TRANSNET

national ports authority



TRANSNET NATIONAL PORTS AUTHORITY

TARIFF APPLICATION FOR FINANCIAL YEAR 2026/27

Picture: UMBILO & ENSELENI TUGBOATS (PORT OF CAPE TOWN)

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ABBREVIATIONS AND ACRONYMS

BER	Bureau of Economic Research
BRICS	Brazil, Russia, India, China, South Africa
BOT	Bulk Operations Terminal
CAGR	Compounded Annual Growth rate
CAPEX	Capital Expenditure
CPT	Cape Town
DBN	Durban
DCT	Durban Container Terminal
DES	Desired End State
DoT	Department of Transport
DRS	Dredging Services
DTIC	Department of Trade, Industry and Competition
EL	East London
ETIMC	Excessive Tariff Increase Margin Credit
FY	Financial Year
GDP	Gross Domestic Product
GPCS	Global Port Comparative Study
HQ	Head Office
IPMS	Integrated Port Management System
KPI	Key Performance Indicators
KZN LH	Kwa-Zulu Natal Logistics Hub
LE	Latest Estimate
LNG	Liquefied Natural Gas
LNS	Lighthouses and Navigational Services
LPG	Liquified Petroleum Gas
MPT	Multipurpose Terminal
MSB	Mossel Bay
NGQ	Ngqura
NMET	New Manganese Export Terminal
NPP	National Ports Plan
OD	Operating Divisions
OPEX	Operating Expenses
PRSA	Ports Regulator of South Africa
PCCs	Port Consultative Committees
PDFPs	Port Development Framework Plans
PE	Port Elizabeth
PTIP	Port Tariff Incentive Programme
PwC	PricewaterhouseCoopers Incorporated
RAB	Regulatory Asset Base
RCB	Richards Bay

RR	Required Revenue
ROD	Record of Decision
SLD	Saldanha Bay
TEU	Twenty-foot Equivalent Unit
TFROC	Transnet Freight Rail Operating Company
TOC	Trended Original Cost
TNPA	Transnet National Ports Authority
TOPS	Terminal Operator Performance Standards
TRIM	Transnet Rail Infrastructure Manager
USA	United States of America
WACC	Weighted Average Cost of Capital
WEGO	Weighted Efficiency Gains from Operations

1. Executive Summary

In terms of Section 72 (1)(a) of the National Ports Act, 2005 (Act No. 12 of 2005) (the Ports Act), the Transnet National Ports Authority (the Authority), a division of Transnet SOC Limited (Transnet) is required, with the approval of the Ports Regulator of South Africa (the Regulator), to determine tariffs for services and facilities offered by the Authority and to annually publish a Tariff Book containing those tariffs.

The Port Directives[1] require, that the Regulator, when considering the proposed tariffs of the Authority, 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) **earn a return commensurate with the risk** of owning, managing, controlling and administering ports and of providing port services and facilities.

The Authority's Tariff Application for Financial Year (FY) 2026/27 (the Tariff Application) ensures compliance with the regulatory framework in place made up, amongst others, of the Port Tariff Methodology and the Tariff Strategy.

Following the pronouncement by President Cyril Ramaphosa on 22 June 2021, on the establishment of the Authority as an independent subsidiary of Transnet, and given the impending incorporation of the Authority, the Tariff Application has been prepared based on the Authority as a corporatised entity, and a subsidiary of Transnet.

The Tariff Application, in accordance with the Tariff Methodology, and previous Tariff Records of Decision has therefore, amongst others, considered the following:

1. **Regulatory Asset Base (RAB)**: Based on the Trended Original Cost (TOC) approach;
2. **Taxation**: Based on the Corporate Tax Approach; and
3. **Properties Outside Port Limits**: Excludes costs – Operating Expenditure (Opex) and Capital Expenditure (Capex) for FY 2026/27 and excludes revenues associated with such properties.

[1] Approved on 13 July 2009 (gazetted on 06 August 2009) and amended on 29 January 2010

The Authority remains cognisant of current economic conditions and the pressures faced by port users—alongside the Authority's mandate to support economic growth through infrastructure investment and job preservation, in alignment with the Transnet Reinvest for Growth (R4G) strategy—a more measured approach has been adopted with this application.

Accordingly, the Authority has opted for a "smoothed" Tariff Application by activating the Excessive Tariff Increase Margin Credit (ETIMC) facility resulting in an evenly spread tariff increase over the next 3 years. This approach balances financial sustainability with affordability, ensuring that the Authority continues to deliver on its developmental role while limiting the impact on users.

The Authority's Tariff Application for FY 2026/27 is detailed in Table 1.

Table 1: Tariff Application FY 2026/27 - Revenue Requirement FY 2026/27 to FY 2028/29

Revenue Requirement	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
	ROD	Fixed Tariff Year	Indicative Tariff Years	
	R'm			
Return on Asset	6,330	6,951	7,099	7,290
Depreciation	2,822	2,848	2,832	2,792
Operating Costs	6,854	7,943	8,278	8,710
Taxation	1,336	1,436	1,469	1,510
Plus/Less Clawback	-1,583	-1,005	69	-
Plus/less ETIMC	-225	-1,196	-1,278	153
Plus/less WEGO	-217	-247	-	-
Current year allowable revenue	**15,317**	**16,730**	**18,470**	**20,456**
Real Estate Revenue	5,026	5,481	5,865	6,305
Marine Revenue Derived From Allowable Revenue	10,291	11,249	12,605	14,151
Prior year revenue	9,519	10,057	11,249	12,605
Volume Growth	3.56%	2.0%	2.2%	2.4%
Total revenue due to volume growth	9,858	10,263	11,500	12,910
Revenue Increase: Tariff adjustment + Volume Increase	**773**	**1,192**	**1,356**	**1,546**
Revenue: Volume Increase	339	206	251	305
Revenue: Tariff Adjustment	434	986	1,105	1,241
Tariff Increase%	**4.40%**	**9.61%**	**9.61%**	**9.61%**

The Tariff Application therefore requests for a Required Revenue (RR) of R16 730m, translating into a tariff increase of 9.61% for FY 2026/27 and indicative tariff increases of 9.61% for both FY 2027/28 and FY 2028/29.

In accordance with the approved Tariff Strategy (Revised 2020), the following differentiated tariff increases are proposed for approval by the Regulator:

Table 2: Tariff Differentiation

Tariff Differentiation	Tariff Adjustment	
	Imports	Exports
Containers	8,61%	8,61%
Containers (Empties, Transhipment, Coastwise)	9,61%	
Breakbulk	9,61%	9,61%
Dry Bulk	9,61%	9,61%
Dry Bulk Coal	9,61%	9,84%
Dry Bulk Magnetite	9,61%	9,84%
Liquid Bulk	8,61%	8,61%
Automotives	8,61%	8,61%
Other cargo transhipped (inclusive of automotives)	9,61%	
Marine Charges	11,24%	
Average Tariff Adjustment	**9,61%**	

The Tariff Application further supports the State of the Nation Address, 2025, by President Cyril Ramaphosa which states that *"Our immediate focus is to enable Eskom, Transnet and other state-owned enterprises that are vital to our economy to function optimally. We are repositioning these entities to provide world-class infrastructure while enabling competition in operations, whether in electricity generation, freight rail or port terminals. We continue with the fundamental reform of our state-owned enterprises to ensure that they can effectively fulfil their social and economic mandates."*

Lastly, the Authority acknowledges and appreciates the valuable input received from stakeholders, port users and the Regulator through the Tariff Application FY 2025/26 process. The concerns raised reflect the sector's evolving expectations and provide critical insights into the economic, operational, and regulatory challenges facing the Authority and port users. In the pursuit of continuous improvement and to demonstrate transparency, the Tariff Application aims to provide a response to key matters related to the levels of efficiency and WEGO Performance; status of corporatisation; and improvements in the Authority's capex achievements, amongst others.

2. Introduction

In accordance with Section 11 of the Ports Act, the main function of the Authority is to own, manage, control and administer ports to ensure its safe, efficient, and effective economic functioning.

The key business activities of the Authority are to provide and manage port infrastructure, maritime services, and real estate at the eight (8) commercial seaports,

namely Saldanha, Cape Town, Mossel Bay, Port Elizabeth, Ngqura, East London, Durban and Richards Bay.

The ninth port, Port Nolloth, has obtained its International Ship and Port Facility Security (ISPS) code accreditation and the process for achieving port of entry status is underway.

The Authority provides services to port users which include terminal operators, shipping lines, ships' agents, cargo owners and the clearing and forwarding industry.

3. Legal Basis and Regulatory Requirements

The Authority's Tariff Application is informed by the Ports Act, the Directives, the Regulations, and the status of corporatisation.

3.1 Corporatisation

Since the pronouncement by President Cyril Ramaphosa on 22 June 2021, the Authority's Tariff Applications (FY 2022/23 to FY 2025/26) have been prepared based on the Authority as a corporatised entity, and a subsidiary of Transnet.

Extensive work has been undertaken to achieve the incorporation of the Authority as a subsidiary of Transnet during FY 2024/25 which culminated in both the Ministers of Transport and Finance granting the approvals required in terms of section 51 and section 54 of the Public Finance Management Act 1 of 1999 towards the end of January 2025. These approvals were conditional in the sense that Transnet was required to ensure that the incorporation of the Authority takes place in a manner that ensures that Transnet remains financially sustainable and a going concern during the transition, and that the Authority's financial position is not unduly strained.

The Transnet Board of Directors raised several challenges, and the material risks associated with proceeding with the incorporation of the Authority, and this resulted in the Minister of Transport establishing a task team to investigate how incorporation could take place, which to date has not been concluded due to the various complexities associated therewith.

In light of the significant progress made with respect to the corporatisation of the Authority and having due regard to giving effect to the policy objectives of the government and the spirit and objectives of the Ports Act, the TOC regulatory asset valuation methodology has been applied to determine the RAB. This aligns with the provisions of the Tariff Methodology, which stipulates that should the Authority transition from being a division of Transnet to a subsidiary or a stand-alone state-owned company with borrowing powers, the Regulator may apply the TOC methodology to both pre-1990 and post-1990 assets. This is intended to support strong credit ratings for the Authority until key credit metrics, such as the cash interest coverage ratio, are demonstrated to be within acceptable thresholds.

It is imperative that the Authority maintains the use of the TOC methodology to ensure predictability, consistency, and stability in the regulatory environment while at the same time supporting the ongoing financial sustainability of the Authority that underpins its capital investment programme. Moreover, with corporatisation imminent, altering the asset valuation approach at this stage could be premature and run the real risk of introducing price volatility within the port system. Continued application of the TOC method therefore considers the broader economic impact, maintains a fair of level of tariff certainty and critically enables the Authority to deliver infrastructure capacity ahead of market demand.

4. The Regulatory Framework

4.1 Tariff Methodology

The Tariff Methodology[2] was issued by the Regulator on 31 March 2023 and is applicable for a period of three (3) years, from FY 2024/25 to FY 2026/27. The Tariff Methodology is used to determine the Authority's total RR which is calculated based on the following mathematical formula:

[2] Tariff Methodology - Ports Regulator of South Africa

RR = RAB X Weighted Average Cost of Capital (WACC) + Operating Costs + Depreciation + Taxation Expense ± Claw back ± ETIMC ± Weighted Efficiency Gains from Operations (WEGO)

Whilst the Tariff Methodology is applicable up to FY 2026/27, the Tariff Application provides indicative Tariff Adjustments for FY 2027/28 and FY 2028/29; and are premised on the current Tariff Methodology.

4.2 Tariff Strategy

The approved Tariff Strategy[3] sets out the strategic direction for the South African port system. The underlying principle of the tariff strategy is the user pay principle where infrastructure cost-based tariffs are formulated based on an appropriate asset cost allocations mechanism.

The Tariff Strategy considers how the RR should be recovered from the three key revenue categories namely, Real Estate, Cargo Dues and Marine Services Charges and implementation hereof requires a rebalancing and rebasing of tariffs to progress the user pay principle.

5. The Business of the Authority

5.1 The Authority's Strategy

In 2022, the Authority adopted a strategy with a vision of enabling a transformed and sustainable world-class port system. To achieve this Desired End State (DES), the Authority aims to become a financially sustainable, least-cost smart port system that is enabled by an empowered workforce and a seamless value chain strategically positioned to unlock economic growth in an environmentally sustainable manner.

In response to the challenges that have been and continue to be experienced across South Africa's logistics value chain, the Authority implemented a Recovery Plan, in alignment of the broader Transnet Recovery Plan. This initiative commenced in the third quarter of FY 2023/24 and concluded at the end of FY

[3] Tariff Strategy - Ports Regulator of South Africa

2024/25. Significant gains were achieved in restoring lost capacity and improving operational performance in the short term.

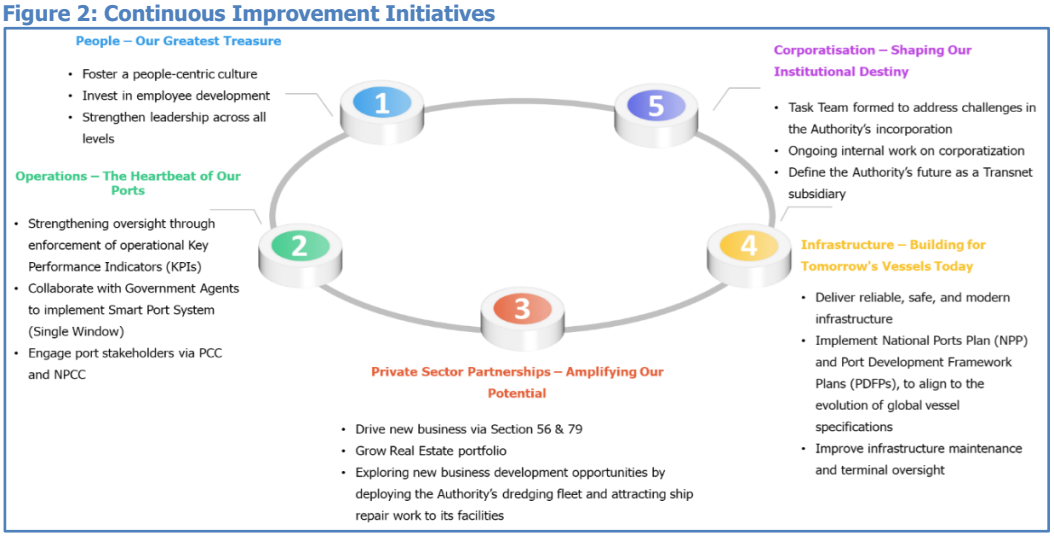
To sustain the gains, Transnet introduced the R4G Strategy, which places enhanced operational performance at the core of the strategy and aims at creating long-term sustainability and position the company for growth, while simultaneously repositioning itself within the logistics ecosystem. The components of the R4G Strategy are reflected in the figure below:

Figure 1: Components of the R4G Strategy



In alignment with DES and R4G Strategies, the Authority has identified five (5) critical areas of focus. These five strategic compass points will guide the Authority's journey:

Figure 2: Continuous Improvement Initiatives



5.2 The Authority's Marine Business

The Authority's Marine Business encompasses a range of activities, including port infrastructure development, dredging, aids to navigation, ship repair and marine operations.

Revenues are generated by charging tariffs for the services and facilities offered. The tariffs related to Cargo Dues and Marine Services are approved by the Regulator and are set out in the Authority's Tariff Book in detail.

5.3 The Authority's Real Estate Business

The Authority's Real Estate business plays a critical role in supporting the core operations of South Africa's ports by optimising property utilisation and driving revenue generation.

The key aspects of the Authority's Real Estate portfolio are highlighted in Table 3:

Table 3: Real Estate Salient Features

Salient Features of Real Estate Business	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
	Actual	Projections			
Number of Commercial Ports	8	8	8	8	8
Gross Lettable Area	29 million m²	29 million m²	29 million m²	29 million m²	29 million m²
Number of Leases	788	788	788	788	788
Vacancy Factor	26%	26%	26%	26%	27%
Average Term of Leases	5-25 years	5-25 years	5-25 years	5-25 years	5-25 years
Actual/ Estimated Revenue	**R4 787m**	**R5 123m**	**R5 481m**	**R5 865m**	**R6 305m**
Forecasted Revenue Growth	R235m	R336m	R358m	R384m	R440m

The Authority's Real Estate approach is anchored on six strategic pillars, namely:

- Revenue Growth
- Portfolio Optimisation
- Land Use and Strategic Development
- Total Facilities Management
- Human Resources Capacity Building
- Technology Modernisation

These pillars inform how leases are managed to ensure value creation for both the Authority and its port users, while aligning with national economic priorities. The type of leases and number of Leases per the portfolio is detailed in Table 4.

Table 4: Different Types of Leases Split across Ports

Port	Total Leases	Commercial	Incorporated	Wayleaves
Durban	367	171	74	122
Cape Town	146	113	12	21
Richards Bay	61	44	15	2
Port Elizabeth	88	55	26	7
Saldanha	43	36	5	2
Ngqura	10	6	3	1
East London	30	16	8	6
Mossel Bay	26	25	1	-
Lighthouses	17	17	-	-

The various types of leases may be defined as follows:

- **Commercial leases**: Contractual agreements where the Authority leases property for commercial purposes without the necessity for an operating license. These leases are typically for businesses that do not engage in port operations that would require regulatory oversight.
- **Incorporated leases**: Leases that existed pre-2005 (prior to the Ports Act) and leases that necessitate operating licenses under Section 56 and 79 (if operating over the quay wall) of the Ports Act. These leases are integral for entities that perform operational activities within the port and are subject to stringent regulatory compliance to ensure safety and adherence to port standards.
- **Wayleave agreements**: Arrangements that facilitate the support of operators in the logistics chain, allowing them to move their cargo, access networks, and utilize infrastructure that is critical for the seamless flow of goods. These agreements are essential for maintaining the efficiency of port operations and ensuring that the operators have the necessary permissions to use the land or assets that belong to the port authority for their transit routes and utility networks.

Lease administration is governed by the Authority's Lease Management Manual, which aligns with Section 217 of the Constitution to ensure fairness, transparency, and cost-effectiveness. To ensure continuity, market engagement begins 6–12 months prior to lease expiry, supporting seamless lease transitions.

5.4 Private Sector Participation in the Port Sector (Concession Programmes)

The Authority is required to enter into concession agreements with the private sector to stimulate economic development in the port system. To date the following Terminal Operator agreements have been concluded across the port system:

Table 5: Concluded Terminal Operator Agreements

#	Date Signed	Port	Sector	Concessionaire
1	Jun-13	Saldanha Bay	Liquid Bulk	Sunrise Energy (Pty) Ltd
2	Jul-13	Cape Town	Liquid Bulk	Burgan Cape Terminal (Pty) Ltd
3	Dec-15	Cape Town	Passenger	V&A Waterfront Holdings (Pty) Ltd
4	Apr-18	Saldanha	Liquid Bulk	Saldehco (Pty) Ltd
5	Sep-18	Durban	Passenger	KwaZulu Cruise Terminal (Pty) Ltd
6	Sep-18	Port Elizabeth	Multi-purpose	Bidfreight Port Operations (Pty) Ltd
7	Nov-22	Richards Bay	Liquid Bulk	Vopak SA Developments (Pty) Ltd
8	May-24	Durban	Liquid Bulk	Mnambithi Terminals (Pty) Ltd
9	Dec-24	Richards Bay	Liquid Bulk	Zululand Energy Terminal
10	Feb-25	Richards Bay	Liquid Bulk	FFS
11	May-25	Richards Bay	Container	Grindrod & Amakhosi JV

Details of the Authority's efforts around planned concessions as advertised in the market are highlighted in Table 6:

Table 6: FY 2025/26 Concession Programme

SEGMENT	PORT	PROJECT NAME	GREEN FIELD	BROWN FIELD
Liquid Bulk	Cape Town	Liquid Bulk Terminal		X
Multipurpose Terminal (MPT)	Durban	Agri-Dry Product and Compatible Product		X
	Durban	Fruit Produce & Break Bulk		X
Liquid Bulk	Ngqura	Liquid Bulk Terminal	X	

6. Port Infrastructure Development Plan and Capex

6.1 Port Investment Planning

The Authority's investment spending is supported by detailed capital planning and strategic planning initiatives aimed at providing adequate port infrastructure and capacity ahead of demand to improve vessel and cargo turnaround time; and improve the use of assets to attract and sustain both new and existing business.

In developing the Capex Plans, the following activities are considered by the Authority:

Table 7: Activities considered in developing Capex Plans

ACTIVITY	DETAILS
1. Long-term Port Development Framework Plans:	• In accordance with the Act, the Authority must develop and periodically update its PDFPs. As part of the process, the Authority, publishes its PDFPs which contain port development plans for each of eight (8) commercial ports. • The PDFPs are updated every two (2) years, and the NPP is rebased every five (5) years. • The current PDFPs were published on the Authority's website in June 2023. • Whilst the last rebased NPP was completed in FY 2019/20, it was not published. This means that the last published NPP was in FY 2014/15. The Authority is currently on a process of reviewing the NPP and the PDFPs, with publication expected in FY 2025/26, following the required stakeholder engagement process.
2. Capacity studies	• The Authority undertakes capacity studies to assess the existing infrastructure and to determine the timelines for each development required.
3. Prioritisation	• Projects are aligned to national and organisational strategies and prioritised by compliance, sustainability and to meet forecasted demand.
4. Maintenance Plans	• Projects are aligned to maintenance programs to sustain existing port capacity, efficient operations and the safety of port infrastructure.
5. Fleet Plans	• The Authority has a robust fleet plan that informs maintenance, replacement and investment in marine and air fleet (tugs, pilot boats, survey boats, dredging vessels and helicopters).
6. Port Consultative Committees (PCCs)	• The Authority adopts a consultative approach to the drafting of the Capex program and the execution of the resultant Capex Plan. • PDFPs projected for the short, medium and long term, as well as 7-year Capex have been consulted with port users. • This consultation was conducted on a port-by-port basis during a process facilitated by the Department of Transport (DoT), with South African Maritime Safety Authority as secretariat, between July 2022 and June 2023 prior to publishing the current PDFPs. • The same process of consultation will be followed in FY 2025/26 for the NPP and PDFPs.

6.1.1. KZN Logistics Hub Portfolio

The KZN Logistics Hub Portfolio (KZN LH) supports the R4G strategy through execution of the Port of Durban and Richards Bay Master Plan Programmes.

These programmes are underpinned by the following concepts:

- **Port of Durban**: Positioned as a Container Hub and a premier terminal for the Automotive sector;
- **Port of Richards Bay**: To become a specialised Dry and Liquid Bulk Hub inclusive of dry bulk commodities displaced from the Port of Durban and will also handle Liquefied Natural Gas (LNG) within the South Dunes precinct; and
- **SA Navy base**: Planned relocation from Salisbury Island in Durban to the Naval and Pelican Islands in the Port of Richards Bay, with a Satellite Station being established at the Port of Durban.

Progress on the strategic initiatives outlined in the KZN Port Master Plans has advanced significantly. Several catalytic concessions have already been awarded for the Richards Bay Container Handling Facility, LNG Terminal and five (5) greenfield liquid bulk sites in the South Dunes Precinct.

In addition, several infrastructure initiatives are expected to conclude their Feasibility Phases in the upcoming months. Critically, a transaction advisor has been appointed to assist the Authority in developing an innovative Investment Strategy. This strategy is intended to enable the timely delivery of critical infrastructure, while remaining cognisant of funding constraints and the needs of port users.

6.1.2. Boegoebaai

Conceptual plans are being developed to construct a new commercial port, known as Boegoebaai, in the Northern Cape earmarked primarily for the handling of dry bulk and possible green hydrogen operations.

6.2 Key Focus Areas of Capital Investment Program: FY 2025/26 to FY 2030/31

In accordance with the R4G strategy, the capital investment programme of the Authority is aimed at, amongst others, increasing productivity and efficiency, ensuring a safe and compliant port system whilst optimising human resources. The capital investment programme of the Authority is highlighted in Table 8.

Table 8: The Authority's Capital Programme

Strategic Objective	Detail	LE	Projections					
		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	Total 6 Yr
		R'm						
Re-engineering, Integration, Productivity and Efficiency	To maximise return on investments by obtaining additional volumes	332	844	1,295	2,198	2,838	2,562	10,069
	To maximise return on investments by improving operating efficiencies	531	292	212	127	122	718	2,003
	To preserve current revenue streams without obtaining additional volumes (ie. revenue protection)	1,110	990	813	427	519	398	4,257
Safety, Risk and Effective Governance	Ensure Safety Optimisation	512	276	175	288	-	100	1,352
	Optimise Business Enterprise Offerings	121	24	-	-	-	135	280
	Optimally Satisfy Social Investments (non economic value creating projects)	-	-	-	-	-	3	3
	Environmental	58	58	101	124	-	56	397
Human Capital	Optimise Human Resources	56	49	35	60	112	167	479
Total (Excl. borrowing cost)		**2,720**	**2,533**	**2,631**	**3,225**	**3,591**	**4,138**	**18,838**

This resultant Capex Program for FY 2026/27, FY 2027/28, and FY 2028/29, amounts to R2 533m, R2 631m and R3 225m respectively.

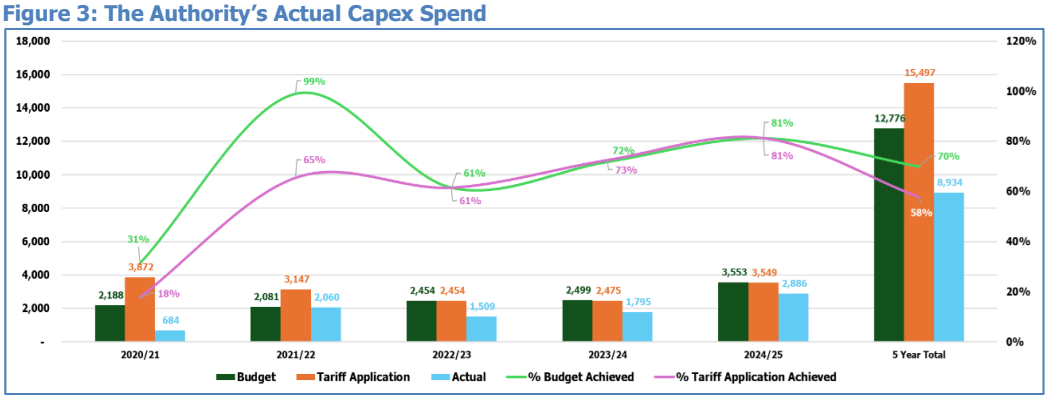
The Authority's planned capital investment over six (6) years is R18 838m and aims to ensure the enduring durability and optimal functionality of our existing port infrastructure.

The detailed Capex schedule is highlighted in **Annexure A**.

6.3 Capital Delivery Model

Figure 3 below highlights the total cumulative actual capex spent of R8 875m from FY 2020/21 to FY 2024/25:

Figure 3: The Authority's Actual Capex Spend



The following regarding the actual Capex is worth noting:

- Most of the capital investment has been directed towards the restoration and enhancement of critical port infrastructure;
- These investments include the rehabilitation of existing facilities, the upgrading of operational systems, and the implementation of modern technologies to improve operational efficiency and safety;
- A combined investment of R4 583m, approximately 52% of the budgeted total capital investment programme, has been allocated to infrastructure restoration and marine fleet replacement (e.g., 7 new tugs (off the shelf) procured and delivered to the Port of Durban and Port of East London);
- The balance of the investment supports various complementary projects and initiatives aligned with the broader objective of port system modernisation and efficiency enhancement (e.g., Shore Tension Units procured for Central Region and Western Region to assist with berthing during inclement weather conditions).

In support of the Authority's strategic "Fix the Core" initiative, aimed at strengthening capital delivery systems, notable progress has been made in improving investment execution and spending efficiency. During FY 2024/25, the Authority successfully executed capital investments totalling R2 886m. This achievement represents an 81% spend rate (when compared to budget) and an improvement compared to the previous FY's 72%, which is evidence of significant advancement in addressing historical capital delivery and budget utilisation challenge. Building on the significant improvements in Capex performance, the Authority has strategically paused the implementation of the revised operating

model, a key component of our "Fix the Core" strategy to ensure optimal alignment with our evolving business needs. This thoughtful pause allows us to fully integrate insights from a comprehensive organisation operating model redefinition study currently being conducted by PricewaterhouseCoopers (PwC), positioning the Authority to implement an even more effective and refined approach moving forward.

The Authority remains firmly committed to sustaining and further enhancing its capital investment performance through a comprehensive suite of continuous improvement initiatives. Key initiatives include, but are not limited to:

Figure 4: Continuous Improvement Initiatives



The Authority has consistently improved its' spend-rate over the last few years, demonstrative of improvements made, and is therefore committed to achieving a 100% utilisation of its approved capital investment budget.

7. The Authority's Volumes

This section details the cargo handling types flowing through South Africa's eight (8) commercial ports and the movement of marine vessel traffic.

The Authority's annual volume budget process typically commences in October and is refined until the Transnet Board approves the budgets in February of the following year. These forecasts represent the probable annual demand for commodities handled through the Authority's port infrastructure. The process reflects the current year's (FY 2025/26)

latest estimates, considering the previous year's performance. Forecasts extend to the following year's volumes (budget period) with projections for the next four (4) years.

The cargo volumes budget is compiled using a bottom-up approach. Key Account Managers engage with customers to translate their plans into volume forecasts and align with port terminals and other operators. Volume projection feedback is evaluated against historic and anticipated market conditions, operational efficiencies, and infrastructure capacity.

All divisions of Transnet participate in volume validation to ensure synchronisation across the entire commodity value chain, further aiding integrated planning and affording customers an efficient end-to-end logistic offering.

7.1 Cargo

Whilst the global economy stabilised in late FY 2024/25, the Authority faces increased uncertainty in FY 2025/26 due to shifting government priorities and high United States of America (USA) tariffs (expected to be introduced in 2025), leading to lower global growth forecasts and slower inflation reduction. This creates a challenging medium-term economic climate with rising trade tensions, financial market volatility, and risks of tighter financial conditions. Consequently, the global economic forecast has been revised downwards to 2.8% in 2025, averaging 3.1% over the medium term.

South Africa's economy continues to struggle, despite improvements in power supply and logistics efficiencies in 2024, whilst structural constraints and broadened downside risks persist.

Taking into consideration the Authority’s processes for volume determination and the economic performance highlighted above, Table 9 illustrates the Authority's volume projections from FY 2025/26 to FY 2029/30.

Table 9: Authority's Cargo Volume Projection

	Actual 2024/25	LE 2025/26	% change	Forecast 2026/27	% change	Forecast 2027/28	% change	Forecast 2028/29	% change	Forecast 2029/30	% change
Container (TEUs)											
Deepsea Full: Imports	1,549,560	1,492,788	-3.7%	1,545,305	3.5%	1,593,136	3.1%	1,641,358	3.0%	1,717,146	4.6%
Deepsea Full: Exports	1,244,667	1,211,611	-2.7%	1,232,397	1.7%	1,269,479	3.0%	1,307,347	3.0%	1,362,743	4.2%
Transhipments	430,085	506,019	17.7%	539,913	6.7%	563,797	4.4%	588,758	4.4%	617,267	4.8%
Other	1,050,085	1,131,209	7.7%	1,164,690	3.0%	1,202,240	3.2%	1,239,905	3.1%	1,294,149	4.4%
Total	***4,274,397***	***4,341,627***	**1.6%**	***4,482,305***	**3.2%**	***4,628,652***	**3.3%**	***4,777,368***	**3.2%**	***4,991,304***	**4.5%**
Vehicles (Units)											
Vehicles: Imports	351,160	349,051	-0.6%	346,695	-0.7%	351,554	1.4%	358,966	2.1%	363,467	1.3%
Vehicles: Exports	410,729	411,647	0.2%	410,465	-0.3%	416,894	1.6%	430,474	3.3%	438,680	1.9%
Other	45,317	46,086	1.7%	55,802	21.1%	55,843	0.1%	55,886	0.1%	55,929	0.1%
Total	***807,206***	***806,783***	**-0.1%**	***812,962***	**0.8%**	***824,291***	**1.4%**	***845,326***	**2.6%**	***858,076***	**1.5%**
Break Bulk (Metric Tons)											
Break Bulk: Imports	4,495,945	3,528,587	-21.5%	3,326,594	-5.7%	3,372,094	1.4%	3,418,234	1.4%	3,466,189	1.4%
Break Bulk: Exports	2,117,411	1,769,501	-16.4%	1,676,243	-5.3%	1,701,693	1.5%	1,730,087	1.7%	1,758,681	1.7%
Other	75,125	26,608	-64.6%	25,926	-2.6%	28,359	9.4%	31,141	9.8%	53,544	71.9%
Total	***6,688,480***	***5,324,697***	**-20.4%**	***5,028,763***	**-5.6%**	***5,102,146***	**1.5%**	***5,179,462***	**1.5%**	***5,278,414***	**1.9%**
Dry Bulk (Metric Tons)											
Coal Exports	66,957,100	72,349,764	8.1%	73,985,262	2.3%	80,020,308	8.2%	83,120,566	3.9%	85,738,446	3.1%
Iron Ore Exports	51,317,431	53,092,182	3.5%	54,124,137	1.9%	54,125,378	0.0%	54,126,632	0.0%	54,127,898	0.0%
Manganese Ore Exports	23,514,061	20,760,800	-11.7%	20,777,925	0.1%	20,830,477	0.3%	20,843,328	0.1%	20,856,488	0.1%
Other Dry Bulk	31,099,608	33,021,528	6.2%	35,040,822	6.1%	35,856,564	2.3%	36,700,921	2.4%	38,082,310	3.8%
Total	***172,888,200***	***179,224,273***	**3.7%**	***183,928,146***	**2.6%**	***190,832,726***	**3.8%**	***194,791,447***	**2.1%**	***198,805,142***	**2.1%**
Liquid Bulk (kl)											
Petroleum	30,165,651	28,415,102	-5.8%	28,259,579	-0.5%	29,523,657	4.5%	30,702,977	4.0%	32,269,386	5.1%
Chemicals	1,315,807	2,675,773	103.4%	2,494,016	-6.8%	2,512,481	0.7%	3,148,573	25.3%	3,167,345	0.6%
Other Liquid bulk	5,374,834	4,714,544	-12.3%	5,291,586	12.2%	4,787,235	-9.5%	5,401,846	12.8%	5,480,547	1.5%
Total	***36,856,292***	***35,805,419***	**-2.9%**	***36,045,181***	**0.7%**	***36,823,372***	**2.2%**	***39,253,396***	**6.6%**	***40,917,277***	**4.2%**
Weighted Cargo	***292,088,175***	***297,081,467***	**1.7%**	***304,035,626***	**2.3%**	***314,235,297***	**3.4%**	***323,270,130***	**2.9%**	***332,584,385***	**2.9%**

Source: The Authority's data, 2025

7.1.1. Containers

Current global trade policy uncertainty, particularly the USA tariff increases (expected to be introduced in 2025), threatens economic activity and could negatively impact trade growth, potentially leading to a decline in containerised traded goods in 2025. Following the decline in 2020 due to COVID-19, global container throughput rebounded significantly, experiencing a 5.8% average growth in 2024, driven by increased demand since quarter 3 of 2023. While previously projected to stabilise at 2.8% in 2025 and grow at an average of 2.5% until 2028, growing trade policy uncertainties and reciprocal tariffs are expected to lead to a downward revision of container volume growth in the latter half of the year. Consequently, container throughput in the African region is projected to grow moderately by 1.0% in 2025, led by West Africa (4.1%), Southern Africa (3.3%), and North Africa (2.2%), with East Africa experiencing a contraction.

South Africa's container throughput recorded a marginal 0.3% growth in FY 2024/25, reaching 4.27 million TEUs. This slight improvement, despite the struggling industrial sector, is attributed to some stability in electricity supply, improved microeconomic measures for consumer spending, and Transnet's recovery plan.

The increasing importation of finished vehicles from Asia is significantly impacting South Africa's local vehicle manufacturers. These more affordable and feature-rich imports are eroding the market share of local OEMs, particularly in price-sensitive segments, leading to declining domestic production volumes. While increased finished vehicle imports may decrease demand for components used in local assembly, the growing number of imported vehicles on South African roads is boosting the demand for imported aftermarket replacement parts. This indicates a shift in the import mix, with less focus on assembly-related components and more on aftermarket parts.

Although South Africa is anticipating a negative impact due to current global trade uncertainty, the Authority's forecast remains optimistic for growth over the period between FY 2025/26 and FY 2029/30, and is supported, amongst other, by:

- Gains and long-term effects of the logistical value chain reforms from Transnet's Recovery Plan.
- The acquisition of marine fleet to improve operations.
- Strengthening of the port oversight framework to improve port efficiency.
- Microeconomic policy development, and Brazil, Russia, India, China, South Africa (BRICS) expansion opportunities.

7.1.2. Automotives

The global automotive industry faces a challenging market due to stagnating growth, geopolitical uncertainty, trade policy shifts, rising competition, and cost pressures from technological transformations. The industry has not fully recovered from past disruptions like the COVID-19 pandemic and semiconductor shortages, and pre-COVID production levels are not expected before 2028. The USA tariff is likely to further prolong recovery, with significant negative impacts on emerging economies such as South Africa.

The South African automotive industry is contending with declining new vehicle sales, rising costs, infrastructure and logistical limitations, and the global shift towards electric vehicles. Despite some improvements in microeconomic measures, these challenges negatively affected volumes passing through South African ports in FY 2024/25. A notable impact was observed at the Port of East London following Mercedes-Benz of South Africa's decision to reduce operational shifts resulting in layoffs.

Due to these industry challenges, the Authority projects a -0.1% contraction in automotive volumes for FY 2025/26, with a marginal 0.8% rebound is projected for FY 2026/27, with a positive outlook thereafter.

7.1.3. Break Bulk

Global demand for steel, cement, construction products, and citrus shows mixed trends.

Locally, exports of steel, citrus, and pig iron through the port system have declined due to logistical constraints, global market shifts, and domestic production challenges. Citrus exports are particularly affected by port logistics failures, equipment malfunctions, cold chain disruptions, poor rail-road integration, and rising international trade barriers. Additionally, the USA tariffs (expected to be implemented in 2025) on South African citrus exports are expected to severely impact the value chain, making South African citrus uncompetitive.

Consequently, the Authority's Break Bulk volumes are projected to significantly decline in FY 2025/26 by 20.4%, continuing a negative trend up to FY 2026/27 indicating underlying structural challenges or competitive pressures, with a rebound in FY 2027/28.

7.1.4. Dry Bulk

Dry Bulk exports increased by 8.1% in FY 2024/25, driven largely by a 5.83% rise in coal exports, indicating strong international demand for South African coal despite domestic operational challenges. For FY 2025/26 it is anticipated that Dry Bulk exports will increase by 5.3% with coal exports increasing by 8.1%.

Conversely, iron ore exports in FY 2024/25 fell by 1.4%, suggesting other mining sectors are more vulnerable to issues like electricity shortages. Iron ore exports are expected to stabilise in FY 2025/26 with growth of 3.5%.

7.1.5. Coal

Global coal demand is projected to grow 2.0% Compounded Annual Growth Rate (CAGR) through 2040, with supply increasing by 2.7%, suggesting a potential surplus.

South Africa is expected to remain a key coal producer and exporter despite environmental regulations. Domestic coal demand is anticipated to increase, with quality and technological adaptation crucial. Demand will persist from developing economies and coal-based partners. As part of the Transnet Recovery Plan, wagon availability has improved to 7 373 (from 7 200) by reintroducing offloaded hospital wagons. Additionally, Transnet Freight Rail Operating Company (TFROC) has received 46 new locomotives (target of 90 by December 2025). Complementary initiatives include deploying 73 jumbo wagon sets to Export Coal flow, optimizing TFROC personnel by transferring staff to the Coal Business Unit, and executing maintenance projects by Transnet Rail Infrastructure Manager (TRIM) to enhance network reliability. These combined efforts clearly demonstrate an improved capacity and readiness to support higher coal export volumes. Improved railway infrastructure availability should enhance export capabilities, and technological advancements and economies of scale strengthen South Africa's global supplier attractiveness.

As highlighted in Table 9, the Authority projects coal exports to grow positively between FY 2024/25 and FY 2029/30.

7.1.6. Iron Ore

The global iron ore market anticipates continuous growth in both demand and supply through to 2040, driven by industrialization and the steel industry. Challenges include power supply issues, rising labour costs, and inadequate infrastructure.

South Africa's primary iron ore export destination is China, followed by the Netherlands and Mozambique, amongst others. South Africa is expected to maintain its important role due to substantial reserves, economic factors, and competitive pricing, with improved rail and port efficiencies crucial for boosting exports.

Marginal growth of 1.1% is projected over the forecast period which will be dominated by three (3) consecutive years of stagnation from FY 2027/28 to FY 2029/30. This marginal overall growth is an indication of limited expansion and underlying structural challenges.

7.1.7. Manganese Ore

The global manganese market is facing significant inhibitors to its growth. For example, a primary concern arises from the concentration of supply in just a few key regions which creates vulnerability within the global supply chain. Any geopolitical tensions or economic instability in these critical producing nations can swiftly disrupt the flow of manganese worldwide. Adding to this instability, manganese prices are especially volatile due to shifts in supply and demand, making long-term planning and investment particularly challenging for market participants.

Furthermore, the industry faces a substantial threat from technological advancements, particularly within the battery sector. The rapid

development of alternative cathode chemistries is increasingly designed to either reduce or eliminate the need for manganese. This concern, coupled with growing competition from other alternative materials and technologies, directly impacts manganese's demand in the critical and expanding battery manufacturing space.

Locally, the Authority's existing export channels are constrained by operating capacity. These constraints include the shortage of rolling stock on the rail component, an ageing Bulk Operations Terminal (BOT) plant and the use of alternative facilities outside the bulk handling terminal which are not efficient but practical for the export of manganese ore.

The net effect is that the volume projections are retained roughly at existing levels informed by the need to sustain operations at existing facilities. It is envisaged that additional capacity to capitalize on growth will materialise beyond 2030 when the New Manganese Export Terminal (NMET) is planned for commissioning at the Port of Ngqura.

As such, the Authority's manganese ore export volumes are projected to initially decline then stagnate, resulting in an overall negative trend. Volumes are then expected to stabilize with minimal fluctuations through to FY 2029/30.

7.1.8. Liquid Bulk

Crude oil prices were volatile in 2025 due to geopolitical tensions, and the market is shifting towards renewables, though oil remains vital for transport, petrochemicals, and aviation.

The South African chemicals industry is projected to grow, fuelled by increasing demand across diverse sectors such as agriculture, construction, textiles, and manufacturing. Agrochemicals represent the dominant segment, benefiting from increased agricultural activity and government support for local production. Demand for construction chemicals is also rising due to infrastructure projects, while specialty

polymers and surfactants are gaining traction in various industrial and consumer applications.

Despite this positive outlook, the industry grapples with challenges such as stringent regulatory compliance requiring costly upgrades, high import reliance due to limited local production capacity, which exposes the country to global supply chain risks, and intense global competition impacting pricing and market share.

Considering the above, South Africa's ports are projected to see a gradual upward trend in total liquid bulk volumes from FY 2024/25 to FY 2029/30, with a 2.1% CAGR. This overall growth is expected to be primarily driven by the robust performance of the chemicals segment.

7.2 Marine Services

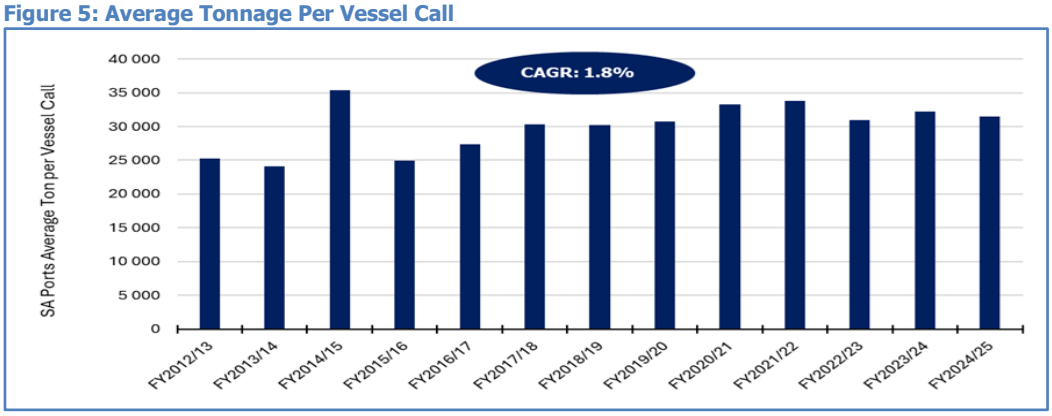
Marine Services volumes, encompassing vessel arrivals and Gross Registered Tonnage, influence revenue based on vessel size and turnaround time. Globally, vessel sizes have increased significantly to optimize costs, with the largest capacity now at 24,346 Twenty-foot Equivalent Units (TEUs).

While larger ships (up to 15,000 TEU) are deployed to African countries including South Africa, revenue from these services remains static despite rising freight volumes. Gains from economies of scale with larger vessels often do not benefit ports and inland transport providers, increasing overall logistics costs.

Despite the downward trajectory in the number of vessels calling at South African ports over the period under review (FY 2012/13 to FY 2024/25), the average tonnage per vessel call has improved by 1.8% (CAGR).

The Authority forecasts increased volumes in main cargo categories, leading to an increase in marine services and a stagnant trend for average tonnage per vessel call at South African ports.

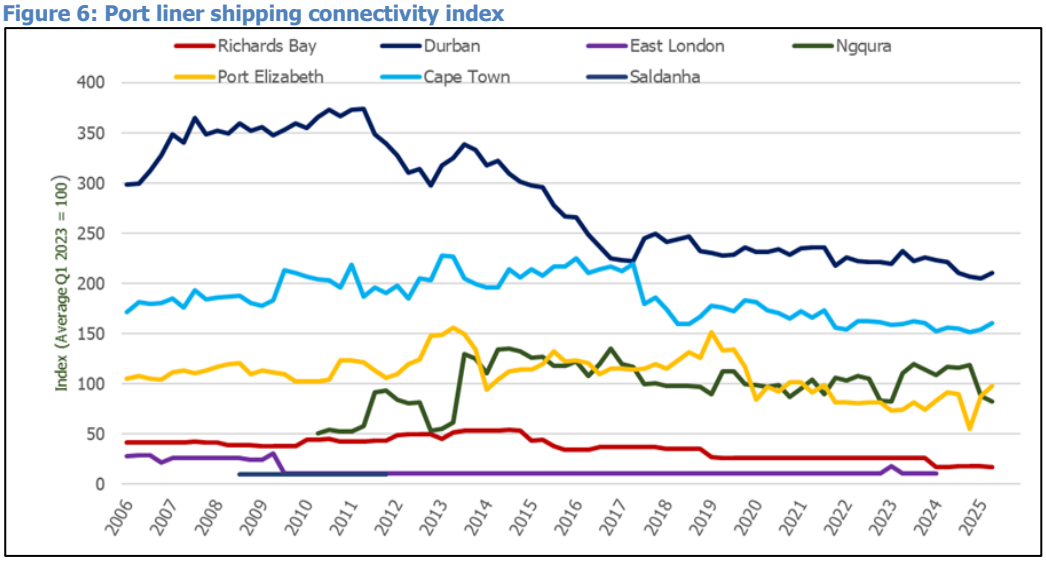
Figure 5: Average Tonnage Per Vessel Call



Source: The Authority's data, 2025

South Africa's port connectivity to the global liner shipping network has declined over the past decade, as indicated by the Liner Shipping Connectivity Index. However, recent logistical reforms and the Authority's acquisition of a marine fleet may improve and restore connectivity. Furthermore, prolonged geopolitical tensions affecting the Red Sea route position the Cape of Good Hope as a viable alternative, potentially stimulating investment in this route, infrastructure, and South Africa's shipping connectivity.

Figure 6: Port liner shipping connectivity index



Source: United Nations Conference on Trade and Development (UNCTAD) data, 2025

8. Tariff Application Approach

The Authority's Tariff Application has been prepared in compliance with the approved Tariff Methodology of March 2023; and is premised on the Authority as a corporatised entity, as a subsidiary of Transnet. The Tariff application further considers the Authority's

strategy and the Opex and Capex costs associated with delivering on its mandate per the Ports Act.

8.1 Revenue Requirement Formula

The Tariff Application has been prepared in accordance with the approved Tariff Methodology and RR formula per Section 4.1.

8.1.1 RAB

Based on the impending incorporation of the Authority, and the Authority complying with the requirements of the Tariff Methodology, the RAB has been valued based on the TOC asset valuation methodology. In accordance with the rules of the Tariff Methodology, the following is the valuation of the RAB:

Table 10: RAB

REGULATORY ASSET BASE	FY 2026/27	FY 2027/28	FY 2028/29
	Fixed Tariff Year	Indicative Tariff Years	
	R'm		
Opening RAB	90,831	94,261	98,076
Inflation Index	3,746	4,016	3,480
Indexed RAB	94,577	98,277	101,555
Add: Capex	2,533	2,631	3,225
Depreciation	-2,848	-2,832	-2,792
Closing RAB	94,261	98,076	101,988
Average RAB	92,546	96,168	100,032
Less: Working Capital	-2,612	-2,754	-2,943
Regulatory Asset Base	**89,934**	**93,415**	**97,088**

8.1.2 WACC

In line with the requirements of the Tariff Methodology, and based on the prescribed data sets, Table 11 highlights the key inputs used in calculating the Real Vanilla WACC:

Table 11: WACC

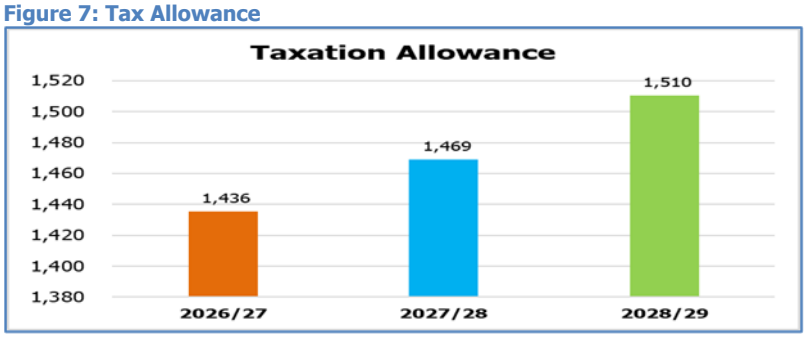
REAL RATE OF RETURN	2026/27	2027/28	2028/29
Inflation forecast	4.09%	4.21%	4.30%
Nominal Risk-free rate	9.94%	9.94%	9.94%
Real risk free rate	5.63%	5.50%	5.41%
MRP	4.96%	4.96%	4.96%
Asset beta	0.35	0.35	0.35
Equity beta (using Hamada)	0.61	0.61	0.61
Gearing	50.00%	50.00%	50.00%
Debt/equity ratio	100.00%	100.00%	100.00%
Nominal Weighted Average Cost of Debt (WACD)	11.19%	11.19%	11.19%
Tax rate	27.00%	27.00%	27.00%
Real Cost of equity (post-tax)	8.63%	8.50%	8.41%
Real WACD (pre-tax)	6.83%	6.70%	6.60%
Real Vanilla WACC	**7.73%**	**7.60%**	**7.51%**

Explanatory notes:
Risk Free Rate: KBP2003M, calculated over the full period from January 1960 to May 2024 for FY 2026/27
MRP: Geometric mean with the use of the DMS studies over the full period available dataset (124 years)
Inflation: BER Forecasts (June 2025)
Cost of Debt: NPA's actual, embedded (adjusted for an effective weighting) debt costs
Tax Rate: Corporate Tax rate of 27% utilised due to imminent subsidiarisation of the Authority
FY 2026/27 MRP & RFR figures are used as proxies for MRP & RFR figures for indicative years FY 2027/28 & FY 2028/29

8.1.3 Taxation

Given the impending corporatisation of the Authority, the tax expense is based on the corporate tax rate of 27% and is calculated as highlighted in Figure 7.

Figure 7: Tax Allowance



8.1.4 Operating Costs

The Authority's Opex reflects the organisation's expenditure required, amongst others, to sustain its day-to-day operations and deliver on its mandate as well as support the R4G Strategy. Table 12 highlights the Authority's Opex.

Table 12: Operating Costs Including Group Costs

Cost Category	Actual 2024/25 R Million	Budget 2025/26 R Million	Forecast 2026/27 R Million	Dev 25/26 vs 26/27 R Million	Dev 25/26 vs 26/27 Percentage	% of Opex 26/27	Forecast 2027/28 R Million	Forecast 2028/29 R Million	CAGR 2026/27 - 2028/29
Labour Costs	3,193	3,487	3,825	339	9.7%	48.0%	4,054	4,286	5.8%
Fuel	282	343	360	17	5.0%	4.5%	378	396	4.9%
Electricity	617	686	728	43	6.2%	9.1%	774	821	6.2%
Maintenance	655	815	875	59	7.3%	11.0%	906	942	3.8%
Material	180	207	218	11	5.4%	2.7%	231	244	5.7%
Informations systems	184	257	277	20	7.7%	3.5%	302	317	7.0%
Insurance Operations	94	107	113	5	5.1%	1.4%	118	124	4.8%
Professional services	40	102	105	3	2.7%	1.3%	65	71	-17.9%
Rental & Leases	50	39	41	2	4.9%	0.5%	43	45	4.6%
Rates & taxes	647	690	720	30	4.4%	9.0%	772	766	3.1%
Water	335	268	281	13	4.9%	3.5%	277	289	1.4%
Pre -Feasibility Studies	86	73	98	25	34.5%	1.2%	103	138	18.7%
Security costs	196	225	235	10	4.5%	2.9%	245	256	4.5%
Sundry operating costs	-397	-349	-441	-93	26.6%	-5.5%	-517	-561	12.8%
Total Operating Cost (Excl. Group Costs)	***6,161***	***6,951***	***7,435***	***485***	***7.0%***	***93.3%***	***7,750***	***8,133***	***4.6%***
Group Costs	447	512	531	19	3.7%	6.7%	554	577	4.3%
Total operating cost (Incl. Group Costs)	***6,608***	***7,462***	***7,966***	***504***	***6.7%***	***100%***	***8,304***	***8,710***	***4.6%***
Less: Properties Outside Port Limits	-20	-21	-23	-2	9.4%	-0.3%	-25	-	
Total operating cost	***6,588***	***7,441***	***7,943***	***502***	***6.7%***	***100%***	***8,278***	***8,710***	

Annexure B provides detailed Opex information.

8.1.5 Revenue Claw-back

In accordance with the clawback rules, the net claw-back results are illustrated in Table 13.

Table 13: Net Clawback Calculation

CLAWBACK	FY 2024/25 R'm	
	Record of Decision	Actuals
Return on asset	5,880	6,254
Depreciation	2,754	2,819
Opex (Including Group Costs)	6,430	6,588
Less: Fruitless and Wasteful expenditure	-	-30
Tax	1,251	-
WEGO	-226	-226
Clawback	-2,643	-2,643
Reversal of impairments	-	-
ETIMC	983	983
Revenue Allowed/Actual Revenue	**14,430**	**13,746**
AFS Revenue		**14,627**
Clawback		**-881**
Clawback as per above		-881
Contract Revenue		-
Reverse FY 2024/25 Provisional Clawback taken in FY 2025/26		-83
Estimated Clawback for FY 2025/26 (half)		69
Add return on clawback account for FY 2024/25 and FY 2025/26		-110
Net Clawback		**-1,005**

8.1.6 ETIMC

The ETIMC facility is applied as a smoothing mechanism to influence tariff levels, including but not limited to, spikes in tariffs due to a sharp increase in Capex, volatilities in volumes, or any other market related factors.

Given the current economic conditions, and to ensure a smooth tariff trajectory, the Authority has elected to trigger the use/ withdraw R1 196m from the ETIMC facility for FY 2026/27; withdraw R1 278m from the ETIMC facility for FY 2027/28 and to deposit R153m into the ETIMC facility in FY 2028/29.

8.1.7 Properties Outside Port Limits (PoPL)

In accordance with the ROD FY 2023/24, wherein the Regulator took an approach to recognise PoPL, only upon the promulgation of such land, the Authority has excluded all land acquisitions, Opex and rental recoveries associated with such land parcels for the fixed tariff year of FY 2026/27. With the Authority acknowledging the position of the Regulator, the excluded investments, Opex and revenue associated prior to promulgation will be included in the tariff applications post-promulgation for purposes of fair returns being afforded to the Authority.

Land acquisitions for BoegoeBaai has been considered in the indicative tariff years of FY 2027/28 and FY 2028/29, in anticipation that such land would be promulgated in time.

8.2 Revenue Requirement

In application of the Tariff Methodology, and after use of the ETIMC facility to ensure a smooth tariff trajectory, the Authority's proposed Tariff Application and RR is as follows:

Table 14: Tariff Application FY 2026/27 to FY 2028/29

Revenue Requirement	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
	ROD	Fixed Tariff Year	Indicative Tariff Years	
	R'm			
Return on Asset	6,330	6,951	7,099	7,290
Depreciation	2,822	2,848	2,832	2,792
Operating Costs	6,854	7,943	8,278	8,710
Taxation	1,336	1,436	1,469	1,510
Plus/Less Clawback	-1,583	-1,005	69	-
Plus/less ETIMC	-225	-1,196	-1,278	153
Plus/less WEGO	-217	-247	-	-
Current year allowable revenue	**15,317**	**16,730**	**18,470**	**20,456**
Real Estate Revenue	5,026	5,481	5,865	6,305
Marine Revenue Derived From Allowable Revenue	10,291	11,249	12,605	14,151
Prior year revenue	9,519	10,057	11,249	12,605
Volume Growth	3.56%	2.0%	2.2%	2.4%
Total revenue due to volume growth	9,858	10,263	11,500	12,910
Revenue Increase: Tariff adjustment + Volume Increase	**773**	**1,192**	**1,356**	**1,546**
Revenue: Volume Increase	339	206	251	305
Revenue: Tariff Adjustment	434	986	1,105	1,241
Tariff Increase%	**4.40%**	**9.61%**	**9.61%**	**9.61%**

RR determined is R16 730m, translating into a tariff increase of 9.61% for FY 2026/27 and indicative tariff increases of 9.61% for both FY 2027/28 and FY 2028/29.

8.3 Implementation of the Tariff Strategy: Differentiated Tariffs

Implementation of the Tariff Strategy requires the rebalancing and rebasing of the recovery of revenues/ tariffs from the three key user groups, namely, Real Estate, Shipping Lines and Cargo Owners, to progress the user-pay principle.

To progress the objectives of the Tariff Strategy, and with due consideration of current economic and market conditions such as the impact of the South African Gross Domestic Product (GDP) growth on the Authority's volumes, the results of the Regulator's Global Port Comparator Study FY 2024/25 (GPCS), the Transnet R4G Strategy and major capital investments, and the current Base Rates[4] compared to Tariff Book rates, the following is the Authority's proposed tariff differentiation:

[4] Base Rates are the envisaged end state (FY 2027/28) cost reflective tariffs based on the user pay principle

Table 15: Proposed Tariff Differentiation

Tariff Differentiation	Tariff Adjustment	
	Imports	Exports
Containers	8,61%	8,61%
Containers (Empties, Transhipment, Coastwise)	9,61%	
Breakbulk	9,61%	9,61%
Dry Bulk	9,61%	9,61%
Dry Bulk Coal	9,61%	9,84%
Dry Bulk Magnetite	9,61%	9,84%
Liquid Bulk	8,61%	8,61%
Automotives	8,61%	8,61%
Other cargo transhipped (inclusive of automotives)	9,61%	
Marine Charges	11,24%	
Average Tariff Adjustment	**9,61%**	

The outcome of the Authority's proposed tariff differentiation is highlighted in Table 16. The weighted average revenue tariff increase considers the average increase between imports and exports for each cargo type; Containers Empties, Transshipment and Coastwise cargo; and other Transhipped cargo.

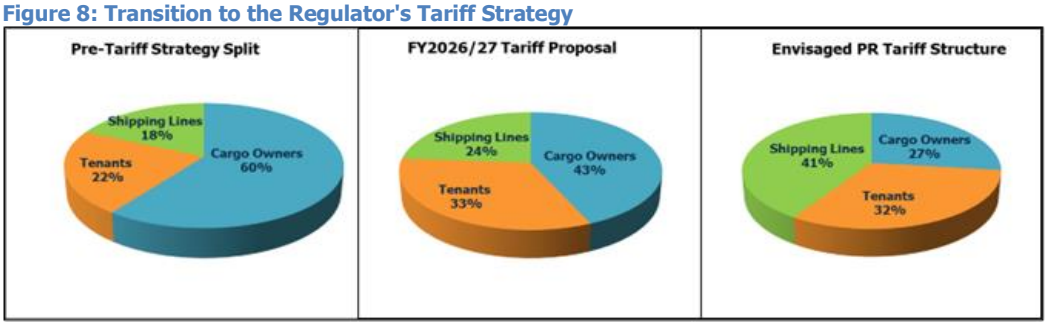
Table 16: Differentiated Tariff Approach Results

Revenue	FY 2025/26	FY 2026/27				
	Latest Estimate-2025/26	Weighted Average Revenue: Volume Increase	Revenue: Volume Increase	Revenue: Tariff Increase	Weighted Average Revenue: Tariff Increase	Required Revenue
	R'm	%	R'm	R'm	%	R'm
Container	3,414	3.3%	112	305	8.64%	3,831
Break Bulk	162	-7.5%	(12)	14	9.61%	164
Dry Bulk	1,584	2.6%	41	145	8.93%	1,770
Liquid Bulk	987	0.5%	5	86	8.67%	1,078
Automotive	390	-0.5%	(2)	33	8.62%	422
TOTAL CARGO DUES	**6,537**	**2.2%**	**144**	**583**	**8.7%**	**7,265**
Marine & other revenue	3,520		61	403	11.24%	3,984
TOTAL TARIFF BOOK REVENUE	**10,057**	**2.05%**	**206**	**986**	**9.61%**	**11,249**
Real estate revenue	5,123		359	-		5,481
Total Revenue	**15,180**	**3.72%**	**564**	**986**	**6.26%**	**16,730**

The differentiated tariff adjustments result in a weighted average tariff adjustment of **9.61%** for **FY 2026/27**.

The proposed tariff differentiation results in the progression of the implementation of the Tariff Strategy, and rebalancing of revenue contributions from the three key user groups, as follows:

Figure 8: Transition to the Regulator's Tariff Strategy



8.4 Tariff Book Amendments

The tariff details, and terms and conditions included in the Tariff Book are reviewed on an annual basis. The Tariff Book is amended/ enhanced to include, amongst others, improved definitions to business processes and documentation requirements; alignment to international norms in terms of the marine business; and addition of new charges and removal of obsolete charges. These changes are reflected in **Annexure C** (Tariff Book Changes).

8.5 Port Tariff Incentive Programme (PTIP)

PTIP is an incentive implemented by the Regulator, in consultation with the Department of Trade Industry and Competition (the DTIC), the DoT, the Authority, and other government departments, in support of beneficiation, industrialisation and localisation through port tariffs. The PTIP incentive is available, amongst others, to port users, organisations, and industry bodies to apply for a discounted tariff as per the official tariff book.

For FY 2026/27, the Regulator has received one (1) application from Cemza (Pty) Ltd (Cemza), that has been shared with the Authority. Cemza is a domestic cement manufacturer operating through the Port of Ngqura and has requested a discount on the import tariff applicable to the following commodities:

Table 17: PTIP Application

Commodity	Category Group	Tariff Book import rate FY2024/25	Proposed Tariff	Period of discount
Clinker	Cement & Clinker	R19.23	R6.00	99 years
Gypsum	Gypsum & Products	R19.23	R6.00	99 years
Limestone	Dry Bulk Base rate	R7.11	R1.50	99 years

Should the PTIP application be approved by the Regulator, the applicable discount will then be implemented as an amendment to the relevant tariff line items in the Tariff Book FY 2026/27 and will result in the creation of a cross-subsidy borne by the rest of the port system thereby impacting on the proposed differentiation illustrated in Table 15.

In summary, in terms of the process followed, the Regulator has shared the PTIP application with the DoT and DTIC for endorsement. The Authority will provide

the Regulator with information as requested, and its views of the matter, for the Regulator to reach a decision on the matter.

The full details of the application (PTIP Application) will be published by the Regulator on its website.

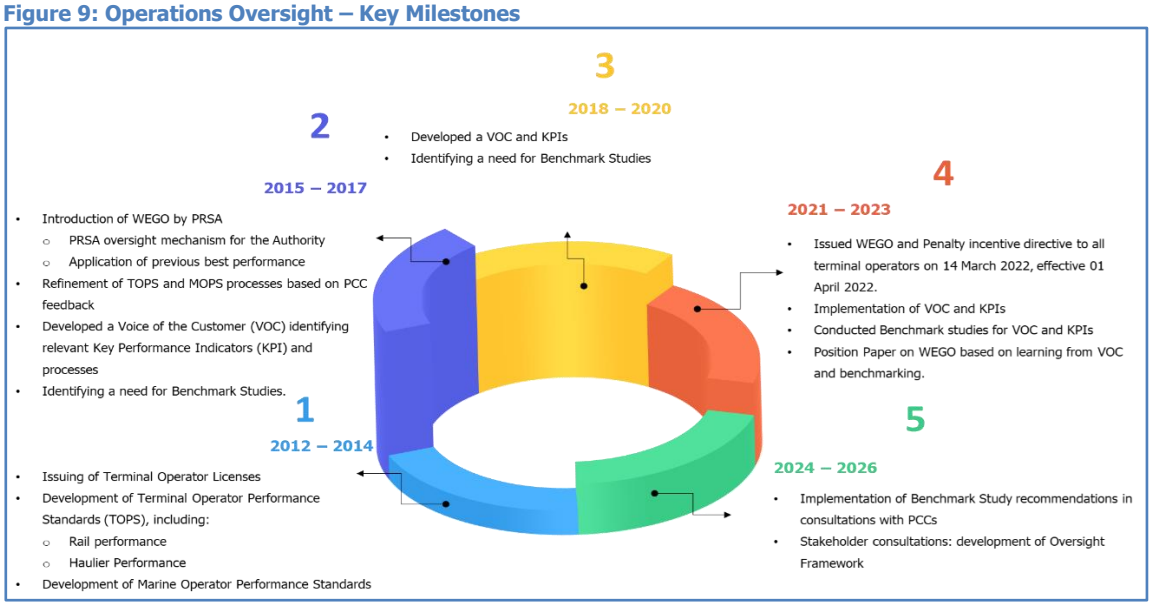
9. Port Efficiency

The primary role of the Authority is to provide port capacity and to ensure that the full set of productive services exists at a port to serve demand. It is not only the provision of infrastructure capacity that is necessary in achieving the Authority's objectives, but improved efficiencies are also critical in ensuring that the Authority is playing its oversight role.

The Authority's focus will remain on strengthening the terminal oversight function as follows:

- **Marine services**: Provide on-time marine services for all vessel calls thus ensuring global competitiveness;
- **Infrastructure and landlord**: Focus on providing sufficient infrastructure that supports the country's economic requirements; and
- **Authority and regulatory:** Ensure adherence to all port rules and precepts of the Ports Act.

Figure 9: Operations Oversight – Key Milestones



The Authority continues to strengthen its oversight mandate to promote efficiencies in the port system, with the following focus areas:

i. Terminal Oversight Management Enforcement Framework and performance classification;
ii. Operators Performance Standards target setting process; and
iii. Port Operations Performance Visibility.

9.1 Terminal Oversight Management Framework and Performance Classification

To strengthen its oversight role, the Authority has been enhancing its integrated approach across all oversight areas. To this end, the Authority consulted relevant stakeholders during FY 2024/25 on the approved Oversight Management Framework and performance classification. This framework serves as a key tool to guide the effective execution by the Authority of its operations oversight responsibilities. The Authority is in the process of fully implementing the Terminal Oversight Management Framework and non-conformance classification to enhance performance and compliance of terminal operators during FY 2025/26.

9.2 Setting of Terminal Operator Performance Standards for FY 2026/27

As part of the annual review of TOPS, the Authority will embark on a public consultation process with terminal operators and port users through the PCCs to solicit inputs on the KPIs and targets for FY 2026/27. The process will once more be for the next three (3) FYs, thus providing predictability on the improvements required in the ports system and is scheduled for completion by 31 March 2026.

9.3 Port Operations Performance Visibility

The Authority exercises oversight over more than ninety (90) terminal operator licences across the eight (8) commercial ports. This covers the port value chain from berthing, sailing and shifting of vessels, arrival and departure of trucks and rail, and loading and offloading of cargo from these intermodal transporters. In this context, operations data and systems integration become essential for monitoring performance, to allow for deviation management and accurate reporting of performance. Enhancing integration between the Authority and

terminal operator systems remains a strategic priority, with ongoing stakeholder engagements to improve operational visibility and data-driven oversight. To that end, the project to integrate the Authority with the Terminal Operators' data is at an advanced stage.

10. WEGO

Since its introduction in FY 2017/18, the Regulator has utilised WEGO to regulate the Authority's performance. This model aims to incentivise or penalise the Authority based on various KPIs, ensuring effective oversight and promoting efficiency within the port system. The WEGO methodology assesses actual performance against historical best performance for each defined WEGO KPI.

The Authority formally communicated to the Regulator several key concerns regarding WEGO, which the Authority requests the Regulator to consider. Specifically, the Authority has highlighted that WEGO Methodology does not account for the following critical factors:

a) Operational environmental changes and market conditions;
b) Increases in parcel size impact Ship Turnaround Time;
c) Parcel size complication on Ship Working Hour;
d) Cargo viscosity and temperature may affect flow of cargo; and
e) Cargo density affects cargo handling rate.

Furthermore, there is a misalignment between the Authority's WEGO KPIs, as well as the Authority's internal Terminal Operations Performance System KPIs. This discrepancy leads to differing performance outcomes, as evidenced in the WEGO Performance Results for FY 2024/25 (Table 18) and the Port Operations KPIs Performance Report for FY 2024/25 (Table 19).

10.1 WEGO FY 2024/25 Performance Results – Previous Best Performance

For FY 2024/25, the Port System's WEGO performance results, measured across six (6) KPIs, indicate a total port efficiency loss of 15%. This assessment, which compares current actual performance against previous best performance, does not account for the critical factors previously highlighted.

Table 18: WEGO Performance Results FY 2024/25 – Previous Best Performance

2024/25 Financial Year - Provisional WEGO Performance Report								
WEGO Key Performance Indicators	Port of Richards Bay	Port of Durban	Port East London	Port of Ngqura	Port of Port Elizabeth	Port of Mossel Bay	Port of Cape Town	Port of Saldanha
Vessel Service Delays - TNPA Marine Services	5.1%	-111.1%	-15.8%	-29.3%	1.0%	0.0%	8.4%	-14.8%
Vessel Service Delays - Terminal Operators	-26.6%	0.0%	0.0%	-5.0%	0.0%	-1.7%	0.0%	0.0%
Ship Working Hour	-0.4%	-1.6%	0.1%	-3.1%	-1.4%	0.0%	-2.2%	-0.3%
Berth Productivity	-0.3%	-0.5%	-2.4%	-5.2%	-2.1%	0.0%	-4.2%	-0.4%
Ship Productivity Indicator	-6.0%	-7.5%	8.8%	-5.7%	-1.1%	-27.7%	-9.5%	-5.9%
Ship Turnaround Time	-2.6%	-7.4%	-21.7%	-10.5%	-20.8%	-18.6%	-25.3%	-13.6%
Port Efficiency Gain	-30.8%	-128.2%	-31.0%	-58.7%	-24.4%	-47.9%	-32.7%	-35.0%
Capped at 15%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%
Revenue Weighting	15.0%	48.2%	1.8%	6.0%	5.2%	0.6%	13.8%	9.5%
Weighted Port Performance	-2.2%	-7.2%	-0.3%	-0.9%	-0.8%	-0.1%	-2.1%	-1.4%
TNPA WEGO	-15.0%	LEGEND:		White	No Change from Previous Best Performance			
				Green	Improvement from Previous Best Performance			
				Red	Decline from Previous Best Performance			

10.2 WEGO FY 2024/25 Performance Results – Agreed Upon Performance Targets

Annually, the Authority embarks on a consultation process with the Terminal Operators to define and agree upon appropriate KPIs and targets. These agreed-upon targets are subsequently presented to the PCCs for their consideration and adoption.

The WEGO performance results for FY 2024/25 below are based on the KPI performance against the agreed targets, showing the weighted performance efficiency gain at 13.9% as illustrated in Table 19:

Table 19: WEGO Performance Results FY 2024/25 – Agreed Upon Performance Target

2024/25 Financial Year - Port Operations KPIs Performance Report								
WEGO Key Performance Indicators	Port of Richards Bay	Port of Durban	Port East London	Port of Ngqura	Port of Port Elizabeth	Port of Mossel Bay	Port of Cape Town	Port of Saldanha
Vessel Service Delays - TNPA Marine Services	13.0%	4.9%	5.4%	8.7%	9.9%	10.0%	9.8%	28.3%
Vessel Service Delays - Terminal Operators	27.4%	50.0%	5.5%	3.8%	3.0%	9.3%	1.7%	10.0%
Ship Working Hour	0.9%	-2.0%	1.3%	-2.9%	0.1%	0.0%	3.6%	0.1%
Berth Productivity	0.1%	-0.5%	-1.1%	-3.8%	-1.6%	0.0%	5.5%	-0.4%
Ship Productivity Indicator	2.8%	-1.2%	3.8%	-5.0%	46.6%	-9.0%	11.9%	-1.7%
Ship Turnaround Time	-3.5%	-2.2%	5.0%	-4.9%	-0.1%	5.0%	15.5%	-2.7%
Port Efficiency Gain	**40.7%**	**49.0%**	**19.9%**	**-4.1%**	**57.9%**	**15.4%**	**48.0%**	**33.6%**
Capped at 15%	**15.0%**	**15.0%**	**15.0%**	**-4.1%**	**15.0%**	**15.0%**	**15.0%**	**15.0%**
Revenue Weighting	**15.0%**	**48.2%**	**1.8%**	**6.0%**	**5.2%**	**0.6%**	**13.8%**	**9.5%**
Weighted Port Performance	**2.2%**	**7.2%**	**0.3%**	**-0.2%**	**0.8%**	**0.1%**	**2.1%**	**1.4%**
Port Operations KPIs	**13.9%**	**LEGEND:**		**White**	No Change from Previous Best Performance			
				Green	Improvement from Previous Best Performance			
				Red	Decline from Previous Best Performance			

In conclusion, a comparison of the two approaches reveals a divergent performance outlook for the Port system. When evaluated using the WEGO "previous best performance" principle, the system indicates a negative performance. However, when assessed against the agreed-upon targets, the system demonstrates positive performance.

10.3 WEGO Penalty & Incentive Cascading Implementation

The Regulator applies the WEGO framework to regulate the Authority's performance. In this context, the Authority, terminal operators and other port logistics value chain players contribute to port wide performance. As such, the Authority took a decision to cascade proportioned penalties/ incentives received from the Regulator through the WEGO model to terminal operators, to incentivise efficiencies and address inefficiencies in the port system.

The decision was communicated to all terminal operators in March 2022, with implementation effective from 01 April 2022. The Authority issued final invoices to all the relevant terminal operators to recover the WEGO penalty amount, as a result some of the Terminal Operators lodged an appeal and / complaints with the Regulator regarding the Authority's decision to cascade the WEGO penalties. The matter is currently under review by the Regulator's tribunal.

11. Conclusion

The Tariff Application, therefore, requests for a RR of R16 730m, translating into a tariff increase of 9.61% for FY 2026/27 and indicative tariff increases of 9.61% for both FY 2027/28 and FY 2028/29. The Tariff Application considers the use of ETIMC over the three-year tariff period, to ensure that the tariff increase is capped or equates to the average tariff increase of 9.61% over the three-year period.

The non-exercising of ETIMC results in a RR of R17 926m and translating into an average tariff adjustment of 21.26% for FY 2026/27, and indicative tariff adjustments of 9.12% and -1.56% for FY 2027/28 and FY 2028/29, respectively. A simple straight-line average of the tariff adjustments results in an average tariff adjustment of 9.61% required for each of the three (3) years.

Given the current economic conditions and the impact on port users; together with the role the Authority must play in facilitating economic growth by investing in infrastructure, and maintaining employment, in line with the Transnet R4G strategy, the Authority has considered a "smoothed" tariff application approach by triggering the use of the ETIMC facility.

In accordance with the objectives of the Tariff Strategy, amongst others, the following differentiated tariff adjustments are proposed for approval by the Regulator:

Table 20: Tariff Differentiation

Tariff Differentiation	Tariff Adjustment	
	Imports	Exports
Containers	8,61%	8,61%
Containers (Empties, Transhipment, Coastwise)	9,61%	
Breakbulk	9,61%	9,61%
Dry Bulk	9,61%	9,61%
Dry Bulk Coal	9,61%	9,84%
Dry Bulk Magnetite	9,61%	9,84%
Liquid Bulk	8,61%	8,61%
Automotives	8,61%	8,61%
Other cargo transhipped (inclusive of automotives)	9,61%	
Marine Charges	11,24%	
Average Tariff Adjustment	**9,61%**	

Annexure A: Capex

The Authority's investment spending for FY 2025/26 to FY 2028/29 is segregated into various categories to demonstrate the strategic objectives, major projects considered, and the impact of such Capex. Transversal initiatives refer to those projects that cut across the port system and are not specific to any individual port.

Table 21: Expansion Business vs. Maintenance of Current Business

FY 2025/26

Details	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transversal
	LE												
	FY 2025/26												
	R'm												
Sustain	2,388	269	542	121	83	105	54	254	208	385	-	4	363
Expand	333	175	125	2	27	-	-	4	-	-	-	-	-
Total (Excl. borrowing cost)	**2,720**	**444**	**667**	**123**	**110**	**105**	**54**	**258**	**208**	**385**	**-**	**4**	**363**

FY 2026/27

Details	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transversal
	Projections												
	FY 2026/27												
	R'm												
Sustain	1,670	291	561	173	23	25	24	174	67	206	2	4	121
Expand	862	443	120	-	37	13	5	245	-	-	-	-	-
Total (Excl. borrowing cost)	**2,533**	**734**	**681**	**173**	**60**	**38**	**29**	**419**	**67**	**206**	**2**	**4**	**121**

FY 2027/28

Details	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transversal
	Projections												
	FY 2027/28												
	R'm												
Sustain	1,327	420	391	110	7	29	9	142	73	80	2	4	59
Expand	1,304	249	537	-	75	-	9	282	-	-	-	-	152
Total (Excl. borrowing cost)	**2,631**	**668**	**928**	**110**	**82**	**29**	**18**	**424**	**73**	**80**	**2**	**4**	**212**

FY 2028/29

Details	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transversal
	Projections												
	FY 2028/29												
	R'm												
Expand	2,201	93	908	-	621	-	3	279	-	-	-	-	297
Sustain	1,024	478	188	40	5	49	4	150	98	3	4	7	-
Total (Excl. borrowing cost)	**3,225**	**571**	**1,096**	**40**	**626**	**49**	**6**	**428**	**98**	**3**	**4**	**7**	**297**

Table 22: Port Related Spending by Asset Type

FY 2025/26

Asset Group	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transversal	LHS	DRS	HO
Buildings & Fixed Structures	130	31	48	1	37	-	-	3	-	10	-	-	-
Port Infrastructure	1,505	373	533	91	46	82	48	139	193	-	-	-	-
Vehicles & Aircraft	10	0	-	-	-	10	-	-	-	-	-	-	-
Other Furniture & Equipment	67	13	12	4	5	13	3	6	5	-	4	3	-
Floating Craft	471	-	16	-	-	-	-	73	-	-	-	382	-
Port Equipment	379	-	57	27	16	-	2	37	10	230	-	-	-
Lighting & Power Supply	34	27	0	-	6	-	-	-	-	-	-	-	-
Land Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Equipment	1	-	-	-	-	-	1	-	-	-	-	-	-
Computer Equipment	91	-	-	-	-	-	-	-	-	91	-	-	-
Intangible Assets	9	-	-	-	-	-	-	-	-	9	-	-	-
Telecommunication Equipment	23	-	-	-	-	-	-	-	-	23	-	-	-
Grand Total	**2,720**	**444**	**667**	**123**	**110**	**105**	**54**	**258**	**208**	**363**	**4**	**385**	**-**

FY 2026/27

Asset Group	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transversal	LHS	DRS	HO
Buildings & Fixed Structures	15	-	1	-	-	13	-	-	-	-	-	-	-
Port Infrastructure	1,794	707	449	154	57	16	27	321	63	-	-	-	-
Vehicles & Aircraft	51	19	16	-	-	-	-	17	-	-	-	-	-
Other Furniture & Equipment	46	8	7	3	3	9	2	3	4	-	4	1	2
Floating Craft	248	-	12	-	-	-	-	14	-	17	-	205	-
Port Equipment	355	-	195	16	-	-	-	64	-	80	-	-	-
Lighting & Power Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	24	-	-	-	-	-	-	-	-	24	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunication Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	**2,533**	**734**	**681**	**173**	**60**	**38**	**29**	**419**	**67**	**121**	**4**	**206**	**2**

FY 2027/28

Asset Group	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transversal	LHS	DRS	HO
Buildings & Fixed Structures	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Infrastructure	1,949	612	728	107	80	26	16	312	68	-	-	-	-
Vehicles & Aircraft	143	47	47	-	-	-	-	48	-	-	-	-	-
Other Furniture & Equipment	43	9	8	3	3	3	2	4	4	-	4	1	2
Floating Craft	79	-	-	-	-	-	-	-	-	-	-	79	-
Port Equipment	266	-	145	-	-	-	-	61	-	59	-	-	-
Lighting & Power Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Acquisitions	152	-	-	-	-	-	-	-	-	152	-	-	-
Security Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunication Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	**2,631**	**668**	**928**	**110**	**82**	**29**	**18**	**424**	**73**	**212**	**4**	**80**	**2**

FY 2028/29

Asset Group	Total TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transversal	LHS	DRS	HO
Buildings & Fixed Structures	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Infrastructure	2,625	503	1,023	35	621	42	3	308	91	-	-	-	-
Vehicles & Aircraft	154	53	52	-	-	2	-	47	-	-	-	-	-
Other Furniture & Equipment	74	15	14	5	5	5	4	6	7	-	7	3	4
Floating Craft	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Equipment	75	-	8	-	-	-	-	67	-	-	-	-	-
Lighting & Power Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Acquisitions	297	-	-	-	-	-	-	-	-	297	-	-	-
Security Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunication Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	**3,225**	**571**	**1,096**	**40**	**626**	**49**	**6**	**428**	**98**	**297**	**7**	**3**	**4**

Capex and Throughput

Table 23 is informed by the current infrastructure investment in the port system. The Authority is currently in the process of revising the NPP and PDFPs (2025) to inform the futuristic view of port capacities (berth and storage) in line with port development and the projected demand. It is important to note that, whilst the Capex programme outlined is primarily expansionary (except for Breakbulk and Automotives segments), the expansion is associated with volumes and research studies, not capacities. In summary, capacities are calculated based on physical interventions not research studies, e.g. current and planned berths, equipment, and storage intervention as per PDFPs.

Table 23: Capex and throughput per commodity

Containers

Details	LE	Containers						
	Latest Estimate 2025/26 (Rm's)	Year 1 2026/27 (Rm's)	Year 2 2027/28 (Rm's)	Year 3 2028/29 (Rm's)	Year 4 2029/30 (Rm's)	Year 5 2030/31 (Rm's)	Total 6 Years (TA) (Rm's)	Major Capital Projects
Containers	**253**	**445**	**872**	**1,173**	**1,789**	**1,088**	**5,620**	- Feasibility: New Container Handling Berth 605 - Execution: Durban Container Terminal (DCT) berth deepening 203 to 205 - Development of Durban Point Container Terminal - FEL 3 & 4 - Feasibility: Maydon Wharf channel deepening - Feasibility: Berth Deepning M/Wharf 5-11 & 15 - Execution: Expansion of Container Terminal : CPT Phase 2B - Feasibility: Expansion of Container Terminal : CPT Phase 2B - Acquisition of 66 Hydraulic Tension Units - SA Navy Satellite Station - Execution: Automated Mooring System 'Mooring Unit Replacement'
Expand	99	365	812	1,173	1,789	920	5,158	
Sustain	154	80	59	-	-	169	462	
Volumes (mt)								
Budget & Projections	4,392	4,538	4,667	4,800	5,008	5,185		
Capacity	7,250	7,250	9,750	9,750	9,750	9,750		
Total Capex Spend over the 6 Year Period					**5,620**			

Liquid Bulk

Details	LE Latest Estimate 2025/26 (Rm's)	Liquid Bulk Year 1 2026/27 (Rm's)	Year 2 2027/28 (Rm's)	Year 3 2028/29 (Rm's)	Year 4 2029/30 (Rm's)	Year 5 2030/31 (Rm's)	Major Capital Projects
Liquid Bulk	**140**	**217**	**178**	**628**	**1,048**	**218**	- Execution: IV sea walls - Upgrade of Fire-Fighting Infrastructure at Island View, Port of Durban (Phase_2) - Construction of Liquid bulk Berth A100 and associated services - Tank farm Equip Berth B100, roads, port entrance and services - Execution: Construction of Liquid Bulk terminal Port of Ngqura - Execution: Reconstruction of Island View Berth 1 - Execution: Island View Berth 3 Upgrade
Expand	24	42	84	624	1,048	214	
Sustain	117	176	94	4	-	4	
Volumes (mt)							
Budget & Projections	36	36	37	39	41	42	
Capacity	109	112	123	123	123	123	
Total Capex Spend over the 6 Year Period					**2,431**		

Coal

Details	LE Latest Estimate 2025/26 (Rm's)	Coal Year 1 2026/27 (Rm's)	Year 2 2027/28 (Rm's)	Year 3 2028/29 (Rm's)	Year 4 2029/30 (Rm's)	Year 5 2030/31 (Rm's)	Major Capital Projects
Coal	**50**	**29**	**-**	**-**	**-**	**17**	- Refurbish fenders - berths 301 to 306 - New port entrance and road access package 3, 4 & 5 - Feasibility: Berth 708,606 and 208 Extension - Feasibility: New Berths 709 & 710 for Neo Bulk
Expand	50	29	-	-	-	-	
Sustain	0	-	-	-	-	17	
Volumes (mt)							
Budget & Projections	71	74	80	83	86	90	
Capacity	114	114	114	114	114	114	
Total Capex Spend over the 6 Year Period					**97**		

Break-Bulk

Details	LE Latest Estimate 2025/26 (Rm's)	Break Bulk Year 1 2026/27 (Rm's)	Year 2 2027/28 (Rm's)	Year 3 2028/29 (Rm's)	Year 4 2029/30 (Rm's)	Year 5 2030/31 (Rm's)	Major Capital Projects
Break Bulk	**-**	**-**	**-**	**-**	**-**	**10**	- Feasibility: Break Bulk Berth B101 and associated services - Execution: Quay 4 expansion for MPT including deepening - Execution: Replacement of sheet piles for Quay 3
Expand	-	-	-	-	-	-	
Sustain	-	-	-	-	-	10	
Volumes (mt)							
Budget & Projections	5	5	5	5	5	5	
Capacity	27	27	27	27	27	27	
Total Capex Spend over the 6 Year Period					**10**		

Automotives

Details	LE Latest Estimate 2025/26 (Rm's)	Automptive Year 1 2026/27 (Rm's)	Year 2 2027/28 (Rm's)	Year 3 2028/29 (Rm's)	Year 4 2029/30 (Rm's)	Year 5 2030/31 (Rm's)	Major Capital Projects
Autos	**47**	**129**	**95**	**35**	**-**	**12**	- Point Automotive Terminal: Demolitions and Relocations - Execution: Reconstruction of Quay 3 - Rehabilitate Port View Road - Execution - Port Logistics Park - Feasibility: East London Port Expansion - Realignment of the North Breakwater, deepening of Entrance Channel
Expand	46	42	-	-	-	-	
Sustain	1	87	95	35	-	12	
Volumes (mt)							
Budget & Projections	767,306	812,962	824,291	875,326	888,076	901,766	
Capacity	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	
Total Capex Spend over the 6 Year Period					**318**		

Other (including Fleet – Craft and Dredging Services)

Details	LE	Other					
	Latest Estimate 2025/26 (Rm's)	Year 1 2026/27 (Rm's)	Year 2 2027/28 (Rm's)	Year 3 2028/29 (Rm's)	Year 4 2029/30 (Rm's)	Year 5 2030/31 (Rm's)	Major Capital Projects
Other	**1,892**	**1,331**	**1,237**	**1,296**	**738**	**2,530**	- Feasibility & Execution: Port Operational Roads Rehabilitation (Rehabilitation & Repair of Newark. Silver Ocean. Urania Road (5 Yearly) - Execution: Upgrade Breakwaters Dolosse - Execution: Replace Water Pipelines & Billing System - Drydock Jib Cranes - Replacement of 10 cranes for Shiprepair - 20 MW Renewable Energy Electricity Generating System (SLD) - 2nd Grab hopper dredger - 2nd Cutter Suction Dredger and Self-propelled Split Hopper Barge - Execution: Slipway Upgrade (MSB) - Feasibility & Execution: N2 Foreshore Rehabilitation - Smart People's Port - Smart Flow Meters - Land Acquisition: Port of Boegoebaai
Expand	0.114	2	159	311	-	1,058	
Sustain	1,892	1,328	1,078	985	738	1,472	

Table 24: Multi-Year Port Related Spending by Asset Type

Asset Group	LE	Projections					
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	Total 6 Yr
	R'm						
Buildings & Fixed Structures	130	15	-	-	3	163	311
Port Infrastructure	1,505	1,794	1,949	2,625	3,206	3,520	14,598
Vehicles & Aircraft	10	51	143	154	248	-	606
Other Furniture & Equipment	67	46	43	74	134	40	404
Floating Craft	471	248	79	-	-	263	1,061
Port Equipment	379	355	266	75	-	13	1,088
Lighting & Power Supply	34	-	-	-	-	3	37
Land Acquisitions	-	-	152	297	-	-	450
Security Equipment	1	-	-	-	-	41	42
Computer Equipment	91	24	-	-	-	65	180
Intangible Assets	9	-	-	-	-	31	39
Telecommunication Equipment	23	-	-	-	-	-	23
Total (Excl. borrowing cost)	**2,720**	**2,533**	**2,631**	**3,225**	**3,591**	**4,138**	**18,838**

Table 25: Multi-Year Port Related per Commodity

Commodity	LE	Projections					
	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	Total 6 Yr
	R'm						
Break Bulk	-	-	-	-	-	10	10
Coal	50	29	-	-	-	17	97
Containers	253	445	872	1,173	1,789	1,088	5,620
Iron Ore	162	-	-	-	-	39	201
Manganese	3	-	-	-	-	206	208
Other	1,892	1,331	1,237	1,296	738	2,530	9,023
Dry Bulk	-	-	-	-	-	11	11
Liquid	140	217	178	628	1,048	218	2,431
Chrome & Magnetite	53	50	-	-	-	-	103
Gas	85	332	249	93	-	-	759
Agriculture	35	-	-	-	16	7	57
Autos	47	129	95	35	-	12	318
Total excl Borrowing Costs	**2,720**	**2,533**	**2,631**	**3,225**	**3,591**	**4,138**	**18,838**

Annexure B: Opex

The Authority's total Opex for FY 2026/27, inclusive of Group Costs, is highlighted in Table 26 below:

Table 26: Opex

Cost Category	Actual 2024/25 R Million	Budget 2025/26 R Million	Forecast 2026/27 R Million	Dev 25/26 vs 26/27 R Million	Dev 25/26 vs 26/27 Percentage	% of Opex 26/27	Forecast 2027/28 R Million	Forecast 2028/29 R Million	CAGR 2026/27 - 2028/29
Labour Costs	3,193	3,487	3,825	339	9.7%	48.0%	4,054	4,286	5.8%
Fuel	282	343	360	17	5.0%	4.5%	378	396	4.9%
Electricity	617	686	728	43	6.2%	9.1%	774	821	6.2%
Maintenance	655	815	875	59	7.3%	11.0%	906	942	3.8%
Material	180	207	218	11	5.4%	2.7%	231	244	5.7%
Informations systems	184	257	277	20	7.7%	3.5%	302	317	7.0%
Insurance Operations	94	107	113	5	5.1%	1.4%	118	124	4.8%
Professional services	40	102	105	3	2.7%	1.3%	65	71	-17.9%
Rental & Leases	50	39	41	2	4.9%	0.5%	43	45	4.6%
Rates & taxes	647	690	720	30	4.4%	9.0%	772	766	3.1%
Water	335	268	281	13	4.9%	3.5%	277	289	1.4%
Pre -Feasibility Studies	86	73	98	25	34.5%	1.2%	103	138	18.7%
Security costs	196	225	235	10	4.5%	2.9%	245	256	4.5%
Sundry operating costs	-397	-349	-441	-93	26.6%	-5.5%	-517	-561	12.8%
Total Operating Cost (Excl. Group Costs)	***6,161***	***6,951***	***7,435***	***485***	***7.0%***	***93.3%***	***7,750***	***8,133***	***4.6%***
Group Costs	447	512	531	19	3.7%	6.7%	554	577	4.3%
Total operating cost (Incl. Group Costs)	***6,608***	***7,462***	***7,966***	***504***	***6.7%***	***100%***	***8,304***	***8,710***	***4.6%***
Less: Properties Outside Port Limits	-20	-21	-23	-2	9.4%	-0.3%	-25	-	
Total operating cost	***6,588***	***7,441***	***7,943***	***502***	***6.7%***	***100%***	***8,278***	***8,710***	

The increase in Opex from the Budget FY 2025/26 to FY 2026/27 is approximately 6.73% and is required for the Authority to support the Transnet R4G strategy, and for effective delivery on its mandate.

It is important to note that any additional costs associated with the Authority operating as a corporatised entity have not yet been determined and therefore not reflected in this application.

Labour Cost

Labour (forecast FY 2026/27: R3 825m – 9.7% Y-o-Y increase) remains the largest cost driver, accounting for 47.8% of total Opex. The increase is primarily driven by a 6.0% salary increase and the filling of critical vacancies to sustain port operations and maintain productivity. Over the three-year period, the average growth rate for labour costs is retained at 5.8%, considering headcount and expected salary increments (5.5%).

Energy Costs

The escalation in Fuel costs (forecast FY 2026/27: R360m – 5.0% Y-o-Y increase) is attributed to increased consumption, particularly by the marine fleet, and higher prices due to rising crude oil costs. Mitigation efforts include energy efficiency initiatives, alternative sourcing, and contract reviews. Increased trip frequency due to higher demand and the continued use of older, less fuel-efficient marine vessels also contribute to this increase.

Electricity costs (forecast FY 2026/27: R728m – 6.2% Y-o-Y increase) are escalating due to increases in electricity tariffs (e.g., NERSA regulatory tariff hikes for Eskom and municipalities), increased operations and higher consumption associated with growing tenant base. The average increase is expected to remain at approximately 6.2% p.a. throughout the three-year tariff application period.

Maintenance

Maintenance cost (forecast FY 2026/27: R875m – 7.3% Y-o-Y increase) is driven by aging infrastructure backlog in preventative maintenance, facility upgrades as well as major rehabilitation work in marine operations and dredging. Asset integrity is central to ensuring long-term service delivery all of which is underpinned by a disciplined maintenance regime. Maintenance costs are estimated to increase with an average of 3.8% p.a. over the three-year tariff application period to address the issues.

Material

Material costs (forecast FY 2026/27: R218m – 5.4% Y-o-Y increase) are rising due to increased maintenance requirements (older fleet and equipment needing more frequent repairs and part replacements, and backlog leading to more severe damage), safety-related procurement, and structural refurbishment efforts amid supply market volatility. An average increase of approximately 5.7% per annum is expected over the tariff application period.

Information Systems

Information Systems expenses (forecast FY 2026/27: R277m – 7.7% Y-o-Y increase) reflects a strategic pivot towards strengthening cybersecurity and data integrity, ensuring licensing compliance and software upgrades as the Authority advances towards digitalization of systems to improve operational resilience and efficiency. In anticipation of future developments

including progressing of the Smart Ports initiative, there is an estimated increase of 7.0% per annum in Information Systems costs from FY 2026/27 to FY 2028/29.

Insurance Operations

The growth in insurance cost (forecast FY 2026/27: R113m – 5.1% Y-o-Y increase) is supported by an expanded marine fleet, increased legal requirements, heightened risk exposure, impacts of climate change e.g., KZN floods and the need for certification compliance. The increase in insurance costs is approximately 4.8% per annum over the three-year tariff period.

Utilities

Rates and taxes (forecast FY 2026/27: R720m – 4.4% Y-o-Y increase) is influenced primarily by municipal valuation and levies. Water (forecast FY 2026/27: R281m – 4.9% Y-o-Y increase) is mainly attributed to water municipal tariff hikes.

During the three-year tariff application period, it is expected that rates and taxes will increase by approximately 3.1% p.a. and Water by 1.4% p.a. This projection is based on careful consideration of prevailing economic conditions, legislative requirements, and the Authority's financial planning efforts, including addressing water leakage through focused remediation projects.

Pre-Feasibility Studies

The significant increase in pre-feasibility studies (forecast FY 2026/27: R98m – 34.5% Y-o-Y increase) supports the successful delivery of the long-term capital investment programme, as well as infrastructure and climate-adaptive planning for future growth. The pre-feasibility costs are estimated to increase by 18.7% per annum over the three-year tariff period.

Security Costs

Cost escalation in security (forecast FY 2026/27: R235m – 4.5% Y-o-Y increase) reflects expanded port coverage, enhanced compliance with national safety standards, and investments in surveillance and physical security systems. Security costs have an average estimated increase of 4.5% per annum over the three-year tariff period.

Sundry Operating Costs

While the overall category reflects a decrease due to miscellaneous revenue/recovery, several key sub-elements show significant cost increases (e.g., environmental rehabilitation, legal and consulting, internal audit, printing and stationery, etc.). These one-off interventions are necessary for environmental compliance, brand strengthening, and modernisation. Detailed costs relating to sundry expenses are provided in Table 27:

Table 27: The Authority's Sundry Operating Costs

Cost Category	Actual 2024/25 R Million	Budget 2025/26 R Million	Forecast 2026/27 R Million	Dev 25/26 vs 26/27 R Million	Dev 25/26 vs 26/27 Percentage	% of Opex 26/27	Forecast 2027/28 R Million	Forecast 2028/29 R Million	CAGR 2026/27 - 2028/29
External property anxilary costs	-460	-755	-844	-89	11.9%	191.3%	-939	-1,008	9.3%
Intra NPA recoveries	-441	-527	-543	-16	3.0%	123.1%	-581	-592	4.4%
Intra cc recoveries	261	323	331	8	2.5%	-75.0%	356	359	4.1%
Intra cc charges	91	108	72	-36	-33.5%	-16.3%	78	80	5.2%
Miscellaneous revenue	-264	-34	-35	-1	1.7%	7.8%	-36	-35	0.5%
External Audit Fees	41	41	43	2	4.4%	-9.7%	45	47	4.5%
Entertainment	7	14	14	0	3.5%	-3.2%	15	15	4.5%
Environmental management	15	82	89	7	8.6%	-20.1%	92	97	4.4%
Fines and Penalties	16	0	0	0	4.4%	0.0%	0	0	4.5%
Health and Sanitation	61	82	87	5	6.0%	-19.7%	92	97	5.5%
Legal Costs - Tax Deductible	88	50	44	-7	-13.3%	-9.9%	46	49	5.5%
Consulting fees	1	6	6	0	4.6%	-1.4%	6	7	4.4%
Internal Audit	22	20	26	6	32.2%	-6.0%	28	30	5.6%
Membership Fees	8	13	14	1	5.8%	-3.2%	15	16	5.1%
Bank Charges	0	0	0	0	4.4%	-0.1%	0	0	4.5%
Catering Costs	2	5	5	0	6.4%	-1.1%	5	6	6.2%
Claims Paid	1	-	-	-	0.0%	0.0%	-	-	0.0%
Commission Paid	-	-	-	-	0.0%	0.0%	-	-	0.0%
Discount Allowed	-	-	-	-	0.0%	0.0%	-	-	0.0%
Gifts	-	-	-	-	0.0%	0.0%	-	-	0.0%
License Fees	3	6	6	0	3.4%	-1.3%	6	6	4.5%
Magazines, Books and Periodicals	1	2	2	0	4.3%	-0.5%	2	2	4.4%
Newspapers	-	-	-	-	0.0%	0.0%	-	-	0.0%
Nursery / Flower Expenditure	10	16	18	1	7.0%	-4.0%	19	20	6.3%
Other 1	14	21	22	1	4.6%	-5.0%	23	24	4.5%
Contract Payments	24	28	30	1	4.4%	-6.7%	31	32	4.5%
Navigation, Landing and Parking	3	2	2	0	4.6%	-0.6%	3	3	4.4%
Postage	0	0	0	0	4.6%	0.0%	0	0	4.7%
Printing and Stationery	5	14	20	6	40.9%	-4.5%	21	22	4.9%
Promotions and Advertising	11	22	34	12	52.1%	-7.6%	35	37	4.5%
Telecommunication Services : External	8	15	16	1	4.4%	-3.6%	16	17	4.3%
Transport Cost : External	14	4	4	0	4.4%	-1.0%	5	5	4.5%
Travel - Local	57	78	82	4	5.1%	-18.6%	86	90	4.5%
Travel - Overseas : Deductible	2	13	13	0	2.8%	-3.0%	14	14	4.5%
Total sundry operating expenses	***-397***	***-349***	***-441***	***-93***	***26.6%***	***100.0%***	***-517.0***	***-561.3***	***12.8%***

Opex has an average estimated increase of 4.6% p.a. over the three-year period, excluding Group Costs. This trajectory is explained by sustained cost inflation, ongoing infrastructure lifecycle management and enhanced digital and operational capabilities.

Group Overhead Costs

The services provided by each Transnet corporate cost centre to the respective Operating Division (ODs) vary in accordance with the OD requirements and the nature of its activities. Shared costs are based on a top-down cost centre allocation approach as opposed to a top-down expenditure line-item allocation approach.

This means that the total costs relating to a particular cost centre are allocated to the OD using a cost driver predetermined by and agreed with the cost centre managers for that cost centre. Consequently, this informs the allocation of the expenditure line items such as personnel costs, fuel costs etc. within that cost centre.

Furthermore, where possible, identified costs per general ledger account that can be traced to ODs are allocated directly without the use of predetermined cost drivers. These may include but are not limited to the incentive bonuses provision, impairments on trade receivables and other internal income and expense recoveries.

Year on year differences in allocated corporate overhead costs or differences between budgeted cost and actual cost allocations is due to changes in spending priorities and changes in cost driver percentages (per cost centre) with cost drivers remaining the same.

Transnet's external auditors perform agreed upon procedures on the corporate overhead cost allocation for both actuals and projections to assess whether the allocation was carried out in a manner compliant with Transnet's methodology and to ensure that the allocation is reasonable and fair.

Table 28: Group Overhead Costs

TRANSNET GROUP OVERHEAD COSTS	2024/25 Actual	2025/26 Budget	2026/27	Difference	Var %	2027/28	2028/29
			Projections				
			Rands				
Revenue external	(168,705)	-	-	-	0.0%	-	-
Revenue internal	-	-	-	-	0.0%	-	-
Revenue	**(168,705)**	**-**	**-**	-	0.0%	**-**	**-**
Net operating expenses excluding depreciation and amortisation	**418,867,897**	**475,641,160**	**497,498,653**	**21,857,493**	**4.6%**	**520,400,810**	**544,355,165**
Personnel costs	280,698,642	310,513,401	324,793,421	14,280,020	4.6%	339,731,649	355,354,529
Fuel costs	107,795	242,577	253,700	11,123	4.6%	265,348	277,507
Electricity costs	584,804	796,681	833,328	36,647	4.6%	871,661	911,758
Material costs	28,333	84,184	88,054	3,870	4.6%	92,103	96,336
Other operating costs	137,448,323	164,004,317	171,530,150	7,525,833	4.6%	179,440,049	187,715,035
Accommodation and Refreshments	830,977	1,562,988	1,634,871	71,883	4.6%	1,710,066	1,788,710
Professional Fees	34,190,338	21,126,319	22,098,130	971,811	4.6%	23,114,644	24,177,917
Electronic Data Costs	36,249,076	44,352,901	46,393,134	2,040,233	4.6%	48,527,217	50,759,467
Internal Audit	11,045,149	6,255,110	6,542,845	287,735	4.6%	6,843,815	7,158,631
Social Investment	18,788,297	18,070,074	18,901,297	831,223	4.6%	19,770,757	20,680,212
Miscellaneous Costs	36,344,488	72,636,925	75,959,874	3,322,949	4.6%	79,473,550	83,150,098
Profit from operations before depreciation, amortisation and items listed below	**418,699,192**	**475,641,160**	**497,498,653**	**21,857,493**	**4.6%**	**520,400,810**	**544,355,165**
Depreciation and amortisation	15,024,495	21,269,786	17,544,157	(3,725,629)	-17.5%	16,903,674	15,427,134
Profit from operations before the items listed below	**433,723,687**	**496,910,946**	**515,042,810**	**18,131,864**	**3.6%**	**537,304,484**	**559,782,299**
Impairment of assets	(445,604)	-	-	-	0.0%	-	-
Post-retirement benefit obligation costs	12,750,165	14,952,538	15,640,355	687,817	4.6%	16,359,811	17,112,362
Fair value adjustments	596,270	-	-	-	0.0%	-	-
Profit from operations before net finance costs	**446,624,518**	**511,863,484**	**530,683,165**	**18,819,681**	**3.7%**	**553,664,295**	**576,894,661**
Transnet Capital Projects	-	-	-	-	0.0%	-	-
Total Overhead Costs	**446,624,518**	**511,863,484**	**530,683,165**	**18,819,681**	**3.7%**	**553,664,295**	**576,894,661**

Annexure C: FY 2026/27 Tariff Book Changes

Table 29: Proposed Tariff Book Changes

Reference to Tariff Book FY 2025/26	Current Tariff Book Reading /Wording	Proposed Changes
Section 4 Clause 4.11.3 Voyage Performance Report Page 31	Clause 4.11.3 Voyage Performance Report Voyage Performance Report must be submitted electronically on the Integrated Port Management System (IPMS), within 24 hours after vessel departs. Penalty for non-submission of Voyage Performance Report R2 045.47	**Amendment:** Voyage Performance Report must be submitted electronically on the Integrated Port Management System (IPMS), within ***48*** hours after vessel departs. Penalty for non-submission of Voyage Performance Report .....R2 281.52 **Rationale:** To give customers sufficient time to source the required documentation.
Section 7 Clause 7.8: Late Order Fees and Related Fees Page 47	Clause 7.8: Late Order Fees and Related Fees	**New addition of wording:** Cancellation fee is applicable for all cancellations of cargo documentation as follows: Cargo dues order cancelation fee per order..... R392.38 **Rationale:** Currently whilst amendments attract a fee, cancellations do not - amendment to ensure recovery the administrative cost of processing cancellations
Section 8 Clause 8.2: Responsible Party Page 52	Clause 8.2: Responsible Party New Addition	**New addition of wording:** During the collation process, once the Authority bills the Container Operator/Shipping Line/Vessel Agent, the vessel file will be deemed complete and closed. The said Container Operator/Shipping Line/Vessel Agent must settle directly with the Clearing & Forwarding Agent thereafter.

Reference to Tariff Book FY 2025/26	Current Tariff Book Reading /Wording	Proposed Changes
		Rationale: Removes the administrative burden on the Authority to pass credits.
Section 8 New Addition Page 53	New Addition	**New addition of wording:** ***Clause 8.5 Cancelling Orders*** Cancellation fees will be applicable to all orders being cancelled. The account number appearing on the cargo dues order will be debited accordingly. ..... R392.38 **Rationale:** To ease the administrative burden where cancellations due to duplications are submitted.

End.