TRANSNET

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national ports authority

Tariff Application

Transnet National Ports Authority

31 July 2010

2011/12 Tariff application to the Ports Regulator in terms of the National Ports Act, 2005

(Act No. 12 of 2005)

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1 EXECUTIVE SUMMARY

In terms of Section 72 (1)(a) of the National Ports Act, 2005 (Act No. 12 of 2005) ("the Act"), Transnet National Ports Authority ("the Authority") is required, with the approval of the Ports Regulator ("the Regulator"), to determine tariffs for services and facilities offered by the Authority and to annually publish a tariff book containing those tariffs. The tariff application for the Authority's 2011/12 financial year is in accordance with the directives, which were approved on the 13th July 2009 (gazetted on the 6th August 2009) and amended on 29 January 2010. In terms of these directives when considering the proposed tariffs for the Authority, the Regulator must ensure that such tariffs allow the Authority to:

a) Recover its investment in owning, managing, controlling and administering ports and its investment in port services and facilities;

b) Recover its costs in maintaining, operating, managing, controlling and administering Ports and its costs in providing port services and facilities; and

c) Make a profit commensurate with the risk of owning, managing, controlling and administering ports and of providing port services and facilities.

The Authority is applying for a single year tariff adjustment, across all its published and regulated tariffs with the Real Estate business being excluded from this application. The methodology applied in this tariff application, consistent with the 2010/11 application, is the revenue requirement approach, which is defined as follows:

Revenue requirement[1] = (cost of capital x regulatory asset base ("RAB")) + operating costs + depreciation + taxation expense

The cost of capital has been determined by calculating the real post-tax weighted average cost of capital ("WACC"). The RAB is derived from the audited fixed asset closing balance at 31 March 2010, with estimated capital expenditure; depreciation; and inflation taken into account.

Operating expenses are informed by the Transnet Corporate Plan for the financial year ending 31 March 2012, as approved by the Board of Directors ("the Board") of Transnet Limited ("Transnet") in February 2010.

Depreciation was calculated based on the straight-line method beginning on the estimated date that assets will become available for use, in accordance with the principles contained in International Accounting Standards ("IAS") 16.

1.[1] The individual components of the Required revenue calculation are discussed in section 6.

A taxation computation was performed in order to arrive at the taxation expense, which is included in the revenue requirement calculation.

The Authority obtains its revenue from three main sources, namely:

- Tariffs published in its tariff book;
- Contracted tariffs; and
- Contracted property leases.

Given that, property leases including escalation over the period are contractual agreements derived through negotiations between the Authority and other parties; tariffs cannot be determined for this part of the business. Therefore, real estate assets, associated costs and lease premiums have not been included in the revenue requirement calculation.

The net revenue requirement from tariffs of the Authority for the period 1 April 2011 to 31 March 2012 is R7,641m and is demonstrated in the table below:

Description	R million
RAB	51,480
Real post-tax WACC	5,38%
Return on Capital ('ROC")	2,768
Plus: Depreciation	937
Plus: operating expenses	2,859
Plus: taxation expense	1,077
Total revenue requirement	7,641

Table 1: Net revenue requirement calculation

In order to calculate the tariff increase for 2011/12, the net revenue requirement is then compared with the corresponding 2010/11 expected revenue after removing the effects of volume growth in 2011/12. The following formula reflects this calculation:

Tariff increase = [(RR11/12 /ER10/11) ÷ (1+EVI)] -1

<u>Where:</u>

- RR11/12 is the revenue requirement for 2011/12
- ER10/11 is the expected revenue for 2010/11
- EVI is the expected increase in volumes in 2011/12

Description	
RR11/12 (R million)	7,641
ER10/11 (R million)	6,584
EVI (%)	3,70%
Tariff increase (%)	11.91%

Table 2: Tariff increase calculation

The Authority hereby makes an application to the Ports Regulator for a tariff increase in 2011/12, based on a revenue requirement of R7,641m, of 11.91%.

2 THE BUSINESS OF THE AUTHORITY

2.1 Introduction

The Authority is a division of Transnet, a wholly state-owned enterprise. The Authority is charged with obligations in terms of the Act to manage the commercial ports in South Africa and to ensure their efficient and economic functioning.

In delivering on its business mandate National Ports Authority is aligned with the Transnet growth strategy, as illustrated in the diagram below:

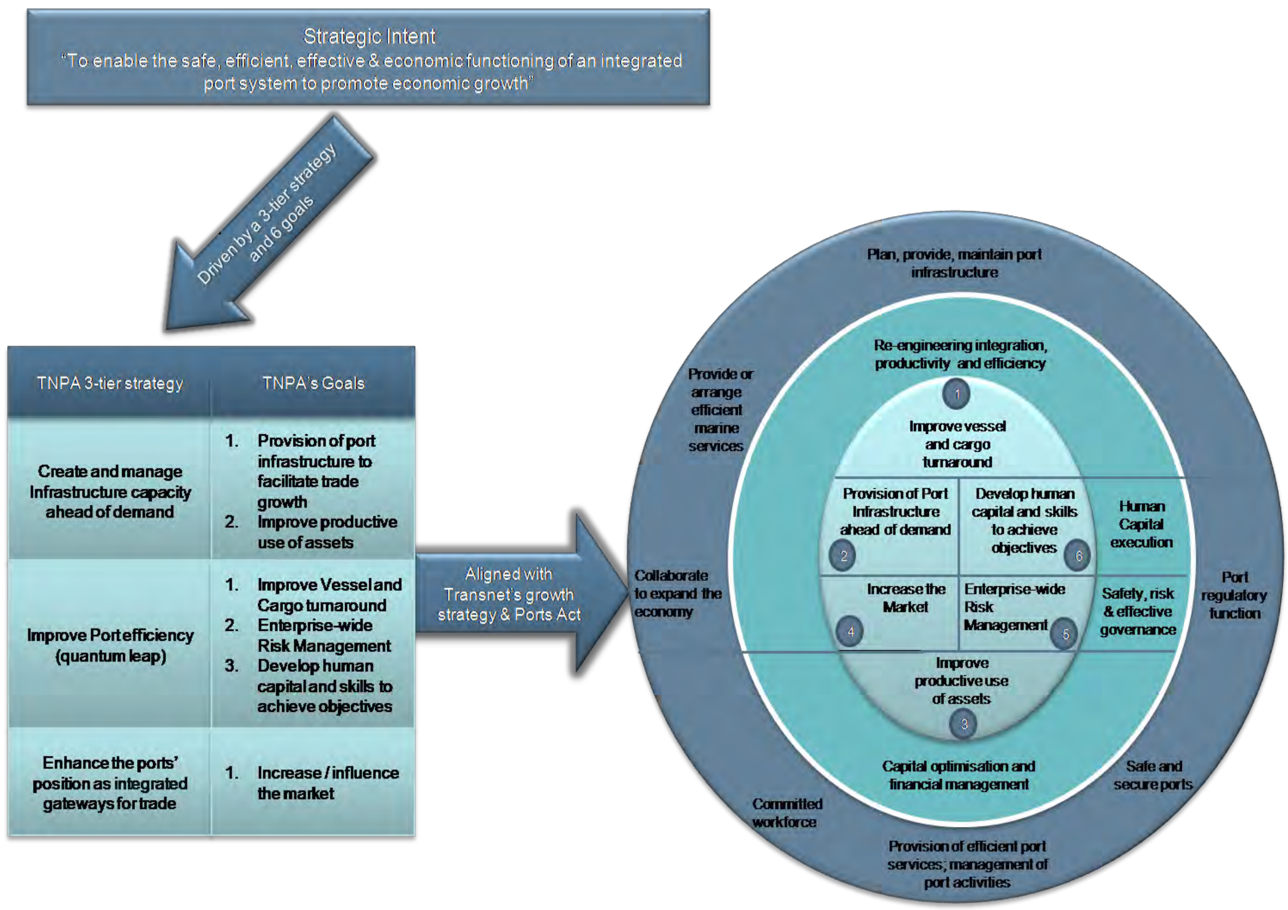


Diagram 1: Strategic Intent

2.2 The functions of the Authority

The National Commercial Ports Policy requires that the Authority will be responsible for the management of the national commercial port system as a landlord port authority. Being a landlord-type port authority means that the Authority:

- Owns, develops and maintains port infrastructure;
- Does not engage in port operations (except as operator of last resort);
- Does not employ cargo handling labour;
- Fulfils a port regulatory and port landowner function; and
- Owns all port land

As landlord, the Port Authority typically owns, develops and maintains port infrastructure, whilst not engaging in cargo handling. The Authority's core functions (as set out in Section 11 of the Act) can be summarised as follows:

Function	Detail
Landlord	Promote the use, improvement and development of ports, and control land use within the ports, having the power to lease port land under conditions it determines.
Master planner	Plan, improve, develop and maintain port infrastructure.
Controller of ports navigation	Make and apply rules to control navigation within port limits and approaches, ensure protection of the environment and ensure safety and security within port limits.
Controller of ports services and facilities	Ensure that port services and facilities are provided, and may enter into agreements or licence other parties to provide these.
Marketer and administrator	Ensure that adequate, affordable, equitable and efficient port services and facilities are provided for port users.
Change agent	Ensure non-discriminatory, fair, transparent access to port services and facilities; advancement of previously disadvantaged people; promotion of representation and participation in terminal operations; enhanced transparency in port management.
Coordinator with other state agencies	Advise on all matters relating to the port sector, and liaise with all stakeholders.

Table 3: The Authority's core functions

The Authority manages eight commercial ports within South Africa, namely Saldanha Bay, Cape Town, Mossel Bay, Port Elizabeth, Ngqura, East London Durban and Richards Bay. Port Nolloth is listed as one of the commercial ports in the Act, but is leased by the Authority to the De Beers Corporation and is not utilised as a commercial port.

Transnet's strategy is to be a focused freight transport company delivering integrated, efficient, safe and cost effective freight solutions, which help, promote economic growth in South Africa. Having successfully chartered a major turn-around in the years 2004 to 2008, Transnet is now focusing on a growth strategy comprising the following four elements:

- Re-engineering integration, productivity and efficiency;
- Capital optimisation and financial management;
- Safety, risk and effective governance; and
- Human capital development.

In fulfilling its role in the Transnet strategy, the Authority provides port infrastructure[2] and marine-related services[3], including the management of port activities and the port regulatory function, in a landlord capacity. The Authority is responsible for the safe, efficient and effective economic functioning of the national ports system, which it manages, controls and administers on behalf of the state.

As the custodian of the country's primary trading hubs, the Authority manages the most vital conduits of the country's imports and exports, ensuring the provision of port services and port facilities to port users. Port users fall into three main categories, namely: terminal operators, shipping lines and cargo owners. While numerous other parties utilise the port, they do so to a lesser extent than these principal port users.

[2] Port Infrastructure means the basic structure of a port, including breakwaters, seawalls, channels, basins, quay walls, jetties, roads, railways and infrastructure used for the provision of water, lights, power, sewerage and similar services.

[3] Pilotage, tug services and berthing

The Authority provides port users with a combination of port infrastructure facilities and services. Each port has a natural hinterland with defined markets, which determines the nature of services and facilities, and the types of cargo handled at each port. Hence, each port operates and develops its own specialized services within a complementary port system to support a defined customer base.

The ports handle in excess of 98% of the country's imports and exports and the Authority plays a pivotal role in international trade by providing suitable port infrastructure to grow the country's imports and exports. The Authority's sustainable business performance is thus integral to the well-being of the South African economy.

2.3 Tariffs in perspective

The Authority, like any other port authority, needs to generate revenue by charging tariffs for the services that it renders. The Authority may charge fees, in accordance with tariffs approved by the Regulator in order to fulfil the functions it must perform in terms of the Act.

As a landlord port authority, the Authority's core services, as specified in the Act, result in a number of revenue streams, which are utilised by the Authority to fulfil its responsibility for the safe, efficient and effective economic functioning of the national ports system.

There are various services provided within a port and Diagram 2: Various Port Services (adapted from the United Nations Conference on Trade and Development) illustrates the flow of cargo and ships through the port:

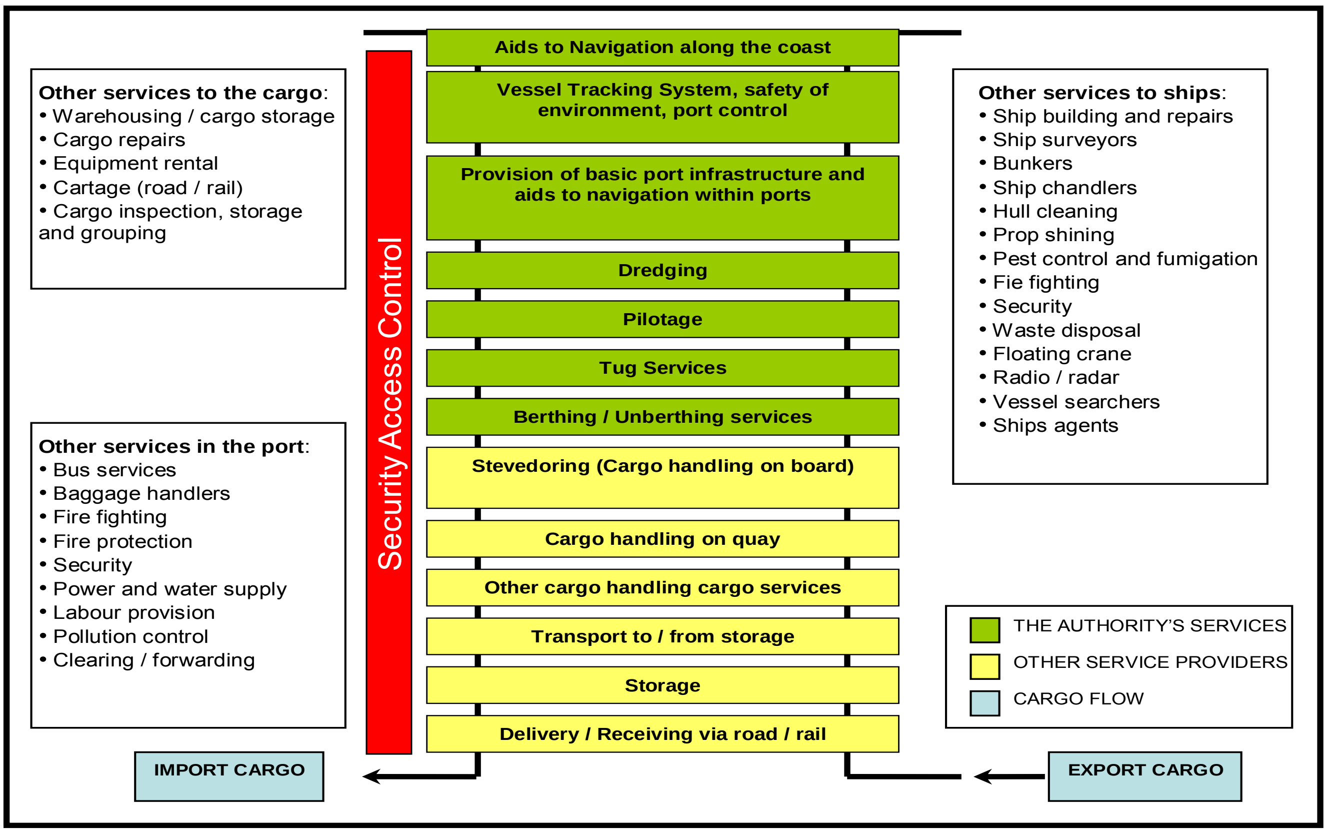


Diagram 2: Various Port Services

The Authority's services at the ports can be divided into two basic groups:

- Basic port infrastructure; and
- Operational services to port users.

The Authority's services and the respective revenue streams are set out in the table below:

Port Infrastructure		Revenue Stream
Port land and Terminals	Lease port land to terminal operators and other port service and port facility providers in the port(s) and undertake environmental management and land use planning	Lease income (rentals)
Wet infrastructure	Lighthouse services infrastructure (lighthouses, buoys, beacons and electronic / radio navigation equipment) , port control and safety, entrance channels, breakwaters, turning basins, aids to navigation within port limits, vessel traffic services, maintenance dredging within ports.	Light dues, port dues, vessel traffic services fees
Dry infrastructure	Quay walls, roads, rail lines, buildings, fencing, port security, lighting (outside terminals), bulk services and in certain cases terminal infrastructure	Cargo dues, berth dues
Ship repair services	To provide and maintain repair facilities as well as the cranes utilised in such facilities.	Preparation fee, docking and undocking fees (vessels at repair facilities), Berth dues (vessels at repair quays)
Marine services	Pilotage, tug assistance, berthing, running of lines, floating cranes	Pilotage dues, tug assistance fees, berthing fees, running of line fees, floating crane hire fees

Table 4: The Authority's services and corresponding revenue streams

In the context of the South African ports and the Act, the revenue generated from the Authority's services is utilised inter alia to:

- maintain basic port infrastructure;
- provide future port infrastructure;
- maintain and provide the current and future marine fleet; and
- maintain and provide current and future ship repair facilities.

This makes the South African port system distinct from most ports internationally, where typically, some port capital costs are funded through state or municipal budgets. The Authority's Tariff Book sets out the various tariffs that are charged by the Authority to maintain and develop the South African port system.

These are:

Tariffs	Service Rendered	Application
Light dues	The provision of navigation aids to vessels along the South African coast	Raised per vessel (per gross ton) at the first port of call (Tariff Book Section 1)
Vessel Traffic Services	The provision of vessel traffic services, safety of the port environment and port control	Raised per vessel (per gross ton) at all ports (Tariff Book Section 2)
Port dues	The provision and maintenance of entrance channels, breakwaters, turning basins, navigational aids (beacons and buoys inside port limits) and maintenance dredging inside the port	Raised per vessel (per gross ton), linked to the time that the vessel remains in port (Tariff Book Section 4)
Berth dues	The provision and maintenance of repair quays and other non-cargo quay (berth) infrastructure	Raised per vessel (per gross ton), per 24-hour period (Tariff Book Section 4)
Cargo dues	To recover the cargo contribution towards the provision and maintenance of basic port infrastructure	Raised per unit of cargo, differentiated between different commodities (Tariff Book Section 7)
Rentals	Lease of port land to terminal operators, port service and port facility providers	Rental arrangements including escalations are negotiated on a case-by-case basis and are not reflected in the tariff book.
Pilotage	Pilotage assistance to vessels entering/leaving the port	Raised as a basic fee per service, plus per vessel (per gross ton) (Tariff Book Section 3)
Tug Assistance	Tug assistance to vessels entering/leaving the port	Raised per service, based on the size of the vessel (per gross ton) (Tariff Book Section 3)
Miscellaneous Tug/Vessel services	Tanker fire watch, fire fighting and standby services	Raised per service, per hour (Tariff Book Section 3)

Tariffs	Service Rendered	Application
Berthing Services	Berthing services to tie/untie vessels at the berth	Raised per service (Tariff Book Section 3)
Running of Vessel Lines	Running of lines for vessels entering, leaving or shifting	Raised per service (Tariff Book Section 3)
Floating Crane Services	Floating crane services rendered to the vessels	Raised per service, per hour (Tariff Book Section 3)
Ship Repair Facilities	Preparation, Docking and Undocking of vessels at repair facilities	Raised per service (Tariff Book Section 6)
Dry-dock, floating dock, synchrolifts and slipways	Dry-dock, floating dock and syncrolift fees	Raised per service for the use of a facility, based on the size of the vessel (per gross ton) (Tariff Book Section 6)

Table 5: The Authority's tariffs

Apart from the services that the Authority itself renders, the Authority is also the controller of port services and facilities that are provided by others in the ports. The Authority exercises such control in accordance with the provisions of the Act, by means of agreements, licences and permits. The Act and Port Rules issued by the Authority in terms of section 80(2) of the Act and the Authority's Guidelines of Agreements Licences and Permits (25 April 2008), specify the degree of regulation that is being exercised in this regard. The type of regulations is illustrated in Diagram 3:

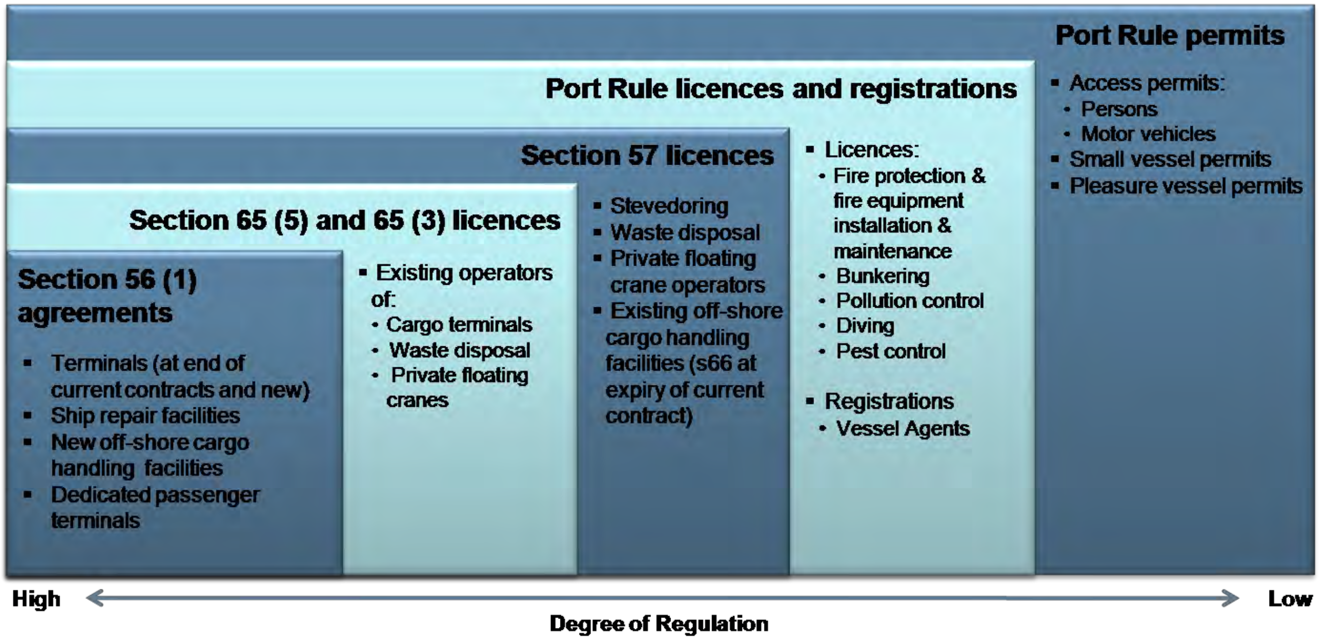


Diagram 3: Types of regulation

Section 73(1) (c) and (d) provide that the Authority may charge fees for the granting of concessions and licences and for any services provided by the Authority in the performance of its functions. The Authority has created a separate section in the Tariff Book, Section 5, where the licence, registration and permit fees are specified. This is summarized in the following table:

Fees	Service rendered	Application
Port Service Licence, Port Rule Licence, Port Rule Registrations and Port Rule Permit Fees	Fees payable for licences, registrations and permits in accordance with section 57 of the Act and with Port Rules issued in terms of section 80(2) of the Act.	Raised as a fee for the respective licences, registrations and permits issued (Tariff Book Section 5)

Table 6: Licence fees

2.4 Ship Repair in South African ports

The Authority operates ship repair facilities[4], whilst repair activities are carried out by private entities. Ship repair completes the total service offering at the South African ports and brings economic benefits to the ports and the country. The Authority has re-evaluated its involvement in ship repair facilities and the operation thereof. The decision has been taken that the Authority will withdraw from operating repair facilities itself and allows private operators to perform this function. The contracting structure between the Authority and future operators will be in the form of agreements entered into in terms of section 56 of the Act ("section 56 agreements").

It is anticipated that over time, all of the current (and future) repair facilities will be operated by private operators. Ship repair tariffs currently included in Section 7 of the Tariff Book will be phased out.

The withdrawal of TNPA being the existing operator goes together with the transfer of the assets and existing personnel to a new (to be appointed) operator. This must be done in accordance with existing Transnet policy and guidelines. It is anticipated that this process, especially where it includes the transfer of existing staff, will take time and TNPA is therefore not able to give a firm commitment that the phasing out of existing repair facilities will be completed by March 2012.

3 PORT INFRASTRUCTURE DEVELOPMENT PLAN AND CAPITAL EXPENDITURE REQUIRED

3.1 Port investment planning

Section 11(1) of the Ports Act lists the main functions of the Authority, and Section 11(1) (a)-(f) lists the responsibilities with respect to the provision of port infrastructure:

'11. (1) *The main function of the Authority is to own, manage, control and administer ports to ensure their efficient and economic functioning, and in doing so the Authority must—*

(a) plan provides, maintain and improve port infrastructure;

[4] Ship repair facilities - drydocks, slipways, shiplifts, graving docks, floating docks

(b) prepare and periodically update a port development framework plan for each port, which must reflect the Authority's policy for port development and land use within such port;

(c) control land use within ports, and has the power to lease land under such conditions as the Authority may determine;

(d) provide or arrange for road and rail access within ports;

(e) arrange for such services such as water, light, power and sewerage and telecommunications within ports;

(f) maintain the sustainability of the ports and their surroundings;'

3.2 Transnet's medium-term Port Development Plan

The Authority's key role is to manage and develop national port infrastructure assets. Transnet Capital Projects have prepared a set of Development Framework Plans for the Authority's ports, in conjunction with the Authority. These framework plans identify the long-term development options for the ports in South Africa, based on a strategic evaluation of the available sites for port development. The port capacity requirements for each of the ports have been estimated for the next 30 years based on long-term cargo forecasts. From this work, a number of port development scenarios and schemes have been identified.

The costs of each of the specific port development schemes have been estimated and a long-term investment programme has been set out for each alternative scenario. The plan covers all the ports, but two thirds of estimated investment costs, over the first ten years, relate to the ports of Durban and Richards Bay.

A complementary Rail Development Framework Plan has also been prepared. The two plans have been coordinated and harmonised to ensure that they use consistent sets of traffic forecasts and estimates of capacity requirements. This is essential for the development of an optimally deployed investment in South Africa's ports and freight corridor networks.

The National Port Development Plan provides a framework within which the medium-term detailed investment plans can be developed for the next five to ten years. The Authority's executive committee has endorsed this medium-term Port Development Plan.

The Authority has an investment plan for the next five years, approved by the Transnet Board. This investment plan shows the Authority has planned investment expenditure averaging approximately R4 billion per annum.

The medium-term Development Plan envisages a massive increase in this level of expenditure to an average of nearly R7 billion per year over the next 10 years. These steep increases in port capital investment are both a consequence of under investment in the past and the fact that the limits of capacity are being reached at our ports. Large-scale schemes are needed at new sites to accommodate projected traffic volumes.

The medium-term Development Plan is based on a set of long-term forecasts of cargo throughput at each port, for each of the main categories of cargo. The cargo forecasts for containers were prepared using statistical trend analysis, relating container growth to a number of macroeconomic indicators. Forecasts for break bulk, dry bulk, liquid bulk and motor vehicles were developed from industry interviews. These provided information to develop commodity profiles and to identify the key drivers of growth for each type of commodity, on which judgement-based forecasts were developed.

The projections of port capacity needs were based on estimates of cargo handling capacity of the existing facilities, and proposed new facilities given known terminal handling rates. A specific analysis of container handling capacity was carried out for the existing and proposed new facilities, using international benchmarks throughput comparisons. These estimates indicated a wide range of possible capacity outcomes, depending on the methods used and conditions pertaining in different locations.

The assumed efficiency of cargo handling and the utilisation of available berths are critical to the assessment of future capacity needs and hence investment costs. Cargo handling efficiency can be expected to improve over time, although the Port Development Plan assumes constant berth capacity throughput rates. This is a realistic planning procedure, to allow for the provision of infrastructure, which by its nature has a long lead-time, just ahead of demand.

It must be borne in mind that there is a balance between the capital costs to the port, and the capital costs to the ship. The lowest overall logistics cost should determine the optimum berth occupancy.

The demand forecasts and berth capacity estimates were used to estimate the additional berth and cargo handling equipment requirements, for each type of cargo, at each port. A variety of schemes and port layout options were considered at each port to provide the required capacity for each cargo type, and the interaction between the options were considered, to develop feasible options. The costs of each of the possible port schemes was estimated, including both the Authority's port infrastructure costs and terminal handling equipment costs. Complementary work on the rail investment requirements for the port corridors is being carried out. A broad evaluation of the cost effectiveness of the various port development scenarios was carried out to evaluate the possible sequencing of the options.

On this basis, a number of possible long-term port development strategies were identified for each port and overall strategic options were proposed.

A review of the Port Development Plan is now being performed taking into account the potential for achieving higher levels of efficiency in cargo handling rates and Transnet Capital Project's is in the process of producing a revised investment plan. The Authority takes comfort from the fact that its approved investment program is complementary to that contained in the current Port Development Plan, which is used in stakeholder discussions in order to plan and invest appropriately in port infrastructure ahead of demand.

The Authority's capital investment program

The table below shows the budget and forecast information contained in the Authority's approved investment programme:

	Budget	Forecast
	2010/11	2011/12
	Rm	Rm
Corporate Plan	3,402	3,333
Real Estate Investment	(856)	(404)
Capital without Real Estate	2,545	2,929

Table 7: Capital investment programme

Five – year capital investment plan by objective		Budget	Forecast
	Purpose	2010/11	2011/12
		Rm	Rm
Re-engineering, integration, productivity and efficiency	To maximise return on investments by obtaining additional volumes	918.2	837.9
	To maximise return on investments by improving operating efficiencies and protection of revenue	1,191.0	1,746.2
Safety, risk and effective governance	Ensure safety optimisation	310.1	278.6
	Optimise business enterprise offerings	75.0	39.7
	Optimally satisfy social investments	44.0	18.7
Human capital optimisation	Optimise human resources	6.8	7.8
	TOTAL	2,545.0	2,928.9

Table 8: Five-Year Capital Investment Plan by Objective

Capital investment plan by asset type		
Asset Type	Budget 2010/11 Rm	Forecast 2011/12 Rm
Buildings and structures	599.4	526.0
Aircraft	-	-
Machinery, equipment and furniture	166.4	182.9
Permanent way and works	36.1	45.3
Port facilities	1,743.1	2,174.6
Pipelines networks (etc)	-	-
TOTAL	**2,545.0**	**2,928.9**

Table 9: Capital Investment Plan by asset type

Top 10 projects by Estimated Total Cost	
Project	Current ETC Rm
Provision of additional berthing capacity for MPT – either berths 709 to 712 (incl. 708 extension) or berths 603 to 605, incl. any required backup areas: RCB	2,127.7
Widening and deepening of entrance channel (incl. Sand bypass): DBN	3,359.5
Re-engineering of DCT:DBN	576.8
Reconstruction of sheet-pile quay walls at Maydon Wharf : DBN	1,594.0
Edwin Swales link road : DBN	804.2
Deepening of container berths 101 to 103 (Pier 1) : DBN	2,502.5
Operationalise port for containers : Ngqura	3,823.3
Expansion of container terminal : CPT	2,655.0
Provision of new trailing suction hopper dredger (“TSHD”)	840.8
Provision of second new TSHD	1,019.9

Table 10: Top 10 projects by estimated total cost

Brief motivation for key port projects	
Description	**Motivation**
Provision of additional berthing capacity for MPT – either berths 709 to 712 (incl. 708 extension) or berths 603 to 605, incl. any required backup areas.	Provide additional berthing capacity for break bulk to cater for forecasted growth.
Widening and deepening of entrance channel (incl. sand bypass)	Widen port entrance channel and replicate sand bypass system to improve safe navigation.
Re-engineering of DCT	Demolition and relocation of existing services infrastructure and construction of new paving to increase stacking capacity.
Reconstruction of sheet-pile quay walls at Maydon Wharf	Refurbish and deepen 7 steel sheet-pile quay walls to increase safe operations and extend life of quays.
Edwin Swales link road	Provide link read to ease traffic congestion in port.
Deepening of container berths 101 to 103 (Pier 1)	Deepening of container berths in the port to accommodate larger vessels already calling.
Operationalise port for containers (Prelim and Execution) Ngqura	Construction of 2 additional container berths – additional 1.2m TEU's capacity. Total capacity of 4 berths container terminal 2.0m TEU's.
Expansion of container terminal : CPT	Upgrade and deepening of 4 container berths with increase in capacity from 0.7m TEU's to 1.0m TEU's and ultimately to 1.4m TEU's on completion of entire project.
Provision of new trailing suction hopper dredger for usage at all ports	New TSHD Dredger is replacement for existing dredger Piper which, due to age has become unreliable and expensive to maintain.
Provision of second new TSHD for usage at all ports	The 2nd new TSHD Dredger is a planned replacement for dredger Ingwenya that will reach the end of her extended

Brief motivation for key port projects	
Description	**Motivation**
	economical life by the time delivery is taken of the new craft.
Reconstruction of Island View berths: Berths 5 and 6 Berths 1, 2 and 4	Reconstruction of decommissioned berth IV5 to ensure continued liquid bulk capacity. Refurbish various Island View berths to improve operational efficiencies.

Table 11: Motivation for Key Projects

4 TARIFF APPLICATION APPROACH

Consistent with the 2010/11 tariff application, the following approach has been followed to arrive at the proposed tariff increase for the 2011/12 financial year:

1. Calculation of a revenue requirement in the tariff review year
2. Conversion of the revenue requirement into a tariff increase taking into account Budgeted revenue for the current financial year.

The calculation of a revenue requirement is dealt with in section 5. The following formula calculates the revenue requirement:

Revenue requirement = (cost of capital x regulatory asset base ("RAB")) + operating costs + depreciation + taxation expense

The second step involves the conversion of the revenue requirement into tariffs and is detailed in section 7.2. This requires calculating a percentage increase that is to be applied to 2011/12 tariffs by taking into account the required revenue for 2011/12, the expected revenue for 2010/11 and the expected volume increase in 2011/12. The adjusted tariffs that the Authority proposes to be effective in 2011/12 are reflected in **Annexure A:** The authority's proposed tariff book for 2011/12.

5 REVENUE REQUIREMENT

5.1 The RAB

As the landlord port authority, the Authority is responsible for the management of the South African national ports system. The Authority owns, develops and maintains port land infrastructure. Land includes all land within the port limits and unless it is occupied/utilised by the Authority, it is excluded from the RAB because returns on real estate assets are derived through property lease income.

Port infrastructure development plan has been presented in section 3. These assets form the majority of the RAB used to calculate the revenue requirement for the year 2011/12.

In determining the Tariff Application RAB of the Authority, we commence with the audited asset base excluding real estate assets at 31 March 2010. Below we illustrate the steps taken in calculating the RAB.

a) The RAB value used in the allowed revenues formula reflects the expected average RAB value over the tariff period (i.e. the average between closing and opening values) for the review period.

b) The RAB value for the review period, y, is calculated using the following formula:

$$RAB_y = \frac{1}{2}\left(NBV_{C,y} + NBV_{O,y}\right) + WC_y$$

Where:

- $NBV_{O,y} = NBV_{C,y-1} \times (1 + CPI_y)$
- $NBV_{C,y} = NBV_{O,y} + CI_y - D_y$

Where:

- CPI_y is the annual rate of general inflation expected over the review period;
- CI_y is the value of expected capital investment over the review period, expressed in closing year prices;
- WC_y is the required working capital over the review period, expressed in closing year prices;
- D_y is the depreciation allowance for assets within the RAB over the review period;
- $NBV_{O,y}$ is the opening Net Book Value over the review period in closing year prices; and
- $NBV_{C,y}$ is the closing Net Book Value over the review period in closing year prices.

Table 12 illustrates the calculation of the RAB and its individual components are discussed below:

Details	R m	References
Net Book Value (NBV) – Total TNPA Assets @ March 2010	50,245	Refer to Section 5.1.1 and Annexure B; Section 2
Less: NBV and CWIP – Real Estate Assets @ March 2010	(6,999)	Refer to Section 5.1.1
Total Regulatory NBV @ March 2010	43,246	
	-	
NBV Inflated to 31 March 2011 terms	45,818	Refer to Section 5.1.3
Less: Depreciation for Financial Year 2010/11	(823)	Refer to Section 5.1.4
Add: Capital Spending for Financial Year 2010/11	2,546	Refer to Section 5.1.5
Closing NBV 31 March 2011	47,541	
	-	
Opening NBV inflated to 31 March 2012 terms	50,610	Refer to Section 5.1.3
Less: Depreciation for Financial Year 2011/12	(937)	Refer to Section 5.1.4
Add: Capital Spending for Financial Year 2011/12	2,929	Refer to Section 5.1.5
Closing NBV 31 March 2012	52,602	
Average of opening and closing NBV	51,606	Refer to Section 5.1 (b)
	-	
Add Working Capital for the review period	(126)	Refer to Section 5.1.6
	-	
RAB for Tariff Application 2011/12	51,480	Refer to Section 5.1 (c)

Table 12: Calculation of the RAB

5.1.1 ASSET BASE DATA

The asset base data is obtained from the audited financial accounts for the year ending 31 March 2010. Table 10 starts with the total Asset Base including Real Estate assets.

Given that, property leases are contractual agreements derived through negotiations between the Authority and other parties' tariffs cannot be determined for this part of the business. Therefore, real estate assets including related CWIP, associated costs and lease premiums have not been included in the revenue requirement calculation.

5.1.2 CWIP

CWIP refers to assets that are under construction. Such construction ties up scarce capital and Port facilities typically take between 24 and 36 months to construct. In order to arrive at the complete required return on assets, a return on CWIP must be included in the revenue requirement, as the construction of these assets must be financed.

5.1.3 INFLATING THE ASSET BASE

In our RR methodology (Real WACC * RAB) it is a requirement to inflate the Asset base, so that the Depreciation and the required Return over the life of the assets, has a Present Value Equal to the value of the assets discounted to the middle of the current financial year. For estimated inflation figures, we use the Bureau of Economic Research (BER) as shown below.

01 April 2010 – 31 March 2011	01 April 2011 – 31 March 2012	01 April 2012 – 31 March 2013	01 April 2013 – 31 March 2014	01 April 2014 – 31 March 2015
5.95%	6.46%	6.19%	5.31%	5.43%

Table 13: Inflation Forecast

5.1.4 DEPRECIATION

In accordance with IAS 16, the following principles are applied:

- Depreciation commences when the asset is declared available for its intended use after the commissioning of the asset.

- The useful lives and residual values of assets are reviewed and adjusted annually, in accordance with IAS 16.
- An asset's carrying value is written down immediately to its recoverable value if the asset's carrying value is greater than its estimated recoverable value.
- Assets in the course of construction are not depreciated.

The forecast depreciation that has been used to calculate the revenue requirement amounts to R943 m, using the IAS principles described above.

5.1.5 THE INVESTMENT PROGRAM

The nature of the Authority's investment program for 2011/12 financial year is such that the majority of the projects have been sanctioned/ are in the finals stages of sanctioning with contracts for construction having been awarded. Refer to Section3.3.

5.1.6 WORKING CAPITAL

Net working capital comprises of inventory, receivables plus operating cash, less trade payables and forms part of the RAB. The detailed explanation of the components of Net working capital is discussed below:

Current Assets:

- **Inventory**

Inventories on hand are required to maintain the port facilities, which are charged as tariffs. Average of the opening and closing balance has been used for this purpose with the expected change estimated as nil.

- **Average Operating Cash**

Operating cash is that which remains in TNPA's institutional bank account (i.e. not sweeped into Current account held between Transnet Group and TNPA at year-end). Average of the opening and closing balance has been used for this purpose with the expected change estimated as nil.

- **Trade receivables**

Revenue is assumed to be earned equally over the financial year and in terms of business practice is usually settled 30/31 days from statement date. Therefore Trade Receivables has been based on the revenue requirement calculated in the tariff application inflated for 14% VAT divided by 12 months to account for the 1 month delay in receipt of cash.

Less:

Current Liabilities:

- **Trade Payables :**

This is informed by Operating Costs (excluding Labour Costs) and Capital Expenditure incurred by the business. Labour is excluded as this is paid within the month of incurrence.

  - Operating expenses (excluding Labour Costs) are usually settled within 30/31 days from invoice date and assuming they are incurred evenly throughout the year that contained in the tariff application inflated by 14% VAT should be divided by 12 to account for the 1-month delay in payment by TNPA.

  - Capital expenditure payables - in terms of the revenue requirement determination TNPA includes the Capital expenditure (CAPEX) for the coming year in the determination of the regulatory asset base. Hence, the financing effect of the terms extended by creditors relating to capital expenditure needs to be included in current liabilities. This Capex can be split into that expected to be paid 30/31 days from incurrence and the balance to be settled within a period greater than a year (retention monies to address latent defects and disputes).

    - Payable within 30/31 days- 95% of the Capex spend in the Tariff Application should be used, inflated by 14% VAT and divided by 12 on the assumption that this is incurred evenly throughout the year.

    - Retentions to be included is calculated by taking into account the balance of 5% Capex spend as contained in the Tariff Application inflated by 14% VAT.

- **VAT Liability**

This represents the Input VAT element contained within Trade receivables offset by Output VAT arising from Trade payables, Capital expenditure payable and retentions determined from above. As this provided TNPA with some form of financing on a day to day basis the sum of these components, assumed accrued evenly, should be calculated on a 22 days financing basis informed average earning in the month (15 days) + 7 days for payment by the 7th in terms of SARS requirement.

Current Tax Liability

The tariff application makes provision for a current tax expense in terms of the revenue requirement. The financing element of the current tax liability should therefore be considered as part of the current liabilities. The current tax system requires provisional tax payments at 6-month intervals; we have hence averaged the liability over the period of the financing, which equates to an effective quarter of a year financing assuming we accrue the tax evenly throughout the financial year.

Provision for Leave Pay

This represents leave pay accrued for our employees but has not yet been settled and therefore suggests a form of Financing. The average leave pay for the application period has been determined based on the opening balance for the provision and the estimated closing balance at the end of the application period.

Details	R Million
Trade Receivables	724,988
Trade Payables	(137,337)
Capital Expenditure Payables	(431,285)
	-
Less: VAT Liability for Trade Receivable	(63,185)
Less: VAT Liability for Trade Payable	11,969
Less: VAT Liability for Capital Expenditure Payables	37,588
Less: Current Tax Liability	(269,156)
	-
RAB for Tariff Application 2011/12	(126,418)

Table 14: Calculation of Working Capital

5.2 WACC[5]

A post-tax WACC has been used in this tariff application (refer to Annexure B, section 2 for a full explanation on the calculation of the WACC) with the key components contained in the table below:

Components of WACC	Percentage / factor
Debt / Capital ratio	45%
Risk-free rate	8.81%
Pre-tax debt interest rate	8.51%
Debt risk premium	2.21%
Equity risk premium	6.00%
Equity beta	0.98
Asset beta	0.62
Marginal tax rate	28%
Cost of Equity	14.70%
Post-tax cost of Debt	7.72%
WACC	11.56%
Inflation rate applied to WACC[6]	5.87%
Real Post Tax WACC	5.38%

Table 15: Calculation of WACC

The table above summarises the calculation of the WACC used in the calculation of the Authority's revenue requirement, which is a post-tax WACC of 5.38%

[5] Inflation used is a 5 year annualized inflation rate starting from the current financial year (refer to Table 13)

5.3 Operating costs

5.3.1 OPERATING EXPENDITURE

The Authority's operating expenses are accounted for in accordance with International Financial Reporting Standards. The Authority is a landlord port authority and therefore its operations are capital intensive. Consequently, most of the Authority's operating costs are of a fixed nature.

During 2009, cost containment initiatives were implemented to mitigate against lower volumes experienced during the economic downturn from 2008/09 to 2009/10, reflected in the savings of labour cost, material, maintenance costs and other operating cost. These savings were partially offset by increases in electricity costs. Higher than inflation increases are reflected in the corporate plan to address the backlog in labour and maintenance created by the extraordinary circumstances of 2009 failing which the sustainability of the organisation could be threatened in the medium to long term.

The operationalisation and ramping up of the port of Ngqura in October 2009 has resulted in an increase in operating costs of approximately R 75 million and R 49 million in 2010/11 and R 2011/12 respectively.

This section provides an analysis of the material operating expenditure items:

Cost Category	Budget 2010/11 R Million	Forecast 2011/12 R Million	Deviation R Million	Deviation %	% of Operating Cost 2011/12
Labour Costs	1,206	1,402	196	16.3%	49.1%
Rates & taxes	93	100	7	7.5%	3.5%
Maintenance	192	205	14	7.2%	7.2%
Contract Payments	184	75	-110	-59.5%	2.6%
Energy	230	301	70	30.6%	10.5%
Professional services	73	76	3	4.6%	2.7%
Material	62	69	7	11.8%	2.4%
Computer & Info systems	77	81	4	5.8%	2.8%
Rental	54	57	3	5.5%	2.0%
Security costs	52	55	3	6.5%	1.9%
Research & development	13	13	0	2.7%	0.5%
Sundry operating costs	462	423	-38	-8.3%	14.8%
Total operating cost (excluding depreciation)	**2,697**	**2,859**	**162**	**6.0%**	**100.0%**

Table 16: Operating Costs

Operating costs above exclude expenditure related to real estate. As part of the R2, 859m.

The following table shows Forecasted Operating costs split per service:

Cost Category	Infrastructure 2011/12 R Million	Marine Services 2011/12 R Million	Lighthouses 2011/12 R Million	TNPA 2011/12 R Million
Labour costs	404	952	47	1,402
Rates & taxes	95	5	1	100
Maintenance	72	116	18	205
Contract payments	6	67	1	75
Energy	201	96	3	301
Professional services	42	31	3	76
Material	13	50	6	69
Computer & Info systems	45	35	1	81
Rental	24	27	6	57
Security costs	23	29	3	55
Research & development	8	5	0	13
Sundry operating costs	474	-54	4	423
Total net operating cost (excludes depreciation)	1,408	1,358	94	2,859

Table 17: Operating costs split per service cost

5.3.1.1 LABOUR COST

Labour costs are the largest expense for the Authority contributing 49.1% to the total operating costs. A component of salaries is negotiated with labour unions and historically this escalation is above or equal to the inflation rate. Labour cost savings were one of the cost containment initiatives implemented to mitigate against lower volumes experienced during the economic downturn, which resulted in a backlog of appointing critical positions. This in conjunction with the specific focus to build marine and engineering capacity together with staffing the port of Ngqura has resulted in higher than inflation increases for the coming year.

5.3.1.2 RATES AND TAXES

Rates and taxes only relate to municipal rates and are based on the methodology employed by the municipalities in accordance with the Municipality Rates and Taxes Act.

5.3.1.3 MAINTENANCE

Repairs and maintenance expenditure is incurred because of the maintenance of the port infrastructure, marine craft and all other assets. It is vital that these assets are maintained in the appropriate condition to ensure that the ports system operates efficiently and effectively.

5.3.1.4 CONTRACT PAYMENTS

Contract payments mainly relate to the rental of outsourced dredging work to supplement maintenance dredging at the ports. These supplementary dredging costs will reduce from December 2010 once the Authority takes delivery of the 4200 m^3 Trailing Suction Hopper Dredger. Included in contract payments are costs relating to two helicopters used for pilotage services at the ports of Richards Bay and Durban.

5.3.1.5 ENERGY

Increases in these costs are mainly due to fuel price increases, greater vessel activity and increased internal dredging work by the current Authority dredgers and the new dredger. The electricity cost is mainly due to the electricity tariff increases by the municipalities and Eskom. The trend of higher fuel and electricity costs are expected to continue into the immediate future as global markets experience higher oil prices and the local economy gears up for increased capital expenditure by Eskom, resulting in higher tariffs. Electricity costs include a margin charged by municipalities who are the source of supply to the ports.

5.3.1.6 PROFESSIONAL SERVICES

The majority of professional fees relate to internal and external audit fees (financial and operational/ environmental) and legal fees whilst the remainder relates to consulting fees and other professional services expected. The Authority business warrants the use of subject specialists from time to time, which in some cases, may have to be sourced abroad at higher than normal consulting rates.

5.3.1.7 MATERIAL

These costs are influenced by material price increases and exchange rate fluctuations on maintenance material used for the marine fleet and civil maintenance. Higher material costs in 2011/12 vs 2010/11 is attributed to the Authority focusing on previously deferred maintenance.

5.3.1.8 COMPUTER AND INFORMATION SYSTEMS

A computer and information systems cost includes network costs, software licenses, information system support, and development cost, computer consumables and ongoing maintenance hereof.

5.3.1.9 RENTAL

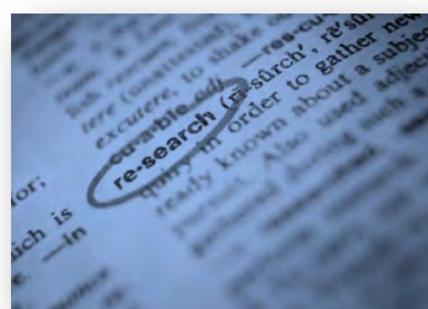
The majority of rental costs relate to the hire of land and buildings; non-revenue earning vehicles; and telecommunications equipment.

5.3.1.10 SECURITY

The Authority is using private security firms in the ports. The cost increases relates to contract obligations and additional security arising from ISPS obligations, which require stringent compliance to international standards.

5.3.1.11 RESEARCH AND DEVELOPMENT

These costs relate to desktop studies for future capital investments in a pre-feasibility phase to determine the merits or viability of a project and different options available. The feasibility phase is funded from the capital programme for final research and design. Costs will vary from year to year depending on the future capital programme.



5.3.1.12 SUNDRY OPERATING COST

These costs include general overheads mainly relating to water and electricity; insurance; travel costs; advertising; refuse removal; telephones; office cleaning; promotions; sponsorships.

5.4 Taxation

The cost of capital includes an allowance for tax so that the total revenue requirement is sufficient to leave a profit equal to the Authority's post-tax cost of capital.

The Authority has used a post-tax WACC in the revenue requirement calculation and consequently has reflected taxation as an expense in its revenue requirement.

The taxation expense is calculated using the following formula:

Taxation expense = [RR – operating costs – depreciation] x T_e

Where:

- RR is the revenue requirement
- T_e is the statutory tax rate

Transaction type	R m
RR	7,641
Less: Operating costs	2,859
Less: Depreciation	937
Taxable income	3,845
Statutory Tax Rate	28.00%
Taxation Expense	1,077

Table 18: Taxation expense

6 REVENUE REQUIREMENT CALCULATION

The revenue requirement is calculated as follows:

Description	R m
RAB	51,480
Real post-tax WACC	5.38%
Return on Capital ("ROC")	2,768
Plus: Depreciation	937
Plus: Operating Expenses	2,859
Plus: Taxation Expense	1,077
Total revenue requirement	**7,641**

Table 19: Revenue requirement calculation

The revenue requirement is the revenue that is required, to be generated from tariff book tariffs as reflected in ***Appendix A.*** Once the revenue requirement of R7,641m is determined, this revenue is compared to the corresponding latest estimated revenue for 2010/11 after removing the effect of volume growth in 2011/12, in order to calculate the tariff increase for 2011/12. This approach is detailed in section 7 below.

7 TARIFFS

It is necessary to convert the revenue requirement into a tariff increase. In order to achieve this, the effect of volumes must be taken into account as this effect has a major influence on the final tariff increase.

7.1 Volumes

The main volume drivers for the Authority are cargo and marine services.

7.1.1 CARGO

The Authority has various categories of cargo that traverse port infrastructure and therefore generate revenue in the form of cargo dues. Cargo types are categorised according to the manner in which they are handled, i.e. dry bulk, liquid bulk, break bulk, containers and roll-on roll-off ("RoRo").

These cargo types are further differentiated between imports, exports, coastwise and transhipments.

- Imports are classified as cargo emanating from an international destination destined to South Africa.
- Exports are cargo shipped from any South African port destined for an international destination.
- Coastwise cargo is cargo emanating from within the borders of South Africa shipped from one South African port and destined to another South African port.
- Transhipment cargo is cargo emanating from an international source destined for another international destination (except South Africa), but which is handled at a South African port. This cargo could be termed "cargo in transit".

7.1.2 MARINE SERVICES

Marine volumes comprise the number of ships arriving at South African ports and their associated Gross Tonnage (GT). The size of the vessel and the number of days spent in the port dictates how much the vessel will be charged for utilizing basic port infrastructure and marine services operational charges, i.e. tugs, berthing and pilot assistance.

The forecasted budget volumes are derived from various sources and translated into the Authority's future revenue expectation. The volumes are subjected to intense evaluation during the budget cycle, periodically reviewed and updated when necessary. The Authority gathers cargo volume and vessel forecasts primarily from terminal operators and shipping lines. These volumes are compared to past trends and reviewed relative to economic forecasts.

The weighted average forecasted volumes increase for the year 2011/12 is 3.7%. This was derived based on 2010/11 latest estimated revenues, compared against 2011/12 revenue projections at 2010/11 tariffs.

7.2 Required tariff

The revenue required from tariff book tariffs for the financial year 1 April 2011 to 31 March 2012 is R7,641. This is converted into a tariff increase for the period 2010/11 as follows:

Tariff Book tariff increase 10/11 = [RR11/12 /ER10/11) ÷ (1+EVI)] - 1

Where:

- RR11/12 is the revenue requirement for 2011/12
- ER10/11 is the expected revenue for 2010/11
- EVI is the expected increase in volumes in 2011/12

Description	R Million
RR11/12	7,641
ER10/11	6,584
EVI %	3.70%
Tariff Increase	11.91%

Table 20: Conversion of revenue requirement to a tariff increase for 2011/12

8 TARIFFING

Directives 22(1) and 22(2) requires the Authority to annually submit proposed tariffs for approval by the Regulator for all regulated services and allow the Authority to apply for adjustments of tariffs from time to time. In Directive 22(3), the Authority is further required to include with any submission; the manner and methodology in which tariffs are calculated. Further-on Directive 23 states the factors the Regulator will consider in assessing any application, including, a systematic model, fairness and avoidance of discrimination save where it is in the public interest.

In this application the Authority is applying for a single and uniform tariff adjustment for all its' regulated Tariffs with the exception of those highlighted in Section 8.3. The Authority details the methodology in which the overall revenue increase has been calculated, in sections 5-7. The following provides an explanation for that called upon by the Directives 22(3)/23 and the progress made by the Authority in this regard:

8.1 TNPA's Historical approach to Cargo Dues (Wharfage)

Prior to the introduction of cargo dues in May 2002, the key revenue source for the Authority was wharfage. Wharfage was applied to all cargo (bulk, breakbulk and containers) passing over the berths in the harbours and was payable by the cargo owner. Wharfage charges were raised to cover the cost of the provision and maintenance of land-based infrastructure – such as berths, cargo sheds, back-up facilities, rail tracks and roads within the precincts of the harbours. In the case of imports and exports, wharfage was based on the value of the cargo whilst in the case of coastwise and transhipment cargo wharfage was charged per harbour ton.

The application of wharfage charges at April 2002 were as follows:

- Imports at R1.70 per R100 ad valorem pro rata based on the Customs value of the cargo
- Exports at R0.85 per R100 ad valorem pro rata based on the FAS (Free Alongside Ship) value of the cargo

These were subject to a minimum value of R214 per 1 000kg and a maximum of R9 423 Customs value per harbour ton (HT). A harbour ton meant 1 cubic metre (m3) or 1 000 kg whichever yielded the higher tonnage.

Wharfage subsidized nearly every other harbour service i.e.

- Physical marine services (pilotage, tugs, craft assistance)
- Non physical services i.e. port dues
- Physical cargo handling, cranes and storage
- Cartage
- Ship repair facilities

By its very nature of being an ad valorem charge, wharfage resulted in cross subsidization between high and low value commodities whilst at the same time cross subsidizing export commodities and other services in the ports.

8.2 Current Regime of Pricing and tariffing

Pricing and tariffs are by their very nature complex and depends on various related and unrelated variables such as cost recovery in terms of infrastructure investment and maintenance; volume contribution; support services costs and customer's ability to pay.

In May 2002, the Authority implemented a tariff reform exercise. The key outputs from this reform exercise were:

- to migrate wharfage from ad valorem charge to a form of unitised charge – Cargo Dues
- to migrate from charging for containers based on the value of their contents to a unitised charge per container
- to recover Marine Services cost based on an Activity Based approach
- to structure tariffs in terms of a user pays principle i.e. Cargo Owner, Shipping Line and Terminal Operator
- reducing overall tariffs to cargo owners with a portion of the reduction being availed to Marine Services and Terminal Operators so as to improve their recovery rates

This major reform exercise was then followed by the following tariff amendments/ discount arrangements:

- a three year program to align import and export tariffs for the automotive industry
- a five year program seeking to equalise breakbulk citrus and deciduous fruit cargo dues charges
- equalisation of breakbulk hot rolled steel coils and cold rolled steel coils tariffs
- introduction of a single, same charge, across-the-board automotive cargo dues tariff with an across-the-board volume incentivised discount scheme which effectively replaced OEM based contractual arrangements.

Initiatives to commercialise old, outdated long-term leases was implemented and together with the above has evolved into the 2010/11 tariff application with harmonisation of tariffs for certain commodities such as coal, magnetite and some liquid bulk.

In the past, the Authority had played a part in the export led growth industrial policy of the government by having differential cargo dues for exports and imports. Our engagements with industry and cargo owners suggest that there is little/ no objection with the approach adopted and in fact this continues to provide an incentive for local industrial development. A significant number of our export and import tariffs for like commodities however are the same and should there be a complete move away from differentiation the Authority would not object to equalising the balance of our charges.

8.3 Way Forward: Tariff Review Project

In 2009/10, the Executive of TNPA reviewed the progress made on the Tariff Review Project within the division with the objective amongst others, the review of the tariff structure and recommend the tariffing methodology while addressing issues of fairness and price discrimination. In terms of marine services, the team is at an advanced stage of understanding the cost make up of the various offerings whilst it is envisaged that the final cargo due tariff basis will be a combination and contribution of the facilities used; volume throughput and commodity value (reflecting a larger contribution to total logistics costs).

At this stage much progress has been made by the Authority in understanding the cost make up of the various service/ infrastructure offerings. Owing to the complexity of tariff structuring/ methodology and the impact on various stakeholders the authority is of the view that this process would have to be implemented over an estimated 5 year period. The work of the Tariff Review Project team is well underway and the Authority would in due course liaise with the Regulator to agree on any possible changes to the current tariffing structure.

Together with this application for 2011/12, the Authority would be:

- introducing rationalised vessel ranges for craft assistance tariffs aligned to recent trends of growth in vessel sizes (Appendix 1)
- proposing a volume incentive for vessel calls to South African Ports (Appendix 2)
- proposing a revised volume incentive for the automotive industry (Appendix 3)
- making further adjustments to those tariffs that are misaligned with similar commodities taking into account volume, facility used and competitive pricing. In the case of automotives, coal and stainless steel the Authority has proposed no tariff adjustment to the current levels (Appendix 4);

9 PORT EFFICIENCY

In accordance with the Ports Act the Authority has to ensure efficient port services and this has been incorporated into the strategy of the business. The following are the key areas of focus for the Authority:

9.1 Maritime Operations Management

The Authority is pursuing marine service efficiency in terms of its service offerings. This entails lowering delays experienced around pilotage, craft assistance and berthing by:

- ensuring craft availability and increased utilisation hereof
- implementing fleet capacity management (including maintenance and replacement)
- ensuring adequate marine resources through training programmes
- introducing technology driven marine operations through the use of electronic means of communications such as PortsOnline

The Authority would further continue to play the oversight role in terms of operational movements including waiting time at anchorage.

9.2 Terminal Operations Oversight

In order to improve vessel turnaround times and increase productive use of assets the Authority is embarking on concluding Service Level Agreements (“SLAs”) with terminal operators and licence holders.

These SLAs would incorporate and incentivise volume throughput in leases and tariff schedules as well as set benchmark targets for terminal operators on port asset usage, length of quay etc.

The Authority has prepared and engaged terminal operators as to the content and framework of these operating licence as per section 80(2) of the Act. Progress has been made in terms of migrating from the deemed licence to the licence as contemplated in the Act. The outstanding issues are finalisation of the terminal efficiency parameters and agreement on the process of addressing non-conformance to the agreed performance targets.

Once consensus has been reached amongst the industry, the Authority will approach the ministry to trigger the conversion process as contemplated in S65 of the Act. This will allow the Authority to implement the terminal oversight responsibility in a proper and regulated manner.

9.3 Real Estate Management

Informed by the Port Development Framework Plan, real estate within the ports are to be reorganised to ensure alignment with the development outlook. Existing and planned future real estate layout will be reviewed to ensure optimal land utilisation of land with value added facilities to be identified and implemented. The program of lease commercialisation will be progressed across all ports.

10 CONCLUSION

The Authority is applying for a single year tariff increase of 11.91% across all regulated tariffs for the Financial Year 2011/12. This tariff increase is necessary in order for the Authority to achieve the required revenues translated into the respective tariffs, guided by the Directives, to allow the organisation to:

a) recover its investment in owning, managing, controlling and administering ports and its investment in port services and facilities;
b) recover its costs in maintaining, operating, managing, controlling and administering ports and its costs in providing port services and facilities; and
c) make a return commensurate with the risk of owning, managing, controlling and administering ports and of providing port services and facilities.

APPENDIX 1: AMENDMENT OF VESSEL RANGES FOR CRAFT ASSISTANCE

Background

During the analysis of marine services tariffs, it was established that the existing tariff intervals effectively reflected 7 tonnage ranges with the maximum tonnage range reflecting 28 301 plus an incremental charge for any tonnage above this threshold. The current trend shows vessel arrivals in excess of 100 000 tons calling at the larger SA ports whilst the medium and smaller ports receive vessels in excess of 60 000 tons. In line with this transformation of vessel sizes calling at SA ports, the Authority set out to simplify and rationalise the tariff tonnage bands accordingly.

Approach

Having undertaken comparisons of various port tariffs, existing information on craft assistance applications was reviewed. With many ports around the world not operating in a port system like South Africa and with the added complexity of these services mainly being operated by private companies the tariff application varies considerably. However what has been established is that the 'size of vessel' mix in relation to the market served primarily determines size of craft used for craft assistance and to a large extent influences the pricing and the ranges applied.

In the absence of having no clear benchmark, it was decided to apply ranges based in accordance with the allocation of crafts for vessel assistance using year-end March 2010 as a basis. With the objective of ensuring simplification of the tonnage bands, which would closely resemble the business of today but remain revenue neutral in terms of FY 09/10 terms.

The table hereunder shows the craft assistance allocation for the varied vessels size ranges:

Vessel Tonnage	Maximum Number of Craft
Up to 2,000	0.5
2,001 – 10,000	1
10,001 – 50,000	2
50,001 – 100,00	3
100,000 plus	4

* 0.5 Represents workboat

The following revised tariff scale is proposed:

OLD VESSEL SIZE BANDS (NEW TARIFF SCALE FY 11/12)

Increment		RCB	DBN	ELS	PLZ/NGQ	MBY	CPT	SLD
Up to 700	Basic	3,537.61	3,432.54	2,214.86	3,034.36	2,214.86	2,145.97	4,178.31
	Plus							
701 – 1800	Basic	7,075.22	6,865.10	4,429.75	6,068.75	4,429.75	4,291.96	8,356.58
	Plus							
1801 - 8800	Basic	7,075.22	6,865.10	4,429.75	6,068.75	4,429.75	4,291.96	8,356.58
	Plus	149.60	146.16	109.20	129.07	94.21	105.76	177.93
8801 – 14 100	Basic	17,641.52	17,193.74	12,149.11	15,186.05	11,084.72	11,766.76	20,931.12
	Plus	99.90	97.33	78.10	85.97	62.74	75.64	118.49
14 101 – 22 100	Basic	22,937.60	22,352.00	16,280.90	19,742.37	14,410.48	15,767.67	27,210.63
	Plus	75.05	73.18	62.42	64.79	47.29	60.45	89.07
22 101 – 28 300	Basic	28,238.83	27,527.55	20,695.18	24,315.20	17,748.33	20,042.41	33,510.80
	Plus	77.02	48.71	46.93	43.08	31.46	45.45	59.28
28 301 plus	Basic	33,677.85	30,968.68	24,008.88	27,354.3	19,966.64	23,252.77	37,701.17
	Plus	26.98	24.45	23.48	21.42	15.64	22.74	29.76

Incremental charge "Plus" is per additional 100 ton / part thereof

PROPOSED VESSEL SIZE BANDS (NEW TARIFF SCALE FY 11/12)

Increment		RCB	DBN	ELS	PLZ/NGQ	MBY	CPT	SLD
Up to 2000	Basic	3,804.60	4,423.15	3,054.99	3,916.15	3,432.30	2,940.51	4,911.34
	Plus	-	-	-	-	-	-	-
2000 – 10 000	Basic	7,075.22	6,865.10	4,429.75	6,068.75	4,429.75	4,291.96	8,356.58
Above 2000	Plus	149.60	146.16	109.20	129.07	94.21	105.76	177.93
10 001 -50 000	Basic	21,735.29	20,917.30	15,191.33	17,528.46	14,022.77	15,074.48	25,708.41
Above 10 000	Plus	54.92	46.16	36.23	39.73	32.72	35.06	56.09
50 000 – 100 000	Basic	43,470.59	39,731.18	30,382.67	35,056.93	-	29,330.96	49,079.70
Above 50 000	Plus	16.36	17.53	14.02	11.69	-	25.71	15.19
100 000 plus	Basic	56,511.77	50,832.54	-	44,852.24	-	43,236.88	60,765.34
Above 100 000	Plus	11.69	12.85	-	11.69	-	21.03	25.71

Incremental charge "Plus" is per additional 100 ton / part thereof

APPENDIX 2: MARINE SERVICES INCENTIVE PROPOSAL

MARINE SERVICE INCENTIVE

1 APRIL 2011 – 31 MARCH 2012

Vessel / Cargo Type	Threshold – No. of Vessel Calls	Discount Applicable	Maximum No. of Vessel Calls for Discount Determination
CONTAINER	500	1% (or proportionate) for every 50 calls above Threshold	1500
AUTO CARRIERS	100	1% (or proportionate) for every 10 calls above Threshold	300
BREAK BULK	100	1% (or proportionate) for every 10 calls above Threshold	300
DRY BULK	100	1% (or proportionate) for every 10 calls above Threshold	300
LIQUID BULK	100	1% (or proportionate) for every 10 calls above Threshold	300

APPENDIX 3: AMENDMENT OF AUTOMOTIVE DISCOUNTS

AUTOMOTIVE INDUSTRY VOLUME DISCOUNT

31 APRIL 2011 – 31 MARCH 2012

NUMBER OF UNITS	% DISCOUNT APPLICABLE
0 – 10,000	0
10,001 – 20,000	10
20,001 – 25,000	15
25,001 – 30,000	20
30,001 – 35,000	25
35,001 – 40,000	30
40,001 – 50,000	35
50,001 – 60, 000	40
60,001 – 70,000	45
70,001 – 80,000	50
80,001 +	60

APPENDIX 4: ADJUSTMENT TO MISALIGNED TARIFFS

	CURRENT TARIFF RAND 01/04/10	PROPOSED ALIGNED TARIFF RAND 01/04/11
SECTION 7		
CARGO DUES ON IMPORTS, EXPORTS, TRANSHIPMENTS AND COASTWISE TRAFFIC		
IMPORTS		
Motor Vehicles Imported		
Per ton	191.80	191.80
EXPORTS		
Motor Vehicles Exported		
Per Ton	95.90	95.90
BREAKBULK IMPORTS		
EOHP =except otherwise herein provided		
Acids	71.92	51.73
Bricks	47.93	34.50
Coal	19.68	19.68
Copper & products thereof	116.44	80.46
Cotton	116.44	85.07
Fish loose and in cartons	116.44	68.98
Fish prepared	71.92	51.73
Foodstuff prepared	71.92	51.73
Ores & minerals: Silico Manganese	116.44	41.39
Ores & minerals: Silicon metal	116.44	80.46
Rutile	116.44	61.33
Stainless steel (excluding pipes & tubes)	89.06	89.06

	CURRENT TARIFF RAND 01/04/10	PROPOSED ALIGNED TARIFF RAND 01/04/11
Steel pipes / tubes	75.34	62.09
Textiles & products thereof	95.90	68.96
Zircon	116.44	61.33
BREAKBULK EXPORTS		
Aluminium fluoride	95.90	53.63
Cement & clinker	4.11	15.33
Chemicals & products thereof	95.90	53.66
Coal	19.68	19.68
Ferric Sulphate	95.90	53.63
Granite & products thereof	7.94	35.75
Logs	5.49	40.89
Magnesium	95.90	80.48
Ores & minerals: Olivine	95.90	23.00
Sodium sulphate / sulphite	95.90	53.63
Stainless steel (excluding pipes & tubes)	89.06	89.06
Timber & products thereof (excluding furniture)	15.05	52.13
DRY BULK IMPORTS		
Coal	7.94	7.94
Ores & minerals: Magnetite	54.81	17.59
Pig iron	54.81	18.36
Salt	4.80	13.99
		-
DRY BULK EXPORTS		-
Alumina	41.09	27.59
Andalusite	9.59	40.89
Barley & products thereof	41.09	29.90
Cement & clinker	4.11	15.33
Chrome ore	4.94	10.73
Coal	6.54	6.54

	CURRENT TARIFF RAND 01/04/10	PROPOSED ALIGNED TARIFF RAND 01/04/11
Cotton seed & products thereof	41.09	36.78
Lead & products thereof	16.43	40.89
Malt & products thereof	41.09	41.39
Ores & minerals EOHP	41.09	23.00
Rice & products thereof	41.09	25.31
Salt	41.09	13.99
Soda ash	41.09	23.00
Steel: Steel pellets	5.49	8.43
Timber products: Wood shavings, sawdust	5.74	40.89
Vermiculite	13.43	40.89
Woodchips	5.74	40.89
Zinc & products thereof	41.09	23.00
LIQUID BULK IMPORTS		
Molasses & products thereof	5.37	27.59
LIQUID BULK EXPORTS		
Caustic soda	41.09	43.70
Molasses & products thereof	2.74	26.43
Pitch pencil	41.09	12.88

ANNEXURE A

DETAILED TARIFF BOOK

TRANSNET NATIONAL PORTS AUTHORITY

FY 2011/12

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
SECTION 1 **LIGHT DUES ON VESSELS**		
The tonnage of vessels for port tariff purpose is the gross tonnage of a vessels as per the tonnage certificate issued in terms of the Tonnage Convention 1969. (NOT converted to cubic metres)		
Where the vessel's tonnage certificate is no available, the highest tonnage as reflected in Lloyds Register of Shipping, is acceptable		
LIGHT DUES Payable by: Self Propelled vessels, vessels licenced by the Department of Environment Affairs and Tourism, at their registered port:		
Per metre or part thereof of the length overall per financial year thereof	11.97	13.40
All other vessels : At the first port of call and remaining valid for the vessel's voyage to/from the first port of call provided vessel does not proceed beyond the borders of the South African coastline:		
Per 100 tons or part thereof……………………………………………..	56.85	63.62
Light dues in respect of coasters are payable in terms of a special agreement		
EXEMPTIONS		
A reduction of 100% would be allowed in the following instances: (Exemptions) SAPS and the SANDF vessels; Non-self-propelled small and pleasure vessels not used for gain Vessels that remain at the anchorage outside the port except in the following instances: When moored as a singled buoy mooring or any similar facility		
Department of transport Levy / SOUTH AFRICAN MARITIME SAFETY AUTHORITY (SAMSA) LEVY **(VAT Exempt)**		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
SAMSA fees to follow		
SECTION 2 **VESSEL TRAFFIC SERVICES**		
Vessel Traffic services (VTS) have been introduced in the interest of safe navigation, pollution and conservancy of the ports based on the gross tonnage of a vessel.		
VTS CHARGES ON SHIPS The tonnage of vessels for port tariff purposes is the gross tonnage of a vessel as per the tonnage certificate issued in terms of the Tonnage Convention 1969. (NOT converted to cubic metres)		
Where the vessel's tonnage certificate is no available, the highest tonnage as reflected in Lloyds Register of Shipping, is acceptable.		
VTS CHARGES VTS charges payable per GT		
All ports excluding Durban & Saldanha Bay	0.26	0.29
Ports of Durban & Saldanha Bay	0.32	0.36
Minimum fee	114.36	127.98
SECTION 3 **MARINE SERVICES**		
GENERAL TERMS AND CONDITIONS		
"ORDINARY WORKING HOURS"		
Ports of Mossel Bay - Mondays to Fridays, other than public 06:00 to 18:00;		
Surcharges may apply at the Port of Mossel Bay for marine services provided outside ordinary working hours.		
Port of East London - Mondays to Fridays, other than public holidays: 06:00 to 22:00; Saturdays other than public holidays: 06:00 to 12:00;		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Surcharges may apply at the Port of East London for marine services provided outside ordinary working hours.		
Port of Richards Bay, Durban, Ngqura/Port Elizabeth, **Cape Town and Saldanha (24 hours service)**		
Marine Operations available on special request on public holidays i.e. Workers Day, Christmas, New Year's Day, etc.		
"SPECIAL SERVICES"		
Fees are not raised for services performed for the convenience of the port		
Fees for the use of appliances/equipment and for services not provided for herein are quoted on application.		
(See Section 4, Clause 6.1.5 for R1.00 Rate Code.)		
"TONNAGE OF VESSELS "		
The tonnage of vessels for port tariff purposes is the gross tonnage of a vessel as per the tonnage certificate issued in terms of the Tonnage Convention 1969. (NOT converted to cubic metres)		
Where the vessel's tonnage certificate is not available, the highest tonnage as reflected in Lloyds Register of Shipping, is acceptable.		
PILOTAGE SERVICES		
PILOTAGE / HELICOPTER DUES At the Port of Richards Bay, Durban, East London, Ngqura, Port Elizabeth, Mossel Bay, Cape Town and Saldanha pilotage is compulsory, the service being performed by the Authority.		
RICHARDS BAY, per service		
Basic fee...	15 032.99	16 823.42
Plus		
per 100 tons or part thereof..	5.31	5.94
DURBAN, per service		
Basic fee...	9 035.49	10 111.62

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Plus per 100 tons or part thereof...	4.72	5.28
PORT OF NGQURA, per service		
Basic fee	4 355.42	4874.15
Plus		
per 100 tons or part thereof	6.96	7.79
Port of Port Elizabeth, per service		
Basic fee..	4 355.42	4874.15
Plus		
per 100 tons or part thereof	6.96	7.79
CAPE TOWN, per service		
Basic fee..	3 079.57	3446.35
Plus		
per 100 tons or part thereof	4.95	5.54
SALDANHA BAY, per service		
Basic fee..	4 697.04	5256.46
Plus		
per 100 tons or part thereof	6.63	7.42
OTHER PORTS, per service		
Basic fee...	3 179.14	3 557.78
Plus		
per 100 tons or part thereof...	5.09	5.70
A surcharge of 50% is payable in the following instances:		
If the pilotage service either terminates or commences outside ordinary working hours.		
If the vessel is not ready to be moved 30 minutes after the notified time or 30 minutes after the pilot has boarded, whichever is the later.		
If the request for a pilotage service is cancelled at any time within 30 minutes prior to the notified time and the pilot has not boarded.		
A reduction of 100% will be allowed in the following instances (Exemptions):		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Vessels belonging to the SAPS and SANDF except if pilotage services are		
performed on request.		
Accompaniment of a visiting yacht under own power to/from a berth.		
Pilotage dues for service other than normal entering or leaving the port such as towage, standing by, etc. Are available on application.		
At the Port of Saldanha:		
PLO duties for pilots on board tanker vessels during stay charge per hour	430.30	481.55
SURVEY/EXAMINATION OF SMALL VESSELS AND LIFE SAVING APPLIANCES		
Fees for surveying/examination of small vessels are available, on application, per service.		
(Base rate code)...	685.02	766.61
The above base rate may be surcharged or rebated.		
Fees for surveying/examination of life saving appliances, per service.		
(Base Rate Code)...	298.94	334.54
The above base rate may be surcharged or rebated.		
PILOTAGE EXEMPTION CERTIFICATE		
Vessels up to and including 30 metres in length overall:		
Per metre or part thereof..	67.38	75.40
Minimum	673.82	754.07
Vessels over 30 metres up to 50 metres in length overall..	2 021.78	2 262.57
PLUS		
per metre or part thereof over 30 metres..	101.10	113.14
Vessels over 50 metres up to 70 metres in length overall..	4 043.54	4 525.13

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
PLUS per metre or part thereof over 50 metres	134.80	150.85
Vessels belonging to the SAPS or SANDF are exempted.		
TUGS/VESSEL ASSISTANCE AND/OR ATTENDANCE		
The craft type and number thereof to be allocated for a service will be decided by the port. The under mentioned fees are payable for tugs/vessels assisting and /or attending vessels, within the confines of the port with craft allocation as follows:		

VESSEL TONNAGE	MAXIMUM NUMBER OF CRAFT
Up to 2,000	0.5
2,001 - 10,000	1
10,001 - 50,000	2
50,001 - 100,000	3
100000 plus	4

0.5 Represents workboat

"Current Tariff (01/04/10)" is expressed as the equivalent in terms of Proposed new Vessel Ranges

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
PORT OF RICHARDS BAY		
Up to 2000	3 399.69	3804.60
2 001 to 10 000	6 322.24	7 075.22
Plus per 100 tons or part thereof above 2 000	133.68	149.60
10 001 to 50 000	19 422.12	21 735.29
Plus per 100 tons or part thereof above 10 000	49.08	54.92
50 001 to 100 000	38 844.24	43470.59
Plus per 100 tons or part thereof above 50 000	14.62	16.36
Above 100 000	50 497.51	56 511.77
Plus per 100 tons or part thereof above 100 000	10.44	11.69
PORT OF DURBAN		
Up to 2000	3 952.41	4 423.15

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
2 001 to 10 000	6 134.49	6865.10
Plus per 100 tons or part thereof above 2 000	130.61	146.16
10 001 to 50 000	18 691.18	20917.30
Plus per 100 tons or part thereof above 10 000	41.25	46.16
50 001 to 100 000	35 502.80	39 731.18
Plus per 100 tons or part thereof above 50 000	15.66	17.53
Above 100 000	45 422.70	50832.54
Plus per 100 tons or part thereof above 100 000	11.49	12.85
PORT OF EAST LONDON		
Up to 2000	2 729.86	3054.99
2 001 to 10 000	3 958.31	4429.75
Plus per 100 tons or part thereof above 2 000	97.58	109.20
10 001 to 50 000	13 574.60	15 191.33
Plus per 100 tons or part thereof above 10 000	32.37	36.23
50 001 to 100 000	27 149.20	30382.67
Plus per 100 tons or part thereof above 50 000	12.53	14.02
Above 100 000	-	-
Plus per 100 tons or part thereof above 100 000	-	-
PORTS OF PORT ELIZABETH & NGQURA		
Up to 2000	3 499.38	3 916.15
2 001 to 10 000	5 422.89	6 068.75
Plus per 100 tons or part thereof above 2 000	115.33	129.07
10 001 to 50 000	15 663.00	17 528.46
Plus per 100 tons or part thereof above 10 000	35.50	39.73
50 001 to 100 000	31 326.00	35 056.93
Plus per 100 tons or part thereof above 50 000	10.44	11.69
Above 100 000	40 078.85	44 852.24
Plus per 100 tons or part thereof above 100 000	10.44	11.69
PORT OF MOSSEL BAY		
Up to 2000	3 067.02	3 432.30
2 001 to 10 000	3 958.31	4 429.75
Plus per 100 tons or part thereof above 2 000	84.18	94.21
10 001 to 50 000	12 530.40	14 022.77
Plus per 100 tons or part thereof above 10 000	29.24	32.72
50 001 to 100 000	-	-
Plus per 100 tons or part thereof above 50 000	-	-
Above 100 000	-	-

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Plus per 100 tons or part thereof above 100 000	-	-
PORT OF CAPE TOWN		
Up to 2000	2 627.57	2 940.51
2 001 to 10 000	3 835.19	4 291.96
Plus per 100 tons or part thereof above 2 000	94.50	105.76
10 001 to 50 000	13 470.18	15 074.48
Plus per 100 tons or part thereof above 10 000	31.33	35.06
50 001 to 100 000	26 209.42	29 330.96
Plus per 100 tons or part thereof above 50 000	22.97	25.71
Above 100 000	38 635.40	43 236.88
Plus per 100 tons or part thereof above 100 000	18.80	21.03
PORT OF SALDANHA		
Up to 2000	4 388.65	4 911.34
2 001 to 10 000	7 467.23	8 356.58
Plus per 100 tons or part thereof above 2 000	158.99	177.93
10 001 to 50 000	22 972.40	25 708.41
Plus per 100 tons or part thereof above 10 000	50.12	56.09
50 001 to 100 000	43 856.40	49 079.70
Plus per 100 tons or part thereof above 50 000	13.57	15.19
Above 100 000	54 298.40	60 765.34
Plus per 100 tons or part thereof above 100 000	22.97	25.71
Tug Assistance: 4th tug in the Port of Saldanha	93 780.76	104950.05
GENERAL		
A surcharge of 25% is payable for a service either commencing or terminating outside ordinary working hours on weekdays and Saturdays or on Sundays and public holidays.		
A surcharge of 50% is payable per tug when an additional tug is provided on the request of the master of the vessel or if deemed necessary in the interest of safety by the Harbour Master.		
A surcharge of 50% is payable where a vessel without its own power is serviced. Should an additional tug be provided on the request of the master to service such a vessel a 100% surcharge is payable.		
Should the request for a tug/vessel to remain/come on duty outside ordinary working		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
standby has commenced, are payable, i.e. normal fees enhanced by 25%.		
Should a vessel arrive or depart 30 minutes or more after the notified time the fee per large tug per half hour or part thereof is: (All ports, except Port of Saldanha)	3 909.08	4374.65
All the Port of Saldanha	4 929.44	5516.54
MISCELLANEOUS TUG/VESSEL SERVICES		
TANKER FIRE WATCH, FIRE FIGHTING & STANDBY SERVICES		
For remaining/coming on duty outside ordinary working hours for purposes of tanker fire watch and/or fire fighting during or outside ordinary working hours for any other standby services, such as bad weather, for long uninterrupted periods:		
When foam is used to combat a fire and/or oil spills, the cost of the foam calculated at the time of the service and will be recovered from the vessel	45.76	51.21
All Ports except the Port of Saldanha		
First 12 hours, per tug, per hour or part thereof……………………..	7 816.60	8 747.56
Maximum…………………………………………………………………….	62 532.84	69 980.50
Following 12 hours up to 24 hours, per tug, per hour or part thereof………………………………………………………………………..	5 212.59	5 833.41
Maximum for 24 hours…………………………………………………….	109 464.79	122 502.05
thereafter, per tug, per hour or part thereof…………………………..	3 909.08	4 374.65
Port of Saldanha		
First 12 hours, per tug, per hour or part thereof……………………..	9 858.86	11 033.05
Maximum…………………………………………………………………….	78 875.53	88 269.61
Following 12 hours up to 24 hours, per tug, per hour or part thereof………………………………………………………………………..	6 573.10	7 355.96
Maximum for 24 hours…………………………………………………….	138 047.19	154 488.61
Thereafter, per tug, per hour or part thereof………………………….	4 929.44	5 516.54

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
MOBILISATION AND DEMOBILISATION FEE FOR FLOATING CRANES		
Minimum fee per service at the Port of Durban	21 546.06	24 112.20
Minimum fee per service at the Port of Cape Town	9 234.03	10 333.80
The mobilisation and demobilisation of the floating crane constitutes one service. The fee is applicable to each vessel serviced.		
FLOATING CRANES		
For handling loads, per hour or part thereof:		
At the Port of Durban………………………………………………………….	9 234.03	10 333.80
At the Port of Cape Town……………………………………………………	18 468.06	20 667.61
Note: The hire period will be subject to a minimum of 2 hours calculated from the time the crane is placed in position to undertake the service, until it is released. This fee is applicable to each vessel serviced.		
OTHER VESSEL SERVICES		
Fees for a tug are available on application, hour or part thereof (Base rate code)……………………………………………………………………..	7 815.05	8 745.82
At the Port of Ngqura/Port Elizabeth	10 706.62	11 981.78
At the Port of Saldahna for services of a special nature	9 857.33	11 031.34
BERTHING SERVICES		
The following fee is payable per service, including conveyance for vessels entering or leaving a port, shifting berth (including warping along the line of a wharf and shifting to or from a drydock or slipway) undergoing engine trials, removing and crewing, berthing gang standing by or detained at a vessel's request for similar purposes, with or without tugs assisting or in attendance (unmooring and mooring of a vessel when shifting berth or warping alongside the berth). Berthing Services provided when a vessel shifts berth or warps alongside the berth will be charged will be charged on a per service basis.		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Port of Richards Bay		
Basic fee...	1 542.07	1 725.73
Plus		
per 100 tons or part thereof..	6.54	7.32
Port of Ngqura & Port Elizabeth		
Basic fee...	1 863.86	2 085.85
Plus		
per 100 tons or part thereof..	9.09	10.17
Port of Cape Town		
Basic fee...	1 482.07	1 658.58
Plus		
per 100 tons or part thereof..	7.25	8.11
Port of Saldanha		
Basic fee...	1 945.30	2 176.99
Plus		
per 100 tons or part thereof..	8.24	9.22
All other Ports		
Basic fee...	1 360.48	1 522.51
Plus		
per 100 tons or part thereof..	6.64	7.43
WARPING		
Port of Richards Bay		
Basic fee...	1 542.07	1 725.73
Plus		
per 100 tons or part thereof..	6.54	7.32
Port of Ngqura & Port Elizabeth		
Basic fee...	1 863.86	2 085.85
Plus		
per 100 tons or part thereof..	9.09	10.17
Port of Cape Town		
Basic fee...	1 482.07	1 658.58

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Plus		
per 100 tons or part thereof..	7.25	8.11
Port of Saldanha		
Basic fee..	1 945.30	2 176.99
Plus		
per 100 tons or part thereof..	8.24	9.22
All other Ports		
Basic fee..	1 360.48	1 522.51
Plus		
per 100 tons or part thereof..	6.64	7.43
SHIFTING		
Port of Richards Bay		
Basic fee...	1 542.07	1 725.73
Plus		
per 100 tons or part thereof..	6.54	7.32
Port of Ngqura & Port Elizabeth		
Basic fee...	1 863.86	2 085.85
Plus		
per 100 tons or part thereof..	9.09	10.17
Port of Cape Town		
Basic fee..	1 482.07	1 658.58
Plus		
per 100 tons or part thereof..	7.25	8.11
Port of Saldanha		
Basic fee..	1 945.30	2 176.99
Plus		
per 100 tons or part thereof..	8.24	9.22
All other Ports		
Basic fee..	1 360.48	1 522.51
Plus		
per 100 tons or part thereof..	6.64	7.43
A surcharge of 50% will be payable in the following instances:		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
If the service either terminates or commences outside ordinary working hours.		
Should the request for the berthing staff to remain/come on duty outside ordinary working hours be cancelled at any time after standby has commenced.		
If the vessel arrives or departs 30 minutes or more after the notified time.		
For berthing staff in attendance during or outside ordinary working hours on board tanker vessels discharging oil at the **Port of Mossel Bay,** per hour or part thereof	615.60	688.92
RUNNING OF VESSEL'S LINES		
Running of vessels' lines or standing by to run lines for vessel entering, leaving or shifting; per service during or outside ordinary working hours:		
PORT ELIZABETH	1 100.62	1 231.70
CAPE TOWN	1 151.17	1 288.27
SALDANHA	1 012.67	1 133.28
OTHER PORTS	803.38	899.06
If the service terminates or commences outside ordinary working hours, minimum at the Ports Of Ngqura and Port Elizabeth	2 201.22	2 463.39
If the service terminates or commences outside ordinary working hours, minimum at the Port of Cape Town	1 606.72	1 798.08
If the service terminates or commences outside ordinary working hours, minimum at the Saldanha	2 025.33	2 266.55
If the service terminates or commences outside ordinary working hours, minimum all other Ports	1 606.72	1 798.08

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
If the vessel arrives or departs 30 minutes or more after the notified time, the following fees apply per hour or part thereof, calculated from the notified time until the service is completed:		
PORT ELIZABETH & NGQURA	1 100.62	1 231.70
Minimum	2 201.22	2 463.39
CAPE TOWN	1 151.17	1 288.27
Minimum	2 302.35	2 576.56
SALDANHA	1 012.67	1 133.28
Minimum	2 025.33	2 266.55
OTHER PORTS	803.38	899.06
Minimum	1 606.72	1 798.08
If the request for a tug/vessel to remain on duty outside ordinary working hours is cancelled at any time after standby has commenced, the following fee per hour or part thereof, will be maintained for the actual period that the tug/vessel remained on duty, subject to a minimum of 2 hours	803.38	899.06
At the Port of Saldanha when removing without tug/pilots occurs the following fee per service is applicable	2 301.11	2 575.17
MISCELLANEOUS MARINE EQUIPMENT/MARINE SERVICES		
HIRE OF MARINE EQUIPMENT / MARINE SERVICES		
Each per day of 24 hours or part thereof, if available		
Passenger gangways	155.43	173.94
Punt hire per hour	71.02	79.48
Mooring ropes at the Port of Saldanha	734.09	821.52
Forklifts at the Port of Mossel Bay per hour 3 ton Forklift	259.48	290.38

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
4 ton Forklift	289.03	323.45
Any other equipment: Fees quoted on application. (R1.00 Rate Code)	On application	On application
Note: Any rope, mooring spring or strap damaged or destroyed by chafing or cutting shall be paid for by the owner of the vessel responsible. All other equipment damaged through other than by normal wear and tear may be repaired/replaced at the hirer's expense. (R1.00 Rate Code)	On application	On application
ELECTRIC POWER & COMPRESSED AIR SUPPLIED TO PORT USERS OTHER THAN AT THE VESSEL REPAIR FACILITIES		
Fees for electric power and compressed air will be quoted by the port on application connection of electric power per connection:	On application	On application
DIVER'S SERVICES		
Fees for diver's services, where available, will be quoted by the Port on application	On application	On application
COMBATING OF OIL POLLUTION		
The following fees must be raised for the combating of oil pollution in the port area:		
Utilisation of oil boom per hour or part thereof	500.18	559.75
Oil spill emulsifier per litre will be charged for at the purchase price plus handling (Fees to be quoted on application	On application	On application
Note1: All fees to be recovered from the party responsible for the oil pollution		
Note2: Fees for any tug used in the combating operation should be raised separately.		
SECTION 4 PORT FEES ON VESSELS, MISCELLANEOUS FEES AND SERVICES		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
PORT FEES ON VESSELS		
The tonnage of vessels for Port tariff purposes is the gross tonnage of a vessel as per the tonnage certificate issued in terms of the Tonnage Convention 1969. (NOT converted to cubic metres)		
Where the vessel's tonnage certificate is not available, the highest tonnage as reflected in Lloyds Register of Shipping, is acceptable		
PORT DUES		
Payable by:		
Vessels entering the port from the time of passing the entrance inwards until the time of passing the entrance outwards;		
Vessels taking in bunkers at the designated anchorage;		
Vessels at offshore moorings or similar facilities, as follows;		
Basic fee per 100 tons or part thereof	93.58	104.73
Plus		
per 100 tons or part thereof per 24 hour period, a part of a 24 hour period being applied pro rata	28.06	31.40
Small vessels and pleasure vessels resorting under Section 5 Clause 2 when visiting a port other than at their registered port will be subject to a minimum fee	228.69	255.93
Port dues lay up fees at the port of Saldanha are as follows;		
Port Dues Lay Up - First 30 days	69.11	77.34
Port Dues Lay Up - Second 30 days	35.63	39.87
Minimum fee		
BERTH DUES		
Payable by any vessel occupying a repair quay or any other berth and not handling cargo, in addition to port dues for 24 hour period or part thereof as follows:		
Per 100 tons or part thereof		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Up to 17 700 tons	24.55	27.47
Following 17 700 tons up to 35 300 tons	16.24	18.17
Following 35 300 up to 53 000 tons	8.17	9.14
Over 53000 tons (NO ADDITIONAL FEE)		
Note: A vessel paying the fees for the use of a drydock, floating dock, syncrolift or slipway can lie alongside a quay for repairs without paying berth dues for the same number of days as it did inside the drydock, floating dock, or on the syncrolift or slipway		
Vessels calling for the sole purpose of landing/shipping/ transshipping cargo are allowed a free period of six cargo working hours before cargo working commences and six cargo working hours after cessation of cargo working per call at berths other than container handling berths in respect of which the free period is two working hours.		
EXEMPTIONS		
SAPS and SANDF vessels		
Vessels lying alongside a berth for the sole purpose of taking in vessel's store and or coal and liquid fuel for own consumption are exempted for only 48 hours thereafter the fees specified in Section 5, Clause 1.2.1 are payable		
Vessels resorting under Section 5, Clause 2.1 but only at their registered port		
Vessels calling for the sole purpose of obtaining medical assistance		
Passenger vessels on normal business		
Vessels being fumigated prior to taking in cargo		
PORT DUES FOR SMALL VESSELS AND PLEASURE VESSELS		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Small and pleasure vessels will be allowed access to the port at the discretion of the port.		
SMALL VESSELS		
Per financial year or part thereof Per metre of length overall, or part thereof:		
Non - mechanically propelled boats	22.82	25.54
Self propelled boats	38.07	42.60
Fishing vessels (however propelled), operating from the fishing port at the Port of Saldanha	66.84	74.80
Fishing vessels (however propelled), with non-steel constructed hulls:		
For the first 10 metres	91.95	102.90
Thereafter	183.87	205.77
Fishing vessels (however propelled), with steel constructed hulls		
For the first 10 metres	185.63	207.74
Thereafter	371.22	415.43
PLEASURE VESSELS		
Each per financial year or part thereof		
Rowing boats	54.35	60.82
Other vessels of up to and including 7 metres in length overall	108.70	121.65
Other vessels of over 7 metres in length overall	217.39	243.28
Visiting/Local vessels (Foreign/Local yachts (port dues)		
Fees are available on application, per metre or part thereof of length overall, per day or part thereof.		
Visiting vessels that are not engaged in trade and do not moor at a commercial berth are allowed a free stay of 30 days in port.		
The following base rates must be applied after the 30 day free period.		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
For the next 90 days, per metre or part thereof of length overall per day Base rate code	1.37	1.53
The following 90 days, per metre or part thereof of length overall, per day Base rate code	2.70	3.02
Thereafter, for the remaining period up to 12 months, per metre or part thereof of length overall, per day Base rate code	5.41	6.05
If visiting yachts and other visiting pleasure vessels remaining in port for a period in excess of 12 months, per metre or part thereof of length overall, per day Base rate code	16.24	18.17
MISCELLANEOUS SERVICES		
FIRE AND EMERGENCY SERVICES		
Rates applicable at Ports where these services or equipment are available		
Payment for fire and emergency services will be due:		
"A" Whether the fire has been extinguished or not on the arrival of the fire and Emergency Services on the scene		
"B" Whether the "Hazmat" incident has been resolved or not on the arrival of the Fire and Emergency Services on the scene		
"C" Whether the rescue and/or salvage operation has been completed or not on the arrival of the Fire and Emergency Services		
Refer to A, B and C for the following emergency or incidents below		
Fire tender turn out fee Heavy duty (7000kg)	1 826.75	2 044.32
Fire tender turn out fee Light duty	1 293.59	1 447.66
Hazmat (Chemical) vehicle turn-out Heavy duty (7000 kg)	1 826.75	2 044.32

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Hazmat (Chemical) vehicle turn-out-light duty	1 293.59	1 447.66
Use of the fire tender, equipment and crew	913.36	1 022.14
(Crew=1 x fire officer, 4 x fire fighters for any incident mentioned under numbers A,B,C). The fee is per half hour or part thereof		
Use of Hazmat vehicle, equipment and crew	913.36	1 022.14
(Crew=1 x fire officer, 4 x fire fighters for any incident mentioned under numbers A,B,C). The fee is per half hour or part thereof		
Additional fire fighting staff fee - per half hour of part thereof each additional member of the fire service assisting in any incident under A, B and C	152.94	171.16
Fire fighting on standby duty at incident including equipment-per half hour or part thereof		
Use of a portable fire pump, chemical transfer pump, generator "veld fire" pump, bobcat including the fire fighter to operate the pump per half hour or part thereof	152.94	171.16
Use of additional breathing apparatus Per set this is in addition to the breathing apparatus sets carried on the fire tender or hazmat vehicle	228.69	255.93
Use of additional chemical protection suits Per suit this is in addition to the chemical suit carried on the hazmat vehicle	913.36	1 022.14
Use of the fire extinguishers foam per litre	45.76	51.21
Use of fire extinguishers This is in addition to those carried on the fire tender or hazmat vehicle		
The fees below include the cost of material, labour and supervision involved in the recharging of the equipment		
A: 9 Lt water fire extinguisher	75.77	84.79
B: 9 Lt foam fire extinguisher	91.47	102.36

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
C: 9kg Dry powder fire extinguisher	114.36	127.98
D: 5-7 kg Carbon Dioxide fire extinguisher	182.96	204.75
Tanker Fire Watch at the Port of Saldanha		
12-36 Hours Tanker Fire Watch - Tug (Maximum fee)	4 162.70 186 789.33	4 658.48 209 035.94
12-48 Hours Tanker Fire Watch - Tug (Maximum fee)	3 303.02 225 428.81	3 696.41 252 277.38
FIRE PROTECTION		
Vessel fire protection duties -fire fighter per hour	170.09	190.35
At the port of Durban -fire fighter (including Security) per hour	288.65	323.03
Cargo fire protection duties - fire fighter per hour	170.09	190.35
At the port of Durban - fire fighter (including Security) per hour	288.65	323.03
"Hotwork" fire safety inspection service	182.96	204.75
FIRE AWARENESS TRAINING (MEALS EXCLUDED)		
Fire induction course per person per day (1 day)	570.32	638.25
Hazmat awareness course per person (2 days)	1 142.06	1 278.08
Fire marshal course per person (1 day)	570.32	638.25
Fire team course per person (2 days)	1 142.06	1 278.08
Fire co-ordination course per person (3 days)	1 712.39	1 916.34
On site evacuation drill/simulations and feedback	3 044.56	3 407.17
Hazmat training for drivers (2days)	1 142.06	1 278.08
Fire risk assessment per day	1 522.28	1 703.58

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
FIRE EQUIPMENT MAINTENANCE		
Labour cost per hour	167.24	187.16
Service of CO2 fore extinguisher	84.33	94.37
Pressure test and recharge of CO2 fire extinguisher	182.96	204.75
Recharge of CO2 fire extinguisher	182.96	204.75
Service of 9kg powder fire extinguisher	84.33	94.37
Pressure test and recharge of 9kg powder fire extinguisher	197.27	220.76
Recharge of 9kg powder fire extinguisher	182.96	204.75
Service of 9Lt water fire extinguisher	84.33	94.37
Pressure test and recharge of 9L water fire extinguisher	98.62	110.37
Service of 9Lt water fire extinguisher	84.33	94.37
Service of 9Lt foam fire extinguisher	84.33	94.37
Pressure test and recharge of 9Lt foam fire extinguisher	107.19	119.96
Recharge of 9Lt foam fire extinguisher	91.47	102.36
Service fire hose reel	52.89	59.19
Service mobile powder fire unit	84.33	94.37
Pressure test and recharge mobile powder fire unit (>9kg capacity)	425.96	476.69
Recharge mobile powder fire unit (>9kg)	320.18	358.31
FIRE EQUIPMENT HIRE		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Training Facilities hire per day (excluding fire equipment)	2 664.37	2 981.70
Fire pump hire (per half hour)	243.00	271.94
Ejector pump hire (per half hour)	91.47	102.36
Fire hose hire (per half hour)	22.87	25.59
Branch pipe and nozzle hire (per 8hr day)	22.87	25.59
Fire extinguisher hire (per 8hr per day)	75.77	84.79
Fire tender and driver - social functions (per hour)	1 826.75	2 044.32
Security service no longer part of Risk Management portfolio and must be referred to the National Security Manager.		
FRESH WATER		
Fees for the supply of fresh water are available on application.	On application	On application
REMOVAL OF REFUSE		
Fees are available on application for the removal of refuse from the port, per truck. (Base Rate Code)	694.62	777.35
Removal of refuse from lessees' premises in the port per cubic metre or part thereof: (Base Rate Code)	91.04	101.88
At the Port of Durban At the Port of Port Elizabeth	105.09	117.61
Removal of galley waste	1 687.79	1 888.81
Removal of hazardous waste (Sludge)	9 015.37	10 089.10
Removal of hazardous waste (Sludge) - No waste pipe	1 959.38	2 192.74
At the port of Richards Bay		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Removal of refuse/galley waste per vessel per day	225.84	252.74
PASSENGER'S BAGGAGE: ALL PORTS		
Where the Authority is involved in the handling of passenger baggage, other than manifested baggage, the following fees shall be collected from owners/agents of passenger carrying vessels for all passengers on embarkation or on disembarkation		
Per passenger	43.79	49.01
PASSENGER'S LEVY: ALL PORTS		
Per passenger embarking and/or disembarking	46.17	51.67
Per passenger embarking and/or disembarking at FPT in the Port of Port Elizabeth	37.27	41.71
ADMINISTRATIVE FEES		
Split Account fees to be charged as follows; PRIOR to vessel sailing per party AFTER vessel sailing will result in the split account fee being levied twice per party	228.69	255.93
Administrative fees for photocopies per page for Marine department	7.35	8.23
SECTION 5 **Port Service License, Port Rule License, Port Rule Registration and Port Rule Permit Fees**		
Fees payable for Port Service licenses to be issued by the Authority in terms of section 57 of the National Ports Act, No 12 of 2005:		
Fee for duration of license per Port	20 000.00	22 382.00
Floating crane services	20 000.00	22 382.00
Stevedore services license fee	20 000.00	22 382.00
Waste disposal services license fee	20 000.00	22 382.00

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Fees payable for licenses, registrations and permits to be issued by the Authority in terms of Port Rules made by the Authority in terms of section 80(2) of the National Ports Act, No 12 of 2005:	20 000.00	22 382.00
Port Rule licenses:		
Fee for duration of license per port		
Bunkering license fee	20 000.00	22 382.00
Diving license fee	20 000.00	22 382.00
Fire protection and fire equipment installation and maintenance license fee	20 000.00	22 382.00
Pest control license fee	20 000.00	22 382.00
Pollution control license fee	20 000.00	22 382.00
Port Rule registration:	438.60	490.84
Vessel agent registration fee		
Port Rule access permits for persons and vehicles		
Restricted areas - Ad hoc access permit fee	Free	Free
Restricted areas - Longer-term access permit fee	Free	Free
Port Rule permits for small vessels and pleasure vessels:		
Small vessel permit fee	Free	Free
Pleasure vessel permit fee	Free	Free
Motor vehicle access permit fee	206.09	230.64
Replacement of lost permits		
Lost permits replacement fee	247.31	276.76
SECTION 6		
DRYDOCKS, FLOATING DOCKS, SYNCROLIFTS AND SLIPWAYS		
GENERAL TERMS AND CONDITION "ORDINARY WORKING HOURS"		
PORT OF CAPE TOWN & EAST LONDON		
According to the custom of the facility		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
PORT OF DURBAN 07h00-17h00 weekdays		
"WEEKENDS AND PUBLIC HOLIDAYS"		
Special permission must be obtained for work to be undertaken on Saturdays, Sundays and public holidays Special arrangements must also be made for the provision of salt water, compressed air, cranage etc., outside normal working hours		
Tonnage of vessels for tariff purposes The gross tonnage of a vessel in cubic metres (conversion factor 2,83) of a vessel as per the tonnage certificate issued in terms of the Tonnage Convention 1969, plus The tonnage in mass, of all cargo on board.	3 530.31 7 632.58 On application	3 950.77 8 541.62 On Application
BOOKING FEES	3 530.31	3 950.77
The following deposits are required for the use of a drydock, floating dock or syncrolift when a firm booking has been made:		
Drydocks (DUR)	30 530.31	34 166.47
Drydocks (CPT)	30 530.31	34 166.47
Drydocks (ELS)	30 530.31	34 166.47
Drydocks (DUR)	30 530.31	34 166.47
Syncrolift (CPT)	7 632.58	8 541.62
Slipways (PLZ)	915.91	1 024.99
Note: Should the booking not be taken up or cancelled within 21 consecutive days prior to the booked date, the deposit will be forfeited. If the booking is cancelled - 21 days, a full refund will given.		
PREPARATION COSTS		
PORTS OF CAPE TOWN AND EAST LONDON The following fees for the preparation of a drydock, floating dock or per syncrolift per vessel, are payable:		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Vessels up to 1 000 tons	1 172.37	1 312.00
Vessels from 1001 up to 100 000 tons	2 344.74	2 624.00
Vessels from 10 001 up to 20 000 tons	4 689.45	5 247.96
Vessels from 20 001 up to 50 000 tons	7 034.20	7 871.97
Vessels above 50 000 tons	9 378.91	10 495.94
PORT OF DURBAN		
The following fees for preparation, are payable		
Drydock	9 385.02	10 502.78
Floating Dock	9 212.53	10 309.74
PENALTIES		
Should the booking not be taken up or cancelled within 21 consecutive days prior to the booked date the deposit will be forfeited. If the booking is cancelled > 21 days, a full refund will be given.		
DOCKING AND UNDOCKING OF VESSELS: STURROCK (CP) & PRINCE EDWARD (DUR)		
The following fee is payable, per service for the docking and undocking undocking of vessels (the docking and undocking) are regarded as separate services)		
Drydocks	7 104.41	7 950.55
DOCKING AND UNDOCKING OF VESSELS: PRINCESS ELIZABETH (ELS) & ROBINSON		
The following fee is payable, per service for the docking and undocking undocking of vessels (the docking and undocking) are regarded as separate services)		
Drydocks	7 104.41	7 950.55
DOCKING AND UNDOCKING OF VESSELS: FLOATING DOC (DUR)		
The following fee is payable, per service for the docking and undocking undocking of vessels (the docking and undocking)		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
are regarded as separate services)		
Floating dock	6 971.58	7 801.90
DOCKING AND UNDOCKING VESSELS: SYNCROLIFT (CPT)		
The following fee is payable, per service for the docking and undocking undocking of vessels (the docking and undocking) are regarded as separate services)		
Syncrolift	3 133.93	3 507.18
DRYDOCK DUES: PRINCE EDWARD - (DUR)		
First period of 24 hours or part thereof:		
Vessels up to 30 000 tons	11 293.15	12 638.16
Plus	1.92	2.15
Vessels up to 30 001 to 60 000 tons	23 517.49	26 318.42
Plus per ton	1.92	2.15
Vessels 60 001 up to 80 000 tons	27 962.69	31 293.05
Plus per ton	1.92	2.15
Above 80 000 tons (Fees are obtainable on application		
(R1.00 Rate code)	1.04	1.16
FLOATING DOCKS		
First period of 24 hours or part thereof:		
Vessels up to 30 000 tons	11 082.51	12 402.44
Plus per ton	1.90	2.13
Each subsequent 12 hour period or part thereof		
Vessels up to 10 500 tons	5 541.25	6 201.21
Plus per ton	0.75	0.84
DRYDOCK DUES: STURROCK (CPT)		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
First period of 24 hours or part thereof:		
Vessels up to 3 000 tons	4 661.99	5 217.23
Plus per ton	1.37	1.53
Vessels up to 3 001 to 6 000 tons	6 136.59	6 867.46
Plus per ton	1.56	1.75
Vessels 6 001 up to 10 000 tons	10 777.20	12 060.76
Plus per ton	1.92	2.15
Vessels 10 000 tons to 30 000 tons	11 284.00	12 627.92
Plus per ton	1.92	2.15
Vessels 30 001 to 60 000 tons	23 517.49	26 318.42
Plus per ton	1.92	2.15
Vessels 60 001 to 80 000	27 962.69	31 293.05
Plus per ton	1.92	2.15
(R1.00 Rate code)	1.04	1.16
Each subsequent 12 hour period or part thereof		
Vessels up to 3 000 tons	2 330.98	2 608.60
Plus per ton	0.46	0.51
Vessels up to 3 001 to 6 000 tons	3 068.31	3 433.75
Plus per ton	0.51	0.57
Vessels 6 001 up to 10 000 tons	5 388.60	6 030.38
Plus per ton	0.75	0.84
Vessels 10 000 tons to 30 000 tons	5 642.00	6 313.96
Plus per ton	0.75	0.84
Vessels 30 001 to 60 000 tons	11 758.76	13 159.23
Plus per ton	0.65	0.73
Vessels 60 001 to 80 000	13 981.36	15 646.54
Above 80 000 tons (Fees are obtainable on application		
(R1.00 Rate Code)	1.04	1.16
DRYDOCK DUES (ROB CPT/PRIN-ELIZ ELS)		
First period of 24 hours or part thereof:		
Vessels up to 3 000 tons	4 661.99	5 217.23
Plus per ton	1.37	1.53
Vessels up to 3 001 to 6 000 tons	6 136.59	6 867.46

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Plus per ton	1.56	1.75
Vessels 6 001 up to 10 000 tons	10 777.20	12 060.76
Plus per ton	1.92	2.15
Vessels 10 000 tons to 30 000 tons	11 284.00	12 627.92
Plus per ton	1.92	2.15
Vessels 30 001 to 60 000 tons	23 517.49	26 318.42
Plus per ton	1.92	2.15
Vessels 60 001 to 80 000	27 962.69	31 293.05
Above 80 000 tons (Fees are obtainable on application	1.92	2.15
(R1.00 Rate Code)	1.04	1.16
Each subsequent 12 hour period or part thereof		
Vessels up to 3 000 tons	2 330.98	2 608.60
Plus per ton	0.46	0.51
Vessels up to 3 001 to 6 000 tons	3 068.31	3 433.75
Plus per ton	0.51	0.57
Vessels 6 001 up to 10 000 tons	5 388.60	6 030.38
Plus per ton	0.75	0.84
Vessels 10 000 tons to 30 000 tons	5 642.00	6 313.96
Plus per ton	0.75	0.84
Vessels 30 001 to 60 000 tons	11 758.76	13 159.23
Plus per ton	0.65	0.73
Vessels 60 001 to 80 000	13 981.36	15 646.54
Above 80 000 tons (Fees are obtainable on application	0.51	0.57
(R1.00 Rate Code)		
SYNCROLIFT DUES (CPT)		
First period of 24 hours or part thereof:		
Vessels up to 2000 tons	870.11	973.74
Plus per ton	1.92	2.15
Vessel above 2000 tons	1 144.89	1 281.25
Plus per ton	1.92	2.15
Each subsequent 12 hour period or part thereof		
Vessels up to 2000 tons	435.07	486.89
Plus per ton	0.79	0.88
Vessel above 2000 tons	572.44	640.62

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Plus per ton	0.79	0.88
MINIMUM FEES		
First period of 24 hours or part thereof:		
Sturrock and Prince Edward drydocks	26 375.12	29 516.40
Princess Elizabeth and Robinson drydocks	10 119.27	11 324.48
Floating docks	11 082.51	12 402.44
Syncrolift	3 598.00	4 026.52
Each subsequent 12 hour period or part thereof		
Sturrock and Prince Edward drydocks	11 071.82	12 390.47
Princess Elizabeth and Robinson drydocks	4 523.06	5 061.76
Floating docks	5 541.25	6 201.21
Syncrolift	1 198.32	1 341.04
DISCOUNTS AND SURCHARGES		
Shifting of the dockyard block are obtainable on application		
The damage occurred by a vessels bar/box keel to blocks at any ship repair facility will be recovered as per damage incurred and at the Authority's discretion		
Special conditions may be applied to Medical, Research vessels or where four and more vessels of a company are drydocked at any of the drydocks (excluding syncrolfits, floating docks and slipways) during a 12 month period. Details are available on application.		
SLIPWAY PREPARATION COSTS (PLZ & MZY)		
The following fees for the preparation of a slipway, per vessel, are payable		
Vessels up to 1 000 tons (Base Rate code)	1 170.83	1 310.28
8.1 Wharf cranes at the Ports of Cape Town and East London	1 974.03	2 209.14

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
8.2 Wharf cranes at the Port of Durban		
8.3. Crane 206 at the Port of Cape Town		
Working hours per hour		
Overtime per hour		
Public holidays and Sundays per hour		
DOCKING AND UNDOCKING OF VESSELS AT A SLIPWAY		
The following fee is payable, per service for the docking and undocking undocking of vessels (the docking and undocking) are regarded as separate services)		
Slipway (Base Rate code)	613.67	686.76
SLIPWAY DUES (MZY & PLZ)		
First period of 24 hours or part thereof:		
Vessels up to 2000 tons (Base rate code)	870.11	973.74
Plus per ton (Base rate code)	1.92	2.15
Vessels above 2000 tons (Base rate code)	1 144.89	1 281.25
Plus per ton (Base rate code)	1.92	2.15
Each subsequent 12 hour period or part thereof		
Vessels up to 2000 tons (Base rate code)	435.07	486.89
Plus per ton (Base rate code)	0.79	0.88
Vessels above 2000 tons (Base rate code)	477.04	533.86
Plus per ton (Base rate code)	0.79	0.88
WHARF CRANES (OUTSIDE ORDINARY WORKING HOURS ONLY(CPT/ELS)		
Irrespective of crane lifting capacity, per hour		
Robinsons Drydock CPT	686.93	768.74
Sturrock Drydock CPT	686.93	768.74
Princess Elizabeth ELS	686.93	768.74
WHARF CRANES (OUTSIDE ORDINARY WORKING HOURS		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
(DUR)		
Drydock DUR	686.93	768.74
Floating dock DUR	686.93	768.74
Workshop 24 DUR	686.93	768.74
One crane will be provided per vessel if required inclusive in dues. Additional cranes will be charged at, irrespective of the crane lifting capacity per hour		
CRANE 206 - PORT OF CAPE TOWN		
Working hours rate per hour	1 410.01	1 577.94
Overtime rate per hour	1 692.02	1 893.54
Public Holidays and Sundays rate per hour	1 974.03	2 209.14
MISCELLANEOUS		
FRESH WATER		
Fees for the supply of fresh water at a drydock, floating dock, syncrolift and slipway are available on application	On Application	On Application
ELECTRICITY		
Fees for the supply of electricity are available on application	On Application	On Application
COMPRESSED AIR		
Fees for the supply of compressed air are available on application	On Application	On Application
RENT		
Site rent applicable to the slipway area in the Port of Port Elizabeth is as follows		
Booking Fee	693.86	776.50
Site rent per day (first 21 days)	138.76	155.29
Site rent per day (21 days)	173.47	194.13
SECTION 7		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
CARGO DUES ON IMPORTS, EXPORTS, TRANSHIPMENTS AND COASTWISE TRAFFIC		
Cargo dues on all commodities, articles, things or containers (full or empty) is levied at all ports.		
The tonnage must be substantiated by presentation of a bill of lading, manifest, packing declaration or supplier's invoices, as the case may be.		
In instances where the tonnage for cargo dues purposes has been incorrectly declared, whether willful or not, a penalty will be charged.		
A minimum fee for cargo dues on breakbulk cargo will be based on 1 ton.		
A minimum fee for cargo dues on containers will be based on 1 TEU		
IMPORTS		
Breakbulk Cargo Imported		
Per ton	116.44	130.31
Breakbulk Empty returns Imported		
Per ton	3.42	3.83
Bulk Cargo Imported		
Per ton	54.81	61.34
Motor Vehicles Imported		
Per ton	191.80	191.80
No contract number unless order is endorsed		
Containerised Cargo Imported		
6m/20' containers	2 028.08	2 269.62
12m/40' or 13,7m/45' containers	4 056.13	4 539.22
Empty containers, all sizes	67.15	75.15
SEE ANNEXURE B FOR CARGO DUES RATES PER COMMODITY		
EXPORTS		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Breakbulk Cargo Exported		
Per Ton	95.90	107.32
Breakbulk Empty returns Exported		
Per ton	3.42	3.83
Bulk Cargo Exported		
Per Ton	41.09	45.98
Motor Vehicles Exported		
Per Ton	95.90	95.90
Containerised Cargo Exported		
6m/20' containers	1 007.32	1 127.29
12m/40' or 13,7m/45' containers	2 014.65	2 254.59
Empty containers, all sizes	67.15	75.15
COASTWISE CARGO		
BREAKBULK		
Per ton, inwards or outwards		
All cargo outwards per ton	12.63	14.13
All cargo inwards per ton	12.63	14.13
Empty returns outwards per ton	3.42	3.83
Empty returns inwards per ton	3.42	3.83
CONTAINERISED		
All cargo outwards or inwards per container irrespective of contents and including empty containers		
OUTWARDS		
6m container	68.51	76.67
12m/13,7m container	136.99	153.31
Empty containers, all sizes	68.51	76.67
INWARDS		
6m container	68.51	76.67
12m/13,7m container	136.99	153.31
Empty containers, all sizes	68.51	76.67

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
EXEMPTIONS FROM CARGO DUES		
Bunkers and water, all for the vessel's own consumption at a commercial berth, jetty or mooring of Transnet		
Cargo landed in error and reshipped onto the same vessel		
Fish landed for local consumption at a leased berth berth from locally registered fishing vessel licensed by the Department of Environmental Affairs & Tourism		
Clip -on-units for ISO reefer containers and the cribs in which they are conveyed when returned to the original port of shipment.		
Cargo re-stowed by utilising the wharf		
Vessel spares/stores for own consumption		
Vessel stores including bait and packaging materials, vessels spares all for the vessel's own consumption at a commercial berth, jetty or mooring of Transnet		
Bona fide transshipments will qualify for the above exemption only if the import and export documents have been suitably endorsed.		
Vessel's spares/stores imported and moved to a bonded warehouse pending placing on board another vessel are liable for cargo dues on the incoming leg. After placing on board as vessel for own use, import cargo dues will be refunded whilst the outgoing transaction is exonerated from payment of cargo dues provided that both transactions are done within 90 day period. Failing which normal import cargo dues will be maintained. (Both import and export cargo dues documentation) must be suitably endorsed, certified and cross-referenced)		
Vessel's spares/stores transshipped from one vessel to another are exempted from cargo dues. Documents must be certified to the effect that the cargo is vessel spares/stores for the receiving		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
vessel's own use and consumption		
Vessel's spares/stores emanating from local suppliers or being airfreighted are exempted from cargo dues. In these instances, documents must also be certified		
Vessel's spares/stores or duty free vessel's stores/spares imported and moved to a private warehouse (not bonded) as a normal import transaction will attract normal import cargo dues and if placed on board a vessel at a later stage as vessel's spare/stores for own use, the outgoing transaction is exonerated from payment of cargo dues		
Points (i) and (iv) only apply where vessel's spares/stores transaction take place at a commercial berth, jetty or mooring of Transnet		
TRANSHIPPED CARGO		
The fees for Cargo manifested to the port of discharge for transshpipment to another port, or		
Cargo for which transshipping orders have been accepted prior to , or within 3 days of the discharging vessel having commenced discharge, or		
Cargo landed in error or over carried and reshipped onto a different vessel; or		
Bunker fuel oil supplied to vessels direct from tankers (excluding bunker barges)		
Are as follows;		
DEEPSEA		
Containerised cargo, per container (Transhipping)		
6m Containers (Full or MT)		
Inwards	68.51	76.67
Outwards	68.51	76.67

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
12m/13,7m Containers (Full or MT)		
inwards	136.99	153.31
Outwards	136.99	153.31
Breakbulk/Bulk cargo, per ton		
Inwards	3.37	3.77
Outwards	3.37	3.77
COASTWISE		
Containerised cargo, per container (Transhipping)		
6m Containers (Full or MT)		
Inwards	68.51	76.67
Outwards	68.51	76.67
12m/13,7 Containers (Full or MT)		
Inwards	136.99	153.31
Outwards	136.99	153.31
Other cargo, per ton		
Inwards	3.37	3.77
Outwards	3.37	3.77
PENALTIES AND RELATED FEES		
Penalties applicable for cancellations and late, incomplete and non -submission of cargo documentation are as follows;		
Cargo Dues Order Cancellation Fee	240.17	268.77
Late, incomplete and non-submission of Cargo Dues Order (automatically calculated)	1.04	1.16
Late submission of Manifests	1 200.83	1 343.85
Cargo Dues order Framing Fee (on behalf of customer	240.17	268.77
CARGO CONVEYED BY VESSELS PERMITTED TO SERVICE VESSELS WITHIN AND OUTSIDE THE PORT		
Per trip	284.72	318.63

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
ADMINISTRATIVE FEES		
Administrative fees for photocopies per page for Cargo Dues department	7.35	8.23
BREAKBULK IMPORTS		
EOHP =except otherwise herein provided		
Acids	71.92	51.74
Agricultural products / seaweed, EOHP	26.72	29.90
Alumina	24.66	27.60
Aluminium fluoride	47.93	53.64
Ammonium & products thereof	47.93	53.64
Animal / vegetable oils / fats & products thereof	47.93	53.64
Articles of cement / sand / stone	20.55	23.00
Asbestos & products thereof	51.39	57.51
Bait	116.44	130.31
Barley & products thereof	26.72	29.90
Base metals: Other	116.44	130.31
Bricks	47.93	34.50
Cement & clinker	20.55	23.00
Chemicals & products thereof	47.93	53.64
Chrome ore	14.39	16.10
Citrus fruit	18.91	21.16
Clay	20.55	23.00
Coal	19.68	19.68
Copper & products thereof	116.44	80.46
Cotton	116.44	85.07
Cotton seed & products thereof	32.87	36.78
Deciduous fruit	34.44	38.54
Exotic fruit	34.44	38.54
Ferric Sulphate	47.93	53.64
Ferro alloys	24.66	27.60
Fertilizers	20.13	22.53
Fish loose and in cartons	116.44	68.98
Fish meal & products thereof	23.30	26.08
Fish prepared	71.92	51.74
Fluorspar	20.55	23.00
Foodstuff prepared	71.92	51.74
Glass & glassware	26.72	29.90
Grain & products thereof	24.66	27.60
Granite & products thereof	47.93	53.64
Gypsum & products thereof	20.55	23.00
Iron ore	20.55	23.00

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Lead & products thereof	20.55	23.00
Lime & products thereof	20.55	23.00
Logs	54.81	61.34
Magnesium	71.92	80.49
Maize & products thereof	22.62	25.31
Malt & products thereof	36.99	41.40
Manganese ore	14.39	16.10
Ores & minerals: Olivine	20.55	23.00
Ores & minerals: Other	20.55	23.00
Ores & minerals: Silico Manganese	116.44	41.40
Ores & minerals: Silicon metal	116.44	80.46
Paper & products thereof	62.33	69.75
Petroleum coke	25.70	28.76
Pig iron	20.55	23.00
Pitch pencil	20.55	23.00
Plastic & products thereof	95.90	107.32
Potash & products thereof	20.13	22.53
Rice & products thereof	26.72	29.90
Rubber & products thereof	83.92	93.91
Rutile	116.44	61.34
Salt	20.55	23.00
Scrap steel	6.83	7.64
Soda ash	30.82	34.49
Sodium sulphate / sulphite	47.93	53.64
Stainless steel (excluding pipes & tubes)	89.06	89.06
Steel pellets	7.53	8.43
Steel pipes / tubes	75.34	62.10
Steel rebars / sheets / plates / angles	20.92	23.41
Steel: Cold rolled coils, galvanised, aluzinc coils	20.92	23.41
Steel: Hot rolled coils, slabs, billets	20.92	23.41
Sugar	24.66	27.60
Textiles & products thereof	95.90	68.97
Timber & products thereof (excluding furniture)	69.88	78.20
Titanium slag	30.82	34.49
Vegetables fresh or frozen	26.72	29.90
Vegetables prepared	71.92	80.49
Vermiculite	28.77	32.20
Wheat & products thereof	25.70	28.76
Woodpulp	41.09	45.98
Zinc & products thereof	20.55	23.00
Zircon	116.44	61.34
BREAKBULK EXPORTS		

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Acids	30.82	34.49
Agricultural products / seaweed, EOHP	26.72	29.90
Alumina	20.55	23.00
Aluminium fluoride	95.90	53.64
Ammonium & products thereof	47.93	53.64
Animal / vegetable oils / fats & products thereof	47.93	53.64
Articles of cement / sand / stone	20.55	23.00
Asbestos & products thereof	51.39	57.51
Bait	20.55	23.00
Barley & products thereof	26.72	29.90
Base metals: Other	80.58	90.18
Bricks	20.55	23.00
Cement & clinker	4.11	15.33
Chemicals & products thereof	95.90	53.66
Chrome ore	11.64	13.03
Citrus fruit	18.91	21.16
Clay	20.55	23.00
Coal	19.68	19.68
Copper & products thereof	47.93	53.64
Cotton	50.68	56.72
Cotton seed & products thereof	32.87	36.78
Deciduous fruit	34.44	38.54
Exotic fruit	34.44	38.54
Ferric Sulphate	95.90	53.64
Ferro alloys	24.66	27.60
Fertilizers	14.39	16.10
Fish loose and in cartons	41.09	45.98
Fish meal & products thereof	23.30	26.08
Fish prepared	30.82	34.49
Fluorspar	20.55	23.00
Foodstuff prepared	30.82	34.49
Glass & glassware	12.92	14.46
Grain & products thereof	24.66	27.60
Granite & products thereof	7.94	35.76
Gypsum & products thereof	20.55	23.00
Iron ore	20.55	23.00
Lead & products thereof	16.43	18.39
Lime & products thereof	20.55	23.00
Logs	5.49	40.89
Magnesium	95.90	80.49
Maize & products thereof	22.62	25.31

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Malt & products thereof	36.99	41.40
Manganese ore	14.39	16.10
Ores & minerals: Olivine	95.90	23.00
Ores & minerals: Other	20.55	23.00
Ores & minerals: Silico Manganese	24.66	27.60
Ores & minerals: Silicon metal	47.93	53.64
Paper & products thereof	35.62	39.86
Petroleum coke	25.70	28.76
Pig iron	10.94	12.24
Pitch pencil	19.20	21.49
Plastic & products thereof	41.09	45.98
Potash & products thereof	14.39	16.10
Rice & products thereof	26.72	29.90
Rubber & products thereof	51.39	57.51
Rutile	24.66	27.60
Salt	20.55	23.00
Scrap steel	6.83	7.64
Soda ash	30.82	34.49
Sodium sulphate / sulphite	95.90	53.64
Stainless steel (excluding pipes & tubes)	89.06	89.06
Steel pellets	7.53	8.43
Steel pipes / tubes	36.99	41.40
Steel rebars / sheets / plates / angles	20.92	23.41
Steel: Cold rolled coils, galvanised, aluzinc coils	20.92	23.41
Steel: Hot rolled coils, slabs, billets	20.92	23.41
Sugar	24.66	27.60
Textiles & products thereof	41.09	45.98
Timber & products thereof (excluding furniture)	15.05	52.14
Titanium slag	30.82	34.49
Vegetables fresh or frozen	26.72	29.90
Vegetables prepared	30.82	34.49
Vermiculite	28.77	32.20
Wheat & products thereof	25.70	28.76
Woodpulp	41.09	45.98
Zinc & products thereof	20.55	23.00
Zircon	20.55	23.00
DRY BULK IMPORTS		
Agricultural products / seaweed, EOHP	26.72	29.90
Alumina	24.66	27.60
Andalusite	54.81	61.34

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Barley & products thereof	26.72	29.90
Cement & clinker	20.55	23.00
Chrome ore	14.39	16.10
Coal	7.94	7.94
Copper concentrates	20.55	23.00
Cotton seed & products thereof	32.87	36.78
Ferro alloys	24.66	27.60
Fertilizer & products thereof	14.39	16.10
Fluorspar & products thereof	20.55	23.00
Grain & products thereof	20.55	23.00
Gypsum & products thereof	20.55	23.00
Iron Ore	14.39	16.10
Iron Oxide (Hematite)	14.39	16.10
Lead & products thereof	54.81	61.34
Maize & products thereof	20.55	23.00
Malt & products thereof	36.99	41.40
Manganese ore	14.39	16.10
Ores & minerals EOHP	20.55	23.00
Ores & minerals: Magnetite	54.81	17.59
Ores & minerals: Silico Manganese	24.66	27.60
Petroleum Coke	25.70	28.76
Pig iron	54.81	18.36
Potash & products thereof	14.39	16.10
Rice & products thereof	22.62	25.31
Rockphosphate	7.81	8.74
Rutile	54.81	61.34
Salt	4.80	13.99
Soda ash	20.55	23.00
Steel: Steel pellets	7.53	8.43
Sugar	54.81	61.34
Sulphur	5.22	5.84
Timber products: Wood shavings, sawdust	54.81	61.34
Titanium slag	54.81	61.34
Vermiculite	54.81	61.34
Wheat & products thereof	20.55	23.00
Woodchips	54.81	61.34
Zinc & products thereof	20.55	23.00
Zircon	54.81	61.34
DRY BULK EXPORTS		
Agricultural products / seaweed, EOHP	26.72	29.90

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
Alumina	41.09	27.60
Andalusite	9.59	40.89
Barley & products thereof	41.09	29.90
Cement & clinker	4.11	15.33
Chrome ore	4.94	10.73
Coal	6.54	7.32
Copper concentrates	20.55	23.00
Cotton seed & products thereof	41.09	36.78
Ferro alloys	24.66	27.60
Fertilizer & products thereof	14.39	16.10
Fluorspar & products thereof	20.55	23.00
Grain & products thereof	20.55	23.00
Gypsum & products thereof	20.55	23.00
Iron Ore	6.83	7.64
Iron Oxide (Hematite)	6.83	7.64
Lead & products thereof	16.43	40.89
Maize & products thereof	10.94	12.24
Malt & products thereof	41.09	41.40
Manganese ore	6.83	7.64
Ores & minerals EOHP	41.09	23.00
Ores & minerals: Magnetite	10.48	11.73
Ores & minerals: Silico Manganese	24.66	27.60
Petroleum Coke	25.70	28.76
Pig iron	10.94	12.24
Potash & products thereof	14.39	16.10
Rice & products thereof	41.09	25.31
Rockphosphate	7.81	8.74
Rutile	24.66	27.60
Salt	41.09	13.99
Soda ash	41.09	23.00
Steel: Steel pellets	5.49	8.43
Sugar	16.43	18.39
Sulphur	5.22	5.84
Timber products: Wood shavings, sawdust	5.74	40.89
Titanium slag	30.82	34.49
Vermiculite	13.43	40.89
Wheat & products thereof	20.55	23.00
Woodchips	5.74	40.89
Zinc & products thereof	41.09	23.00
Zircon	20.55	23.00

	CURRENT TARIFF RAND (01/04/10)	PROPOSED TARIFF RAND (01/04/11)
LIQUID BULK IMPORTS		
Ammonium & products thereof	21.93	24.54
Anhydrous ammonia	21.93	24.54
Animal / vegetable oils / fats & products thereof	47.93	53.64
Caustic soda	39.05	43.70
Crude & petroleum products	24.66	27.60
Molasses & products thereof	5.37	27.60
Phosphoric acid	54.81	61.34
Pitch pencil	11.51	12.88
Sunflower seed oil	47.93	53.64
LIQUID BULK EXPORTS		
Ammonium & products thereof	21.93	24.54
Anhydrous ammonia	21.93	24.54
Animal / vegetable oils / fats & products thereof	41.09	45.98
Caustic soda	41.09	43.70
Crude & petroleum products	23.62	26.43
Molasses & products thereof	2.74	26.43
Phosphoric acid	34.95	39.11
Pitch pencil	41.09	12.88
Sunflower seed oil	41.09	45.98

ANNEXURE B

WACC, ACCOUNTING POLICIES ON ASSETS AND REVENUE REQUIREMENT

TRANSNET NATIONAL PORTS AUTHORITY

FY 2011/12

1. WACC

Introduction

The cost of capital is the price a company pays for the funds it uses to finance its investments. Most firms raise several types or components of capital including ordinary and preference shares, various forms of debt and in some cases hybrid capital such as convertible loan securities. The costs of capital are opportunity costs: the returns investors and lenders require from providing capital to a company rather than

in alternative investments of a similar risk.

The methodologies for the calculation of the cost of capital are generally accepted by finance managers, academics and competition and regulatory authorities. The cost of capital for a company is calculated as a weighted average of the cost of the different components of capital used to finance a firm: the costs of each type of capital and the capital structure of the firm - the proportion of each component of capital used to fund the company. For a company with equity and debt capital the weighted average cost of capital (WACC) can be expressed as:

$$WACC = w_e r_e + w_d r_d$$

Where:

- W_e = the weight used for equity capital (equity divided by the sum of equity and debt)
- W_d = the weight used for debtER10/11 is the expected revenue for 2010/11
- r_e = the required return of equity capital investors
- r_d = the required return by debt capital holders

The conventions and assumptions typically used by "best practice" companies and by competition and regulatory authorities in the calculation of WACC are:

- Competitive neutrality. Commercial state-owned enterprises are usually treated as private sector companies in the calculation of WACC and the assessment of their profitability.
- Market values rather than book values of equity and debt are used wherever possible.
- The capital structure weights are calculated on market values of equity and debt capital.

- The weights are based on the target capital structure of the firm – the chosen optimal mix of equity and debt that minimises the company's cost of capital.
- The target capital structure remains unchanged over time.
- The capital components are funds that are obtained from investors. They do not include capital from other sources such as creditors or accruals.
- After-tax returns are calculated using the marginal rate of taxation.

Estimating Capital Structure

The capital structure is the mix of different types of capital used to finance the investments in a company and has an important effect on the cost of capital. Companies choose a capital structure – the target capital structure – that minimises the cost of capital and reflects both the business and financial risks affecting the company and investors views. The issue is a complex one of trade-offs between the benefits, costs and risks (e.g. bankruptcy) of operating and financial leverage and their effects on the required returns by investors. There is no theoretically "correct" capital structure, a fact recognised by competition and regulatory authorities.[6] Consequently, a division needs to be able to justify its capital structure based on an analysis of its business and financial risks and factors such as the need for financial flexibility and a sound credit rating, the level of interest rates, and transaction costs and fees of issuing different types of capital.

Estimating WACC: the Cost of Equity Capital

The cost of equity is the rate of return investors require from holding ordinary or preference shares in the company. Whilst the Authority's WACC is a real post-tax cost of capital it is important to note that a post-tax cost of equity does not suggest that there should be any adjustments to the cost of equity to reflect it as a post-

[6] For example, a report commissioned by the U.K. Office of Fair Trading states, "There is no consistent academic evidence, or normative model, that predicts unequivocally what an optimal capital structure might be." Source: Oxera, Assessing Profitability in Competition Policy Analysis, Economic Discussion Paper 6, Office of Fair Trading (2003).

tax number. Returns to equity are, by definition, post tax. However, if one wishes to express a cost of equity as a pre-tax number, the post-tax cost of equity should be grossed up to reflect this.

This approach is consistent with corporate finance literature and practice together with regulatory practice, In this regard, Transnet has reviewed regulatory decisions in four sectors in the UK as follows:

- Water industry: Ofwat, *Future of Water and Sewerage Charges 2005-2009*, Final Determination, April 2005.
- Energy industry: Ofgem, *Electricity Distribution Price Control Review*, Policy Document, March 2004.
- Telecommunications industry: Ofcom, *Wholesale mobile voice call termination markets – a proposal to modify the charge control conditions*, Explanatory statement and notification of proposals, June 2005.
- Aviation industry: Competition Commission, *A Report on the Economic Regulation of London Airport Companies*, October 2007.

The Authority's approach is consistent with all these decisions, all of which do not adjust any of the components of the cost of equity, (including the risk free rate) to determine the post-tax cost of equity.

Most large companies, their financial advisers and competition authorities generally use the Capital Asset Pricing Model (CAPM) in their assessment of the cost of ordinary equity capital.

The CAPM states that the required return or opportunity cost of equity capital is the return on risk-free securities (R_f), plus the company's systematic risk (measured by its beta or β) multiplied by the equity market risk premium ($R_m - R_f$):

$$K_e = R_f + \beta(R_m - R_f)$$

Where:

- R_f = the nominal risk free rate of interest
- β = the share's beta coefficient (Beta)
- R_m = the return on the market index

The CAPM is based on expected returns by investors. Although estimates of the risk-free rate can be obtained from the money or bond market, the equity risk premium and the firm's beta are not observable in the equity market and the "best practice" convention is to use historical data for these elements of the CAPM model in order to estimate the required return.

The Risk-free Nominal Rate of Interest

The risk-free rate is the rate of interest required by an investor seeking a certain return and the most appropriate financial instruments as an estimate are the rates of return on a rand denominated Treasury bill or a government bond. These instruments are free of credit risk and include an expected inflation risk premium to protect investors from expected inflation. The instrument used should match the period of the contract or the time period chosen to assess the profitability of a project or investment. In the case of Transnet where both the infrastructure and many of the operating assets are long-lived, a twenty year government bond is appropriate. A suitable issue is the R186 10,5% 2026 bond.

The Equity Risk Premium

The equity market risk premium (ERP) is the excess return expected by investors on an equity market portfolio relative to risk-free assets. The ERP is not directly observable from market data because the future returns (dividends and capital appreciation) from equities are uncertain. Consequently, analysts typically use historical data as a basis for estimating expected risk premiums.

Generally in calculating the equity cost of capital, the ERP is considered to be constant over time and assumes on average that investors' expectations are realised. Consequently, the expected risk premium can be estimated from a historical average of the difference between past equity returns and risk-free rates of interest such as treasury bills or long-term government bonds. As equity returns tend to be volatile from year to year it is common practice to use returns over an extended period of time, often several decades.

The estimate of the ERP used in the calculations is based on the recent comprehensive and authoritative study of world equity premiums in the Global Investment Returns Yearbook 2008 by Dimson, Marsh and Staunton (DMS) (2008)[7]. The authors used a database comprising annual investment returns incorporating reinvested gross income and capital gains on shares, bonds, and treasury bills as well as data on inflation and currencies for 16 countries (including South Africa), over the period 1900-2007. The arithmetic mean of the ERP for South Africa was estimated at 5,8% for the period, based on the return of the JSE all-share index over the average long-term government bond rate an estimate of 6,0% has been used in the calculation of the WACC, and is the rate most often used in the calculation of the cost of equity according to the latest PWC survey of S.A. companies.[8]

The Beta Coefficient

In the CAPM model, the beta coefficient is used as a measure of the systematic or non-diversifiable risk of a company's ordinary shares. The beta indicates how the price of a company's share responds to changes in the market portfolio. The average market risk for all securities, i.e. the market itself, is a beta of one. Shares with a beta higher than one are more responsive to market forces and are therefore more risky than the market. The higher the risk the higher is the beta and the expected return on the share. The expected return is also affected by a company's gearing and is reflected in the equity beta of the company[9]. The asset beta of a company is the unleveraged beta, assuming that the company has no debt. The relationship between an asset beta and an equity beta can be determined by a number of methods. Two popular methods include:

- The conventional method. Here one uses the equation: $\beta_e = \beta_a(1+D/E)$ where D equals the amount of debt capital and E equals the amount of equity capital. This method for deleveraging and leveraging the beta is also referred to as the practitioner's method or simple/conventional method.
- The Hamada Method. Here one uses the equation: $\beta_e = \beta_a(1+(1-t)D/E)$ where D equals the amount of debt capital and E equals the amount of equity capital and t represents the relevant country's tax rate.

Transnet has decided to use the Hamada method and calculated Beta's measured monthly over a five year period.

[7] Dimson E., Marsh P., and M. Staunton. Global Investment Returns Yearbook published by the London Business School.

[8] Source: Price WaterhouseCoopers Report, Valuation Methodology Survey 2007/08 Edition.

[9] The beta of a company's shares given its capital structure is its equity beta. A firm that has no debt has an unlevered or asset beta.

Estimating WACC: The Cost of Debt Capital

The cost of debt finance consists of the risk-free rate of interest plus the debt premium for the company's debt capital. The debt premium reflects the default risk arising from holding the company's debt. It is directly observable where the company has listed debt securities or otherwise by the use of proxy measures.

Where the company, like Transnet, does have listed debt, the risk premium over the relevant government benchmark can be used, i.e. the yield-to-maturity (YTM) of the Transnet bond less the YTM of the relevant government bond. For example, Transnet has bonds listed on the Bond Exchange of South Africa.

If the company has not issued public debt and the yield on its private debt cannot be estimated from its published financial reports, a proxy is to take its rating issued by authoritative rating agencies such as Standard and Poor's or Moodys. The debt premium can then be estimated from the yield spread for that rating (or a similar rating) above the relevant government bond.

Where the company is using short-term debt in its mix of capital, estimates of future short-term interest rates as the debt is rolled over can be obtained from calculating the relevant forward rates. Forward rates can be derived from the government securities yield curve plus an estimate of the debt premium at those future dates or derived directly from the yield curve of securities with the same credit rating.

The post-tax cost of debt capital is normally calculated using the marginal rate of company taxation.

Estimate of WACC for Transnet National Ports Authority "the authority")

This section outlines an estimate of the nominal post-tax WACC for the Authority based on market data[10] at 31 March 2010. The assumptions are:

Assumption 1: Capital structure

We have used a debt to total capital ratio (gearing ratio) of 45%. The 45% gearing corresponds to the average gearing for the period 2010/11 to 2013/14 as per the 2010 Corporate

[10] Bloomberg provided the source for market capitalisation, total debt and betas. Bond prices were obtained from I-Net and exchange rates for www.xe.com

Plan.

Assumption 2: Risk Free Rate and pre-tax interest rate

The risk-free rate for use in the CAPM cost of equity calculation is the YTM of the R186 10,5% 2026 government bond, reflecting the long-lived assets in Transnet.

The pre-tax interest rate over the next 5 years was estimated by Transnet Group Treasury and equates to 10.72%.

Assumption 3: Market Risk Premium

The CAPM equity market risk premium is 6,00%, a conservative estimate given the long-term ERP in the South African equity markets. It is assumed that the majority of Transnet's shareholders, were it a private sector company, would be South African financial institutions whose portfolios are constrained by exchange controls and therefore hold most of their assets in domestic securities.

Assumption 4: Betas

Going forward Transnet has decided to use the Hamada Method of deleveraging and re-leveraging the beta.

The equity beta for the Authority was calculated from the asset betas of proxy companies adjusted for the Transnet target debt capital/total capital ratio of 45%. The was based on usingA simple average of 11 international ports. All beta data was obtained from Bloombergs as opposed to Reuters. The beta of 0.59 is in line with the beta of 0.62 determined in the 2009 WACC Policy.

Calculation of Betas for Ports (Hamada method: Using Simple Average)

	Port of Tauranga Ltd	Forth Ports Ltd	South Port New Zealand Ltd	Lyttelton Port Co Ltd	Northland Port Corporation	Rizhao Port Co Ltd	Shanghai International Port (Group) Co Ltd	Tianjin Port Co Ltd	Chongqing Gangjiu Co Ltd	Thessalonki Port Authority	Piraeus Port Authority SA	
Market Value (MV)												
Total debt	**207**	**257**	**2**	**57**	**-**	**2,622**	**5,706**	**6,327**	**1,750**	**-**	**41**	
Equity	**939**	**635**	**75**	**251**	**70**	**11,582**	**117,339**	**19,612**	**3,038**	**140**	**326**	
Total Capital	**1,146**	**892**	**77**	**308**	**70**	**14,205**	**123,045**	**25,939**	**4,788**	**140**	**367**	
Country	New Zealand	United Kingdom	New Zealand	New Zealand	New Zealand	China	China	China	China	Greece	Greece	
Country Tax Rate**	30%	28%	30%	30%	30%	25%	25%	25%	25%	25%	25%	
Capital Structure (MV)												
Debt/ Total Capital	18.1%	28.8%	2.6%	18.6%	0.0%	18.5%	4.6%	24.4%	36.6%	0.0%	11.1%	14.8%
												Simple Average
Equity Beta	**0.70**	**1.36**	**0.23**	**0.25**	**0.12**	**0.71**	**1.05**	**0.80**	**0.69**	**1.05**	**0.87**	**0.71**
Asset Beta (MV)	**0.61**	**1.05**	**0.23**	**0.21**	**0.12**	**0.61**	**1.01**	**0.65**	**0.48**	**1.05**	**0.80**	**0.62**

*Equity (MV), Betas, Total Debt from Bloomburgs as at 31 March 2010 (accessed 9 April 2010),
**Tax rates are obtained from KPMG's Corporate and Indirect Tax Rate Survey 2009

Calculated WACC for Transnet National Ports Authority

The following table outlines the WACC for the Authority based on the Hamada Method.

Variable	Ports
Debt/Capital ratio	45%
Risk-free rate	8.81%
Pre-tax debt interest rate	8.51%
Debt risk Premium	2.21%
Equity risk premium	6.00%
Equity beta	0.98
Asset beta	0.62
Marginal tax rate	28%
Cost of Equity	14.70%
Post-tax cost of Debt	7.72%
WACC	11.56%

2. Accounting Policies on Assets

Regulatory Asset Base ("RAB") at 31 March 2010:

ASSET	NET BOOK VALUE
Property, plant and equipment	**40,015**
• Land, Buildings and Structures	4,748
• Permanent Ways and Works	287
• Containers	-
• Port Facilities	
○ Port Infrastructure	34,134
○ Floating Craft	535
○ Bulk handling equipment	8
• Aircraft	109
• Machinery, Equipment and Furniture	187
• Vehicles	7
Capital Work in Progress ("CWIP")	6,095
Intangible Assets	39
Investment Property	4,096
RAB at 31 March 2010	50,245

Property, plant and equipment

All items of PPE, with the exception of port infrastructure assets within port facilities, are stated at cost less accumulated depreciation where appropriate and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and borrowing costs, which are capitalized to qualifying assets.

Port infrastructure assets are carried at revalued amounts. Physical revaluations are carried out every three years by independent experts and appropriate indices are applied in the intervening periods to ensure that the assets are carried at fair value at the balance sheet date. Revaluation surpluses that arise are taken directly to the revaluation surplus in equity, except to the extent that they reverse a revaluation decrease for the same asset previously recognized as an expense, in which case the surplus is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of an asset is charged as an expense to the extent that it exceeds the balance, if any, held in the asset's revaluation surplus relating to a previous revaluation of that asset. Assets that are subject to a revaluation are tested against a discounted cash flow model to ensure that the carrying values of the assets are recoverable. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus in the revaluation reserve is transferred to retained earnings.

Useful life and depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land and assets in the course of construction are not depreciated. All other property, plant and equipment, are depreciated on a straight-line basis over their estimated useful lives. Depreciation commences when the asset is available for its intended use by management.

Assets are depreciated over the following periods:

	Years
Land improvements	10 – 25
Buildings and structures	10 – 50
Building components	5 – 35
Substations, transformers	25
Bridges, culverts and tunnels	95
Permanent way and works	3 – 95
Containers	10 – 20

Port facilities

Port Infrastructure	12 – 100
Entrance channel, dredged areas and breakwater	100
Quay wall, slipway, jetty	40 – 50
Fenders	12
Floating craft including components	10 - 40
Bulk handling equipment	15
Aircraft (Helicopter)	5 – 8
Vehicles	3 – 7

Capital work in progress

Assets under construction, including capital work in progress, are stated at cost, less any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Firm commitments on hedge accounted transactions are included in capital work in progress.

Intangible assets

Software and licenses

Software and licenses are recognized and measured at cost less accumulated amortization and any impairment losses.

Costs associated with researching or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable software products controlled by the Transnet National Ports

Authority, and that will probably generate economic benefits beyond one year, as well as for which the costs can be measured reliably, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Costs relating to the acquisition of licenses are capitalized and amortized on a straight-line basis when available for use in the manner intended by management.

Estimated useful life

Amortization is charged to the income statement on a straight – line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

Software:	5 years
Licenses:	Term of the license

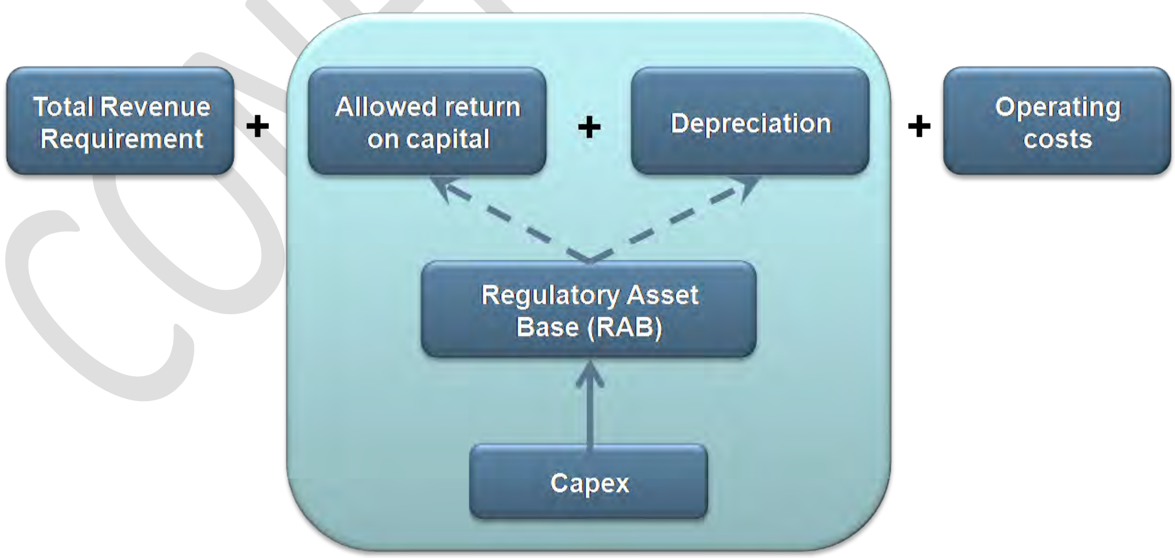
3. Revenue Requirement Explanation

All forms of rational economic regulation of utilities, networks, industries and markets, whether it be rate of return regulation, price-capping regulation or revenue-capping regulation, require the determination of the actual or normative costs of running the particular business. There are the three basic building blocks of any company (whether it is privately-owned or owned by the state) namely the recovery of

Investments (through the depreciation charge), costs and profit. This is recognised in the Regulator's Directives, namely Directive 23(2) (as amended by agreement between Transnet and the Regulator) which obliges the Regulator to enable the Authority to:

- Recover its investment
- Recover its costs
- Make a profit commensurate with risk.

This is illustrated schematically as follows:



We note in this regard that section 28(3) of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003), which forms part of the economic regulatory framework administered by the National Energy Regulator of South Africa ("NERSA"), obliges NERSA to ensure that the tariffs set or approved by NERSA enable the licensee to recover its investment, operating costs and make a profit commensurate with risk. Similarly, Eskom is regulated in this manner. This approach mimics that adopted by regulators around that world, i.e. that such costs must, at a minimum, be recovered by a regulated entity. If these three categories of costs cannot be recovered, the financial sustainability of the Authority would be under threat. The building blocks are used in most regulated entities around the world.

ANNEXURE C

TRANSNET

TARIFF APPLICATION COMPLIANCE REPORT

TRANSNET NATIONAL PORTS AUTHORITY

FY 2011/12

Tariff Application Compliance Report

In terms of section 72 subsection (1)a of the National Ports Act of 2005, the Authority must with the approval of the Ports Regulator determine tariffs for services and facilities offered by the authority and annually publish a tariff book containing those tariffs. In order to fulfill this function the Authority in terms of section 22 subsection (1) of the directives, must submit its tariff book containing all its proposed tariff's for the following financial year to the to the regulator for review and approval. This submission has to comply with the requirements set out in Directive(S) 22, 23.

The table below lists the said Directives and the degree of compliance by the Authority. Explanations and References accompany the table.

Directives	Compliance achieved?	Comments
22(1) The authority shall within thirty days of the directives coming into effect and thereafter on an annual basis or at such longer periods as the authority and regulator may agree, submit its tariff book setting out its proposed tariff for all its services and facilities offered by the authority for the following financial year of the authority for approval by the regulator	Yes	The Authority has duly submitted the 2011/12 Tariff Application, with the Tariff Book annexed. The Tariff book sets out the regulated tariffs for the Financial Year 2011/12 for review and approval by the Regulator.
The authority shall submit to the regulator a proposal for the amendment of any tariffs or services and facilities offered by the authority at any port from time to time	Yes	The Authority has duly submitted the 2011/12 Tariff Application requesting a single and uniform tariff increase for all regulated tariffs, for review and approval by the Regulator. Furthermore the Authority advises the Regulator of proposed amendments to the Marine Tariffing scales and introduces a marine tariff discounting model in addition to the Automotive tariff discounting model.
22(3)a The authority must reveal to the regulator: the manner in which tariffs have been calculated and the model used.	Yes	The Authority has set out in the Tariff Application document the manner in which it calculates the overall revenue required and the required tariff increase therefore. Annexure B, Section 3 explains the Authority's approach to the revenue requirement model. In Section 2

Directives	Compliance achieved?	Comments
		of the Tariff application document the Authority provides explanation which informs the existing tariffs and how the required tariff increase will be applied to the existing tariffs. The methodology for calculating individual tariffs is the subject of a Tariff Review Project details of which is covered in the Tariff Application.
22(3)b The authority must also reveal all operating and capital costs, expenses and revenues incurred or generated from the port services or port facilities as well as the value of capital stock	**Partially**	TNPA has disclosed details of the required information at ' Total Level" in the Tariff Application document and Annexure B. Detailed information per service offering may not necessarily be available and is being addressed as part of the Tariff Review Project described in the Tariff Application.
22(3)c the authority is further required to reveal the amounts to be invested and the revenues to be utilized in port development safety, security and environmental protection	**Partially**	To the extent that TNPA invests/ expends in port development, safety& security and environmental protection this information has been provided. However in terms of revenue generated from this investments and return hereon the Authority finds this section of the directive inappropriate as the Authority does not charge on this basis. Such costs/ investments are recovered through the current revenue streams and will be taken into account as part of the Tariff Review project.
22(4)the regulator may call on the authority to provide any additional information the regulator requires to consider the submission in terms of sub directive 1 or 2 or to approve the proposed tariffs	**Yes**	If the regulator deems it necessary for the authority to avail any further information the authority is more than willing to comply with this request
22(5) the authority may in its submission made in terms of directive (1) or (2), identify any information the authority might deem as confidential information. Any submission shall be made and dealt with in terms of directive 25	**Yes**	The Authority has reviewed all the information contained in the tariff application and where there is any confidential or sensitive information the authority will has made a submissions in this regard
22(6) the authority shall maintain such financial and accounting systems as are	**Yes**	Financial models and accounting systems used in the preparation of the Tariff Application are available and

Directives	Compliance achieved?	Comments
necessary to for the regulator to verify the pricing principles and models used by the authority to determine and calculate tariffs		can be availed to the regulator upon request
23 (1) In considering the proposed tariffs the Regulator must have regard to whether the proposed tariffs reflects and balance various considerations as listed in the Directive	**Partially**	The Authority is applying for a single uniform tariff increase across all regulated tariffs. The methodology used by the Authority in this regard is: • Systematic and can be applied on a consistent basis; • Fair, with regards to input considerations; • Simple and transparent; and • Predictable and stable. The Authority is reviewing a methodology for the calculation of all tariffs as mentioned herewith. The Authority will ascertain that the methodology continues to comply with the above considerations and also: • Fair with regards to outputs; • Avoids discrimination and cross-subsidization, save where it is in the public interest; and • And promotes the access of ports and efficient and effective management of national ports
23(2) In considering the proposed tariffs, and any subsequent proposed significant variations, the Regulator will give due considerations to whether the Authority is able to achieve various financial goals listed under the directive.	**Yes**	The Authority has used the Required Revenues methodology in calculating the required increase in tariffs. This methodology will enable the Authority to: • Recover its' investments in owning and managing the port services and facilities. • Recover costs of owning and managing the port services and facilities. • Make a profit commensurate with the risk of owning and managing port facilities
24	**Yes**	The Regulator may access all agreements entered into by the Authority and licensed operators, when the Regulator wishes to view these.