



MAYIBUYE

TRANSPORT CORPORATION

STRATEGIC PLAN

This Annual Performance Plan between Mayibuye Transport Corporation and the Eastern Cape Department of Transport covering the period 1 April 2015 to 31 March 2018 has been developed to establish mutually agreed upon goals, and a system for evaluating the manner in which the Corporation manages its Strategic Plan.

2016

2020



MAYIBUYE

TRANSPORT CORPORATION

**STRATEGIC PLAN
2016/2020**

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REVIEW BY THE CHAIRPERSON OF THE BOARD

This document presents the Strategic Plan for Mayibuye Transport Corporation (MTC). It is a document that aims to delineate the territory in which we seek to be unique.

We continue to serve the most impoverished sectors of our society and we strive to not only continue doing this, but to serve them better and also to reach a greater share of the target market.

To date, the Corporation continues to reap the benefits of its services and it is worthy to note that the Corporation performed admirably under difficult conditions relative to our competitors. We are confident that our revised strategic goals will instil shareholder and stakeholder confidence in Mayibuye Transport Corporation.

We appreciate and understand the enormity of the challenges at hand, but we are committed to embrace this journey of excellence and continue our efforts to improve our customer service through the effective and efficient application of our available resources.

I commit MTC to the full implementation of this strategic plan.



Dr. V Mkosana

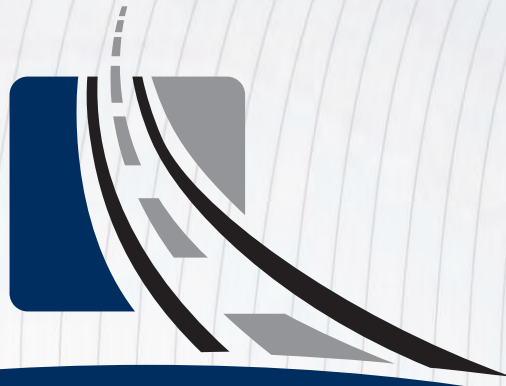
Chairperson of the Board: Mayibuye Transport Corporation

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LIST OF ABBREVIATIONS

AFS	Annual Financial Statements	OD	Organisational Development
AG	Auditor-General	OHSA	Occupational Health and Safety Act
AO	Accounting Officer	PFMA	Public Finance Management Act
APP	Annual Performance Plan	PGDP	Provincial Growth and Development Plan
ASGISA	Accelerated and Shared Growth Initiative for SA	PMDS	Performance Management Development System
BEE	Black Economic Empowerment	QMS	Quality Management System
CEO	Chief Executive Officer	SABEA	South African Bus Employer's Association
CFO	Chief Financial Officer	SABOA	South African Bus Operator's System
COS	Certificate of Fitness	SARPAC	South African Road Passenger Bargaining Council
CSI	Corporate Social Investment	SCM	Supply Chain Management
CSO	Chief Strategy Officer	SCOPA	Standing Committee on Public Accounts
DoRA	Division of Revenue Act	SLA	Service Level Agreement
DOT	Department of Transport	SM	Senior Management
ECPA	Eastern Cape Provincial Administration	SMME	Small Medium Micro Enterprise
EM	Executive Manager	ToR	Terms of Reference
EWPP	Employee Wellness Policy		
EXCO	Executive Committee		
FMS	Fleet Management System		
GRAP	Generally Recognised Accounting Practices		
GSDE	Guide to Service Delivery Excellence		
HDI	Historically Disadvantaged Individuals		
HoD	Head of Department		
HRD	Human Resource Development		
HRM	Human Resource Management		
IA	Internal Audit		
IBAC	Interim Bid Advisory Committee		
IFMS	Integrated Financial Management Systems		
IT	Information Technology		
IYM	In-Year-Monitoring		
MEC	Member of the Executive Council		
MTC	Mayibuye Transport Corporation		
MTEF	Medium Term Expenditure Framework		
MTSF	Medium Term Strategic Framework		
NTR	National Treasury Regulations		



PART A

STRATEGIC OVERVIEW

STRATEGIC OVERVIEW

The Mayibuye Transport Corporation (MTC) was established in accordance with the Corporations Transitional Provisions Act 12 of 1995, to render an effective and efficient public transport service primarily for workers to industries and other places of employment in the adjacent South African urban areas.

The Corporation is a parastatal bus passenger transport service provider of the Eastern Cape Department of Transport. It is funded through a grant-in-aid from the Provincial Department of Transport, and mainly operates in the most rural of areas within the province of the Eastern Cape.

The MTC is excited for the next five year strategic period, as it has developed a new and ambitious vision of becoming the “Public Transporter of Choice”. The MTC has geared itself up to becoming a more self-reliant and sustainable entity, in that it has devised strategies that will enable it to strengthen its revenue streams.

The MTC has identified the challenges and weaknesses that inhibit it from becoming an efficient entity, and with this knowledge is in the process of developing better processes that will ensure efficiency and effectiveness.

In synchronisation with its developmental mandate, MTC has developed this Strategic Plan, which reflects our roadmap to chart the way forward in line with National Treasury Guidelines.

1. Vision

The MTC’s vision is to be the Public Transporter of Choice.

2. Mission

MTC will provide a safe, reliable, affordable public transport service that is responsive to its environment.

3. Values

The MTC strives for EXCELLENCE through:

Batho-pele (Sotho for “People First”)	Service orientated organisation which strives for excellence in service delivery and is committed to continuous service delivery improvement for the achievement of a better-life-for-all whilst including all citizens through services and programmes
Integrity	Work ethically, honestly and transparently.
Consultation	Create an enabling environment for community and stakeholder participation.
Innovative	Strive towards radical and revolutionary changes in thinking, services, processes or organization.
Accountability	Act honorably and take ownership of our actions and the outcomes thereof.

4. Legislative and other mandates

Government has approved a “Protocol on Corporate Governance in the Public Sector”, which is to be read in conjunction with the King Report. The protocol is applicable to all public entities listed in Schedule 2, 3B and 3D of the PFMA. It is intended to provide guidance on how to achieve the socio-politico-economic objectives of government; good governance in the public sector; freedom to manage and effective accountability of both financial and non-financial matters.

MTC regards good corporate governance as integral to good performance. It is critical for MTC to fulfil its mandate in a manner that is consistent with best practices and with regard to accountability, transparency, fairness and responsibility. For this reason, MTC subscribes to the principles of good governance on an on-going basis as laid down by the King Report and the Protocol on Good Governance in the Public Sector. MTC undertakes to maintain effective governance and the highest standard of ethical business operations.

MTC executes its mandate in accordance with its constitutive documents and any applicable legislation as reflected in the Corporate Plan. Its Board exercises its fiduciary duties in pursuance of strategic objectives as set out in the Corporate Plan. Further, the Board ensures that targets are met, monitored and reported on, on a regular basis.

Additional legislation that also impacts on the mandate and operations of the Corporation include:

- ✚ Constitution of the Republic of South Africa Act, 1996 (No. 108 of 1996)
- ✚ Corporations Transitional Provisions Act 12 of 1995
- ✚ White Paper on National Transport Policy (1996)
- ✚ National Road Traffic Act (Act No. 93 of 1996)
- ✚ Urban Transport Act (No 78 of 1977)
- ✚ National Land Transport Act (No. 5 of 2009)
- ✚ Eastern Cape Roads Act (No. 3 of 2003)
- ✚ Passenger Transportation (Interim Provisions) Act (No 11 of 1999)
- ✚ Road Transportation Act (No. 74 of 1977)
- ✚ Public Finance Management Act (PFMA), Treasury Regulations and Provincial Directives
- ✚ Preferential Procurement Policy Framework Act (No 5 of 2000)
- ✚ Division of Revenue Act
- ✚ Promotion of Administrative Justice Act
- ✚ Public Service Act and Regulations
- ✚ Labour Relations Act (No 65 of 1995)
- ✚ Employment Equity Act (No 55 of 1998)
- ✚ Skills Development Act (No 97 of 1998)
- ✚ Compensation for Occupational Injuries and Diseases Act (No 130 of 1993)
- ✚ Unemployment Insurance Act (No 63 of 2001)
- ✚ Skills Development Levies Act (No 9 of 1999)
- ✚ South African Qualifications Authority Act
- ✚ Basic Conditions of Employment Act (No 75 of 1997)
- ✚ Occupational Health and Safety Act (No 85 of 1993)
- ✚ Promotion of Access to Information Act
- ✚ Consumer Protection Act (No 68 of 2008)
- ✚ Regulations emanating from the above legislation

4.1.1. Policy mandates

In developing this Plan, the Mayibuye Transport Corporation identified the following key policy statements that have an impact on public transportation development initiatives and interventions:

Policy	Policy Directive	Implications for MTC
NATIONAL LAND TRANSPORT POLICY	"Subsidised marginalised public transport users, especially those with poor access to socio-economic activities."	MTC charges discounted prices to all routes within its rural operations.
NATIONAL LAND TRANSPORT STRATEGIC FRAMEWORK	Provisioning of rural transport.	MTC shall ensure adequate access of transport to the rural areas within the areas that it operates from.
FINAL DRAFT NATIONAL SCHOLAR TRANSPORT POLICY, 2009	The policy provides a single framework and an enabling environment for government and other stakeholders to address scholar transport challenges. It also outlines the implementation framework for scholar transport which will assist government and relevant stakeholders to effectively render an improved scholar transport service throughout the country.	MTC seeks to assist the Department of Education in carrying and provisioning of the scholar transport so as to ensure accessibility of quality and formal education.
MOVING SOUTH AFRICA: A TRANSPORT STRATEGY FOR 2020 (1999)	<p>"By 2020, transport in South Africa will meet the needs of freight and passenger customers for accessible, affordable, safe, frequent, high quality, reliable, efficient and seamless transport operations and infrastructure. It will do so in a constantly upgrading, innovative, flexible and economically and environmentally sustainable manner. In doing so, transport will support and enable government strategies, particularly those for growth, development, redistribution, employment creation and social integration, both in South Africa and in the Southern Africa region."</p> <p>The Moving South Africa project (MSA) provides a transport strategy for the country over the next 20 years. It informs of the strategic action that extends the short to medium-term policy formulation documented in the Transport White Paper into a long-term strategic formulation embodying the sets of trade-offs and</p>	The MTC is committed to ensuring that the service it provides is safe, reliable and affordable to its commuters.

Policy	Policy Directive	Implications for MTC
	choices necessary to realise the vision as set out in the White Paper which is “provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.”	
ASGISA	Poverty Reduction through accessible public transport in the rural areas.	To be considerate towards socio-economic status of the rural people when increasing fares.
JIPSA	Halving unemployment and poverty by 2014. Increasing GDP growth to 6% (2010- 2014).	MTC shall ensure that it opens its doors for learnership and internship programmes and continue to recruit both skilled and unskilled job seekers for capacity building and training together with SETA's.
PGDP	To reduce by between 60% and 80% the number of households living below the poverty line 2014.	MTC shall ensure accessibility of rural public transport so as to minimise the need for the urban migration.
	To ensure universal primary education (UPE) by 2014, with all children proceeding to the first exit point in a secondary education.	MTC seeks to assist the Department of Education in carrying and provisioning of the scholar transport so as to ensure accessibility of quality and formal education.
RURAL TRANSPORT STRATEGY FOR SOUTH AFRICA 2007	The rural transport strategy is seen as a stimulant to social development and economic growth of rural areas, which would in turn grow the economic resource of district municipalities. The strategy calls for the Rural Transport Service; this includes services provided by users themselves (e.g. head loading, private vehicular transport) and by operators of all modes of motorised and non-motorised transport, and the promotion of non-motorised and intermediate modes of transport.	The MTC seeks to ensure that communities within the rural areas of the province have access to reliable and safe transportation services that will enable them to access opportunities and services that are not within their reach.

Policy	Policy Directive	Implications for MTC
THE MEDIUM TERM STRATEGIC FRAMEWORK (2009-2014)	The MTSF is a statement of intent identifying the development challenges facing South Africa and outlining the medium-term strategy for improvements in the conditions of life of South Africans and for our enhanced contribution to the cause of building a better world.	The MTC develops all its strategic documents in line with legislation so as to ensure that credible plans, which are focused on government outcomes, address the needs of the communities in which it services.
ROAD INFRASTRUCTURE STRATEGIC FRAMEWORK FOR SOUTH AFRICA (RISFSA), 2005 BY THE NATIONAL DEPARTMENT OF TRANSPORT.	“Good roads play a significant role in economic development. Classic economic theory suggests that productive infrastructure, including road and transport assets, is one of several key preconditions for national economic growth. The theory holds that, by investing in assets like bridges, roads ports, or even telephone lines, a nation can structure development by reducing transport and communications costs, thereby facilitating further trade and creation of wealth. Indeed, transport is generally seen as an engine of growth and a guarantor of national integration, both internally and with the external global economy”	The MTC is determined to contribute in the growth of the economy by increasing its bus fleet and operating routes, so as to bridge the gap between the urban and rural areas.
WHITE PAPER ON NATIONAL TRANSPORT (1996)	<p>The policy document provides a basis for transport to play a more strategic role in social development and economic growth. It outlines six broad goals which seek to achieve the vision for transport in South Africa:</p> <p>“Provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at proving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.”</p>	The MTC is committed to ensuring that the service it provides is safe, reliable and affordable to its commuters.

4.2. Relevant court rulings

The Mayibuye Transport Corporation is currently not subject to any court rulings requiring it to perform particular actions or functions.

5. Situation analysis

At present, the MTC is funded through a grant-in-aid from the Eastern Cape Department of Transport. The grant-in-aid received from the Department diminishes with time; therefore as the MTC we are devising strategies that will enable the entity to become more self-reliant. These strategies aim to strengthen own revenue streams by identifying areas the Corporation can capitalise on. Some of the potential opportunities that the MTC has identified are as follows:

- ✚ The opening of new viable routes, for example between East London and Mthatha.
- ✚ The MTC is also in the process of researching on a public servant Park and Ride service between east London and Bisho.
- ✚ The MTC wants to venture in a partnership with the Department on the implementation of the National Scholar Transport Policy, by either transporting scholars or assisting in the management process of the implementation of this policy.
- ✚ In planning on achieving its mission the MTC wants to introduce ticket sales outlets or partner up with existing retailers so as to ensure that commuters are able to utilise our services.
- ✚ The MTC is also exploring partnerships with DEAT, DRDAR & IDZ on Green Fuel buses

The Mayibuye Transport Corporation is cognisant of the challenges it is still faced with, in that it is unable to meet the needs of its current customers or those of the thousands of other people in desperate need of public transport. We are however hopeful that with the new strategies the MTC has developed together with the support that it has received from the Honourable MEC for Transport, these challenges can and will be addressed.

5.1. Performance Environment

The planned performance of the MTC is influenced by the following identified opportunities:

- ✚ In terms of the National Land Transport Transition Act - section 47(3), parastatal public transport service providers need to be restructured to become independent, financially ring-fenced entities that can compete for public transport contracts in an open tender system. The MTC will endeavour to change its own versus grant income ratio from 80:20 to 50:50 within the current strategic plan.
- ✚ At the onset of its current strategic plan, MTC had been transporting over 2.1 million passengers. This service demand set to increase by more than 48% by 2019/2020 totalling in excess of 3.5 million passengers. This significant increase will be supported by the introduction of regional routes such as East London/Bhisho to Mthatha and Aliwal North as well as East London/Bhisho to Port Elizabeth.
- ✚ A critical success factor remains for the MTC to position itself for maximum participation in the Provincial Integrated Public Transport Master Plan and the Buffalo City Metro Municipality Integrated Public Transport System.
- ✚ Several opportunities are associated with boosting private hire sales including recognition as an IDZ Provider of Choice and entering into partnership agreements with Heritage Tourism Operators.

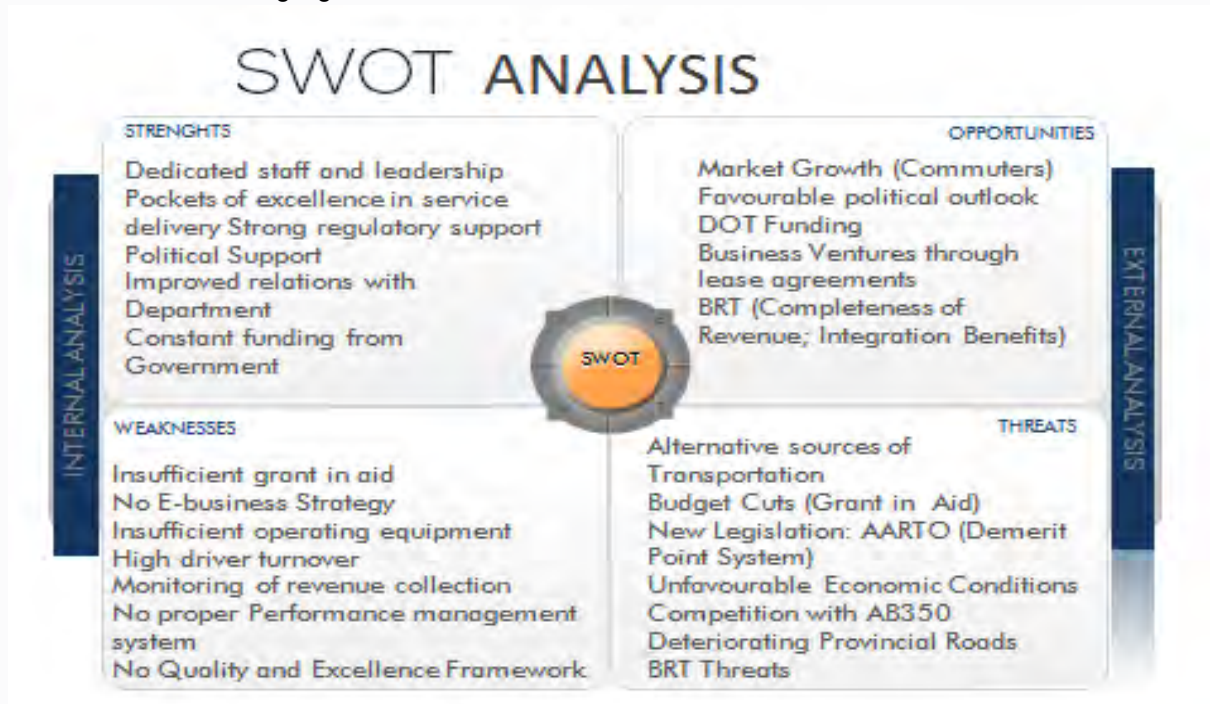
- ✚ The MTC furthermore aims to introduce a Park and Ride service. This project will greatly assist in strengthening the brand of the MTC and increasing loyal customers whilst positively contributing to the Climate Change drive of the Province by reducing the distance being travelled by East London to Bhisho motorists.

The challenge remains that such strategies must be delivered at high standard against a backdrop of inherited grossly inadequate operating equipment and buildings. Furthermore, the provision of lowest prices to the poorest communities as socially and morally defensible is in stark contrast to the burden placed on the corporation to become financially independent.

MTC at present is funded through a grant-in-aid from the Department of Transport. The Department remains unable to provide the Corporation with an adequate capital grant. The MTC is challenged in that with its existing fleet it is unable to meet the needs of the current customers or the thousands of other people in desperate need of public transport.

5.2. Organisational Environment

The MTC has identified the following internal and external factors that can hinder and/ or enable the achievement of its strategic goals.



Strategic Response to IDENTIFIED WEAKNESSES

The analysis above is based on the perception of the executive of the MTC and is modelled on the concepts of commitment, competence and concept. It is a useful conceptual strategic management tool with which to critically assess the position of the organisation in relation to the identified variables.

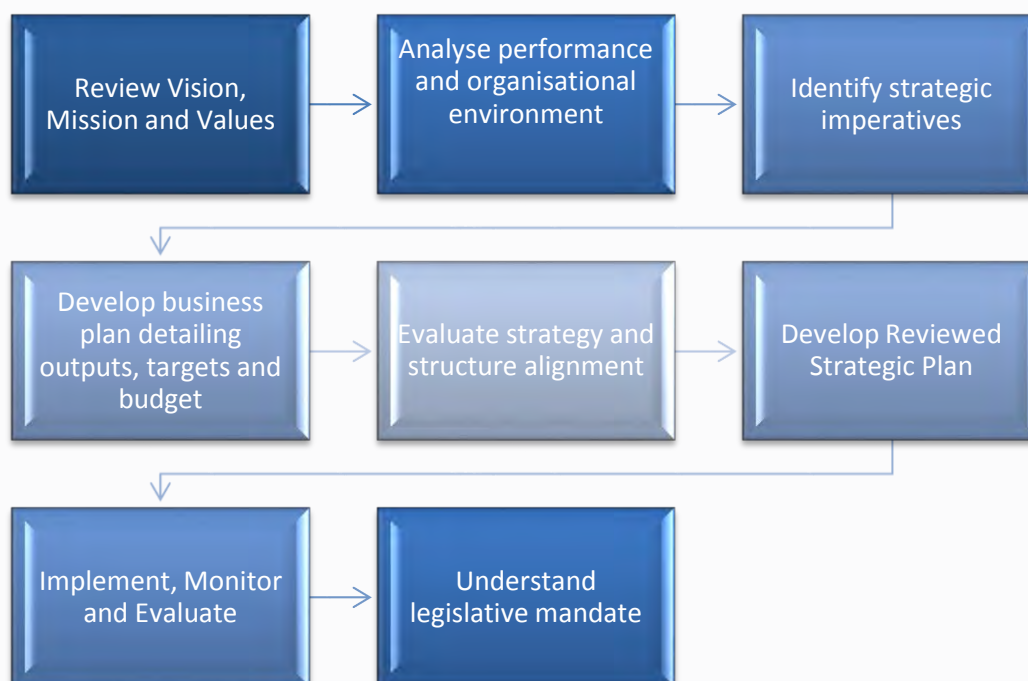
A challenge for the organisation to move from planning to implementation would be to get the strategic conversation right (Manning, 2001:14). The purpose of leadership in organisations is to create a context in which people will perform to their full potential. According to Manning this context is the mental space where people either reveal or conceal their ability. He furthermore illustrates that context is a product of conversation since organisations are nothing more than managed conversations.

The strategic conversation is not a default activity that just sort of happens, but is a deliberate process and a leadership tool. The on-going task of management will be to focus and inspire staff. To quote Manning: “what gets measured gets managed. But we conveniently forget that it’s only what is spoken about, constantly, passionately, consistently, that will be either measured or managed. Talk about the right things, in the right way to the right people and extraordinary things happen but get the conversation wrong and you’re sunk”(2001:15).

The Corporation realises that if this is what it wants to achieve it has to get its strategic conversation right and within that context create a service delivery capability that is supported by a workable performance management system.

5.3. Description of the strategic planning process

The management of the MTC initiated their planning by following the process outlined below:



The diagrammatic presentation of the planning process outlined above is aligned to the National Treasury Framework for Strategic Plans and Annual Performance Plans which includes the Medium Term Strategic Framework. Our strategic planning sessions were conducted in close consultation and guidance from the Provincial and National Treasury on the framework for Strategic and Annual performance Plans. This was furthermore aligned to the Eastern Cape Provincial Planning Cycle to ensure that the Corporation’s planning is integrated with the planning within our controlling Department in particular and the Province in general.

6. Strategic goals of the Corporation

The following section outlines strategic goals of the Mayibuye Transport Corporation.

In refining this Strategic Plan, the management of the Mayibuye Transport Corporation revisited the THREE (3) goals developed during the previous year's strategic review:

✚ All of the THREE (3) goals were changed, and FOUR (4) new goals were developed;

STRATEGIC GOAL 1	Ensure accessible and affordable public bus transport services for the population of the Eastern Cape
STRATEGIC GOAL 2	Contribute to the Eastern Cape Development priorities through a viable bus transport service
STRATEGIC GOAL 3	Ensure that the MTC becomes a strategic partner in the spatial development for the province
STRATEGIC GOAL 4	Ensure that MTC becomes an industry player in the automotive sector through focussed human capital development

Strategic Goal 1	Ensure accessible and affordable public bus transport services for the population of the Eastern Cape
Goal Statement	To ensure that the MTC provides and operates a responsive and affordable bus service that can be accessed by the underprivileged people of the Province.

Strategic Goal 2	Contribute to the Eastern Cape Development priorities through a viable bus transport service.
Goal Statement	To ensure that the MTC contributes to the economic development goals of the Province by providing a bus service that is affordable.

Strategic Goal 3	Ensure that the MTC becomes a strategic partner in the spatial development for the Province
Goal Statement	To ensure that the MTC operates a responsive bus service that complies with all relevant legislation and stakeholder expectations.

Strategic Goal 4	Ensure that MTC becomes an industry player in the automotive sector through focussed human capital development
Goal Statement	To ensure that the MTC contributes to skills development in the automotive sector in the Province through structured apprenticeship programmes.



PART B

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVES

Strategic Objective 1.1	Reduce reliance on government aid funding by increasing own revenue from R27 570 440 per annum to R94 665 847 per annum.
Objective Statement	To reduce the MTC's dependency on grant-in-aid funding by developing an optimum business financing model. To change the ratio from 80/20 to 50/50
Baseline	The MTC's grant in aid is R113m
Justification	This objective will increase the entities self-sufficiency and investment in fleet and infrastructure.
Links	This objective will contribute to less reliance on grant-in-aid funding.

Strategic Objective 1.2	Demonstrate efficient, responsible and transparent corporate governance
Objective Statement	To expand and increase accessibility to an affordable and reliable bus service to the people of the province
Baseline	Notable (BB) King III application rating
Justification	To ensure that there is congruence between the Corporation's vision, mission, objectives and the organisational competence and capabilities at Board and Senior Management Level
Links	King III, Board Charter, Committee Charters, Companies Act

Strategic Objective 1.3	Increase the Corporate Performance of the MTC from 65% to 95%
Objective Statement	To increase the rate of achieving predetermined objectives within a budgeted expenditure vs. actual expenditure variance of 5%.
Baseline	The Corporate Performance Score is 65%. The current expenditure budget vs. actual variance is
Justification	By increasing its level of Corporate Performance, the reputation of the MTC will be strengthened and therefore increase confidence in the ability of the MTC to service the needs of its stakeholders. This objective will also contribute to a decrease in audit findings by the Auditor General. Furthermore it will improve the MTC's value proposition to its Shareholder.
Links	Public Finance Management Act 1 of 1999 Treasury Guideline on Managing Performance Information Presidential Policy Framework on the Government Wide Monitoring System The MTC Corporate Performance Framework The MTC Employee Performance Management Policy This objective will contribute to decrease in audit findings by the AG and improve the performance of the MTC.

Strategic Objective 1.4	Maintain reliable and sustainable Financial Management practices
Objective Statement	To implement measures and controls for effective financial management within the Corporation.
Baseline	The Corporation received a qualified audit opinion in the 13/14 FY.
Justification	The purpose of the objective is to ensure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of the Corporation
Links	PFMA Act 1 of 1999 Treasury Regulations

Strategic Objective 2.1	Increase the number of people who use the MTC bus services from 2150 202 to 3 569 819 per annum
Objective Statement	To expand the ridership of the Corporation thus creating greater access to safe, reliable and affordable bus transport services to the people in the province
Baseline	The current ridership of the MTC in the province is 2150 202.
Justification	This objective will contribute to more underprivileged people accessing affordable public transport services in the Province.
Links	This objective will contribute to access to affordable bus service to the poor in the province.

Strategic Objective 2.2	Recapitalise the entire fleet and infrastructure of the MTC
Objective Statement	To provide for conducive fleet, office and maintenance infrastructure in all depots to enhance the operational productivity of the Corporation.
Baseline	The currently the MTC has 36 busses older than 17 years.
Justification	This objective will contribute to increased number of people accessing economic opportunities, amenities and essential services Shift from private vehicle use to public transport
Links	This objective will contribute to improved poverty reduction in the Province. Moving South Africa (25% private car users vs. 75% public transport) Eastern Cape Greening Strategy – reduces congestion and carbon emissions (sum total of individual vehicles)

Strategic Objective 2.3	To improve proximity of bus services to commuters
Objective Statement	To be responsive to the needs of customers by providing services with greater levels of convenience both in terms of location and disability friendliness
Baseline	The number of routes currently supported by the MTC: 39
Justification	<p>This objective will contribute to an increased ridership thus granting greater access to economic opportunities, amenities and essential services to the people of the Province.</p> <p>Bus Terminal</p> <p>Convergence of customer need vs. existing collection point</p> <p>Reduce dead kilometres</p> <p>Ticket Sale Outlets</p> <p>BRT / Single ticket for multiple types of transport</p>
Links	This objective will contribute to economic growth in the Province.

Strategic Objective 3.1	Stimulate social and economic connectivity between the rural, peri-urban and urban areas by increasing the number of routes operated from 39 to 52.
Objective Statement	To ensure that more citizens of the Eastern Cape are able to access various amenities such as work, schools, clinics and other public services in so doing improving the quality of life
Baseline	The current ridership of the MTC in the province is 2 150 202.
Justification	<p>This objective will contribute to more underprivileged people accessing affordable public transport services in the Province. In turn, the quality life for the people of the Eastern Cape will significantly improve.</p> <p>Furthermore, this objective will directly support the Small Towns Revitalisation Project which aims to stimulate socio-economic activities in small towns throughout the Province</p>
Links	<p>This objective will contribute to access to affordable bus service to the poor in the province.</p> <p>It will support the Small Towns Revitalisation Plan</p>

Strategic Objective 3.2	Increase awareness of the MTC brand amongst all stakeholders
Objective Statement	To create and build positive associations with the MTC, its employees and its services.
Baseline	The current brand has been developed and conceptualisation has been completed.
Justification	The objective will contribute to the improved and more positive brand associations and increase brand loyalty
Links	This objective will contribute to improved access to MTC transport services in the province.

Strategic Objective 4.1	Contribute to skills development in the automotive sector in the Province through structured apprenticeship programmes.
Objective Statement	To provide increased access to apprenticeship training (e.g. Diesel and Petrol Mechanics, Panel Beating) to people of the province.
Baseline	The apprenticeship intake in the MTC is 20 unemployed youth and women from the Eastern Cape
Justification	Apprenticeship training provides unemployed youth and women with the necessary skills mobility to fully participate in the economy by becoming employable and /or starting their own businesses. This objective will contribute to broadening the technical skills base within the automotive sector.
Links	This objective will contribute to the technical skills base in the province.. National Skills development Strategy III IPAP Provincial Industrial Growth Plan Provincial HRD Plan Accelerated Artisan Programme

Strategic Objective 4.2	Contribute to socio-economic growth by emulating the Eastern Cape Employment Equity Index
Objective Statement	Redress historical imbalances at the workplace by targeting designated groups and employing a workforce which is demonstrative of the demographics of the Eastern Cape
Baseline	The current Employment Equity Index score of the Corporation is 45%
Justification	This objective will contribute to increased skills profile of the MTC thus contributing positively to economic growth
Links	This objective will contribute to improved skills profile and employability. National Skills Development Strategy III Industrial Policy Action Plan (IPAP) Vision 2030

Strategic Objective 4.3	Increase the quality and availability of required human capital in order to achieve the business goals of the Corporation
Objective Statement	To ensure the adequate supply of human capital to meet the current and future demands of the entity by developing and implementing leading
Baseline	The entity has no baseline data on this objective.
Justification	The objective will be to contribute to the broader skills development and human capacity improvement initiatives of the government.
Links	Presidential outcome 12. Vision 2030 Skills Development Act, 97 of 1998 National Skills Development Strategy Employment Equity Act, 55 of 1998

The table below sets out the Programme Structure of the Mayibuye Transport Corporation.

Programme	Sub-programme
1. Administration	1.1. Office of the Chief Executive Officer 1.2. Office of Strategic Management 1.3. Office of the Chief Financial Management 1.4. Human Resource Management
2. Engineering	2.1. Engineering Services and Management
3. Operations	3.1. Operations Services and Management

7. Programme 1: Administration

Programme Purpose

The Administration Programme, which is comprised of the Office of the CEO, Office of Strategic Management, Finance, Supply Chain Management and Human Resource Management and undertakes vital administrative and strategic leadership responsibilities.

Sub-programmes

1.1 Office of the Chief Executive Officer

The Office of the Chief Executive Officer (CEO) facilitates the coordination between the Board of Directors, Shareholder, Heads of Department and Stakeholders. The Board of Directors serves as the Accounting Authority for MTC in terms of the Public Finance Management Act. The CEO is responsible for the formulation of policy as a non-officio member of the Board of Directors and accountable for the implementation of policy and strategy as the most senior executive in the organisation. The Office of the CEO ensures that effective planning and reporting systems are established based on internal management co-operation and communications, and that external partnership networks are developed and managed for the benefit of the Mayibuye Transport Corporation.

1.2 Strategic Management

The Office of Strategic Management exists to orchestrate the connection between strategy and execution. It oversees alignment of all management processes with strategy and is responsible for the coordination and preparation of the strategic plan, planning processes, reporting and organizational performance improvement. MTC is engaged in an on-going planning process designed to facilitate strategic conversations to improve organizational results. The Office of Strategic Management provides strategic leadership and management in accordance with legislation, policies and furthermore ensured support to the Office of the CEO, the Board and all programmes within the Corporation.

1.3 Financial Management

This programme also ensures the provision of systematic financial management systems designed to coordinate the organisation's budget and resource requirements. Such activities include ensuring compliance with regulatory provisions required to facilitate the funding of the MTC as well as to take appropriate steps to ensure that expenditure occurs within the approved budget and to prevent overspending of the budget. Systematic financial management systems also entail the maintenance of a procurement system that is fair, equitable, transparent and cost-effective; and also ensures that effective and appropriate steps are taken to prevent unauthorised, irregular or fruitless and wasteful expenditure.

1.4 Human Resources

Provides an internal enabling function and support service to the other programmes with regard to Human Resource Management and Development.

7.1. Resource considerations

7.1.1. Reconciling performance targets with budget and MTEF

Economic Classification: Admin	Audited Outcomes			Current	MTEF Period		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Current Payments	21 899 357	33 950 836	41 520 684	46 495 974	49 470 380	56 258 818	64 555 576
Compensation of Employees	10 371 579	12 692 734	22 634 672	27 388 558	31 437 650	37 635 769	42 602 662
Goods and Services	11 527 778	21 258 102	18 886 012	19 107 416	18 032 730	18 623 049	21 952 914
Interest and rent on land	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-
Payments for Capital Assets	830 467	-	4 415 000	1 066 089	440 000	456 000	433 308
Buildings and other fixed structures	-	-	-	82 000	-	118 600	132 168
Machinery and equipment	830 467	-	-	403 989	-	-	-
Spare parts and units	-	-	-	-	-	-	-
Buses and vehicles	-	-	-	-	130 000	-	230 000
Office furniture and equipment	-	-	4 415 000	580 100	310 000	337 400	71 140
Software and other intangible assets	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-
Total Expenditure	22 729 824	33 950 836	45 935 684	47 562 063	49 910 380	56 714 818	64 988 884

7.2. Risk management

A breakdown of the key risks for the programme, including mitigating factors, is provided below:

Political Change Risk	
Risk Definition:	Changes in political administration at provincial level may result in a change or shift of a policy and this may affect the stability and sustainability of the Corporation.
Current Control Measure:	The existence of a good relationship between the MEC, the accounting authority, the legislature and other stakeholders contributes to political stability in the Corporation.
Risk Management Strategy:	Allow risk, but monitor the risk by ensuring that detective controls are adequate and effective.
Actions to Improve Risk:	The current control measures provide an adequate response in so far as the Corporations' ability to mitigate this risk is concerned.
Communication Risk	
Risk Definition:	Lack of clear and comprehensive communication up, down, and laterally within the Corporation and may result in misunderstanding regarding management's expectations and untimely identification of performance shortfalls.
Current Control Measure:	A communication protocol will be developed.
Risk Management Strategy:	Manage the risk by ensuring that detective and preventive controls are adequately monitored.

Actions to Improve Risk:	Structured inter-functional engagements will be established and strengthened in order to improve co-ordination between functions and programmes.
Information Technology	
Risk Definition:	Lack of integration of systems may result in inappropriate decisions.
Current Control Measure:	System to improve and integrate the Corporation ICT is currently under review.
Risk Management Strategy:	Manage the risk by ensuring that detective and preventive controls are adequately monitored.
Actions to Improve Risk:	An undertaking is also being put in place to ensure that Information technology is coordinated by the ICT unit.
Human Resources Risk	
Risk Definition	Inability to effectively attract and retain the required human resources to sustain and achieve the Corporation's service delivery mandate.
Current Control Measure:	The HR plan is being developed to address issues highlighted in management meetings. This goes towards making the Corporation an employer of choice.
Risk Management Strategy:	Allow risk, but monitor the risk by ensuring that detective controls are adequate and effective.
Actions to Improve Risk:	The current recruitment and retention policy will be reviewed.
Cash Flow Risk	
Risk Definition	Inability to settle third party and salary payments
Current Control Measure:	Budget support and guidance is provided. A review of variance explanations is done. Cash flow forecasting performed.
Risk Management Strategy:	Monthly cash flow reporting
Actions to Improve Risk:	Improve revenue collection and implement cost control measures
Physical Security Risk	
Risk Definition	Inadequate physical security of assets and facilities may allow unauthorised access thereby increasing the risk of theft, vandalism and damage to Corporations property.
Current Control Measure:	Security contract management should be enhanced.
Risk Management Strategy:	Prioritise risk by ensuring that contract management receives better attention and that risk is minimised.
Actions to Improve Risk:	Improve internal security capacity, and ensure better contract management of external security.

8. Programme 2: Engineering

Programme Purpose

The purpose of the Engineering Programme is to ensure the efficient and effective provision of public transport services through a safe and reliable fleet at all depots of the MTC.

The Programme is responsible for all the corporations' fleet related activities, the management of inventory as well as facilities and infrastructure management

8.1. Resource considerations

8.1.1. Reconciling performance targets with budget and MTEF.

Economic Classification: Engineering	Audited Outcomes				Current	MTEF Period		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Current Payments	25 925 452	33 775 697	37 091 614	43 140 842	34 421 695	44 643 285	46 968 641	54 103 028
Compensation of Employees	13 849 940	16 482 126	18 063 671	14 206 225	14 518 095	14 080 635	15 183 329	16 513 365
Goods and Services	12 075 512	17 293 571	19 027 943	28 934 617	19 903 600	30 562 650	31 785 312	37 589 663
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-	-
Payments for Capital Assets	5 724 069	9 042 237	5 000 000	26 271 244	38 416 473	18 667 280	20 034 280	19 045 630
Buildings and other fixed structures	175 512	278 575	-	111 760	1 546 000	120 000	132 000	140 600
Machinery and equipment	13 660	383 715	-	36 108	2 855 500	210 000	220 500	231 530
Spare parts and units	4 428 499	6 548 033	-	6 131 708	6 250 000	8 361 260	11 098 420	8 711 000
Buses and vehicles	1 106 398	1 831 914	5 000 000	19 991 668	27 264 973	9 976 020	8 583 360	9 962 500
Office furniture and equipment	-	-	-	-	500 000	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-
Total Expenditure	31 649 521	42 817 934	42 091 614	69 412 086	72 838 168	63 310 565	67 002 921	73 148 658

8.2. Risk management

A breakdown of the key risks for the programme, including mitigating factors, is provided below:

Human Risk	
Risk Definition:	There is a general shortage of critical skills in the programme especially artisans in the diesel mechanical area.
Current Control Measure:	The Corporation should strive to increase its intake of apprentices.
Risk Management Strategy:	Manage the risk by ensuring that there is a gradual increase in the apprentices over the Medium Term period.
Actions to Improve Risk:	Corporation to tap into the Provincial Skills Development Forum.
Inability to recapitalise fleet risk	
Risk Definition:	The fleet of the MTC is ageing with some busses exceeding the 15 year life span.
Current Control Measure:	Improve refurbishment and maintenance programme.
Risk Management Strategy:	Monitor the risk by ensuring that detective controls are adequate and effective.
Actions to Improve Risk:	Improve refurbishment and maintenance programme on identified buses.
Facilities and Infrastructure risk	
Risk Definition:	Some of the facilities within the Corporation like Alice Depot are currently in a dilapidated state. Workshop equipment to be upgraded.
Current Control Measure:	Adherence to the infrastructure improvement plan.
Risk Management Strategy:	Prioritise risk by ensuring that it receives the highest level of attention and removing the activities that gives rise to the risk.
Actions to Improve Risk:	Adherence to and implementation of the infrastructure improvement plan.

9. Programme 3: Operations

Programme Purpose

The purpose of the Operations Programme is to ensure the efficient and effective management all the operational activities of the MTC.

The Programme is responsible for coordination of bus services on all routes, the enhancing of revenue streams and the coordination of capital fund expenditure.

9.1. Resource considerations

9.1.1. Reconciling performance targets with budget and MTEF.

Economic Classification: Operations	Audited Outcomes				Current	MTEF Period		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Current Payments	15 928 707	18 579 577	27 141 789	20 555 498	21 513 580	22 773 555	24 758 611	26 460 163
Compensation of Employees	12 728 520	14 824 585	15 694 245	14 752 619	16 352 383	20 967 075	22 808 339	24 811 663
Goods and Services	3 200 187	3 754 992	11 447 544	5 802 879	5 161 197	1 806 480	1 950 272	1 648 500
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-	-
Payments for Capital Assets	3 295 872	426 501	-	17 800	2 121 189	935 500	2 372 650	3 364 295
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	3 295 872	426 501	-	17 800	1 821 189	885 500	2 372 650	3 364 295
Spare parts and units	-	-	-	-	-	50 000	-	-
Buses and vehicles	-	-	-	-	200 000	-	-	-
Office furniture and equipment	-	-	-	-	100 000	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-
Total Expenditure	19 224 579	19 006 078	27 141 789	20 573 298	23 634 769	23 709 055	27 131 261	29 824 458

9.2. Risk management

A breakdown of the key risks for the programme, including mitigating factors, is provided below:

Human Resource risk	
Risk Definition:	High and rapid driver turnover rate.
Current Control Measure:	There is currently an ongoing education and awareness programme operative in the Corporation.
Risk Management Strategy:	Manage the risk by ensuring that detective and preventive controls are adequately monitored.
Actions to Improve Risk:	Implement in-house training and development programmes for new and existing drivers.
Ageing Fleet Risk	
Risk Definition:	High maintenance cost and unreliable service.

Current Control Measure:	Scheduled maintenance of busses to be adhered to by Engineering support.
Risk Management Strategy:	Manage the risk by ensuring that detective and preventive controls are adequately monitored.
Actions to Improve Risk:	Improvement of driver behaviour through defensive driving training programmes.
Loss of market share	
Risk Definition:	Potential of market share loss as a result of ageing fleet and unreliable service.
Current Control Measure:	Monitor illegal operators in our routes and adhere to operating schedules.
Risk Management Strategy:	Manage the risk by ensuring that detective and preventive controls are adequately monitored.
Actions to Improve Risk:	Conducting customer satisfaction surveys and establishment of community forums in all MTC routes.
Completeness of Revenue risk (Loss of Revenue)	
Risk Definition:	Loss of revenue due to theft and collusion between bus drivers and inspectors as well as drivers and cashiers.
Current Control Measure:	Regular surprise checks by designated members of management.
Risk Management Strategy:	Manage the risk by ensuring that detective and preventive controls are adequately monitored.
Actions to Improve Risk:	Reconciliation reports generated to detect and manage discrepancies in revenue.



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