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TNPA Port Consultative Committee (PCC)
Port of Richards Bay
Quarter 2 Port Performance Report

October 2015

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    - Port Strategy
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4. Port Capital Plans (Current financial year)
    - CAPEX and Progress of Key Projects

PORT LAYOUT


DRY BULK
BREAK BULK
BREAK BULK
701
702
703
704
705
706
707
708
DRY BULK
SMALL CRAFT HARBOUR
REPAIR QUAY
PELICAN ISLAND
NAVAL ISLAND
LIQUID BULK
COAL TERMINAL

Port of Richards Bay MDS Overview

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Capital planning and execution	Operational effectiveness and productivity	get volumes customer sfaction	Regulator and key stakeholder engagement	Financial sustainability	Safety
• Increase HR capacity to deliver on TNPA Richards Bay capex plan; • Create and deliver port capacity on time for demand; • Provide bulk services to facilitate efficient operations • Reduce procurement cycle times;	• Implement port operations strategy; • Monitor Terminal operational efficiencies; • Establish a Port Operations Centre; • Monitor performance through an oversight team;	• Integrate port capacity planning with customers, and relevant stakeholders; • Develop NBD Strategy / Action Plan; • Implement CRM blueprint to improve Customer collaboration;	• Enforce Licences requirement for the port services and facilities; • Create oversight capacity to drive port compliance;	• Implement the Port Financial turnaround plan; • Achieve the budgeted EBITDA; • Implement cost saving initiatives and monitor; • Eradicate fruitless and wasteful expenditure;	• Develop SEA & MOU based on PDF; • Implement visible felt leadership to create a safety culture in the port; • Implement safety, health and environmental inductions in the port; • Execute shop floor audits; • Review and audit tenant EMPs;

Organisation strategy / readiness

- Recruitment & retention of skilled workforce to deliver on prioritized areas and continue to strengthen core, critical and scarce skills as anchors and growth-enablers;

HR strategy

- Close competency gaps by conducting skills audit for the departments and preparing a training plan focusing on competence gaps.
- Align talent management and succession through pipelines for strategic and critical positions and coordinating succession plans through talent forums.

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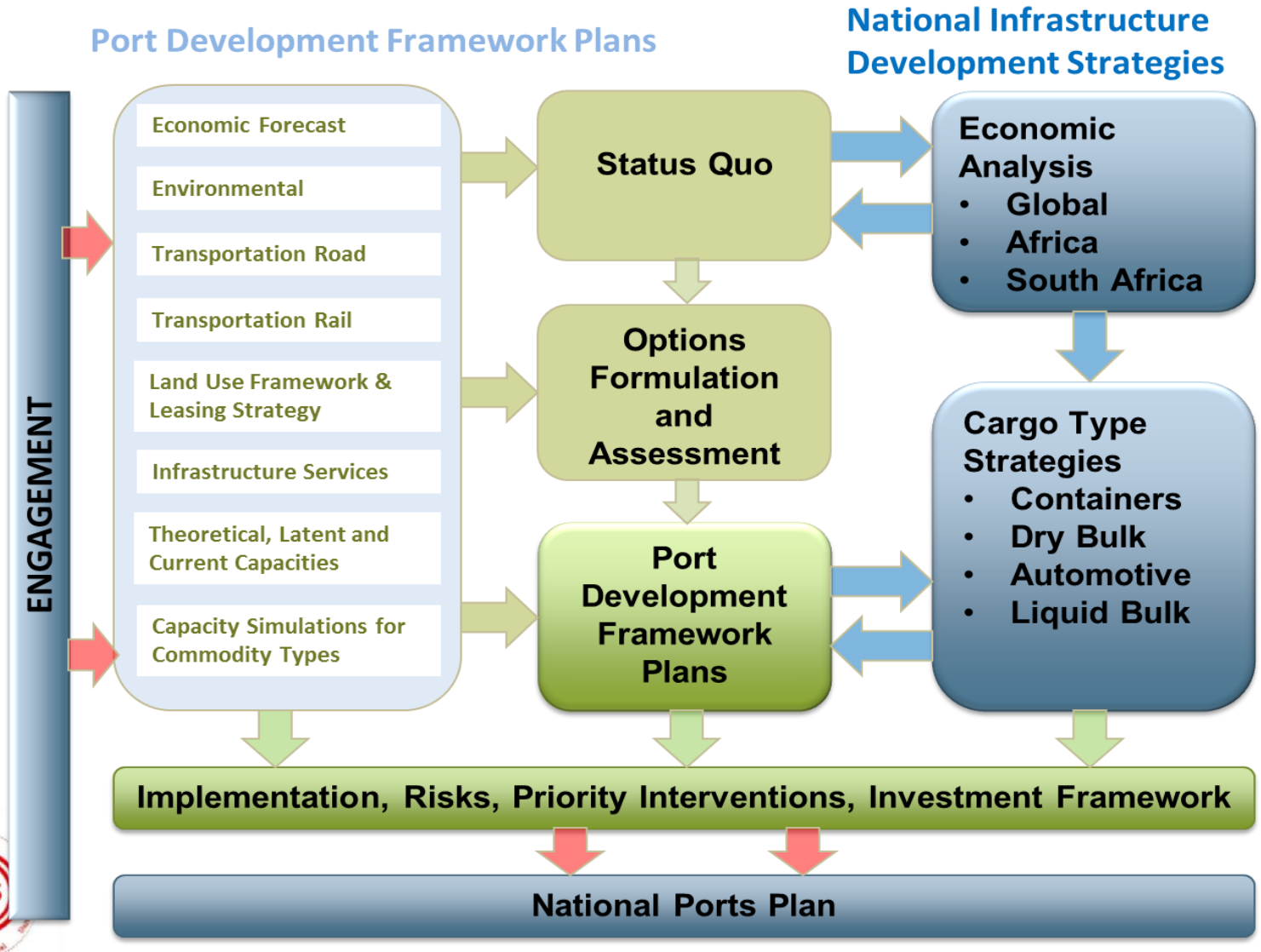
Let's be MDS Agile Admired Digital United

Port Development Framework Plans

Port Development Framework Plans

- TNPA draws its mandatory functions from the National Ports Act 2005, one of which being to prepare and periodically update the port development framework plans for each port.
- The port plans have been fully revised over the past year to re-establish government and industry requirements; confirm and amend infrastructure use and capacity and identify capacity creation in the ports' system.
- The PDFPs form part of the TNPA National Ports Plan which co-ordinates the port system.
- The annual update of these plans are published every year on the following website: http://www.transnetnationalportsauthority.net

National Ports Plan Methodology



Overarching Infrastructure Planning Principles

- The **Transnet Freight Demand Model** forecast is the basis of demand planning
- Fit with **global; regional and national policies**.
- Integrate and **align port, rail and road capacity planning**
- Optimise **capital investment** across all ports (ensuring ports are complementary) to ensure capacity meets demand
- **Port specialisation** through planned complementarity
- Ensure a **sustainable** response to environmental opportunities and constraints
- Utilize available port space to **maximise freight capacity**
- **Improve** infrastructural and operational **efficiencies** and **reduce transport and logistics costs**
- Ensure world class freight handling services in terms of **reliability, safety, cost-effectiveness**
- Maintain **flexibility** in order to respond to changing technological and economic conditions
- Minimize the disruption to existing port activities
- Ensure adequate provision for **non-freight services** and facilities
- Align with the requirements of stakeholders
- PDF Plans are **annually updated**

PDFP Process and Multi-Criteria Analysis

The primary driver of port development is **demand in the region or hinterland of that port**. If the volume forecast exceeds capacity in a certain port then the following **multi-criteria analysis** were used to determine how best to plan port development. The multi-criteria analysis is especially important for '**regional ports**' such as Ngqura and PE, Richards Bay and Durban, and Cape Town and Saldanha Bay where ports share a similar hinterland/demand.

Criteria group	Details
Technical	**Port Planning:** Flexibility, Expansion potential, Back of quay **Maritime Engineering:** Navigation, Vessel size increase, Geotech, Ease of construction, Disruption **Transportation:** Port Access, Staging/parking, Road connectivity, Rail connectivity, Pipe connectivity.
Environmental	**Biophysical Impacts:** Terrestrial habitat destruction, Marine habitat destruction (port), Marine habitat destruction (offshore), Marine water and sediment quality, Shoreline stability, Surface and ground water. **Social Impacts:** Air quality, Visual, Recreational use access, Heritage Resources, Green Economy, Job creation.
Economic	**Phasing:** Option lends itself to phasing? **Capital Costs:** Land acquisition, Construction , Services infrastructure, Environmental offset. **Operating Costs:** Maintenance, Transportation, Congestion, and Environmental management. **Socio-economic benefit**
Legal/Statutory/Regulatory	**Land acquisition** **Permit approvals**
Land use	**Metropolitan Issues:** Meshes with Vision of the City, Extent of Port boundary extensions, In line with SDF and City urban regeneration. **Back of port integration:** Portside land uses are compatible with land uses in adjoining, Municipal precincts, Urban Renewal initiatives, Promotion of City and Port integration, interface, Heritage and cultural issues into account,7 Year capital projects between Port and Municipality.

Port of Richards Bay Port Strategy

"A Landlord Port Authority that manages, controls and administers the South African Port System on behalf of the State"

Driven by a 3 tier strategy

Infrastructure	Operations	Integrated Port System
Create & Manage Infrastructure capacity ahead of demand	Improving port efficiency through increased productivity and operations oversight	To facilitate and integrated logistics chain that will establish the port system as an integrated gateway for trade

In support of meeting Shareholder's objectives of improving operating efficiencies, regional integration and optimising investment in the port system.

Port Strategic Focus Areas

- Transformation in all its facets
- New Business Development
- Stakeholder Engagement
- Port Authority Oversight Role
- Strategic Forward Planning
- Provision of Port Infrastructure
- Human Capital Management in all its facets

Strategic Intent

Driving Economic Growth and Long Term Sustainability of the Port through optimal use of strategic port infrastructure

Marketing Strategy

A Premier Bulk Port.
Opportunities for Liquid Bulk facilities

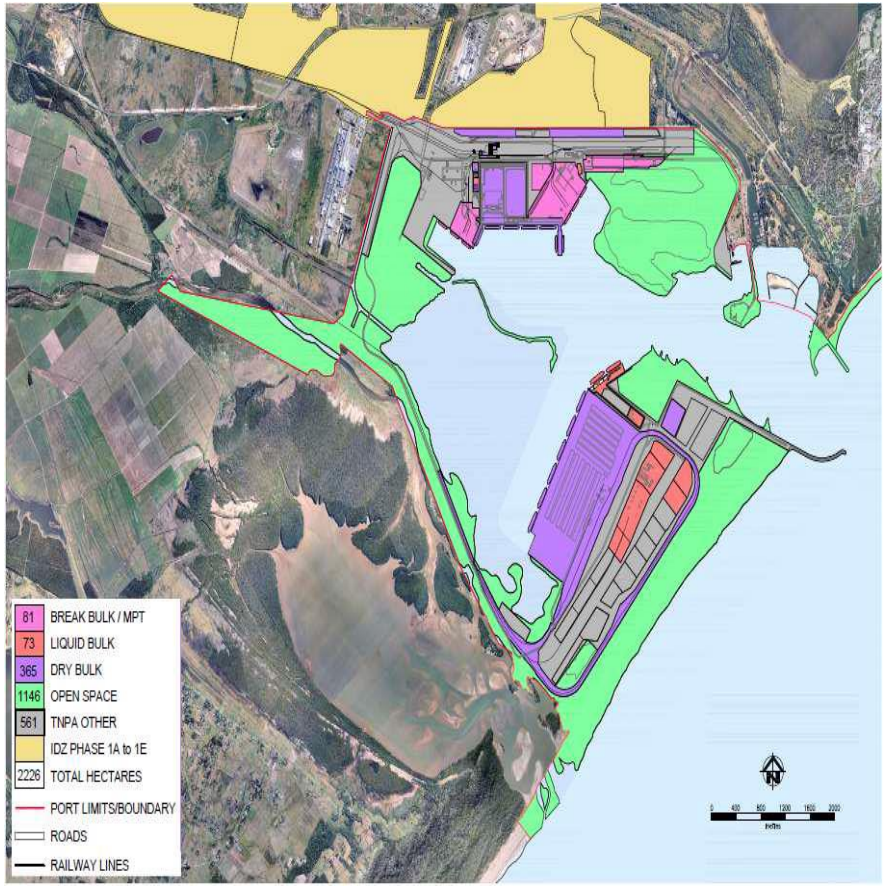
Value Proposition

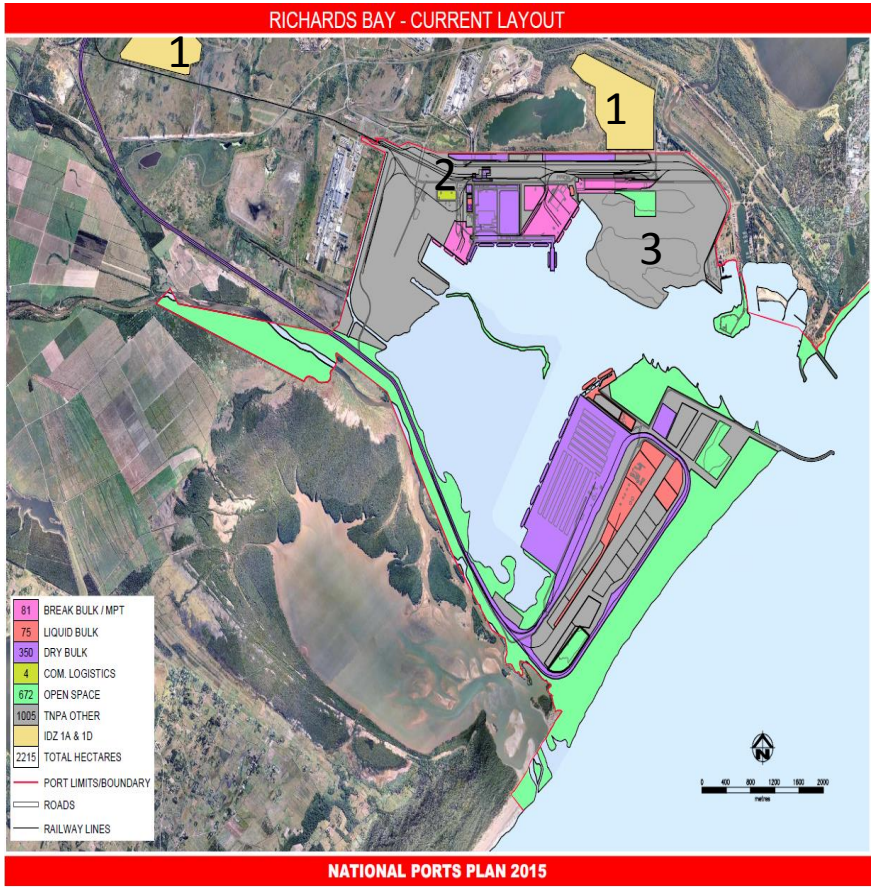
A geographically well position, customer centric, multi cargo port that prides itself on flexibility and service excellence. Your gateway to opportunities

Operations Strategy

- Port Performance Management
- Optimal Use of Port Assets
- Integrated Port Management Systems
- Safety & Risk Management

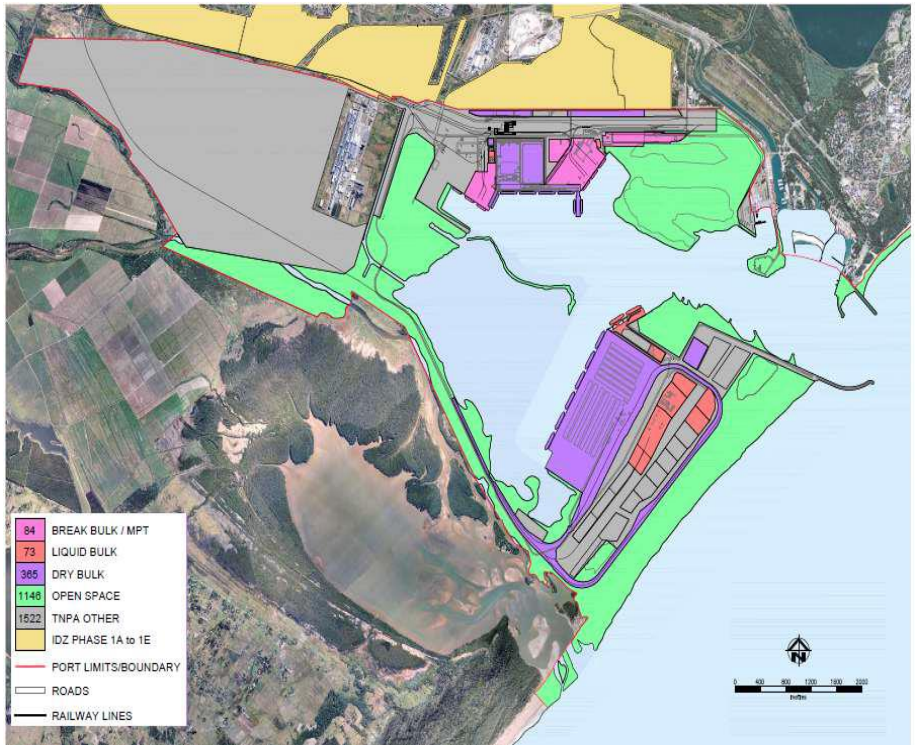
Current Old vs New Layout

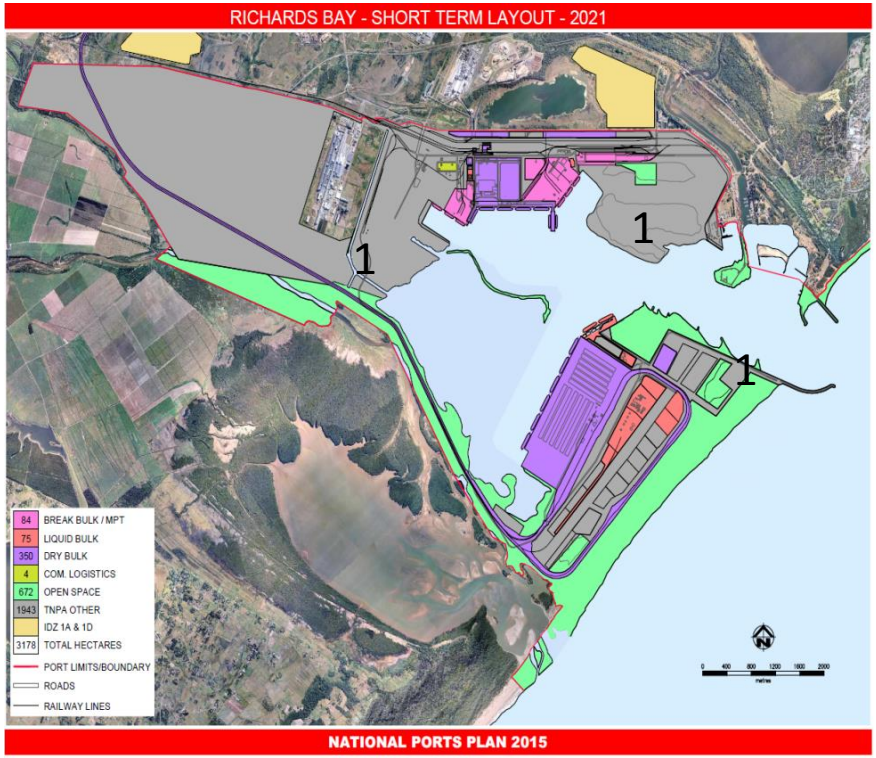




1. IDZ sites amended according to their current masterplan
2. Com. Logistics included on new layout
3. Undeveloped (developable) land indicated as “Other”.

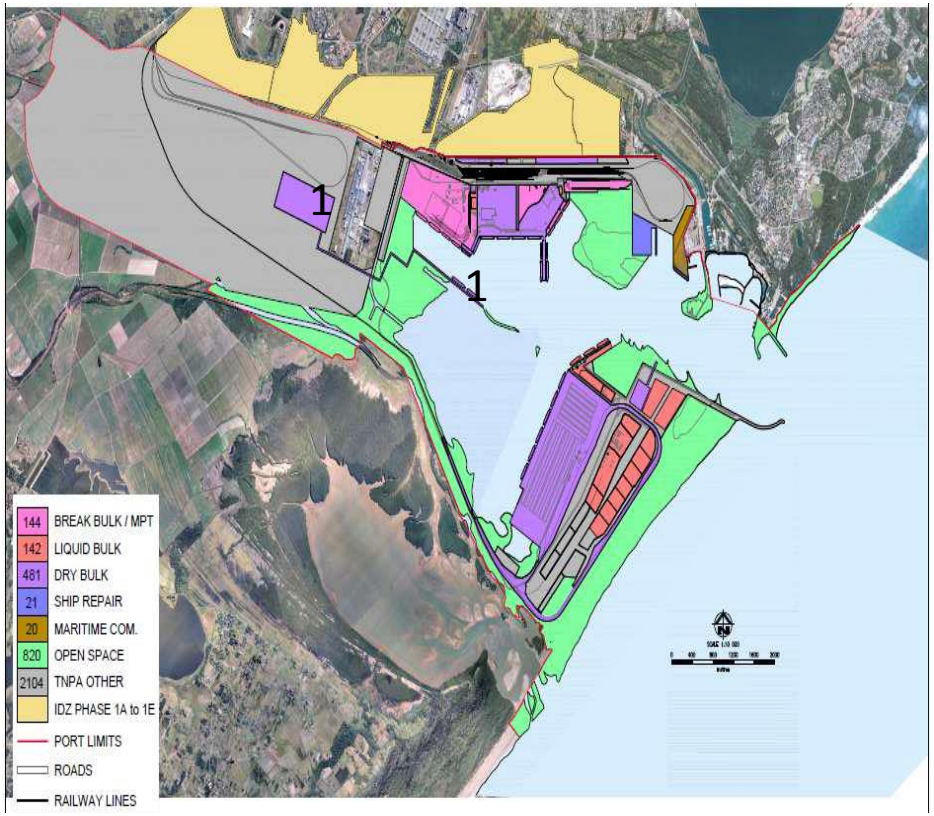
Short Term Old Vs New Layout

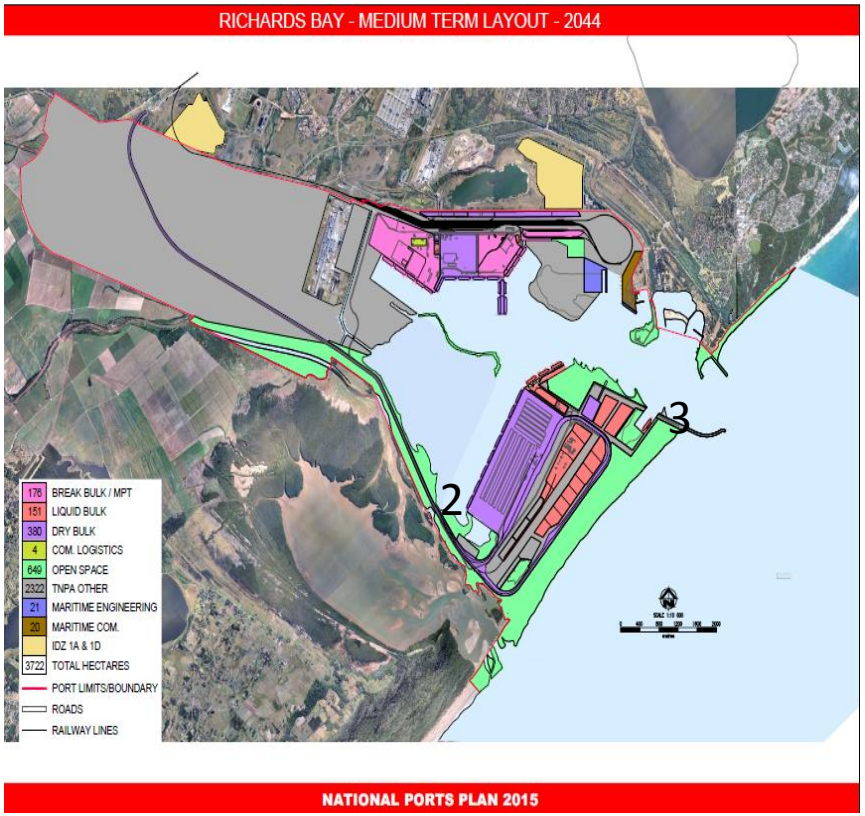




1. Undeveloped land indicated as “Other”to indicate that land is developable.

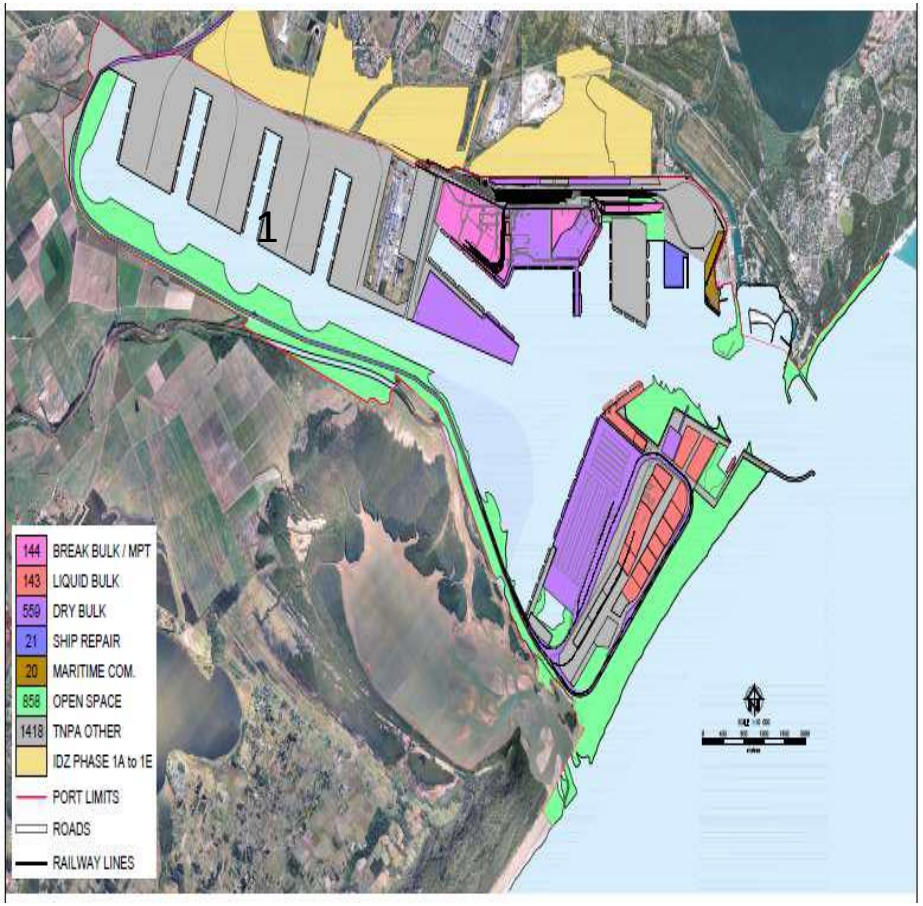
Medium Old vs New layout

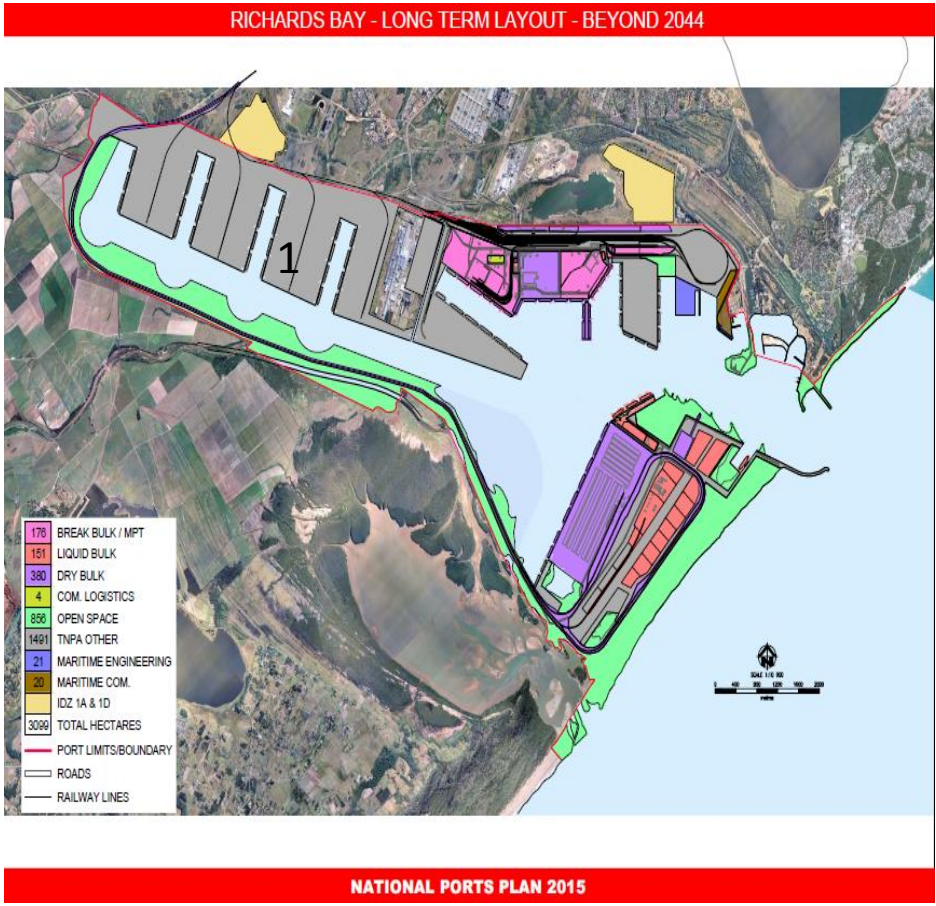




1. Dry bulk berths and stockyard removed (coal terminal)
2. 2 additional dry bulk berths at RBCT
3. LNG site showing on medium term

2 new long term options





1. Additional berths for long term development

PDFP Port Richards Bay
Port Development Initiatives – 7 Year

1. Upgrade all bulk services Infrastructure (roads, water, sewer and electricity)
2. Develop South Dunes precinct for liquid bulk
3. Implement Richards Bay Expansion project
4. Expansion of automotive terminal capacity by relocating the automotive to the area vacated by Liquid bulk and Manganese Operations
5. Investigate the installation of ship repair facilities
6. Explore the viability of oil and gas facilities
7. Explore the viability of LNG facilities
8. Explore the viability of container terminal

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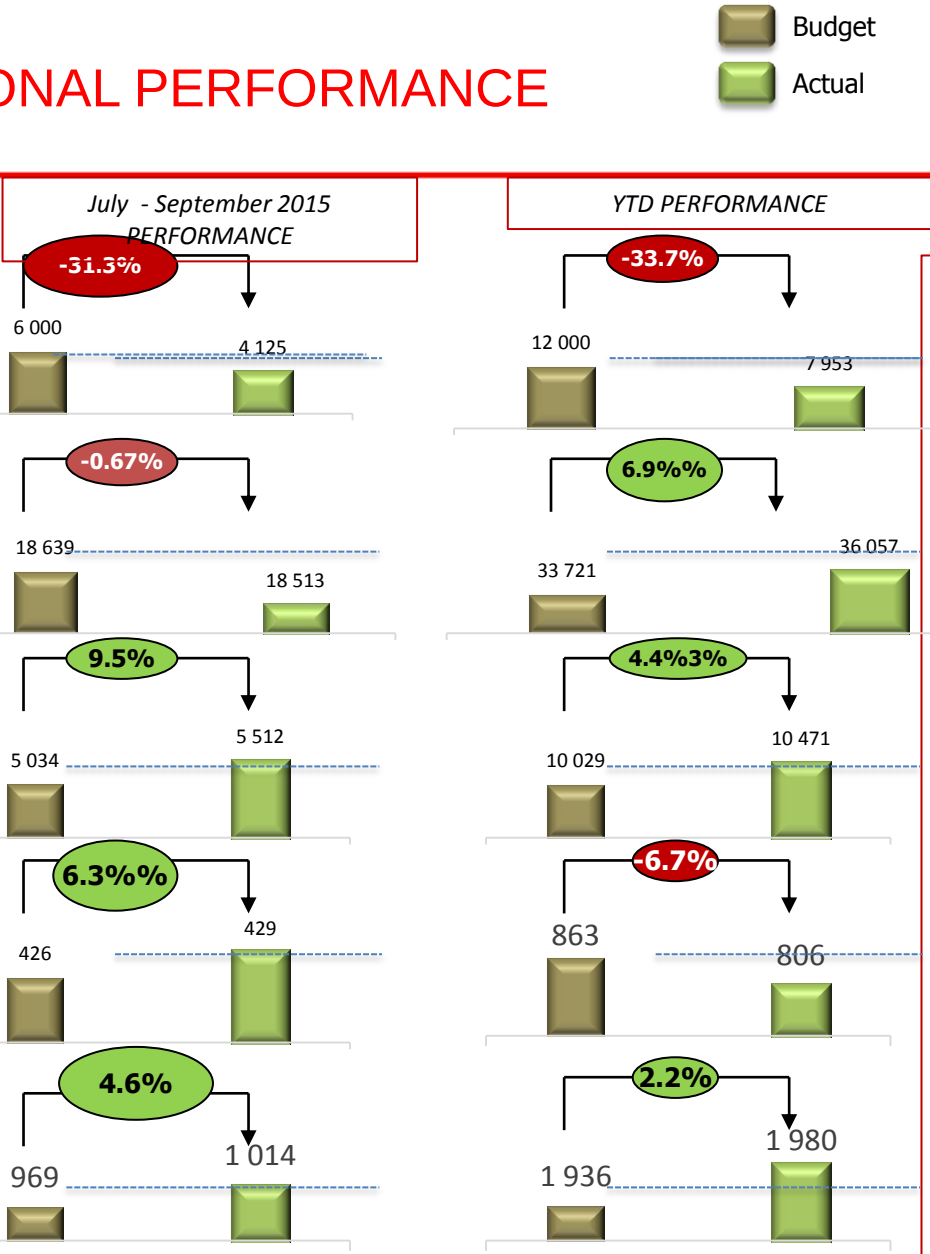
Operations Performance

OPERATIONAL PERFORMANCE

VOLUMES



Comments

Containers:

- *Customer says there is reduced demand;*

RBCT Coal:

- *YTD volumes above budget by 2 335 540 tons which is 6.9% of budget;*
- *Qtr Volumes below budget 125 952 tons which is 0.67% of budget;*
- *Contributing factor to lower than budget volumes is smaller parcel sizes;*

Dry Bulk Terminal:

- *Qtr volumes above budget by 477 737 tons which is 9.5% of budget;*
- *YTD Volumes above budget by 442 575 tons which is 4.4% of budget*

Liquid Bulk:

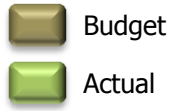
- *Qtr Volumes above budget by 6.3%*
- *YTD Volumes below budget by 6.7%;*
- *Sulphuric Acid Plant at Foskor that had been shutdown is now back in operation;*
- *Phosphoric Acid also diverted from exports to local market*

Breakbulk (Multipurpose Terminal):

- *YTD Volumes below budget by 47 757 tons which is 2.3% of budget;*
- *Qtr Volumes above budget by 4.6% which is 45 550.5 tons*

OPERATIONAL PERFORMANCE

SHIP TURNAROUND TIME



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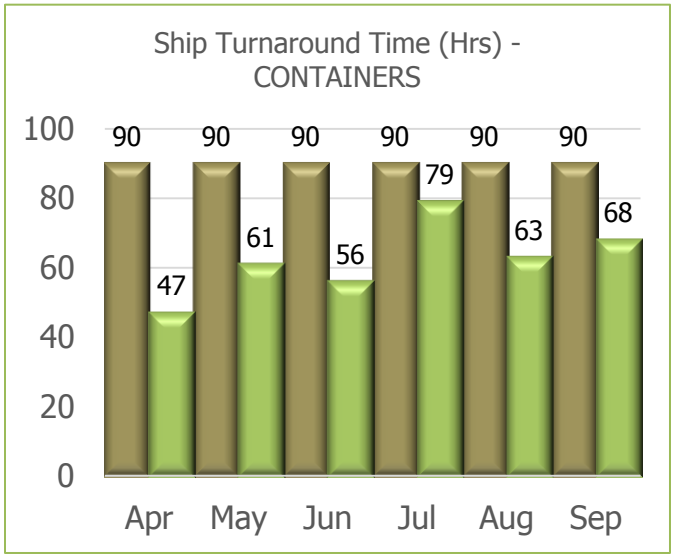
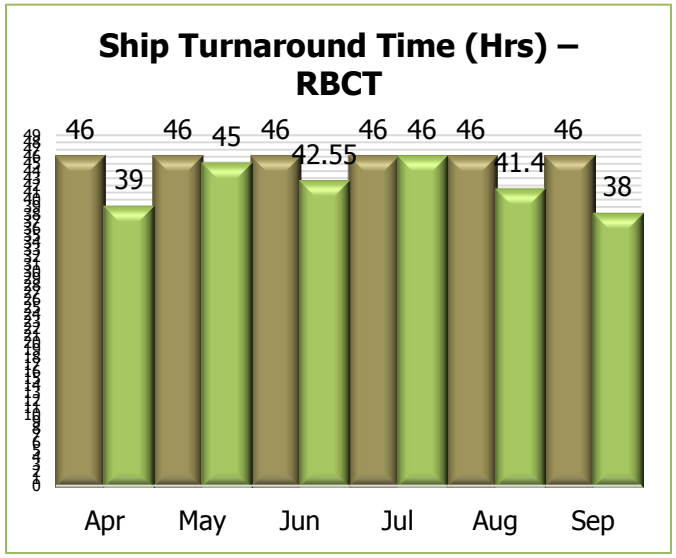
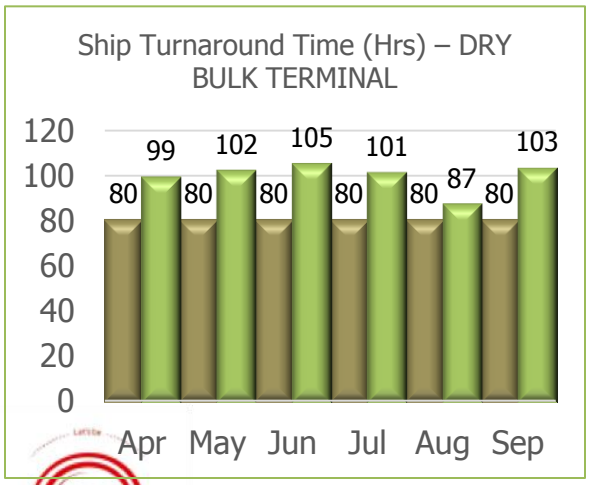
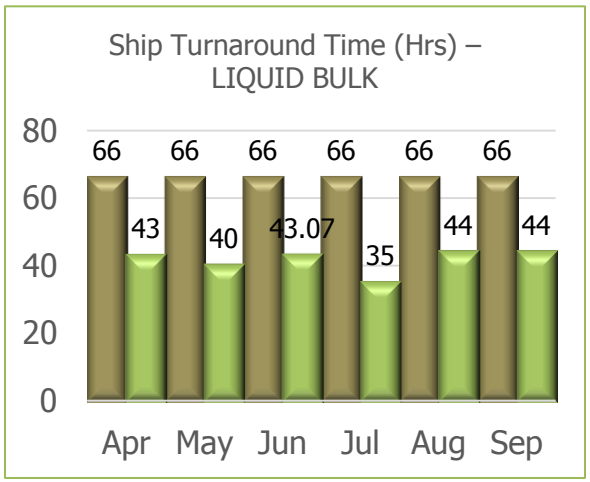
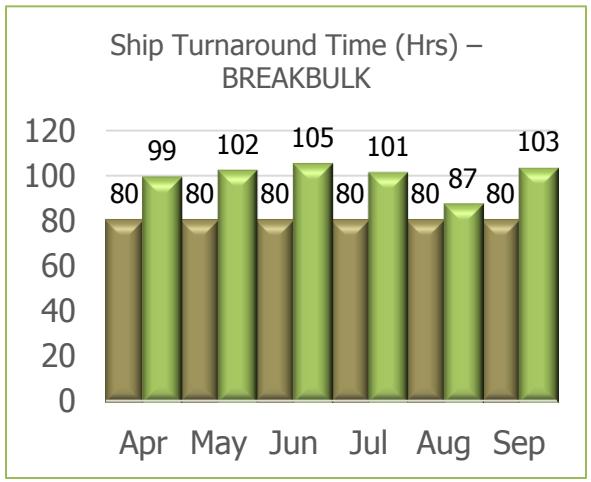




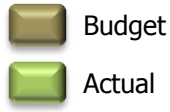






OPERATIONAL PERFORMANCE

MARINE



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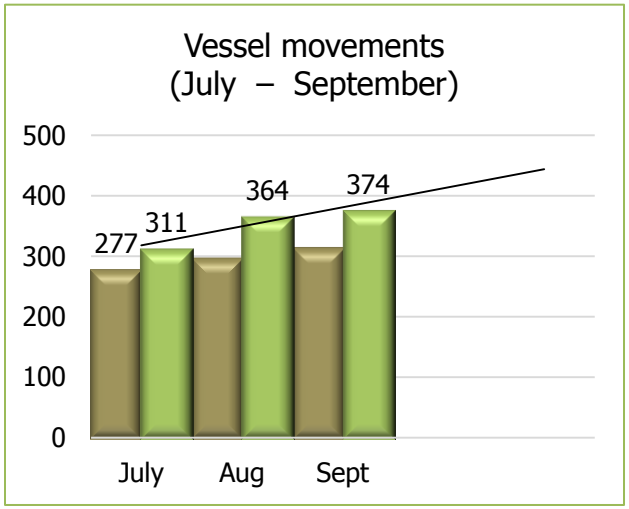
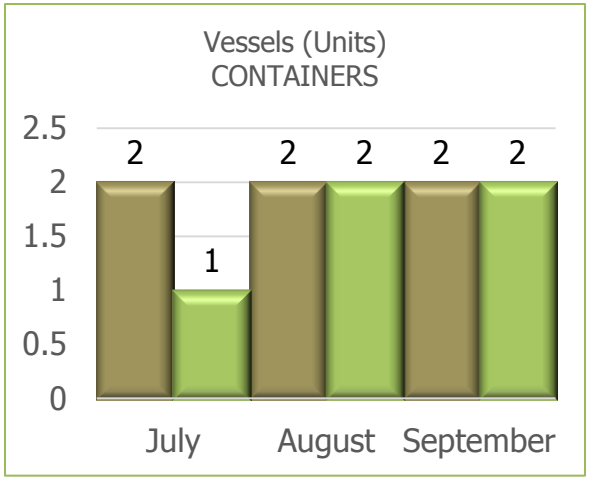
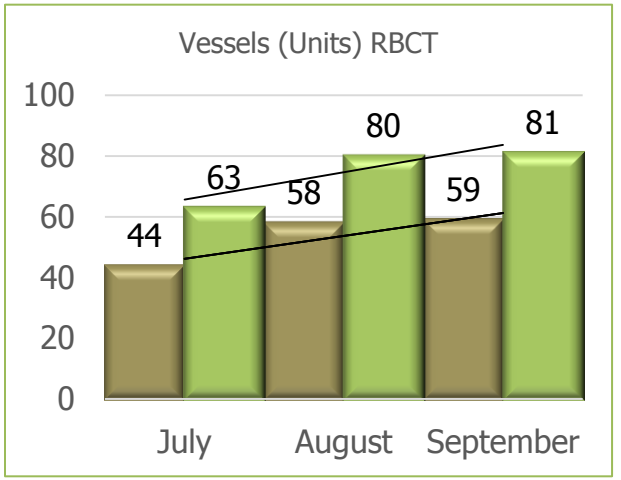
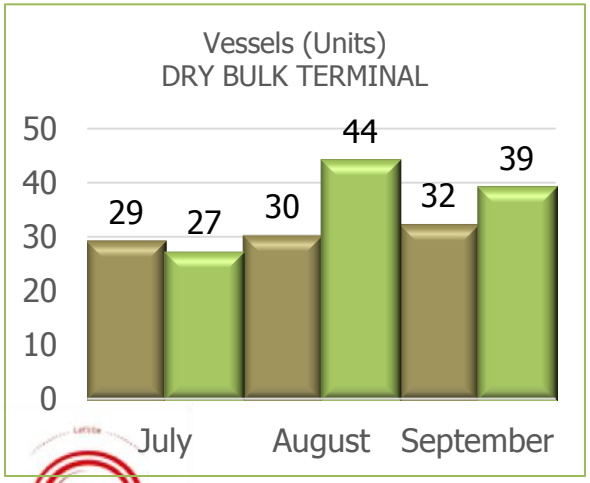
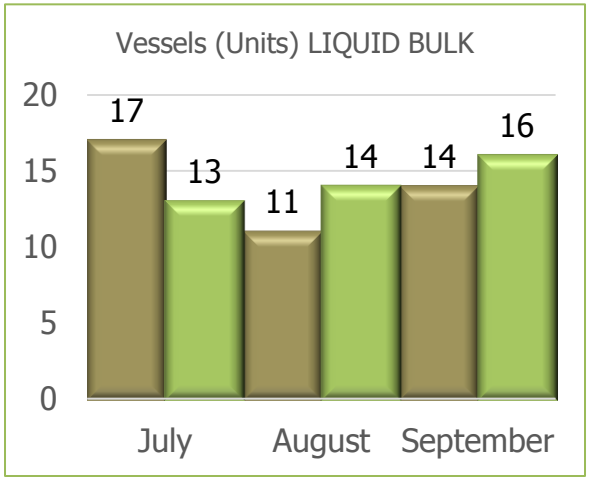
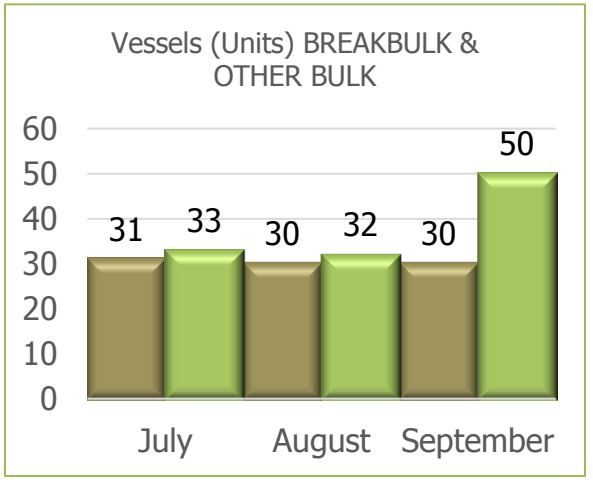






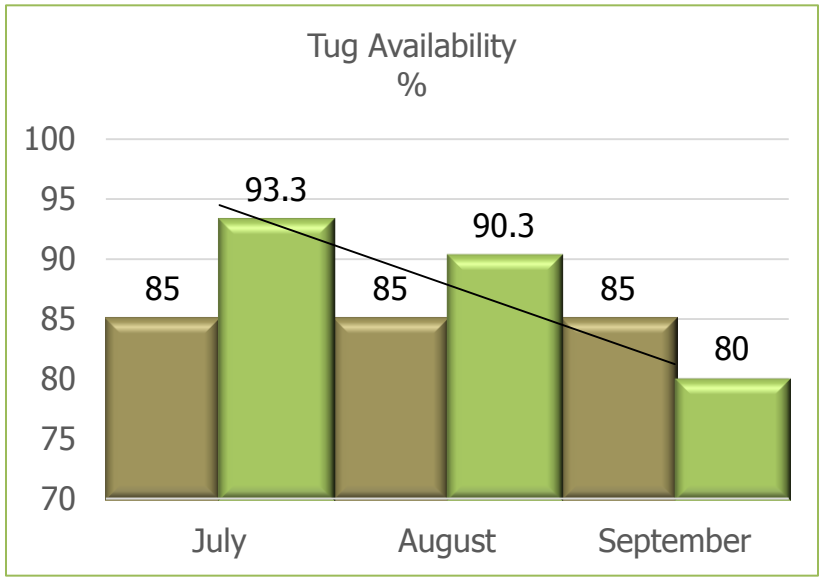


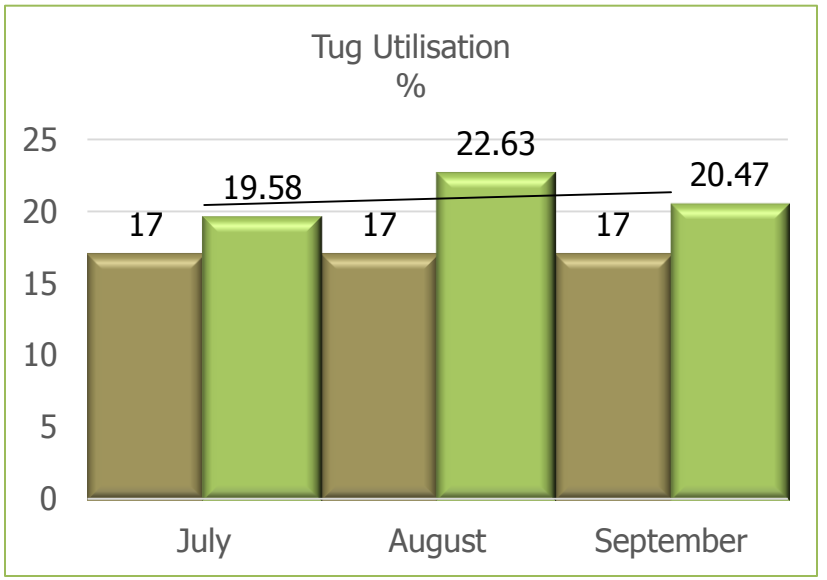




OPERATIONAL PERFORMANCE

MARINE





TOPS PERFORMANCE

Hillside Aluminium

PART 1 OF 2

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

HILLSIDE ALUMINIUM LDT, T/A HILLSIDE ALUMINIUM

LICENCE NUMBER: TOL/RS/01

ASSESSMENT PERIOD: From: 01 April 2015 To: 30 June 2015

PERFORMANCE MEASURE	TERMINAL DESIGN NORM	ACTUAL TOPS Year 1	TARGET FOR TOPS Year 2 (ANNUAL)	TARGET FOR THE 3rd QUARTER	ACTUAL FOR THE 3rd QUARTER	% DEVIATION FOR THE 3rd QUARTER	SUMMARY REASONS FOR NON ACHIEVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT)
1. Terminal Berthing Delays	N/A	N/A	N/A	N/A			
2. Berth Productivity	N/A	N/A	N/A	N/A			

TOPS PERFORMANCE

Hillside Aluminium

3. Ship Working Hour	Year 3	393 Kt/h	250 Kt/h	250 Kt/h	207 tph	6%	The offloading rate was reduced to minimise the risk of cargo spillage, during MV Soshanguve
4. Truck Turnaround Time in Terminal	N/A	N/A	N/A	N/A			
5. Rail Turnaround Time	N/A	N/A	N/A	N/A			
6. Cargo Dwell Time in Terminal	N/A	N/A	N/A	N/A			
7. Terminal Throughput	Year 3	23 100 Kl	24 400 Kl	6 500 Kl	5606 tons	8%	Tank1 availability reducing the holding capacity by 2 880 tons as is out for maintenance.

TOPS PERFORMANCE

Engen Petroleum LTD

PART 1 OF 2

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

ENGEN PETROLEUM LTD

LICENCE NUMBER: TOL/RB/02

ASSESSMENT PERIOD: From: 01 April 2015 To: 30 June 2015

PERFORMANCE MEASURE	TERMINAL DESIGN NORM	ACTUAL TOPS Year 1	TARGET FOR TOPS Year 2 (ANNUAL)	TARGET FOR THE 3rd QUARTER	ACTUAL FOR THE 3rd QUARTER	% DEVIATION FOR THE 3rd QUARTER	SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT)
1. Terminal Berthing Delays	N/A	N/A	N/A	N/A			
2. Berth Productivity	N/A	N/A	N/A	N/A			

TOPS PERFORMANCE

Engen Petroleum LTD

3.	Ship Working Hour	Year 3	MGO: 200 K/h MFO: 500 K/h	MGO: 200 K/h MFO: 500 K/h	MGO: 200 K/h MFO: 500 K/h	MGO: Zero MFO: 384 K/h	100% 21%	*No replenishment for MGO refer to a comment below (Part 2 of 2)* *Tankers could not reach pump rate the temperature of the product was cold from the refinery thus reducing the pump rate*
4.	Truck Turnaround Time in Terminal	N/A	N/A	N/A	N/A			
5.	Rail Turnaround Time	N/A	N/A	N/A	N/A			
6.	Cargo Dwell Time in Terminal	30 days	27 days	27 days	27 days	10 days	63%	*The industry has been using big tankers thus reducing cargo dwell time*
7.	Terminal Throughput	Year 3	383 589 Kl	550 040 Kl	135 305 Kl	124 570	8% less	*BP Marine did not supply bunkers during this quarter they lost a contract with their major customer due to vessels leaving port without bunkers which resulted to berth 209 unavailability when the berth was occupied by Chemical Tankers*

TOPS PERFORMANCE

Bidvest Tank Terminal

PART 1 OF 2

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

BIDVEST TANK TERMINAL RICHARDS BAY

LICENCE NUMBER: TOL/RB/03

ASSESSMENT PERIOD: From: 01 April 2015 To: 30 June 2015

PERFORMANCE MEASURE	TERMINAL DESIGN NORM	ACTUAL TOPS Year 1	TARGET FOR TOPS Year 2 (ANNUAL)	TARGET FOR THE 3rd QUARTER	ACTUAL FOR THE 3rd QUARTER	% DEVIATION FOR THE 3rd QUARTER	SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT)
1. Terminal Berthing Delays	N/A	N/A	N/A	N/A			N/A
2. Berth Productivity	N/A	N/A	N/A	N/A			N/A

TOPS PERFORMANCE

Bidvest Tank Terminal

3. Ship Working Hour	Year 3	274.50 Kl/h	200 Kl/h	200 Kl/h	516		N/A
4. Truck Turnaround Time in Terminal	Year 3	4.80 hrs	5 hrs	5 hrs	3,70		N/A
5. Rail Turnaround Time	Year 3	46.67 hrs	48 hrs	48 hrs	29,82		N/A
6. Cargo Dwell Time in Terminal	Year 3	84 days	100 days	100 days	69		N/A
7. Terminal Throughput	Year 3	1 040 444 Kl	1 000 000 Kl	250 000 Kl	288712		N/A

TOPS PERFORMANCE

Richards Bay Coal Terminal (PTY)LTD

PART 1 OF 2

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

RICHARDS BAY COAL TERMINAL (PTY) LTD

LICENCE NUMBER: TOLIRB/04

ASSESSMENT PERIOD: From: 01 April 2015 To: 30 June 2015

PERFORMANCE MEASURE	TERMINAL DESIGN NORM	ACTUAL TOPS Year 1	TARGET FOR TOPS Year 2 (ANNUAL)	TARGET FOR THE 3rd QUARTER	ACTUAL FOR THE 3rd QUARTER	% DEVIATION FOR THE 3rd QUARTER	SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT)
1. Terminal Berthing Delays	Year 3	38.4 hrs	35 hrs	36 hrs	81.01		Vessels awaiting cargo and documentation
2. Berth Productivity	N/A	N/A	N/A	N/A			

TOPS PERFORMANCE

Richards Bay Coal Terminal (PTY)LTD

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3. Ship Working Hour	Year 3	3 461 t/h	3 300 t/h	3 300 t/h	3 521t/h		We achieved the target
4. Truck Turnaround Time in Terminal	N/A	N/A	N/A	N/A			
5. Rail Turnaround Time	Year 3	3.92 hrs	4 hrs	4 hrs	3:53		We achieved the target
6. Cargo Dwell Time in Terminal	Year 3	100 days	100 days	100 days	98 days		Stockpiles cleared during TFR shut
7. Terminal Throughput	81m tons	64.18m tons	77m tons	16.10m tons	17.62m tons		We achieved the target

MDS

TOPS PERFORMANCE

TPT: Dry Bulk

PART 1 OF 2

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

RICHARDS BAY DRY BULK TERMINAL

LICENCE NUMBER: TOL/RB/05

ASSESSMENT PERIOD: From: 01 April 2015 To: 30 June 2015

PERFORMANCE MEASURE	TERMINAL DESIGN NORM	ACTUAL TOPS Year 1	TARGET FOR TOPS Year 2 (ANNUAL)	TARGET FOR THE 3rd QUARTER	ACTUAL FOR THE 3rd QUARTER	% DEVIATION FOR THE 3rd QUARTER	SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT)
1. Terminal Berthing Delays	Year 3	36 Hours	30 Hours	30 Hours	26	13%	Target Achieved
2. Berth Productivity	Year 3	Year 3	Year 3	Year 3			

TOPS PERFORMANCE

TPT: Dry Bulk

3. Ship Working Hour ▪ Magnetite and Chrome (Loading):	900 t/h	790 t/h	900 t/h	900 t/h	949	5.4%	Target Achieved
▪ Bulk Minerals (Chloride, sulphate, vermiculite, rutile and Zircon):	Year 3	None	450 t/h	450 t/h	474	5.3%	Target Achieved
▪ Bulk (Light) (Coal and Woodchips) :	500 t/h (Loading)	None	500 t/h	500 t/h	539	5.8%	Target Achieved
▪ Bulk Imports (All commodities):	500 t/h (Off-Load)	508 t/h	500 t/h	500 t/h	544	8.8%	Target Achieved
4. Rail Turnaround Time	12 Hours	None	12 Hours	12 Hours	9.5	21%	Target Achieved
5. Cargo Dwell Time in Terminal	30 days (take –or–pay)	None	30 days	30 days	28 days	13%	Target Achieved
6. Terminal Throughput	18 000 000 Tons	12 443 000 Tons	15 400 000 Tons	3 850 000 Tons	4 277 096	11%	Target Achieved

TOPS PERFORMANCE

TPT: MPT

PART 1 OF 2

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

RICHARDS BAY MULTI - PURPOSE TERMINAL

LICENCE NUMBER: TOL/RB/06

ASSESSMENT PERIOD: From: 01 April 2015 To: 30 June 2015

PERFORMANCE MEASURE	TERMINAL DESIGN NORM	ACTUAL TOPS Year 1	TARGET FOR TOPS Year 2 (ANNUAL)	TARGET FOR THE 3rd QUARTER	ACTUAL FOR THE 3rd QUARTER	% DEVIATION FOR THE 3rd QUARTER	SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT)
1. Terminal Berthing Delays	Year 3	None	36 Hours	36 Hours	9.3 Hours	74%	Target Achieved
2. Berth Productivity	Year 3	Year 3	Year 3	Year 3			

TOPS PERFORMANCE

TPT: MPT

3. Ship Working Hour • Heavy Cargo (Ferro Chrome, Ferro Manganese and Pig Iron): • Light Cargo (Chrome ore and Coal): • Other Break Bulk Cargo:	160 t/h 120 t/h Year 3	159 t/h None None	160 t/h 120 t/h 60 t/h	160 t/h 120 t/h 60 t/h	269 t/h 151 t/h 103 t/h	62% 26% 72%	Target Achieved Target Achieved Target Achieved
4. Truck Turnaround Time in Terminal	35 mins	20 mins	35 mins	35 mins	24 mins	31%	Target Achieved
5. Rail Turnaround Time	12 Hours	12 Hours	12 Hours	12 Hours	26 Hours	-117%	Ferro chrome back-actor Operation, hence target understated at MPT, however challenges are around TFR shunting lines blocked, limitations within RAIL Yard
6. Cargo Dwell Time in Terminal	Year 3	65 days	70 days	70 days	4.3 days	94%	Target Achieved
7. Terminal Throughput	9 000 000 Tons	4 736 000 Tons	6 500 000 Tons	1 625 000 Tons	1 823 730	12%	Target Achieved

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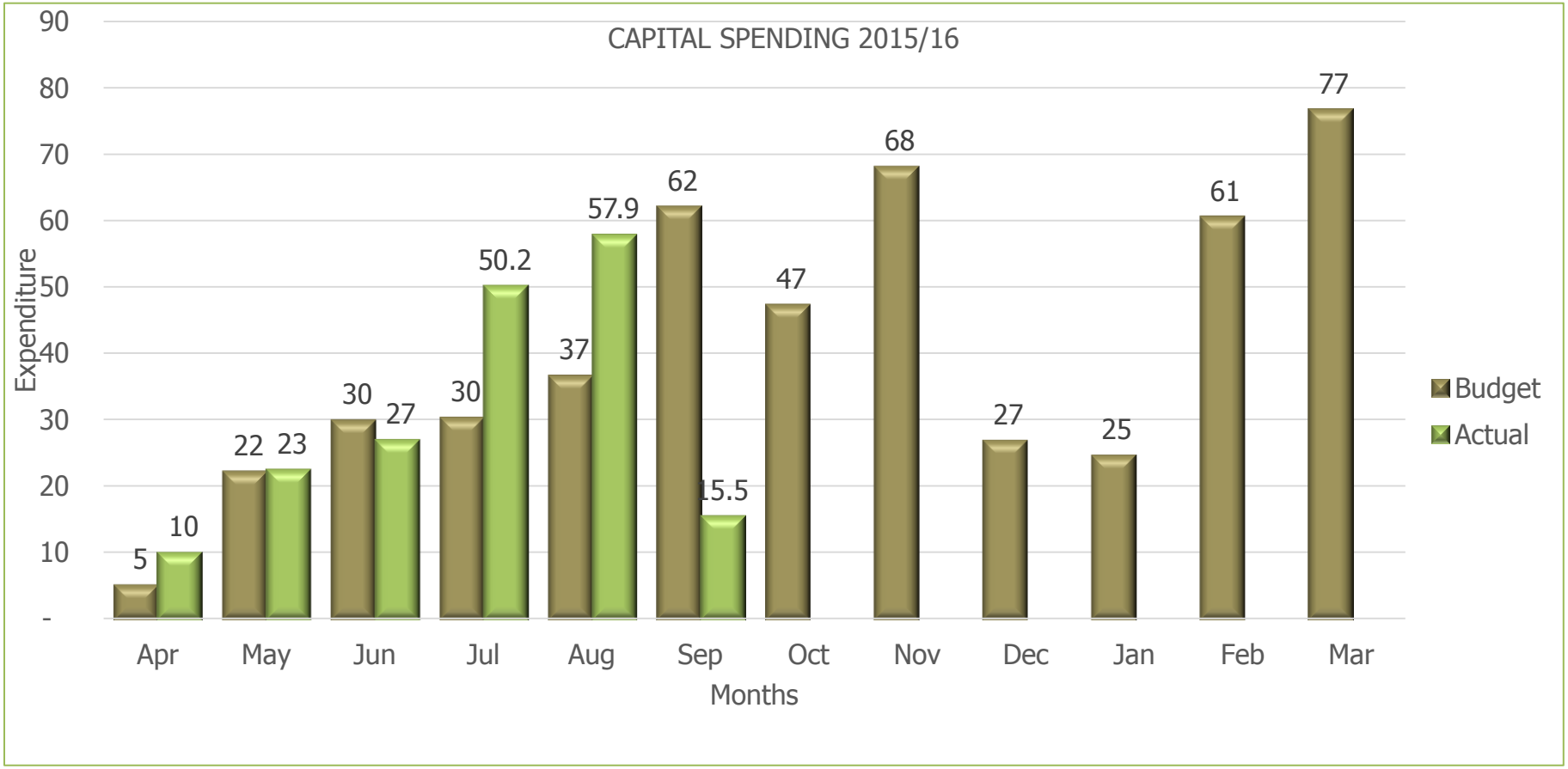
Approved Capital Program 2015/16

APPROVED CAPITAL FUNDING

2015/16



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Budget	5	22	30	30	37	62	47	68	27	25	61	77	491
Actual	10	23	27	50.2	57.9	15.5							183

CAPITAL PROGRAMME 2015/16 – YEAR 1

Name of project	Description	Percentage completion	Progress to date
1. Breakwater upgrades	Infrastructure upgrade	10%	10%
2. Relocation and additions Port Control Building	Additional Infrastructure	60%	60%
3. Provision of roads and services Phase 5-Transportation-Upgrade Newark Rd and doubling	Road upgrades	65%	65%
4. Acquisition of two replacement tugs	Acquisition of two replacement tugs	20%	20%
5. Provide additional rail facility for Duine area	Expansion Infrastructure	20%	20%
6. Provision of roads and services Phase 3-Transportation-upgrade Ventura, Octopus and Silver Ocean roads	Road upgrades	30%	30%

CAPITAL PROGRAMME 2015/16 – YEAR 1

Name of project	Description	Percentage completion	Progress to date
7. Provision of roads and services Phase 4-Transportation- upgrade Urania, Berm and Duine road	Road upgrades	50%	50%
8. Upgrade water reticulation systems as per Water master plan Phase 2	Upgrade of water network system	30%	30%
9. Upgrade water reticulation systems as per Water master plan: Phase 1 - Replace Critical Pipe Sections	Upgrade of water network system	65%	65%
10. Provision of roads and services Phase 6 - Transportation-Upgrade Dumra / Octopus Intersection	Road upgrades	20%	20%
11. Land acquisition for future port development	Additional land for expansion	90%	90%
12. New port entrance and road access package 3, 4 & 5	Roads upgrade	25%	25%

CAPITAL PROGRAMME 2015/16 – YEAR 1

Name of project	Description	Percentage completion	Progress to date
13. Repair Quay Security upgrade; gates & structures, access control, ablution facility; office building; equipment room; WASTE Area Control Point	Additional Capacity	10%	10%
14. Berth 208/209 Upgrades (Nav Light/ FF installation/ surveillance/ Walkway/ Servitudes)	Civil and Electrical Infrastructure for Security Upgrade Project	30%	30%
15. Rehabilitation of Tidal bridges	Rehabilitation	50%	50%
16. NPA National Fire Services Infrastructure and Equipment	Additional capacity	40%	40%

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Discussion

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Thank You