



## MINUTES OF THE 3<sup>RD</sup> QUARTER PORT OF CAPE TOWN PORTS CONSULTATIVE COMMITTEE MEETING

09:00 Thursday 06 November 2014, 10<sup>th</sup> Floor, TNPA House, Port of Cape Town

### Members

Mr Chuma Mpahlwa	Department of Transport – Deputy Chairperson
Ms Selma Schwartz-Clausen	South African Maritime Safety Authority – Secretariat
Captain Vernal Jones	Transnet National Ports Authority – Harbour Master
Mr Mazwi Mdletshe	Transnet National Ports Authority
Mr Nadier Toefy	Local Government
Mr Mzwandile Kama	Labour: SATAWU
Mr Cecil Petros	Labour: SATAWU
Mr Neville Askew	Labour UNTU
Mr Mike Walwyn	Port Users: Cargo Owners/Freight Forwarders/Road Hauliers/ Logistics
Captain Sumeet Bhardwaj	Port Users: Shipping Lines / Agents / Ship Repairs
Mr Julian Hurrie	Port Users: Terminal Operators/ Lessees/ Stevedores
Mr Gustav Louw	SAMSA

### Observer Status

Ms Jowie Mulaudzi PRSA Representative

### APOLOGIES:

Members:

Constituency		Members	Q 1	Q2	Q 3	Q 4
TNPA	Harbour Master	Captain Vernal Jones				
	Deputy Harbour Master					
	Port Manager	Mr. Siphon Nzuza			x	
	Port Planning and Development	Ms Lindo Mkhize	x		x	
	Port Engineer	Mr Mazwi Mdletshe				
Port Users:	Cargo Owners / Freight Forwarders / Road Hauliers / Logistics	Mr. Ricardo Muller		x		
		Mr Mike Walwyn		x		
	Terminal Operators / Lessees / Stevedores	Mr. Julian Hurrie		x		
		Mr. Steve Janssen	x		x	
	Shipping Lines, Agents, Oil & Gas, Ship Repair, Fishing	Captain Sumeet Bhardwaj				
		Mr. Gerry Klos	x	x	x	
Government	Local	Mr. Rahul Jobanputra			x	
	Provincial	Mr Frans Hanekom		x	x	
Labour	UTATU SARWHU	Neville Askew				
	SATAWU	Mr. Mzwandile Kama				
SAMSA	Mr. Gustav Louw					

**Observer Status**

Mr Mahesh Fakir  
Ms. Zinhle Mhlongo

CEO PRSA  
PRSA Representative

**Present**

**SAMSA PCC Secretariat**

Ms Fuzlin Khamissa

PCC Secretariat Support

**TNPA OFFICIALS**

Ms Zurayda Christians  
Ms Unathi Malinzi

**Item per Allocated Time Slots**

TNPA Feedback  
TNPA Feedback

**DEPARTMENT OF TRANSPORT**

Ms Busiswe Bedu

Office of the DG

## Abbreviations


ADG	Acting Director General
ACE	Acting Chief Executive
CEO	Chief Executive Officer
Capex	Capital Expenditure
CE	Chief Executive
Copex	Capitalised Operational Expenditure
CTCT	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
SARHWU	South African Railways and Harbour Unions ***
SBM	Single Buoy Mooring
SEZ	Strategic Economic Zone
SPM	Single Point Mooring
TNPA	Transnet National Ports Authority
TOPS	Terminal Operator Performance Standards
T/S	Transshipments
TPT	Transnet Port Terminals
UNTU	United National Transport Union
UTATU	United Transport and Allied Trade Union***
V & A	Victoria and Alfred
WCIDP	West Coast Infrastructure Development Plan


\*\*\*UTATU SARHWU one union\*\*\*\*



ITEM	DISCUSSIONS	RECOMMENDATION(S)/ ACTION/S
	<p><b>1.3.7 Chairperson</b></p> <p>1.3.7.1 Mr Chuma Mpahlwa</p> <p>Confirmation of attendance confirms that the Port of Cape Town PCC does not quorate.</p> <p>The Deputy Chairperson said that all decision taken at the meeting will be circulated.</p>	
1.4.	<p><b>ADOPTION OF THE AGENDA OF THE 06 NOVEMBER 2014</b></p> <p>The Agenda was motion for acceptance supported.</p> <p><b>Declaration of Interest</b></p> <p>The Deputy Chairperson advised that the Declaration of Interest forms will be circulated to be completed by all and handed back after the meeting.</p>	
1.4.1.	<p><b>ADOPTION OF THE MINUTES OF THE MEETING 28 AUGUST 2014</b></p> <p>The following amendments were made:</p> <p>Page 1: Attendees – name of labour represented to be correct – Mr Mzwandile Kama</p> <p>Page 3: Item 1.3 – should read “Confirmation of attendance confirmed that the Port of Cape Town did not meet quorum requirements.”</p> <p>Page 4: Item 1.4 – should read “The Agenda was proposed by ....”</p> <p>Page 7: Item 3.1.2.1 a – should read “The Security Manager had not forwarded the statistics to Ms Malinzi at her request.”</p> <p>Page 7: Item 3.1.3 – should read “Special Economic Zone.”</p> <p>Page 7: Item 3.1.4 d – should read “.....approved CAPEX project was presented.”</p> <p>Page 8: Item 3.1.5 c – sentence to be replaced by “The CEO to sign the TOPS by end of August.”</p> <p>Page 8: Item 3.1.5 f – should read “.... Deadline for Port Users submission is 19<sup>th</sup> September.”</p> <p>Page 10: Item 3.7 – should read “the Harbour Master enquired about the Port of Cape Town NPCC representation.....”</p> <p>Page 11: Item 7.1 e – should read “Underwater surge – the reconfiguration of mooring line will minimise.....”</p> <p>The Minutes of the 28 August 2014 with amendments was motioned for adoption by Captain Sumeet and supported.</p>	
<b>SECTION 2: EXTERNAL PRESENTATIONS</b>		
2.1	<p><b>DAFF presentation</b></p> <p>The Secretariat advised that DAFF had confirmed that they will be present at the meeting but has unfortunately not arrived as yet.</p> <p>It was agreed that DAFF will be given a slot to do the presentation as soon as they arrive.</p>	<b>Action 1:</b> DAFF to be requested to present at the next PCC meeting.
<b>SECTION 3: MATTERS ARISING FROM THE MEETING OF 28 AUGUST 2014</b>		
3.1	<b>TNPA Integrated Ship Repair Strategy</b>	<b>Action: 2</b>

ITEM	DISCUSSIONS	RECOMMENDATION(S)/ ACTION/S
	<p>a. The presentation was made by the Port Engineer regarding the Ship Repair Strategy and the effects of Operation Phakisa on TNPA plans.</p> <p>b. Port of Cape Town has 3 Ship Repair facilities namely, Sturrock Dry Dock, Robinson Dry Dock and Syncrolift.</p> <p>c. Refurbishing of the repair facilities which is already part of TNPA CAPEX plan but it has not been brought forward to fall in the 5 year period in terms of Operation Phakisa.</p> <p>d. The widening of the Repair Quay and the repair of the old cranes is part of a 3 year programme.</p> <p>e. It was stated that everyone wants Operation Phakisa to succeed and TNPA is undertaking new projects / development and enquired whether a study is being done to find out the feasibility of the proposed projects. He further asked which customers are being engaged and is there a strategic plan and a development plan. Anticipation of potential business is not a good plan.</p> <p>f. Industry wants to see where the new business is coming from and the small craft basin will be moved out of the terminal and what compensation will be paid to the RCYC for the relocation.</p> <p>g. Captain Sumeet also said that although some of the projects are only for 2025 the funding will be put in now. How can something that might or might not happen be funded now. The dry dock in the Port of Cape Town is still not making money, how can money be spent to refurbishment something that is not financially viable.</p> <p>h. Maintenance are not being done but money is planned to be spent on refurbishing and it was requested that the Ports Regulator monitor the spending of TNPA.</p> <p>i. The PRSA explained that the projects that has been approved by the Ports Regulator is done so with the understanding that in accordance with the Port Act, the regulatory body namely the PCC has already interrogated and given its approval for these projects and that the Ship Repair Strategy was drafted in conjunction with the industry. It was suggested that the project plan be shared with the industry to eliminate that issues are raised at a forum such as the PCC and are discuss during the process initial stages.</p> <p>j. The Secretariat advised that TNPA engaged with the shipping industry at a workshop and all comments were incorporated into the Ship Repair Strategy.</p> <p>k. The SAMSA representative stated he was not aware that of the fact that as indicated by the Ports Regulator, projects cannot be approved by the Ports Regulator unless it is approved by the PCC. What is currently happening is that the PCC meetings are being informed of projects but not previous engagements has taken place It is therefore expected of the PCC to just rubberstamp the projects from the CAPEX programme.</p> <p>l. The Deputy Chairperson advised that if the PCC does not agree with a project, the TNPA cannot go ahead.</p> <p>m. The Port Engineer advised that the only new projects would be the Repair Quay and he therefore requested permission to continue with the current projects and he would discuss this matter with the Port Planning Manager.</p> <p>n. After the long discussion, it was agreed that normal maintenance and renewal must proceed as scheduled but business case for new projects including projects coming from Operation Phakisa must be provided at the next PCC meeting. Detail overview of all new projects must be provided for scrutiny by the PCC.</p> <p><b>Floating crane</b></p> <p>a. The Harbour Master gave feedback advising that the units will be delivered end of February / beginning of March and the floating crane will then again be operational.</p> <p>b. The other issue of the viability of the floating crane going forward once it is repaired was also raised. Some Port Users questioned whether Port of Cape Town should still have the floating crane taking into consideration the cost. Mr Hurrie said that if it was more competitive from a cost aspect, it would be used more often.</p>	<p>It was agreed that normal maintenance and renewal to proceed but business case for new projects must be provided at next PCC meeting.</p> <p><b>Action 3:</b></p> <p>Update on repair of floating crane at the next PCC and cost of other mobile cranes used in the Port to be provided</p>

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	<p>c. The status of the floating crane repair will be reported at the next PCC meeting as well as the market viability or competitiveness will also be reported.</p> <p>d. UNTU Labour representative stated that the floating crane has not been operational for the past 2 years and if the units are replaced, would other problems not come to the fore seeing that the crane has not been operational for such a long period. The Harbour Master said that there is a meeting taking place today to present maintenance plan.</p> <p><b>Underwater Surge caused by the Long Wave</b></p> <p>a. More data is required and the TNPA gave feedback regarding the challenges they are having with the service providers. Update should be given to TNPA by the 14 November and further consultation taking place. TNPA will also consult with Captain Sumeet and the industry at large once the service provider is on board.</p> <p>b. Engagement with the stakeholders will be via the Harbour Master office.</p> <p>c. Completion of first phase is March 2015 to which Captain Sumeet said that it would be too late as the season would be finished to which the Port Engineer stated that they will use models.</p> <p>d. Captain Sumeet further said that he discussed this issue with experts at the University of Stellenbosch and was very disappointed with the response he received. Captain Sumeet said that what should be asked was how the wave gets inside in the first place and felt that this study was just a waste of money.</p> <p>e. The Port Engineer said that it would be important to engage with Captain Sumeet on the study once the service provider is on board.</p> <p>f. The Harbour Master said an email was forwarded to ensure that the data requested is accurate to allow for correct answers.</p> <p>g. An update will be given at the next PCC meeting.</p> <p><b>Aids to Navigation</b></p> <p>This will be part of the TNPA presentation.</p>	<p><b>Action 4:</b></p> <p>TNPA to consult with Captain Sumeet and the Industry once the service provider has been appointed to obtain input from industry for study.</p>
<b>SECTION 4: STANDING ITEMS</b>		
4.1	<p><b>TNPA Presentation</b></p> <p> HM_PCC Quarter 2_CPT (Final).pdf</p> <p><b>Questions &amp; Answers</b></p> <p>Q1: Captain Sumeet asked why TNPA does not have infrastructure for recycling of steel in South Africa which will reduce the cost of repairs, create jobs other than sending the steel out of the country.</p> <p>A1: Ms Christians said that this was an excellent idea for beneficiation.</p> <p>Q2. The Deputy Chairperson asked whether it would be for own use only or export.</p> <p>A2: to which Mr Walwyn said it would replace imports.</p> <p>Q3: Mr Louw asked as there is a decline in vessels calling at the Port, how do we make the Port of Cape Town more attractive for containers.</p> <p>A3: Gross tonnage has increased due to bigger size of vessels but less vessels.</p>	<p><b>Action 5 &amp; 6:</b></p> <p>TPT &amp; TNPA berth utilization will be consolidated and will be circulated at the next PCC.</p> <p>Detailed project plans to be presented at the next PCC meeting for scrutiny by the PCC.</p>

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	<p><b>TOPS KPI presentation</b></p>  <p>PCC PRES Unathi.pptx</p> <p><b>Aids to Navigation</b></p> <p>Replacement of leading lights at the Foreshore was supported by the PCC meeting. This will go ahead.</p> <p>Complaints received from the noise of siren at Buoy no 8 is being resolved and update will be given at the next PCC.</p>	<p><b>Action 7:</b></p> <p>Update at next meeting regarding replacement of leading lights.</p> <p><b>Action 8:</b></p> <p>Update on resolution of complaints.</p>
<b>4.2</b>	<b>LABOUR FEEDBACK</b>	
	<p><b>4.2.1 UNTU</b></p> <p>a. No additional feedback but request more detailed reports in the future.</p>	
	<p><b>4.2.1 SATAWU</b></p> <p>a. Presentations must be given with more details.</p> <p>b. Projects that are being planned, how does the projects address the unemployment and inequality in the Western Cape?</p>	<p><b>Action 9:</b></p> <p>TNPA to give feedback regarding projects and how it will improve employment in the Western Cape.</p>
<b>4.3</b>	<b>Port User Feedback</b>	
	<p><b>4.3.1 Cargo Owners / Freight Forwarders / Road Hauliers / Logistics etc</b></p> <p>a. All the concerns were address in the TNPA presentation.</p> <p>b. The PCC member who is also a member of the Port Liaison forum said that the Harbour master is aware of the sunk vessels. Between Mossel bay and Lamberts bay 31 sunken vessels and was hopping that DAFF would be present. Chamber of commerce doing a whole exercise and it is impacting on fishing vessels. Cost is about 20 million to clear. If the vessels are not removed then it will affect the fishing harbours. DOT and DAFF to sit down and talk about removing the vessels.</p> <p>c. Two reasons why this is happening is that the owners of the vessels find it difficult financially and just leave the vessels to sink and the removal of brass taps .</p> <p>d. Even SAMSA tried to engage with DAFF but nothing is being done.</p> <p>e. The Deputy Chairperson said there is a department within DOT that is responsible and that Department of Environmental affairs is also aware of this.</p> <p>f. The Secretariat advised that the brief to DAFF was to give overview of the Marine resources act and also about the vessels being detained and how DAFF is handling this graveyard issue. Brief to DAFF was not to present about the vessels sunken between lamberts bay and Mossel Bay. This will be included in the request to daff to present. The Deputy Chairperson will also speak to</p> <p>g. A question was asked who pays for the removal of the sunken vessels. SAMSA advised that DAFF is responsible to pay for the removal.</p> <p>h. The harbour master said that the initial call at the port is for the discharging of cargo and only once the cargo has been discharged then the problem starts. If TNPA is aware that the vessel will be abandoned upfront then TNPA can get</p>	



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	<p>guarantees but if TNPA is not aware, then they sit with the problem of the sunken vessels.</p> <ul style="list-style-type: none"> <li>i. It was said then when the floating crane comes into operations it would be able to assist with the removal of the sunken vessels.</li> <li>j. DPE makes financial input to the small ports so they are also responsible with DAFF of the small harbours. Operational control is with DAFF.</li> </ul>	
	<p><b>4.3.2 Shipping Lines / Agents / Ship Repairs etc</b></p> <ul style="list-style-type: none"> <li>a. Captain Sumeet -The reduction in the draft in the port of Durban and vessels being diverted to port of Cape Town and Ngqura but due to congestion at these ports it is going to other ports outside of south Africa. If this pattern continues then South Africa will lose a large part of the volumes. The problem is in Durban but the repercussions is far reaching and the port system is suffering.</li> <li>b. Mr Mike Walwyn and Captain Sumeet says that this issue of draft need to escalate to the NPCC. Selma said that this is on the agenda for Port of Durban.</li> <li>c. The Secretariat is saying that issues have landed up at the NPCC but that have not been exhausted on a port level. Has all avenues been exhausted with the TNPA? Captain Sumeet said that certain matters must be taken to the NPCC immediately and he is sure that the Chief Executive of TNPA is aware of the draft problem in Durban but nothing is happening.</li> <li>d. The PRSA stated says that if it is escalated to the minister of DOT via the NPCC what is required from the Minister. The ports regulator has offered to be a facilitator of the issue before it becomes a formal complaint at the NPCC. Captain Sumeet said that SASOA did approach the Ports Regulator but was not happy with the result. SASOA needed Ports Regulator to engage and not to facilitate.</li> <li>e. PRSA requires clarity on the issue of the draft. Matter will be further discussed after the PCC in Durban and SAASOA to go back to PRSA.</li> </ul>	<p><b>Action 10:</b></p> <p>Captain Sumeet to discuss issue of draft with SAASOA and give the necessary feedback to the Secretariat.</p>
	<p><b>4.3.3 Terminal Operators / Lessees / Stevedores etc</b></p> <p>No feedback at this meeting.</p>	
<b>4.4</b>	<b>Government Feedback</b>	
	<p><b>4.4.1 Local Government</b></p> <p>No feedback at this meeting.</p>	
	<p><b>4.4.2 Provincial Government</b></p> <p>No feedback as no representative present.</p>	
	<p><b>4.4.3 Department of Transport (DOT)</b></p> <ul style="list-style-type: none"> <li>a. The Deputy Chairperson gave feedback with regards to the IMDG training.</li> <li>b. The submission has been signed off by the DG of DOT.</li> <li>c. The proposed dates for the training was 17 – 21 November 2014 but will be confirmed.</li> <li>d. Training will be held in 3 centre namely Cape Town, Durban and Port Elizabeth. The venues have already been confirmed.</li> <li>e. Feedback will be communicate to all interested parties as soon as available.</li> </ul>	<p><b>Action 11:</b></p> <p>Dates for IMDG training will be confirmed and circulated.</p>
	<b>4.4.4 Other National Departments</b>	

ITEM	DISCUSSIONS	RECOMMENDATION(S)/ ACTION/S
4.5	<p><b>Ports Regulator South Africa - PRSA CEO</b></p> <ul style="list-style-type: none"> <li>a. Feedback was given on the recent Tariff application roadshow.</li> <li>b. The Ports Regulator thanked everyone that took the time to attend and made the roadshow successful.</li> <li>c. Only received 8 objections to the TNPA's application and this was due to the tariff methodology.</li> <li>d. During the Roadshow, survey forms were completed by all attendees and another survey will be done once the Tariff application process is complete.</li> <li>e. Pricing Strategy document should be read by end of February 2015 and consultation will be held with all stakeholders.</li> </ul>	<p><b>Action 12:</b></p> <p>PRSA to do presentation at next PCC</p>
4.6	<p><b>SAMSA</b></p> <ul style="list-style-type: none"> <li>a. Problem accommodating fishing vessels for shipping.</li> <li>b. More owners asking for extension of haul certificate. TNPA to look at the fishing vessels and how the cost could be lowered to accommodate the smaller fishing vessels.</li> <li>c. Tariff regulatory – different pricing model for smaller fishing vessels.</li> </ul>	
4.7	<p><b>PCC ADMINISTRATION</b></p> <p>Feedback on the Labour Guidelines workshop that took place in Port Elizabeth on 29<sup>th</sup> October.</p>	
<b>SECTION 5: COOPERATIVE GOVERNANCE</b>		
5.1		
<b>SECTION 6: NPCC</b>		
6.1	Next NPCC meeting to be held on 5 December 2014.	
<b>SECTION 7: NEW ITEMS</b>		
<b>SECTION 8: AGREED RESOLUTIONS &amp; ACTION ITEMS</b>		
8.1	<ul style="list-style-type: none"> <li>a. DAFF presentation: Marine Resources Act: DAFF will be invited to do presentation and the following to be included: <ul style="list-style-type: none"> <li>- How many vessels are sunken;</li> <li>- Area between Lamberts Bay &amp; Saldanha being a graveyard for vessels; and</li> <li>- Permits.</li> </ul> </li> <li>b. Ship Repair Strategy: The presentation was made during the meeting and it was agreed that normal maintenance must proceed as scheduled but business case for new projects must be provided at the next PCC meeting. Detail overview must be provided.</li> <li>c. Floating Crane: Captain Vernal Jones discussed the delivery of the units. Update will be provided at the next meeting.</li> <li>d. TNPA to provide cost of other mobile cranes that can be used at the Port.</li> </ul>	

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	<ul style="list-style-type: none"> <li>e. Underwater surge: More data is required and the TNPA gave feedback regarding the challenges they are having with the service providers and further consultation taking place. TNPA will also consult with Captain Sumeet and the industry at large.</li> <li>f. TOPS Process: TPT &amp; TNPA berth utilization will be consolidated and that will be provided at the next PCC meeting.</li> <li>g. CAPEX presentation: Detailed discussion was held after the CAPEX presentation. The Deputy Chairperson spoke about consultations and the role of the PCC to advise whether projects are supported or rejected.</li> <li>h. Aids to Navigation: Replacement of the leading lights at the Foreshore was supported by the PCC members. This will go ahead. Update at next PCC meeting.</li> <li>i. Siren Buoy no. 8: Complaints was received from residence regarding the noise. TNPA in process to resolving the complaints and will give an update at the next meeting.</li> <li>j. Labour The meeting was advised on the change of name for UTATU/SARHWU to UNTU. Questions around the projects and how it would affect employment and inequality. TNPA to respond during CAPEX presentation at the next PCC meeting.</li> <li>k. Draft of port: Detailed discussions took place and it was agreed that as this matter has already been escalated to the NPCC level from the Port of Durban, it will be picked up from that side. Captain Sumeet will discuss with SASOA and give feedback to Secretariat.</li> <li>l. IMDG Training: The Deputy Chairperson gave feedback. Dates has been changed. Process has been approved within DOT and it is not with the IMO to confirm dates. Confirmation of training dates will be communicated.</li> <li>m. Ports Regulator of South Africa: The Tariff application from TNPA is being reviewed. Pricing Strategy draft will be circulated and shared towards the end of February. The PRSA will also do a presentation at the next PCC meeting.</li> <li>n. Establishment of a single Transport Regulator – consultation in process.</li> </ul>	
<b>SECTION 9: ANNOUCEMENTS AND CLOSURE</b>		
9.1	<p><b>DATE AND VENUE FOR NEXT MEETING</b></p> <p>The next meeting is scheduled to take place at 09:00 Thursday 05 February 2014.</p>	
9.2.	<p><b>CLOSURE</b></p> <p>The Deputy Chairperson thanked everyone for their contributions and inputs. The meeting was adjourned.</p>	

Approved by

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PCC Chairperson

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Date

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PCC Secretariat

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Date