Response to Additional Information Requested in the Interim Regulatory Manual

September 2013

Contents

1. INTRODUCTION

The Ports Regulator has requested the Authority to provide additional information following concerns or activities that stemmed from Previous Records of Decisions (ROD's). The issues highlighted by the Regulator and the Authority's response to the issues are provided in the sections that follow.

2. RESPONSE TO ADDITIONAL INFORMATION REQUESTED IN THE INTERIM REGULATORY MANUAL

2.1 Financial model

a) The financial model applied in determining the Revenue Requirement for FY 2014/15 is demonstrated in the following tables:

The components thereof are calculated as follows:

- **RAB**

Opening RAB calculation

Table 1: RAB per ROD adjusted for Capex underspent

	FY 2013/14
	Rm'
NBV per ROD 31 March 2013	60 877
Less: Capex Underspend FY2012/13	-1 616
Restated NBV 31 March 2013	59 261
NBV inflated for FY 2013/14	62 461
add Capex FY 2013/14	2 221
less Depreciation FY 13/14	-1 562
closing NBV at 31 March 2014	63 120

Table 2: RAB for FY 2014/15

	FY 2014/15
	Rm'
Opening Net Book Value (NBV)	63 120
NBV inflated	66 844
less Depreciation	-1 671
add Capex	3 317
Add inflation for half FY Capex	-
closing NBV	68 490
Average Opening and Closing	65 805
Less Working Capital	-1 111
RAB Final	64 694

- **Working Capital in the RAB**

Table 3: Working Capital

			FY 2013/14		FY 2014/15
Indexation as per Regulatory Manual	**AFS 2012/13**	**Indexation**	**Rm'**	**Indexation**	**Rm'**
Current Assets	2 290		**2 290**		**2 432**
Trade Receivables (31 day 2010/11 Revenue)	2 247	2.50%	2 303	3.50%	2 384
Inventories at 2010/11 YE	43	5.40%	45	5.90%	48
Current Liabilities	3 037		**3 037**		**3 543**
Trade Payables	2 109	5.40%	2 223	5.90%	2 354
Vat Liability	928	5.40%	978	5.90%	1 036
Capex			-		153
Working Capital					-1 111
Trade Receivables indexed by Volume growth					
All other components indexed by inflation					
* Capex is different from FY 2014/15 and 2013/14 (The difference is divided by 12 months plus VAT at 14%)					

- **WACC**

Table 4: WACC

	FY 2014/15
	Rm'
Risk-free rate (nominal)	8.32%
Real risk free rate[1]	2.29%
MRP[2]	7.10%
Asset beta	0.5
Equity beta (using Hamada)	0.86
Gearing	50.00%
WACD (nominal)	9.34%
Inflation[3]	5.90%
Tax rate	28.00%
Cost of equity (real)	8.40%
WACD (real, pre-tax)	3.25%
	5.83%

- **Clawback**

Table 5: Re-calculation of revenue requirement for clawback purpose

	FY 2012/13	FY 2012/13
	Rm'	Rm'
RAB	57 779	
WACC	6.13%	
Return		3 542
Opex (AFS 2012/13)		3 109
Depreciation		1 472
		8 123
Plus Tax		950
		9 073

- The recalculated revenue requirement for FY 2012/13 is R9 073m.
- The recalculated clawback for FY 2012/13 is calculated as follows:

[1] R186 SA Government Bond (10.5% Coupon Bond, Issued February 2002 and Expiring on 21/12/2025, 21/12/2026, 20/12/2027)
[2] Dimson, Marsh and Staunton (Credit Suisse Global Investment Returns Source Book 2013)
[3] Bureau of Economic Research (BER) forecast for 2014 (in June 2013)

Table 6: Claw back calculation FY2012/13

Actual Clawback FY 2012/13	**Rm'**
Revenue Requirement (FY 2012/13)	9 073
Clawback taken	-1 440
Act Mar'11 Clawback calculated	*874*
Clawback Estimated Mar'12	*566*
ETIMC	900
	8 533
2012/13 AFS Revenue	9 058
	-525
Add balance of Act Mar'12 PER ROD	
Final Clawback Mar '13	-525
Provisional taken in ROD 13/14	447
Residual Clawback March 13	**-78**

- The claw back provision for FY 2013/14 is based on the latest estimate of revenue to be earned up to the end of the financial year as compared to what the Regulator has allowed in the FY 2013/14 ROD as follows:

Table 7: Claw back estimation FY2013/14

Estimate Clawback FY 2013/14	**R'm**
Allowed Revenue per ROD 13/14	9 838
Latest Estimate 13/14	9 437
Estimated Clawback 13/14	401
@ 50%	201
Total clawback to be recovered March 2015	
Residual Clawback o/s Mar'13	-83
Guestimate Mar'14	201
Net Clawback	**118**

- **Revenue Requirement**

The Revenue Requirement is as follows:

Table 8: Revenue Requirement

	FY 2014/15
	Rm'
RAB	64 694
Real Post WACC	5.83%
Return on Capital	3 772
Plus: Depreciation	1 671
Plus: Operating Expense	4 329
Plus: Taxation Expense	1 057
Plus: Clawback	118
Revenue Requirement	10 947
Less: Real Estate	-2 113
Marine Revenue	8 834

- In order to determine Marine Business revenue to be derived from tariff adjustments, the required revenue of R8 834m is compared with the expected revenue of R7 462m for FY 2013/14 increased for the expected growth in volumes of 3.5% for FY 2014/15.

Table 9: Volume Increase

REVENUE	Revenue Budget (Nil % tariff increase) 2013/14	2014/15 Weighted Average Revenue Volume Increase %	2014/15 Revenue: Volume Increase R million	2014/15 Revenue: Before Tariff Increase R million
Containers	3 406	3.8%	129	3 535
Break Bulk	291	-2.1%	(6)	285
Dry Bulk	848	8.9%	75	924
Liquid Bulk	560	1.7%	9	569
Automotive	546	5.1%	28	574
TOTAL CARGO DUES AFTER REBATE	**5 650**	**4.2%**	**236**	**5 886**
Marine & other revenue	1 812	1.2%	22	1 834
TOTAL TARIFF BOOK REVENUE	**7 462**	**3.5%**	**258**	**7 720**
Real estate revenue	1 975	7.8%	154	2 128
TOTAL REVENUE	**9 437**	**4.4%**	**412**	**9 848**

- The Revenue Requirement translates into 14.39% as illustrated below.

Table 10: Marine Revenue

Marine Revenue	Rm'
Latest Estimated Revenue for FY 2013/14	7 462
Estimated Volume Growth for FY 2014/15	3.50%
	7 723
FY 2014/15 Required Revenue	8 834
Tariff Increase	14.39%

- The Authority's cash flow requirements could be sustained with the Marine Business Revenue of R8 380 for FY 2014/15. The Difference between R8 380 and the Required Revenue of R8 834 calculated in the revenue above would be released from ETIMC.

Table 11: Marine Revenue post ETIMC

Marine Revenue	Rm'
Marine Revenue Required	8 834
Less ETIMC	454
Marine Revenue for FY 2014/15	8 380

- The new Revenue Required of R8 380 translates to 8.5% increase illustrated as follows:

Table 12: Marine Revenue based on 8.5% increase

Marine Revenue	Rm'
Latest Estimated Revenue for FY 2013/14	7 462
Estimated Volume Growth for FY 2014/15	3.50%
	7 723
FY 2014/15 Required Revenue	8 380
Tariff Increase	8.5%

- In terms of cash holdings, Transnet's Cash Management Policy and Practice is to sweep all cash balances, both positive and negative, to a central treasury account which is under the administration of Group Treasury. The swept balances are then processed to the Group Current Account within TNPA's accounting records with the equal and opposite entry being processed in the Group accounting records. At present TNPA is in a net borrowing position due to the various intercompany entries that are processed through the Current Account i.e. intercompany expenses, project costs, re-gearing dividends, sweeping of cash balances, interest on Group Current Account etc. Should TNPA have positive cash balance and this is swept to the Group Current Account it would result in TNPA owing Transnet Group less and hence a lower interest cost will be charged at the end of the respective month and vice versa

2.2 *Detailed Capex plan with the impact of individual projects on throughput, efficiency, pricing and revenue, what the demand case is for such projects, and its implications for individual user groups;*

The capital expenditure planned and its impact on throughput, efficiency and pricing is demonstrated in terms of when the projects are completed and subsequently transferred to operations. The tables below indicate the capacity made available by virtue of capital being spent as well as the volumes expected to be pushed through these capacity.

- **Containers**

Table 13: Capital Expenditure and Throughput (Containers)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Containers	183	248	2103	2425	2056	4021	1711	12748
- Expand	132	248	2103	2425	2056	4021	1711	12698
- Maintain	50	0	0	0	0	0	0	50
Volumes ('000 TEUs)								
Demand	4611	4792	5026	5302	5611	5987	6495	6593
Capacity	7413	7413	7413	7413	8013	8413	8413	8413
Returns (Impact on Rev)					6965			
Retun on Capital					382			
Depreciation					174			
Additional revenue required per annum					556			

- **Liquid Bulk**

Table 14: Capital Expenditure and Throughput (Liquid Bulk)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Liquid Bulk	260	405	1491	1650	2105	2235	2445	10590
- Expand	157	177	1204	1394	1900	2232	2440	9503
- Maintain	103	229	286	256	205	3	5	1087
Volumes (mKl)								
- Demand (mKl)	42	43	43	45	46	47	48	48
- Capacity available (mKl)	75	74	74	79	80	85	95	105
Returns (Impact on Rev)						8145		
Retun on Capital						446		
Depreciation						204		
Additional revenue required per annum						650		

- **Iron Ore**

Table 15: Capital Expenditure and Throughput (Iron Ore)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Iron Ore	40	27	356	1867	782	42	281	3395
- Expand	37	27	356	1867	782	42	281	3392
- Maintain	3	0	0	0	0	0	0	3
Volumes (mt)								
- Demand (mt)	59	60	61	70	78	82	82	83
- Capacity available (mt)	61	61	61	61	61	83	83	83
Returns (Impact on Rev)						3111		
Retun on Capital						170		
Depreciation						78		
Additional revenue required per annum						248		

- **Coal**

Table 16: Capital Expenditure and Throughput (Coal)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Coal	12	108	29	93	82	78	180	582
- Expand	7	108	29	93	82	78	180	577
- Maintain	5	0	0	0	0	0	0	5
Volumes (mt)								
- Demand (mt)	82	88	90	95	108	110	110	111
- RBCT (mt)	79	84	84	84	95	98	98	98
- Durban (mt)	1	2	2	2	2	2	2	2
- Other (mt)	1	2	4	9	11	11	11	11
- Capacity available (mt)	95	95	95	95	95	95	95	127

- **Manganese**

Table 17: Capital Expenditure and Throughput (Manganese)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Manganese	0	0	80	86	0	0	0	166
- Expand	0	0	80	86	0	0	0	166
- Maintain	0	0	0	0	0	0	0	0
Volumes (mt)								
- Demand (mt)	8	8	8	8	8	10	12	12
- Capacity available (mt)	10	10	10	10	24	24	24	24
Returns (Impact on Rev)					166			
Retun on Capital					9			
Depreciation					4			
Additional revenue required per annum					13			

- **Break Bulk**

Table 18: Capital Expenditure and Throughput (Break Bulk)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Break Bulk	113	407	979	638	546	3757	2746	9186
- Expand	25	95	458	186	495	3737	2695	7693
- Maintain	88	312	520	452	50	20	51	1493
Volumes (mt)								
- Demand (mt)	11	11	12	12	12	12	12	13
- Capacity available (mt)	28	28	28	31	31	31	31	35
Returns (Impact on Rev)				765				
Retun on Capital				42				
Depreciation				19				
Total				61				

- **Automotives**

Table 19: Capital Expenditure and Throughput (Automotives)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Automotives	0	1	10	35	0	10	85	142
- Expand	0	1	10	35	0	10	85	142
- Maintain	0	0	0	0	0	0	0	0
Volumes (units)								
- Demand (units)	592 543	617 511	653 312	671 392	690 725	709 646	717 729	719 119
- Capacity available (units)	770 000	770 000	770 000	770 000	770 000	770 000	770 000	770 000

- **Other**

Table 20: Capital Expenditure and Throughput (Other)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Other (incl LHS)	840	1109	1879	2433	2523	2100	1858	12741
- Expand	52	291	704	792	911	1345	1018	5113
- Maintain	788	818	1175	1641	1612	754	840	7628
Volumes (mt)								
- Demand (mt)	21	26	28	31	32	32	32	32
- Capacity available (mt)	31	31	31	31	31	31	31	37

- **Fleet- Craft and Dredging Services**

Table 21: Capital Expenditure and Throughput (Fleet - Craft and Dredging Services)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Fleet - craft	552	433	648	852	395	550	520	3950
- Expand	159	126	233	310	0	0	0	829
- Maintain	393	307	415	542	395	550	520	3121
Dredging Services	219	578	272	2	2	2	2	1077
- Expand	124	489	270	0	0	0	0	883
- Maintain	95	89	2	2	2	2	2	194

The impact on the revenue is illustrated in the year in which the project is operationalised. The Regulatory formula allows the Authority to earn return on assets plus depreciation on the RAB. As a result an indicative demonstration of what the impact would be on the required revenues is illustrated in the year in which the project is transferred to operation.

2.3 Amounts to be invested and revenues that are to be utilized in port development, safety, security and environmental protection must be provided;

Table 22: Strategic Capital Objectives

		2013/14	2014/15
		Rm	Rm
Re-engineering, Integration, Productivity and Efficiency	To maximise return on investments by obtaining additional volumes	492	1 267
	To maximise return on investments by improving operating efficiencies	351	683
	To preserve current revenue streams without obtaining additional volumes (ie. revenue protection)	1 037	895
Safety, Risk and Effective Governance	Ensure Safety Optimisation	202	383
	Optimise Business Enterprise Offerings	81	26
	Optimally Satisfy Social Investments (non economic value creating projects)	-	1
	Environmental	3	45
Human Capital	Optimise Human Resources	54	17
Total (excl. borrowing cost)		**2 219**	**3 317**

2.4 Further levels of detailed exposition on transfer pricing and internal transfers or payments within the Transnet group that affect NPA. For example, calculation of the benefit that is gained by Transnet from the cash of the NPA that is held by Transnet during any tariff period;

a) See 1 above.

2.5 The annual CAPEX projections of the NPA over the five and ten year cycles must be better articulated and tied to demand and traffic forecasts;

a) This discussion is in support of the information provided in section 2 above

Table 23: List of Major Projects

Project	Corridor	Commodity
Acquisition of 9 tugs (Rcb, Dbn, PE & Sld)	RCB/DBN/PE/SLD	All
Bayvue rail yard expansion - Outcome from ECICS feasibility	RCB	Other
Provision of additional berthing capacity for MPT - berths 709 to 711 (700m quaywall)	RCB	Break Bulk
Provision of additional DBT Export berthing capacity - Berth 802 / 3	RCB	Dry Bulk
Reconstruction of Sheet-Pile Quay Walls at Maydon Wharf	DBN	Break Bulk
Edwin Swales Link Road FEL 4	DBN	Other
Execution: DCT berth deepening 203 to 205	DBN	Containers (Maritime)
Acquistion of 6 tugs for Dbn (4 Replacement & 2 additional)	DBN	Other
Execution: Pier 1 Phase 2 Infill (Salisbury Island)	DBN	Containers (Maritime)
Extend main breakwater and deepen entrance	EL	Other
Operationalise Port for Containers (Prelim & Execution)	NGQ	Containers (Maritime)
Tank farm Berth A100, roads, port entrance and services	NGQ	Liquid Bulk
General Cargo Berth B101 and associated services	NGQ	Break Bulk
Manganese project	NGQ	Manganese
Expansion of Container Terminal : CPT	CPT	Containers (Maritime)
Port Infrastructure for Mossgas Quay Extension & Associated Dredging Works & Dry Dock Facilities - change to Provsion of Ship repair (Floating dcok and rig repair)	SLD	Break Bulk
Ore Expansion Phase 2 Berth Construction	SLD	Export Iron Ore
Provision of second new TSHD	DRS	Other

Table 24: Expansion business vs. maintenance of current business for FY 2014/15

Major Commodity per Port for FY 2014/15

	TNPA	RCB	DBN	EL	NGQ	PE	MSB	CPT	SLD	LHS	DRS	HO
	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Expand Business : - Growth initiatives	1 562	296	211	26	458	1	3	-	65	-	489	14
Maintain current Business : - Replacement Efficiency/ Service Quality	1 755	358	529	229	7	276	5	124	98	21	89	18
Total (excl. borrowing cost)	3 317	654	740	255	465	277	8	124	163	21	578	33

Table 25: Multi-year Strategic objectives

Strategy	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Re-engineering, Integration, Productivity and Efficiency	492	1 267	4 978	6 734	6 137	11 077	7 944	38 629
	351	683	866	777	110	83	128	2 998
	1 037	895	1 343	1 954	1 984	1 422	1 466	10 101
Safety, Risk and Effective Governance	202	383	424	302	158	35	114	1 618
	81	26	37	119	71	38	-	372
	-	1	87	89	10	140	177	503
	3	45	32	23	13	-	-	115
Human Capital	54	17	80	85	7	-	-	242
Total (excl. borrowing cost)	**2 219**	**3 317**	**7 846**	**10 082**	**8 491**	**12 795**	**9 828**	**54 578**

Table 26: Multi-Year Capex Spending Per Port Service

Capex spend per Port Service / Facility	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Infrastructure	1 377	2 284	6 901	9 206	8 046	12 203	9 254	49 271
Marine services	552	433	648	852	395	550	520	3 950
Lighthouse services	71	21	25	23	48	40	52	280
Dredging services	219	578	272	2	2	2	2	1 077
Total (excl. borrowing cost)	**2 219**	**3 317**	**7 846**	**10 082**	**8 491**	**12 795**	**9 828**	**54 578**

Table 27: Port Related Spending per Asset Type

Asset Type	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total 7yr
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Buildings and structures	653	729	798	1 319	1 194	719	1 012	6 423
Aircraft	-	-	-	-	20	86	-	106
Land	1	17	50	152	30	110	92	451
Machinery, equipment and furniture	204	137	226	334	228	124	156	1 408
Permanent way and works	28	122	296	124	268	303	513	1 655
Vehicles, Rolling stock & containers	-	3	-	-	-	-	-	3
Port Facilities	1 334	2 310	6 468	8 146	6 743	11 453	8 055	44 507
Other	-	-	-	-	-	-	-	-
Pipelines networks (etc)	-	-	-	-	-	-	-	-
Total (excl. borrowing cost)	2 219	3 317	7 838	10 074	8 483	12 795	9 828	54 554

2.6 Full disclosure is required for all NPA business i.e. both the marine and real estate business

Real estate business by nature of it being contract driven is not a subject of any tariff increase but is taken into consideration for the determination of the Authority’s allowable revenue. This business is driven by a set of functions which are set out in the Act.

The salient details of the Authority’s real estate portfolio are summarized in the table below to give a consolidated overview of the portfolio.

Table 28: Real Estate Salient Features

Salient Features of Real Estate Business	Details
No. of Ports	8
Gross Lettable Area	Approx.' 27 million m^2
No. of Tenants	750
Total No. of Terminal Operators	89
Vacancy Factor	28%
Average term of Leases	5 - 25 Years
Total Revenue (at March 2013)	R1 771m
Estimated Revenue FY 13/14	R1 974 m
Estimated Revenue FY 14/15	R2 131m
Forecast Revenue Growth	R157m

The information on Marine Revenue is provided in Section 2.1 above.

2.7 Detailed information required on the following Operating expenditure items:

2.7.1 The amount of posts in the approved establishment;

- 5 260 approved posts as at end August 2013 (Organogram)
- 4 409 budgeted posts for FY 2013/14

2.7.2 Current employees;

- 4 041 as at end August 2013
- Total Labour Cost for the month of August 2013: R 122 905 188

2.7.3 Vacant posts;

- 1 219 as at end August 2013 (Organogram)
- 368 budgeted vacant posts for FY 2013/14

2.7.4 The percentage of posts of the total for each of the years that have been vacant over the last 5 years;

Table 29: Vacancy Rate

TNPA Employees	08/09	09/10	10/11	11/12	12/13
Total permanent number of staff - Budgeted in that year	3 428	3 429	3 711	3 587	4 044
Total permanent number of staff - Actual in that year	3254	3139	3258	3422	3584
Vacancies	174	290	453	165	460
Vacancy rate	5.1%	8.5%	12.2%	4.6%	11.4%

2.7.5 Actual Labour Costs vs. Budgeted Labour Costs for the last 6 years;

Table 30: Labour costs

Cost Category	2007/08		2008/09		2009/10		2010/11		2011/12		2012/13	
	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million
Total Labour	926.65	908.59	1 032.73	1 022.05	1 139.72	1 042.09	1 180.57	1 151.98	1 439.66	1 251.04	1 424.48	1 491.21

2.7.6 The actual remuneration increases granted over the last 5 years (percentage and value);

Table 31: Increases over last 5 years

Year	2009/10	2010/11	2011/12	2012/13
Average Increase	8%	9%	8%	8%

2.7.7 The spread between budgeted and actual labour costs for every year of the last five years;

a) Refer to 2. 7.5 above

2.7.8 The value of services/labour that is "purchased" from Transnet group or any of its divisions

Table 32: Services/Labour purchased from Transnet Group

Cost Category	2007/08		2008/09		2009/10		2010/11		2011/12		2012/13	
	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million
Inter Transnet Repairs & Maintenance	46.01	44.35	60.13	43.69	66.80	59.19	83.76	74.23	97.60	77.51	73.34	85.77
Inter Divisional Repairs & Maintenance	3.42	2.66	6.39	1.74	6.52	3.65	3.97	4.07	2.71	3.74	3.66	4.11
Inter Transnet: Prof, Tech & Admin	3.69	7.46	1.07	4.73	1.91	7.45	2.39	6.02	2.87	6.44	4.50	8.04
Inter Divisional: Prof, Tech & Admin	0.92	0.93	1.00	1.29	1.31	1.25	0.36	1.11	0.53	1.05	0.68	0.76
Inter Divisional Miscellaneous Leasing & Contract	-	-	0.00	0.01	0.02	0.02	0.00	0.02	-	-	-	-
Operational Outsourcing: Inter Transnet	0.05	0.01	-	0.01	-	0.00	-	0.00	-	-	-	-
Inter Transnet: Cargo Handling Equipment	0.00	-	-	-	-	-	-	-	-	-	-	-
Operating Leases Internal(Subsidiaries):Land	1.23	1.27	1.38	1.39	1.55	1.60	1.75	2.15	2.22	2.20	2.69	2.54
Operating Leases Internal(Subsidiaries):Buildings & Structur	2.55	3.89	3.75	4.27	4.19	4.50	4.52	4.65	4.96	5.08	5.38	5.53
Operating Leases Internal(Subsidiaries):Machinery,Equipment	2.35	3.83	4.67	6.39	6.64	6.32	0.72	1.38	0.67	3.92	13.15	4.61
Operating Leases Internal(Subsidiaries):Vehicles	1.65	1.98	1.79	2.50	3.08	3.55	2.57	4.08	2.96	3.18	2.61	2.94
Operating Leases Internal(Divisions)	-	-	-	-	-	-	-	-	-	-	-	-
Fees: Internal	2.94	1.23	1.44	(3.41)	9.90	1.90	5.01	5.92	7.02	4.94	1.73	4.88
Fees: Inter Divisional	0.00	0.03	0.00	0.02	-	0.02	0.02	0.11	0.03	0.15	-	0.34
Training - internal trainer costs	-	-	-	-	-	-	-	-	-	-	0.75	-
Training - internal trainer costs	-	-	-	-	-	-	-	-	-	-	-	-
Training - internal trainer costs	-	-	-	-	-	-	-	-	-	-	0.05	-
Training - internal trainer costs	-	-	-	-	-	-	-	-	0.02	-	0.02	-
Training - internal trainer costs	-	-	-	-	-	-	-	-	-	-	-	-
Training - internal trainer costs	-	-	-	-	-	-	-	-	-	-	-	-
Total	64.82	67.64	81.62	62.63	101.92	89.46	105.07	103.75	121.58	108.21	108.56	119.51

2.7.9 The value of services/labour that is provided by the NPA to Transnet or any of its divisions without recovery of the costs of providing such labour/service;

a) The Authority does not have any services it provides without recovery

2.7.10 The split between expenditure on electricity and other kinds of energy (liquid fuels)

Table 33: Split of Energy Sources

Cost Category	2008/09		2009/10		2010/11		2011/12		2012/13	
	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million
Petrol	4.39	4.04	3.53	5.32	3.80	4.07	4.86	4.43	5.23	5.26
Diesel	75.11	73.26	57.10	101.58	75.58	75.59	99.05	90.94	115.52	111.02
Oil & Lubricants	3.64	2.78	4.89	3.43	4.28	4.02	5.22	3.10	4.29	3.98
	83.14	80.08	65.52	110.33	83.66	83.67	109.12	98.48	125.03	120.26
Electricity	68.20	56.26	97.49	87.62	131.79	147.22	165.28	180.46	227.74	254.15
	68.20	56.26	97.49	87.62	131.79	147.22	165.28	180.46	227.74	254.15
Total Energy	151.33	136.33	163.01	197.95	215.45	230.90	274.40	278.94	352.77	374.42

2.7.11 The portion of the energy budget that is merely pass-through to tenants or other Transnet divisions, versus actual energy usage by the NPA operations.

Table 34: Split of Electricity costs

Cost Category	2008/09		2009/10		2010/11		2011/12		2012/13	
	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million	Actual R'Million	Budget R'Million
Total Electricity Cost	68.20	56.26	97.49	87.62	131.79	147.22	165.28	180.46	227.74	254.15
Inter Transnet Recoveries	(1.33)	(0.63)	(1.82)	(0.99)	(1.69)	(2.06)	(2.22)	(2.56)	(3.19)	(2.15)
Inter Divisional Recoveries	(42.85)	(40.49)	(59.67)	(55.71)	(79.85)	(87.11)	(109.62)	(110.39)	(126.19)	(134.60)
	(44.18)	(41.13)	(61.49)	(56.70)	(81.54)	(89.18)	(111.85)	(112.95)	(129.39)	(136.75)
External Recoveries	(20.53)	(12.16)	(26.49)	(18.33)	(34.07)	(32.10)	(41.76)	(44.19)	(47.02)	(47.95)
	(20.53)	(12.16)	(26.49)	(18.33)	(34.07)	(32.10)	(41.76)	(44.19)	(47.02)	(47.95)
Total Energy	(64.71)	(53.29)	(87.98)	(75.03)	(115.61)	(121.27)	(153.61)	(157.13)	(176.40)	(184.71)
TNPA Electricity cost	3.49	2.97	9.51	12.59	16.18	25.95	11.66	23.32	51.34	69.45
Energy recovery from customers	95%	95%	90%	86%	88%	82%	93%	87%	77%	73%

End.