

**QUARTER 4 PERFORMANCE ASSESSMENT REPORT FOR JOHANNESBURG
METROPOLITAN BUS SERVICE (SOC) LTD**

1. STRATEGIC THRUST

Good Governance

2. OBJECTIVE

The purpose of this report is to present an executive summation of the performance assessment report of Johannesburg Metropolitan Bus Services (SOC) Ltd covering the quarter 4 performance assessment of 2022/23 financial year. The report is for noting.

3. SUMMARY

3.1 Performance Highlights

3.1.1 Commuter Engagement

3.1.1.1 Rand Easter Show

Metrobus participated on the Rand Easter Show 2023 edition. A platform from which public sector entities interact its customers and potential stakeholders in a relaxed environment.

Under the stewardship of MMC Kunene the entity attracted the interest of over 20 000 visitors at the show over a period of four days. The Executive Mayor also took the opportunity to visit Metrobus exhibition booth including the bus on display in the company of the Entity's Managing Director, Mr. Gidini. Metrobus used the platform to promote the imminent digitisation drive including free Wi-Fi on business, Eye-on-the-Bus initiative including the Automated Fare Collection System.

3.1.1.2 Career Exhibition at the Air Show

Metrobus took part in the South African National Airbase Museum in Centurion, where over 3000 matriculates from various schools across Gauteng were transported to the venue with all costs covered by TETA for a period of two days. The exhibition also included members of the general public. The event attracted over 100 000 attendees. The brand was exposed to multiple potential corporate clients including students taking interest in careers that the entity offers.

3.1.2 Fatality Free Service

The entity continues to maintain safe public transportation. During the period under review, the entity operated 2 million fatality free kilometres. During the same period last year, the entity operated 2.1million kilometres fatality free. This is a significant achievement particularly in relation to the ongoing loss of lives on South African roads resulting from fatalities involving public transport operations.

3.1.3 Customer Satisfaction Survey

On an annual basis, Metrobus conducts a customer satisfaction survey to determine the level of passenger satisfaction with Metrobus service as well as areas of improvement. A report on the results of the Survey was completed, providing a deeper understanding of the needs, preferences and travel behaviours of customers who require accessible services. The survey highlighted that 73% of the passengers are satisfied with the service, this is against a target of 70%. However, this reflects a 5% decline in commuter satisfaction. Reasons for the decline include non-arrival of buses.

3.1.4 Economic Transformation

During the period under review, the entity significantly exceeded the target for SMME support. While the target for quarter 4 was to support fifty (50) SMMEs, the actual performance was one hundred and thirty four (134) SMMEs supported amounting to R203 million.

3.2 Performance Challenges and Mitigation Actions

Challenges	Mitigation
Level of OOC	<ul style="list-style-type: none"> • Approval and implementation of repairs and maintenance policy • Leasing of buses • Implementation of Continuous Operations shift system • Refurbishment of buses
Inadequacy of security and inspection services	<ul style="list-style-type: none"> • Fast-tracking of inspectorate recruitment • Implementation of hybrid inspection services (internal and external inspectors) • Use of technology for access control • Employment of cohort of armed guards
Fare Collection	<ul style="list-style-type: none"> • Implementation of intelligent transport systems including AFC • Performance/incentive-based contract for external inspectorate • Team-based incentive schemes
Vacancy Rate	<ul style="list-style-type: none"> • Streamlining of internal recruitment processes

4. PERFORMANCE AGAINST SDBIP, PRE-DETERMINED OBJECTIVES, SERVICE STANDARDS, & CIRCULAR 88

4.1 Performance against SDBIP

The entity contributes to the City's IDP Objectives by offering public transportation as measured through the average number of passenger trips per working day. Twenty two thousand seven hundred and thirty nine (22 739) passengers trips were successfully completed against the target of fifteen thousand (15 000). **Annexure A** of the quarter 4 performance assessment report outlines the entity's positive performance in this regard.

4.2 Performance against Pre-Determined Objectives

The Metrobus 2022/23 business plan is aligned to the City's Mayoral priorities. To ensure the achievement of strategic outcomes, Metrobus has developed a Corporate Scorecard premised on the City's Service Delivery and Budget Implementation plan as well as a set of Entity strategic levers which serve as programs of action. In terms of the approved 2022/23 Metrobus Business Plan, the entity's performance is measured on the basis of a total of twenty two (22) key performance indicators. At quarter 4 twenty one (21) KPIs were assessed and eleven (11) KPIs were achieved. This translates to a 52% achievement level against a target of 85%. The detailed Performance Scorecard is attached as **Annexure B** of the quarter 4 Performance Assessment Report.

The unachieved KPIs include: percentage planned trips completed, percentage achievement of service standards, percentage spent on capital budget against approved capital budget, percentage of valid invoices paid within 30 days, percentage resolution of AGSA findings, and percentage Intelligent Transport System Projects. A detailed performance scorecard relating to unachieved Key Performance Indicators including corrective measures envisaged for the next reporting period is outlined in **Annexure B1** of the Quarter 4 Performance Assessment Report.

4.3 Performance against Service Standards

The Service Delivery Agreement sets out five (05) service standards between Metrobus and the Shareholder. Metrobus achieved eighty percent (80%) on service standards at quarter 4. Details on the service standards are attached hereto as **Annexure C** of the Quarter 4 Performance Assessment Report

4.4 Performance against Circular 88 Indicators

During the period under review, of the eight (8) circular 88 indicator, six (6) indicators were assessed and four (4) Indicators were achieved. This translates to a 67% achievement level. Details on circular 88 are attached hereto as **Annexure E** of the Quarter 4 Performance Assessment Report.

5. FINANCIAL REVIEW

The quarter 4 report was prepared on a going concern basis, it is assumed that the entity will continue to operate for the foreseeable future, meeting its financial obligations when they become due.

5.1 Revenue and Expenditure Performance

Metrobus recorded a deficit of R 66, 5 million and the budget was overspent by R51, 4 million for the quarter ended 30 June 2023. The operating expenditure budget was overspent by R 70, 8 million for the financial year ended 30 June 2023 due to reduction on budget and trying to provide minimal service to the customers. The fare revenue recorded a surplus of R 0, 8 million for quarter four of the financial period. The entity recorded R 14, 3 million on fare revenue against the target of R 13, 6 million for the quarter.

5.2 Compliance and Internal Control Environment

There has been an improvement in the internal controls in the finance environment over the past year. The entity is actively managing the payment within 30 days payment of suppliers. The entity is pleased to report that no fruitless and wasteful expenditure was incurred over this period.

5.3 Strategic outlook and Business Conditions

The entity will continue with its focus of being a low cost provider of public transport going forward; however, this strategy needs to be compensated through proportional investment in a robust revenue collection system, adequate fleet and fuel management systems as well as the replacement the ageing fleet. The entity also implemented SAGE system during the current financial year. The harnessing of efficiencies through focussing on well-populated routes and robust marketing of new contract hires will be a major focus area in repositioning the entity to market leadership.

6. POLICY IMPLICATIONS

There are no policy implications emanating from this report.

7. LEGAL AND CONSTITUTIONAL IMPLICATIONS

Performance Management System is a requirement of the Local Government: Municipal Systems Act 32 of 2000.

8. FINANCIAL IMPLICATIONS

The financial implications flowing from this report are only those that relate to the entity's financial position and performance as reflected in Chapter 5 of the main report.

9. COMMUNICATION IMPLICATIONS

This report has been disseminated to various Departments within Metrobus as part of the process of tracking performance and documenting best practices. The Metrobus's performance will be made available to the public through engagement with service delivery oversight functions such as Section 79 Transportation Committee as well as being published on the entity's website.

10. OTHER DEPARTMENTS CONSULTED

Economic Growth Technical Cluster

Group Governance

Group Strategy, Policy Coordination, and Relations

11. RECOMMENDATIONS


It is recommended that:

The Mayoral Committee notes the report.



Patrick Matanhire

Acting Chief Financial Officer


_____ 21/07/2023

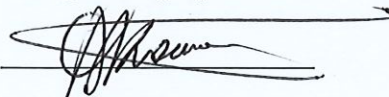
Dorothy Mabuza

Executive Director: Transport



Luyanda Gidini

Acting Managing Director



Gerald Nkoane


Legal Adviser

**METROBUS EMT
ECONOMIC GROWTH TECHINCAL CLUSTER
SUB-MAYORAL COMMITTEE
MAYORAL COMMITTEE**

11. RECOMMENDATIONS

It is recommended that:

The Mayoral Committee notes the report.

PP  25/07/23

Cllr Kenny Kunene

MMC: Transport