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## RECORD OF DECISION

### WEIGHTED EFFICIENCY GAINS FROM OPERATIONS (WEGO): KEY PERFORMANCE INDICATORS (KPIs) AND ASSIGNED WEIGHTS 2025/26 FY

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#### 1. INTRODUCTION AND BACKGROUND

Weighted Efficiency Gains from Operations (WEGO) is a port operational efficiency mechanism (incentive or penalty) introduced by the Ports Regulator of South Africa (“the Regulator”) as an element in the Required Revenue (RR) tariff methodology for the National Ports Authority (“the Authority” or “the NPA”) to drive efficient port operations. WEGO allows for additional profits to the National Ports Authority (the NPA) for an increase in year-on-year performance on a basket of key performance indicators (KPIs), and similarly a decrease in profits for a decline in performance when results are compared to the previous best performance. The methodology requires the NPA and port users through the Port Consultative Committees (PCCs) to submit to the Regulator their suggested KPIs as well as suggested weights on a per port basis. The Regulator then makes the decision regarding the final basket of KPIs and their weights each year through a Record of Decision (ROD). The selected and measured KPIs must reflect performance on both the water and land side to encapsulate performance across the port system.

The WEGO is intended to highlight specific challenges in the port system (and quantify same) through the assignment of weights to the selected KPIs in a manner that reflects where port performance challenges that need to be addressed. Higher weights are assigned to KPIs reflecting poor performance relative to previous best performance, with lower weights assigned to KPIs where good performance must be maintained. The process is in line with the Record of Decision on the WEGO published on 29 March 2018, which empowers the Regulator to decide on the KPIs for measurement in each financial year (FY).

For the 2025/26 FY, the Regulator issued letters to the NPA and port users on the 13th of January 2025, where the submission(s) deadline for the selected KPIs and assigned weights was 10 February 2025. Submissions were received on the 11th of February 2025, while the PCC Secretariat was granted permission to consolidate submissions from the different PCCs and submit comprehensive motivation to the proposed KPIs by the 17<sup>th</sup> of February 2025. A further four (4) submissions were made by port users independent of the Authority and PCC submission.

The currently measured KPIs comprise the following (with their calculation):

1. **Vessel Service Delay (VSD):** measures the average delay to vessels as a direct result of a terminal or marine service and is calculated as Actual Berthing Time (ABT) minus Planned Berthing Time (PBT) divided by number of vessels delayed.
2. **Ship Working Hour (SWH):** measures the total volume handled during the total productive working hours of the vessels, which will be a sum for all vessels during the month divided by total time between last lift and first lift. Total volume for a given period, number of moves (for containers) tons handled (for breakbulk and bulk cargoes), kilolitres (for liquid bulk) and number of units (for Auto/RORO) divided by Total vessel productive time.
3. **Berth Productivity (BP):** measures total volumes handled divided by total time the ship is alongside the quay and is calculated as the sum of volume handled divided by the time between last line untied and first line tied.
4. **Ship Productivity Indicator (SPI):** measuring total volumes handled divided by total vessel hours in the port, i.e., the sum of volumes/ship turnaround time.
5. **Ship Turnaround Time (STT):** measuring the total hours vessels stay in the port (from breakwater-in to breakwater-out) divided by the total number of vessels serviced, excluding force majeure (weather delays), surge, under currents, and external power supply failures.
6. **Truck Turnaround Time (TTT):** measuring the combined time that trucks spend waiting in the port staging areas and the time they spend inside the terminals. The KPI was introduced as a baseline in the 2024/25 FY.

## 2. WEGO KPIs AND WEIGHT SUBMISSION FOR THE 2025/26 FY

### 2.1. Port Users' Submission

Through their respective PCCs, port users, in each of the eight (8) commercial ports, made the proposals for KPIs to be measured during 2025/26 FY as summarised herein. The submissions made in February 2025 followed joint sittings of the KPIs and WEGO KPIs sub-committees across the ports at which the WEGO measures were reviewed and discussed.

Port users in the Ports of Cape Town, Richards Bay and Durban included Truck Turnaround Time (TTT) in their submissions. The submissions propose an expanded definition of TTT as the combined time that the truck spends in the waiting in the port and the Terminal, rather than gate-in, gate-out. Port users' concern and rationale is that Truck Turnaround Time is a critical KPI for landside operations, emphasizing the need for a precise and structured system to manage and measure the indicator across the value chain, not just within port limits. Furthermore, they propose that the indicator should comprehensively cover and account for aspects like the booking system, slot allocations, and the handling of missed slots to that affect the effective and efficient evacuation of goods in and out of ports. The proposal resonates with the Ports Regulator's defined intent to measure indicators that impacts the system's effectiveness and the overall efficiency of port operations, especially within the container segment.

The port users in the Ports of Cape Town and Durban again proposed that Port Arrival Waiting (PAW) be included for WEGO measurement for 2025/26 FY. PAW is defined as delays at anchorage due to factors within the control of the Authority and terminal operators including availability of suitable berths or congestion/ operations by other vessels on berth, etc. Port users are recommending that issues related to the data integrity and the management of unforeseen exceptions must be addressed to make it a more reliable KPI. Further areas noted to enhance the measurement of PAW include the following:

- how to accurately measure and account for congestion,
- operational delays at berth,
- requests for vessels to slow down, early arrivals, and
- the prioritization of vessels based on their importance.
- alleged delays in the pilot booking process

Port users' submission also considers the potential of focusing more on Ship Turnaround Time (STT) as a more reliable indicator of operational efficiency.

*Table 1: Proposed WEGO KPIs and weight allocation by Port Consultative Committees*

Port Proposed KPIs and weights	Durban	Ngqura	Cape Town	Richards Bay	Port Elizabeth	East London	Mossel Bay	Saldanha
	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)
Vessel Service Delays (VDS) – NPA Marine Services	10	30	15	20	30	10	10	15
Vessel Service Delays (VDS) – Terminal Operator	10	15	15	15	15	10	10	15
Berth Productivity (BP)		15		20	15	20	20	25
Ship Turnaround Time (STT)	35	25	25	35	25	20	20	15
Port Arrival Waiting (PAW)	20		20					
Ship Working Hours (SWH)		15	30		15	20	20	20
Ship Productivity Indicator (SPI)						20	20	10
Truck Turnaround Time (TTT)	25		10	10				
	100	100	100	100	100	100	100	100

## 2.2. The Authority's Submission

The Authority indicate in their submission that the suggested Key Performance Indicators (KPIs) for the 2025/26 financial year are derived from KPI alignment workshops held in 2020 involving multiple stakeholders and in collaboration with the Port Consultative Committees (PCC) at all ports. In their submission, the Authority reported that they focused on identifying key areas to assess port performance and enhance operational efficiencies at these workshops. Accordingly, in its submission, the Authority proposes new KPIs for inclusion in the 2025/26 financial year defined as:

- On-Time Vessel Turnaround (OVT) measuring the terminal operator's ability to work and complete cargo operation on-time as planned,
- Berth Departure Waiting (BDW) measuring the time the vessel is waiting on berth after completion of cargo operations,

- On-Time Berthing – Terminal (OTB-T) measuring the terminal operators' readiness to service vessels on time as requested,
- On-Time Berthing – Marine Services (OTB-MS) measuring the NPA's marine ability to service vessels on time as planned, and
- Berth Arrival Waiting (BAW) measuring the time the vessel is waiting on berth before cargo operations start, after the last line has been tied.

*Table 2: Proposed WEGO KPIs and weight allocation by the NPA (%)*

Port	Durban	Ngqura	Cape Town	Richards Bay	Port Elizabeth	East London	Mossel Bay	Saldanha
Proposed KPIs/ assigned weight	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)	Weight (%)
On-time berthing – Marine Services	30	30	30	30	30	30	30	30
On-time berthing – Terminal Operator	10	10	10	10	10	10	10	10
On-Time Vessel Turnaround (OVT)	40	40	40	40	40	40	40	40
Berth Arrival Waiting Time	10	10	10	10	10	10	10	10
Berth Departure Waiting Time	10	10	10	10	10	10	10	10
	100	100	100	100	100	100	100	100

The NPA has proposed that the current KPIs measuring Vessels Service Delays for NPA Marine and Terminal Operator (VSD), Berth Productivity (BP), Ship Turnaround Time (STT), Ship Productivity Indicator (SPI), Ship Working Hour (SWH) and Truck Turnaround Time (TTT) be excluded from the WEGO basket of KPI's.

## 2.3 The Ports Regulator's observations

The determination of Key Performance Indicators for WEGO has remained an inclusive and highly impassioned process as the Ports Regulator, the Authority and Port User continue to define a system that must result in continuous improvement and efficient operations in the South African port system.

Submissions by the Ports Authority and port users have consistently been dissimilar over the years. In the 2025/26 FY submissions, the Ports Authority has motivated for the replacement of the current five (5) WEGO KPIs measured by five (5) new KPIs. Port users on the other hand have motivated for addition of one (1) to the currently measured KPIs. In the current ROD, the Regulator had requested

that the Port Authority establishes a baseline for TTT, the port users have included TTT in their submission, and the Port Authority did not include TTT.

### **2.3.1. Proposed new KPI: Port Arrival Waiting (PAW).**

The Regulator acknowledges the rationale for port users to propose the Port Arrival Waiting as a WEGO Indicator i.e. the need to focus on tracking the duration vessels remain at anchorage awaiting port services. However, the challenge is with the description of the KPI offered by port users which only addresses delays at anchorage resulting from the terminal operator's actions. The definition fails to account for delays resulting from inadequate marine services offered by the Authority. Therefore, the Regulator considers this KPI to be inadequately defined and recommends a more expansive approach to its measurement.

### **2.3.2. Ports Authority proposed WEGO KPIs**

The Ports Regulator has also considered the Authority's proposed KPIs which are:

- On-time berthing: Terminal (OTB-T) defined as a percentage of vessels movements (berthing) that were not delayed as a direct result of the Terminal Operator,
- On-time berthing: Marine Services (OTB-MS) defined as a percentage of vessels movements (berthing) that were not delayed as a direct result of Marine Services and
- On-Time Vessel Turnaround (OVT) also named Cargo Working Time (CWT) defined as a percentage of vessels that completed cargo operations on-time as planned.

These three key performance indicators (KPIs) merely indicate the percentage of vessels that are not delayed due to terminal or marine service issues, failing to capture the overall scale or severity of the delays. The Regulator is concerned regarding the Authority's continued reliance on evaluating performance against planned or targeted timelines. It believes that this approach allows for the inclusion of existing inefficiencies and resource shortages when determining these targets.

The remaining KPIs reflects operational parameters to be managed between the Authority and Terminal Operators and/or affected service providers and lack applicability required for inclusion in WEGO:

- Berth Arrival Waiting Time (BAW) defined as time the vessel is waiting on berth before cargo operations start, after the last line has been tied and
- Berth Departure Waiting (BDW) defined as time the vessel is waiting on berth after completion of cargo operations.

In the 2024/25 FY Record of Decision, the Regulator introduced and included a landside measure, Truck Turnaround Time (TTT) KPI, to establish a baseline. The TTT is to be calculated as the combined time that trucks spend waiting in the port staging areas and the time they spend inside the terminals. This is consistent with the Regulator's objective to establish a landside KPI within WEGO. The Regulator is concerned that the proposed KPI will be limited to measurement at the container terminals in the ports of Durban and Cape Town, with no explanation given for the omission of other terminals. Furthermore, port users have suggested that this KPI be implemented for the 2025/26 financial year at the port of Richards Bay.

The Regulator notes and commends the significant work that has gone into the proposals by both the Authority and port users through PCCs which serves to engender a common understanding to our collective goals of achieving continuous improvements in the port systems by holding the Ports Authority to account on its oversight role over port operations and performance. The differences in the submissions by port user and the Authority evidences the lack of consensus on common performance areas and KPIs. The Authority is implored to work with the Port Consultative Committee as a section 81 structure, to complete the alignment process on common KPIs, water and landside, for the Port System.

### **3. REGULATOR'S DECISION**

#### **3.1. KPI determination process**

At the inception of WEGO, the Regulator accepted definitions and measurements that were agreed to in consultation with the port users and the Ports Authority to take account of the operational parameters prevailing at the time, with the KPI definition and calculation based on SA ports and reporting parameters. The Port Authority in exercising its oversight over the terminal operators through its licensing and related agreements, should focus on indicators that drive improvements on operational efficiencies and the management of operational constraints like investment in appropriate superstructure and sufficient cargo handling capacity, equipment breakdowns, systems and processes to manage effective and efficient evacuation of cargo on the landside.

In the 2024/25 FY WEGO Record of Decision, the Regulator noted that the Authority should take the opportunity to consider revising the calculation of the STT to reflect the entire time a vessel spends at the port. Instead of calculating STT solely from breakwater-in to breakwater-out, it should be determined from the moment a vessel arrives at the port (either at the port limits or upon notice of readiness) until it leaves the port (breakwater-out). This change will arguably include vessels that are anchored and waiting, effectively addressing the concerns expressed by port users in the proposed PAW.

The Regulator is advising that the Port Authority, port users and the Secretariat of the Regulator engage and agree on the time when the calculation of this KPI should start. The Ports Regulator acknowledges that not all vessels that are waiting at anchorage are waiting for a port service, and as such the parties must agree on those exclusions from the reviewed definition. The naming convention of the KPI will also be looked at. For the 2025/26 FY, the Port Authority will therefore establish a baseline based on the expanded definition of STT. The engagements on the parameters of the new definition for STT must be completed by end of Quarter 1, i.e. 30 June 2025.

The influence of parcel sizes on STT calculations, a factor outside the control of the port, which may hide or mask improvements in operations, should be considered in terms of volumes handled in the port from the vessels that called. In the 2025/26 FY, the Regulator will be consulting with the port users and the Port Authority on the Adjusted Ship Productivity Indicator (SPI) which will factor in and account for the impact of volumes handled on STT. The Regulator understands that the larger the parcel size (higher number of volumes) a ship must load or discharge, the longer the amount of time it will spend in the port working. This will negatively impact the Ship Turnaround Time (STT) measure as a lower figure is what is desirable and rewarded. Ship Productivity Indicator a measure that combines both volumes and STT should be considered instead. SPI indicates the quantity of cargo worked or handled per ship hour in port, with a higher figure being desirable. It is calculated as total volumes handled divided by STT.

Since the proposal is to redefine STT which is a denominator in the SPI calculation, SPI would also be automatically redefined. This adjusted SPI should be recorded for creating a baseline in the 2025/26 FY.

In the 2024/25 FY WEGO ROD, the Regulator had also directed the Authority to set a baseline for Truck Turnaround Time (TTT) across all terminals in the port system taking into account time spent by trucks waiting at staging areas. The Regulator appreciates the complexities that exist with effectively measuring this KPI from port staging areas, in the absence of systems being in place and the fact that

not all terminal operators have staging areas inside or outside the ports. Therefore, for the 2025/26 FY, TTT will be included in the KPIs to create a baseline for the second year to ensure that there is sufficient data for measurement and the Port Authority has the capability to validate the TTT. The Regulator will once more afford the Port Authority an opportunity to enhance its processes and systems for Truck Turnaround Time measurement and ensure sufficient data availability and validation of reported performance. Progress on the system to measure TTT must be reported to the Regulator on a quarterly basis.

- The Regulator has considered the Authority's proposal on the inclusion of OTB-T, OTB-MS, BAW, OVT and BDW, and decided that the KPIs will not be included in the WEGO basket of KPIs for the 2025/26 FY. The Ports Regulator could not find evidence that these KPIs have been widely consulted on as they seem to be new or in some instances existing KPIs have been re-defined and given new names. The Regulator recommends that the Port Authority evaluate the possibility of including their proposed Key Performance Indicators (KPIs) in the Terminal Operator Performance Standards (TOPS) agreements they conclude with the terminal operators.

### **3.2. KPIs to be measured in 2025/26FY**

The following KPIs are retained and will be included in the WEGO basket of KPIs for the 2025/26 FY:

1. **Vessel Service Delays (VSD):** Terminal and Marine Service.
2. **Ship Working Hour (SWH)**
3. **Berth Productivity (BP)**
4. **Ship Productivity Indicator (SPI)**
5. **Ship Turnaround Time (STT)**

The following KPIs will be measured for baseline in the 2025/26 FY:

6. **Truck Turnaround Time (TTT)**
7. **Expanded Ship Turnaround Time (STT)**

Whilst the Regulator has consistently maintained that WEGO KPIs can be retired only when there is sufficient and consistent evidence of performance improvement, the Regulator acknowledges the advancement of WEGO is reaching a mature stage, and it is crucial that a review of the WEGO KPIs be considered. In the 2025/26 FY, the Regulator will be engaging extensively on the future WEGO KPIs including definitions and validation of performance. In the coming period, the Regulator intends to focus on a more streamlined selection of comprehensive key performance indicators.

The Regulator has assessed progress made on all the KPIs and has assigned higher weights on KPIs with poor performance. KPIs showing good improvement are assigned a lower weight to maintain focus on the KPI. The aggregate percentage change in performance on each of the KPIs up to Quarter 3 of 2024/25 FY, reflected in **Table 3 below**, shows no notable improvement across the KPIs and across ports, in fact performance on most KPIs has worsened.

**Table 3: Aggregated percentage port performance changes per WEGO KPI up to Q3, 2024/25 FY.**

2024/25 Financial Year, Quarter 3 YTD - Provisional WEGO Performance Report								
WEGO Key Performance Indicators	Richards Bay	Durban	East London	Ngqura	Port Elizabeth	Mossel Bay	Cape Town	Saldanha Bay
Vessel Service Delays - TNPA Marine Services	-0,5%	-756,8%	-44,7%	-26,7%	0,4%	0,0%	0,0%	-28,4%
Vessel Service Delays - Terminal Operators	-30,0%	0,0%	0,0%	-5,0%	0,0%	0,0%	0,0%	0,0%
Ship Working Hour	-0,1%	-1,7%	-0,7%	-3,6%	-1,7%	0,0%	-2,6%	-1,0%
Berth Productivity	-0,1%	-0,5%	-3,8%	-5,9%	-1,9%	0,0%	-5,1%	-0,4%
Ship Productivity Indicator	-9,3%	-6,6%	9,2%	-0,3%	-3,7%	-32,6%	-11,6%	-5,7%
Ship Turnaround Time	-2,6%	-3,8%	-23,0%	-3,2%	-16,5%	-33,0%	-25,3%	-12,5%

Source: National Ports Authority submission to PRSA, March 2025.

The recorded performance on each indicator as summarised in Table 3 does not support the proposal for exclusion of any of the KPIs as the Authority has not registered any significant improvement. The poor performance highlights the need for continued focus by the Regulator on individual KPIs until there is marked and sustained improvement of performance in the port system or the adoption of common KPIs across water and landside.

**Table 4** below provides the Regulator's weighting for each KPI based on assessment of aggregate changes on KPIs between previous best performance and first three quarters of 2025/26 FY whilst considering proposals by Port users through PCCs and the Authority.

**Table 4: Ports Regulator decision on KPI's to be measured and their weights (%) for 2025/26 FY**

Port of	Richards Bay		Durban		East London		Ngqura		Port Elizabeth		Mossel Bay		Cape Town		Saldanha	
KPI/ Changes/ 2024/25 weight	Weighted change in performance (%)	PRSA weight (%)	Weighted change in performance (%)	PRSA weight (%)	Weighted change in performance (%)	PRSA weight (%)	Weighted change in performance (%)	PRSA weight (%)	Weighted change in performance (%)	PRSA weight (%)	Weighted change in performance (%)	PRSA weight (%)	Weighted change in performance (%)	PRSA weight (%)	Weighted change in performance (%)	PRSA weight (%)
VSD – NPA Marine	-0,5	15	-756,8	50	-44,7	30	-26,7	30	0,4	10	0,0	10*	0,0	10	-28,4	30
VSD – Terminal Operator	-30,0	40	0,0	5	0,0	5	-5,0	20	0,0	5	0,0	10*	0,0	5	0,0	10
SWH	-0,1	5	-1,7	10	-0,7	5	-3,6	10	-1,7	10	0,0	**	-2,6	10	-1,0	10
BP	-0,1	5	-0,5	5	-3,8	15	-5,9	20	-1,9	15	0,0	**	-5,1	15	-0,4	5
SPI	-9,3	20	-6,6	20	9,2	10	-0,3	5	-3,7	25	-32,6	30	-11,6	20	-5,7	20
STT	-2,6	15	-3,8	10	-23,0	35	-3,2	15	-16,5	35	-33,0	50	-25,3	40	-12,5	25
TTT***	Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.	
STT (expanded) ***	Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.		Measure for baseline.	

\*Port users in the port of Mossel Bay proposed the inclusion of a measure, which fits the description of VSD albeit measured at SPM/CBM.

\*\*BP and SWH are not measured at the port of Mossel Bay.

\*\*\*TTT should have a baseline measure into WEGO in 2024/25 FY, be retained with no weighting for 2025/26 FY.

\*\*\*STT (expanded definition) Measure the KPI to establish a baseline in 2025/26 FY

The process for determining the final WEGO incentive or disincentive will be outlined as follows:

**April/May 2025:**

- The NPA to submit the full performance data for the 2024/25 FY to the Regulator.
- Subsequently, the Regulator will publish the results and call for comments from port users.
- Where there is a challenge to reported performance, Port user or a particular segment of port user constituency invited to provide verifiable performance data to the Ports Regulator.

**May – June 2025:**

- Consultations will take place with port users through the PCC KPI subcommittees (constituted as WEGO subcommittee and Chaired by the Port Regulator Secretariat), which include the NPA, to validate performance data and s supported by the PCC Secretariat.

- **1 August 2025:**

- The NPA submits its tariff application for the 2026/27 FY, which includes the WEGO incentive/disincentive based on the performance from the 2024/25 FY
- The PCC and/or individual port users are invited to comment on the NPA's tariff application, including aspects related to WEGO, through their written submissions for the Regulator's consideration.

- **01 December 2025:**

- The Regulator issues the NPA Tariff Record of Decision, which includes the WEGO incentive or disincentive.

The Port Authority is required to submit a WEGO performance report and Performance Improvement Plan to the Regulator within sixty (60) days following the publication of this Record of Decision. The Regulator will also conduct data validation of the WEGO Key Performance Indicators (KPIs) during the 2025/26 period.



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**Mr. Zenzele Bongani Aubrey Ngcobo**

Chairperson: Ports Regulator of South Africa (PRSA)

Date: 31 March 2025