2024/25 audit shows progress: irregular expenditure declined to R4.79m, with some prior amounts (R1.785m) reclassified after Internal Audit conducted determination tests.

The Audit and Risk Committee confirmed that the Regulator implemented an action plan to address prior year findings and that these matters were resolved satisfactorily. Both internal and external audit raised no new significant issues in 2024/25. Key corrective measures included:

- Strengthening compliance with the 2022 Preferential Procurement Regulations.
- Conducting determination tests on irregular expenditure.
- Improving SCM oversight and instituting internal controls to prevent future breaches.

Outlook / Plans for the future to address financial challenges

The PRSA remains financially reliant on transfers from the Department of Transport, which makes long-term sustainability uncertain. Going forward, the entity plans to:

- Strengthen cost management and optimise the use of retained surpluses, in line with PFMA s53(3).

- Continue lobbying for increased staff capacity to improve delivery.
- Maintain prudent expenditure controls to sustain clean audits.

The transition to the TER is expected to provide a more robust financial footing for the Regulator, eliminating uncertainty over future operations

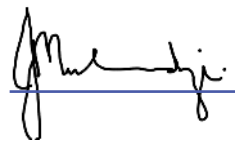
Events after reporting date

As at 31 March 2025, the PRSA reported no post-balance sheet events requiring adjustments or disclosure. Ongoing tribunal reviews and contingent legal claims (e.g., *Sunrise Energy and Siyakhuphuka Investments*) remain under judicial process, but outcomes were still uncertain at year-end and thus disclosed as contingent assets/liabilities.

Acknowledgement

On behalf of the Secretariat and Executive Team, I would like to express my appreciation to:

- Minister of Transport, Hon. Barbara Creecy, and Deputy Minister, Mr. Mkhuleko Hlengwa, for leadership and support.
- Members of the Regulator's Board for their diligence in advancing the regulatory agenda.
- The staff of the Ports Regulator for your resilience and commitment in a constrained environment.
- Stakeholders, including port users and industry participants, for constructive engagement in tariff roadshows, consultation meetings and the various outreach processes during the years, especially the PCC and NPCC.



Ms Mukondeleli Johanna Mulaudzi

Ports Regulator of South Africa

Chief Executive Officer

Date: 31 July 2025



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting standards applicable to the public entity.

The Accounting Authority is responsible for preparing the annual financial statements and the judgements made on this information.

Ms Mukondeleli Johanna Mulaudzi

Chief Executive Officer

Date: 31 July 2025

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully,

Mr Zenzele Bongani Aubrey Ngcobo

Ports Regulator of South Africa

Date: 31 July 2025

1. STRATEGIC OVERVIEW

Since inception the Regulator navigated the challenges in the port system and progressed regulatory outcomes guided by our vision, mission, values, legislative and other mandates articulated herein.

1.1 Vision

We have lived up to our vision which states that:
"A world class port economic regulator."

1.2 Mission

The Mission of the Ports Regulator is to:
The vision will be realised through a revised mission i.e.
"The Ports Regulator of South Africa is committed to be a world class port economic regulator, and our mission is to undertake economic regulation which supports the development of an efficient port industry by balancing the sustainability of ports, affordability of services and promotion of equity of access".

1.3 Values

In our work, the Members of the Regulator and the Secretariat continued to be guided by our adopted values:

Values	Behavioural Attributes
P Protection of the values enshrined in the Constitution of human dignity, equality and freedom.	Being people-centred in terms of protecting the rights of our staff as enshrined in the Constitution and upholding the democratic values of Fairness, Integrity and Transparency.
R Respect and Relevance	Respect for others at all levels, maintaining high ethical standards and trust, especially with regard to the proper use of the resources entrusted to us by the public.
S Service Delivery and Stakeholder focus	Striving to exceed stakeholder expectations, which engenders credibility.
A Accountability	Being accountable to the board of the Regulator, its Executive Authority and stakeholders for the decisions and actions it takes.

1.4 Legislative and other mandates

The Ports Regulator's procedural and substantive mandate is derived from the primary law of the country, the Constitution of the Republic of South Africa, Act 108 of 1996 (as amended) as well as government strategies approved from time to time.

The Ports Regulator is established in terms of section 29 of the National Ports Act, Act 12 of 2005 ("the Act"). The Ports Regulator is a public entity that reports to the Minister of Transport. The Ports Regulator's main functions are to:

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

In the 2024/25 FY the Ports Regulator considered the proposed tariffs of the National Ports Authority ("the Authority"); and made strides in promoting regulated competition through the appeals and complaints heard and the implement of Memorandum of Understanding with the Competition Commission and other Regulator with concurrent mandates in the port system; and regulating the provision of adequate, affordable and efficient port services and facilities through implementation of the Multi Year Tariff Methodology and Strategy and their elements.

The work of the Regulator continues to seek alignment with the vision of the White Paper on Commercial Ports (2002) for South Africa's Commercial Ports and the regulation thereof to contribute to the country's overall goal of reducing the cost of transport and increase trade through efficient and competitive ports.

- Our processes are subject to the Section 33 of the Constitution for just administrative action which is lawful, reasonable and procedurally fair
- Section 195 of the Constitution applies equally to the Ports Regulator as a public entity within public administration. The Ports Regulator's procurement

practices are subjected to National Treasury's Regulations, Guidelines and related notices in compliance with section 217 of the Constitution which requires procurement by organs

Tariffs and port pricing

The multiyear tariff methodology and its provision for a savings account for port users (Excessive Tariff Increase Margin Credit – ETIMC) as well as the efficiency scheme to (dis) incentivise the NPA for overall poor or above average port operations allowed the Regulator the ability to address both objective during the period 2019 – 2024.

- Port users experienced tariff adjustments that were on average at or below prevailing inflation with the Authority maintaining financial and economic equilibrium;
- The following discounts were available in the port system:
 - 30% discounts on licenses/permits to provide port activities: stevedoring, hull cleaning, diving, vessel registration agents, etc. and payment of the fee over the life of the license making fees affordable to emerging companies
 - 30% discount on marine charges for SA flagged vessels which contributes to government priority to grow the SA vessel register managed by SAMSA;
 - 30% discount on marine charges for bunker vessels;
 - Tariff differentiation in favour of SA vehicle exports and manufactured goods exported in containers;
- Protection of port users through the use of the ETIMC, especially during and post COVID period where a total of R2,9bn of the ETIMC was released back to port users over a three year period resulting in tariff adjustments in tandem with inflation.

Addressing inefficiencies in the port system

Efficiencies in SA ports continued to deteriorate over the MTSF period leading to the Regulator introducing the Weighted Efficiency Gains from Operations (WEGO) as means to ensure that the Authority performs effective oversight on port operations. WEGO penalty reduced the Authority's net profits by over R600million due to continued inefficiencies

CAPEX

The NPAs planned CAPEX programme averages around R3bn per year, however, the Authority is still to sustainably demonstrate its ability to plan, procure and execute CAPEX on time and within budget.

Redress for port users in the SA system – the tribunal process

The 2019 – 2024 MTSF period saw the Regulator dispensing with 18 matters (06 complaints & 12 appeals) allowing the Regulator to promote regulated competition; enable equitable access to port facilities; ensure that the Authority performs its functions including monitoring license conditions; and established the Regulator's jurisdiction over port matters relative to courts of law.

Implementation of B-BBEE

Over the period the Ports Regulator measured the Authority's compliance B-BBEE requirements and keep track of trends in B-BBEE year in and year out. The B-BBEE targets set in 2007 are antiquated and easily achievable with the Authority contracting surpassing

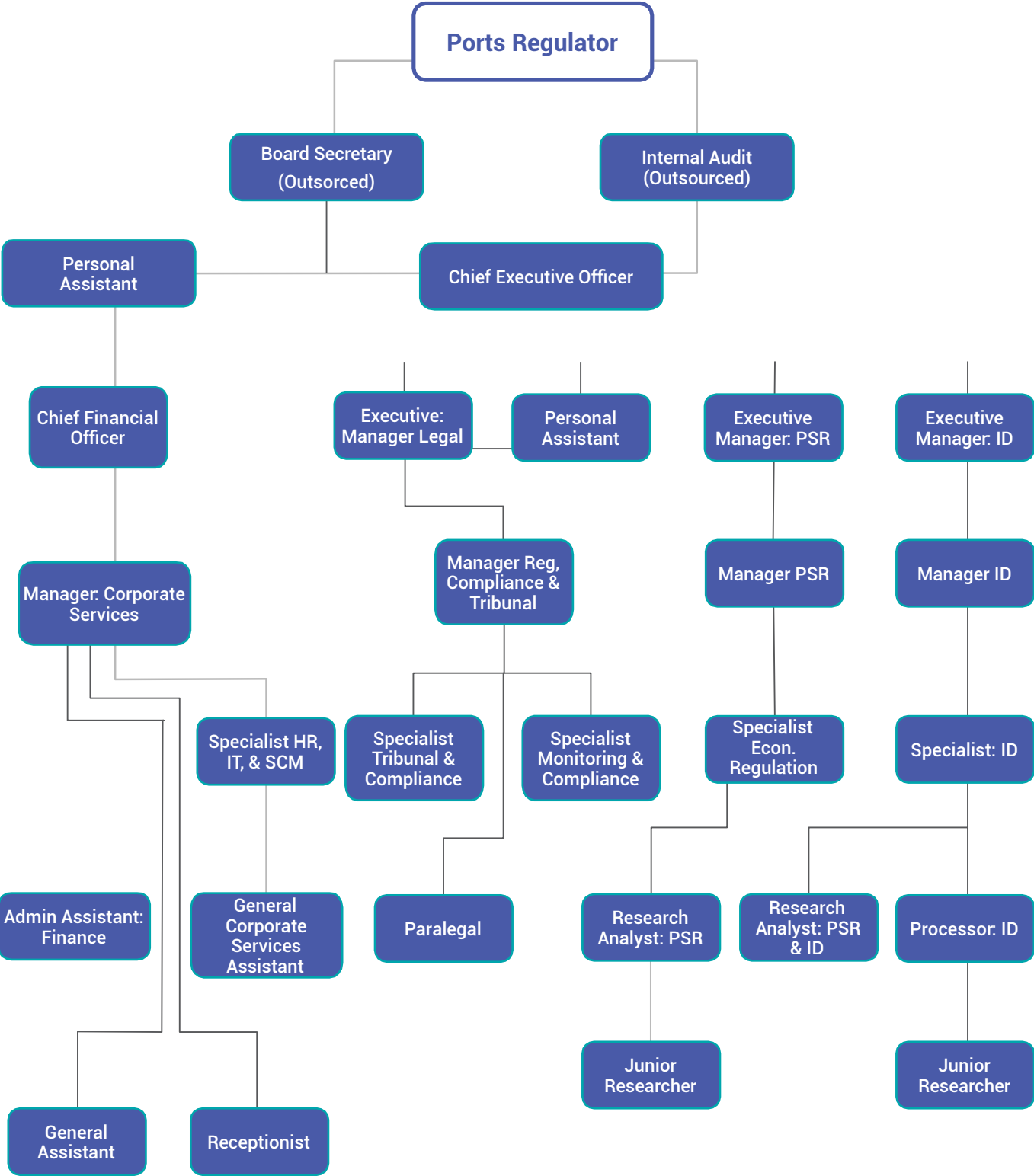
75% of contracts with companies whose B-BBEE rating was level 4 or better. Yet, black ownership in terminal operator and commercial leases in the port system, although growing, remained below 51% and woman ownership well below 30%. Averages are low for participation by small, medium and macro enterprises (SMMEs) and qualified small enterprises (QSEs) Overall, delays in the promulgation of the Maritime Score Card slows down transformation in the maritime system.

Corporatisation

The National Ports Act envisaged an economic regulator over a corporatised Authority either through section 3(2) or 4 of the Act. Where the state had targeted corporatisation to be completed by 2024, as at end of the 2024/25 the Authority was still not corporatised. The corporate structure of the Authority has a bearing on tax treatment, gearing, the valuation of its assets, etc., and in turn revenue levels allowable through the regulatory methodology.



1.5.ORGANISATIONAL STRUCTURE



1.5.ORGANISATIONAL STRUCTURE

The Non-Executive Regulator Members



**Ms Mukondeleli Johanna
(Jowie) Mulaudzi**
Ex Officio Member



Mr Aubrey Ngcobo
Board Chairperson



Ms Sizakele Makhanya
Board Member



Mr Percy Derrick Manzini
Board Member &
Chairperson: HRSE



Capt. Thembela Taboshe
Board Member



Ms Princess Mangoma
Board Member



Mr Roland Setlako
Board Member



Adv. Derick Block
Board Member & Chairperson:
REGCOM



**Ms Zonica Leanda
Marsha Mtshali**
Board Member

1.5.ORGANISATIONAL STRUCTURE

Executive Team



**Ms Mukondeleli Johanna
(Jowie) Mulaudzi**
Chief Executive Officer



Mr Freddy Raseote
Chief Financial Officer (Acting)



Ms Nokuzola Nkowane
Executive Manager: Industry
Development



Ms Nonhlanhla Khumalo
Executive Manager: Policy,
Strategy & Research (Acting)



Dr Langa Dlamini
Executive Manager: Legal

1.5.ORGANISATIONAL STRUCTURE

Managers



Mr Freddy Raseote
Manager- Corporate Services



Ms Matlhodi Senyatsi
Manager- Industry Development



Ms Nonhlanhla Khumalo
Manager- Policy, Strategy and Research



Ms Siziphiwe Shoba
Manager- Legal



**Linomso Corporate Governance Services (Pty) Ltd
(Outsourced)**
Company Secretary
The permanent Company Secretary contracted ended in July 2024, by the end of March 2025, the Company Secretary was outsourced



PART B

PERFORMANCE INFORMATION

2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs the required audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the management report, with material findings being reported under the Predetermined Objectives heading in the 'Other Legal and Regulatory Requirements' section of the auditor's report.

Refer to page 94 of the Report of the External Auditors, published as Part F: Financial Information.

2.1 Overview of the PRSA Performance

Service delivery environment

As previously reported, the Ports Regulator's service delivery environment centres on economic regulation of South African ports, equitable access to port infrastructure, facilities, and services, and oversight of the Authority's compliance with the National Ports Act. Work continued the 2024/25 FY, with the Secretariat conducted technical assessments and research that informed the Regulator's decision to bring about effective, affordable and sustainable pricing of port infrastructure and related services offered by the Authority and to ensure that the Authority plays its oversight role to improve efficiencies in port operations.

The Authority is responsible for implementing capital programmes and the maintenance of infrastructure in the ports. The Regulator considers and approves the Capex applied for by the Authority, which must lead to the provision of adequate, affordable, efficient Capex that meets the demand of port users.

The decisions of the Regulator balance between affordable port prices for port users and a financially sustainable Authority, through the multi-year tariff methodology, which complies with requirements that the Regulator allows the Authority. The implementation programme for reform in port costs through the tariff strategy is nearing the envisaged end date in 2025, requiring the strategy to be reviewed. Consultations on the review of the strategy started during the 2023/24 FY and will continue in the next 2025/2026 FY.

Capex

Moving from the premise of investing in infrastructure to support and catalyse the much-needed economic recovery and growth, the Operation Vulindlela initiative, led by the Presidency and National Treasury, aimed at addressing the problems of a lack of spending on infrastructure by State-Owned Companies, including the NPA under Transnet SOC Ltd. The Required Revenue methodology significantly incentivises the Authority to implement its Capex as speedily as possible, as it earns a return on assets that are commissioned and included in the Regulatory Asset Base (RAB). Concerted effort and pressure are applied on the Authority to spend the applied for Capex, especially on projects that add capacity to the system (e.g., capacity to handle containers in the port of Durban, which is beyond its designed capacity).

Operational efficiencies

Competitiveness of a port is determined by the time that vessels spend being serviced and in loading/off-loading of cargo, with shipping lines preferring ports that can reduce ship turnaround times to a minimum, within safety parameters. In general, South African terminals have failed to maintain high levels of efficiencies, with a recent study (Bichou 2021: 19–24) showing a downward trend in efficiencies for all container terminals between 2010 and 2019, more severely at the Durban Container terminals. The Ports Regulator's own analysis of data from the Terminal Operator Performance Standards (TOPS) implemented by the Authority, has shown that the reported "good" performance on key indicators is due to performance targets that are set below optimal levels, reflecting a problem that must be addressed with the setting of performance standards to drive consistent performance.

Whilst guided by the regulatory framework, including the Multi-Year Tariff Methodology applied in the ports sector, the Regulator considered the most pressing economic challenges facing the country. Arising from the assessment based on methodology and in support and consideration of the Government's continued economic response to these challenges, the Regulator set an average increase in tariffs for the 2024/25 tariff

year at 0.00%. It was the Regulator's view that tariffs are on track to align with the reforms emanating from the Tariff Strategy, which aims for cost-reflective tariffs and limits cross-subsidisation over time.

Transformation

The legislature, through the Act, envisaged an increase in the participation of small, medium and micro enterprises (SMMEs) and companies owned by historically disadvantaged people, youth and woman-owned enterprises in terminal operations, leasing and operation of commercial spaces within ports and in the myriad of port activities that are licensed by the Authority. Their participation would be facilitated by the Authority's compliance with B-BBEE requirements articulated in the Regulation of 2007 to bring about transformation in the port system.

There is much effort required to achieve higher levels of participation by previously disadvantaged groups (Black people, women and youth-owned companies) in the terminal operations, leasing and use of commercial licences, which both accounts for significant economic activity in the port system and in the provision of port services and activities that are licensed by the Authority. The annual B-BBEE report of the Regulator shows Black ownership in terminal operations at 37% in 2021/22 with LPG accounting for 64%; and Cruise Terminals for 45% (Cape Town and Durban). There is no Black ownership in the container and automotive sector, both operated by an SOC which is not measured on ownership. Woman ownership across all port activities is below 30%. Participation by SMMEs and QSEs, although rising, is still below 25% and predominantly in activities that account for less economic activity in the port system, an outcome that must change in the context of transformation and empowerment of SMMEs.

Regulatory imperative for the corporatisation of the Authority

There have been continued delays in the process of corporatisation of the Authority in line with section 3(2) of the Act, notwithstanding the 2022 Medium-Term Budget Policy Statement and the Operation Vulindlela Dashboard reporting this target as achieved in 2023. The appointment of Board members of the Authority in compliance with section 14 of the Act, albeit late, was the first tangible sign of the state's progress in

implementing the Act. The Regulator's methodology must still take into account the corporate structure of the Authority in the treatment of elements of the required revenue.

2.1.1 Ports Regulator's capacity and capabilities

The organisational structure through which the Ports Regulator's programmes have been implemented over the years, presented in Part A of the report, is extremely lean and has stretched the capabilities of staff who, in most cases, have had to multitask even in functions that should be separated from a governance perspective, in compliance with the principle of separation of functions for accountability and simply to allow the organisation to do more in monitoring the activities of the Authority.

The Ports Regulator must monitor the Authority's compliance with and execute the more than 22 functions outlined in section 11 (1) of the Act in owning, managing, controlling and administering ports to ensure their efficient and economic functions; facilitate trade and commerce, promote technical education on port services and facilities; provide services required for safe, efficient and orderly operations or management of a port, facilitate public and private sector investments and participation in provision of port services and facilities; agreements with statutory bodies or organs of state to co-ordinate and harmonise the performance of functions related to those of the Authority; reporting to the Minister and Shareholding Minister and be ready to be an operator of last resort.

In line with its capacity, the Regulator has focused on monitoring some of the functions of the Authority, but not all, e.g., assessment of the Capex programme, implementation of the Broad-Based Black Economic Empowerment (B-BBEE), in addition to the matters identified through the appeals and complaints process, e.g., provision of access on a common user basis or port pricing, such as land outside of port limits.

As the regulatory system matures and requires increased sophistication and analytical input into decisions and in administrative and support functions, the Ports Regulator has consistently upscaled activities in the discharge of its functions despite the challenges of scarce human resources and budgetary constraints. However, much work still needs to be done for the Regulator to be capacitated and resourced to fully

implement its mandate as envisaged in the Act. Section 37(1)(b) requires ministerial approval, with concurrence of the Minister of Finance, of the organogram and remuneration structure of the Ports Regulator.

The approval of the proposed organogram to expand the PRSA's staff complement from the current all-inclusive 27 positions to 60 by the Minister of Transport was to enable the Regulator, within the constrained funding environment, to make headway in capacitating corporate services and the core programmes (economic regulation, industry development and legal services) towards a fit-for-purpose organisation. However, by the end of the 2024/25 FY, the organogram was yet to be approved, with the Department focusing on preparatory work for the Transport Economic Regulator.

The Ports Regulator strives to ensure compliance with the broader legislative framework applicable and relevant to its environment, including key pieces of legislation as contained in its Regulatory Universe, such as the National Ports Act, Public Finance Management Act, the Labour Relations Act, Basic Conditions of Employment Act, Promotion of Access to Information Act, Promotion of Administrative Justice, and the Protection of Personal Information Act, as well as any other relevant and applicable legislation.

The entity has strengthened its governance and compliance structures to fully comply with its key legislative framework, policies, procedures and regulations. This process has also led to updating of existing policies and approval of new policies to govern operations and achieve the required Strategic Plan and Annual Performance Plans (APP) outputs.

The Ports Regulator's funding source remains transfers from the Department of Transport, fees from lodging of appeals and complaints, and interest earned from invested funds. There were no advances in the amendments of the Act, nor the proposed funding model presented to the DOT to expand the funding sources of the Regulator.

2.1.2 Oversight

The Members of the Regulator play a critical role in overseeing the activities of the organisation. To oversee the organisation and ensure the requisite technical work to support tariff, appeals and complaints decisions,

the Regulator appointed members to different sub-committees, which include the Regulatory Committee, the Human Resources, Social & Ethics Committee, and the Audit & Risk Committee.

2.2 Key legislative changes and policy developments

The Economic Regulation of Transport (ERT) Act was passed into law by the President on 11 June 2024. Although the Act was signed into law, the effective date is on a date to be announced by the President. On 19 November 2024, certain provisions of the ERT Act were proclaimed into effect. However, the effective provisions exclude the provisions relating to the absorption of the Regulator into the ERT.

The advances on the ERT Act firmly put a stop to the Ports Regulator's proposed amendments to the National Ports Act aimed at amending section 42 to empower the Ports Regulator to be funded through a levy charged on the regulated entity and assigning enforcement powers to the Regulator to ensure the Authority implements its Records of Decisions on appeals and complaints. The Regulator provided support to the Department of Transport through

the Integrated Transport Planning (ITP) Branch in developing the draft Regulations for the ERT. There were no policy developments impacting on the Ports Regulator's mandate in the 2024/25 FY.

2.3 Progress towards achievement of institutional impacts and outcomes

The Regulator developed a strategic plan for 2020/21 to 2024/25 FY informed by regulatory imperatives of effective, affordable and efficient port infrastructure, services and facilities; the Medium-Term Strategic Framework 2019–2024; the National Development Plan Vision 2030 and government-articulated interventions to address problems in the freight logistics system with a specific focus on the role of the National Ports Authority.

Strategic Goal	Progress
Ensure implementation of all elements of the regulatory framework within its mandate	The tariff methodology and strategy aims to and creates greater certainty and transparency for the industry and responds to the imperative for administered pricing in the infrastructure monopolies of State-Owned Entities (SOEs) and the applicable economic regulation thereof.
Enhance the capacity to deal with all the output requirements of the organisation	Revision of the organogram as well as implementation of the training plan to ensure development of staff.
Continue to maintain its reputation as an organisation with integrity focused on delivery and excellence	Continuous public consultations with the maritime sector and stakeholders on the decisions of the Regulator and the processes followed to reach such decisions. Collect port users' perceptions and confidence in the Regulator's decisions.
Ensure that all port sector participants comply with the Act	Hear appeals and complaints by port users on the Authority's compliance with the Act. Compliance reviews performed on contracts entered by the Authority to ensure that such contracts comply with government policies, frameworks and guidelines, including trend analysis on B-BBEE. Authority's equity of access strategy to allow entry of new port participants, historically disadvantaged groups and SMMEs
Consider the proposed tariffs of the Authority and regulate the provision of adequate, affordable and efficient port services and facilities to ensure enhanced competition and investment	WEGO to enhance efficiency in the port system; analysed the tariff assessment and issued a record of decisions compliant with the Presidential call for reduced port-administered prices while ensuring the sustainability of the Authority.



3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: Administration

The Administration programme of the Ports Regulator of South Africa plays a crucial role in ensuring effective governance and operational efficiency. In order to assist the Regulator to achieve its goals, the Administration programme takes into consideration Corporate Services functions such as risk management, supply chain, financial management, human resources administration, and information and technology services. The Regulator's Internal Audit function is also outsourced, as is the same with the Information Technology services.

While strategies and frameworks were updated to ensure continued guidance of the entity's business processes regarding the finance, human resources, information technology, supply chain management, and risk management functions, the Secretariat reviewed a number of policies and procedures covering all administrative and support areas. Strong internal control and appropriate governance procedures have been established as a result of routine compliance monitoring and review, guaranteeing that the Regulator will rarely non-comply with the rules and regulations.

In order to improve internal systems and processes, modernise business processes, and advance more organised and efficient support from Corporate Services to the core departments, the Secretariat strengthened its internal controls by putting the Supply Chain Management and Information Technology Strategies into practice, and while the Human Resources Management Strategy is still crafted. Since the majority of the Regulator's systems are manual, the Information Technology Strategy focuses on digital transformation as part of its plans to further increase operational efficiency. This aligns with national efforts to use technology to improve service delivery. This will assist in streamlined processes, which will lead to a reduction in administrative turnaround times. Implementation of digital systems will improve data management and reporting accuracy, aligning with the national emphasis on improving the usefulness and reliability of performance information.

With an emphasis on efficient management of the entity's performance, personnel performance, policy management, and Secretariat performance reporting, the administration program achieved 86.67% of its 2024/25 FY APP targets. These APPs allow Regulator members to effectively oversee the organisation and guarantee that it meets all significant legal deadlines.

Through the hiring of personnel in the Supply Management in addition to the establishment and complete outsourcing of Information Technology services, the Regulator has advanced the division of Supply Chain, Human Resources, and Information Technology functions, freeing up the Administration programme to concentrate on fulfilling the demands of each of these specialised functions. Additionally, the appointments guarantee that the organisation conforms with the National Treasury's Guide to Accounting Officers and other related regulations. In October 2024, the SCM Specialist position was filled. Through these developments, the Administration programme has managed to address all previous audit findings and achieved clean audit for the financial year under review.

Two interns were hosted by the Ports Regulator for an eight-month internship from August 2024 to March 2025 as a result of the collaboration with the eThekweni Maritime Cluster (EMC). In addition to providing work placements, the structured internship program helped participants enhance their abilities to the extent that it applied to an eight-month program. A Regulator-funded internship program often lasts 24 months in order to provide the interns significant empowerment, which increases their employment prospects and helps lower youth unemployment.

Seventy percent of transfers from the Department of Transport in the 2024–2025 fiscal year are made to the Ports Regulator's Compensation of Employees (COE). The Administration programme demonstrated commendable performance in 2024/25 FY, marked by improvements in operational efficiency and financial management, including achieving clean audit opinion. However, challenges remain, particularly in resource allocation (funding)..

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
	All Corporate Services Policies reviewed on an annual basis.	IT, HR and Finance policies reviewed by the Accounting Officer and approved by the Regulator.	Achieved.	Achieved.	Annual review of organisational policies and submit a report on these to the Regulator for approval.	Achieved.	None	N/A
	Organisational and employee performance improved.	Organisational performance monitored and reported on to the Regulator quarterly.	Achieved	Achieved.	Achievement of all targets set in the Annual Performance Plan.	Not achieved.	Projects implementation and monitoring for completion to continue into the 2025/26 FY.	Change in timelines for projects due to operation-al reasons which reasons would not qualify to apply for adjustment of 2025/26 APP.
		Employee PMS monitored and enhanced by conducting half-year and final employee performance reviews to be provided to the Accounting Officer.	Achieved.	Achieved.	Assessment of employee performance to improve organisational efficiency and performance.	Achieved.	None	N/A

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
The running of an efficient and effective administration system.	Align Organisational and Employee performance management system with strategy and APP.	Organisational Performance monitored and reported on to the Regulator quarterly.	Achieved.	Achieved.	Monitoring employee performance in order to achieve alignment with strategic objectives.	Achieved.	None	N/A
	HR Management and ongoing skills development of Members and staff to enhance the effectiveness and efficiency of the organisation.	Regulator Members and staff matters were dealt with and training attendance on Regulatory matters reported annually.	Achieved.	Achieved.	Full implementation of the PRSA HR and training plan for Members and staff and annually report to the Regulator on all regulatory training that has taken place in line with the organisational HR plan.	Achieved.	None	N/A

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
The running of an efficient and effective administration system.	Percentage reduction of cases of irregular, wasteful and fruitless expenditure.	Irregular, wasteful & fruitless expenditure eliminated.	New indicator	Achieved.	100% reduction of cases of irregular, wasteful and fruitless expenditure.	Achieved.	None	N/A
	Percent age implementation of action plans to address audit findings.	Implementation of action plan to address audit findings.	New indicator	Achieved.	Full implementation of action plans to address audit findings.	Achieved.	None	N/A
	Elimination of fraud and corruption	Percent- age resolution of reported incidents of fraud and corruption.	New indicator	Achieved.	100% resolution of reported incidents of fraud and corruption.	Achieved.	None	N/A
	Respond to parliamentary questions within the stipulated timelines.	Percent- age responses to Parliament questions within stipulated timelines.	New indicator	Achieved.	100% responses to Parliament questions.	Achieved.	None	N/A

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
The running of an efficient and effective administration system.	Resource requirements of the organisation sourced through an approved SCM Strategy.	Implementation of SCM strategy	New indicator	Achieved.	Implementation of SCM strategy	Achieved.	None	N/A
	Expand the Human Resources support functions to core programmes through strategy.	Implementation of HR strategy	New indicator	Not achieved	Implementation of HR Strategy	Not achieved	Draft HR strategy not finalised by 31 March 2025.	Unforeseen delays in finalising the strategy
	Capacitation of ICT function.	Implementation of ICT strategy	New indicator	Achieved	Implementation of ICT Strategy	Achieved.	None	N/A
	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA).	Full compliance with elements of regularity audit	New indicator	New indicator	Full compliance with elements of regularity audit	Achieved.	None	N/A

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
The running of an efficient and effective administration system.	Increased procurement and effective payments of suppliers and service providers.	Percentage of payments effected within 30 days, in line with the National Treasury guidelines	New indicator	New indicator	100% invoices paid within 30 days	Achieved.	None	N/A
	Contribution to the transformation initiatives	Reports to the Regulator on Procurement Plan	New indicator	Achieved	Quarterly reporting to the Regulator on implementation of transformation on the procurement plan	Achieved.	None	N/A

Linking performance with budgets

The Regulator overspent its administration budget because of other goods and services that were not budgeted for. National Treasury approved the retention of R16,3 million in surplus funds, which were allocated to goods and services.

Programme/ activity/ objective	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	18 325	19 052	(727)	28 841	19 481	9 360
Total	18 325	19 052	(727)	28 841	19 481	9 360

Strategy to overcome areas of underperformance

The public entity achieved 13 of the 15 targets under the Administration programme. Targets that were not achieved were rolled over into the 2025/26FY for completion.

3.2 Programme 2: Economic Regulation

The economic regulation programme undertakes technical work to support Members of the Regulator in developing, implementing, reviewing and evaluating regulatory frameworks.

At a pricing level, these regulatory frameworks focus both on the prevention of monopolistic pricing practices at the ports, as well as fostering a tariff strategy based on the user pays principle, which is consistent with the efficient use of port facilities. The regulatory frameworks also consider the efficiency of the ports system, and the quality of ports services produced by the Authority. Oversight of capital expenditures is crucial to this regulatory system, as the maintenance and expansion of the physical infrastructure of ports is central to the efficiency of South African logistics systems.

The overarching goal of the regulatory framework is to balance the financial and economic sustainability of the Authority, both in the short and long term, against the affordability of port infrastructure, facilities and services to port users and the strategic objectives and needs of the country at large.

Effort has also been made to design a regulatory system that incentivises capital investments in ports, albeit to limited effect to date. The anticipated incorporation of the Authority is however likely to improve investment outcomes, by ringfencing the management of ports infrastructure. As a whole, the economic regulation programme anticipates that the structural reforms as set out in the Freight Logistics Roadmap will help to support the goals of economic regulation, and thus improve the efficiency and effectiveness of the ports sector. The economic regulation programme is preparing to support the development of a level playing field in the ports system, as envisaged in the Roadmap.

Progress continues to be made in the development of a transparent, predictable regulatory system, as embodied in the Tariff Strategy and Multi-Year Tariff Methodology, and implemented in the annual record of decision. The timing of incorporation continues to be a challenge in this regard, however. The economic regulation programme is actively engaging with the task team established by the Minister of Transport to provide recommendations to the minister on the most suitable process for incorporating the Authority.

The review of the port tariff methodology is currently underway and will incorporate all additional parameters for consideration for a corporatised Authority. The methodology will ensure that the ports system is capacitated to meet the needs of port users whilst improving port performance in the medium to long term. The economic regulation program also remains cognisant of the need to prepare for the implementation of the Transport Economic Regulator. The economic regulation capacity of the Regulator will comprise the nucleus of the technical capacity of the TER, and thus continues to engage with the Department of Transport team responsible for implementing these changes.

The Regulator aims to play a proactive role in sector development by conducting research that increases insights on regulation and the regulatory framework in the transport sector. The findings of this research will then be incorporated in the review period of the multi-year tariff methodology as appropriate.

Specific research projects undertaken in the 2024/25 year are as follows:

- a discussion paper on private sector participation, specifically focusing on equity funding models and intermodal transport systems, to unpack strategic interconnection points between ports, rail and road. The research also explores the development of dry ports, which seeks to alleviate congestion in the port system. These measures seek to improve the port turnaround time on the landside operations and improve efficiencies in the port system.
- A research report on clean technologies and infrastructure to handle green energy, including gas. This research seeks to explore alternative energy sources for the SA port system, as well as reviewing the compatibility of the existing regulatory framework with decarbonization objectives.
- The annual update of the Global Pricing Comparator Study (GPCS) benchmarking of port prices
- A report on the effectiveness of integrated intermodal transport systems and their role in port performance and volumes

Tariff decision for the 2025/26–2027/28 period.

The tariff decision on the National Ports Authority's 2025/26–2027/28 Tariff Application took into account the contents of the Tariff Application, the existing domestic and global economic environment, and the concerns raised by various stakeholders and port users. The Authority requested an average tariff increase of 7.90%, and the Regulator approved an average increase of 4.4% for financial year 2025/26. This was differentiated as follows:

- Marine services and related charges increased by 6.15%;
- All cargo dues increased by 3.40%; with the exception of the following:
 - Dry Bulk imports and export cargo dues increased by 4.00%;
 - The introduction of a 10% discount on port dues in liquid bulk tankers in possession of a green award certificate.
 - Tariffs for empty containers on deep sea and transshipment were equalised with the tariffs applicable to coastwise shipping.
- All discounts applicable to marine tariffs were retained subject to a review by the Regulator.

In addition, the Regulator incentivised the Authority to finalise the ship repair/building strategy. This was achieved by approving the proposed increase in tariffs for ship repair contingent on the publication of a Ship Repair Strategy by 30 September 2025. Failure to do so will result in a clawback on the additional revenue resulting from a tariff increase for ship repair.

The Regulator has also approved a 10% discount on port dues for liquid bulk tankers in possession of a green award certificate, and introduced a hull cleaning permit in support of adopting clean technologies. The Regulator will thus explore the decarbonisation agenda of the port system and continuously monitor the effectiveness of the incentives afforded to these industries.

Notably, the Authority has failed to optimise on the economic recovery since the COVID-19 period and the associated commodity boom, which affected the coal, platinum-based metals (PGM) and manganese industries in particular. This failure was as a result of diminished port efficiencies, constraints within the rail network and port congestion. These constraints have resulted in lower export and import volumes and revenues, and reduced contribution to Gross Domestic Product (GDP).



Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Ongoing implementation of economic regulation of ports (Price, access, institutional structure).	Report on the Review of the 10-year Tariff Strategy	Report on key elements for review on the pricing of the SA port system	New indicator	New indicator	Regulatory accounting framework (guidelines)	Achieved.	None	N/A
	Complete tariff assessment in accordance with the multi-year tariff methodology and publish record of decision	RoD and Tariff Book published	Achieved.	Achieved.	Implement the approved Tariff Methodology and Tariff Strategy through the annual Tariff Decision	Achieved.	None	N/A
	Conduct research on the study on clean technologies and infrastructure to handle green energy including gas in the ports sector.	Completion of research report	New indicator	Achieved	Research report on the study of efficacy clean technologies and infrastructure to handle green energy including gas	Achieved.	None	N/A

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
	Global Port Pricing Study	Annual GPCS study published	Achieved.	Achieved.	Global Port Pricing Study	Achieved.	None	N/A
	Integrated Intermodal Transport System (including operations by PSP).	Report on the effectiveness of integrated intermodal transport systems and its role in port performance and volumes.	Achieved.	Achieved.	Report on the effectiveness of integrated intermodal transport systems and its role in port performance and volumes.	Achieved.	None	N/A

Linking performance with budgets

Programme/ activity/ objective	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Regulation	7 900	5 970	1 930	7 743	6 842	901
Total	7 900	5 970	1 930	7 743	6 842	901

The Regulator underspent its Economic regulation budget due to delays in filling of vacant positions. Furthermore, the roadshows in quarter 4 for tariff strategy did not take place.

Strategy to overcome areas of underperformance

The public entity achieved six out of six set targets under the Economic Regulation programme.

3.3 Programme 3: Legal Services

The Legal programme carry out the following functions: tribunal management, compliance monitoring of the Authority and regulatory compliance as detailed below. All reports are compiled to ensure that the Ports Regulator plays its oversight role effectively and efficiently, and identifies, prevents, and corrects any compliance risks relating to the applicable laws, regulations, policies, etc. The compliance reports also provide assurance that the Authority executes its activities in line with the requirements of the National Ports Act and its Regulations.

3.3.1 Tribunal Management

Section 30(2)(a) of the National Ports Act states that “the Regulator must hear appeals and complaints contemplated in sections 46 and 47, respectively, and investigate complaints contemplated in section 48”. Complaints management, appeals and hearings are conducted in line with the 2009 Directives issued in terms of Section 30(3) of the Act.

The Ports Regulator dealt with a total of 17 matters in the 2024/25FY. Five matters were disposed of by way of issuance of Records of Decision. One matter was determined to be prima facie invalid in terms of Directive 3(4). Two complaint matters were settled by the parties, and one was abandoned by the complainant. The remaining 8 pending matters are before the Tribunal and are envisaged to be finalized during the 2025/26 FY. Eight of the matters relate to the same issue and have therefore been consolidated.

3.3.2 Compliance

The Compliance function of the Ports Regulator is enabled by Section 30(1)(c) of the National Ports Act, which states that “the main functions of the Regulator are to monitor the activities of the Authority to ensure that it performs its functions in accordance with this Act”. This is one of the key functions of ensuring that the Authority complies with the Act and its broader legislative framework, including the National Ports Regulations, 2007, issued in terms of sections 80(1) (a), (c), (d), (f) and (g) of the Act. The primary purpose of compliance monitoring is to determine the extent to which the Authority has met the requirements embodied in applicable sections of the Act, along with the 2007

Regulations.

Annually, the following documents are reviewed, analysed and reported to the Board on a quarterly basis:

- Sections 56, 57, 65 and 66 agreements, licences and lease agreements;
- B-BBEE certificates of companies the NPA contracted with in the various agreements ;
- Section 79 Directives issued; and
- General Compliance in terms of Section 72(4) agreements.

The PRSA conducts compliance monitoring through quarterly reviews of reports and information submitted by the Authority and also conducts quarterly compliance audits to strengthen the compliance monitoring role. Due to capacity constraints only one Audit was conducted in the 2024/25 FY. The Audit was focused on efficiencies at the port of Richards Bay.

PRSA's Regulatory Compliance:

Section 51(1)(h) of the Public Finance Management Act (‘PFMA’) provides that “an accounting authority for a public entity must comply, and ensure compliance by the public entity, with the provisions of this Act and any other legislation applicable to the public entity”.

Compliance with all relevant and applicable legislation, regulations, standards and codes is imperative to the Ports Regulator. As a result, the organisation has managed to establish its compliance systems to fully comply with the applicable regulatory frameworks.

A compliance management checklist and a compliance risk management plan (CRMP) for legislation applicable to the organisation were developed, implemented and reported on quarterly.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Operating an effective and efficient tribunal to hear complaints and appeals under the National Ports Act.	Optimised operational efficiency of the hearing panel.	Number of Tribunal Reports on support given to the hearing Panels in case management, adjudication, mediation and decision making on the tribunal matters.	Achieved.	Achieved.	4 Quarterly Tribunal Reports	Achieved.	None	N/A
Monitoring the activities of the Authority and its compliance with the National Ports Act and other Regulatory Instruments to ensure access to and competition within the port system.	Improved levels of compliance with the Act by the NPA.	Number of compliance monitoring and own initiative investigations conducted.	Achieved.	Achieved.	4 Quarterly Compliance Monitoring Reports	Achieved.	None	N/A
	Improved levels of equity access in the ports system by HDIs in accordance with the relevant Regulatory instruments.	Number of B-BBEE compliance monitoring and enforcement against the authority with the requirements of Regulation 2 and 3 (2007 Regulations).	Achieved.	Achieved.	1 Section 30(5) B-BBEE Report	Achieved.	None	N/A
			Achieved.	Achieved.	1 Annual B-BBEE compliance monitoring report	Achieved.	None	N/A
Ensuring Regulatory Compliance within the organisation	Improved levels of compliance with various regulatory frameworks by the PRSA	Number of compliance management frameworks developed	Achieved.	Achieved.	4 Compliance Management Reports	Achieved.	None	N/A

Linking performance with budgets

All the KPIs for the programme were met. There was one (1) resignation (Specialist: Monitoring and Compliance) and two (2) appointments (Specialist: Tribunal and Compliance) and Executive Manager: Legal, who joined in January 2025 in the Department.

Programme/ activity/ objective	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Legal Services	8 776	5 058	3 718	10 764	10 316	448
Total	8 776	5 058	3 718	10 764	10 316	448

Strategy to overcome areas of underperformance

The public entity achieved all the set targets under the Tribunal, Compliance & Legal programme.

3.4 Programme 4: Industry Development

The Industry Development Programme facilitates the development, promotion, and executes various projects and programs in line with the organisation's mandate.

The Industry Development Programme is responsible for the execution of the organisation's Stakeholder Management Strategy execution, including engagements with the regulated entity, the Authority and port users.

The department is also responsible for monitoring port performance and infrastructure investment processes within the SA port system with particular focus on:

- port operational efficiencies and productivity,
- capex expenditure to support capacity creation across all the ports, and promoting access to ports facilities and services in line with the National Ports Act of 2005 objective of promoting the development of an transformed South African port industry that can contribute to the economic growth and development of the country.

Industry Development Programme supports the PRSA mandate in the following manner:

Operational Performance Monitoring & Reporting A meaningful evaluation of South African ports' performance requires the Ports Regulator to consistently exercise oversight on:

- Operational efficiencies through key performance indicators (KPIs) Monitoring & Report Writing of

terminal operator performance standards (TOPS) and marine operator performance standards (MOPS)

- Monitoring and reporting on SA ports operational efficiencies. This is done to influence improvements by reducing delays in ports and monitoring the Authority infrastructure investments through assessment of the Authority's CAPEX program.
- Promoting equity of access to ports: port facilities and services. The Industry Development Programme assesses the BBBEE performance of the Authority across various port activities. The assessment report highlights how the Authority is transforming the South African ports through access by SMME's and BBBEE companies.
- Exercising oversight on issues of productivity in the ports, ensures efficiently integrated logistics and supply chains which are crucial as instruments of economic growth. A mechanism like the Weighted Efficiency Gains from Operations (WEGO) seeks to reward and penalize improvements in the port system by focusing attention on operational areas that impact efficiencies in the ports.

Stakeholder Management

- The Industry Development programme assists the PRSA in achieving a more profound and successful comprehension of its stakeholders by facilitating regular and transparent communication. This approach highlights the significance of engaging

with stakeholders regularly and implementing strategies that can help prevent future challenges.

- The efforts undertaken by the department enable the organization to concentrate on establishing relationships with stakeholders and to work together towards achieving mutually advantageous objectives.
- Through its efforts, the Industry Development programme ensures enhanced opportunities for port users and stakeholders to directly engage in the economic regulation processes of South Africa's commercial ports, thereby influencing the development of pricing and port infrastructure processes.
- Engaging stakeholders ensures enhanced openness and transparency in communication – fostering greater accountability of the Regulator, facilitating the attainment of regulatory objectives and encouraging integrated and comprehensive solutions to complex regulatory matters.
- Interactions with port users and stakeholders in the various platforms by the Ports Regulator such as Tariff Roadshows, Annual Port Consultative Committee (PCC) Performance Roadshows, National Port Consultative Committee, PCCs, and PCCs Sub-Committee on KPI and WEGO continues to highlight challenges in the port system.
- ID also acts on behalf of the Ports Regulator at various industry stakeholder platforms and serves as the liaison with port users and participates in various maritime and transport activities.

- Additionally, the Department is tasked with raising awareness regarding the functions and activities of the Port Regulators through career exhibitions where school children are exposed to the work of the Ports Regulator.

Roadshows and stakeholder feedback

In September 2024, the Ports Regulator held public consultation roadshows on the National Ports Authority's tariff application for 2025/26 – 2027/28 FY in the four regions:

- Eastern Region (in person): 06 September 2024
- Gauteng Region (virtual): 09 September 2024
- Central Region (virtual): 12 September 2024
- Western Region (in person): 20 September 2024

An estimated number of 257 port stakeholders attended the roadshows across all the regions. The Eastern region had the lowest attendance, with the Central region having the highest attendance. The Western region had the broadest participation of port stakeholders/users: Provincial, Academia, Terminal Operators, Freight Logistics, Shipping Lines, and NERSA.

All attendees were requested to complete a stakeholder survey of questions which were aimed to assist the Regulator improve its engagements with port stakeholders/users in the South African port system. Attendees rated the Ports Regulator's execution of its mandate and the NPA Tariff Application presentation on a scale of 1 (being very poor) to 5 (being very good).

Rate	1	2	3	4	5
The NPA presentation	0%	1%	12%	29%	58%
Does the amount of information provided allow you to effectively comment on the Tariff Application?	1%	6%	13%	35%	45%
Does the kind and quality of information provided allow you to effectively comment on the Tariff Application?	1%	8%	19%	31%	41%
Rate the efficiency of the PRSA	1%	4%	22%	32%	41%
Rate the effectiveness of the PRSA	0%	6%	21%	28%	45%
Rate the responsiveness of the PRSA	0%	6%	26%	28%	40%
Rate the neutrality of the PRSA	1%	3%	19%	31%	46%
Rate the independence of the PRSA	1%	4%	18%	29%	47%
Rate the decisions issued by the PRSA	4%	4%	21%	34%	37%

The feedback received on the 2024/25 FY stakeholder survey is an improvement from the 2022/23 FY stakeholder survey and the 2023/24 FY low response rate which was not reflective of the overall attendees' numbers.

2024/25 FY stakeholder survey, the attendees were overall satisfied with the NPA presentation, this statement reflects an internal comment that should not be published.

On the Regulator's processes, attendees believe and rated high the neutrality and independence of the Regulator. However, the "decisions issued by the PRSA" category received the lowest percentages on the scales of 4 and 5 and 4% of the attendees believe decisions issued are very poor. The Regulator has highlighted customer satisfaction as an outcome and a focus area to improve on.

Research, Data Analytics and Research Report Writing

The Industry Development Programme supports the mandate of the Ports Regulator through identifying and undertaking research that supports economic regulation. Research and analysis that is done ensures that the Ports Regulator has the ability to address complex port and regulatory challenges resulting in informed decisions.

Industry Development continues to perform diverse research into areas of concern; whereby proposed interventions remain relevant and successful. Thus, allowing the port community and itself as an institution to stay ahead of evolving trends in global ports.

For 2024/25 FY, the Industry Development programme did not publish any reports, however, the following reports were undertaken to enhance the Ports Regulator's knowledge base

2024/25 FY report on port performance (the Terminal Operator Performance Standards -TOPS and the WEGO reports)

6. 2024/25 FY CAPEX Assessment Report

7. 2024/25 FY Equity of Access in SA Ports Report.

Through the research and data analysis ,it is evident that certain port operations areas continue to perform poorly. These areas of operational efficiencies include:

Terminal Performance: The continued poor performance of Key Performance Indicators (KPIs) in Terminal Operator Performance Standards (TOPS), remains a concern in the port system. From stakeholder engagements and research, port users continue to highlight the impact on operational efficiencies at the terminals due to inadequate equipment and equipment breakdowns. Lack of investment by terminals is a major factor.

Landside Congestion: The upgrading of rail infrastructure to improve and increase network capacity is critical for the ports system to alleviate road congestion in ports for example, Port of Richards Bay.

Capex: The inability by the Authority to spend Capex as approved in their Tariff Application continues to plague SA ports. It therefore means the port system is unable to or there are delays in the development of the infrastructure capacity needed ahead of demand.

The Ports Regulator will continue assessing progress made by the Authority in the timely implementation of its Capex projects.

Marine Fleet: The Port Authority acquired seven "new" tugboats in the 2023/24 FY, with five allocated to the Port of Durban and two to the Port of East London, replacing older tugs as part of their fleet renewal program.

The port system is yet to reap the benefits of the new marine fleet acquired by the Authority which remains a concern for the port users. The Industry Development programme has identified marine performance monitoring as one of the focus areas to monitor that new marine fleet investments contribute positively to reducing marine delays.

Weighted Efficiency Gains from Operations (WEGO)

Weighted Efficiency Gains from Operations (WEGO) is a system introduced by the Regulator is part of the Tariff Methodology and a regulatory tool used by the Regulator to incentivize the Authority to exercise oversight on all terminal operators to bring about efficiency of operations in the ports.

The WEGO continues to highlight specific challenges in the port system (and quantify same) through the assignment of weights to the selected KPIs in a manner that reflects where port performance challenges that need to be addressed.

The 2024/25 FY measured KPIs comprise the following:

1. Vessel Service Delay (VSD)
2. Ship Working Hour (SWH)
3. Berth Productivity (BP)
4. Ship Productivity Indicator (SPI)
5. Ship Turnaround Time (STT)
6. Truck Turnaround Time (TTT)

The Table below reflects the 2024/25 FY WEGO performance

2024/25FY - Provisional WEGO Performance Report								
WEGO Key Performance Indicators	Port of Richards Bay	Port of Durban	Port East London	Port of Ngqura	Port of Port Elizabeth	Port of Mossel Bay	Port of Cape Town	Port of Saldanha
Vessel Service Delays - TNPA Marine Services	-0,5 %	-756,8%	-44,7%	-26,7%	0,4%	0,0%	0,0%	-28,4%
Vessel Service Delays - Terminal Operators	-30,0%	0,0%	0,0%	-5,0%	0,0%	0,0%	0,0%	0,0%
Ship Working Hour	-0,1%	-1,7%	-0,7%	-3,6%	-1,7%	0,0%	-2,6%	-1,0%
Berth Productivity	-0,1%	-0,5%	-3,8%	-5,9%	-1,9%	0,0%	-5,1%	-0,4%
Ship Productivity Indicator	-9,3%	-6,6%	9,2%	-0,3%	-3,7%	-32,6%	-11,6%	-5,7%
Ship Turna- round Time	-2,6%	-3,8%	-23,0%	-3,2%	-16,5%	-33,0%	-25,3%	-12,5%
Port Efficiency Gain	-42,6%	-769,4%	-63,1%	-44,7%	-23,3%	-65,6%	-44,6%	-48,0%
Capped at 15%	-15,0%	-15,0%	-15,0%	-15,0%	-15,0%	-15,0%	-15,0%	-15,0%
Revenue Weighting	13,0%	51,0%	1,9%	5,5%	5,3%	0,7%	14,5%	8,1%
Weighted Port Performance	-1,9%	-7,7%	-0,3%	-0,8%	-0,8%	-0,1%	-2,2%	-1,2%
TNPA WEGO	-15,0%	LEGEND:		White	No Change from Previous Best Performance			
				Green	Improvement from Previous Best Performance			
				Red	Decline from Previous Best Performance			

The WEGO Record of Decision requires the Port Authority to submit a WEGO performance report and Performance Improvement Plan to the Regulator within sixty (60) days following the publication of this Record of Decision. The Regulator also undertakes to put together a framework to enable the Regulator to conduct data validation of the WEGO Key Performance Indicators (KPIs) moving forward.

Transformation

With the aim of improving monitoring and achieving transformation in the port system, the Ports Regulator, the Broad-Based Black Economic Empowerment (B-BBEE) Commission, and Commission for Gender Equality held a roundtable discussion on the 6th December 2024 which focusses on promoting economic transformation in the SA Ports Sector. The focus of the inaugural session was on **Women in the Port Sector Transformation**. The Roundtable discussion aimed to promote non-discriminatory, fair and equal treatment of women in the ports sector through facilitating access to services and facilities in South African ports, while also advocating the importance of advancing the progress made by women in the ports sector.

The partnership of the PRSA with the B-BBEE Commission will assist in fast-tracking the slow pace of transformation by leveraging on each other's powers and mandates in the port system.

2024/25 FY Equity of Access in SA Ports Report

On its 9th edition of the trends on the implementation of Equity of Access in South African ports Report, the analysis covers 761 B-BBEE certificates for all active port service and port activity licenses, hull cleaning permits, terminal operator licenses, Section 56 agreements, and leases entered during the review period i.e. 01 October 2023 to 30 September 2024.

The key findings of the report include:

- A decrease in the percentage of licenses held by

companies rated B-BBEE Level 4 or better, from 71% in 2022/23 to 60.22% in 2023/24,

- an increase in B-BBEE non-compliance, especially within port activity licenses.
- While black ownership in the port sector has seen significant improvement, it remains below the targeted 50%, and
- Women ownership, although progressing, still falls short of the 30% target.

The Authority has failed to submit a Transformation Strategy for the port system in 2024/25. Engagements through the Technical Working Committees, PRSA/NPA Bilateral meetings and PRSA Board and NPA Board meetings, will continue to focus on the mandate of the Authority to provide equitable access to port services and facilities in South African ports.



Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Engage stakeholders and monitor provision of infrastructure and facilities; and promotion of efficiencies in the port system.	Implementation of stakeholder engagement plan and knowledge management plan.	Quarterly reports on stakeholder engagement.	Achieved	Achieved	Quarterly stakeholder engagement report.	Achieved	None	N/A
	Monitor port performance (TOPS)	Manage implementation of WEGO	Achieved	Achieved	One Annual report on port performance (TOPS)	Achieved	None	N/A
			Achieved	Achieved	WEGO ROD Published by 31/03/25	Achieved	None	N/A
	Monitor and report on equity of access in port infrastructure and services as per strategy.	Report: monitoring equity of access in port facilities and services.	Achieved	Achieved	Report on implementation of equity of access in SA ports.	Achieved	None	N/A
	Assessment of Authority's Capex programme	Capex Assessment/ Analysis report	Achieved	Achieved	Quarterly Capex Spend and Maintenance Schedule Reports submission. Quarterly meetings with NPA Capex Team. Annual Capex Assessment Report.	Achieved	None	N/A

Linking performance with budgets

Industry Development achieved all five projects for the 2024/25FY Annual Performance Plan with targets summarised in the Table below.

Programme/ activity/ objective	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industry Development	7 632	6 122	1 510	8 430	7 099	1 331
Total	7 632	6 122	1 510	8 430	7 099	1 331

Strategy to overcome areas of under performance

The public entity achieved all the set targets under the Industry Development programme.

3.5 Programme 5: Governance

The Regulator members exercised and discharged their responsibilities as contained in the Public Finance Management Act and in line with King IV principles and best practices in governance.

There 11 were members appointed effective 1 September 2023 and they took on full responsibility for governance of the entity.

Linking performance with budgets

The budget for the governance programme increased from R2,737 million to R3,122 million.

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Ensuring good governance and sustainability of the organisation	Improved Governance processes within the Regulator	Number of quarterly Governance Reports to the Regulator	New indicator	New indicator	4 Governance Reports	Achieved	None	N/A
		Number of recommended training programmes for Regulator Members	New indicator	New indicator	4 Training Programmes conducted for Regulator Members	Not achieved	Only 1 training programme was conducted	The members were not available on the suggested scheduled time

	2024/2025			2023/2024		
Programme/ activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Governance	3 054	4 954	(1 900)	7 737	7 001	736
Total	3 054	4 954	(1 900)	7 737	7 001	736

Strategy to overcome areas of under performance

The public entity achieved 50% of the set targets under the Governance programme.

3.6 Revenue collection

Sources of revenue	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grants and Subsidies	44 476	44 476	0	42 564	42 564	0
Interest income	1 211	1 612	401	1 550	1 646	96
Sale of Goods and Services	0	33	33	0	7	7
Other income	0	56	56	0	387	387
Total	45 687	46 177	490	44 114	44 604	490

The Ports Regulator's baseline allocation and operations were financed from three revenue sources in line with section 42 of the National Ports Act, Act 12 of 2005, namely: transfers from the fiscus, interest income and fees for complaints and appeals.

The Regulator budget for 2024/25 FY was received in full from Department of Transport. The South African Reserve Bank revised the interest rate during the 2024/25 FY as the economy showed some recovery which lowered the interest earned during the financial year. The entity applied to National Treasury as per PFMA Section 53(3) for the use of unspent surplus funds, the application was approved and the Regulator (Board) approved for the surplus funds to be included in the adjusted budget for 2024/25 FY. The sale of goods and services refers to the filing fees for complaints and appeals.

Other income refers to the bill of costs received in relation to the tribunal proceedings and the funding received from Transport Education Training Authority (TETA) for the appointment of interns during the financial year.

3.6.1 Capital investments

The Ports Regulator investment is only in Property, Plant & Equipment, which comprises computer equipment, vehicles, furniture and fittings. There were no investments in infrastructure or projects under capital investments in the 2024/25 FY.

An asset count is conducted twice a year as part of the maintenance and updating of the asset register with both numerical and physical verification of assets contained in the asset register. Any assets identified to be damaged during the asset verification exercise are revised down in terms of their fair value/recoverable amount as required by GRAP 17. All assets were accounted for in the 2024/25 asset count.

There were no major repairs and maintenance done on the assets during 2024/25. Most of the assets were in fair to good condition except for those recommended for disposal.

Infrastructure projects	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property, Plant & Equipment	0	10	(10)	0	2 142	(2 142)
Intangible Assets	0	0	0	0	0	0
Total	0	10	(10)	0	2 142	(2 142)



PART C

GOVERNANCE

4. INTRODUCTION

4.1 Executive Authority

The Executive Authority of the Ports Regulator is the Minister of Transport. In 2024/25, the Minister fulfilled the Executive functions defined in the PFMA and section 44 and 30(6) of the National Ports Act in relation to appointment of Members of the Regulator and representing the Regulator's Annual Report (including the entities activities and annual performance and the audited Annual Financial Statement 2024/25). The Regulator has fulfilled its obligation to submit to the Executive Authority regarding disclosure of interest and certain prohibitions.

An Annual General Meeting (AGM) is convened and presided over by the Minister, or the Minister's Proxy, to approve the final audited Annual Report and Annual Financial Statements, as recommended by the Regulator, amongst other things. The AGM is attended by the Minister/Minister's Proxy, the Regulator, Ports Regulator's Independent Audit and Risk Committee Chairperson, the Ports Regulator Secretariat and is led by the CEO, Department of Transport Director-General and officials. In March 2024/25, the Executive Authority delegated oversight over the Ports Regulator to the Deputy Minister of Transport who has been a present leader. We are greatly appreciative of the support provided to the Regulator by the Executive Authority and the Deputy Minister of Transport.

4.2 Portfolio Committees

4.2.1 Portfolio Committee on Transport (PCOT)

Parliament holds the executive to account and evaluates the performance of the public entity through the Portfolio Committee on Transport (PCOT) which interrogates the entity's Annual Report and Annual Financial Statements (AFS) and other relevant documents which must be tabled from time to time, such as the section 30(5) (6) or (7) of the Act. PCOT reviews the non-financial information contained in the annual reports of the public entity and is concerned with service delivery and enhancing economic growth.

The Minister, supported by the Regulator Chairperson, CEO and CFO, tables the Ports Regulator's Annual Report at the Portfolio Committee on Transport. The Ports

Regulator's 2023/24 Annual Report was tabled at the Portfolio Committee in the third quarter of the 2024/25 FY. The Portfolio Committee was generally satisfied with the non-financial performance information and commended the Regulator. Concerns were raised with regards to the under-resourcing and under capacitation of the Ports Regulator.

Led by the Deputy Minister of Transport, Honorable Mkhululeko Hlengwaq, the full Board met with the newly appointed Portfolio Committee in October 2024 where the performance of the entity and its challenges were presented. The Portfolio Committee acknowledged the entity's issues commending its role in the Transport logistics system, notwithstanding the challenges, and encouraging the shareholder to prioritise the resourcing and capacitation of the Ports Regulator. The Portfolio Committee committed to address the amendments to the TER Act without which the funding and capacity challenges of the Ports Regulator would not be addressed through Transport Economic Regulator.

4.2.2 Standing Committee on Public Accounts (SCOPA)

The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor. The Ports Regulator has not been called to account to SCOPA on any matters during the 2024/25 FY.

4.3 Accounting Authority/the Board

In accordance with the PFMA, the Regulator Members constitute the accounting authority and governing body in terms of King IV Codes. As the governing body, the respective Regulator Members were committed to exercising ethical and effective leadership towards the achievement of governance outcomes including creating an ethical culture, good performance, effective control and legitimacy of the Ports Regulator as an organisation.

The governing body's primary role and responsibility, in terms of the King IV Report, includes steering and setting the entity's strategic direction, approving policy and planning, ensuring accountability, oversight and monitoring.

The Regulator Members must uphold the organisational values and display the ethical characteristics of integrity, competence, responsibility, accountability, fairness, and transparency in the performance of their duties and functions; in addition to determining the overall strategy of the entity.

The Regulator Board leads the organisation ethically and effectively by ensuring the implementation of good corporate governance through its various committees which include the Regulatory Committee, Audit and Risk Committee as well as the Human Capital, Remuneration, Social and Ethics Committee. The Regulator Board has exercised its responsibilities with regards to setting the strategy, and the annual revision of various governance documents such as policies, charters, delegations of authority as well as the Code of Conduct and Business Ethics.

4.4 The role of the Board

The Members of the Regulator play a dual role of governing body and regulators responsible for taking regulatory decisions in price setting; promoting equity of access to ports, facilities and related services; monitoring the Authority's compliance with the Act; hearing appeals and complaints from port users; considering proposed tariffs of the Authority; promoting regulated competition; and the provision of adequate, affordable and efficient port services and facilities. The role of the Regulator includes, but is not limited to:

1. Providing effective leadership on an ethical foundation;
2. Acting as the focal point for and custodian of corporate governance;
3. Effectively performing the functions as more fully set out in section 30 of the National Ports Act, 2005;
4. Considering and approving the strategic and performance plan of the entity;
5. Assuming responsibility for the performance of the entity;
6. Ensuring that effective and independent Audit and Risk Committee is in place;
7. Assuming responsibility for the governance of risk and information technology governance;

8. Ensuring an effective risk-based Internal Audit;
9. Ensuring compliance with all applicable laws and regulatory instruments;
10. Setting and evaluating the overall policy for the development, improvement and operation of the Ports Regulator; and
11. Applying the Principles set out in the King IV Report and codes of practice in a manner appropriate to the entity.

In terms of Governance, the Ports Regulator carried out the following key activities, including but not limited to:

- Convening a Board Strategic Planning Session and Board Strategic Risk Session which resulted in the finalisation of the 2025/26 Annual Performance Plan and the 2025/26–2029/30 Strategic Plan.
- Appointing Tribunal Hearing Panels to consider appeals and complaints and attending training where the members were trained on the work of the Tribunals.
- Convening of Regulator Board and Committee meetings to consider quarterly reports, workshops on tariff-setting frameworks and the CEO's HR and labour matter.
- Quarterly reports on the performance, including financial performance, of the entity were submitted timeously to the Executive Authority.

The Ports Regulator ensures that it has a transparent and open relationship with the Executive Authority and continuously informs the Authority of its performance, milestones, challenges and areas requiring intervention. The Chairperson and CEO of the Regulator have actively supported the shareholding department by attending various departmental meetings, engagements and events and continuously supporting the Executive Authority therein.

4.5 New appointments

As per section 31(4) of the National Ports Act, 2005, the members of the Regulator must, when viewed collectively, comprise sufficient persons with suitable qualifications or experience in economics, the law, commerce, ports, the shipping industry and public affairs. Collectively, the Regulator Members possess the necessary skills

and experience to serve as the Regulator, to determine the tariffs of the National Ports Authority, participate in Hearing Panels to hear appeals and complaints brought by port users, oversee the technical work undertaken by the secretariat in monitoring the National Ports Authority's performance in line with the National Ports Act, 2005, and approve various research and assessment projects implemented by the secretariat in strengthening regulatory economics, port pricing and efficiency research as well as oversee an efficient and effective secretariat. The Regulator is committed and strives to strengthen and improve the organisation's governance practices and processes.

4.6 Board Charter

The Members of the Regulator approved the Board Charter applicable to the 2024/25 FY. The Charter sets out the roles, structures and functions of the Board and its various committee, delegation to committees of the Board as well as decision making, meeting procedures including quorum and reporting processes. The Charter, as recommended in principle 6 of the King Code, sets at a minimum:

- The Board's composition, roles and responsibilities for the adoption of the strategic plans,
- Monitoring of operational performance and management,
- Determination of policy process to ensure the integrity of the public entity' risk management and internal controls, and
- Evaluation, amendment and review of the Charter.

The Members of the Regulator, as a collective and in the respective committees of the Board, are responsible for overseeing the development of the entity's Strategic Plan and Annual Performance Plan. The 2025/26 – 2029/30 Strategic Plan was confirmed by the Regulator in the 2024/25 FY and a new Strategic Plan for 2025 and beyond was developed in 2024/25 FY, taking account of new regulatory and policy imperatives including the establishment of the ERT.

The Regulator confirms that during the 2024/25 FY, it satisfactorily discharged its duties and obligations as contained in the charter. The Regulator acts as the focal point for, and the custodian of, corporate governance by managing its relationship with the Executive Authority, assuming responsibility as the link with the secretariat and industry stakeholders in accordance with sound corporate governance principles set out in the King IV Report and other related legislation and frameworks.

4.7 Composition of the Board

Name	Designation (in terms of the Public Entity Board Structure)	Date appointed	Date resigned/Date of expiry of tenure	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Ms Mulaudzi, Mukondeleli Johanna	Ex-Officio Regulator Member (CEO)	1 January 2021	N/A	Bachelor of Administration (Honours) (Univen) Postgraduate Diploma in Management (Public Policy and Development Administration) (Wits) Bachelor of Philosophy (Sustainable Development Planning and Management) Honours (Stellenbosch) Benchmarking Infrastructure Operations (University of Florida, PURC-USA). Certificate in Container Terminal Operations and Management (Lloyds Maritime Academy) Certificates in International Executive Leadership Development (GIBS)	Public management, and Development Administration and Policy Analysis; Transport Planning; Financial analysis of economic regulation; Regulatory Economics; Port Terminal Expansion Operations; Port performance, efficiency, pricing and tariff charging. Short course of Regulation (London School of Economics, UK). Nyukela (NSG). Governance (IODSA Part 1-4).	-	Ex Officio: Regulatory Committee (RegCom); Human Capital, Remuneration, Social and Ethics Committee (HRSE) Audit and Risk Committee (ARC)	4/4
Mr Ngcobo, Zenzele Bongani Aubrey	Non-Executive Regulator Chairperson	1 September 2023	N/A	Bachelor of Laws (LLB), Bachelor of Social Science, Admitted Attorney and Conveyancer of the High Court of SA	Attorney and Conveyancer	-	-	4/4

Name	Designation (in terms of the Public Entity Board Structure)	Date appointed	Date resigned/Date of expiry of tenure	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Adv. Block, Derick Jeffrey	Non-Executive Regulator Member	1 September 2023	N/A	B. Iuris, Bachelor of Laws (LLB), H Diploma in Taxation, Admitted Advocate of the High Court	Corporate Governance, Legal and Ethics, Corporate Governance, Strategy development, Risk Management, Regulatory and Statutory environment of public sector	-	Regulatory Committee Chairperson, Tribunal Hearing Panel 2 Chairperson	4/4
Capt. Taboshe, Thembela Beryl	Non-Executive Regulator Member	1 September 2023	N/A	National Diploma in Maritime Studies, SAMSA Certificate of Competency held: Master Mariner Unlimited. Port Management Programme (MPA Academy), Occupational Health and Safety Certificate (UCT), Oceana Leadership Accelerated Programme (GIBS)	Maritime industry incl. ports, fishing, training & development. Occupation- al Health and Safety, Environmental Safety & Sustainability.	Board Member of the General Botha Old Boys Association (GBOBA) Bursary Fund and Marketing Sub-Committee. Secretary of Nautical Institute (Southern Africa Branch). Member of SAMSA Syllabus Committee. Member of SAMSA's National Fishing Forum (NFF).	Regulatory Committee Member, Tribunal Hearing Panel 1 Member & Audit and Risk Committee member	4/4

Name	Designation (in terms of the Public Entity Board Structure)	Date appointed	Date resigned/Date of expiry of tenure	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Mr Manzini, Percy Derrick	Non-Executive Regulator Member	1 September 2023	N/A	B-BBEE Management Development (MDP – Programme), MPhil Develop- ment Finance, Masters Business Administration (MBA), B-Tech Degree: Logistics Management, National Diploma: Logistics Management.	Public, Governance and Infrastructure consultant, Procurement and Supply Chain Professional, Public Finance, Internal Audit and Governances.	Director at The Community Fund (Pty) Ltd, Director at BID365 Consulting (Pty) Ltd, Director at BEE Practice and Advisory (Pty) Ltd, Director at Infrastructure 365 Partners (Pty) Ltd, Director at Global Sustainability Partners (Pty) Ltd, Director at Programme for Infra-structure Collaboration, Director at Transformation Watch, Non-Executive Director at Gauteng Film Commission	Human Capital, Remuneration, Social and Ethics Committee Chairperson Tribunal Hearing Panel 1 Member.	4/4

Name	Designation (in terms of the Public Entity Board Structure)	Date appointed	Date resigned/Date of expiry of tenure	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Ms Mtshali, Leanda Marsha	Non-Executive Regulator Member	1 June 2020	N/A	Bachelor of Laws (LLB), Post Graduate Diploma in Corporate Law, Admitted Attorney, Notary and Conveyancer of the High Court of SA and Director at Mtshali Chilwane Inc	Corporate Commercial Law, Road Transport, Logistics and Maritime Law, Corporate Governance, Regulatory Compliance, Property and Conveyancing Law, and Notarial Practice	Director at Mtshali Chilwane Inc, Director at Msandisele Property Investments, Director at Mphephetwa Property Investments	Regulatory Committee Member, Audit and Risk Committee Member, Tribunal Hearing Panel 1 Chairperson.	4/4
Ms Mangoma, Avheani Princess- Cindy	Non-Executive Regulator Member	1 September 2023	N/A	Certified Information Systems Auditor (CISA), Masters of Philosophy in Accounting Sciences, Certified Internal Auditor, B.Com Honours (Honours Bachelor of Commerce), B. Compt (Bachelor of Accounting Sciences)	Audit, Risk and IT Auditor	Non-Executive Director at Automotive Industry Development Centre, Non Executive Member at Air Traffic Navigation Services ATNS, Non-Executive Director Robben Island Museum, Non Executive Member at Litsamaiso (Pty) Ltd BRT Buses	Regulatory Committee Member, Human Capital, Remuneration, Social and Ethics Committee Member & Tribunal Panel 2 member	3/4

Name	Designation (in terms of the Public Entity Board Structure)	Date appointed	Date resigned/Date of expiry of tenure	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Mr Setlako, Roland Ntebaleng	Non-Executive Regulator Member	1 September 2023	N/A	Master of philosophy in Business Management specialising in Corporate Strategy (MPhil BM CS) (GIBS, UP), Post Graduate Diploma (PGDIP), in Management Practice (Henley Business School), Graduate of Senior Board International Leadership (SIBL) Program (Wits Business School, WBS), Train-the- Trainer Program for Curriculum Experts for Marine Pilot Training Program, Shipping and Transport College (STC) Rotterdam, Training Management Program, National	Mariner, Entrepreneur, Ex-SA Navy Officer, Ex – Umkhonto we Sizwe Cadre	Board Member: Transport Education and Training Authority (TETA) Chairperson, EXCO Member: TETA Board, Chairperson: Maritime Chamber Committee, Chairperson: TETA's Finance and Human Resource and Remuneration Committee, NDOT's Council Member: Integrated Transport Sector B-BBEE (ITSB-BBEE) Co-Founder & CEO at Southern Seas Institute, Founder & CEO at SETLAS4IR	Human Capital, Remuneration, Social and Ethics Committee Member, Tribunal Hearing Panel 2 Member & Regulatory Committee Member	4/4



Name	Designation (in terms of the Public Entity Board Structure)	Date appointed	Date resigned/Date of expiry of tenure	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Ms Makhanya, Sizakele Queeneth	Non-Executive Regulator Member	1 September 2023	N/A	Master of International Relations (MA – IRL), Bachelor of Arts in Political Science (Honours Degree), Bachelor of Arts Senior Management in Public Service competency Certificate	State Diplomatic Protocol and International Relations Strategic Management, Governance and policy Administration Project Management	Non-Executive Director: Railway Safety Regulator Director at ZAHSPHO- PLE PTY LTD	Human Capital, Remuneration, Social and Ethics Committee Member, Tribunal Hearing Panel 1 Member & Regulatory Committee Member	4/4

4.8 Audit and Risk Function

Section 77 of the Public Finance Management Act, 1999 (as amended), directs the establishment of an Audit Committee with the appointment of at least one Independent Non-Executive Member (Chairperson). The functions of the Audit Committee have been duly delegated to the Audit and Risk Committee by the Regulator Board in the committee charter. The Regulator has also appointed two Independent Non-Executive Audit and Risk Committee Members and one Independent Non-Executive Audit and Risk Committee Chairperson. The Regulator Board Chairperson is not a member of the Audit and Risk Committee. The Regulator is satisfied that the Audit and Risk Committee adequately provides the necessary independent oversight over the functions mandated to the committee, specific to the functions of the Audit Committee.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr Mangquku, Luyanda Mansfield	B. Compt Bachelor of Accounting Sciences (Honours) Master's in Business Leadership (MBL) B.Com (Honours) (Accounting) Chartered Accountant (SA)	External (Independent Non-Executive Committee Member)	N/A	1 October 2022	N/A	2/5
Ms Nage, Desiree Sipiwe	BCom (Accounting) CIA – Certified Internal Auditor CCSA – Certified Control Self Assessor Certificate in International Executive Development Programme	External (Independent Non-Executive Committee Member)	N/A	1 October 2022	N/A	5/5
Ms Mulaudzi, Mukondeleli Johanna	Bachelor of Administration (Honours) (Univen) Postgraduate Diploma in Management (Public Policy and Development Administration) (Wits) Bachelor of Philosophy (Sustainable Development Planning and Management) Honours (Stellenbosch) Benchmarking Infrastructure Operations (University of Florida, PURC-USA). Certificate in Container Terminal Operations and Management (Lloyds Maritime Academy) Certificates in International Executive Leadership Development (GIBS)	Internal (CEO, Ex-Officio Committee Member)	CEO	1 January 2021	N/A	5/5
Ms Mtshali, Zonica Leanda-Marsha	Bachelor of Laws (LLB), Post Graduate Diploma in Corporate Law, Admitted Attorney, Notary and Conveyancer of the High Court of SA and	External (Non-Executive Committee Member)	N/A	1 September 2023	N/A	5/5

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr Tshepiso Poho	B.Compt. Bachelor of Accounting Sciences (Honours) Chartered Accountant CA (SA) RA	External (Independent Non-Executive Committee Chairperson)	N/A	1 October 2022	1 August 2024	1/5
Capt. Taboshe, Thembele Beryl	National Diploma in Maritime Studies, SAMSA Certificate of Competency held: Master Mariner Unlimited. Port Management Programme (MPA Academy), Occupational Health and Safety Certificate (UCT), Oceana Leadership Accelerated Programme (GIBS)	External (Non-Executive Committee Member)	N/A	20 August 2024		2/5



4.9 King IV Governance Checklist

The Regulator Board adhered to the "apply and explain" requirement of the King IV Report by continuing with the implementation of the King IV Governance Checklist. The King IV Governance Checklist was considered at the quarterly reporting meetings of the Audit and Risk Committee as well as the Board in order for the Board to exercise effective oversight on the adherence to good corporate governance principles. The disclosures made in the King IV Governance Checklist are an important instrument to monitor, evaluate and make an informed assessment of the Ports Regulator's overall performance as it relates to governance. The Ports Regulator performance in relation to the King IV principles in 2024/25 is tabulated below with all achieved except the Independent Board evaluation was not completed by financial year end and principle on investment which is not applicable.

King IV Principle	Description of Principle	Compliance	Application of Principle
Principle 1 Leadership	The governing body should lead ethically and effectively.	✓	The Regulator Charter, Code of Ethics and Business Conduct set out the ethical responsibilities of members. Members are required to submit declaration of interest annually and per meeting. The governing body's deliberations, decisions and actions are based on the following characteristics: • Integrity • Competency • Responsibility • Accountability • Fairness • Transparency
Principle 2 Organisational Ethics	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	✓	The entity adheres to the Public Finance Management Act, 1999 (as amended), National Ports Act, 2005, National Treasury Regulations and its policies in relation to ethics. Annual Declarations on the Code of Conduct and Business Ethics for the 2024/25 FY were completed by all Regulator members during the quarter under review. The Code of Conduct and Business Ethics was revised by the Company/Regulator Secretary with specific considerations for the Regulator Members as the Accounting Authority and Governing Body of the PRSA. The revised Code of Conduct and Business Ethics for Regulator members was approved by the Regulator.
Principle 3 Responsible Corporate Citizenship	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	✓	The governing body has an obligation to ensure that the entity is governed as per the objectives of the mandate of the entity set out in the Corporate Social Investment documents.

King IV Principle	Description of Principle	Compliance	Application of Principle
Principle 4 Strategy and Performance	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	✓	The governing body has an obligation to ensure that the entity is governed as per the objectives of the mandate of the entity set out in the National Ports Act, 2005 Public Finance Management Act, 1999 and its Board Charter. The Ports Regulator is responsible for development of strategy and performance management and approves the Strategic Plan and Annual Performance Plan, including organisation's strategic and operational risks, mitigation and controls.
Principle 5 Reporting	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.	✓	The governing body, through the Audit and Risk Committee of the entity, interacts with the stakeholders through the Annual Financial Statements issued in line with the Generally-Recognised Accounting Practice and other applicable legislations. The performance reports were considered by the Regulator and the sub-Committees during the quarterly meetings convened in the 2024/25FY.
Principle 6 Roles and Responsibilities of the Governing Body	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	✓	The roles, responsibilities and procedural conduct of the governing body are documented in the National Ports Act, 2005, Public Finance Management Act, 1999 and Board Charter. The Charter provides for delegations to sub-committees, namely the Audit and Risk Committee, Regulatory Committee and Human Capital, Remuneration, Social and Ethics Committee. Each of the Charters are approved by the Regulator. Regulator Members are also constituted into panels that are delegated (with the Minister's approval) to hear appeals and complaints on behalf of the Regulator.
Principle 7 Composition of the Governing Body	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	✓	Nomination, election and appointment of members. The Members are appointed by Cabinet on the recommendation of the Minister of Transport through a formal and public nominations process in terms of section 31 of the National Ports Act, 2005. Composition: As at end March 2025, the governing body comprised 9 members as follows: 1 Chairperson of the Regulator; 7 Members of the Regulator; and 1 Ex-Officio Member of the Regulator (CEO)..

King IV Principle	Description of Principle	Compliance	Application of Principle
Principle 8 Committees of the Governing Body	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	✓	The governing body has delegated certain responsibilities, without abdicating responsibility, to the Audit and Risk Committee, Human Capital, Remuneration, Social and Ethics Committee and the Regulatory Committee which have approved Committee Charters and conduct meetings as required. The Charters are reviewed annually and approved by the governing body.
Principle 9 Evaluations of the Governing Body	The governing body should ensure that the evaluation of its own performance and that of its committees, its chairs and its individual members, promotes ongoing improvement in its performance and effectiveness	✓	A Performance Evaluation is completed by the Regulator Members and its Committees. The independent evaluation of the Regulator was not done in 2024/25FY as the board is not yet due for evaluation.
Principle 10 Appointment and Delegation Management	The governing body should ensure that the appointment of, and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities.	✓	A revised Delegations of Authority Framework was approved by the Regulator during the second quarter of the 2023/24FY. In line with the PFMA, the governing body has delegated authority to the CEO, CFO, and respective Executive Managers, while maintaining overall accountability and subject to matters reserved to itself. The Delegations of Authority Framework appropriately included financial delegations. Section 45 of the Act empowers the Regulator Members to delegate its functions or part thereof to member(s) or to the CEO. The responsibilities of the governing body as the Accounting Authority, and the responsibilities of the CEO as the Accounting Officer are contained in the National Ports Act, 2005, and the Public Finance Management Act, 1999.

King IV Principle	Description of Principle	Compliance	Application of Principle
Principle 11 Risk Governance	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	✓	In terms of the Public Finance Management Act, 1999 (as amended), and the Board Charter, the governing body is responsible for the governance of risk and the Audit Committee assists the governing body with this responsibility. The governing body exercises ongoing oversight of risk management. The Audit and Risk Committee oversees the risk management processes within the entity and reports to the governing body. The responsibility to implement and execute effective risk management is delegated to the CEO and sub-delegated to the CFO as in the capacity of Chief Risk Officer.
Principle 12 Technology and Information Governance	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	✓	In terms of the National Treasury Framework, IT Governance is the responsibility of the Audit and Risk Committee who advises the governing body thereon. Therefore, the Audit and Risk Committee provides assurance on the IT Governance processes within the entity and reports to the governing body thereon. The responsibility to implement and execute effective IT Governance is delegated to the CEO who has further delegated the function to the CFO.
Principle 13 Compliance Governance	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	✓	The Entity's Board Charter confirms that the governing body is responsible for ensuring that the Entity complies with all relevant laws, regulations and codes of business practice. The governing body has delegated the responsibility for ensuring that the relevant compliance processes are in place to the Audit and Risk Committee. The governing body is regularly informed and updated of relevant laws, rules, codes and standards through reports presented to the Audit Committee.

King IV Principle	Description of Principle	Compliance	Application of Principle
Principle 14 Remuneration Governance	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.	✓	The entity remunerates the Members appointed to the governing body of the entity as per the applicable directive issued by the Minister of Finance through the Ministry of Transport as per the Annual Adjustment of Board Remuneration (2023) and in accordance with the Board Members' Remuneration Policy which was revised in 2022. The Independent Audit and Risk Committee Members are remunerated in accordance with the National Treasury rates issued in January 2023. Section 37(1(b) of the National Ports Act, 2005, directs that the CEO must pay its employees such remuneration, allowances, subsidies and other benefits as the Regulator may determine in accordance with a remuneration structure approved by the Minister with the concurrence of the Minister of Finance.
Principle 15 Assurance	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision- making and of the organisation's external reports.	✓	Assurance providers The governing body is responsible for assurance by setting the direction concerning the arrangements for assurance services and functions. The Audit and Risk Committee assists the governing body with this responsibility. The outsourced internal audit function reports to the Audit and Risk Committee. The AGSA Audit processes were finalised in the second quarter of the 2025/26 FY, and the entity received an clean audit outcome

King IV Principle	Description of Principle	Compliance	Application of Principle
Principle 16 Stakeholders	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.	✓	Stakeholder Relationships The governing body engages its stakeholders, and this allows the entity to manage issues effectively and timeously and reduces the likelihood of reputational risks. The governing body understands that communication with stakeholders in respect of financial and non-financial information is vital and open interaction is actively pursued. The governing body has on-going engagements with stakeholders through various channels whilst respecting the independence of the Regulator. The governing body is informed of material issues and disputes, and provides input to enable resolution as effectively, efficiently, and expeditiously as possible, through the Human Capital, Remuneration, Social and Ethics Committee. Internal Audit attended the scheduled Audit and Risk Committee meetings held during the 2024/25 FY.
Principle 17 Institutional Investors	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	N/A	Not applicable.

5. COMMITTEES

The committees of the Regulator Board are constituted to assist the Regulator to achieve the organisation's objectives and to enable the Regulator to make informed decisions based on the well-considered recommendations of the committees. Each Committee is governed by a formal charter, which is reviewed annually and approved by the Regulator. The charters adequately deal with the roles and responsibilities, meeting procedures and reporting requirements of each governance structure. The approved Board Charter establishes the following three standing committees in 2024/25:

1. Audit and Risk Committee.
2. Human Capital, Remuneration, Social and Ethics Committee.
3. Regulatory Committee.

The functions of the Committees as outlined in their respective Charters are summarised and tabulated:

5.1 Committee roles and responsibilities

5.1.1 Audit and Risk Committee

Committee: role and responsibilities	Members:
Audit and Risk Committee	
The role and responsibilities of the committee are to assist the Regulator in the performance of its oversight role relating to: 1. Review the Annual Financial Statements and Annual Report and make recommendations to the Regulator; 2. Oversight of risk management; 3. Oversight of IT Governance; 4. Review and assess internal controls; 5. Review policies within the mandate of the Audit and Risk Committee; 6. Assess the effectiveness of combined assurance; 7. Review compliance with performance management and reporting systems; 8. Review and approve the risk-based Internal Audit Plan; 9. Review findings and recommendations from 10. internal and external audit; 11. Review effectiveness of compliance monitoring; 12. Review Audit and Risk Committee Charter as well as the Internal Audit Charter; 13. Assess the performance of Internal Audit; 14. Provide the necessary reports and guidance to the Regulator; and 15. Approve annual Audit and Risk Committee Work Plan.	Independent Non-Executive Committee Members (Appointed 1 October 2022) • Ms Desiree Sipiwe Nage – Independent Non-Executive Committee Member • Mr Tshepiso Poho- Independent Non- Executive Committee Chairperson- resigned on 1 August 2024 • Mr Luyanda Mansfield Mangquku – Independent Appointed 1 September 2023 • Ms Zonica Leanda-Marsha Mtshali • Ms Mukondeleli Johanna Mulaudzi – Ex-officio Committee Member (CEO) Appointed 20 August 2024 • Capt. Taboshe, Thembele Beryl

5.1.2 Human Capital, Remuneration, Social and Ethics Committee

The Regulator has established the Human Capital, Remuneration, Social and Ethics Committee as a standing Committee of the Regulator established in terms of section 45(1) of the National Ports Act, 2005.

Committee role and responsibilities Human Capital, Remuneration , Social and Ethics Committee	Members
The role of the committee includes advising the Board on human resources and development, social and ethical relationships within the PRSA. The function of the Committee includes monitoring the following: 1. Quarterly Management Performance Report on APP targets; Remuneration; Social and Ethics Reports; 2. Review of the Committee Charter; 3. Review of Human Resources, Remuneration, Social and Ethics policies; 4. Approve and review implementation of HR Strategy/Framework/Plan; 5. Approve and review implementation of Stakeholder and CSI Strategy/Framework/Plan; and 6. Approve annual Human Capital, Remuneration, Social and Ethics Committee Work Plan.	1 September 2023 to 31 August 2026/until the Single Transport Economic Regulator comes into effect • Mr Percy Derrick Manzini –Chairperson • Mr Roland Ntebaleng Setlako • Ms Sizakele Queeneth Makhanya • Ms Avheani Princess Cindy Mangoma –appointed as a committee member on 3 April 2024 • Ms Mukondeleli Johanna Mulaudzi – Ex-officio Committee Member

The Human Capital, Remuneration, Social and Ethics Committee strives to promote a stakeholder-inclusive approach and ensure that the entity remunerates its employees fairly and responsibly. The Committee maintains oversight and reports on organisational ethics, responsible citizenship, sustainable development and stakeholder relationships to the Regulator.

5.1.3 Regulatory Committee

The Regulator has established the Regulatory Committee as a standing Committee of the Regulator established in terms of section 45(1) the National Ports Act, 2005. The approved committee charter constitutes the basis on which the Committee of the Ports Regulator functions as required by the King IV Report.

Committee role and responsibilities	Members
Regulatory Committee	
1. Quarterly Performance Management Report as per APP; 2. Quarterly Economic Regulation; Industry Development; Quarterly Legal Reports 3. Quarterly Performance Report for the Annual Performance Plan targets within the mandate of the Regulatory Committee; 4. Review of the Regulatory Committee Charter; 5. Review Policies within the mandate of the Regulatory Committee; 6. Recommend amendments to the National Ports Act, 2005, the Regulations and Directives thereto; 7. Review and assess the appropriateness of the PRSA's procedures for handling appeals, complaints and all other regulatory responsibilities; 8. Consider and recommend research studies on economic regulation; 9. Consider and recommend decision on Tariff Application; 10. Review, assess and approve Tariff Methodology and Tariff Strategy; 11. Design and review the Regulatory Framework; and 12. Approve annual Regulatory Committee Work Plan.	1 September 2023 to 31 August 2026/until the Single Transport Economic Regulator comes into effect • Adv. Derick Jeffrey Block –Chairperson • Mr Roland Ntebaleng Setlako • Capt. Thembela Beryl Taboshe • Ms Avheani Princess Cindy Mangoma • Ms Sizakele Queeneth Makhanya • Ms Zonica Leanda-Marsha Mtshali • Ms Mukondeleli Johanna Mulaudzi – Ex-officio Committee Member (CEO)

The Regulatory committee has oversight over the exercise of economic regulation of the ports system in line with government's strategic objectives, promotion of equity of access to ports and facilities and services provided in ports, and monitoring the activities of the Authority to ensure that it performs its functions in accordance with this Act. The Regulatory Committee interrogates the technical assessment of the Authority's Tariff Application and makes recommendations to the Regulator for approval.

5.2 Committee attendance

Committee	Period	No. of members	No. of meetings held	No. of meetings attended	Name of members
Audit and Risk Committee	1 April 2024 to 31 March 2025	6	5	5/5	Ms Mtshali, Leanda-Marsha (Non-Executive Committee Member)
				1/5	Mr Tshepiso Poho- Independent Non-Executive Committee Chairperson (resigned in 1 August 2024)
				2/5	Capt. Thembela Beryl Taboshe (appointed 20 August 2024)
				2/5	Mr Mangquku, Luyanda (Independent Non-Executive Committee Member)
				5/5	Ms Nage, Desiree (Independent Non-Executive Committee Member)
				5/5	Ms Mulaudzi, Mukondeleli Johanna (CEO, Ex-Officio Committee Member)
	Total number of meetings held		5		
Human Capital, Remuneration, Social ad Ethics Committee	1 April 2024 to 31 March 2025	5	4	4/4	Mr Manzini, Percy Derrick (Non-Executive Committee Chairperson)
				4/4	Mr Setlako, Roland Ntebaleng (Non – Executive Committee Member)
				4/4	Ms Makhanya, Sizakele Queeneth (Non-Executive Committee Member)
				4/4	Ms Mangoma, Avheani Princess Cindy (Non- Executive Committee Member)
				4/4	Ms Mulaudzi, Mukondeleli Johanna (CEO, Ex-Officio Committee Member)
	Total number of meetings held		4		
Regulatory Committee	1 April 2024 to 31 March 2025	7	5	5/5	Adv. Derick Jeffrey Block –Chairperson
				5/5	Ms Mtshali, Leanda-Marsha (Non-Executive Committee Member)
				5/5	Capt. Taboshe, Thembela Beryl (Non – Executive Committee Member)
				3/5	Ms Mangoma, Avheani Princess Cindy (Non- Executive Committee Member)
				2/5	Ms Makhanya, Sizakele Queeneth (Non-Executive Committee Member)- appointed 20 August 2024
				1/5	Mr Setlako, Roland Ntebaleng (Non – Executive Committee Member)- appointed 20 August 2024
				5/5	Ms Mulaudzi, Mukondeleli Johanna (CEO, Ex-Officio Committee Member)
	Total number of meetings held		5		

5.3 Remuneration of Members

Regulator Members were remunerated in accordance with the rates determined by the Minister of Finance in the Annual Adjustment of Board Remuneration and issued by the Minister of Transport on 21 February 2023. The Independent Non-Executive Audit and Risk Committee Members were remunerated in terms of the 2022 Remuneration on non-official Members for Commissions and Committees of Inquiry and Audit Committees issued by the National Treasury on 12 January 2023.

The Regulator has adopted a Remuneration Policy for members which is underpinned by the principles of transparency, accountability and fairness. The revised Board Remuneration Policy was approved in the 2023/24 FY and sets the tone of ethical behaviour by Non-Executive Regulator Members and Independent Non-Executive Audit and Risk Committee Members.

The Audit and Risk Committee provides oversight to ensure that remunerative practices are in accordance with the provisions of the National Ports Act, 2005, the Public Finance Management Act, 1999 (as amended), National Treasury Regulations and Periodic instructions that National Treasury issues.

The Human Capital, Remuneration, Social and Ethics Committee, in particular, is responsible for ensuring that the Board remunerates fairly and responsibly. Remuneration is disclosed in the Annual Financial Statements.

In accordance with the Board Remuneration Policy, Members are remunerated for meeting attendance and meeting preparation for all meetings, which includes Tribunal Hearing Panel meetings. Members are also reimbursed for travel/business expenses incurred in undertaking the work of the Regulator as well as after-hours travel. There is no other remuneration to the Members except for meetings attended.

Section 31(7) of the National Ports Act, Act 12 of 2005 (the Act), states that a member of the Regulator who is not an officer in the public service must be paid such allowance for his or her services as the Minister with the concurrence of the Minister of Finance may determine. This provision of the National Ports Act, as well as the Board Remuneration Policy, prohibits Regulator Members who are officers in the public service from being remunerated as Regulator Members. As such, the Departmental Representative who served on the Regulator Board for the 2024/25 FY (from 1 April 2024 to 31 March 2025) did not receive any remuneration from the Ports Regulator during this period.

Regulator Members' Remuneration

Member	2025 R'000
Z. Mtshali	189
A. Ngcobo	265
D. Block	510
T. Taboshe	133
P. Manzini	215
P. Mangoma	406
R. Setlako	384
S. Makhanya	205
M. Mkhari	-
L. Sesoko	-
A. Chogle	19
Total	2 326

6. RISK MANAGEMENT

Section 51(1)(a)(i) of the Public Finance Management Act, 1999 (as amended), requires the Accounting Authority to ensure that the public entity has and maintains effective, efficient and transparent systems of risk management, amongst others. This function has been duly delegated to the Audit and Risk Committee by the Regulator Board in the committee charter.

The following King IV Principles are an important consideration of the Audit and Risk Committee and are at the core of its mandated functions:

1. Principle 4 of the King IV Code – the governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
2. Principle 11 of the King IV Code – the governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The Audit and Risk Committee also endeavours to align itself to the Public Sector Risk Management Framework with guidelines for the Audit Committee as mandated by the approved committee charter. The Ports Regulator has a Risk Management Strategy, Risk Management Policy and a Combined Assurance Policy in place.

The Secretariat has designed and implemented controls to manage the risks faced by the Ports Regulator and reports to the Audit and Risk Committee on the entity's management of risks. The Ports Regulator conducted an annual Board Strategic Risk Workshop which was facilitated by Internal Audit. The strategic and operational risk registers were subsequently approved by the Regulator in the 2024/25 FY.

The Regulator is satisfied with the proactive nature of risk management within the entity, under the leadership of the CEO and management of the CFO in his capacity as the Chief Risk Officer (CRO). The Regulator is also satisfied with the Audit and Risk Committee's management and oversight over the Internal Audit, who with the CRO and the CEO, ensure the effective management of risks within the entity.

7. INTERNAL CONTROL UNIT

The Ports Regulator does not have an internal control unit, as the size of the entity does not allow for it. However, it is anticipated that with the further capacitation as a result of the introduction of the Single Transport Economic Regulator, the internal control unit will be established and adequately resourced. The functions of the internal control unit are currently effectively conducted by the CFO and/or the outsourced Internal Auditor.

8. INTERNAL AUDIT AND AUDIT COMMITTEES

The Ports Regulator currently has an outsourced Internal Audit firm, Bonakude Consulting, that was appointed in May 2024 for a three-year period. Internal Audit enables the entity to accomplish its objectives by assisting in evaluating and improving risk management, internal control and governance processes.

The work of Internal Audit is guided by the Internal Audit Charter which is reviewed annually by the Audit and Risk Committee. Internal Audit is required to attend all Audit and Risk Committee meetings. Internal Audit reports administratively to the CEO and reports directly to the Audit and Risk Committee on its functions. The Audit and Risk Committee reviews the work of Internal Audit on a quarterly basis and reports to the Regulator thereon.

Internal Audit undertakes independent reviews, including organisational compliance with policies and procedures, processes and codes. Internal Audit also assesses how the entity is performing in terms of its internal controls and organisational performance as set out in the Annual Performance Plan.

A risk-based three-year rolling plan and internal audit plan for the 2024/25 FY was developed and approved by the Audit and Risk Committee. Revisions were further approved on the risk based three-year rolling plan and internal audit plan during the 2024/25 FY due to additional requirements delegated to the Audit and Risk Committee by the Regulator.

Internal Audit executed and completed all the audits and additional projects as per the revised risk based three-year rolling plan and internal audit plan during the 2024/25 FY. Audit Reports were issued for each completed assignment and tabled at Audit and Risk Committee meetings for consideration throughout the 2024/25 FY. These reports were also brought to the attention of the Regulator by the Audit and Risk Committee Chairperson.

Findings from the audit reports were presented to management and tracked during the 2024/25 FY to determine progress and resolution thereof. Management has worked diligently to resolve audit findings during the 2024/25 FY which has resulted in a reduction of matters on the audit outcomes action plan. The unresolved findings, as at 31 March 2025, will be continuously tracked using the audit outcomes register and action plan. Internal Audit assignments conducted the audit assignments as per the approved Internal Audit plan as well as ad-hoc reviews/Internal Audit Consulting Engagements:

1. Determination Test on expenditure incurred relating to Mediation Skills Training;
2. Determination Test on expenditure incurred related to the Knowledge Management System; and
3. Probity Review on Procurement of Independent Forensic Investigator.

The Audit and Risk Committee is satisfied with the performance of Internal Audit and their responsiveness to the requirements of the committee, as delegated by the Regulator.

9. COMPLIANCE WITH LAWS AND REGULATIONS

The Legal Department is responsible for the compliance function within the entity. Quarterly compliance reports are submitted to the Audit and Risk Committee and the Regulator in respect of compliance to the applicable legislation. The Compliance Risk Monitoring Plan (CRMP) for the applicable legislation was developed and tabled at the Audit and Risk Committee and Regulator meetings in the 2024/25 FY.

The secretariat also submits a King IV Governance Checklist to the Audit and Risk Committee and the Regulator on a quarterly basis.

Collectively, these reports highlight the entity's compliance status with the applicable legislation and King IV Report as well as the risks associated with non-compliance. The reports also flag areas requiring the attention and/or intervention of the Audit and Risk Committee and/or the Regulator. The Regulator is pleased with the compliance status of the entity.

10. FRAUD AND CORRUPTION

There were no incidents of fraud, corruption or irregularity committed by employees and/or the Regulator during the 2024/25 FY.

Two determination tests were conducted by Internal Audit during the 2024/25 FY which confirmed cases of irregular expenditure. However, no incidents of fraud or corruption were detected during the determination tests that warranted further investigation/s.

11. MINIMISING CONFLICT OF INTEREST

The Members of the governing body avoided conflict of interest during the 2024/25 FY. Section 32(1) of the National Ports Act, 2005, directs that a member of the Regulator must, upon appointment, submit to the Minister of Transport a written statement in which it is declared whether or not that member has any direct or indirect interest which could compromise the Regulator in the performance of its duties.

The governing body submits its declaration of interests annually and the "declaration of interest" is a standing item on the meeting agendas and minutes for all meetings. During the 2024/25 FY, the sub-Committees and the Regulator Board convened meetings to consider the quarterly reports and other urgent matters. The conflicts of interests that were declared at the Regulator and sub-Committee meetings were recorded accordingly in the Regulator and sub-Committee minutes. All members who declared a conflict of interest/were affected by any item on the agendas were recused for the discussion and resolution of the item/s.

The term of office of the former Regulator Members expired during the second quarter of the 2024/25 FY. Eleven Regulator Members were appointed by the Executive Authority on 1 September 2023. The new members were requested to complete the Declaration of Interest for Members in terms of S32(1) of the National Ports Act, 12 of 2005, (the Act) which would also be utilised at the Members' annual declaration for the 2024/25 FY. As at 31 December 2024, all Declarations of Interest for Members in terms of S32(1) of the Act were received from the new members and submitted to the Executive Authority by the end of the third quarter of the 2024/25 FY in compliance with section 32(1) of the National Ports Act, 2005.

The Audit and Risk Committee consists of one Independent Member appointed by the Regulator. The Independent Audit and Risk Committee members were also required to submit the Annual Declaration for the 2024/25 FY. The Independent Audit and Risk Committee Chairperson submitted the Annual Declaration for the 2024/25 FY in the fourth quarter of the 2023/24 FY. The two Independent Audit and Risk Committee Members submitted their Annual Declarations for the 2024/25 FY in the first quarter of the 2024/25 FY.

The former Regulator Members submitted their Annual Declarations for the 2024/25 FY prior to the end of their tenure. The Regulator members submitted their Annual Declarations to the Company/Regulator Secretary and the members of the secretariat submit their Annual Declarations to the HR Department.

The Ports Regulator follows National Treasury Guidelines on Supply Chain Management (SCM) to reduce and minimise conflict of interest in SCM. In particular, the prescripts of three committee systems are followed to ensure separation between the Bid Specification Committee and Bid Evaluation Committee from the Bid Adjudication Committee and ultimate approval of procurement of goods and services.

Due to the size of the organisation and the multiple functions performed by the CFO, the lack of separation of functions creates a potential for conflict of interest. This was partly addressed through the creation of two positions additional to the establishment. The two positions were at Specialist level for IT and SCM, however, and only SCM position was filled as of 31

March 2025. This is an interim measure while the entity is awaiting the approval of the revised structure.

The Regulator has approved and adopted a SCM Policy which is annually reviewed to ensure alignment with the latest National Treasury updates as well as best practice in SCM. The SCM policy also has a provision for managing conflict of interest and the guidelines that need to be followed should any conflict be identified. The revised SCM Policy was approved by the Regulator during the 2023/24 FY.

All employees who are involved in the SCM processes are trained annually as required by Treasury Regulations. The training is aimed at highlighting the significance, amongst other things, of managing conflicts of interest on all bids. All employees involved in SCM are required to submit annual declaration of interests and to declare their interest when evaluating bids.

The internal auditors as well as external auditors perform tests during the SCM audit to check if all employees have declared their interest and also perform a Companies and Intellectual Property Commission check for any possible link between the Ports Regulator suppliers and the employees at the Ports

12. CODE OF CONDUCT

The Regulator members submit their Annual Declarations on the Code of Conduct and Business Ethics to the Company/Regulator Secretary and the members of the secretariat submit their Annual Declarations on the Code of Conduct and Business Ethics to the HR Department. The Code of Conduct and Business Ethics was revised with specific considerations for the Regulator Members as the Accounting Authority and governing body of the Ports Regulator. The revised Code of Conduct and Business Ethics for Regulator members was approved by the Regulator during the first quarter of the 2023/24 FY.

There were no conflicts of interest that were detected and/or declared during the financial year and the audit processes did not identify any such conflicts.

The Regulator is committed to the effective management of the conflict of interests and ensure compliance with the National Ports Act, 2005, with regards to the submission of duly signed Conflict of

Interest forms. The Regulator will continue to provide effective oversight in relation to procurement processes to ensure the effective management of conflict of management in SCM.

The Regulator Members are committed to acting in accordance with the Code of Conduct and Business Ethics and set a good example for the Secretariat in this regard.

13. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Ports Regulator places a high premium on the wellness of its employees, which is addressed in the Health, Safety and Environmental Policy and through its preferred employee wellness provider, ICAS.

The CEO has duly designated and appointed employees as Health and Safety Officers who ensured the Secretariat comply with regulated requirements including conducting fire drills to ensure employees readiness to respond in the case of a fire in the office and/or building in the 2024/25 FY. There were no incidents during the period under review.

14. COMPANY/REGULATOR SECRETARY

During the year under review, the Regulator had a full-time Company/Regulator Secretary until 31 July 2024. to provide professional corporate governance services to the governing body. An outsourced service provider was appointed to provide secretariat functions to the Regulator and its committees and reports to the Members as it pertains to their functions assisting the Regulator to ensure good governance practices within the entity and reports to the CEO administratively.

The Ports Regulator's Company/Regulator Secretary is a Governance, Compliance and Risk Specialist and as such, is charged with promoting high standards of ethical behaviour, integrity and compliance within the

15. SOCIAL RESPONSIBILITY

The Human Capital, Remuneration, Social and Ethics Committee Charter was revised in the second quarter of the 2024/25 FY to include the social and ethics aspect to the mandate of the committee. In entity by the institute to which the Company/Regulator Secretary is affiliated. the second quarter, the Regulator approved the Social and Ethics Report and the CSI Strategy which focuses on supporting impactful activities in the maritime and broader transport sector.

16. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that it has not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

The following internal audit work was completed during the year under review:

- Internal control assessment Review
- 2023/24 Annual Financial Statements Review
- 2023/24 Annual Performance Review
- Q4 of 2023/24 and Q1,Q2 and Q3 of 2024/25 Audit of Performance Information Review
- Supply Chain and Expenditure Management Review
- Cyber Security Review
- Compliance Monitoring Review – Follow-Up
- Governance Review
- AGSA and Internal Audit Findings Action Plan Review (Q2-Q4)
- Implementation progress of management Action Plan for External Quality Assurance Review (QAR) findings
- Global Internal Audit Standards (GIAS) Gap Analysis
- Unauthorized, Irregular, Fruitless & Wasteful Expenditure Determination Test Reviews
- Strategic Risk Annual Workshop
- Risk Awareness Workshops with Management and Departments:

The following were areas of concern:

- Timeous implementation of remedial action plans that relate to Information Technology, Cyber Security and Compliance Monitoring
- Preventive measures that resulted in the incurrence of irregular expenditure
- Actions plans to address in-year non-achievement of targets.

The Audit and Risk Committee convened closed sessions, without management present, with the Internal Audit and the AGSA, to ensure that there were no unresolved issues that emanated from the regulatory audits or other matters as noted by the assurance providers.

In-Year Management and Monthly/Quarterly Report

The Audit and Risk Committee confirms that the public entity has been reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

The Audit and Risk Committee confirms that we have reviewed the annual financial statements prepared by the public entity.

AGSA – Auditor's Report

The Audit and Risk Committee concurs and accepts the Clean Audit Opinion as awarded by the Auditor General of South Africa on the 2024/2025 Annual Financial Statements of the PRSA and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General of South Africa.

The Committee was pleased to note that the external auditors had no material findings that they wished to raise with the committee during the 2024/25 Financial Year and commend the Ports Regulator for their responsiveness during the audit process which assisted a great deal in the positive AGSA audit outcome.



Ms. Sphiwe Desiree Nage

Independent Non-Executive Chairperson of the Audit and Risk Committee

Ports Regulator of South Africa

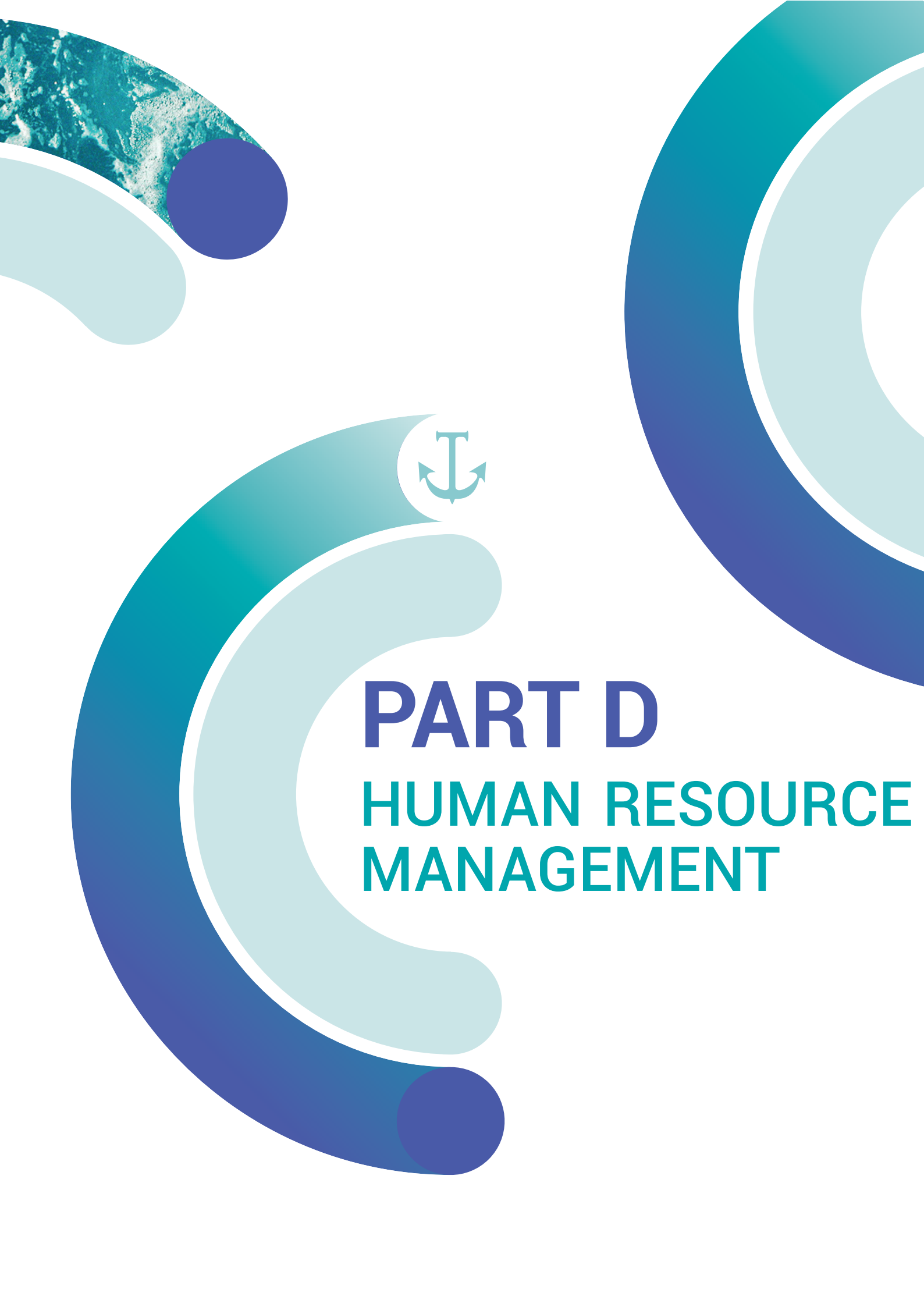
Date: 31 July 2025

17. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The Ports Regulator does not issue licences, concessions or authorisation in respect of economic activity as part of its functions nor in the port system.
Developing and implementing a preferential procurement policy?	No	The Regulator's procurement processes are in line with the Preferential Procurement Policy Act, and its Regulations which have been internalised in the Supply Chain Management Policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	The Ports Regulator is not involved in the sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	The Ports Regulator's functions and scope of work does not include partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	The Ports Regulator does not award incentives, grants or investment schemes in support of B-BBEE. The organisation follows the SCM prescripts and criteria for scoring of tenders and price quotes in procurement of goods and services.





PART D

HUMAN RESOURCE MANAGEMENT

18. INTRODUCTION

The Regulator's organisational structure, which has been in place since the 2007/08 FY when the entity started operations, currently has a total of 27 positions. This structure is limiting, making it harder for the Regulator to fulfil its mandate in its entirety. The lean structure has also proved to be an impediment to the Secretariat's career path planning for staff. As a result, the staffing structure/organogram was revised to increase positions from 27 to 60.

Despite its limited resources, both financial and human capital, the Regulator continues to punch above its weight in addressing the regulatory imperatives in the port system aligned to its mandate and deliver on the targets set in the Annual Performance Plan. This is because of the high-performance culture that has been embedded in the entity's business operations.

The Regulator reviewed its Human Resource (HR) policies and frameworks, with special focus job grading, benchmarked conditions of service and performance management framework. The revision ensured that the policies are aligned with the latest legislative updates and represents the ideal remuneration structure that the organisation intends to have in place. The review process was not completed by the end of the financial year and Corporate Services will strive to finalise the review by the end of the first quarter of the 2025/26 FY.

During the financial year under review, employees underwent training and development in line with the Regulator's belief in developing its workforce. Although its financial resources were insufficient to address all the entity's training needs, management did its best to ensure that employees received training that allowed them to advance their technical knowledge in their speciality area. The entity had planned international training for Regulator members; however the training did not take place as the targeted training took place just after the old Regulator members term of office had ended. International training for new Regulator members is still going to be arranged.

The Regulator's revised organogram, when approved, will allow the Regulator to appoint and enhance the employee complement on core programmes and the administration department to ensure proper segregation of portfolios. The revised organogram will also allow the Regulator to better prepare itself for the Single Transport Economic Regulator.

The Regulator appointed five interns who were placed in Corporate Services; Industry Development; Policy Strategy and Research; Legal section, the office of CEO and Company Secretary. The appointment afforded the graduate exposure to the world of work in transport and maritime sector and enhanced their job readiness whilst providing work experience. Three of the interns left the Regulator prior to the end of their placement period to pursue studies or take up permanent employment.

18.1 Vacancies and resignations

The filling of vacant funded positions was prioritised during the year, with four positions filled. The organisation experienced difficulties in filling the SCM Senior Administrator position, which had to be re-advertised, as well as Specialist: Policy, Strategy and Research where the organisation could not match salary expectations.

There were five resignations from permanent staff members in the 2024/25 FY. This is concerning as it represents 19% of the total staff complement. All of employees who resigned cited taking up higher positions in other organisations/companies evidences the problem with our lean structure which does not provide for upward mobility, a matter that would have been partly addressed in the proposed expanded organogram. The organisation invests in the relocation of staff from different provinces, where applicable. Resignations due to relocating back for personal reasons is a factor that we have to take account of. Inadequate remuneration was cited by only one employee as a reason for resigning. The reasons highlights areas that we aim to address through our HR and talent management strategy.

	Join Start Date	Effective Resignation date	Period with PRSA	Department	Designation/ Position	Reasons for resignations
1.	January 2023	July 2024	19 months	Governance	Company/ Regulator Secretary	Accepted offer at an SOC with different role.
2.	December 2011	December 2024	14 years	Corporate Services	Chief Financial Officer	Accepted offer in another public institution.
3.	July 2022	January 2025	19 months	Policy, Strategy and Research	Executive Manager: PSR	Accepted offer in another public institution.
4.	October 2024	October 2024	1 month	Policy, Strategy and Research	Research Analyst: PSR	Accepted an offer in another public institution.
5.	April 2021	August 2024	29 months	Legal	Specialist: Monitoring and compliance	Accepted offer for higher position.

18.2 Employee Performance Management Framework

The Regulator has an employee performance management framework in place to manage employee performance. The framework is designed in such a way that it encourages a high-performance culture. In accordance with the performance framework, employees sign their performance agreements at the start of the financial year, with mid-year reviews conducted in October and year end reviews in March. Ports Regulator employees do not receive performance bonuses which were abolished from the TCT in 2023. Employees that meet set performance threshold for pay-progression are rewarded a per the policy.

18.3 Employee Wellness Programme

The Regulator complies with the country's labour practices, which include providing a wellness service to employees. To this end, an employee wellness service provider, ICAS, is in place to ensure that the employees have an independent party to facilitate and mediate on matters that may affect their performance.

During the year, ICAS gave presentations on issues which affect employees, including various finances, mental health in workplace, and balancing work and family matters, among other topics. These presentations, along with engaging with individual employees, assisted in ensuring that factors that may affect employee workplace performance are mitigated.

The Regulator found that wellness services were adequate for its needs.

18.4 Policy Development

The Regulator has a set of approved policies and procedures in place. These policies were reviewed to ensure alignment with any legislative updates, and changes in the business environment. The Regulator appointed a service provider to develop a Human Resources Strategy which will be finalised and approved in the 2025/26 FY. The strategy builds on existing practices and formalises talent management, human resource development system, induction and staff retention within the constrained HR system. The strategy demonstrates the value that is placed by the organisation on its workforce and also defines a vision and future growth path for the organisation in anticipation of the ERT and expanded Human Resources activities.

18.5 Challenges faced by the Regulator

The Regulator implemented a pay progression for the qualifying employees in 2024/25. With changes in the remuneration structure removing provision for performance bonus effective 1 April 2023, the Regulator must determine a performance management framework that provides financial rewards for employees in the 2025/26 FY and beyond.

Under the leadership of the Board, the Ports Regulator concluded a Relationship by Objective exercise in February 2025 to address the myriad of challenges that affected the organisational culture and performance since 2023. The action plan and commitment made were arrived by those affected and set a framework for addressing current and future organisational challenges.

18.6 Future HR plans/goals

Goal 1: The Regulator plans to increase its capacity to expand its delivery on its mandate. As the functions of the regulator are conducted internally, they require investment in human capital. The organogram was revised to increase the number of positions from 27 to 60. The revised organogram was submitted to the Minister of Transport for approval. The revised organogram will also assist the Regulator in preparing for the Single Transport Economic Regulator.

Goal 2: The Regulator will continue to perform salary benchmarking exercises every five years to ensure that it offers attractive remuneration to employees.

Goal 3: Performance of employees will also be carefully monitored to ensure that 100% achievement of targets in the annual performance plan is achieved and maintained.



19. Human resources oversight statistics

19.1 Personnel-related expenditure

Personnel Cost by programme/ activity/ objective

Programme/ activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of Total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	12 644	11 060	33.80%	10	1 106
Economic Regulation	6 795	5 242	16.02%	5	1 048.40
Legal Services	6 249	4 066	12.43%	5	813.20
Industry Development	5 755	5 682	17.35%	5	1 136.40
Governance	1 279	458	1.40%	1	458
TOTAL	32 722	26 508		26	

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	10 479	41.23%	5	2 095.80
Senior Management	7 217	28.39%	5	1 443.40
Professional qualified	4 178	16.44%	7	597
Skilled	2 909	11.45%	7	415.60
Semi-skilled	634	2.49%	2	317
Unskilled	0	0%	0	0
TOTAL	25 417	100%	26	

Performance Rewards

Programme//activity/ objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0.00	10 348	0.00%
Senior Management	0.00	7 218	0.00%
Professional qualified	0.00	3 419	0.00%
Skilled	0.00	3 636	0.00%
Semi-skilled	0.00	424	0.00%
Unskilled	0.00	0	0.00%
TOTAL	0.00	25 045	0.00%

Training Costs

Programme/ activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Administration	11 060	63	0.57%	7	9
Economic Regulation	5 242	213	4.06%	5	42.60
Legal Services	4 066	98	2.41%	5	19.60
Industry Development	5 682	130	2.29%	5	26
Governance	458	131	28.60%	9	14.56
TOTAL	26 508	635		31	

Employment and vacancies

Programme/ activity/objective	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Administration	9	11	10	2	18.18%
Economic Regulation	4	6	4	2	33.33%
Legal	4	6	4	2	33.33%
Industry Development	5	5	5	0	0%
Governance	1	1	0	1	100%
TOTAL	23	29	23	7	

Programme/ activity/objective	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Top Management	5	5	3	2	40.00%
Senior Management	5	5	4	1	20.00%
Professional qualified	7	9	7	2	25.00%
Skilled	4	8	7	2	50%
Semi-skilled	2	2	2	0	0%
Unskilled				0	0
TOTAL	23	29	23	7	

The resignations have put pressure on the HR function as the sole functionary and HR Specialist had to manage the adverts and data-base management for filling of positions.

Employment changes

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	1	2	3
Senior Management	5	0	1	4
Professional qualified	5	2	1	6
Skilled	7	1	1	7
Semi-skilled	2	0	0	2
Unskilled	0	0	0	0
Total	23	4	5	22

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	5	100%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	5	100%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	1	0	1
Senior Management	1	1	0	1	0	0	0	0
Professional qualified	3	0	0	0	0	0	0	0
Skilled	1	2	0	0	0	2	0	2

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Semi-skilled	0	0	0	0	0	1	0	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	6	4	0	1	0	4	0	4

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	1	0	0	0	0	0	0
Senior Management	3	0	0	0	0	1	0	1
Professional qualified	2	4	0	0	1	0	0	1
Skilled	5	0	1	2	1	0	0	2
Semi-skilled	2	1	0	1	0	0	0	1
Unskilled	0	0	0	1	0	0	0	1
TOTAL	14	6	1	4	2	1	0	6

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0



PART E

PFMA COMPLIANCE REPORT

2024/2025

R

2023/2024

R

1. PFMA COMPLIANCE REPORT

1.1 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1.1 Irregular Expenditure

Reconciliation of irregular expenditure

Description

Opening balance	12 436 128,46	-
Prior periods errors as Restated	12 436 128,46	-
Add: Irregular expenditure confirmed	4 792 126,45	12 788 699,96
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	(352 571,50)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	17 228 254,91	12 436 128,46

Reconciling notes to the annual financial statement disclosure

Description

Irregular expenditure that was under assessment in 2023/2024	-
Irregular expenditure that relates to 2021/22 - 2023/24 and identified in 2024/25	9 258 405,97
Irregular expenditure for the current year	3 530 293,99
Total	12 788 699,96

During the 2024/25 year, an amount of R9,258 million was identified as irregular expenditure incurred in 2021/22 - 2023/24 but was identified in the 2024/25 financial year by internal auditors during a review of irregular expenditure transactions. A determination test conducted in the 2024/25 financial year confirmed that of the R5.316 million irregular expenditure initially reported in 2023/24, only R3.530 million qualifies as irregular expenditure in terms of the National Treasury Framework on Irregular Expenditure. The remaining R1.785 million has been reclassified and removed from irregular expenditure.

2024/2025

R

2023/2024

R

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description

Irregular expenditure under assessment	-	-
Irregular expenditure under determination	4 792 126,45	12 788 699,96
Irregular expenditure under investigation	-	-
Total	4 792 126,45	12 788 699,96

c) Details of current and previous year irregular expenditure condoned

Description

Irregular expenditure condoned	-	-
Total	-	-

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description

Irregular expenditure NOT condoned and removed	-	- 352 571,50
Total	-	- 352 571,50

e) Details of current and previous year irregular expenditure recoverable

Description

Irregular expenditure recovered	-	-
Total	-	-

f) Details of current and previous year irregular expenditure not recoverable and written off (irrecoverable)

Description

Irregular expenditure written off	-	-
Total	-	-

2024/2025
R

2023/2024
R

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description

None

Total

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description

Total

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

Total

2024/2025

R

2023/2024

R

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description

Opening balance	157	157
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable	(57)	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	100	157

Include discussion here where deemed relevant.

Reconciling notes

Description

Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	57
Fruitless and wasteful expenditure for the current year	0	
Total	0	57

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description

Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	0	0

Include discussion here where deemed relevant.

c) Details of fruitless and wasteful expenditure recoverable

Description

Fruitless and wasteful expenditure recoverable	57	0
Total	57	0

Include discussion here where deemed relevant.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description

Fruitless and wasteful expenditure written off	0	0
Total	0	0

Include discussion here where deemed relevant.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken

2024/2025

R

2023/2024

R

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55 (2) (b) (i) & (iii))

(a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct

Theft	0.00	0.00
Other material losses	0.00	0.00
Less: recovered	0.00	0.00
Less: Not recovered and written off	0.00	0.00
Total	0.00	0.00

(b) Details of other material losses

Nature of losses		
None	0.00	0.00
Total	0.00	0.00

(c) Other material losses recovered

Nature of losses		
None	0.00	0.00
Total	0.00	0.00

(d) Other material losses written off

Nature of losses		
None	0.00	0.00
Total	0.00	0.00

Number of
invoices

Value
R'000

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description

Valid invoices received	395	20 117
Invoices paid within 30 days or agreed period	394	19 567
Invoices paid after 30 days or agreed period	1	550
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

The one invoice that was paid after 30 days there was a dispute between the Ports Regulator of South Africa and the service provider.

SUPPLY CHAIN MANAGEMENT

Procurement by other means

Project Description	Name of Supplier	Type of procurement by other means	Contract number	Contract value
Provision of office accommodation	Delta Property Fund	Impractical		R 1 468 113.00
Financial modelling for utility tariff setting course	University of Cape Town	Sole source	PO 1058	R 381 862.50
The DEVAC infrastructure summit	Sealzed Group (Pty) Ltd	Limited bidding	PO 1060	R 75 382.50
RSA Student- Mphil Development Finance 2025 & 2026	Stellenbosch University	Limited Bidding	PO 1048	R221 322,00

Contract Variations and Expansions

Project description	Name of Supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Appointment of legal practitioners to be on a panel of attorneys	Various service providers appointed on the panel	Expansions	PRSA 001-2020: RFP 001	As and when required services	N/A	As and when required services
Provision of consulting services to develop a human resource strategy	Century Business Academy (Pty) Ltd	Expansion	RFQ 2023/24/19	R 569 825.00	N/A	No financial implications
Provision of of the consulting services to perform quality assurance review of internal auditors	Excellent Minds Institute (Pty) Ltd	Expansion	RFQ 2024/25/08	R 131 000.00	N/A	No financial implications
Provision of the information technology management services	Isite Internet Solutions cc	Expansion	PRSA 002-2021	R 1 986 993.00	N/A	R 242 121.00
Provision of the information technology management services	Isite Internet Solutions	Expansion	PRSA 002-2021	R 1 986 993.00	R 242 121.00	R 121 060.50
Provision of internal audit	Bonakude Consulting (Pty) Ltd	Variation	PRSA/ BID/2023/24/02	R 1 159 421.54	N/A	R 67 620.00
Facilitation of a relationship by objective (RBO) intervention	DR Cam Leadership & HR Consulting (Pty) Ltd	Expansion	RFQ/2024/25/32	R 480 000.00	N/A	No financial implications
Provision of salary benchmarking services and job grading	Emergency Growth South Africa (Pty) Ltd	Expansion	PRSA 006-2021:RFP001	R 663 043.28	N/A	No financial implications



PART F

FINANCIAL INFORMATION

General Information

Country of incorporation	South Africa
Nature of the business	Economic Regulation
Business address	11 th Floor, The Marine Building 22 Dorothy Nyembe Street Durban 4001
Postal address	Private Bag X54322 Durban 4000
Website	www.portsregulator.org
Bankers	Standard Bank of South Africa Limited South African Reserve Bank
Auditors	Auditor-General South Africa
Controlling entity	Department of Transport

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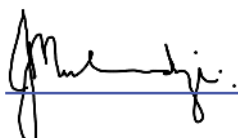
Accounting Authority's Responsibilities for the year ended 31 March 2025

The Regulator Members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with Section 91 of the Public Finance Management Act, 1999, as amended (Act No.1 of 1999) (PFMA).

The Regulator Members are also responsible for the system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and prevent and detect misstatements and loss. Nothing has come to the attention of the members to indicate any material breakdown in the functioning of these controls, procedures and systems during the year under review.

Approval

The Annual Financial Statements for the year ended 31 March 2025 set out on pages 94 to 125 were approved by the Regulator on 29 May 2025.



Mukondeleli Johanna Mulaudzi

Chief Executive Officer



Aubrey Ngcobo

Accounting Authority

Report of the Auditor- General

Report of the auditor-general to Parliament on Ports Regulator of South Africa

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Ports Regulator of South Africa set out on pages 97 to 101, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, and statement of cash flows and statement of comparison to budget for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ports Regulator of South Africa as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognized Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 100, forms part of my auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

Report of the Auditor- General

11. I selected the following material performance indicators related to strategic objective: ongoing implementation of economic regulation of ports (Price, access, institutional structure) presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - ROD and Tariff Book published
 - Completion of research report
 - Annual GPCS study published
 - Recommended approach for the next 10 years
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

16. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
17. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
18. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
19. I did not identify any material findings on compliance with the selected legislative requirements

Report of the Auditor- General

Other information in the annual report

20. The accounting authority is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.
21. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
22. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
25. I did not identify any significant deficiencies in internal control.

Auditor General

Pietermaritzburg

30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the Auditor- General

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Report of the Auditor- General

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections, regulations or paragraph
Public Finance Management Act 1 of 1999]	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement Of Financial Position for the year ended 31 March 2025

	Notes	2025 R'000	2024 R'000
ASSETS			
Non-current assets		2 861	3 305
Property, plant and equipment	8	2 686	3 174
Intangible asset	9	175	131
Current assets		23 801	17 982
Trade and other receivables	10	731	905
Current receivables - Lease deposits	11	304	304
Cash and cash equivalents	12	22 766	16 773
TOTAL ASSETS		26 662	21 287
LIABILITIES			
Current liabilities		1 978	1 637
Trade and other payables	13	1 062	468
Provisions	15	916	1 169
TOTAL LIABILITIES		1 978	1 637
NET ASSETS			
CAPITAL AND RESERVES			
Accumulated surplus		24 684	19 650
TOTAL NET ASSETS		24 684	19 650
TOTAL NET ASSETS AND LIABILITIES		26 662	21 287

Statement Of Financial Performance for the year ended 31 March 2025

	Notes	2025 R'000	2024 R'000
REVENUE			
Revenue from non-exchange transactions	2	44 476	42 564
Government grants and subsidies		44 476	42 564
Revenue from exchange transactions	3	89	380
Sale of goods and rendering of services		33	7
Other income		56	373
TOTAL REVENUE		44 565	42 944
EXPENDITURE			
Administration expenses	5	1 718	1 872
Amortisation and depreciation	8 & 9	520	446
Staff costs	6	26 508	29 830
Audit fees	27	485	506
Legal fees	28	676	3 791
Operating Lease	14	1 667	1 343
Other operating expenses	7	7 207	9 306
Regulator members' remuneration	17	2 326	3 266
TOTAL EXPENDITURE		41 107	50 360
Finance income	4	1 612	1 646
OTHER GAINS/ (LOSSES)			
Gain / (loss) on disposal of assets		(1)	(11)
SURPLUS/ (DEFICIT) FOR THE PERIOD		5 069	(5 781)

Statement Of Changes In Net Assets for the year ended 31 March 2025

	Notes	Accumulated Surplus R'000
Balance on 01 April 2023		25 354
Prior periods adjustments	29	77
Restated opening balance		25 431
Surplus/(Deficit) for the period		(5 781)
Balance on 01 April 2024		19 650
Prior periods adjustments	29	(35)
Surplus/(Deficit) for the period		5 069
Closing balance as at 31 March 2025		24 684

Statement of Cash Flow for the year ended 31 March 2025

	Notes	2025 R'000	2024 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		44 565	42 944
Transfers received	2	44 476	42 564
Sale of goods and services	3	33	7
Other income		56	373
Payments		(40 107)	(51 914)
Employee cost	6	(26 508)	(29 830)
Suppliers and other payments		(13 599)	(22 084)
Net cash flows from operations		4 458	(8 970)
Interest paid		-	-
Finance income		1 612	1 646
Net cash flow available from operating activities	16	6 070	(7 324)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment	8	(10)	(2 142)
Intangible assets	9	(67)	-
Proceeds from De-recognition of Property, plant and equipment		-	29
Other movements		-	-
Net cash flows from investing activities		(77)	(2 113)
Net increase/(decrease) in cash and cash equivalents		5 993	(9 437)
Cash and cash equivalents at beginning of the year		16 773	26 210
Cash and cash equivalents at end of year		22 766	16 773

Statement Of Comparison To Budget for the year ended 31 March 2025

Economic Classification	Approved Budget	Adjustments	Final Approved Budget	Actual	Variance
	R'000	R'000	R'000	R'000	R'000
Revenue					
Transfers	44 476	0	44 476	44 476	0
Interest Received	1 211	0	1 211	1 612	401
Sale of good and services	0	0	0	33	33
Other income	0	0	0	56	56
Reserves	0	0	0	0	0
Gain on disposal	0	0	0	0	0
	45 687	0	45 687	46 177	490
Expenses					
Depreciation & Amortisation	477	0	477	520	(43)
Compensation of employees	32 722	0	32 722	26 508	6 214
Goods & Services	12 488	0	12 488	14 079	(1 591)
Loss on disposal of assets	0	0	0	1	(1)
	45 687	0	45 687	41 108	4 579
Surplus/(Deficit)	0	0	0	5 069	5 069
Capital Budget	0	0	0	(77)	(77)
	0	0	0	0	0

*Please refer to Note 22 of the Annual Financial Statements for detailed variance analysis between budget and actual amounts.

Please refer to Note 16 of the Annual Financial Statements for a reconciliation of budget and actual Cash Flow Statement.

1 Accounting Policies

1.1 Basis of preparation

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These Annual Financial Statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91 of the Public Finance Management Act, 1999, as amended (Act No.1 of 1999) (PFMA).

The principal accounting policies, applied in the preparation of these Annual Financial Statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year Annual Financial Statements, unless specified otherwise. Details of any changes in the accounting policies are provided in notes.

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

The statement of cash flow has been prepared in accordance with the direct method.

Management has made judgements when applying the useful life and residual values for the PPE, Books and Intangible Assets. These judgements were made based on management's view of the future use of each class of assets as well as carrying amounts for each class of assets. This has resulted in the Accounting Policies being applied similar to financial year except where separate disclosure has been made for the effect of the change in the useful lives.

The Ports Regulator when finalizing the Annual Financial Statements at the reporting date did not have any class of assets and/or liabilities that had a significant risk attached to it which may cause material adjustment to the carrying amount of the assets or liabilities in the following financial year.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Ports Regulator.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded up to the nearest one thousand Rand (R'000).

1.4 Standards, Amendments to standards and interpretations issued but not yet Effective

The following Standards of GRAP and / or amendments thereto have been issued by the Accounting Standards Board but will only become effective in future periods or have not been given an effective date by the Minister of Finance: GRAP 104 financial instruments (revised) is effective 01 April 2025 and GRAP 1 Presentation of Financial Statements (revised) is not yet given an effective date.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes and are expected to be used during more than one year.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at costs were acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value, where applicable for the entity

Office furniture and fittings	- 20 years
Computer equipment	- 10 years
Motor vehicles	- 7 years

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charged for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Property, Plant & Equipment (PPE) carrying amount is reviewed at each balance sheet date to ensure that the estimated useful life and depreciation method is still relevant for the future use of PPE. The carrying amount of PPE is also tested if it is still above the recoverable amount to ensure that there are no impairment losses that need to be recognized in the Statements of Financial Performance. The impairment losses are tested as per the requirements of GRAP 21. The PPE is not a Cash Generating Assets in terms of GRAP 26 and this is referenced when testing for impairments.

1.6 Books

Books consist of library material that is used by the entity for the research, legal and economic regulation activities. Books are recognised at cost upon acquisition. There are subsequent measurements that occur every year for each book until the book has reached its useful life. Subsequent measurements are done using the cost model. Review are carried out at the end of each financial year. Upon derecognition, the gain/loss is included in the surplus or deficit for the period.

Books 0 years

The books carrying amount is reviewed at each balance sheet date to ascertain if the estimated useful life and depreciation method is still relevant for the future use of the books. The carrying amount of the books is also tested if it is still above the recoverable amount to ensure that there are no impairment losses that need to be recognized in the Statements of Financial Performance. The impairment losses are tested in reference to GRAP 21.

1.7 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

Computer Software - 10 years

The carrying amount of the intangible asset is reviewed at each balance sheet date to determine if the amortization period and the amortization method is still applicable and relevant to the entity's foreseeable future. The carrying amount is also reviewed to determine if any impairment losses should be recognized in the statement of financial performance. The impairment would be recognized if there's evidence to suggest that the carrying amount is lower than the recoverable amount for the intangible asset. The impairment losses are tested in reference to GRAP 21.

1.8 Provisions and Contingencies

Provisions are recognised when:

- An entity has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reasonable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. A provision is used only for expenditures for which the provision was originally recognised.

Contingencies are possible assets or obligations that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes 19 and 20.

1.9 Leases

The Ports Regulator is a lessee for the office accommodation.

Assets subject to operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

Operating lease payments are recognised in the statement of financial performance on a straight -line basis over the term of the lease.

1.10 Financial instruments

Financial instruments are initially recognised at cost.

1.10.1 Trade and Other receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.10.2 Trade and Other receivables

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

1.11 Budget information

The budget of the entity is prepared on a cash basis while the Annual Financial Statements are prepared on an accrual basis. The budget covers the period from 01 April at the beginning of each period until 31 March being the end of the period.

The budget is prepared based on the appropriations from Parliament and a reconciliation is included in the statement of comparison to budget.

1.12 Going concern

The financial statements of the entity are presented on a going concern basis. This is as a result that the assets of the entity exceed its liabilities as at 31 March 2025. Based on this, there is no uncertainty regarding the continued existence of the entity for the foreseeable future. It must be noted that the entity relies on transfers from the appropriation to fund its operations, therefore there is no doubt regarding the funding of the future operations of the entity and the ability to realise its assets and settle its liabilities.

The Executive Authority is in the process to establish Single Transport Economic Regulator, it must be noted that, in terms of the gazetted Economic Regulation of Transport (ERT) Bill (February 2018), the Ports Regulator will be the core of the STER when it is formed. This eliminates any uncertainty regarding the continued existence of the Ports Regulator, beyond the winding up and dissolution of the Ports Regulator in terms of section 55 of the National Ports Act.

1.13 Cash and cash equivalents

Cash includes cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, which are held with registered banking institutions and are subject to an insignificant risk of changes in value. The Ports Regulator has some cash and cash equivalents invested with the Corporation for Public Deposit at the Reserve Bank as per the requirements of National Treasury.

1.14 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 Revenue recognition

Revenue from non-exchange transaction arises when the entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is

measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b. The amount of revenue can be measured reliably; and
- c. It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.16 Related Parties

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

1.17 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statement are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.18 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 Employee Costs

The employee costs represent the actual expenditure for basic salaries, employer contributions, allowances and performance bonuses. The pension benefits are administered by the Government Pensions Administrations Agency; the Ports Regulator contributes to the agency with the balance coming from employees as per the rules governing pension. Medical aid benefits are administered by Discovery Medical Aid and the Ports Regulator contributes towards the medical aid service provider. The group life benefits are administered by Liberty Life, all benefits as per the conditions of service are available to employees.

1.20 Correction of Prior Period Errors

Prior period errors are identified when it becomes evident that a misstatement occurred in the previous financial period. Materiality is assessed based on both quantitative and qualitative factors. When a prior period error is identified, the correction is made retrospectively by restating the affected comparative amount for each prior period presented. If the error occurred before the earliest period presented, the correction is applied to the opening balances of the earliest period's assets, liabilities and net assets.

2 Transfers and subsidies

Department of Transport

2024/2025 R'000	2023/2024 R'000
44 476	42 564

3 Revenue from exchange of transaction

Sale of goods & services

Other income

33	7
56	373
89	380

Other income for the current year consists of bill of costs received in relation to the tribunal proceedings. In the prior year, the entity received funding from TETA for the appointment of five interns.

4 Finance income

Standard Bank interest income

Reserve Bank interest income

637	655
975	991
1 612	1 646

5 Administrative expenses

Bank charges

Internal audit

Stationery and printing

Stakeholder engagement

Subscriptions

Training and staff development

Venues and facilities

24	30
371	519
437	523
-	101
154	293
473	241
259	165
1 718	1 872

6 Staff costs

Salaries and wages

Leave pay provision movement

Employer contributions

25 347	28 481
(253)	(236)
1 414	1 585
26 508	29 830

The Ports Regulator had 25 employees at the beginning of the financial year. During the year, 4 new appointments were made, 5 employees resigned, and 2 internship contracts ended.

2024/2025
R'000

2023/2024
R'000

7 Other operating expenses

Advertising	161	248
Audit committee fees	96	369
Catering	151	357
Communication costs	300	316
Computer expenses	1 421	1 338
Consultants	2 232	2 640
Consumables	94	21
Couriers and delivery charges	7	33
Data and information storage	7	8
Insurance	346	337
Maintenance and repairs	40	53
Motor vehicle expenses	8	43
Water and electricity	370	331
Parking	222	201
Security	11	15
Training & development - Members	95	203
Travel, subsistence and disbursements staff	941	1 885
Travel, subsistence and disbursements Regulator members	705	908
	7 207	9 306

8 Property, plant and equipment

2025

	Cost	Accumulated depreciated	Carrying value
	R'000	R'000	R'000
Computer equipment	3 812	(1 526)	2 286
Office furniture and fittings	1 154	(858)	296
Books	76	(66)	10
Motor vehicle	987	(893)	94
	6 029	(3 343)	2 686

2024

	Cost	Accumulated depreciated	Carrying value
	R'000	R'000	R'000
Computer equipment	3 839	(1 235)	2 604
Office furniture and fittings	1 154	(831)	323
Books	76	(64)	12
Motor vehicle	987	(752)	235
	6 056	(2 882)	3 174

Reconciliation of Property, Plant and Equipment for 31 March 2025

	Opening carrying value R'000	Derecognition R'000	Additions R'000	Depreciation R'000	Closing carrying value R'000
Computer equipment	2 604	(1)-	10	(327)	2 286
Office furniture & fittings	323	-	-	(27)	296
Motor Vehicle	235	-	-	(141)	94
Books	12	-	-	(2)	10
	3 174	(1)	10	(497)	2 686

Reconciliation of Property, Plant and Equipment 31 March 2024

	Opening carrying value R'000	Derecognition R'000	Additions R'000	Depreciation R'000	Closing carrying value R'000
Computer equipment	856	(30)	2 038	(260)	2 604
Office furniture & fittings	252	(8)	104	(25)	323
Motor Vehicle	376	-	-	(141)	235
Books	14	-	-	(2)	12
	1 498	(38)	2 142	(428)	3 174

GRAP 17 requires the entity to review the useful life for all classes of Property, Plant and Equipment (PPE). The Regulator reviewed the useful lives and did not change the estimates for furniture & fittings and books. The reason for no change of the estimates was as a result that the assets are kept beyond their initial estimated useful lives. The Regulator did not revise the residual values since majority of assets are kept up until the end of their useful lives and there's no intention to sell the assets at the end of their useful lives. The Regulator also could not reliably estimate the value of the sale to be realised at the end of the asset's useful life.

9 Intangible asset

2025

Cost	Accumulated amortisation	Carrying value
R'000	R'000	R'000
514	(339)	175

Computer software

Intangible assets

2024

Cost	Accumulated amortisation	Carrying value
R'000	R'000	R'000
447	(316)	131

Computer software

Reconciliation of Intangible assets

Computer software at 31 March 2025

	Opening carrying value R'000	Derecognition R'000	Additions R'000	Amortisation R'000	Closing carrying value R'000
Computer software	131	-	67	(23)	175
	131	-	67	(23)	175

Reconciliation of Intangible assets Computer
software at 31 March 2024

	Opening carrying value R'000	Derecognition R'000	Additions R'000	Amortisation R'000	Closing carrying value R'000
Computer software	151	(2)	-	(18)	131
	151	(2)	-	(18)	131

2024/2025
R'000

2023/2024
R'000

10 Trade and other receivables

Prepaid expenditure

Accrued income

462	581
269	324
731	905

11 Current receivables – Lease deposit

Refundable deposit for car parking and office lease

304	304
-----	-----

2024/2025

R'000

2023/2024

R'000

12 Cash and cash equivalents

Bank balances

Standard bank cheque account

Standard bank Investment account

Reserve bank Investment account

451

9 554

12 761

22 766

220

4 767

11 786

16 773

The Ports Regulator invests the surplus funds with the Corporation for Public Deposits (Reserve Bank) as required by the National Treasury.

13 Trade and other payables

Accruals

Other creditors

1 018

44

1 062

468

-

468

The entity has considered payables discounting as required by the standards of GRAP, the entity has a policy and is required by legislation to pay all outstanding invoices within the 30 days period. This has resulted in the payables discounting not being necessary to be applied.

14 Operating lease commitments

The Ports Regulator entered into a two-year operating lease agreement with Delta Property Fund that commenced on 1 October 2022 for R 116 265.52 per month including VAT with an escalation clause of 8% annually. The lease expired on 30 September 2024.

The secretariat sought approval of the Regulator and activated a clause on the lease agreement with Delta Property Fund to extend the lease with one year. The one-year extension operating lease agreement with Delta Property Fund commenced on 1 October 2024 for R 123 490.50 per month including VAT. The lease will expire on 30 September 2025. The extension was done to allow the Regulator to conclude the procurement process for office accommodation.

Minimum lease payments due

- not later than one year

- later than one year and not later than five years

741

-

741

1 667

697

-

697

1 343

Expenditure for the period

2024/2025

R'000

2023/2024

R'000

15 Provisions

Carrying amount at the beginning of the period

1 169

1 405

Additional provisions made in the current period

-

-

Amount utilised in the current period

(253)

(236)

Carrying amount at the end of period

916

1 169

Provisions comprise the value of leave days owing to employees as at 31 March 2025.

16 Cash generated from operations

Surplus/(Deficit) for the period

5 069

(5 781)

Non-cash items

1 001

(1 543)

Depreciation

497

428

Amortisation

23

18

(Gain) / Loss on sale of assets

1

11

Working capital changes

Increase / (Decrease) in payables

594

(1 332)

(Decrease) / Increase in provisions

(253)

(236)

(Increase) / Decrease in receivables

174

(509)

(Increase) / Decrease in inventory

-

-

Other working capital movements

(35)

77

Net cash flow from operating activities

6 070

(7 324)

Reconciliation of Cash Flow Statement

Item	Budget	Actual	Variance
Cash flows from Operating Activities	686	6 070	5 384
Cash flows from Investing Activities	0	(77)	(77)
Cash flows from Financing Activities	0	0	0

Reasons for Variance:

Cash flows from investing activities were budgeted at R 0.00 since the actual transfers from the appropriation to the Regulator are not sufficient to fund operations and capital expenditure. Cash flows from operating activities are higher compared to the budget as a result of a difference in actual interest income for the year ended March 2025 being higher than budgeted for. The increase in interest rate had an impact on finance income generated. The increase in interest rate had an impact on finance income generated. The Regulator obtained approval from National Treasury to retain unspent surplus funds. These surplus funds were then brought into the budget through approval from the Regulator. This resulted in actual expenditure increasing as the entity spent both baseline allocation and surplus funds.

2024/2025
R'000

2023/2024
R'000

17 Regulator Members' Remuneration

2 326

3 266

Members

At 31 March 2025, the Ports Regulator had 08 (2024: 09) members.

A total number of 34 (2024: 44) meetings were held during the financial year.

Regulator Members' Remuneration

Member	2025 R'000	2024 R'000	Appointment date	Contract end date
Z. Fihlani	-	211	01 June 2020	31 August 2023
V. Munyama	-	325	01 June 2020	31 August 2023
Z. Kabini	-	188	01 June 2020	31 August 2023
S. Matolengwe	-	158	01 June 2020	31 August 2023
K. Selane	-	185	01 June 2020	31 August 2023
S. Kabelo	-	176	01 June 2020	31 August 2023
M. Madiya (State employee)	-	-	01 June 2020	31 August 2023
Z. Mtshali	189	400	01 September 2023	31 August 2026
A. Ngcobo	265	277	01 September 2023	31 August 2026
D. Block	510	167	01 September 2023	31 August 2026
T. Taboshe	133	170	01 September 2023	31 August 2026
P. Manzini	215	173	01 September 2023	31 August 2026
P. Mangoma	406	133	01 September 2023	31 August 2026
R. Setlako	384	119	01 September 2023	31 August 2026
S. Makhanya	205	157	01 September 2023	31 August 2026
			Appointment date	Resignation date
M. Mkhari	-	71	01 September 2023	01 December 2023
L. Sesoko	-	173	01 September 2023	17 March 2024
A. Chogle	19	183	01 September 2023	30 April 2024
Total	2 326	3 266		

2024/2025
R'000

2023/2024
R'000

18 Executive Remuneration

Johanna Mulaudzi (Chief Executive Officer)

Basic Salary	2 449	2 286
Taxable allowance	1 076	1 005
Non-pensionable allowance	502	469
Medical Aid Allowance	55	50
Total	4 082	3 810

Thokozani Mhlongo *(Chief Financial Officer)

Basic Salary	1 062	1 323
Taxable allowance	394	489
Non-pensionable allowance	218	271
Medical Aid Allowance	96	122
Leave payout	85	-
Total	1 855	2 205

*Mr T Mhlongo resigned effective 31 December 2024

Lesedi Boihang *(Legal Executive Manager)

Basic Salary	-	1 862
Leave payout	-	117
Total	-	1 979

*Adv L Boihang resigned effective 28th February 2024

Nokuzola Nkowane (Industry Development Executive Manager)

Basic Salary	2 065	1 976
Acting Allowance	-	611
Total	2 065	2 587

Pule Mothiba *(Policy, Strategy & Research Executive Manager)

Basic Salary	1 988	2 205
Total	1 988	2 205

*Mr P Mothiba resigned effective 31st January 2025

Langa Dlamini *(Legal Executive Manager)

Basic Salary	293	-
Taxable allowance	124	-
Non-pensionable allowance	60	-
Medical Aid Allowance	12	-
Total	489	-

*Dr L Dlamini was appointed effective 06 January 2025

Executive Members	10 479	12 786
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The Executive Management is regarded as Key Management Personnel in terms of GRAP 20 Related Parties. This disclosure must be read as part of Note 18 - Executive Member's Remuneration.

19 Contingent liabilities

In terms of section 53(3) of the PFMA, a public entity may not accumulate surplus funds without approval from the National Treasury. National Treasury Instruction Note No. 12 of 2020/2021 paragraph 5.2 requires entities listed in Schedule 3A and 3C to submit to National Treasury a request to accumulate surplus funds by 30 September of each financial year. Application to retain surplus funds will be submitted to National Treasury before the due date for consideration and approval. The Ports Regulator finances its expenditure as per the provisions of National Ports Act Section 42. The Regulator therefore relies on surplus funds to augment its operating expenditure and annually applies to National Treasury to retain the surplus funds.

The Regulator's Tribunal Record of Decision have been taken on judicial review, being:

- I. Great Afro Trading Cc // PRSA

Mamatela Attorneys are the Ports Regulator's Attorneys of Record for the Great Afro Trading Cc // PRSA and matter.

Great Afro Trading Cc // PRSA, the Ports Regulator has filed a Notice not to oppose the Application and will abide by the decision of court. The date for Great Afro has not been determined by the Registrar of the High Court.

At the time of finalizing the financial statements, the outcome of court case was unknown and therefore the below estimated amount has been disclosed as a contingent liability in terms of GRAP 19.

Matter	Contingent liability
Great Afro Trading Cc // PRSA	R 150 000

20 Contingent Assets

The Regulator's Tribunal Records of Decision have been taken on judicial review, being:

- I. Sunrise Energy//PRSA, Avedia, TNPA et al; and
- II. Siyakhuphuka Investment // PRSA.

PKX Attorneys are the Ports Regulator's Attorneys of Record for the Sunrise Energy (Pty) Ltd // PRSA, TNPA, Avedia et al matter; and

PKX Attorneys are the Ports Regulator's Attorneys of Record for Siyakhuphuka Investments (Pty) Ltd // PRSA and matter.

Sunrise Energy (Pty) Ltd // PRSA, TNPA, Avedia et al, the High court issued a costs order on the 21 November 2024 in favour of the Ports Regulator. The bill of costs has been presented to the applicant's attorneys and may be set down for taxation if disputed.

Siyakhuphuka Investments //Ports Regulator, A bill of costs was taxed in favour of the Ports Regulator following a High Court ruling against Siyakhuphuka Investments. PKX Attorneys are in the process of attempting executing against the assets of Siyakhuphuka Investments.

In terms of GRAP 19, the matters are disclosed as contingent assets as the outcomes of the legal processes and the recoverability of amounts remain uncertain at the time of finalisation of the financial statements.

Matter	Contingent Assets
Sunrise Energy (Pty) Ltd // PRSA, TNPA, Avedia et al	R 500 000
Siyakhuphuka Investment // PRSA	R 780 389

21 Events after reporting date

There were no post balance sheet date events as of 31 March 2025 that required amendment to the financial statements or disclosure in the notes to the financial statements.

22 Reconciliation of budget surplus/deficit with Statement of Financial Performance

Ports Regulator presents its approved budget on a cash basis and the financial statements on the accrual basis.

Economic Classification	Budget	Actual R'000	Variance R'000	Reason for Variance
Revenue				
Transfers	44 476	44 476	0	N/A
Interest Received	1 211	1 612	401	Interest is based on the investment balance kept by the entity as well as the interest rate provided by the bank.
Sale of goods & services	0	33	33	There were seven appeals, and six complaints submitted to the entity during the year.
Sundry income	0	56	56	Consists of bill of costs received in relation to the tribunal proceedings.
Reserves	0	0	0	N/A
Expenses				
Depreciation & amortisation	477	520	(43)	Difference was caused by some purchases that took place during year.
Staff costs	32 722	26 508	6 214	Unspent expenditure arose due to resignations and delays in appointment of funded vacancy posts.
General expenses	12 488	14 079	(1 591)	The entity was allowed to retain unspent surplus funds; therefore, expenditure was on projects that were partly funded by the unspent funds.
Capital Budget				
Property, plant and equipment	0	(77)	(77)	Assets verification scanning system was procured during the year.

23 Irregular Expenditure and Fruitless and Wasteful Expenditure

Irregular expenditure	4 792	12 789
Fruitless and Wasteful Expenditure	-	-
Closing balance	4 792	12 789

The entity incurred irregular expenditure in the 2024/25 due to non-compliance with the HR prescripts.

During the 2024/25 year, an amount of R9,258 million was identified as irregular expenditure incurred in 2021/22 - 2023/24 but was identified in the 2024/25 financial year by internal auditors during a review of irregular expenditure due to non-compliance with the HR prescripts. In the 2023/24 financial year, an amount of R5.316 million was reported as irregular expenditure, pending further assessment. In the 2024/25 financial year, a determination test conducted confirmed that only R3.530 million of the previously reported amounts qualifies as irregular expenditure. The remaining R1.785 million has been reclassified and removed from irregular expenditure in the financial statements. The irregular expenditure consists of R352,572 relating to a non-disclosure of state employment by a legal service provider, resulting in a breach of procurement legislation and R3,177,722 arising from non-compliance with the 2022 Preferential Procurement Regulations due to delayed implementation of BBBEE targets and goals.

24 Taxation

No provision is made for taxation as the entity is exempt from taxation as per Section 10 (1) of the Income Tax Act, No. 58 of 1962.

25. Risk management

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared, and adequate utilised borrowing facilities are monitored.

The entity relies solely on transfers from the parent Department of Transport. These transfers are transferred by the department to the entity at the beginning of each quarter to fund the cash flows for that specific quarter. Any delays in transfers may cause cash flow risks to the entity. The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Not later than one month

Payables	1 062	468
----------	-------	-----

2025
R'000

2024
R'000

Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

The financial assets carried at amortised cost expose the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets at amortised cost:

Cash and cash equivalents	22 766	16 773
Trade and other receivables from exchange transactions	731	905

The entity has sufficient insurance cover and sufficient funds to service its financial liabilities.

26 Related party transactions

There were related party transactions relating to the transfers of funds from the Department of Transport to Ports Regulator as per the voted funds in the appropriation statement:

Description of transaction

Transfers from the Department of Transport	44 476	42 564
--	--------	--------

27 Audit Fees

Auditor General fees for the regularity audit	485	506
---	-----	-----

28 Legal Fees

Legal fees constitute of Tribunal proceedings	676	3 791
---	-----	-------

29 Prior Periods Adjustments

Debtors raised for services not provided for		77
Refund to TETA for internship	(35)	

Adjustments made in 2023/24 relates to a debtor of R56,722.80 that was raised for services paid for but not rendered. In 2024/25, the services were subsequently provided, and the debtor was reversed accordingly. A separate debtor was also raised for R19,999.00 relating to training services paid for in 2021/22 but not delivered. Recovery of this amount remains in progress.

During the current financial year, a refund of R 35 197.00 was made to Transport Education and Training Authority (TETA) for interns who did not complete the full 12 months program following the internship funding received in the 2023/24 financial year for the appointment of five interns. This adjustment was implemented and effected as follows

Statement of Financial Position	
Decrease in cash and cash equivalents	(35)
Statement of Changes in Net assets	
Decrease in accumulated surplus	(35)

30 Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlements of liabilities and other obligations will occur in the ordinary course of business.

At 31 March 2025, the entity had cash and cash equivalents amounting to R22.8 million.

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus of R24.7 million, and its total assets exceeds its liabilities by R24.7 million.

[illegible]



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