

# ISWAN CONFERENCE – LONDON 21<sup>st</sup> May 2013

## PORT OF DURBAN SOUTH AFRICA



ECUMENICAL

FOUNDING MEMBERS: MTS, AOS, ICS

various Associate members

# VOLUNTARY LEVY SYSTEM

- Rate level R225 per vessel call (at present ROE USD 25)
- Level fixed by management committee
- All vessels invoiced via ships' Agents
- Average 300 vessels per month – 70% payment rate
- Average monthly levy collection R47 000 (USD5200)

# ADMINISTRATION

- Invoices issued on daily basis by mission staff
- Payments chased up by mission staff
- Reports discussed at monthly committee meetings
- All vessels are invoiced (even known non-payers)
- After 4 months, credits passed for the known non-payers

# REASON FOR NON-PAYMENTS

- Owners/Operators instruction to Agents
- Late advice by Agents that they are Charterers' Agents not Owners' Agents
- Agents ineffective accounting
- Agents not in receipt of funds from Principals
- "Oh, but it's only a voluntary levy"

# RECTIFYING NON-PAYERS

- Close liaison with Agents
- Education regarding our services/facilities
- Approaching Owners/Operators H.O.
- Representative visiting Agencies

# USAGE OF LEVIES

- Annual collection R564 000 (USD62 600)
- Annual transport costs (3 buses) Approx R125 000 (USD13 880)
- Mission staff salaries approx R715 000 p.a. (USD79 500)
- Decision regarding usage made by mission management committee
- Levy makes up approx 45% of mission income
- Total levy collection credited to mission accounts

# OTHER

- There is no possibility of making the levy compulsory
- Port authorities make no financial contribution to the mission.
- Mission is on port land – monthly rental paid
- No PWC – discontinued many years ago
- NSRI also have a voluntary levy R125 (USD14). Their payment success rate similar to ours
- Immigration: Visa requirements for seafarers proceeding ashore

## OTHER cont...

- When/if levies are increased, main contributing agents are canvassed to discuss possible increase.
- Any change in the method of charging would be difficult to motivate and canvass for, as present method of charging is accepted by agency community and could lead to additional non-payments. Also may lead to referring back to principals which may be detrimental.



From a South African perspective, the success of the levy system is closely linked to a close co-operation with ships' Agents, specifically building relationships and educating and updating them on facilities at the mission.