



Department: Transport REPUBLIC OF SOUTH AFRICA

## MINUTES OF THE 1<sup>ST</sup> QUARTER 2015/16 PORT OF PORT ELIZABETH PORT CONSULTATIVE COMMITTEE MEETING HELD 09:00 WEDNESDAY 05 AUGUST 2015, TNPA OFFICES PORT OF PORT ELIZABETH

### PRESENT:

#### MEMBERS

Mr. Chuma Mpahlwa	Department of Transport: Acting Chairperson
Ms. Selma Schwartz Clausen	SAMSA – Head of the PCC and NPCC Secretariat
Mr. Rajesh Dana	Transnet National Ports Authority – Port Manager
Captain Brynn Adamson	Transnet National Ports Authority (Harbour Master)
Mr. Theo Sethosa	Transnet National Ports Authority – Port Engineer
Mr Tanduxolo Ngubelanga	Local Government
Ms Noxolo Fipaza	Provincial Government
Mr. Lance Petersen	Port User: Cargo Owners / Freight Forwarders / Road Hauliers/ Logistics
Mr. David Gwabeni	Port User: Terminal Operator / Lessees / Stevedores
Mr. Paul Klackers	Port User: Shipping Lines/ Agents / Ship Repair
Ms Thandiswa Nibe	Labour: UNTU
Mr. Danisile Myataza	Labour: SATAWU
Mr. Simthembile Rara	Labour: SATAWU
Mr. Griffith Groenewald	SAMSA

#### **Observer Status PRSA**

Ms. Zinhle Mhlongo - PRSA Representative

### **APOLOGIES:**

Mr Mthunzi Madiya Chairperson

**Members: Table reflects member absence / apologies on a quarterly basis providing a full year summary** \*Absent with apology // \*\* absent without an apology // NA = Not applicable

Constituency		Members	Q 1	Q2	Q 3	Q 4
TNPA	Harbour Master	Mr Brynn Adamson				
	Deputy Harbour Master					
	Port Manager	Mr Rajesh Dana				
	Port Engineer	Mr Theo Sethosa				
Port Users:	Cargo Owners / Freight	Mr Lance Petersen				
	Forwarders / Road	Ms Melanie Jerling	*			
	Hauliers / Logistics					
	Terminal Operators /	Mr David Gwebeni				
	Lessees / Stevedores	Mr Coenie Strydom	*			
	Shipping Lines/ Agents/	Mr Victor Dallacqua	*			
	Ship Repair	Mr Paul Klackers				
Government	Local	Mr Tanduxolo Ngubelanga				

	Provincial	Ms Noxolo Fipaza		
		Ms Tantaswa Cici	*	
Labour	UNTU	Mr Brent Nazer	*	
		Ms Thandiswa Nibe		
	SATAWU	Mr Danisile Myataza		
		Mr Simthembile Rara		
SAMSA	Mr Griffith Groenev	vald		

# **Other Attendees**

Ms Fuzlin Khamissa Mr Marlon Petrus	SAMSA PCC Secretariat Support AIDCEC
Captain Faisal Sultan	Transnet National Ports Authority
Mr Xola Mkontwana	Transnet National Ports Authority
Mr Abram Chego	Department of Transport
Ms Bonisiwe Mhlonga	Department of Transport

#### Abbreviations

	Astin - Diveston Consul
ADG	Acting Director General
ACE	Acting Chief Executive
CEO	Chief Executive Officer
Capex	Capital Expenditure
CE	Chief Executive
Copex	Capitalised Operational Expenditure
СТСТ	Cape Town Container Terminal
CDC	Coega Development Corporation
DCT	Durban Container Terminal
DG	Director General
DDOP	Durban Dig-Out Port
DOT	Department of Transport
DHA	Department of Home Affairs
DPE	Department of Public Enterprise
DTI	Department of Trade & Industry
EIA	Environmental Impact Assessment
GRT	Gross Registered Tonnage
IMDG	International Maritime Dangerous Goods
IMO	International Maritime Organization
ISPS	International Ship and Port Security
MESA	Middle Eastern Central Africa
MPT	Multi- Purpose Terminal
MW	Maydon Wharf
NCT	Ngqura Container Terminal
NPCC	National Ports Consultative Committee
NPUF	National Port Users Forum
OBO	On behalf of
ODG	Office of the Director General
PCC	Ports Consultative Committee
PDFP	Port Development Framework Plan
PECT	Port Elizabeth Container Terminal
PRSA	Ports Regulator South Africa
RCYC	Royal Cape Yacht Club
SAASOA	South African Association of Ships Operators and Agents
SAMSA	South African Maritime Safety Authority
SATAWU	South African Transport and Allied Workers Union
SBM	Single Buoy Mooring
SEZ	Strategic Economic Zone
SPM	Single Point Mooring
STER	Single Transport Economic Regulator
TNPA	Transnet National Ports Authority
TOPS	Terminal Operator Performance Standards
T/S	Transhipments
TPT	Transnet Port Terminals
UNTU	United National Transport Union
V & A	Victoria and Alfred
WCIDP	West Coast Infrastructure Development Plan
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			RECOMMENDATIO N/ACTION
SECTIO	ON 1: PROCEDURAL MATTERS		
1.	WELCOME		
		a Mpahlwa, opened the meeting noting that he would be hairperson Mr Mthunzi Madiya was unable to attend the	
	The meeting was declared ope	ned followed by a round of introductions by all.	
1.1	SAFETY BRIEFING		
	he highlighted that everyone	was done by the Mr Danisile Myataza during which time should vacate the building calmly in the event of a as noted that there were no emergency exercises planned	
1.2.	ATTENDANCE AND APOLOGIE	S	
	Apologies noted as recorded.		
1.2			
1.3	QUORUM – In determining whether the meeting quorate Members attendance noted in accordance		
	with the Ports Act and Regulat		
	1.3.1 Transnet National Ports		
	1.3.1.1 Harbour Master:	Captain Brynn Adamson	
		an Harbour Master: Mr Rajesh Dana	
	1.3.1.3	Mr Theo Sethosa	
	1.3.2 Port Users		
	1.3.2.1 Mr Lance Peterson	Port Users: Cargo Owners / Freight Forwarders/Road Hau Logistics	uliers/
	1.3.2.2 Mr David Gwabeni	Ports Users: Terminal Operators/Lessees / Stevedores	
	1.3.2.3 Mr Paul Klackers	Ports Users: Shipping Lines / Agents / Ship Repair	
	1.3.3 Provincial Government		
	1.3.3.1 Ms Noxolo Fipaza		
	1.3.4 Local Government		
	1.3.4.1. Mr. Tanduxolo Ngubel	anga	
	1.3.5 SATAWU		
	1.3.5.1 Mr Danisile Myataza		
	1.3.5.2 Mr. Simthembile Rara		
	1.3.6 UNTU		
	1.3.6.1. Ms Thandiswa Nibe		

ITEM	DISCUSSIONS	RECOMMENDATIO N/ACTION
	1.3.6 SAMSA	
	1.3.6.1 Mr Griffiths Groenewald	
	1.3.7 Chairperson	
	1.3.7.1 Mr Chuma Mpahlwa	
	Confirmation of attendance confirmed that the Port of Port Elizabeth Port Consultative	
	Committee meeting quorate.	
1.4	ADOPTION OF THE AGENDA OF 05 AUGUST 2015	
	The Agenda was motioned for adoption by Ms Noxolo Fipaza and supported by Mr Danisile Myataza subject to item 4.2.1 be amended from UTATU/SARWHU to UNTU.	
	DECLARATION OF INTEREST	
	No interests declared.	
1.4.1	ADOPTION OF THE MINUTES DATED 18 FEBRUARY 2015	
	The Minutes of the 4th Quarter PCC for the Port of Port Elizabeth was motioned for adoption by Mr Lance Petersen and seconded Mr Danisile Myataza subject to the following amendment:	
	Page 1: footer should read 18 February 2015.	
SECTIO	DN 2: EXTERNAL PRESENTATION	
2.1	Presentation for Motor Industry – AIDCEC	Action 1:
	<ul><li>a. A presentation was made by the representative of AIDCEC.</li><li>b. The presentation will be circulated to all members.</li></ul>	Presentation will be circulated.
SECTIO	ON 3: MATTERS ARISING FROM THE PREVIOUS MEETING	
3.1.1	Marina Development	Action 2:
	<ul> <li>a. Meeting was informed that consultants were busy with the detail concept stage. It was expected that more will be available mid to end November.</li> <li>b. Matter will remain on Matters Arising and an update will be given at the 2<sup>nd</sup> quarter PCC meeting.</li> </ul>	Update on progress will be given at 2 <sup>nd</sup> Quarter meeting
3.1.2	Labour Guideline Workshop	Action 3:
	<ul> <li>a. National Labour advised previously that they were not present at the Labour Guidelines workshop due to logistics costs. The Secretariat reminded all that DOT consistently paid for all travelling expenses.</li> <li>b. It was agreed that a meeting will be scheduled in Johannesburg or Pretoria with the National Office Bearers to discuss the guidelines prior to the 2<sup>nd</sup> quarter PCC meetings. Dates will be advised.</li> </ul>	Secretariat to schedule meeting with National office bearers to be held in Johannesburg.

ITEM	DISCUSSIONS	RECOMMENDATIO N/ACTION
3.1.3	<ul> <li>IMDG Training <ul> <li>DOT provided feedback with regards to the proposed IMDG training for the various ports. Two prong approach:</li> <li>First round of training being offered: <ul> <li>It was agreed between DOT and the IMO that the IMDG training will be held in the Kwazulu-Natal region. Same training was confirmed for 31 August to 04 September 2015 at the Garden Court South Beach, Durban. All involved in IMDG related activities were invited to participate by submitting their names to DOT and the Secretariat. The meeting was further advised that the training venue could only accommodate a limited number of people.</li> <li>DOT sponsored the cost of the IMDG training. Attendees responsible for all other related logistical expenses such as travelling and accommodation etc.</li> </ul> </li> <li>Regional roll-out: <ul> <li>It was decided that training for Dangerous Goods will be done on a regional bases consistent with what was previously requested by the PCCs.</li> <li>Dates for this training will be circulated as soon as confirmation is received from DOT.</li> </ul> </li> </ul></li></ul>	Action 4: IMDG Training: Dates for further training will be circulated once confirmation has been received from DOT.
	<b>d.</b> World Maritime Day will take place at the Port of Richards Bay on 23 September 2015.	
	<ul> <li>SATAWU – Stevedores working conditions</li> <li>a. The SATAWU representative advised that discussions were held between the Stevedoring Company and Labour with the assistance of the Port Manager.</li> <li>b. Labour confirmed that the matter was resolved.</li> <li>c. The Port Manager said further that he was happy that the matter was resolved but there is no guarantee that the matter will not be raised again.</li> </ul>	Resolution 1: Stevedore working conditions - Matter resolved
	Port Festival	Action 5:
	<ul> <li>a. The Port Manager reported that the Port Festival was in its the planning stage and that the proposed date for the Port of Port Elizabeth Port Festival was estimated to be either late December 2015 or early January 2016.</li> <li>b. It was further communicated that the port was in the process of forming a multi-party working committee.</li> <li>c. Details will be communicated once confirmation is available.</li> </ul>	Port of PE Port Festival: Details will be communicated
SECTIO	DN 4: STANDING ITEMS	
4.1	ТЛРА	
	Presentation is attached.	Action 6:
	The following updates were given by the Port Manager with regards to Port Efficiency	
	<ul> <li>a. TOPS - Stage 3 of the TOPS is in the process of being finalised and expected to be issued to Terminal Operators within a few days.</li> <li>b. MOPS - This measure nearing finalisation and was similarly expected to be rolled out soon.</li> <li>c. Integrated Port Management System (IPMS) was successfully implemented in the Port of Durban and was expected to be implemented in the Port of Port Elizabeth by the end of the year.</li> <li>d. Together with TPT, TNPA managed to secure a deal with MOL.</li> </ul>	
	<ul> <li>e. TNPA was given approval to go out on tender for a 15 year development lease agreement for a port logistic park to assist the automotive industry. Interested parties will be invited to hand in tenders.</li> <li>f. Approval was granted to sign an S56 agreement with a 3<sup>rd</sup> Terminal Operator at the MPT terminal.</li> </ul>	

ITEM			RECOMMENDATIO N/ACTION
	g.	TNPA received a request to lease land for both yacht and ship building. Further noted that DOT received a requested for an S79 agreement to build a yacht building hub at the port.	
	Operat	ional Performance:	
		A comment was made that some of the vessels prefer to stay alongside the berth even if they are not working and this would affect the STT. TNPA responded by saying that they are currently in discussions with TNPA head office as the measure is breakwater in to breakwater out and is requesting that those hours be excluded from the STT. TPT commented that including these hours was a bad reflection of actual STT and would reflect that the port is not performing. It was requested that comments be added to explain deviation on STT.	
	b.	Parcel sizes have increased which results in less vessels coming into the port.	
	TOPS		
	a. b.	KPI sessions were held with all Terminal operators to agree on measures. A question was asked about improved efficiencies since the inception of TOPS including remedial actions implemented.	
	с.	The meeting was reminded that a TOPS review was presented to the PCC in March and will be forwarded to all.	
	CAPEX		
	a.	Port User Representatives, for the category Shipping Lines, Agents, Oil and Gas, Ship Repair, Fishing, reported that the shipping lines were not happy with the decision taken to defer the deepening of the Port of Port Elizabeth. The meeting was reminded that the deepening of the Port of PE was escalated to the NPCC where it was initially supported and subsequently informed by the Ports Authority that it was deferred to a later date.	
	b.	Proposed Fire station: TNPA informed the meeting that same was at feasibility stage. Update on progress will be provided.	
	c.	The Port Manager noted that labour raised concerns regards to the deferring of the deepening at which time the Authority confirmed that there will be no job losses due to the project being deferred. Manganese Terminal relocation to the Port of Ngqura scheduled for 2019. It was highlighted that there will be a 2 year decommissioning Port of PE period and the construction of the automotive facility estimated to take 4 years.	
		Leading jetty and 40 tons slipway: Questions regards measurement in place to monitor percentage of local and international workforce and companies. Noted that the Contractor has an obligation to provide plans which would ensure local people are involved from a procurement point of view. The bulk of the cost goes to materials which have to be imported.	
	e.	Deepening of the Port of Port Elizabeth - A presentation will be presented at the next PCC meeting.	
	f.	TNPA to embark on Operation Deep Clean: This operation will address issues related to abandonment of assets in the port and general neglect of the port. Noted that the Authority intends building a facility to house all abandoned vessels.	
	roadsh to the I	rt Manager responded to the questions and comments raised at the recent PDFP ow held 29 <sup>th</sup> May 2015. Noted that the Authority's formal response will uploaded PCC website. The Chairperson requested that TNPA forward formal response to retariat.	

ITEM	DISCUSSIONS	RECOMMENDATIO N/ACTION
	<ul> <li>Port Performance The Port of Port Elizabeth PCC committee confirmed their support with regards to the PDFP as presented by TNPA at the recent PDFP roadshow noting that the delay in the deepening of the Port remains an issue. Capital Investment plans: Plans supported including the Deepening of the Port of Port Elizabeth which remains a priority. It was highlighted that the PCC has an obligation to not only rubber stamp what is being presented but to apply itself as is the case in the Port of Port Elizabeth. Aids to Navigation – Presentation attached a. Proposed changes: Current navigational aids being reviewed. Noted that additions are to be made. b. Intended Aids to Navigation additions expected to happen relevantly soon. Required equipment will be procured from Durban with only LED lights to be imported. c. It is recorded that the PCC of Port Elizabeth is supporting the changes to the Aids to Navigation in the Port of Port Elizabeth.</li></ul>	
4.2	LABOUR FEEDBACK	
	<ul> <li>4.2.1 SATAWU <ul> <li>a. Provincial Government to advise status of the NMMU FET College roll out.</li> <li>b. Link between Green Street and the freeway to ease freight access for to be clarified.</li> <li>c. Deferment of the deepening of the Port of Port Elizabeth noted as a concern for both labour organisations further noting that labour understands that the Port Elizabeth management team is not in a position address this issue.</li> <li>d. Labour has requested a written commitment from management regarding job security taking into consideration the deferment of the deepening of the port.</li> </ul> </li> </ul>	Action 7:
	<ul> <li>4.2.2 UNTU</li> <li>a. UNTU expressed satisfaction with the proposed projects for the Port which would give the port the chance to compete with other ports.</li> <li>b. The main concern noted as the deferment of the deepening of the port. The Authority Management was requested to provide labour with confirmation / "comfort" that the deepening of the Port will happen.</li> <li>c. Deepening of the Port of PE Business case - Authority: Confirmed that the Port of Port Elizabeth management submitted its business cases. Market analysis done by the Authority indicated that volumes were expected to realise in 2036. Noted that the Port of Ngqura will be able to cater for short term volume increases.</li> <li>d. Freight Demand model: concern whether the Port system operates as a port system highlighted and in particular how this is linked to capital investment spent.</li> </ul>	

ITEM	DISCUSSIONS	RECOMMENDATIO N/ACTION
	e. The Chairperson advised that the decision to defer the deepening of the port was not a management decision but there was a bigger picture.	
4.3	Port User Feedback	
	Cargo Owners / Freight Forwards / Road Hauliers / Container Depots No representation	
	Shipping Lines / Agents / Ship No representation	
	Terminal Operators / Stevedores / Lessees No representation	
4.4	Government Feedback	
	<ul> <li>4.4.1 Department of Transport (DOT)</li> <li>a. Ports Act review: Matter noted as being on the NPCC Agenda.</li> <li>b. STER: Matter noted as being on the NPCC Agenda.</li> <li>c. Feedback on both these issues will be given at the next PCC meeting.</li> </ul>	Action 5: Update on the Ports Act review and STER will be given at the next PCC meeting
	<ul> <li>4.4.2 Provincial Government</li> <li>a. Maritime Skills Development (MSD) - Provincial MSD meeting was held. FET colleges were represented. Report and guidance for skills development programme was presented. <ul> <li>i. Labour has requested that they be included in skills development programme.</li> </ul> </li> <li>b. The meeting was informed that ten teachers with Maritime backgrounds were sent to Belgium to do a refresher course.</li> <li>c. Two schools were identified as maritime high schools to commence in 2016.</li> <li>d. Two teachers will be selected to kick start the process. Maritime economics and nautical science will added as two additional subjects.</li> <li>e. The Department of Education scheduled a Maritime Expo to be held in the Port of East London. Provincial Expo will be held in Umtata during the month of October 2015.</li> </ul> <b>4.4.3 Local Government</b> <ul> <li>a. Working well with the Port of Port Elizabeth.</li> <li>b. New mayor was appointed and the portfolios have been restructured.</li> <li>c. An update will be provided at the next PCC meeting.</li> </ul>	
	4.4.4 Other National Departments	

ITEM	DISCUSSIONS	RECOMMENDATIO N/ACTION
4.5	PORTS REGULATOR OF SOUTH AFRICA	
4.5	<ul> <li>Ports Regulator South Africa <ul> <li>The draft Tariff Strategy was published on the 31st of March for comment;</li> <li>Nine written submissions were received;</li> <li>Two focus groups (government and port pricing experts) were held in May;</li> <li>Four roadshows were held in June for industry and other stakeholders;</li> <li>The Regulator thanked PCC members for their attendance and their comments – a long list of 100 suggestions and comments emanated from the Roadshows and the submissions were considered carefully and incorporated where necessary into the Strategy;</li> <li>The updated Tariff Strategy expected to be finalised August 2015 where after it will be circulated via the PCC Secretariat and published on the PRSA website.</li> <li>Implementation of the Tariff Strategy will begin with the 2016/17 tariff book;</li> <li>All cargo dues line items will converge towards the base rate determined in the strategy annually (depending on sensitivity analysis) until, ideally, 5 lines remain;</li> <li>Marine services will be run on a ghost system for 2016/17 and applied in 2017/18;</li> <li>Annual monitoring of all elements of the strategy will take place;</li> <li>Phase 3 has already commenced – this includes finalising the beneficiation strategy, reviewing the tariff methodology and valuation of assets.</li> <li>The Tariff Application will be submitted by NPA to the Regulator on the 1st of August 2015;</li> <li>There will be a comment period of at least 30 working days and roadshows will</li> </ul> </li> </ul>	
	<ul> <li>take place, most likely in September.</li> <li>n. Tribunal Update - A decision has been made regarding a private container terminal at the Port of Richards Bay – that will be published on the website next week;</li> <li>o. Regulatory Review - As discussed in previous PCC, the PRSA are doing a self - evaluation and completed a web-survey which we will send out to our database via a link.</li> </ul>	
4.6	SAMSA	
	No Feedback	
4.7	PCC ADMINISTRATION	
	PCC ADMINISTRATION	Action: 9
	<ul> <li>a. PCC website – from this point going forward all documentation pertaining the PCC meetings e.g. Minutes, presentations will be uploaded onto the PCC website and a link will be forwarded to all PCC members.</li> </ul>	Secretariat to circulate the Freight Demand
	<ul> <li>Protocol of Meeting review – several inputs was received. All comments to be escalated to the NPCC representative and will be further discussed.</li> </ul>	strategy.
	<ul> <li>PCC Induction, Nomination and Election – Sessions were held at the PE Yacht Club. Industry Induction will be an ongoing process.</li> </ul>	
	d. Freight Demand Strategy as well as the Minutes of the last NPCC meeting will be circulated.	

ITEM	DISCUSSIONS	RECOMMENDATIO N/ACTION			
SECTIO	SECTION 5: COOPERATIVE GOVERNANCE				
SECTIO	SECTION 6: NPCC				
6.1	NPCC meeting scheduled to take place 28 August 2015.				
SECTIO	SECTION 7: NEW ITEMS				
7.1.	New Items No new items				
SECTIO	SECTION 8 AGREED RESOLUTIONS & ACTION ITEMS				
8.1	<ul> <li>a. Presentation detailing trends, market predictions: Presentation by the Automotive Industry will be circulated by the Secretariat.</li> <li>b. Nomination and Election: Nomination and Election process completed and all constituencies were represented.</li> <li>c. Marina development: Presentation will be made once the outcome of the model feasibility is done.</li> <li>d. Labour Guidelines workshop: A meeting will be convened with the National Office Bearers of both UNTU and SATAWU in Johannesburg to draft the Labour Guidelines for the PCC meetings going forward.</li> <li>e. Labour: Stevedoring working conditions noted to be resolved.</li> <li>f. IMDG Training: DOT reported that due to financial constraints IMDG training provided by IMO will only take place in the KZN region (Durban) from 31/8 to 04/09. UN Dangerous Goods training will however take place regionally and logistics will be communicated shortly</li> <li>g. Port Festival: It was reported that the Port of Port Elizabeth has commenced with arrangements for the 2015/2016 Port Festival. Update will be given at the next PCC meeting.</li> <li>h. Local Government: Feedback will be given with regards to developments for Green Street and M4. A presentation will be available ahead of the next PCC meeting.</li> </ul>				
SECTIO	DN 9: ANNOUCEMENTS AND CLOSURE				
9.1	<b>DATE AND VENUE FOR NEXT QUARTERLY MEETING</b> The 2 <sup>nd</sup> quarter 2015/16 Port of Port Elizabeth PCC meeting is scheduled to take place at 09.00 Wednesday 28 <sup>th</sup> October 2015 at the TNPA Offices.				
9.2.	<b>CLOSURE</b> The Chairperson thanked everyone for their contributions and inputs. Meeting was				

ITEM	DISCUSSIONS	RECOMMENDATIO N/ACTION
	adjourned.	

Approved by

PCC Chairperson

Date

Date

Head of the PCC and NPCC Secretariat