



TRANSNET
NATIONAL PORTS
AUTHORITY

TARIFF APPLICATION

FINANCIAL YEAR 2027/28

Submitted to the
Ports Regulator of South Africa

31 July 2026



Port of Ngqura
South Africa

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ABBREVIATIONS AND ACRONYMS

AfCFTA	African Continental Free Trade Area
BER	Bureau of Economic Research
CAGR	Compounded Annual Growth rate
CAPEX	Capital Expenditure
CCTV	Closed-Circuit Television
CPT	Cape Town
DBN	Durban
DCT	Durban Container Terminal
DRS	Dredging Services
EL	East London
ETIMC	Excessive Tariff Increase Margin Credit
EU	European Union
EV	Electric Vehicle
FY	Financial Year
GDP	Gross Domestic Product
GRT	Gross Registered Tonnage
HQ	Head Office
IPMS	Integrated Port Management System
ISO	Organization for Standardization
ISPS	International Ship and Port Facility Security Code
KPI	Key Performance Indicators
LE	Latest Estimate
LNS	Lighthouses and Navigational Services
MSB	Mossel Bay
NERSA	National Energy Regulator of South Africa
NGQ	Ngqura
NPCC	National Port Consultative Committee
NPP	National Ports Plan
OD	Operating Division
OPEX	Operating Expenses/ Expenditure/ Costs
PoPL	Properties Outside Port Limits
PRSA	Ports Regulator of South Africa
PCCs	Port Consultative Committees
PDFPs	Port Development Framework Plans
PE	Port Elizabeth
PSP	Private Sector Participation
PTIP	Port Tariff Incentive Programme
RAB	Regulatory Asset Base
RCB	Richards Bay
RR	Required Revenue
ROD	Record of Decision
SAMSA	South African Maritime Safety Authority

Transnet National Ports Authority Tariff Application for Financial Year 2027/28

SLD	Saldanha Bay
TEU	Twenty-foot Equivalent Unit
TOA	Terminal Operator Agreement
TOC	Trended Original Cost
TNPA	Transnet National Ports Authority
TOPS	Terminal Operator Performance Standards
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
WACC	Weighted Average Cost of Capital
WEGO	Weighted Efficiency Gains from Operations

1. Executive Summary

South Africa's commercial ports are critical to the country's economic growth, trade competitiveness and the efficient functioning of the national logistics system. As the national landlord port authority, the Transnet National Ports Authority (the **Authority**) is responsible for planning, developing, maintaining and operating port infrastructure and marine services in a manner that supports these objectives.

To fulfil this mandate, the Authority submits its Tariff Application for Financial Year (FY) 2027/28 (the Tariff Application) to the Ports Regulator of South Africa (the Regulator) for approval.

In accordance with Section 72(1)(a) of the National Ports Act, 2005 (Act No. 12 of 2005) (the Ports Act), the Authority is required, with the approval of the Regulator, to determine tariffs for the services and facilities it provides and to annually publish a Tariff Book containing those tariffs. The Tariff Application has been prepared in accordance with the applicable legislative and regulatory framework, including the Ports Act, the Port Directives and the single-year Tariff Methodology issued by the Regulator on 31 March 2026.

The Port Directives require that approved tariffs enable the Authority to recover its investment in port infrastructure and services, recover the efficient costs of operating and maintaining the port system, and earn a return commensurate with the risks associated with providing regulated port infrastructure and services.

The Tariff Application has been developed within this regulatory framework and seeks to achieve an appropriate balance between enabling the Authority to recover the costs of providing regulated port infrastructure and services, while limiting the impact of tariff increases on port users and the broader economy.

The Tariff Application supports the continued maintenance, renewal and expansion of strategic port infrastructure, together with the operating expenditure required to provide safe, efficient and reliable marine and port services. These investments are fundamental to sustaining the long-term performance, resilience and competitiveness of South Africa's commercial ports.

In accordance with the prescribed Tariff Methodology, the Tariff Application is prepared on the basis of the following key regulatory considerations:

- **Regulatory Asset Base (RAB):** Determined using the Trended Original Cost (TOC) methodology.
- **Taxation:** Based on the Equitable Tax Approach.
- **Properties Outside Port Limits (PoPL):** Revenues, operating expenditure and capital expenditure associated with PoPL have been excluded.

The Authority's Tariff Application for FY 2027/28 is summarised in Table 1.

Table 1: Tariff Application FY 2027/28 - Revenue Requirement FY 2027/28 to FY 2029/30

Revenue Requirement	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	ROD	Fixed Tariff Year	Indicative Tariff Year	
	R'm		R'm	
Return on Asset	7,338	8,227	8,620	8,751
Depreciation	2,653	2,897	2,848	2,874
Operating Costs	7,183	8,256	8,917	9,620
Taxation	1,508	-	-	-
Plus/ (Less) Clawback	-1,005	-627	-49	-
Plus/ (Less) ETIMC	-800	-	-	-
Plus/ (Less) WEGO	-247	-270	-	-
Required Revenues	16,630	18,484	20,336	21,246
Real Estate Revenue	5,481	6,250	6,750	7,257
Marine Revenue	11,149	12,234	13,586	13,989
Prior year revenue	9,519	10,968	12,234	13,586
Volume Growth	2.3%	2.4%	1.9%	1.0%
Total revenue due to volume growth	9,738	11,230	12,470	13,716
Revenue Increase: Tariff adjustment + Volume Increase	1,027	1,266	1,352	403
Revenue: Volume Increase	233	262	236	131
Revenue: Tariff Adjustment	794	1,004	1,116	273
Average Tariff Increase (%)	7.67%	8.94%	8.95%	1.99%

The Tariff Application requests for a **Required Revenue (RR) of R18 484m**, translating into a tariff increase of **8.94%** for FY 2027/28 and indicative tariff increases of **8.95%** and **1.99%** for FY 2028/29 and FY 2029/30, respectively.

Although the Tariff Application has been prepared in accordance with the single-year Tariff Methodology, the straight-line average of the proposed three-year tariff adjustments translates into an average annual tariff adjustment of 6.63%.

In accordance with the approved Tariff Strategy (Revised 2020), the proposed tariff adjustments continue the progressive implementation of differentiated tariffs in support of the user-pay principle and improved cost reflectivity. The proposed tariff differentiation is presented in Table 2.

Table 2: Tariff Differentiation

Tariff Differentiation	Tariff Adjustment	
	Imports	Exports
Containers	6.94%	6.94%
Breakbulk	6.94%	6.94%
Dry Bulk	6.94%	6.94%
Dry Bulk Coal	6.94%	9.40%
Dry Bulk Magnetite	6.94%	9.40%
Liquid Bulk	4.00%	4.00%
Automotives	6.94%	6.94%
Coastwise & transhipped cargo (inclusive of automotives & containers)	6.94%	
Marine Charges	13.13%	
Average Tariff Adjustment	8.94%	

The Authority submits that the proposed tariff increase achieves an appropriate balance between regulatory compliance, financial sustainability, continued infrastructure investment and affordability. Through continued investment in the maintenance, renewal and expansion of port infrastructure and marine services, the Tariff Application supports the Authority's strategic objectives and contributes to the successful implementation of Transnet's Reinvent for Growth (R4G) Strategy by enabling improved operational performance, infrastructure reliability and long-term sustainability across the national port system.

2. Introduction

The Authority is established in terms of the Ports Act as South Africa's landlord port authority. In accordance with Section 11 of the Ports Act, the Authority is responsible for owning, managing, controlling and administering South Africa's commercial ports to ensure their safe, efficient and effective functioning.

In fulfilling this mandate, the Authority provides and manages port infrastructure, marine services and real estate across South Africa's commercial port system. These functions support the movement of international and domestic trade, facilitates economic activity and contribute to the efficient functioning of the national logistics system.

The Authority currently administers the eight commercial ports of **Richards Bay, Durban, East London, Ngqura, Port Elizabeth, Mossel Bay, Cape Town and Saldanha**, while the process to achieve full port of entry status for **Port Nolloth** is underway.

The Authority provides infrastructure and services to a diverse range of port users, including terminal operators, shipping lines, ships' agents, cargo owners and the clearing and forwarding industry. As a common-user landlord port authority, the Authority is responsible for ensuring that port infrastructure remains available, safe and fit for purpose to support current and future demand.

3. Legal Basis and Regulatory Requirements

The Tariff Application has been prepared within the legislative and regulatory framework established by the Ports Act, the Port Directives, the applicable Regulations and the Tariff Methodology. This section outlines the key regulatory considerations relevant to the preparation of the Tariff Application.

3.1 Corporatisation

The incorporation of the Authority remains Government policy and continues to be progressed in accordance with the applicable legislative and governance processes. While significant progress has been made towards incorporation, the implementation approach remains subject to the conclusion of the work of the Task Team appointed by the Minister of Transport to consider the transition in a manner that ensures Transnet remains financially sustainable and a going concern, while not unduly straining the Authority's financial position.

Accordingly, the Tariff Application has been prepared in accordance with the current Tariff Methodology, which provides for the application of the equitable tax approach until the Regulator is furnished with sufficient evidence that the Authority has been incorporated.

4. The Regulatory Framework

4.1 Tariff Methodology

The single-year Tariff Methodology, issued by the Regulator on 31 March 2026, applies to the determination of the Authority's Tariff Application for FY 2027/28. The Tariff Methodology prescribes the methodology for determining the Authority's RR, which is calculated using the following formula:

$$\text{RR} = \text{RAB} \times \text{Weighted Average Cost of Capital (WACC)} + \text{Operating Costs} + \text{Depreciation} + \text{Taxation Expense} \pm \text{Claw back} \pm \text{ETIMC} \pm \text{Weighted Efficiency Gains from Operations (WEGO)}$$

Although the Tariff Methodology applies only to FY 2027/28, the Authority has included indicative tariff adjustments for FY 2028/29 and FY 2029/30, as guided by the Regulator, to provide transparency regarding the potential trajectory of future tariffs.

4.2 Tariff Strategy

The approved Tariff Strategy sets out the strategic pricing direction for the South African port system and the framework for the recovery of the Authority's RR across the three regulated revenue categories, namely **Real Estate, Cargo Dues and Marine Services**. The Tariff Strategy is underpinned by the **user-pay principle**, which seeks to improve cost reflectivity by aligning tariffs more closely with the costs of providing infrastructure and services to the respective user groups.

Consistent with the approved Tariff Strategy, the Tariff Application continues the progressive rebalancing and rebasing of tariffs to advance the user-pay principle and improve cost reflectivity across the port system. This is discussed further in Section 8.3.

5. The Business of the Authority

5.1 The Authority's Strategy

The Authority's Reinvent for Growth (R4G) Strategy is a transformative programme designed to position the Authority as an "**Enablement of a Transformed and Sustainable World Class Port System**" through three strategic pillars. The Tactical pillar focuses on fixing and optimising the business to restore operational excellence and strengthen South Africa's logistics competitiveness. The Transformative pillar drives alignment with policy reforms and the structured corporatisation of the Authority to create a modern, agile and commercially focused organisation. The Expansionary pillar enables sustainable long-term growth through strategic infrastructure investment, trade development and private sector participation, positioning South Africa as the leading logistics hub in Southern Africa.

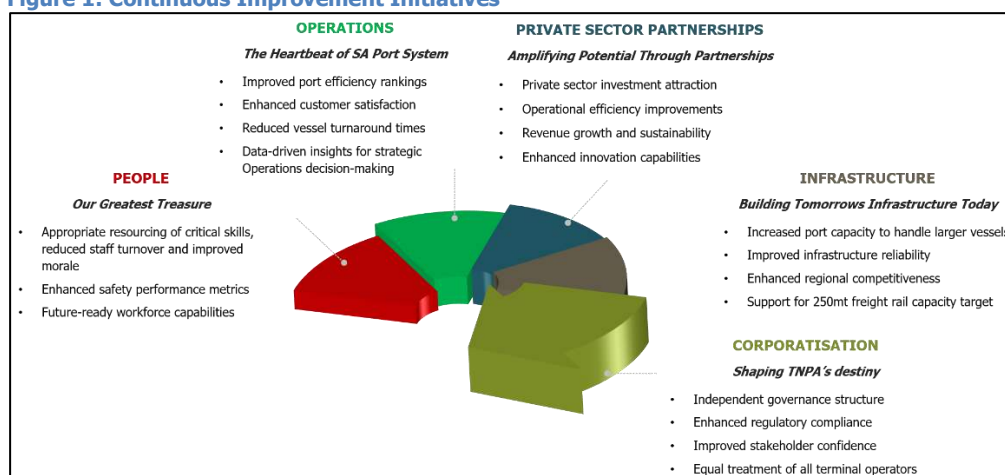
The Authority has adopted seven long-term strategic objectives, which provide the strategic framework for decision-making across the organisation. These comprise a Financially Sustainable Least Cost Port System; an Environmentally

Sustainable Port System; a Landlord Port Authority; an Operationally Excellent Port Authority; World Class Port Infrastructure; a Smart Port System; and a People-Centric Employer.

The Authority's short term strategic priorities as aligned to the R4G Strategy and its long-term strategic objectives are focused on improving operational performance, strengthening organisational capability, accelerating infrastructure delivery and enhancing customer service. Together, these priorities support the Authority's long-term strategic objectives and guide the implementation of key business initiatives.

For FY 2026/27 to FY 2027/28, the Authority has identified five strategic priorities to give effect to these objectives. These priorities are presented in Figure 1.

Figure 1: Continuous Improvement Initiatives



During FY 2025/26, the Authority continued to implement initiatives aimed at improving operational performance, advancing the review of the National Ports Plan (NPP), expanding Private Sector Participation (PSP) and strengthening long-term planning and infrastructure delivery. These initiatives provide the strategic context within which this Tariff Application has been prepared.

5.2 The Authority's Marine Business

The Authority's Marine Business is responsible for providing and maintaining the marine infrastructure and services necessary to ensure the safe, efficient and reliable operation of South Africa's commercial ports. Its core activities include the management and maintenance of port infrastructure, the provision

of marine services, dredging, aids to navigation and vessel traffic management, all of which support the safe movement of vessels and cargo through the port system.

The Marine Business derives its regulated revenue from Cargo Dues and Marine Services, which together contribute to the recovery of the Authority's RR in accordance with the approved Tariff Strategy. Cargo Dues are primarily associated with the recovery of costs relating to common-user port infrastructure, while Marine Services recover the costs associated with the provision of marine operations and related services.

5.3 The Authority's Real Estate Business

The Authority's Real Estate Business is responsible for the strategic management of the property portfolio across South Africa's commercial ports. The portfolio supports the Authority's landlord function by making port land and associated infrastructure available for port-related activities while facilitating investment, trade and economic development within the port system.

The key characteristics of the Authority's Real Estate portfolio are summarised in Table 3.

Table 3: Real Estate Salient Features

Salient Features of Real Estate Business	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	Actual	Projections			
Number of Commercial Ports	8	8	8	8	8
Gross Lettable Area	29 mil m ²	29 mil m ²	29 mil m ²	29 mil m ²	29 mil m ²
Number of Leases	755	761	771	783	798
Vacancy Factor	26%	25%	24%	23%	22%
Average Term of Leases	5-25 years	5-25 years	5-25 years	5-25 years	5-25 years
Actual/ Estimated Revenue	R5 342m	R5 761m	R6 250m	R6 750m	R7 257m

The Authority's Real Estate approach is anchored on five (5) strategic pillars, namely:

- Portfolio Optimisation
- Strategic Asset Management
- Investment Attraction and Strategic Partnerships
- Regulatory Compliance
- Economic Transformation

These strategic pillars support the effective management of the property portfolio while promoting efficient land utilisation and long-term value creation across the port system. The distribution of lease categories across the Authority's property portfolio is presented in Table 4.

Table 4: Different Types of Leases Split across Ports

Port	Total Leases	Commercial	Incorporated	Wayleaves
Durban	363	176	68	119
Cape Town	120	90	9	21
Richards Bay	61	48	10	3
Port Elizabeth	84	61	17	6
Saldanha	39	33	4	2
Ngqura	10	7	2	1
East London	29	17	7	5
Mossel Bay	30	29	1	0
Lighthouses	19	19	0	0

The Authority's property portfolio comprises the following lease categories:

- **Commercial lease:** Leases for commercial activities that do not require an operating licence under the Ports Act.
- **Incorporated leases:** Leases established prior to the Ports Act or requiring an operating licence in terms of Sections 56 and 79 of the Ports Act.
- **Wayleave agreements:** Agreements permitting access to, or use of, port land and infrastructure to support logistics networks and the movement of cargo.

Lease administration is undertaken in accordance with the Authority's Lease Management Manual, which provides for fair, transparent and competitive leasing processes. To ensure continuity of operations and minimise disruptions to port users, market engagement for lease renewals commences in advance of lease expiry (6–12 months prior to lease expiry).

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

PSP forms an important component of the Authority's strategy to improve the efficiency, capacity and competitiveness of South Africa's commercial ports. Through concession agreements involving private terminal operators and strategic partners, the Authority seeks to leverage private sector investment, operational expertise and innovation to enhance port performance while retaining its role as the national landlord port authority.

The Authority continues to progress its PSP programme in support of the objectives of the Roadmap for the Freight Logistics System in South Africa. Existing concession agreements concluded across the port system are summarised in Table 5.

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 Bay	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
12	Oct-25	Cape Town	Liquid Bulk	FFS Tank Terminal
13	Dec-25	Durban	Liquid Bulk	Wassa / CEF JV
14	Mar-26	Durban	Liquid Bulk	Island View: Unico Tec (Site 7)
15	Mar-26	Durban	Liquid Bulk	Island View: H&R (Site 3)
16	Mar-26	Durban	Liquid Bulk	Island View: Bidvest Tank Terminals (Site 11)
17	Mar-26	Durban	Break Bulk	Fresh Produce Terminal
18	May-26	Ngqura	Liquid Bulk	Ukwanda LNG
19	May-26	Durban	Liquid Bulk	Island View: Vopak Terminal (Site 8)
20	May-26	Durban	Liquid Bulk	Island View: Total Energies (Site 6)
21	May-26	Durban	Liquid Bulk	Island View: Engen Petroleum (Site 2)
22	May-26	Durban	Liquid Bulk	Island View: Sapref (Site 4)
23	May-26	Durban	Liquid Bulk	Island View: CEF SOC Ltd (Site 9)

As reflected in Table 5, the Authority has concluded 13 Terminal Operator Agreements (TOAs) since FY 2025/26. The majority of these agreements relate to the liquid bulk sector, and provide a platform for renewed private sector investment, transformation, enhanced competition and improved security of fuel supply, while reinforcing the Authority's strategic objective of leveraging port infrastructure to facilitate trade and support sustainable economic growth.

A key milestone has been the implementation of the Island View Precinct Strategy in the Port of Durban through the conclusion of Terminal Operator Agreements, Tripartite Agreements with the Central Energy Fund (CEF) and the establishment of a Third-Party Access Framework. These agreements provide guaranteed access for CEF and new market participants opening the liquid bulk sector to broader participation whilst safeguarding national energy security as part of Phase 1 implementation. Phases 2 and 3 is expected to

increase participation of new market participants through the development of rationalised sites.

The Island View programme is also expected to unlock approximately R29.7 billion in private sector capital investment and maintenance commitments over the 25-year concession period to renew ageing infrastructure, improve operational efficiency and enhance the long-term competitiveness and resilience of South Africa's liquid bulk logistics system. In addition, the agreements include transformation commitments aimed at increasing Black ownership and participation, skills development, supplier development and the empowerment of historically disadvantaged persons.

Beyond Island View, the Authority has concluded other strategic concession programmes, such as Ukwanda Liquid Bulk Terminal in the Port of Gqeberha, the WASSA Gas concession in the Port of Durban and the renewal of the Fresh Produce Terminal concession in the Port of Durban and FFS in the of Port Cape Town, which collectively support increased private sector participation, operational efficiency and investment across the national port system.

In addition to existing concessions, the Authority continues to identify and implement opportunities for further private sector participation through transparent and competitive procurement processes. The current pipeline of concession programmes including non-state owned terminals is summarised in Table 6.

Table 6: FY 2026/27 Concession Programme

PORT	SEGMENT
DBN	Liquid Bulk (Brownfield)
DBN	Liquid Bulk (Brownfield)
DBN	Ship Repair Yard (Greenfield)
EL	LNG Small Scale (Greenfield)
CPT	Liquid Bulk (Brownfield)
CPT	MPT Terminal (Brownfield)

6. Port Infrastructure Development Plan and CAPEX

6.1 Port Investment Planning

The Authority's Capital Investment Programme is developed through an integrated strategic planning process that aligns long-term demand

forecasting, port system planning, spatial planning, asset lifecycle management, stakeholder consultation and investment prioritisation. This structured planning framework ensures that capital investments are aligned with the Ports Act, responds to current and future trade demand, optimise utilisation of port infrastructure, support national logistics objectives and promote the long-term financial sustainability of the port system.

The principal planning activities that inform the Authority's Capital Investment Programme are summarised in Table 7.

Table 7: Activities considered in developing CAPEX Plans

PLANNING ACTIVITY	PURPOSE
1. National Ports Plan & PDFPs:	<ul style="list-style-type: none"> • In accordance with the Ports Act, the Authority is required to prepare and periodically update the NPP and Port Development Framework Plans (PDFPs), which establish the long-term development framework for South Africa's commercial ports. The PDFPs are reviewed every two years, while the NPP is rebased every five years. • The current review of the NPP and PDFPs has progressed through the required internal governance processes and stakeholder consultation, including engagements through the Port Consultative Committees (PCCs), National Port Consultative Committee (NPCC) and public roadshows conducted between February and June 2026. Following the completion of the consultation process, the NPP and PDFPs are scheduled for submission to the Authority's Board for approval in the third quarter of FY 2026/27.
2. Capacity studies	<ul style="list-style-type: none"> • As part of the FY 2025/26 NPP process, comprehensive capacity studies were undertaken to assess berth and storage capacity across the port system and determine both current and future terminal capacity requirements. • Capacity assessments are supported by commodity demand forecasting, vessel trend analysis, logistics corridor performance, terminal utilisation assessments and operational modelling to determine the timing, scale and sequencing of future infrastructure investment.
3. Investment Prioritisation	<ul style="list-style-type: none"> • Capital investment projects are prioritised through a structured multi-criteria assessment framework that considers strategic alignment, safety and statutory compliance, infrastructure condition, operational performance, capacity constraints, customer requirements,

PLANNING ACTIVITY	PURPOSE
	<p>financial sustainability, environmental obligations and implementation readiness.</p> <ul style="list-style-type: none"> The prioritisation process ensures limited capital resources are allocated to projects that maximise national logistics performance, improve port efficiency, enhance infrastructure resilience and generate long-term economic value.
4. Asset Management & Maintenance Plans	<ul style="list-style-type: none"> Planned interventions identified through the NPP and PDFPs are integrated with infrastructure asset management strategies to maintain asset reliability, safety and operational performance.
5. Project Development Process	<ul style="list-style-type: none"> Infrastructure projects progress through recognised project development stages including opportunity identification, pre-feasibility, feasibility, concept design, detailed design, statutory approvals and implementation. Appropriate technical, environmental, engineering and economic studies are undertaken at each stage to improve investment certainty and reduce delivery risk.
6. Fleet Planning	<ul style="list-style-type: none"> The Authority has a comprehensive fleet plan that informs maintenance, replacement and investment in marine and air fleet (tugs, pilot boats, survey boats, dredging vessels and helicopters).
7. Stakeholder Consultation	<ul style="list-style-type: none"> The Authority adopts a consultative approach to capital investment planning through the PCCs. The NPP, PDFPs and seven-year Capital Investment Programme were consulted with port users and stakeholders on a port-by-port basis during 2026 through processes facilitated by the Department of Transport, with the South African Maritime Safety Authority (SAMSA) serving as Secretariat.

6.2 Capital Investment Program

The Authority's Capital Investment Programme is directed towards the maintenance, renewal and expansion of South Africa's commercial port infrastructure. The programme seeks to sustain existing infrastructure, address capacity constraints where required and support the continued provision of safe, efficient and reliable port infrastructure and marine services. The key areas of planned capital investment are summarised in Table 8.

Table 8: The Authority's Capital Programme

Strategic Objective	Detail	LE	Projections					
		FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	Total 6 Yr
Re-engineering, Integration, Productivity and Efficiency	To maximise return on investments by obtaining additional volumes	139	171	1,304	1,794	1,961	2,305	7,673
	To maximise return on investments by improving operating efficiencies	466	335	330	31	359	1,051	2,572
	To preserve current revenue streams without obtaining additional volumes (ie. revenue protection)	1,135	1,173	482	454	343	722	4,310
Safety, Risk and Effective Governance	Ensure Safety Optimisation	422	627	353	203	222	38	1,866
	Optimise Business Enterprise Offerings	67	85	58	83	60	8	360
	Optimally Satisfy Social Investments (non economic value creating projects)	-	-	-	-	-	5	5
	Environmental	99	29	-	2	111	16	257
Human Capital	Optimise Human Resources	57	56	40	126	92	67	438
Total (Excl. borrowing cost)		2,385	2,477	2,566	2,692	3,148	4,212	17,481
PoPL		(1)	-	-	(3)	(17)	(170)	(190)
Total (Excl. PoPL)		2,384	2,477	2,566	2,690	3,131	4,042	17,291

Over the six-year planning horizon, the Authority plans to invest approximately R17 481m in maintaining, renewing and expanding port infrastructure across the national port system. The programme balances investment in sustaining existing assets with strategic capacity expansion to meet future demand and improve operational performance across the port system. The detailed CAPEX schedule is highlighted in **Annexure A**.

The successful delivery of this Capital Investment Programme is dependent not only on appropriate planning and prioritisation, but also on effective project execution and capital delivery capability.

6.3 Capital Delivery and Programme Execution

The Authority's capital investment performance over the past six financial years demonstrates continued investment in maintaining, renewing and expanding port infrastructure across the national port system. Over the past six years the Authority has spent approximately R10 585m in CAPEX.

6.3.1 Capital Delivery Performance: FY 2025/26

During FY 2025/26, the Authority incurred capital expenditure of R1 650m against an approved Capital Investment Programme of R2 759m, representing expenditure of 60%. The variance was primarily attributable to procurement delays affecting several high-value strategic projects, most notably the

acquisition of 22 Jib Cranes and three dredgers comprising two Cutter Suction Dredgers and one Grab Hopper Dredger. Collectively, these projects represented approximately R500m of the approved capital budget and materially impacted overall capital expenditure performance.

Notwithstanding the impact of these procurement delays, key projects delivered included the rehabilitation and upgrade of port roads at the Port of Durban; the design, manufacture and delivery of a multi-purpose vessel for the Port of Cape Town; the acquisition of 23 Yokohama Floating Pneumatic Fenders for the Port of Saldanha; the installation of Dry Dock Blocks at the Port of Durban; and cable replacement at the Port of Richards Bay. These investments contributed to maintaining and improving port infrastructure, operational reliability and service delivery across the national port system.

6.3.2 Capital Delivery Transformation

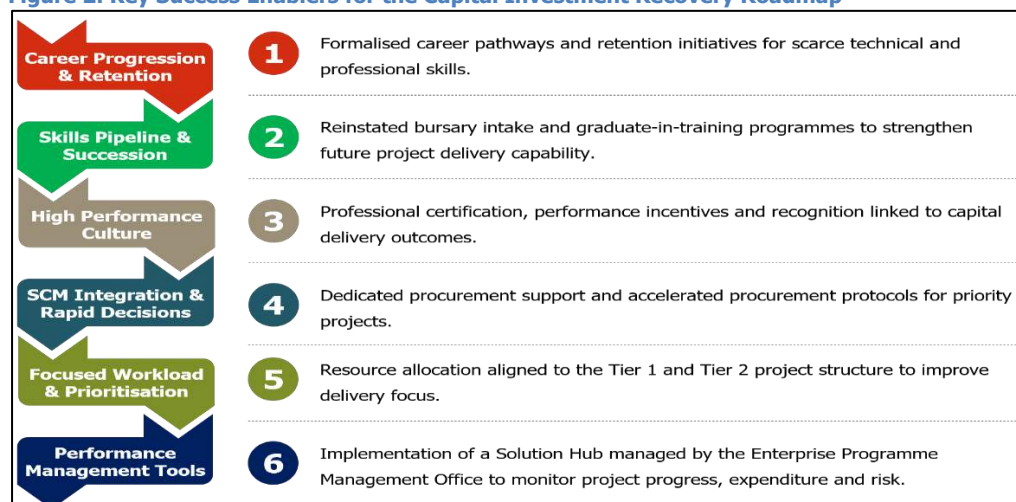
To strengthen capital delivery, the Authority has implemented several organisational and governance initiatives aimed at improving project execution, portfolio oversight and accountability. During FY 2026/27, the Authority introduced a two-tier prioritisation framework for its capital portfolio, comprising Tier 1 (25 priority projects targeting expenditure of R1 769m) and Tier 2 (30 supplementary projects targeting expenditure of R543m). The framework enables procurement resources to be prioritised towards the Tier 1 and Tier 2 portfolio, ensuring that the Authority's most critical projects receive focused procurement support and are progressed ahead of lower-priority projects. Dedicated Project Directors have been assigned to each portfolio to strengthen delivery oversight, accountability and programme execution.

These initiatives form part of the Authority's Three-Horizon Capital Investment Recovery Roadmap, which establishes a structured framework for improving capital delivery over the short, medium and long term. The roadmap progresses through three phases—Diagnose & Stabilise (FY 2026/27), Optimise & Transform (FY 2027/28 to FY 2028/29), and Sustain & Accelerate (FY 2029/30 onwards)—with the objective of establishing a disciplined capital delivery environment, improving project execution and achieving sustained capital expenditure performance.

6.3.3 Key Success Enablers

The Authority recognises that improving and sustaining capital delivery requires more than project prioritisation alone. Accordingly, the Capital Investment Recovery Roadmap is supported by six key enablers that strengthen governance, project execution, organisational capability and performance management. Collectively, these enablers provide the foundation for improving the planning, governance, execution and oversight of the Authority's Capital Investment Programme and are illustrated in Figure 2.

Figure 2: Key Success Enablers for the Capital Investment Recovery Roadmap



7. The Authority's Volumes

The cargo and marine traffic forecasts are a key input into the Authority's Tariff Application, as they impact the tariff adjustment required to recover the approved RR. Accordingly, the Authority applies a structured forecasting process to ensure that the volume assumptions are robust, evidence-based and reflective of prevailing market conditions.

The forecasting process commences in October each year and is progressively refined through the annual budgeting process until approval by the Transnet Board. Forecasts are prepared for the current budget year and the subsequent three financial years. Cargo volume forecasts are developed through direct engagement with customers and are assessed against historical trends, market conditions, macroeconomic indicators, operational performance and available infrastructure capacity. The forecasts are subsequently validated across the Transnet Operating Divisions (ODs)

to ensure alignment across the logistics value chain and provide a consistent demand outlook for the Tariff Application.

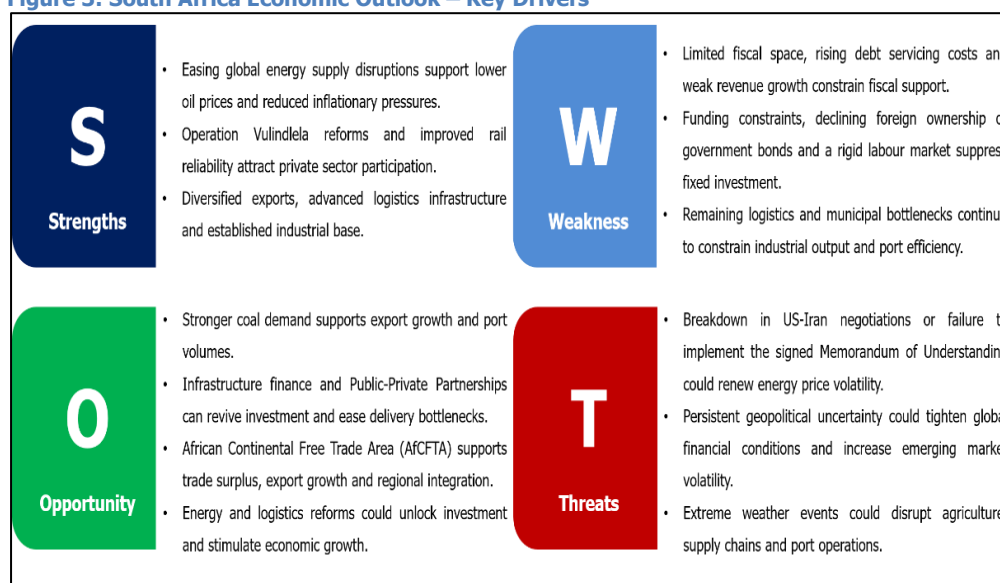
7.1 Cargo

The global economy continues to face heightened uncertainty arising from shifting trade policies, tariff uncertainty and the ongoing Middle East conflict, which has disrupted international trade flows since early 2026. As a result, world economic growth is now forecast at **3.1%** in 2026, with world trade growth expected to moderate to **2.8%**, before improving to **3.8%** in 2027. Inflationary pressures are also expected to remain elevated in the near term, moderating consumer demand and international trade activity.

South Africa's economy recorded Gross Domestic Product (GDP) growth of **1.1%** during calendar year 2025 but remains exposed to global and domestic risks, including commodity price volatility, geopolitical uncertainty and monetary policy developments. Nevertheless, the medium-term outlook remains positive, supported by improving macroeconomic stability and continued progress in structural reforms.

Against this backdrop, the Authority expects cargo demand to remain subdued during FY 2026/27 before strengthening over the medium term as domestic economic activity and logistics performance continue to improve. Figure 3 summarises the key macroeconomic assumptions and market factors influencing the Authority's cargo volume forecasts.

Figure 3: South Africa Economic Outlook – Key Drivers



Considering the Authority's integrated volume forecasting process together with the prevailing macroeconomic and market conditions discussed above, Table 9 presents the Authority's cargo volume projections for the period FY 2026/27 to FY 2029/30.

Table 9: Authority's Cargo Volume Projection

	Actual 2025/26	Budget 2026/27	% change	Forecast 2027/28	% change	Forecast 2028/29	% change	Forecast 2029/30	% change
Container (TEUs)									
Deepsea Full: Imports	1,593,810	1,536,916	-3.6% ↓	1,567,484	2.0% ↑	1,601,297	2.2% ↑	1,634,215	2.1% ↑
Deepsea Full: Exports	1,263,072	1,289,494	2.1% ↑	1,324,057	2.7% ↑	1,321,995	-0.2% ↓	1,342,471	1.5% ↑
Transshipments	479,978	514,038	7.1% ↑	502,656	-2.2% ↓	504,540	0.4% ↑	525,047	4.1% ↑
Other	1,243,029	1,228,251	-1.2% ↓	1,276,284	3.9% ↑	1,306,916	2.4% ↑	1,337,708	2.4% ↑
Total	4,579,889	4,568,699	-0.2% ↓	4,670,481	2.2% ↑	4,734,747	1.4% ↑	4,839,441	2.2% ↑
Vehicles (Units)									
Vehicles: Imports	452,016	362,331	-19.8% ↓	369,289	1.9% ↑	376,940	2.1% ↑	384,737	2.1% ↑
Vehicles: Exports	408,194	416,247	2.0% ↑	424,985	2.1% ↑	432,740	1.8% ↑	440,646	1.8% ↑
Other	53,982	42,127	-22.0% ↓	42,769	1.5% ↑	43,422	1.5% ↑	44,083	1.5% ↑
Total	914,192	820,705	-10.2% ↓	837,043	2.0% ↑	853,102	1.9% ↑	869,466	1.9% ↑
Break Bulk (Metric Tons)									
Break Bulk: Imports	4,538,156	3,556,969	-21.6% ↓	3,567,959	0.3% ↑	3,597,792	0.8% ↑	3,627,796	0.8% ↑
Break Bulk: Exports	1,909,055	1,531,369	-19.8% ↓	1,575,698	2.9% ↑	1,601,553	1.6% ↑	1,633,204	2.0% ↑
Other	41,063	40,825	-0.6% ↓	41,992	2.9% ↑	43,181	2.8% ↑	31,894	-26.1% ↓
Total	6,488,275	5,129,163	-20.9% ↓	5,185,649	1.1% ↑	5,242,527	1.1% ↑	5,292,893	1.0% ↑
Dry Bulk (Metric Tons)									
Coal Exports	68,146,485	68,100,000	-0.1% ↓	79,488,612	16.7% ↑	82,486,033	3.8% ↑	82,320,169	-0.2% ↓
Iron Ore Exports	52,301,604	54,385,450	4.0% ↑	58,417,999	7.4% ↑	60,760,657	4.0% ↑	60,760,781	0.0% ↑
Manganese Ore Exports	26,282,512	20,996,455	-20.1% ↓	20,764,854	-1.1% ↓	20,789,146	0.1% ↑	20,813,482	0.1% ↑
Other Dry Bulk	33,355,292	33,361,838	0.0% ↑	35,802,021	7.3% ↑	36,406,050	1.7% ↑	36,902,862	1.4% ↑
Total	180,085,894	176,843,743	-1.8% ↓	194,473,486	10.0% ↑	200,441,886	3.1% ↑	200,797,294	0.2% ↑
Liquid Bulk (kl)									
Petroleum	29,819,099	27,527,354	-7.7% ↓	28,387,344	3.1% ↑	30,517,040	7.5% ↑	30,922,860	1.3% ↑
Chemicals	1,224,724	2,526,956	106.3% ↑	2,545,776	0.7% ↑	2,564,746	0.7% ↑	2,583,874	0.7% ↑
Other Liquid bulk	5,283,153	4,715,558	-10.7% ↓	4,767,306	1.1% ↑	5,497,062	15.3% ↑	5,556,285	1.1% ↑
Total	36,326,975	34,769,868	-4.3% ↓	35,700,426	2.7% ↑	38,578,848	8.1% ↑	39,063,018	1.3% ↑
Weighted Cargo	304,407,095	297,228,303	-2.4% ↓	317,620,651	6.9% ↑	327,697,130	3.2% ↑	330,409,453	0.8% ↑

Source: The Authority's data, 2026

7.1.1. Containers

Global container trade continues to operate in an environment of heightened uncertainty arising from shifting trade policies and ongoing geopolitical tensions. Following weak near-term performance, the global maritime research and consulting firm, Drewry Maritime Research (Drewry), forecasts global container trade growth of approximately 2–3%, while the United Nations Conference on Trade and Development (UNCTAD) projects average annual growth of approximately 2.3% over the medium term. Despite this projected recovery, Drewry expects the shipping industry to remain structurally challenging, with continued uncertainty in freight markets and shipping demand. Nevertheless, growing intra-regional trade, particularly in Asia, together with increased manufacturing activity, is expected to remain the principal driver of global container growth.

Consistent with the global outlook, the Authority expects South Africa's container market to recover gradually, broadly aligned with the anticipated improvement in domestic manufacturing activity. However, the pace of recovery is expected to remain constrained by subdued economic growth, weak consumer demand and limited industrial expansion. Accordingly, container volumes are forecast to contract marginally during FY 2026/27, before recovering to average annual growth of approximately 1.9% over the subsequent three financial years.

7.1.2. Automotives

The global automotive industry remains highly regionalised and continues to be shaped by protective trade policies, evolving trade dynamics and the transition to Electric Vehicles (EVs). While moderating inflation has supported demand in several markets, recent shifts in global trade policy and ongoing geopolitical uncertainty have weakened growth prospects. Growth is therefore expected to remain uneven, with China and India continuing to drive expansion while many Western markets experience slower growth.

South Africa's automotive market has remained resilient, supported by easing monetary conditions, moderating inflation and improving consumer affordability. Import demand has also strengthened due to the increased availability of competitively priced vehicles from China and India. However, continued industry uncertainty and the projected **1.6%** decline in vehicle sales during calendar year 2026 are expected to result in lower automotive volumes during FY 2026/27.

Over the subsequent three financial years, automotive volumes are forecast to recover gradually, averaging growth of approximately **1.9%**. The recovery is expected to be supported by improving consumer demand, easing monetary conditions and South Africa's automotive policy framework, which continues to support production, exports and localisation across the automotive value chain.

7.1.3. Break Bulk

Global demand for steel, cement, construction materials and citrus continues to reflect mixed market conditions, driven by uneven infrastructure investment, weaker industrial activity in some markets and resilient agricultural demand.

In South Africa, strategic investment in selected infrastructure, energy and mining projects has supported break bulk volumes over recent years through increased demand for steel, cement and project cargo. However, as several major infrastructure projects approach completion and the domestic steel industry continue to face structural challenges, break bulk volumes are expected to decline further during FY 2026/27, marking a second consecutive year of negative growth.

Over the medium-term, break-bulk volumes are forecast to recover at an average annual growth rate of approximately 1.1%. The recovery is expected to be supported by continued investment by the mining industry in the modernisation and expansion of existing operations, which is expected to increase demand for break bulk shipments of steel structures, mining equipment and other project cargo. In addition, South Africa's citrus industry continues to target export growth of more than 260 million cartons by 2032, which is expected to support export cargo volumes through the Authority's ports.

Notwithstanding the positive outlook, the pace of recovery remains dependent on continued improvements in logistics performance, as citrus exports remain particularly sensitive to port efficiency, cold chain reliability, rail-road connectivity and evolving international trade barriers.

7.1.4. Dry Bulk

Global demand for coal, iron ore, manganese and other dry bulk mining commodities remains resilient, supported by continued steel

production, energy demand and infrastructure investment across key international markets.

Consistent with this outlook, the Authority expects dry bulk exports to continue strengthening over the forecast period. For FY 2027/28, dry bulk exports are forecast to increase by 10.0%, supported by projected growth in coal (16.7%) and iron ore (7.4%) exports. The forecast reflects continued international demand for South African mining commodities together with ongoing improvements in the domestic logistics network.

Manganese ore exports are expected to remain broadly stable over the medium term, with growth constrained primarily by capacity limitations within the logistics network.

7.1.5. Coal

Global coal demand is expected to remain broadly stable over the medium term, with demand projected to range from a marginal decline of 0.5% to marginal growth of 0.5% CAGR between 2027 and 2030. Continued demand from China and India is expected to offset declining consumption in the United States of America (USA) and the European Union (EU). At the same time, global coal supply is projected to decline marginally, creating opportunities for competitive exporters, including South Africa, to increase export volumes where sufficient production and logistics capacity is available.

South Africa is expected to remain a significant producer and exporter of thermal coal despite the global transition towards lower-carbon energy sources. Continued international demand for South African thermal coal, together with improvements in export logistics, is expected to support export volumes over the medium term.

The outlook for coal exports is expected to improve as rail and port constraints continue to ease through the implementation of Transnet's logistics recovery initiatives and the R4G Strategy. Improved freight corridor performance, increased rolling stock

availability and higher export capacity through the Port of Richards Bay are expected to support stronger coal export volumes over the medium term.

Notwithstanding the positive outlook, geopolitical developments, fuel price volatility and operational constraints within the mining and logistics sectors remain key risks to the forecast. However, ongoing improvements in logistics performance are expected to partially mitigate these risks over the medium term.

Accordingly, as reflected in Table 9, the Authority forecasts coal exports to grow in FY 2027/28 and FY 2028/29, before moderating slightly in FY 2029/30.

7.1.6. Iron Ore

Global demand for iron ore is expected to continue growing through to 2030, supported by steel production, infrastructure investment, urbanisation in India and Southeast Asia, and continued growth in the manufacturing and automotive sectors. However, supply is forecast to increase at a faster rate than demand as additional production from Guinea, Australia and Brazil enters the market, resulting in a modest global surplus over the medium term.

Despite increasing international competition, South Africa is expected to remain a significant exporter of iron ore, supported by high-quality ore reserves, competitive export pricing and ongoing improvements in rail and port performance. China remains South Africa's largest export market, accounting for approximately 54% of iron ore exports, followed by Mozambique, the Republic of Korea and the Netherlands.

Against this backdrop, the Authority forecasts iron ore export volumes to grow by an average of approximately 4% over the forecast period. Growth is expected to be supported by improved utilisation of the Port of Saldanha and continued improvements in the domestic logistics network during FY 2027/28 and FY 2028/29. Iron ore export volumes are, however, expected to stabilise during FY

2029/30 as existing export capacity constraints begin to limit further growth.

7.1.7. Manganese Ore

Global demand for manganese ore is forecast to grow at approximately **5% CAGR** through to 2030, supported by continued steel production, the rapid expansion of EV battery manufacturing, and increasing demand for industrial alloys and chemicals. Demand is expected to remain concentrated in Asia, with China, India and Japan collectively accounting for approximately **80% of global seaborne imports**.

Global manganese supply remains highly concentrated, with South Africa, Gabon, Australia, Ghana and China accounting for more than **80% of global production**. While this concentration exposes the market to supply chain disruptions and price volatility, global supply is expected to increase at a relatively modest rate of **0.5% to 1.5% CAGR** through to 2030, constrained by limited new mine development and ongoing logistics challenges in key producing countries.

South Africa is expected to remain the world's leading exporter of seaborne manganese ore, supported by the extensive reserves of the **Kalahari Manganese Field**. However, export growth continues to be constrained by rail and port capacity limitations rather than ore availability. Constraints within the export corridor, including rolling stock shortages, ageing terminal infrastructure and reliance on alternative export facilities, continue to limit throughput.

Accordingly, the Authority expects manganese ore export volumes to remain broadly stable over the forecast period. While volumes are projected to decline marginally during **FY 2027/28**, they are expected to stabilise during **FY 2028/29** and **FY 2029/30**. Meaningful growth is expected only once planned rail and port capacity expansion projects at the Port of Ngqura and capacity enhancements at the Port of Saldanha Bay are completed.

7.1.8. Liquid Bulk

Global oil markets have experienced renewed volatility following the escalation of the Middle East conflict during early 2026. While crude oil prices had stabilised over the preceding two years, supported by increased non-OPEC production, weaker demand from China and moderating inflation, geopolitical tensions disrupted global oil supply and resulted in higher prices and increased market uncertainty. Although tensions have since eased, oil markets are expected to remain volatile over the near term.

As a net importer of crude oil and refined petroleum products, South Africa remains vulnerable to fluctuations in global oil prices and supply conditions. At the same time, the liquid bulk sector continues to be affected by structural changes within the energy industry, including reduced domestic refining capacity, the transition from crude oil imports to refined petroleum products, improving fuel efficiency and the gradual transition towards cleaner energy sources. These factors have contributed to the long-term decline in liquid bulk volumes.

Against this backdrop, the Authority expects liquid bulk volumes to decline during FY 2026/27 before recovering over the medium term. The Authority forecasts average annual growth of approximately **4.0%** during FY 2027/28 to FY 2029/30, driven primarily by increased imports of refined petroleum products and improving domestic economic activity.

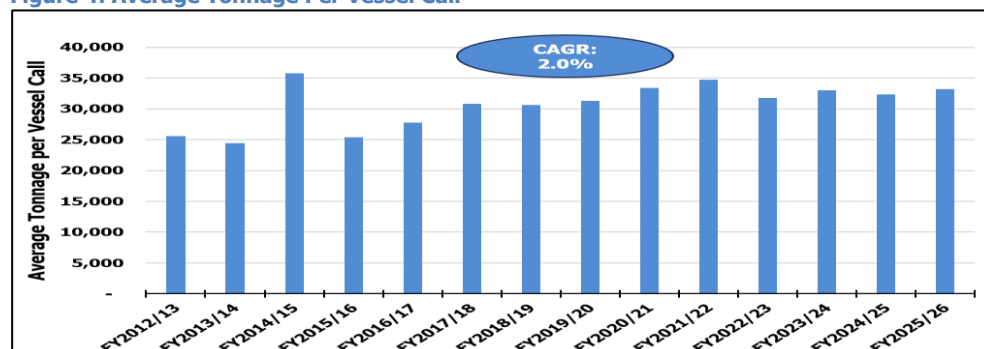
7.2 Marine Services

Marine Services volumes are driven by vessel arrivals, Gross Registered Tonnage (GRT), vessel size and port turnaround activity. Globally, vessel sizes have continued to increase as shipping lines seek to improve economies of scale and optimise operating costs. This trend is also evident in South Africa, where larger vessels continue to call at the country's commercial ports.

Although vessel calls have declined over the longer term, the average tonnage per vessel call has increased at a CAGR of approximately 2.0% between FY

2012/13 and FY 2025/26. This increase has been driven primarily by growth in container and dry bulk vessel sizes and reflects the continued deployment of larger vessels. Accordingly, the Authority expects average tonnage per vessel call to remain an important driver of Marine Services revenue over the forecast period.

Figure 4: Average Tonnage Per Vessel Call



Source: The Authority's data, 2026

South Africa's liner shipping connectivity improved during 2025, reflecting continued logistics recovery initiatives, operational improvements, investment in marine infrastructure and the strategic location of South African ports on major east-west trade routes. In addition, disruptions affecting the Red Sea shipping route have increased the strategic relevance of the Cape of Good Hope route. While not all rerouted vessels call at South African ports, these developments present opportunities to strengthen liner connectivity and support future marine activity.

8. Tariff Application Approach

The Authority's Tariff Application has been prepared in accordance with the single-year Tariff Methodology for FY 2027/28 approved by the Regulator on 31 March 2026. The Tariff Methodology applies the RR approach, which provides the framework for determining the revenue required to recover the efficient costs of providing regulated port infrastructure and marine services.

The Tariff Application incorporates the Authority's approved operating expenditure, capital investment programme and other regulatory building blocks prescribed by the Tariff Methodology. The application of the RR methodology, together with the key regulatory assumptions underpinning the Tariff Application, is set out in the sections that follow.

8.1 Revenue Requirement Formula

The Tariff Application has been prepared in accordance with the RR methodology prescribed by the Tariff Methodology. The RR methodology determines the revenue the Authority is permitted to recover through tariffs based on the regulatory building blocks set out in the sections that follow.

8.1.1 RAB

The RAB, determined using the TOC methodology prescribed by the Tariff Methodology, is presented in Table 10.

Table 10: RAB

REGULATORY ASSET BASE	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	Actual	Restated	Fixed Tariff Year	Indicative Tariff Years	
			R'm		
Opening RAB	87,672	89,142	92,336	94,795	97,252
Inflation Index	2,809	3,752	2,879	2,739	2,866
Indexed RAB	90,481	92,894	95,215	97,534	100,117
Add: Capex	1,650	2,384	2,477	2,566	2,690
Depreciation	-2,990	-2,942	-2,897	-2,848	-2,874
Closing RAB	89,142	92,336	94,795	97,252	99,933
Average RAB	88,407	90,739	93,565	96,023	98,592
Less: Working Capital	-2,145	-2,306	-2,393	-2,483	-2,603
Regulatory Asset Base	86,262	88,433	91,173	93,540	95,989

8.1.2 WACC

The WACC, determined in accordance with the Tariff Methodology, is presented in Table 11.

Table 11: WACC

REAL RATE OF RETURN	2027/28	2028/29	2029/30
Macro/ Market & Other Input			
Nominal Risk-free rate	9.93%	9.93%	9.93%
Inflation	3.09%	2.91%	3.00%
MRP	4.99%	4.99%	4.99%
Asset beta	0.35	0.35	0.35
Tax rate	0.00%	0.00%	0.00%
Nominal Weighted Average Cost of Debt (WACD)	11.25%	11.25%	11.25%
Gearing	50.00%	50.00%	50.00%
Derived Inputs			
Real risk free rate	6.64%	6.83%	6.73%
Equity beta (using Hamada)	0.70	0.70	0.70
Debt/equity ratio	100.00%	100.00%	100.00%
Cost of Capital			
Real Cost of equity (post-tax)	10.13%	10.32%	10.22%
Real WACD (pre-tax)	7.92%	8.11%	8.01%
Real Vanilla WACC	9.02%	9.21%	9.12%
Explanatory notes:			
<ul style="list-style-type: none"> Risk Free Rate: KBP2003M, calculated over the full period from January 1960 to May 2026 for FY 2027/28 MRP: Geometric mean with the use of the DMS studies over the full period available dataset (126 years) Inflation: BER Forecasts (July 2026) Cost of Equity: Capital Asset Pricing Model Cost of Debt: Authority's actual, embedded (adjusted for an effective weighting) debt costs Tax Rate: Equitable Tax rate 			

- **FY 2027/28 WACD, MRP & RFR** figures are used as proxies for MRP & RFR figures for indicative years FY 2028/29 & FY 2029/30

8.1.3 Taxation

The Tariff Methodology provides for the application of an equitable tax approach while the Authority remains an OD of Transnet. Accordingly, the Tariff Application has been prepared based on the equitable tax methodology prescribed by the Tariff Methodology.

The calculated equitable tax rate for FY 2027/28 is (-0.22%) and, in accordance with the Tariff Methodology, has been capped at 0%, resulting in no taxation allowance being included in the Tariff Application.

Should evidence of corporatisation be provided after submission of the Tariff Application or at any stage during FY 2027/28, the taxation allowance would need to be redetermined in accordance with the Tariff Methodology.

8.1.4 OPEX

OPEX included in the Tariff Application represents the costs required to operate and maintain the Authority's regulated port infrastructure and marine services. The resulting OPEX is presented in Table 12.

Table 12: Operating Costs Including Group Costs

Cost Category	2025/26	2026/27	2027/28	Dev (FY 26/27 vs FY 27/28)	Dev (FY 26/27 vs FY 27/28)	% of OpeX 2027/28	2028/29	2029/30	CAGR FY 27/28 - 29/30
	Actual	LE	Forecast				Forecast		
	R'm		R'm		%		R'm		%
Labour Costs	3,218	3,634	3,920	286	7.9%	50.6%	4,234	4,483	6.9%
Fuel	263	328	361	33	10.0%	4.7%	379	402	5.5%
Electricity	705	744	794	50	6.7%	10.3%	849	930	8.3%
Maintenance	616	707	778	71	10.0%	10.0%	894	1,013	14.1%
Material	217	234	258	23	10.0%	3.3%	304	317	10.9%
Informations systems	271	260	270	10	3.6%	3.5%	280	289	3.5%
Insurance Operations	121	115	119	4	3.7%	1.5%	124	130	4.3%
Professional services	50	93	75	-17	-18.5%	1.0%	83	103	16.8%
Rental & Leases	63	82	90	8	10.0%	1.2%	82	83	-3.6%
Rates & taxes	655	682	711	29	4.3%	9.2%	742	774	4.3%
Water	400	313	328	14	4.6%	4.2%	340	352	3.6%
Pre-Feasibility Studies	89	93	102	9	10.0%	1.3%	111	107	2.5%
Security costs	207	232	242	10	4.3%	3.1%	251	259	3.6%
Sundry Operating Expenses	-131	-244	-305	-61	24.9%	-3.9%	-287	-171	-25.1%
Operating Cost (Excl. Group Costs)	6,742	7,273	7,743	470	6.5%	100.0%	8,387	9,072	8.2%
Group Costs	372	518	534	16	3.1%		552	571	3.4%
Total Operating cost (Incl. Group Costs)	7,114	7,791	8,277	486	6.2%		8,939	9,643	7.9%
Less: Properties Outside Port Limits	-19	-20	-21	-1	3.0%		-22	-22	3.6%
Final Operating cost	7,095	7,771	8,256	485	6.2%		8,917	9,620	7.9%

Annexure B provides detailed OPEX information.

8.1.5 Revenue Claw-back

The claw-back adjustment has been determined in accordance with the Tariff Methodology and comprises the actual claw-back for FY

2025/26 together with the provisional claw-back for FY 2026/27. The resulting claw-back adjustment is presented in Table 13.

Table 13: Net Clawback Calculation

CLAWBACK	FY 2025/26	
	R'm	
	Record of Decision	Actuals
Return on asset	6,330	6,978
Depreciation	2,822	2,990
Opex (Including Group Costs)	6,854	7,095
Less: Fruitless and Wasteful expenditure	-	-19
Tax	1,336	341
WEGO	-217	-217
Clawback	-1,583	-1,583
ETIMC	-225	-225
Revenue Allowed/ Actual Revenue	15,317	15,359
AFS Revenue		15,804
Clawback		-444
Clawback as per above		-444
Contract Revenue		-
Reverse FY 2025/26 Provisional Clawback taken in FY 2026/27		-69
Estimated Clawback for FY 2026/27 (half)		-49
Add return on clawback account for FY 2025/26 and FY 2026/27		-64
Net Clawback		-627

8.1.6 ETIMC

The Tariff Methodology does not permit the Authority to include an ETIMC adjustment in its Tariff Application. Accordingly, no ETIMC adjustment has been included in this Tariff Application.

Had the application of ETIMC been permitted, the Authority would have considered proposing a smoother tariff trajectory over the indicative three-year period. Illustratively, this would have reduced the initial tariff adjustment for FY 2027/28 to approximately 6.63%, with the deferred revenue recovered over the subsequent indicative years. The total Revenue Requirement over the period would remain unchanged; only the timing of tariff recovery would differ.

8.1.7 PoPL

In accordance with the Tariff Methodology, the Authority has excluded all capital expenditure, operating expenditure and revenue associated with PoPL from the Tariff Application. These costs and

revenues suitable for inclusion will be considered in future Tariff Applications in accordance with the approved Tariff Methodology.

8.2 Revenue Requirement

The RR has been determined in accordance with the approved Tariff Methodology and reflects the application of the prescribed regulatory building blocks and underlying assumptions. The resulting RR and proposed Tariff Application are presented in Table 14.

Table 14: Tariff Application FY 2027/28 to FY 2029/30

Revenue Requirement	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	ROD	Fixed Tariff Year	Indicative Tariff Year	
	R'm		R'm	
Return on Asset	7,338	8,227	8,620	8,751
Depreciation	2,653	2,897	2,848	2,874
Operating Costs	7,183	8,256	8,917	9,620
Taxation	1,508	-	-	-
Plus/ (Less) Clawback	-1,005	-627	-49	-
Plus/ (Less) ETIMC	-800	-	-	-
Plus/ (Less) WEGO	-247	-270	-	-
Required Revenues	16,630	18,484	20,336	21,246
Real Estate Revenue	5,481	6,250	6,750	7,257
Marine Revenue	11,149	12,234	13,586	13,989
Prior year revenue	9,519	10,968	12,234	13,586
Volume Growth	2.3%	2.4%	1.9%	1.0%
Total revenue due to volume growth	9,738	11,230	12,470	13,716
Revenue Increase: Tariff adjustment + Volume Increase	1,027	1,266	1,352	403
Revenue: Volume Increase	233	262	236	131
Revenue: Tariff Adjustment	794	1,004	1,116	273
Average Tariff Increase (%)	7.67%	8.94%	8.95%	1.99%

The resulting RR for FY 2027/28 is R18 484m, translating into a weighted average tariff adjustment of 8.94%. The Authority's financial projections indicate weighted average tariff adjustments of 8.95% and 1.99% for FY 2028/29 and FY 2029/30, respectively.

8.3 Implementation of the Tariff Strategy: Differentiated Tariffs

The Tariff Strategy provides for the rebalancing of tariff recovery across the Authority's three principal customer groups—Real Estate, Shipping Lines and Cargo Owners—to progressively give effect to the user-pay principle.

In applying the Tariff Strategy, the Authority has considered prevailing market conditions, affordability, projected demand, the relative level of current tariffs and the resulting RR. The proposed tariff differentiation is presented in Table 15.

Table 15: Proposed Tariff Differentiation

Tariff Differentiation	Tariff Adjustment	
	Imports	Exports
Containers	6.94%	6.94%
Breakbulk	6.94%	6.94%
Dry Bulk	6.94%	6.94%
Dry Bulk Coal	6.94%	9.40%
Dry Bulk Magnetite	6.94%	9.40%
Liquid Bulk	4.00%	4.00%
Automotives	6.94%	6.94%
Coastwise & transhipped cargo (inclusive of automotives & containers)	6.94%	
Marine Charges	13.13%	
Average Tariff Adjustment	8.94%	

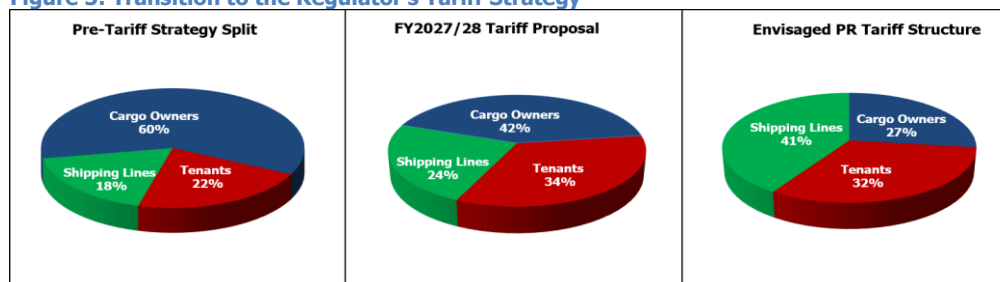
The resulting revenue recovery by cargo type and customer group is presented in Table 16.

Table 16: Revenue per customer category

Revenue	FY 2026/27	FY 2027/28				
	Latest Estimate	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	3 790	2,0%	77	268	6,94%	4 135
Break Bulk	163	0,6%	1	11	6,94%	175
Dry Bulk	1 692	8,8%	148	139	7,56%	1 979
Liquid Bulk	992	2,7%	27	43	4,18%	1 062
Automotive	430	2,0%	8	30	6,94%	468
TOTAL CARGO DUES	7 066	3,7%	262	492	6,7%	7 820
Marine & other revenue	3 901	0,0%	-	512	13,13%	4 413
TOTAL TARIFF BOOK REVENUE	10 968	2,39%	262	1 004	8,94%	12 234
Real estate revenue	5 761		490			6 250
Total Revenue	16 728	4,49%	752	1 004	5,74%	18 484

The proposed tariff differentiation results in a weighted average tariff adjustment of 8.94% for FY 2027/28.

The proposed tariff differentiation also advances the implementation of the Tariff Strategy by progressively rebalancing revenue recovery across the Authority's three principal customer groups, as reflected in Figure 5.

Figure 5: Transition to the Regulator's Tariff Strategy


8.4 Tariff Book Amendments

The Tariff Book is reviewed annually to ensure that the tariffs, terms and conditions remain current and aligned with the Authority's business processes, regulatory requirements and international marine practices. The proposed amendments to the Tariff Book are set out in **Annexure C** (Tariff Book Changes).

8.5 Port Tariff Incentive Programme (PTIP)

The PTIP is a government-supported incentive administered through the port tariff structure to promote beneficiation, industrialisation and localisation. Approved incentives are implemented through amendments to the Tariff Book and apply on an industry-wide basis.

The Authority did not receive any PTIP applications for consideration as part of the FY 2027/28 Tariff Application.

9. Port Efficiency

The Authority's operations oversight function promotes the safe, efficient and economic operation of South Africa's commercial ports through terminal performance monitoring, marine services coordination and regulatory oversight in accordance with the Ports Act. Oversight is exercised through licences, permits, port rules and agreements to support the effective delivery of port services and facilities across the national port system.

The Authority continues to strengthen its oversight capability through the implementation of terminal performance targets under the approved Oversight Management Framework (the Framework), improved marine craft availability and enhancements to the Integrated Port Management System (IPMS). Collectively, these initiatives support improved service delivery, reduced operational bottlenecks and enhanced operational performance across the port system.

9.1 Monitoring of Terminal Operator Performance Standards (TOPS)

As part of strengthening its oversight role, the Authority implemented the Framework during FY 2025/26 to provide an integrated and standardised approach to monitoring terminal operator performance across the national port system.

The Framework applies a Performance Assessment Classification Matrix (the Matrix), which ranks terminal operators on a scale of one (1) to five (5) against defined performance standards. The Matrix provides a transparent basis for assessing performance, identifying performance gaps and supporting targeted improvement initiatives.

The Authority's current focus is on embedding the Framework through the implementation of the agreed performance targets for the FY 2025/26 to FY 2027/28. Where performance gaps are identified, remedial actions and performance improvement plans are implemented to support continuous improvement. Table 17 summarises the current Matrix.

Table 17: FY 2025/26 TOPS Performance – Classification Matrix

Priority Level	Description	RCB	DBN	EL	NGQ	PE	MSB	CTN	SLD	Overall	
1	More than 20% below target	1		1	1					3	3%
2	More than 10% and up to 20% below target	1	3				1	2		7	8%
3	More than 5% and up to 10% below target		4	1						5	5%
4	Up to 5% below target	1	15	2		1		2	2	23	25%
5	A positive deviation from target	2	26	3	6	9		7	2	55	59%

The Matrix indicates an overall positive level of compliance with the approved TOPS across the port system, with many terminal operators achieving or exceeding their performance targets. The assessment also provides the Authority with a structured basis for identifying performance gaps and directing oversight, remedial actions and performance improvement initiatives where required.

9.2 Creating Visibility in the Port Value Chain through IPMS Enhancements

The Authority exercises regulatory oversight across the port value chain, including vessel movements, cargo operations and landside logistics, through more than 90 terminal operator licences across South Africa's commercial ports.

To strengthen this oversight, the Authority continues to enhance IPMS by improving operational data integration and vessel performance monitoring. These enhancements support real-time performance dashboards, enhanced reporting and data-driven decision-making, providing greater visibility into operational performance across the national port system.

10. WEGO

Since its introduction in FY 2017/18, the Regulator has applied the WEGO framework to assess the Authority's operational performance against prescribed Key Performance Indicators (KPIs), by comparing actual performance with historical best performance.

The Authority has formally communicated various concerns to the Regulator regarding the current WEGO methodology and has requested that these be considered. Specifically by comparing actual performance with historical best performance, the Authority has highlighted that the methodology does not adequately account for:

- Operational environmental changes and market conditions;
- The impact of increases in parcel size on Ship Turnaround Time;
- The impact of parcel size complication on Ship Working Hour;
- The effect of cargo viscosity and temperature on cargo flow;
- The effect of cargo density on cargo handling rates; and
- Authority's TOPS process

10.1 WEGO FY 2025/26 performance Results – Previous Best Performance

For FY 2025/26, the port system's WEGO performance results, indicate an overall weighted port efficiency loss of 14.8%. This assessment compares current actual performance against previous best performance and does not account for the operational factors identified above.

Table 18: WEGO Performance Results FY 2025/26 – Previous Best Performance

2025/26 Financial Year - WEGO Performance Report								
WEGO Key Performance Indicators	Port of Richards Bay	Port of Durban	Port of 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	-10.0%	-113.3%	-21.8%	-21.2%	0.0%	0.0%	-30.7%	0.0%
Vessel Service Delays - Terminal Operators	0.0%	0.0%	0.0%	-20.0%	0.0%	0.0%	0.0%	0.0%
Ship Working Hour	0.0%	-1.8%	-1.5%	-2.2%	-1.2%	0.0%	-2.0%	-0.7%
Berth Productivity	-0.8%	-0.7%	0.4%	-5.4%	-1.1%	0.0%	-3.9%	0.1%
Ship Productivity Indicator	-6.1%	-7.0%	-2.1%	-1.2%	-2.9%	-22.8%	-9.1%	-3.7%
Ship Turnaround Time	-3.0%	-2.7%	-12.6%	-6.1%	-14.7%	-79.3%	-40.9%	-8.3%
Port Efficiency Gain	-20.0%	-125.4%	-37.6%	-56.1%	-19.9%	-102.1%	-86.6%	-12.6%
Capped at 15%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-12.6%
Revenue Weighting	13.7%	50.2%	1.6%	6.1%	5.2%	0.5%	13.8%	8.9%
Weighted Port Performance	-2.1%	-7.5%	-0.2%	-0.9%	-0.8%	-0.1%	-2.1%	-1.1%
TNPA WEGO	-14.8%	LEGEND:		White	No Change from Previous Best Performance			
				Green	Improvement from Previous Best Performance			
				Red	Decline from Previous Best Performance			

10.2 TOPS FY 2025/26 Performance Results – Agreed Upon Performance Targets

Based on the performance monitoring process outlined in Section 9.1 above, the Authority undertakes a consultative process with Terminal Operators and

other key stakeholders to establish appropriate Key Performance Indicators (KPIs) and performance targets.

The TOPS performance results for FY 2025/26, presented in Table 19, are derived from actual KPI performance measured against the agreed targets. The results indicate a weighted performance efficiency gain of 14.6%, in contrast to the -14.8% WEGO outcome reflected in Table 18.

Table 19: WEGO Performance Results FY 2025/26 - Agreed Upon Performance Targets

FY 2025/26 - 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	13.7%	4.3%	21.1%	11.6%	9.2%	10.0%	9.0%	30.0%
Vessel Service Delays - Terminal Operators	40.0%	50.0%	6.7%	16.1%	3.9%	10.0%	0.0%	10.0%
Ship Working Hour	0.1%	-0.1%	-0.7%	1.0%	1.6%	0.0%	-2.0%	-1.0%
Berth Productivity	-1.8%	0.7%	1.5%	-3.4%	4.8%	0.0%	-1.9%	-0.1%
Ship Productivity Indicator	-4.7%	1.2%	4.8%	-1.0%	7.3%	7.7%	15.1%	1.6%
Ship Turnaround Time	-3.8%	0.2%	7.5%	4.7%	1.8%	10.4%	-7.8%	1.0%
Port Efficiency Gain	43.5%	56.3%	40.9%	29.0%	28.6%	38.1%	12.3%	41.5%
Capped at 15%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	12.3%	15.0%
Revenue Weighting	13.7%	50.2%	1.6%	6.1%	5.2%	0.5%	13.8%	8.9%
Weighted Port Performance	2.1%	7.5%	0.2%	0.9%	0.8%	0.1%	1.7%	1.3%
Port Operations KPIs	14.6%	LEGEND:		White	No Change from Previous Best Performance			
				Green	Improvement from Previous Best Performance			
				Red	Decline from Previous Best Performance			

11. Conclusion

Accordingly, the Authority requests the Regulator's approval of a RR of R18 484m, translating into a weighted average tariff adjustment of 8.94% for FY 2027/28 and indicative tariff adjustments of 8.95% and 1.99% for FY 2028/29 and FY 2029/30, respectively.

Although the Tariff Application has been prepared in accordance with the single-year Tariff Methodology, the straight-line average of the proposed three-year tariff adjustments translates into an average annual tariff adjustment of 6.63%.

Prepared in accordance with the approved single-year Tariff Methodology, the Tariff Application seeks to balance affordability for port users with the Authority's financial sustainability, while providing for the continued maintenance, renewal and development of strategic port infrastructure in support of South Africa's logistics recovery and long-term competitiveness.

The proposed tariff differentiation further advances the implementation of the Tariff Strategy by improving cost reflectivity and progressively aligning tariff structures with the user-pay principle.

Annexure A: CAPEX

This Annexure presents the Authority's capital investment programme for FY 2026/27 to FY 2029/30, highlighting the strategic objectives, major projects and expected outcomes of the planned investments. Transversal initiatives comprise projects that support the national port system and are not specific to an individual port.

Table 20: Expansion Business vs. Maintenance of Current Business

FY 2026/27

Details	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transve rsal	Total TNPA
	LE												
	FY 2026/27												
	R'm												
Sustain	359	351	149	81	99	39	154	89	572	4	65	284	2,247
Expand	80	31	-	26	-	-	1	-	-	-	-	-	138
Total (Excl. borrowing cost)	439	383	149	107	99	39	155	89	572	4	65	284	2,385
PoPL													(1)
Total (Excl. PoPL)													2,384

FY 2027/28

Details	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transve rsal	Total TNPA
	Projections												
	FY 2027/28												
	R'm												
Sustain	619	737	34	4	84	71	100	135	244	4	6	268	2,306
Expand	100	35	-	36	-	-	-	-	-	-	-	-	171
Total (Excl. borrowing cost)	719	771	34	40	84	71	100	135	244	4	6	268	2,477

FY 2028/29

Details	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transve rsal	Total TNPA
	Projections												
	FY 2028/29												
	Rm												
Sustain	400	281	95	4	3	217	66	21	1	4	4	168	1,263
Expand	368	936	-	-	-	-	-	-	-	-	-	-	1,304
Total (Excl. borrowing cost)	768	1,216	95	4	3	217	66	21	1	4	4	168	2,566

FY 2029/30

Details	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	DRS	HO	LHS	Transve rsal	Total TNPA
	Projections												
	FY 2029/30												
	Rm												
Expand	483	1,031	-	-	29	-	245	-	-	-	-	-	1,788
Sustain	21	159	37	4	153	3	301	36	1	5	4	183	905
Total (Excl. borrowing cost)	503	1,190	37	4	182	3	545	36	1	5	4	183	2,692
PoPL													(3)
Total (Excl. PoPL)													2,690

Transnet National Ports Authority Tariff Application for Financial Year 2027/28

Table 21: Port Related Spending by Asset Type

FY 2026/27

Asset Group	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transve rsal	LHS	DRS	HO	Total TNPA
Buildings & Fixed Structures	30	25	-	35	-	-	3	-	-	7	-	-	100
Port Infrastructure	398	260	64	52	72	36	93	44	-	-	-	-	1,018
Vehicles & Aircraft	-	-	-	-	10	-	-	-	-	-	-	-	10
Other Furniture & Equipment	10	10	4	3	17	2	5	4	-	5	2	4	67
Floating Craft	-	-	-	-	-	-	54	31	49	-	570	-	703
Port Equipment	1	87	82	10	-	1	0	10	168	54	-	-	413
Lighting & Power Supply	-	0	-	6	-	-	-	-	-	-	-	-	6
Land Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	36	-	-	-	36
Intangible Assets	-	-	-	-	-	-	-	-	6	-	-	-	6
Telecommunication Equipment	-	-	-	-	-	-	-	-	25	-	-	-	25
Grand Total	439	383	149	107	99	39	155	89	284	65	572	4	2,385
PoPL													(1)
Total (Excl. PoPL)													2,384

FY 2027/28

Asset Group	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transve rsal	LHS	DRS	HO	Total TNPA
Buildings & Fixed Structures	-	11	-	-	-	-	1	-	-	-	-	-	12
Port Infrastructure	710	388	29	36	44	68	33	69	-	-	-	-	1,378
Vehicles & Aircraft	-	-	-	-	0	-	-	-	-	-	-	-	0
Other Furniture & Equipment	9	8	4	4	40	3	5	5	-	6	2	4	90
Floating Craft	-	-	-	-	-	-	51	61	33	-	240	-	385
Port Equipment	-	364	-	-	-	1	10	-	150	-	1	-	527
Lighting & Power Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	20	-	-	-	20
Intangible Assets	-	-	-	-	-	-	-	-	50	-	-	-	50
Telecommunication Equipment	-	-	-	-	-	-	-	-	15	-	-	-	15
Grand Total	719	771	34	40	84	71	100	135	268	6	244	4	2,477

FY 2028/29

Asset Group	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transve rsal	LHS	DRS	HO	Total TNPA
Buildings & Fixed Structures	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Infrastructure	760	1,138	-	-	-	213	58	15	-	-	-	-	2,185
Vehicles & Aircraft	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Furniture & Equipment	8	7	3	4	3	3	5	6	-	4	1	4	47
Floating Craft	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Equipment	-	71	92	-	-	1	2	-	110	-	-	-	276
Lighting & Power Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	58	-	-	-	58
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommunication Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	768	1,216	95	4	3	217	66	21	168	4	1	4	2,566

FY 2029/30

Asset Group	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	Transve rsal	LHS	DRS	HO	Total TNPA
Buildings & Fixed Structures	3	54	16	-	29	-	-	-	-	-	-	-	102
Port Infrastructure	491	1,126	1	-	150	-	269	30	-	-	-	-	2,068
Vehicles & Aircraft	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Furniture & Equipment	9	8	3	4	3	3	6	6	-	4	1	5	50
Floating Craft	-	3	-	-	-	-	-	-	-	-	-	-	3
Port Equipment	-	-	17	-	-	-	271	-	100	-	-	-	387
Lighting & Power Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	23	-	-	-	23
Intangible Assets	-	-	-	-	-	-	-	-	60	-	-	-	60
Telecommunication Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	503	1,190	37	4	182	3	545	36	183	4	1	5	2,692
PoPL													(3)
Total (Excl. PoPL)													2,690

CAPEX and Throughput

Table 22 reflects the Authority's current capital investment programme across the port system. The Authority is presently updating the NPP and PDFPs (2025), which will inform future port capacity requirements in line with projected demand.

While the capital investment programme includes both infrastructure investments and planning initiatives, only physical infrastructure interventions that increase operational capacity—such as berths, storage facilities and equipment—are reflected in the capacity projections presented below. Accordingly, research studies and planning initiatives are excluded from the projected capacity calculations.

Table 22: CAPEX and throughput per cargo type and commodity

Containers

Details	Containers							Major Capital Projects
	LE	Projections						
	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	Total 6 Yrs	
	Rm							
Containers	187	29	936	1,274	1,571	1,606	5,602	- Feasibility: New Container Handling Berth 605
Expand	16	29	936	1,274	1,571	1,606	5,430	- Execution: DCT berth deepening 203 to 205
Sustain	171	-	-	-	-	-	171	- Development of Durban Point Container Terminal - FEL 3 & 4
Volumes (TEU)								- Feasibility: Maydon Wharf channel deepening
Budget & Projections	4,569	4,670	4,735	4,839	5,000	5,215		- Feasibility: Berth Deepening M/Wharf 5-11 & 15
Capacity	6,485	8,527	8,806	8,806	8,806	9,746		- Execution: Expansion of Container Terminal : CPT Phase 2B
								- Feasibility: Expansion of Container Terminal : CPT Phase 2B
Total Capex Spend over the 6 year period							5,602	- Acquisition of 66 Hydraulic Tension Units

- Feasibility: New Container Handling Berth 605
- Execution: DCT berth deepening 203 to 205
- Development of Durban Point Container Terminal - FEL 3 & 4
- Feasibility: Maydon Wharf channel deepening
- Feasibility: Berth Deepening 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

Liquid Bulk

Details	Liquid Bulk							Major Capital Projects
	LE	Projections						
	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	Total 6 Yrs	
				R/m				
Liquid	162	390	202	54	201	13	1,024	- Execution: IV sea walls
Expand	26	36	-	-	197	-	259	- Upgrade of Fire-Fighting Infrastructure at Island View, Port of Durban (Phase_2)
Sustain	137	354	202	54	4	13	764	- 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 Part of Ngqura
								- Execution: Reconstruction of Island View Berth 1
								- Execution: Island View Berth 3 Upgrade
								- Feasibility: Island View Berth 3 Upgrade
								- Execution: Replacement of Tanker Berth Fire Fighting Monitors
Volumes (kl)								
Budget & Projections	35	36	39	39	40	40		
Capacity	74	102	102	106	106	106		
Total Capex Spend over the 6 year period					1,024			

- 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
- Feasibility: Island View Berth 3 Upgrade
- Execution: Replacement of Tanker Berth Fire Fighting Monitors

Iron Ore

Details	Iron Ore							Major Capital Projects	
	LE	Projections							
	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	Total 6 Yrs		
Iron Ore	29	42	15	K'm	-	-	-	86	- Bulk electrical power supply related to Third tippler - Execution: Pneumatic Fender Maintenance & Storage Area - Phase 1
Expand	-	-	-	-	-	-	-	-	
Sustain	29	42	15	-	-	-	-	86	
Volumes (mt)									
Budget & Projections	54	58	61	61	61	61	61		
Capacity	58	68	68	68	68	68	68		
Total Capex Spend over the 6 year period					86				

- Bulk electrical power supply related to Third tippler
- Execution: Pneumatic Fender Maintenance & Storage Area - Phase 1

Coal

Details	Coal							Major Capital Projects
	LE	Projections					Total 6 Yrs	
	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32		
				R'm				
Coal	26	50	-	-	-	-	76	- Refurbish fenders - berths 301 to 306 - Feasibility: Berth 706,606 and 208 Extension - Feasibility: New Berths 709 & 710 for Neo Bulk
Expand	20	-	-	-	-	-	20	
Sustain	6	50	-	-	-	-	56	
Volumes (mt)								
Budget & Projections	68	79	82	82	82	83		
Capacity	92	158	158	158	158	158		
Total Capex Spend over the 6 year period					76			

- Refurbish fenders - berths 301 to 306
- Feasibility: Berth 706,606 and 208 Extension
- Feasibility: New Berths 709 & 710 for Neo Bulk

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Manganese

Details	Manganese							Major Capital Projects
	LE FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30 R'm	FY 2030/31	FY 2031/32	Total 6 Yrs	
Manganese	-	-	-	-	-	-	174	174
Expand	-	-	-	-	-	-	174	174
Sustain	-	-	-	-	-	-	-	-
Volumes (mt)								
Budget & Projections	21	21	21	21	21	19		
Capacity	6	9	9	9	9	9		
Total Capex Spend over the 6 year period								174

- New Manganese Export Terminal (TNPA Scope)

Automotives

Details	Automotive							Major Capital Projects
	LE FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30 R'm	FY 2030/31	FY 2031/32	Total 6 Yrs	
Autos	19	6	-	29	17	-	71	71
Expand	19	6	-	29	17	-	71	71
Sustain	-	-	-	-	-	-	-	-
Volumes (Units)								
Budget & Projections	820,705	837,043	853,102	869,466	885,607	896,767		
Capacity	1,824,912	3,974,787	3,974,787	3,974,787	3,974,787	3,974,787		
Total Capex Spend over the 6 year period								71

- Point Automotive Terminal: Demolitions and Relocations
- Execution - Port Logistics Park

Other (including Fleet – Craft and Dredging Services)

Details	Other							Major Capital Projects
	LE FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30 R'm	FY 2030/31	FY 2031/32	Total 6 Yrs	
Other	1,892	1,841	1,045	853	1,215	2,379	9,224	- Feasibility & Execution: Port Operational Roads Rehabilitation (Rehabilitation & Repair of Newmark, Silver Ocean, Urania Road (5 Yearly) - Execution: Upgrade Breakwaters Dolosse - Execution: Replace Water Pipelines & Billing System - Replacement of 2 Graving Dock Jib Cranes (EL) - Drydock Jib Cranes (DBN) - Replacement of 10 cranes for Shiprepair (CPT) - 2nd Grab hopper dredger - Acquisition of new Cutter Suction dredger - 2nd Cutter Suction Dredger and Self-propelled Split Hopper Barge - Execution: Slipway Upgrade (MSB) - Feasibility & Execution: N2 Foreshore Rehabilitation
Expand	-	-	-	3	55	547	604	
Sustain	1,892	1,841	1,045	850	1,160	1,832	8,620	

Table 23: Multi-Year Port Related Spending by Asset Type

Asset Group	LE	Projections					
	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	Total 6 Yr
Buildings & Fixed Structures	100	12	-	102	71	25	311
Port Infrastructure	1,018	1,378	2,185	2,068	2,630	3,444	12,722
Vehicles & Aircraft	10	0	-	-	-	-	10
Other Furniture & Equipment	67	90	47	50	52	55	362
Floating Craft	703	385	-	3	17	445	1,552
Port Equipment	413	527	276	387	318	78	2,000
Lighting & Power Supply	6	-	-	-	-	6	12
Land Acquisitions	-	-	-	-	-	152	152
Security Equipment	-	-	-	-	-	-	-
Computer Equipment	36	20	58	23	-	8	144
Intangible Assets	6	50	-	60	60	-	176
Telecommunication Equipment	25	15	-	-	-	-	40
Total (Excl. borrowing cost)	2,385	2,477	2,566	2,692	3,148	4,212	17,481
PoPL	(1)	-	-	(3)	(17)	(170)	(190)
Total (Excl. PoPL)	2,384	2,477	2,566	2,690	3,131	4,042	17,291

Table 24: Multi-Year Port Related per Commodity

Commodity	LE	Projections					Total 6 Yrs
	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	
Break Bulk	-	-	-	-	-	-	-
Coal	26	50	-	-	-	-	76
Containers	187	29	936	1,274	1,571	1,606	5,602
Iron Ore	29	42	15	-	-	-	86
Manganese	-	-	-	-	-	174	174
Other	1,892	1,841	1,045	853	1,215	2,379	9,224
Dry Bulk	-	-	-	-	11	31	42
Liquid	162	390	202	54	201	13	1,024
Chrome & Magnetite	7	-	-	-	-	-	7
Gas	51	100	368	483	130	9	1,141
Agriculture	13	20	-	-	3	0	36
Autos	19	6	-	29	17	-	71
Total excl Borrowing Costs	2,385	2,477	2,566	2,692	3,148	4,212	17,481
PoPL	(1)	-	-	(3)	(17)	(170)	(190)
Total (Excl. PoPL)	2,384	2,477	2,566	2,690	3,131	4,042	17,291

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Table 25: Operation Phakisa

Port	Project Name	LE	Projections					
		FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	Total 6 Yrs
		R'm						
DBN	Drydock Jib Cranes	80	364	71	-	-	-	515
EL	Replacement of 2 Graving Dock Jib Cranes	58	-	92	17	-	-	167
MSB	Execution: Slipway Upgrade (MSB)	31	66	213	-	-	-	310
CPT	Replacement of 10 cranes for Shiprepair	0	-	2	269	266	44	581
CPT	Replacement of Robinson Drydock floating caisson	22	18	-	-	-	-	41
CPT	Replacement of Sturrock Drydock Inner Caisson	51	13	2	-	-	-	66
CPT	Sturrock Dry Dock Electrical Infrastructure Upgrade (FEL 3&4)	-	-	-	0	12	142	155
Grand Total		244	461	380	285	278	187	1,835

Annexure B: OPEX

The Authority's OPEX comprises the expenditure required to operate the national port system and fulfil its statutory mandate. Given the operational nature of the Authority's activities, a significant proportion of OPEX is fixed and necessary to ensure the safe, efficient and reliable provision of port services.

Table 26 presents the Authority's net OPEX for FY2027/28, inclusive of Group Costs and excluding expenditure relating to PoPL.

Table 26: OPEX FY 2027/28

Cost Category	2025/26	2026/27	2027/28	Dev (FY 26/27 vs FY 27/28)	Dev (FY 26/27 vs FY 27/28)	% of OpeX 2027/28	2028/29	2029/30	CAGR FY 27/28 - 29/30
	Actual	LE	Forecast				Forecast		
	R'm		R'm		%	R'm		%	
Labour Costs	3,218	3,634	3,920	286	7.9%	50.6%	4,234	4,483	6.9%
Fuel	263	328	361	33	10.0%	4.7%	379	402	5.5%
Electricity	705	744	794	50	6.7%	10.3%	849	930	8.3%
Maintenance	616	707	778	71	10.0%	10.0%	894	1,013	14.1%
Material	217	234	258	23	10.0%	3.3%	304	317	10.9%
Informations systems	271	260	270	10	3.8%	3.5%	280	289	3.5%
Insurance Operations	121	115	119	4	3.7%	1.5%	124	130	4.3%
Professional services	50	93	75	-17	-18.5%	1.0%	83	103	16.8%
Rental & Leases	63	82	90	8	10.0%	1.2%	82	83	-3.6%
Rates & taxes	655	682	711	29	4.3%	9.2%	742	774	4.3%
Water	400	313	328	14	4.6%	4.2%	340	352	3.6%
Pre-Feasibility Studies	89	93	102	9	10.0%	1.3%	111	107	2.5%
Security costs	207	232	242	10	4.3%	3.1%	251	259	3.6%
Sundry Operating Expenses	-131	-244	-305	-61	24.9%	-3.9%	-287	-171	-25.1%
Operating Cost (Excl. Group Costs)	6,742	7,273	7,743	470	6.5%	100.0%	8,387	9,072	8.2%
Group Costs	372	518	534	16	3.1%		552	571	3.4%
Total Operating cost (Incl. Group Costs)	7,114	7,791	8,277	486	6.2%		8,939	9,643	7.9%
Less: Properties Outside Port Limits	-19	-20	-21	-1	3.0%		-22	-22	3.6%
Final Operating cost	7,095	7,771	8,256	485	6.2%		8,917	9,620	7.9%

The forecast has been prepared based on the Authority's current operating model as an OD of Transnet. Accordingly, the Tariff Application does not include any additional operating costs that may arise from the future corporatisation of the Authority.

Labour

Labour costs remain the largest component of OPEX, reflecting the labour-intensive nature of managing and operating the national port system. The projected increase is primarily driven by planned headcount growth and salary increases.

Based on the approved vacancies for the FY 2026/27, the most significant headcount growth is expected within **Marine Services**, followed by **Infrastructure** and **Port Operations**. These areas account for the largest proportion of planned recruitment activity and workforce expansion across the Authority to address the loss of critical skills in the recent past, as part of delivering the key objectives of R4G.

As salary negotiations for FY 2027/28 has not yet commenced, the forecast includes estimated salary increases.

Headcount

The forecasted total number of employees for FY 2026/27 to FY 2029/30 is highlighted in Table 27.

Table 27: Total Number of Employees

Cost Category	2025/26	2026/27	2027/28	Dev (FY 26/27 vs FY 27/28)	Dev (FY 26/27 vs FY 27/28)	2028/29	2029/30
	Actual	LE	Forecast				
Total number of employees	3,713	4,076	4,468	392	9.6%	4,703	4,800

Fuel

Fuel expenditure supports the operation of the Authority's marine craft, plant and vehicle fleet across the national port system. The projected expenditure reflects prevailing fuel price assumptions, which are influenced by global oil market conditions, exchange rate movements and the regulated domestic fuel pricing mechanism, all of which are largely outside the Authority's control.

Electricity

Electricity expenditure is primarily influenced by regulated tariff adjustments approved by National Energy Regulator of South Africa (NERSA). As these costs are largely externally determined, the Authority has limited ability to influence the resulting increases in electricity expenditure.

Maintenance

Maintenance expenditure supports the ongoing upkeep of the Authority's operational assets, including port infrastructure, marine craft, aids to navigation, buildings, plant and ship repair facilities. Maintaining these assets is essential to preserving operational reliability, ensuring safe navigation, extending asset life and minimising unplanned failures that could disrupt port operations.

The projected increase is primarily driven by higher input costs, contracted maintenance services and the Authority's continued focus on preventative and corrective maintenance across the port system. The maintenance programme also supports compliance with statutory safety and environmental requirements and ensures that critical infrastructure remains fit for purpose. The major maintenance projects comprise of the following:

- **Marine & Civil Infrastructure:** Breakwater monitoring; quay wall and berth repairs; fender and bollard replacement, caisson/sheet pile integrity monitoring, slipway and dry dock upkeep.
- **Dredging & Channel Maintenance:** Maintenance dredging, turning basin and berth pocket depth maintenance, bathymetric surveys, spoil management.
- **Aids to Navigation:** Buoy, beacon and lighthouse servicing, VTS and radar/AIS maintenance, tide gauge calibration.
- **Buildings & Facilities:** Administrative buildings, warehousing, transit sheds, corrosion protection painting programmes.
- **Mechanical & Electrical Systems:** Substation maintenance, standby generators, pump stations, lifts, and Heating, Ventilation, and Air Conditioning.
- **Port Equipment & Marine Craft:** Tug and pilot boat dry-docking, mobile harbour crane servicing, workboat maintenance.
- **Roads, Rail & Pavement:** Internal Road resurfacing, rail siding maintenance, stormwater drainage, signage.
- **Utilities & Bulk Services:** Water reticulation, sewer and stormwater networks, firefighting ring mains, bunker lines
- **Fire, Safety & Emergency Systems:** Fire detection/ suppression testing, emergency response equipment, spill containment.
- **Security Infrastructure:** Perimeter fencing, Closed-Circuit Television (CCTV), access control, International Ship and Port Facility Security Code (ISPS) compliance infrastructure.
- **ICT & Operational Technology:** Port Community System infrastructure, fibre networks, SCADA, radio communication.
- **Environmental & Compliance-Driven Maintenance:** Oil-water separators, effluent monitoring, erosion control, air/noise monitoring.

Material

Material expenditure comprises the procurement of consumables, spare parts and maintenance materials required to support the Authority's operational and maintenance activities. This includes materials used for the maintenance of marine craft, civil infrastructure, buildings, mechanical and electrical equipment, ship repair facilities, navigational infrastructure and safety equipment across the port system.

The projected increase reflects continued inflationary pressures across the supply chain, including higher manufacturing, transport and logistics costs, required to support the

Authority's planned maintenance programme. These expenditures are necessary to ensure the timely execution of maintenance activities, reduce equipment downtime and preserve the operational integrity of critical port infrastructure.

Information Systems

Information Systems expenditure supports the operation, maintenance and enhancement of the Authority's digital platforms and information technology infrastructure. Continued investment in technology is essential to improve operational efficiency, strengthen governance, enhance cyber resilience and support data-driven decision-making across the organisation.

The projected increase is primarily driven by initiatives to modernise and optimise business systems, including the implementation of the Tariff Automation Project, SAP platform upgrades and support, enterprise planning and budgeting solutions, and enhancements to revenue assurance. The expenditure also includes ongoing software licensing, system maintenance and technical support required to ensure the availability, reliability and security of critical business systems. Collectively, these investments support the Authority's digital transformation objectives and improve the efficiency, transparency and resilience of its operations.

Insurance Operations

Insurance expenditure provides protection against operational and financial risks associated with the Authority's assets and operations, including marine liabilities & equipment, public liability, riot and asset insurance. The projected increase reflects evolving operational risk exposures together with higher insurance premiums required to maintain appropriate levels of cover.

Professional Services

Professional Services expenditure relates to specialised technical, advisory and professional expertise required to support the Authority's operational, regulatory and governance requirements. The expenditure includes services associated with operational audits, systems integration and data automation initiatives, occupational hygiene surveys, geospatial and geotechnical assessments, property valuation and real estate consultancy, benchmarking, governance reviews, incentive and penalty model development, legal services, and compliance with applicable regulatory and International Organization for

Standardization (ISO) requirements. These services provide specialist expertise that is not readily available internally and support the Authority's continued operational effectiveness and compliance with statutory obligations.

Rentals and Leases

Rental and lease expenditure relates primarily to leased properties, vehicles, construction equipment and information technology assets required to support operational activities across the port system. The projected increase reflects lease renewals at market-related rates together with additional leased assets required to meet operational requirements.

Rates and Taxes

Rates and taxes comprise municipal property rates levied in accordance with the Municipal Property Rates Act. The projected increase is primarily attributable to annual municipal tariff adjustments and updated property valuations across the Authority's property portfolio.

Water

Water expenditure relates to the supply and consumption of water across the port system. The projected increase reflects municipal tariff adjustments together with additional water consumption associated with properties transferred from Transnet Properties.

Pre-Feasibility Studies

Pre-feasibility study costs are driven by the professional and technical services required to undertake feasibility work in support of future capital projects. The list of the key projects is reflected in Table 28.

Table 28: The Authority's Pre-feasibility Costs

Port / HQ	Project
Richards Bay	Bayvue Stormwater Management
	Strategic Environmental Assessment
	Berth Recon Capacity Analysis
	Precinct Plans
Durban	Asbestos Assessment & Remedial Action Plan – Port Perway
	Port of Durban Employee Facilities and Depots
Ngqura	Bend Dunes
	Breakwater monitoring
Port Elizabeth	HVAC Condition Assessment & Preliminary
	Jetty Bridge
Mossel Bay	MPT
Cape Town	Annual Bathy (incl. Port Nolloth)
	Aerial Photographic Survey
	Port Precinct Plans
	Topographic Survey & U/G Services
	Underground Services Detection
	Multibeam Bathy
Saldanha	Configuration of Berthing Facilities
	Building Cond
	Fender Maint Area
	Mossgas
	Berth 205
	Traffic Study
	Port Precinct
National	Road Geotech
	ISO 55001 Implementation (3 Year Contract)
	Engineering Prep Studies
	Socio Economic Study
	Feasibility and Implementation Roadmap for Green Fuel Export and Bunkering
	Dry Dock Navigational Study
	Second Access Road

Security Costs

Security costs are primarily driven using private security services to support the safe and secure operation of the ports. The increase reflects inflationary cost pressures and additional security requirements associated with operational growth across the port system.

Sundry Operating Costs

Sundry operating costs comprise expenditure relating to insurance, stationery and printing, transport, promotions and advertising, and other miscellaneous operating expenses. The key cost drivers are summarised in Table 29.

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Table 29: The Authority's Sundry Operating Costs

SUNDRY OPERATING COSTS	2025/26	2026/27	2027/28	Dev (FY 26/27 vs FY 27/28)	Dev (FY 26/27 vs FY 27/28)	% of Opex 2027/28	2028/29	2029/30	CAGR FY 27/28 - 29/30
	Actual	LE	Forecast				Forecast		
	R'm		R'm		%		R'm		
External property auxiliary costs	-471	-495	-517	-22.4	4.5%	169.7%	-543	-562	4.3%
Intra NPA recoveries	-528	-692	-779	-86.3	12.5%	255.6%	-800	-830	3.2%
Intra cc recoveries	338	445	462	17.4	3.9%	-151.7%	471	492	3.2%
Intra cc charges	96	107	111	4.8	4.5%	-36.6%	122	121	4.1%
Miscellaneous revenue	-7	-29	-30	-1.2	4.0%	10.0%	-32	-33	3.8%
External Audit Fees	16	44	48	4.4	10.0%	-15.8%	53	54	6.2%
Entertainment	9	10	13	3.3	34.3%	-4.3%	13	14	2.6%
Environmental management	12	16	17	1.6	10.0%	-5.7%	37	123	167.0%
Fines and Penalties	94	-	-	-	0.0%	0.0%	-	-	0.0%
Health and Sanitation	76	79	85	6.3	8.0%	-28.0%	92	102	9.2%
Legal Costs	39	51	52	1.9	3.8%	-17.2%	44	56	3.5%
Consulting fees	0	6	6	0.2	3.8%	-1.9%	6	6	3.4%
Internal Audit	23	24	21	-2.6	-11.1%	-7.0%	22	23	3.4%
Membership Fees	7	9	8	-0.6	-6.7%	-2.7%	10	11	14.0%
Bank Charges	0	0	0	-0.1	-29.5%	-0.1%	0	0	4.1%
Catering Costs	1	2	3	0.2	10.0%	-0.8%	5	6	49.1%
Claims Paid	0	-	-	-	0.0%	0.0%	-	-	0.0%
Commission Paid	-	-	-	-	0.0%	0.0%	-	-	0.0%
Discount Allowed	0	-	-	-	0.0%	0.0%	-	-	0.0%
Gifts	0	-	-	-	0.0%	0.0%	-	-	0.0%
License Fees	3	3	4	0.3	10.0%	-1.2%	7	7	37.4%
Magazines, Books and Periodicals	0	1	1	0.1	10.0%	-0.3%	2	3	59.0%
Newspapers	-	-	-	-	0.0%	0.0%	-	-	0.0%
Nursery / Flower Expenditure	13	14	15	1.4	10.0%	-5.0%	24	25	28.2%
Other 1	12	22	23	0.8	3.8%	-7.6%	21	22	-2.7%
Contract Payments	54	37	39	1.5	4.0%	-12.8%	36	37	-2.5%
Navigation, Landing and Parking	-1	2	2	0.1	3.8%	-0.8%	2	2	-0.2%
Postage	0	0	0	0.0	4.2%	0.0%	0	0	3.9%
Printing and Stationery	7	7	8	0.7	10.0%	-2.5%	11	11	20.6%
Promotions and Advertising	13	13	15	1.3	10.0%	-4.8%	16	34	50.9%
RDP Costs / Social Investment	-	-	-	-	0.0%	0.0%	-	-	0.0%
Regional Services Levies	-	-	-	-	0.0%	0.0%	-	-	0.0%
Telecommunication Services	6	6	7	0.6	10.0%	-2.2%	7	14	42.5%
Transport Cost : External	13	13	15	1.3	10.0%	-4.8%	16	21	21.2%
Travel Benefits / Concessions	-	-	-	-	0.0%	0.0%	-	-	0.0%
Travel - Local & Overseas	41	62	66	4.0	6.5%	-21.6%	69	71	4.2%
Other operating expenses	-	-	-	-	0.0%	0.0%	-	-	0.0%
Bad Debts	-	-	-	-	0.0%	0.0%	-	-	0.0%
Total sundry operating expenses	-131	-244	-305	-61	24.9%	100.0%	-287	-171	-25.1%

Entertainment

Entertainment costs are driven by stakeholder engagements. The increase reflects the Authority's re-focus on its stakeholder management programme and inflationary cost pressures.

Environmental Management

Environmental management costs support the Authority's environmental monitoring, pollution control and other regulatory compliance activities; with the cost escalations falling outside of the Authority's control.

Health & Sanitation

Health and sanitation costs relate to outsourced cleaning, waste management and sanitation services. The increase is primarily driven by inflationary pressures and contractual price escalations.

Legal Costs

Legal costs are slightly above inflation and driven by specialised legal services required to support regulatory compliance, licence-related matters and other statutory obligations.

Contract Payments

Contract payments relate to outsourced operational services, including helicopter and lift maintenance and the provision of clinic resources. The increase reflects inflationary cost increases in these contracted services.

Telecommunication Services

Telecommunication service costs support the Authority's operational communications and connectivity requirements. The increase is primarily driven by inflationary cost escalation and ongoing investment in communication services.

Travel Costs (Local and Overseas)

Travel costs support operational requirements, stakeholder engagement and business development activities. The increase is primarily attributable to inflationary cost pressures and higher flight prices due to the impact of fuel costs.

Group Overhead Costs

The Authority incurs a share of Transnet Group Corporate overhead costs in respect of corporate services provided centrally to all Operating Divisions (ODs). These services include, amongst others, finance, human resources, legal, information technology, procurement, governance, risk management and other corporate support functions necessary for the operation of the business.

Corporate overhead costs are allocated to each OD using Transnet's approved corporate cost allocation methodology. The methodology applies predetermined allocation drivers and reflects the nature and extent of services provided to each OD.

Where expenditure recorded against specific general ledger accounts can be directly attributed to an individual OD, such costs are allocated directly without the application of allocation drivers. These typically include items such as incentive bonus provisions, impairments on trade receivables and internal income or expense recoveries.

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Variations in allocated corporate overhead costs between financial years, and between budget and actual allocations, primarily reflect changes in Group spending priorities and the allocation percentages resulting from changes in the underlying allocation drivers, rather than changes to the allocation methodology itself.

Transnet's external auditors perform agreed-upon procedures over both historical and forecast corporate overhead allocations to assess compliance with the approved allocation methodology and to confirm that the allocations are reasonable, consistent and fairly applied.

For FY 2025/26, **11.17%** of Transnet Group Corporate overhead costs were allocated to the Authority, with the remaining **88.83%** allocated across the other Transnet Operating Divisions.

Table 30: Group Overhead Costs

TRANSNET GROUP OVERHEAD COSTS	2025/26	2026/27	2027/28	Dev (FY 26/27 vs FY 27/28)	Dev (FY 26/27 vs FY 27/28)	2028/29	2029/30
Net operating expenses excluding depreciation and amortisation	325	471	487	16	3.49%	502	517
Personnel costs	297	300	311	10	3.49%	320	330
Fuel costs	0.1	0.1	0.2	0.0	3.42%	0.2	0.2
Electricity costs	2	3	3	0	3.50%	3	3
Material costs	0.1	0.2	0.2	0.0	3.50%	0.2	0.2
Other operating costs	26	168	174	6	3.50%	179	184
<i>Accommodation and Refreshments</i>	1	1	1	0.0	3.49%	1	1
<i>Professional Fees</i>	6	18	18	1	3.50%	19	19
<i>Electronic Data Costs</i>	29	49	51	2	3.50%	52	54
<i>Internal Audit</i>	6	6	6	0.2	3.50%	6	6
<i>Social Investment</i>	18	16	16	1	3.50%	17	17
<i>Miscellaneous Costs</i>	(33)	79	82	3	3.49%	84	87
Profit from operations before depreciation, amortisation and items listed below	325	471	487	16	3.49%	502	517
Depreciation and amortisation	33	31	30	(1)	-3.68%	32	35
Profit from operations before the items listed below	359	502	517	15	3.05%	535	553
Profit on sale of interest in businesses	-	-	-	-	0.00%	-	-
Impairment of assets	1	-	-	-	0.00%	-	-
Dividends received	-	-	-	-	0.00%	-	-
Post-retirement benefit obligation costs	13	16	17	1	3.50%	17	18
Fair value adjustments	(1)	-	-	-	0.00%	-	-
Income from associates	-	-	-	-	0.00%	-	-
Profit from operations before net finance costs	372	518	534	16	3.07%	552	571
Transnet Capital Projects	-	-	-	-	0.00%	-	-
Total Overhead Costs	372	518	534	16	3.07%	552	571
YOY % Increase		39.30%	3.07%			3.40%	3.40%

Annexure C: FY 2027/28 Tariff Book Changes

Table 31: Proposed Tariff Book Changes

Reference to Tariff Book FY 2026/27	Current Tariff Book Reading /Wording	Proposed Changes
Section 3 Sub-section 3.1 General Terms and Conditions Page 12	Sub-section 3.1 General Terms and Conditions Surcharges may apply at the Port of Mossel Bay for marine services provided outside ordinary working hours.	<p>Amendment:</p> <p>Surcharges may apply at the Port of Mossel Bay for marine services provided outside ordinary working hours as follows.</p> <ul style="list-style-type: none"> • Marine Services Surcharge - SPM & CBM R 40 624.62 • Marine Services Surcharge - (Other)R 8 756.79 <p>Rationale:</p> <p>To provide clarity and transparency to customers ensuring consistent application of charging when invoicing.</p>

End.