

TRANSNET



Transnet
National
Ports
Authority
2021

Contents

2	Highlights
2	Business overview
3	Where we operate
3	Regulatory environment
3	Operational performance
4	Productivity and efficiencies
7	Core initiatives
7	Overview of key performance indicators
9	Financial performance review
9	Performance commentary
9	Financial sustainability
9	Looking ahead
10	Capacity creation and maintenance
10	Looking ahead
10	Ports operational performance
10	STAT and anchorage
10	Average anchorage waiting time
11	Overall ship turnaround time (STAT)
12	Port vessel calls performance
12	Sustainable development outcomes
12	Human capital (employment and transformation)
12	Skills development
12	Health and safety
13	Environmental stewardship
13	Social accountability
15	Abbreviations and acronyms

Highlights

Revenue declined by **5%** to **R11 558 million**

EBITDA decreased by **15%** to **R6 701 million**

Achieved a DIFR of **0,21** against a target of **0,75**

Business overview

Transnet National Ports Authority (National Ports Authority or TNPA) was established through the National Ports Act, No 12 of 2005 (the Ports Act) to be a landlord port responsible for the safe, efficient, effective and economic functioning of the national ports system which it manages, controls and administers on behalf of the State.

Section 11 of the Ports Act prescribes the core functions of the National Ports Authority as follows:

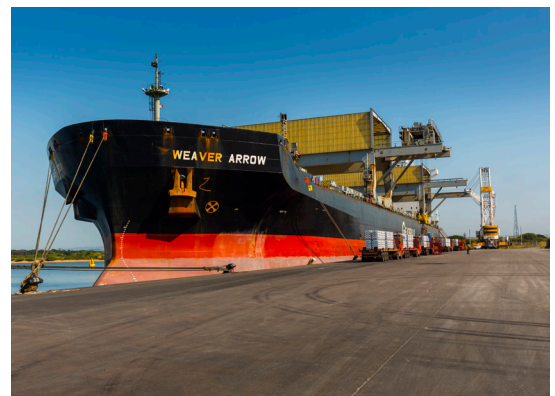
- To plan, provide, maintain and improve port infrastructure
- To promote the use, improvement and development of ports and control land use within the ports, having the power to lease port land under conditions that it determines
- To promote greater representation, in particular to increase participation in port operations of historically disadvantaged people
- To provide or arrange marine-related services, i.e. pilotage services, tug assistance, berthing services, dredging and hydrographic services
- To ensure that adequate, affordable and efficient port services and facilities are provided, including regulatory oversight over all port activities

- To provide aids to navigation to assist the navigation of vessels within port limits and along the coast

The National Ports Authority occupies a strategic position in the country's transport logistics chain, managing South Africa's eight commercial seaports, namely Saldanha, Cape Town, Mossel Bay, Port Elizabeth, Ngqura, East London, Durban and Richards Bay. The ninth port, Port Nolloth, does not handle any commercial cargo and it is wholly leased to De Beers Consolidated Diamond Mines.

The ports under the control of the National Ports Authority span the South African coastline which measures approximately 2 800 km. The National Ports Authority currently manages about 750 leases across the ports.

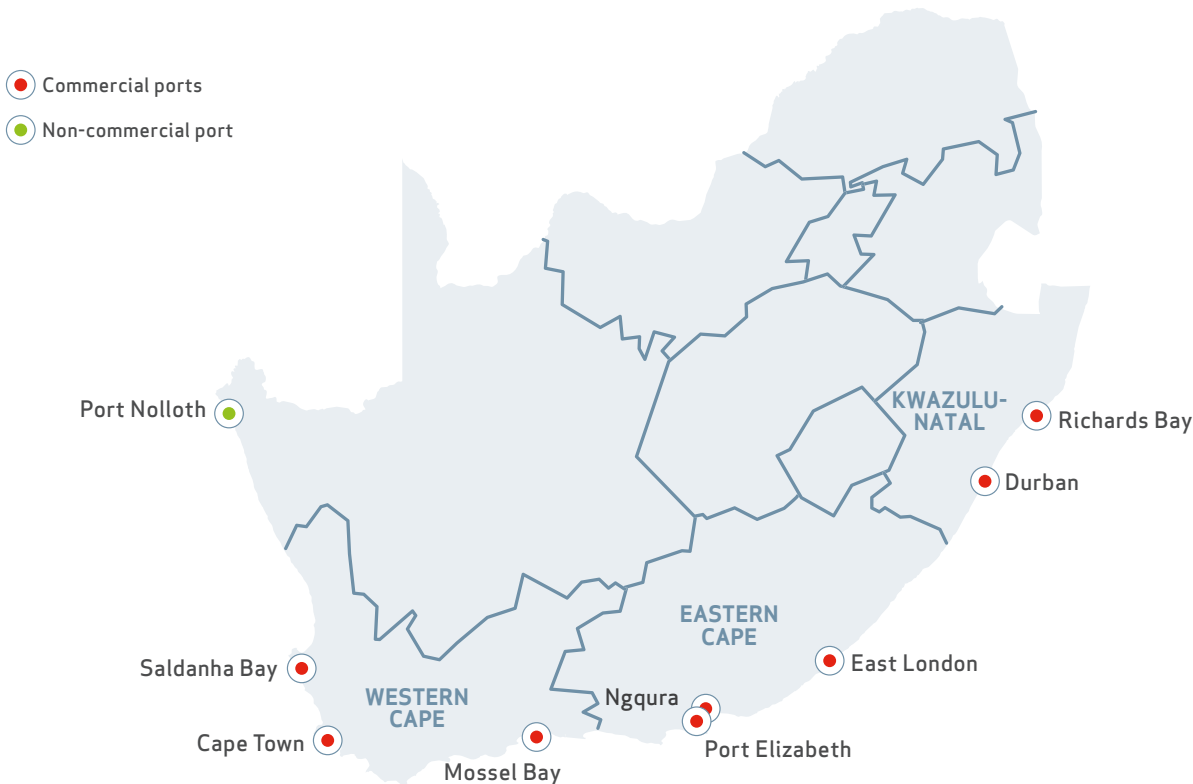
Operating within the port industry, the National Ports Authority provides its services to port users, which include terminal operators, shipping lines, shipping agents, cargo owners and the clearing and forwarding services. The National Ports Authority also carries a distinctive feature of being self-sustaining, unlike most other landlord port authorities that rely on national or provincial governments for financial support.



Where we operate

The map below depicts the geographic location of the national ports system.

Figure 1: National Ports Authority geographic locations: Eight operational ports; the ninth port, Port Nolloth, does not handle any commercial cargo



Regulatory environment

The National Ports Authority is required to ensure that the execution of its strategy is in compliance with the Ports Act. The execution of the Operating Division's mandate is undertaken within a regulated environment whereby the National Ports Authority assumes the role of a regulator of port users while also being regulated by the Ports Regulator.

The National Ports Authority recognises its accountability to all its stakeholders under the regulatory requirements applicable to its business and is committed to high standards of integrity in the conduct of its business. In view of the importance of complying with the ever-increasing universe of regulatory requirements and the increased national and international emphasis placed on the supervision thereof, the effective management of the regulatory risks to the National Ports Authority is essential.

The National Ports Authority evaluates its applicable legislation annually to ensure that it keeps abreast of the changing regulatory environment.

Operational performance

The Operations Performance report focuses mainly on four commodity categories: containers, break bulk, liquid bulk and dry bulk with specific emphasis on certain dry bulk commodities, namely export coal, manganese and iron ore. These are the key strategic commodities generally transported by Transnet Freight Rail and handled by Transnet Port Terminals (with the exception of coal and liquid bulk cargoes). The report covers the FY2020/21.

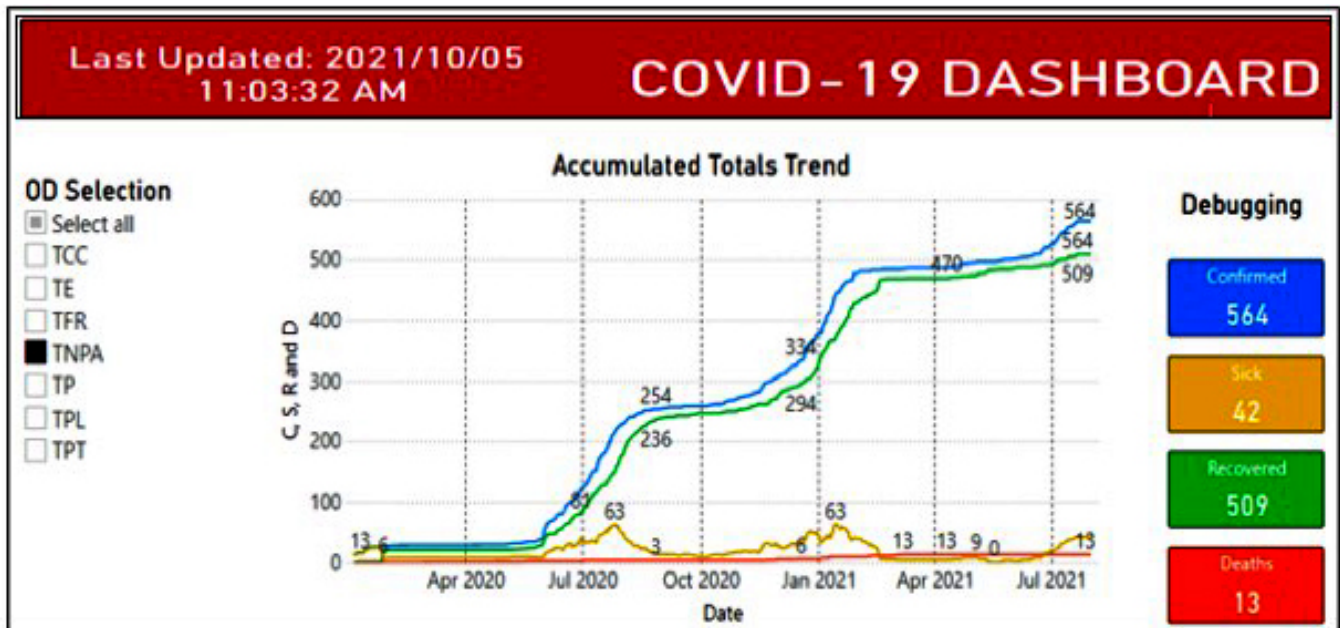
The FY2020/21 performance has been greatly impacted by the COVID-19 pandemic. Globally, the picture remained uncertain due to the impact of COVID-19 that was then classified as a pandemic by WHO on 15 March 2020.

The President of South Africa declared a national lockdown on 26 March 2020 whereupon substantial restrictions were introduced in terms of general economic activity. Cargo operations were restricted to essential goods only. Economic activities were allowed to resume on a risk-adjusted basis in terms of the Risk Adjustment Strategy for Economic Activity. Transnet resumed 100% operations from 1 June 2020 during lockdown level 3.

In order to curb the spread of COVID-19, some restrictions still remained in place, and much of the economic activities have since resumed under strict compliance to COVID-19 regulations, notices, directives, instructions, standard operating procedures and policies.

The National Ports Authority has adjusted its operational response/service offerings in line with the new and revised Maritime Regulations and Marine Notices.

TNPA dashboard summary on COVID-19 cases



The National Ports Authority continues to focus on the following in the fight against COVID-19, but also to ensure business continuity.

- COVID-19 screening at all entrance gates to ports
- Conducting business effectively while working from home
- Monitoring operational impacts of the lockdown through port BCPs and the TNPA National Command Centre
- Ensuring the safety of all employees is top priority by providing employees with proper and adequate personal protective equipment to conduct their day-to-day duties. Also ensuring that those who are not required to be at the ports, stay home and work from there and observe the lockdown guidelines.

- **Towage** covers the usage of tugs utilised to manoeuvre vessels safely inside and outside of the port. In order for operations to operate optimally, tugs need to be maintained, correctly certified and replaced at a stipulated age as defined in the fleet management plans.
- **Berthing**. Berthing crew members are responsible for mooring services that refer to the tying and untying of vessels to the bollards alongside the berths inside the port.

Productivity and efficiencies

Marine operations services delays

National Ports Authority Marine Services comprise the following three (3) service categories:

- **Pilotage** (includes pilot boat and helicopter) that is responsible for piloting vessels in and out of the port and shifting vessels to different berths inside the port.

Description and rationale for measuring vessel service delays

Vessels book a slot to receive a service (sailing, berthing or shifting). This key performance indicator (KPI) will measure Ports Marine Services' adherence to the requested time. This is a new KPI that is intended to measure marine service delays as a direct result of Ports Marine Services' failure to service (berth, sail and shift) a vessel on requested time due to marine resources and crew unavailability (e.g. tugs, pilot boat, berthing, etc.). National Ports Authority is required to ensure that vessels are serviced on time and a concession of 30 minutes within the requested time.

Marine Services delays

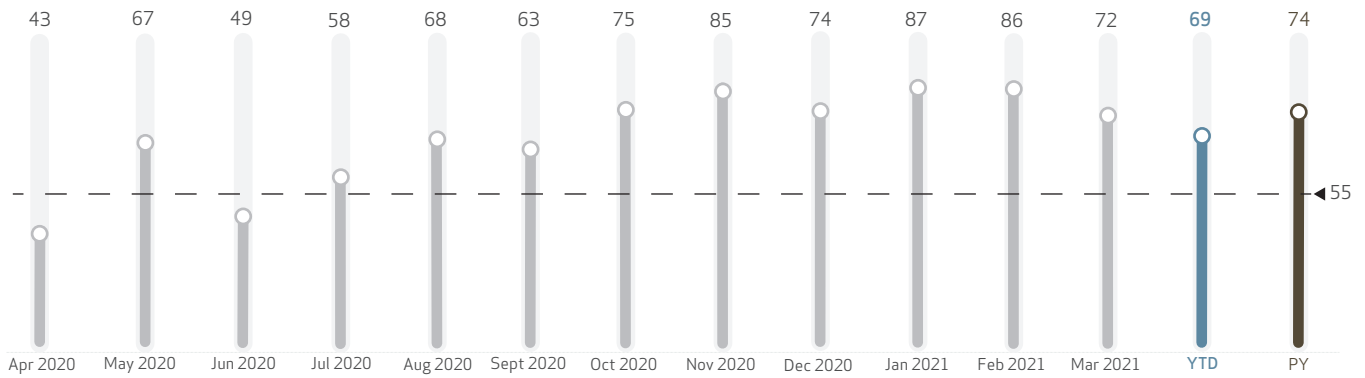
Category	Unit of measure	FY2020/21 Target	FY2020/21 Actual	Variance %	Reason/s for deviation
Durban	Hours: Minutes (HH:MM)	≤ 01:55	00:26	77	13 vessels delayed for an average of 6 minutes, total hours of 1 hour 23 minutes
Cape Town	HH:MM	≤ 02:04	01:23	33	15 vessels delayed for an average of 1 hour 16 minutes
Ngqura	HH:MM	≤ 02:10	03:13	(48)	4 vessels delayed for an average of 1 hour 21 minutes

In addition to the marine operations services delays KPI, there are other KPIs that measure efficiency including ship turnaround time (STAT) and anchorage waiting time (AWT) which are tracked and monitored. The linear graphs on page 5 compare FY2020/21 performance against target with Year to Date (YTD) comparison of financial year end 2019/20 and 2020/21 (PY).

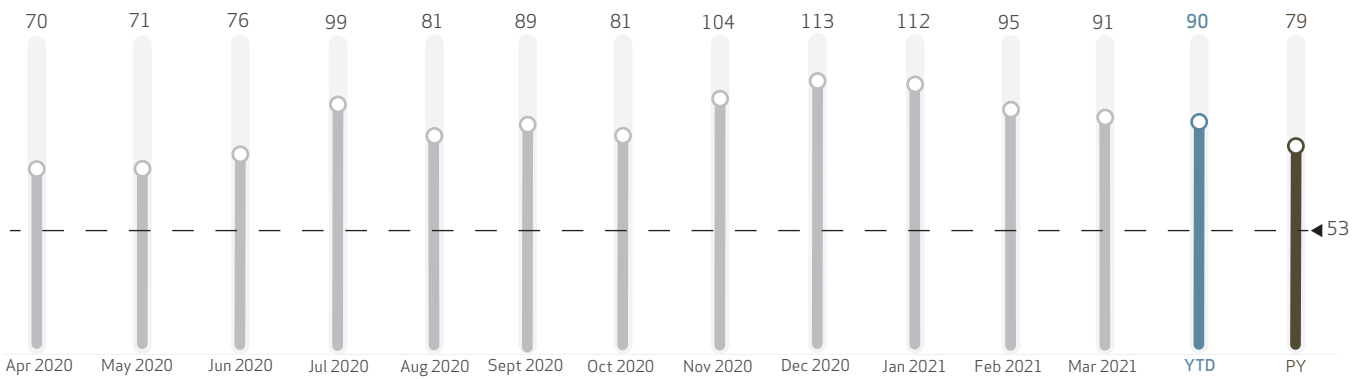
Ship turnaround time - hours

STAT is defined as the time the vessel takes from the breakwater point on its inbound (arriving leg) to the time that same vessel passes the breakwater point on its outbound from the port (excludes weather delays and lay-by hours).

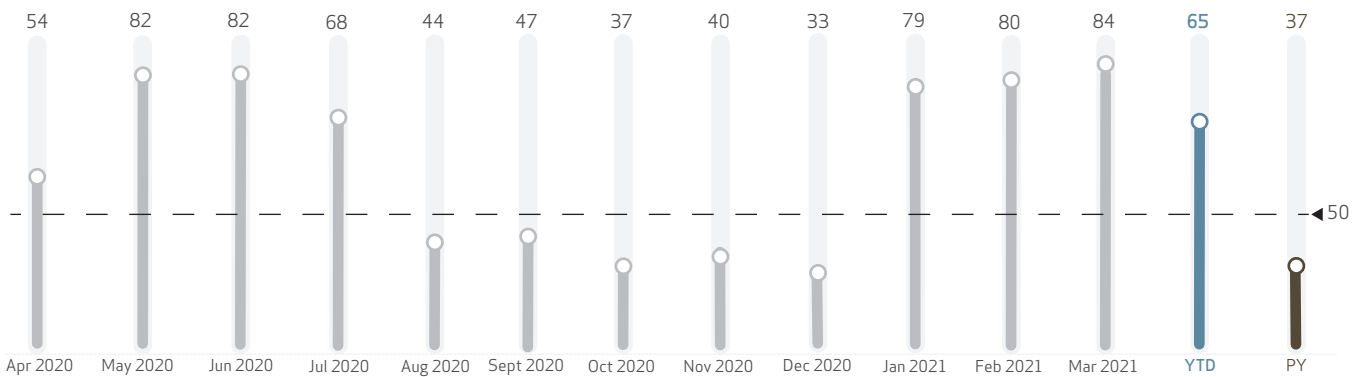
Durban Pier 1 (DCT Pier 1)



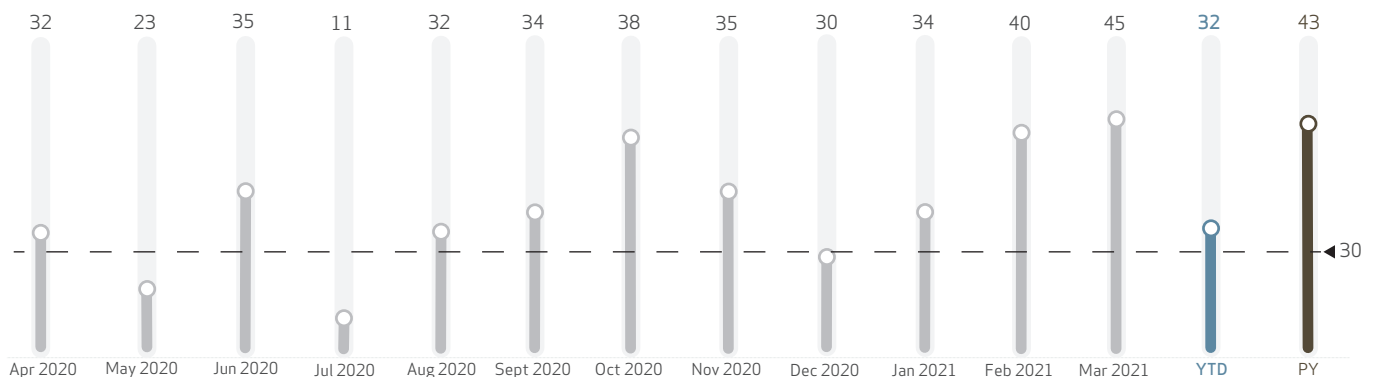
Durban Pier 2 (DCT Pier 2)



Cape Town (CTCT)



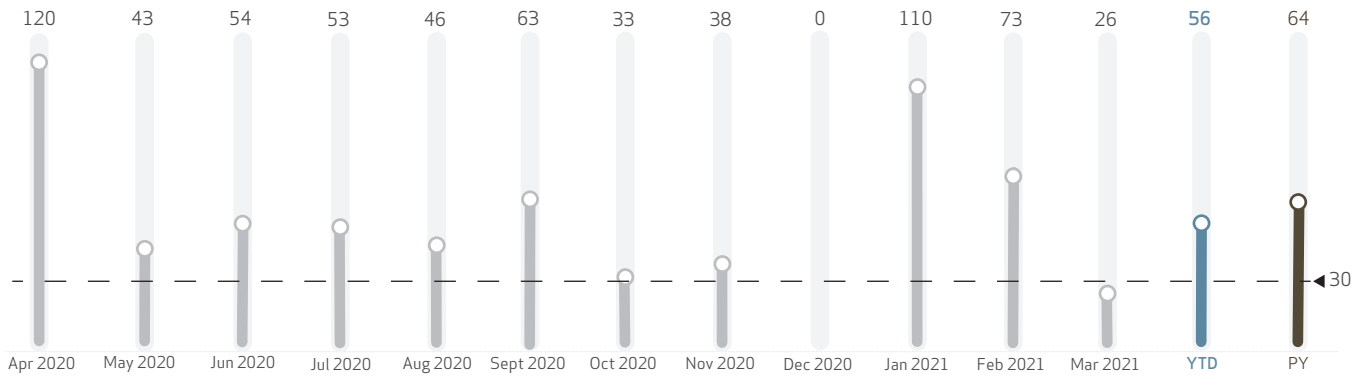
Ngqura (NCT)



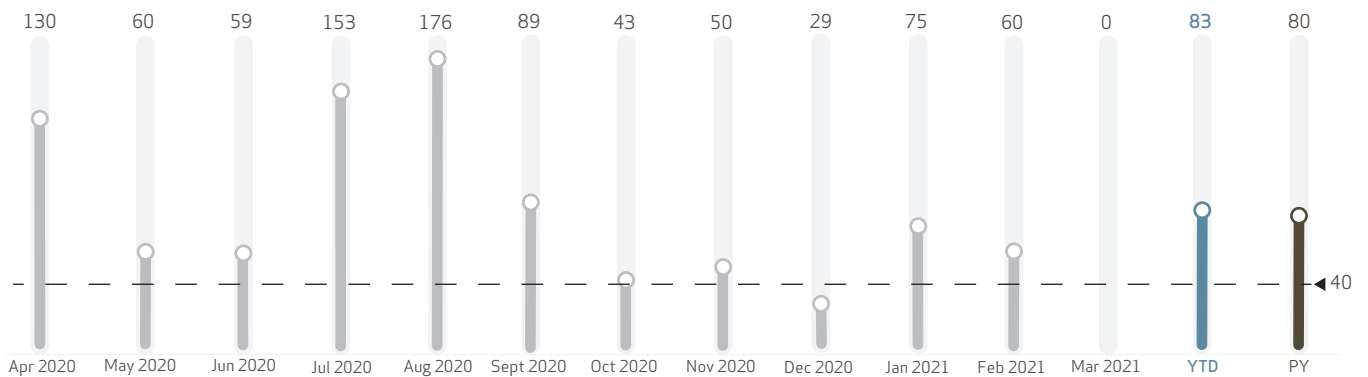
Anchorage waiting time - hours

AWT is defined as the time a vessel is awaiting at anchorage for services at the port (including weather delays and excludes vessels waiting for orders). The operations department measures and monitors the performance regarding this KPI on regular basis on all commodities. The graphs below have prioritised the container port performance at the Durban Container Terminal (DCT), Cape Town Container Terminal (CTCT) and Ngqura Container Terminal (NCT).

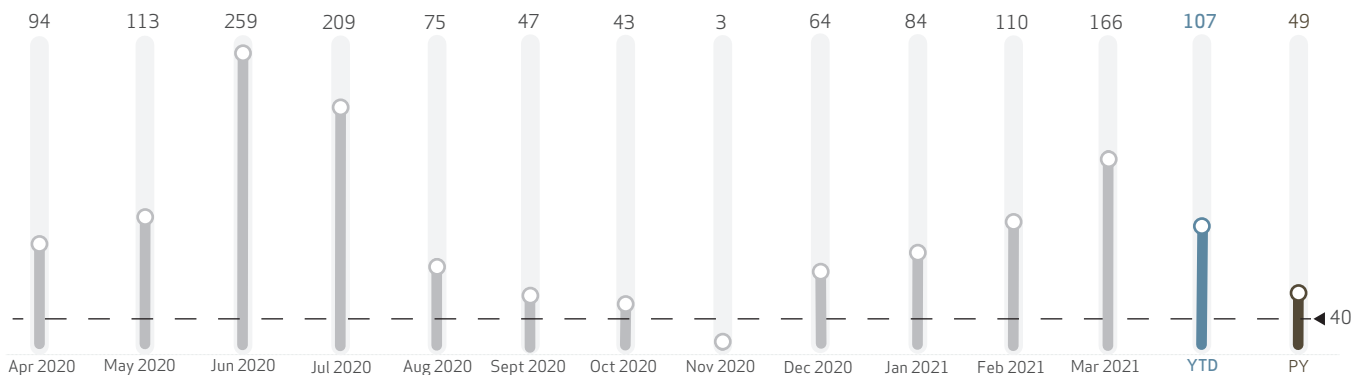
Durban Pier 1 (DCT Pier 1)



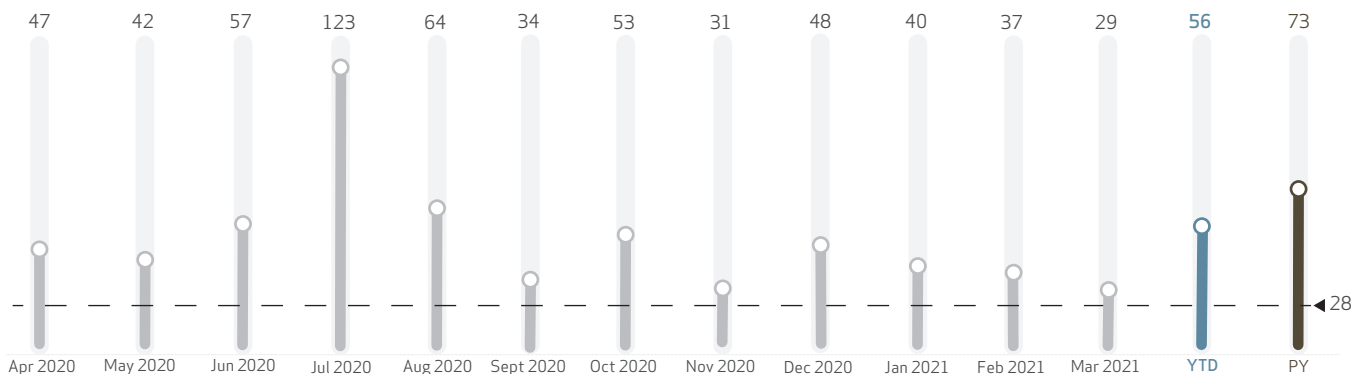
Durban Pier 2 (DCT Pier 2)



Cape Town (CTCT)



Ngqura (NCT)



The COVID-19 pandemic has negatively impacted the operations performance due to the restrictions introduced in order to curb the spread of the pandemic. This has also negatively affected the KPIs.

Core initiatives

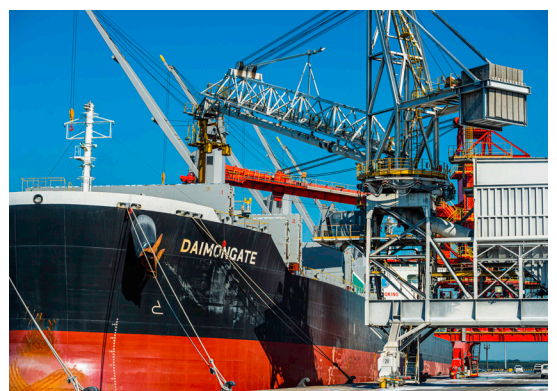
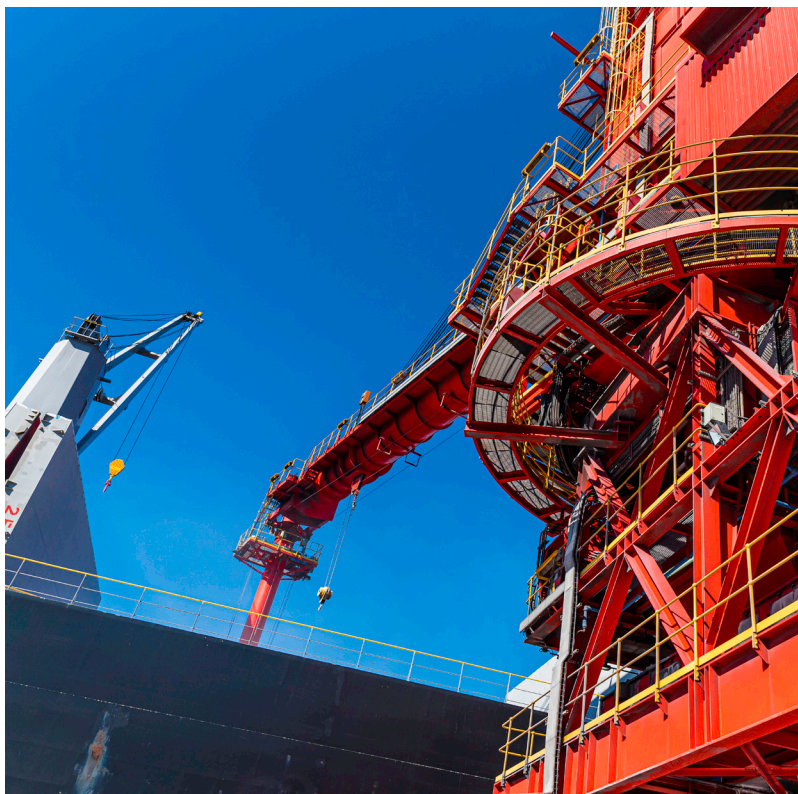
Key operations projects and initiatives covering focus areas

- The implementation of processes and procedures to enhance the business oversight role.
- Finalisation of the manual for enforcement of business performance oversight.
- The finalised Penalty and Incentive model workshopped internally and externally for adoption purposes.
- Finalisation of a model for terminal performance enhancement.
- Operationalisation of Joint Operations Centres (JOC) across the port system continued.
- Finalisation of the procurement of a weather monitoring system to improve service predictability and operational performance mainly at the western ports covering Cape Town and Ngqura.
- Oversight role that ensures the improvement in the management of equipment breakdowns and crane optimisation by Transnet Port Terminals.
- Introduce systems to enhance the monitoring of marine delays and craft availability aligned to Marine Operations Performance Standards (MOPS).
- Optimisation of marine helicopters in Durban and Richards Bay to alleviate delays.
- Implementation of tug renewal programme to improve towage delays.
- Execution of training programme for marine personnel to ensure an effective personnel pipeline continues.
- Formation of the Joint Operations Committee to address the Durban Port decongestion and the rollout to western region ports.

Overview of key performance indicators

Key performance area and indicator	Unit of measure	2019 Actual	2020 Actual	2021 Target	2021 Actual	2022 Target
Financial sustainability						
Revenue	R million	12 450,00	12 172,16	12 499,34	11 558,22	11 955,67
EBITDA	R million	8 317,00	7 866,48	7 716,64	6 701,39	6 799,67
Return on invested capital	%	3,90	7,19	6,44	4,26	5,73
Revenue per employee	R million	2,98	2,93	2,65	2,73	2,66
EBITDA margin	%	66,80	64,63	61,74	57,98	56,87
Operating profit margin	%	50,40	46,71	42,42	38,55	36,14
Gearing	%	16,70	16,46	7,92	10,29	2,67
Net debt to EBITDA	times	0,20	1,21	0,67	1,00	0,22
Return on total average assets - excluding capital work in progress (CWIP)	%	7,00	7,00	6,45	6,35	5,73
Asset turnover - excluding CWIP	times	0,10	0,17	0,15	0,16	0,17
Cash interest cover	times	5,10	6,00	3,53	5,77	6,30
Capacity investment						
Capital expenditure	R million	941,00	1 598,08	2 194,24	684,00	2 081,39
Operational performance						
Productivity						
Average ship turnaround time						
Durban Pier 1	container STAT hours	62	74	55	69	55
Durban Pier 2	container STAT hours	72	79	53	90	53
Cape Town	container STAT hours	31	37	50	65	50
Port Elizabeth	container STAT hours	19	32,2	30	43,8	30
Ngqura	container STAT hours	29	37	30	32	30
Anchorage waiting time						
Durban Pier 1	average hours	25	64	30	56	30
Durban Pier 2	average hours	36	80	40	83	40
Cape Town	average hours	34	49	40	107	40
Port Elizabeth	average hours	22	47	28	33	35
Ngqura	average hours	29	53	35	56	28
Richards Bay	average hours	0	1	60	96	60
Dry bulk						
Coal (RBCT)	hours	40	148	48	40	45
Iron ore (Saldanha)	hours	47	49	50	51	50
Manganese (Port Elizabeth)	hours	71	70,3	78	75	78

Key performance area and indicator	Unit of measure	2019 Actual	2020 Actual	2021 Target	2021 Actual	2022 Target
Berth occupancy						
Durban Pier 1	%	69	40	65 – 75	70	65 – 75
Durban Pier 2	%	69	53	65 – 75	33	65 – 75
Cape Town	%	61	68	60 – 70	59	60 – 70
Port Elizabeth	%	46	42,5	45 – 55	52	45 – 55
Ngqura	%	60	37,1	70 – 80	66	70 – 80
Berth utilisation						
Durban Pier 1	%	92	88	85 – 95	91	85 – 95
Durban Pier 2	%	93	92	85 – 95	92	85 – 95
Cape Town	%	81	90	70 – 80	81	70 – 80
Port Elizabeth	%	83	73,3	75 – 85	83	75 – 85
Ngqura	%	85	83,7	75 – 85	86	75 – 85
Market segment competitiveness						
Volume and revenue growth						
Containers	000 TEUs	4 682,0	4 538	4 688,6	4 033,2	4 118,7
Break bulk	million tonnes	6,2	4,7	3,7	3,7	3,3
Liquid bulk	million kilolitres	41,1	41,9	40,1	41,8	39,6
Dry bulk	million tonnes	179,3	182,6	186,9	174,7	188,3
Vehicles	units	722 791	776 762	781 906	481 149	535 530
Tariffs						
Average tariff increase	%	(7,0)	(6,27)	0,32	0,32	0,00
Sustainable development outcomes						
Human capital						
Training spend	% of personnel cost	1,5	3,0	2,0	0,2	3,0
Employee turnover	%	5,2	5,0	5,0	6,0	5,0
Employee headcount	permanent	4 155	4 155	4 721	4 239	4 503
Revenue per employee	R million	2,98	2,9	2,6	2,7	2,7
Risk, safety and health						
Cost of risk	% of revenue	2,4	2,85	0,32	3,55	1,80
DIFR	rate	0,41	0,25	0,75	0,21	0,75



Financial performance review

		Year ended 31 March 2021 R million	Year ended 31 March 2020 R million	% change
Salient features				
Revenue		11 558	12 172	(5)
- Containers		3 168	3 768	(19)
- Break bulk		131	124	5
- Dry bulk		1 272	1 300	(2)
- Liquid bulk		645	683	(6)
- Automotive		230	371	(61)
- Other		6 112	5 926	3
Operating expenses		4 857	4 306	(11)
- Personnel costs		2 589	2 518	(3)
- Energy costs		549	593	8
- Maintenance		294	335	14
- Materials		52	87	66
- Other		1 372	773	(44)
Profit from operations before depreciation, derecognition, amortisation and items listed below (EBITDA)		6 701	7 866	(17)
Depreciation, derecognition and amortisation		2 245	2 181	(3)
Profit from operations before items listed below		4 456	5 685	(28)
Impairments and fair value adjustments		818	(555)	(168)
Net finance costs		1 000	1 088	9
Profit before taxation		2 638	5 152	(95)
Total assets (excluding CWIP)	R million	76 399	86 404	(13)
Profitability measures				
EBITDA margin ¹	%	58,0	64,6	(6,6)
Operating margin ²	%	38,6	46,7	(8,1)
Return on average total assets (excluding CWIP) ³	%	6,4	7,0	(0,6)
Asset turnover (excluding CWIP) ⁴	times	0,16	0,17	(5,9)
Capital investments [^]	R million	684	1 598,1	(57,2)
Employees				
Permanent employees	number	4 239	4 155	(2,0)
Revenue per employee	R million	2,7	2,9	(6,9)

¹ EBITDA expressed as a percentage of revenue.

² Profit from operations before impairment of assets, fair value adjustments, net finance costs and taxation expressed as a percentage of revenue.

³ Profit from operations before impairment of assets, fair value adjustments, net finance costs and taxation expressed as a percentage of average total assets, excluding CWIP.

⁴ Revenue divided by total average assets, excluding CWIP.

[^] Actual capital expenditure (replacement plus expansion), excluding borrowing costs.

Performance commentary

Financial sustainability

Revenue for the year under review decreased by 5,0% to R11 558 million (2020: R12 172 million). The low performance was driven mainly due to the impact of COVID-19 on port activity. Revenue declined by 12,8% with the weighted average volume growth being 6,4% lower compared to the previous year.

Net operating expenses increased by 12,8% to R4 857 million (2020: R4 306 million). This is mostly attributable to disposal/scraping of assets.

EBITDA and operating margins declined to 58,0% (2020: 64,6%) and 38,6% (2020: 46,7%), respectively, while economic value add reflects an annualised decline of 46%.

Return on invested capital fell to 4,3% (2020: 7,1%), mainly as a result of a decrease in operating profit to R4 456 million (2020: R5 685 million) and lower net profit after tax.

Looking ahead

- During FY2021/22, National Ports Authority plans to finalise and implement its new operating model aimed to position the entity towards achieving the status of being an Integrated Competitive world-class port system. Financial sustainability of the organisation together with reducing the cost of doing business will underpin the successful delivery of the new operating model. Port operational efficiencies and improved real estate business financial management are being prioritised.
- National Ports Authority is further exploring revenue diversification opportunities, increasing asset utilisation and developing a utilities management strategy aimed at improving efficiencies around cost and usage of water and electricity in the port system.

Capacity creation and maintenance

National Ports Authority's capital expenditure was 69% below budget at R684 million (2020 : R1.6 billion) with spending impacted by the COVID-19 impact of lockdown restrictions and social distancing requirements. Projects contributing to the underspend included the bulk electrical power supply for a third tippler at Saldanha; the tank farm to equip berth B100 in Ngqura; the acquisition of helicopters for Richards Bay, Durban and Cape Town; the deepening of berths 203 to 205 at the Durban Container terminal; and the acquisition of a second grab hopper dredger and a cutter suction dredger.

Looking ahead

National Ports Authority plans to invest R2,1 billion during the 2021/22 financial year and R11,7 billion over the next four years to 2025 in capacity creation, infrastructure renewal and modernisation projects:

- **Capacity creation in 2021/22:**
 - The tank farm to equip berth B100 in Ngqura;
 - The bulk electrical power supply for a third tippler at Saldanha; and
 - The construction of a liquid bulk terminal in Ngqura.
- **Helicopters in 2021/22:**
 - The replacement of Richards Bay and Durban helicopters as well as the procurement of a helicopter for Cape Town to commence a new service offering at the port.
- **Fleet replacement in 2020/21:**
 - A second grab hopper dredger; and
 - The replacement of a plough tug dredger.

Ports operational performance

Operations performance is evaluated according to the approved targets in the Corporate Plan which focuses on the all commodity categories across the port system. The KPIs that are evaluated cover Marine Services delays, STAT and AWT, including berth occupancy (BO). The targets are set following a Corporate Plan Policy and the process is clearly captured in a manual that is signed by the TNPA Strategy function. The targets are reviewed annually and agreed to by all stakeholders according to the manual and policy guidelines following the timeframes set.

The focus will be on the KPI, namely:

- Marine Services delays;
- Anchorage waiting time (AWT) ;
- Ship turnaround time (STAT); and
- Berth occupancy.

The table below covers the three different ports terminals handling container vessels:

- Durban (DCT) on Pier 1 & Pier 2;
- Port of Cape Town (CTCT); and
- Port of Ngqura (NCT).

STAT and AWT (container terminals)

Key performance area	Port performance indicator	Unit of measure	Target	YTD
Productivity	Anchorage (containers)	DCT Pier 1	30	54
		DCT Pier 2	40	83
		Cape Town	40	105
		Ngqura	28	56
	Ship turnaround time	DCT Pier 1	55	69
		DCT Pier 2	53	90
		Cape Town	50	65
		Ngqura	30	32

TNPA operations had to adjust the operational response/service offerings in line with the new and revised Maritime Regulations and Marine Notices. Therefore, the ports performed below target on all KPIs in the Corporate Plan due to the revised methods of working to curb the spread of the pandemic. As a result, the ports missed several commitments made in the Corporate Plan for FY2020/21, which resulted in TNPA finishing the FY2020/21 below target at all terminals where targets are tracked.

Average anchorage waiting time (AWT)

KPI	Port	Target	Actual	Deviation %
Ship turnaround time	DCT Pier 1	30	54	(80)
	DCT Pier 2	40	83	(108)
	Cape Town	40	105	(163)
	Ngqura	35	56	(60)

Durban Container Terminal (DCT) has two container berths identified as Pier 1 and Pier 2.

DCT Pier 1: Berths were occupied by vessels that were delayed due to adverse weather equipment breakdowns and operational delays.

DCT Pier 2: Targets were not met due to several operational issues pertaining to equipment breakdown and adverse weather conditions.

CTCT: Targets were not met due to bad weather and berths being occupied longer than planned due to equipment breakdowns.

NCT: Targets were not met overall and contributing factors were weather delays reported by the terminal that had a ripple effect on the vessels at anchorage.

Overall ship turnaround time (STAT)

KPI	Port		Target	Actual	Deviation %
Ship turnaround time	DCT Pier 1	Hours	55	69	(25)
	DCT Pier 2		53	90	(70)
	Cape Town		50	65	(30)
	Ngqura		30	32	(7)

At both Pier 1 and Pier 2, performance was poor and the set target for the 2020/21 year was not met overall:

DCT Pier 1: Poor performance was due to intermittent equipment breakdowns (cranes and rubber tyred gantry cranes), adverse weather conditions, system downtime, yard clash, fumes, twist lock jams, yard shuffling and awaiting containers to exit the stack resulted in YTD performance remaining below target.

DCT Pier 2: Due to the low number of vessels arrival, berths were not fully utilised. Poor performance was due to intermittent equipment breakdowns (straddles and cranes), adverse weather delays (wind bound for 14hrs 30min), and stand-by for fumes, system error, shifting in the stack, awaiting boxes to exit the stack and twist lock jams.

CTCT: Target not met overall due to adverse weather.

NCT: YTD performance slightly missed due to weather conditions. The moor master is being revisited to mitigate this going forward.

In transitioning to COVID-19 Level 3, in line with the risk-adjusted strategy for economic activity, the Ports have conducted a comprehensive risk assessment which informs the TNPA COVID-19 Level 3 Human Resources Plan. The guiding principle is that where employees can work from home, they should. This principle will most likely continue for some time to ensure that the spread of COVID-19 is curbed.

Findings

Most of the terminals were affected by COVID-19, resulting in a shortage of gangs and stoppages. Equipment breakdowns also affected performance and weather challenges. The Joint Operations Committee meets regularly to help address both Durban and Cape Town ports regarding the ongoing equipment breakdowns and labour challenges that are affecting operations.

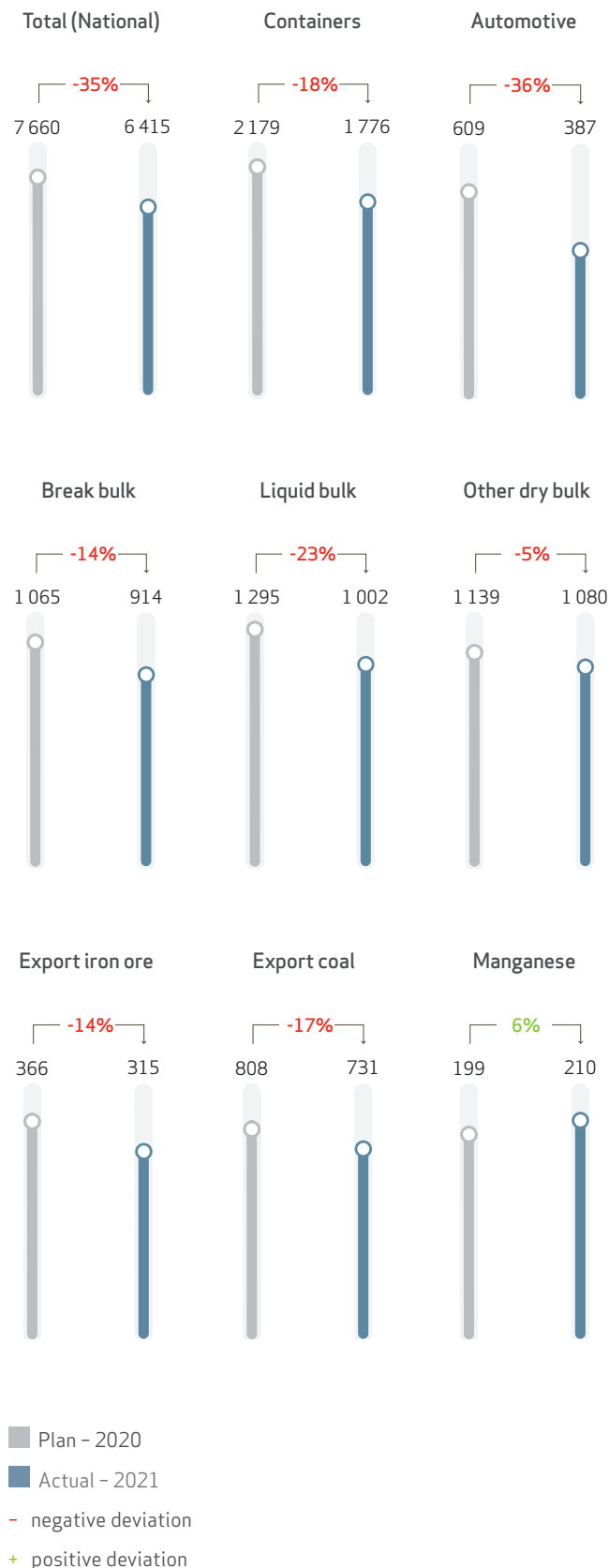
Recommendations

- TNPA to continue working closely with the terminals in monitoring and tracking their recovery plan from the effect of COVID-19 as well as remedial plans to improve performance.
- Terminals to conduct planned maintenance of equipment to reduce breakdowns.
- National Ports Authority to continue identifying and implementing of the improvement initiatives as per the Corporate Plan, namely:
 - International benchmarking and capacity simulations to ensure set targets are in line with the capacity of the terminal and international standards;
 - PIP and penalty/incentive to manage poor performing terminals; and
 - Create visibility of the supply chain.



Port vessel calls performance

Vessel calls planned vs actuals



The vessel calls performance is one area that shows the negative impact of COVID-19. Vessels are spending longer times alongside the berths due to reduced numbers of available gangs to service vessels informed by health and safety protocols before vessels can be handled. This results in vessels waiting longer for berths and increasing the number of vessels out at anchorage.

Looking ahead

As part of its longer-term transformation initiatives, Transnet National Ports Authority has undertaken a fundamentally new approach to strategy development, focusing on commodity supply chains. The strategy articulates Transnet's strategic position and tactical response for each of the key commodity supply chains to improve performance and competitiveness.

Sustainable development outcomes

Human capital (employment and transformation)

- The permanent headcount increased to **4 239** employees (2020: 4 155).
- Black employees represented **91%** of the total employee base (2020: 90%).
- Female employees represented **38%** of the total employee base (2020: 37%).
- People with disabilities represented **2,2%** of the total employee base (2020: 2,4%).
- The employee turnover rate is **5,6%** compared to a target of **5,0%**.
- The absenteeism index of **1,8%** is lower than the target of **2,4%**.

Skills development

Due to the lockdown restrictions none of the youth was exposed to the port environment during FY2020/21.

The Operating Division provided the following training in terms of critical skills:

- **36** engineers in training
- **2** technicians in training
- **8** marine pilots in training
- **164** marine cadets were trained

Health and safety

- A lost time injury frequency rate (LTIFR) of **0,21** was recorded in 2020/21 against a threshold of **0,75**. This represents a **16%** improvement compared to **0,25** in 2019/20.
- A total of **10** lost-time injuries (LTI) were recorded during 2020/21 against a threshold of **20**. This represents a **17%** improvement from 2019/20 and **50%** from a national threshold of **20**.
- TNPA performance remained strong in FY2020/21 as part of 'Goal Zero 2023' - the 'Zero Harm' strategy approved in 2018. Key primary KPIs are DIFR of **< 0,30** by 2023 and disabling injuries **< 20** by 2023.

Environmental stewardship

Control and clearance of alien and invasive plants

- In compliance with the NEM: Biodiversity Act, No 10 of 2004 and its regulations (Alien and Invasive Species Regulations, 2014), several ports embarked on the clearance of alien vegetation as required. The Port of Richards Bay cleared 1 980 hectares of alien and invasive plants and spent R519 000 in 12 months, whereas the Port of Ngqura cleared 35 hectares and spent R209 197 in the last three months of the financial year. In FY2020/21, 2 015 hectares of alien and invasive plants were cleared in TNPA land and a total of R728 197 was spent.

Estuarine management

- The complexity of estuaries requires coordinated and effective management to ensure that goods and services that these ecosystems provide do not deteriorate but improve. In the current financial year, the Port of Richards Bay Estuarine Management Plan was gazetted and is now in the implementation phase. Amongst many actions that TNPA needs to execute in the Port of Richards Bay as a priority is to determine estuarine functional zones and to establish sensitive areas that could be earmarked for environmental protection.
- TNPA has three estuarine management plans that are in the implementation phase, namely the Port of East London's Buffalo River Mouth, Port of Durban's Durban Bay and Port of Richards Bay's Umhlatuze and Estuarine Management Plan. Progress of implementation is reported to the DFFE Minister on an annual basis.
- The Port of East London is in the process of developing a coordinated monitoring programme, which is a systematic process/approach to determine, analyse and interpret data/information, and considers the relationships among a wide range of components from biophysical to social.
- Monitoring of water quality in the Port of Durban continues in order to address sources of pollution to the sea.

COVID-19 community support

During FY2020/21 communities closer to the ports were severely impacted by the COVID-19 pandemic. TNPA partnered with the local municipalities and non-governmental organisations and stepped in to provide the required support according to the priority needs on the ground, which ranged from education to personal protective equipment and food supply. The following communities benefitted from TNPA CSI support:

Port	Partner	Need	Beneficiary
Cape Town	City of Cape Town	Food distribution	NGO identified by City of Cape Town
Durban	Ethekwini Municipality	Health protective supplies	Municipal frontline staff
East London	Norman Goosen NGO	Food distribution and toiletries	Families in Buffalo City
Mossel Bay	Meals on wheels NGO	Food distribution	Homeless and unemployed
Nelson Mandela Bay ports	Nelson Mandela Bay Municipality	Shelters, child-headed homes, and homeless	Municipality to identify NGO
Richards Bay	Umhlatuze Municipality	Food distribution	Vulnerable families from Umhlatuze area
Saldanha	Saldanha Bay Local Municipality	Food distribution	Homeless and unemployed

Management of sensitive habitats

- TNPA's long-term ecological monitoring of the marine environment did not take place in the ports of Cape Town, Mossel Bay, Port Elizabeth, Ngqura, East London, Durban and Richards Bay due to the expiry of the contract, and the budget being cut.

IMO annex VI – compliance with low sulphur fuels by shipping

- In January 2020, the IMO Marpol Annex V1 came into effect in South Africa. Regulation 14 of Annex VI requires vessels that call into South Africa to use low sulphur fuel oil as specified in the regulation. Regulations further allow the use of alternative compliance methods that are approved by the Port State (i.e. SAMSA). In January 2020, SAMSA issued a notice that allows vessels calling in South Africa to use open loop scrubbers to comply with sulphur regulations. This posed a challenge to TNPA ports for allowing discharge of effluent in port waters without knowing the environmental impacts.
- TNPA engagements with SAMSA and DFFE resolved that South Africa should embark on the study of potential impacts of discharging from open loop scrubbers before it is made acceptable in South Africa. A three-year research study by the University of the Western Cape covering the ports of Port Elizabeth, Cape Town and Saldanha has commenced to ensure that the country policy on the use of open loop scrubbers is informed by science.

Social accountability

In FY2020/21, TNPA's corporate social investment (CSI) strategy focused on supporting communities in close proximities to the sea ports, that were negatively impacted by COVID-19 while continuing with the Lawhill Maritime Centre partnership.

Partnership with Lawhill Maritime Centre in Simon's Town

Partnership with Lawhill Maritime Centre started in 2002 and was formalised in 2006. TNPA's partnership with the centre has enabled deserving learners from disadvantaged backgrounds to study maritime at this prestigious centre, and thus provide them with solid maritime foundation at high school level and an opportunity to pursue maritime at tertiary level.

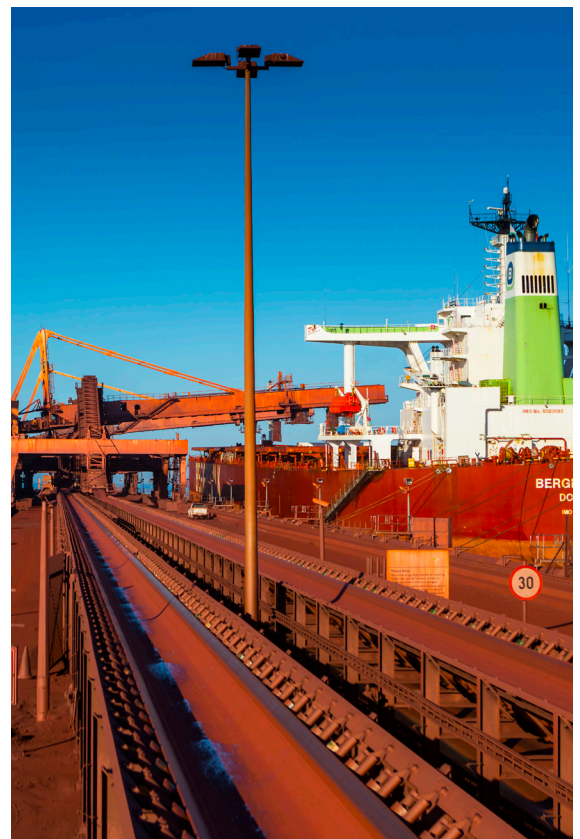
The Matric class of 2020 performed exceptionally well considering the 2020 COVID-19 challenges. The four matric candidates achieved a total of 10 distinctions (80 percent and over) and all of them obtained Bachelor passes, giving them an opportunity to pursue their studies at tertiary institutions.

2021 marks the 15th year of TNPA's support for Lawhill Maritime Centre's maritime studies programme, and 240 less privileged learners have gone through a programme which has for the past 25 years made it possible for hundreds of young people from underserved communities across South Africa to benefit from a specialist education in their last three years of schooling.

Many of these continued their maritime studies at tertiary level and are working in the maritime industry today, including at TNPA. Several others are working as doctors, engineers and in maritime-related careers ashore and at sea.

TNPA is also proud to have Mr Aubrey Sosibo, a former bursary holder (class of 2012) from Sithengile High School in Durban, who is an internationally qualified navigation officer, currently employed as the Maritime Economics Educator at the award-winning STS Lawhill Maritime Centre (www.lawhill.org).

TNPA's 15-year support for the Lawhill maritime studies programme has helped prepare young South Africans for worthwhile careers and in so doing, contributed meaningfully to reducing youth unemployment in South Africa. It has also demonstrated the company's commitment to the ideals of Operation Phakisa by equipping young people to participate actively and meaningfully in building South Africa's blue economy.



Abbreviations and acronyms

AWT	Anchorage waiting time
CTCT	Cape Town Container Terminal
CWIP	Capital work in progress
DIFR	Disabling Incident Frequency Rate
DCT	Durban Container Terminal
KPI	Key performance indicator
NCT	Ngqura Container Terminal
STAT	Ship turnaround time
TEU	Twenty-foot equivalent unit

