



Consultation Discussion Document

Weighted Efficiency Gains from Operations (WEGO) Annual Key Performance Indicators (KPI) Determination, Definition and Weight Allocation Process

Document Purpose

This document initiates the formal consultation process on the Weighted Efficiency Gains from Operations (WEGO) framework for the upcoming annual cycle, 2027/28 FY KPI Determination and Weights allocation. It outlines the background and objectives of WEGO, details the proposed approach for KPI determination and weight allocation, and sets forth a comprehensive stakeholder engagement strategy.

1. Introduction and Background

1.1 What is WEGO?

WEGO is a performance-based incentive mechanism embedded within the port Tariff Methodology. It directly links the operational performance of the regulated entity - the Ports Authority (the Authority) across a defined basket of KPIs against the financial outcomes of the regulated entity by aligning financial incentives with operational performance, WEGO serves as a tool to ensure that the Authority performs its oversight function in terminal operations and effectively improves the performance of marine operations in the South African Port system.

WEGO is designed to identify and differentiate between changes in agreed Key Performance Indicators representing performance at port system level and to incentivise the Authority on average improvements or disincentivise the Authority where performance has regressed. WEGO incentivises the efficiency of the Authority by allowing an increase or decrease on net profit earned by the NPA.

The core objective of WEGO is to incentivise sustained improvements in ports and address long-standing concerns on port efficiency, port resilience and the subsequent charges associated with port delays.

The WEGO mechanism operates on the following principles:

- **Baseline & Comparative Measurement:** A set of KPIs is agreed upon annually. Performance in the current year is measured against the Authority's previous best performance with the base performance target being the year of introduction of the WEGO component in the Tariff Methodology
- **Incentive/Disincentive Structure:** For a measured improvement or decline in performance relative to the baseline, the Authority's return is adjusted by the applicable percentage up to maximum of 15% on a selected basket of KPIs. The potential efficiency gain or loss is proposed to be capped at 20% as per the published 2026/27 Tariff Methodology. Additional consultations with stakeholders will be conducted in the finalisation of the multi-year tariff Methodology for 2027/28-2029/30.
- **Revenue Weighting:** The overall impact on the Authority's revenue is weighted according to the proportional revenue contribution of each port. This ensures the financial incentive is proportionate to the scale of operations at each port.

2. WEGO Key Performance Indicators (KPIs)

2.1 Current KPI Framework (as of March 2018 Record of Decision)

The initial WEGO framework, as published in the 2018 Tariff Methodology, identified five initial KPIs with equal weighting. These remain the foundation of the current incentive system.

#	KPI	Description	Weight
1	Ship Turnaround Time (STT)	Total hours vessels stay in port from breakwater entry to exit.	20%
2	Ship Productivity Indicator (SPI)	Volume handled divided by total hours in port.	20%
3	Vessel Delay at Anchorage	Average delay to vessels due to specific causes (terminal, marine services, etc.).	20%
4	Berth Productivity	Volume handled divided by total time of ships alongside.	20%
5	Ship Working Hour (SWH)	Volume handled during total productive working hours.	20%

3. Consultation Process: Determining KPIs & Weight Allocation

3.1 The Need for Consultation

The WEGO framework is not a static instrument. It requires annual review and validation to ensure it remains relevant, fair, and effective. The selection of KPIs and their associated weights must reflect the operational realities of the ports and the priorities of the port community. This is formalised through the KPI and WEGO Sub-Committees of the Port Consultative Committees (PCCs).

The WEGO KPI technical committee consists of port user representatives, the Authority and the Ports Regulator to monitor performance, verify results, and identify challenges that impede operational efficiencies improvements in the ports.

3.2 Objectives of the Consultations

- Throughout the years, the PRSA initiated its annual WEGO process in January to establish the definitive KPI basket and the corresponding weights for each new financial year.
- A key component of this process is an annual consultative process that allows the Regulator to provide the Port Authority and port users with an opportunity to recommend KPIs and Weights for evaluation in the upcoming year.
- In the 2026/27 FY, the WEGO KPIs and Weights Record of Decision, the Ports Regulator acknowledged the comments and concerns expressed by the NPA and port users concerning specific aspects of WEGO, as a result the Ports Regulator committed to commence the process much earlier (June) to allow for sufficient time to consult on the key aspects of concern

This consultation process aims to:

1. **Review Current KPIs:** Assess the suitability and effectiveness of the existing KPIs (STT, SPI, Vessel Delay: Marine & Terminal, Berth Productivity and SWH).
2. **Propose & Consult New KPIs:** Consider new or refined indicators that better capture critical performance areas, such as landside congestion, equipment availability, or digital integration.
3. **Define & Re-weight:** Agree upon precise definitions, calculation methodologies, data source, performance verification and weight allocations for each KPI.
4. **Ensure Transparency:** Provide a clear, open, and documented rationale for all decisions.

This KPI Determination and definitions consultation process should be considered separate from the overall Tariff Methodology Review process (which incorporates the WEGO methodology) as tariffs and the WEGO methodology are intrinsically linked.

3.3 Key Considerations for Stakeholders

To guide the consultation, stakeholders are invited to provide written inputs on the following:

1. **Relevance:** Are the current KPIs the most critical for measuring operational efficiency at our ports?
2. **Gaps:** Are there significant performance areas not captured?
3. **Definition & Calculation:** Are the current definitions of the KPIs sufficiently clear and unambiguous (e.g., exclusions for force majeure)?
4. **KPIs Rationalisation:** The Ports Regulator has always maintained that KPIs can be retired once there are consistent improvements on performance. In its effort to streamline the KPIs, the Ports Regulator is open to reducing the number of KPIs to focus intently on those that address the main pain points in the port system. Therefore, port users are requested to consider what are the non-negotiable KPIs that are considered critical to drive operational efficiencies?

Reporting: Is the data used to calculate the KPIs accurate and verifiable? Does the process allow for sufficient stakeholder verification? The Regulator has called for port users to share their own data to help ensure accuracy.

4. Stakeholder Engagement Approach

A successful review of the WEGO KPIs depends on the active participation and buy-in of all stakeholders. This consultation will be conducted through a structured, multi-tiered engagement approach.

4.1 Guiding Principles

The engagement process will be guided by the following principles:

1. **Inclusivity:** Ensuring all port user categories, stakeholders, and the regulated entity have a voice.
2. **Collaboration:** Seeking consensus-based solutions that balance the needs of all stakeholders which will ultimately yield positive performance results.
3. **Accountability:** Ensuring decisions are made with a clear rationale and are defensible.

4.2 Stakeholder Groups

The following key groups will be engaged:

1. **Port Users (Direct):** Shipping lines, terminal operators, cargo owners, freight forwarders, and logistics providers. The Port Consultative Committee (PCC) platforms will also be used where applicable.
2. **Other Stakeholders:** Industry bodies/associations, business/maritime chambers, academic institutions, and relevant government entities.
3. **The Regulated Entity:** The Port Authority

4.3 Consultation Platforms and Mechanisms

Engagement will proceed via the following formal channels:

1. **Port Consultative Committees (PCCs)**: The primary forum for port user engagement.
2. **Customised Discussions for Port User Categories** (e.g. shipping lines/cargo owners/terminal operators etc)
3. **National Port Consultative Committee (NPCC)**: For high-level port system wide issues and strategic alignment.
4. **KPI and WEGO Sub-Committees**: Specialist sub-committees formed under the PCCs with the specific mandate to monitor performance, verify results, and develop and agree on future KPIs and their weightings.
5. **PRSA/NPA Technical Working Committees**: For in-depth technical discussions, such as the precise definition of a KPI or the validation of data sources between the Ports Regulator and the Port Authority.

4.4 Roles and Responsibilities

Stakeholder Group	Role in Consultation
Port Users & Stakeholders	Engage on the KPIs to be adopted. Provide input on KPI definitions, and priorities. Share data to help rationalise WEGO KPIs and verify WEGO results.
Regulated Entity (Port Authority)	Engage on the KPIs to be adopted and technical definition of KPIs. Share operational data and its source for WEGO results verification
Regulator	Issue this Discussion Document. Facilitate the engagement process. Make the final determination on KPIs and weights.

5. Next Steps and Timeline

The consultation process will follow the timeline below:

Step	Activity	Date / Timeframe
1	Issuance of the Discussion Document	20 August 2026
2	Various Consultation Workshops through the channels outlined above	August – 30 October 2026
3	Stakeholder written submissions close	30 October 2026
4	Analysis of Stakeholder Input	01 November – 30 November 2026
5	Publication of Stakeholder Inputs	January 2027
6	Final Feedback Consultations (Port Authority & PCC Reps)	January – 28 February 2027
7	Record of Decision on WEGO Annual KPIs and Weights	31 March 2027

6. Invitation to Comment

Stakeholders are invited to submit their comments, proposals, and data on the KPI determination and weight allocation process for the upcoming annual cycle.

Please send all written submissions by 30 October 2026 to:

info@portsregulator.org.za and nokuzolan@portsregulator.org.za

We look forward to a productive and collaborative consultation process that will help build a more efficient and competitive port system.