

SECTION 1: INTRODUCTION

1.1 BACKGROUND TO THE PROJECT

Transnet is a State-owned Enterprise (SOE) under the National Department of Public Enterprises (Public Finance Management Act, Act No. 29 of 1999). As the holding company behind some of South Africa's largest national transport businesses, Transnet is responsible for making sure that the country's transport industries operate to world-class standards and form an integral part of the overall economy (<http://www.transnet.co.za>, accessed 06/08/06).

As part of the government driven "Accelerated and Shared Growth Initiative of South Africa" (ASGISA), Transnet has been allocated R65 billion to develop core assets such as ports and railways. ASGISA, announced by President Thabo Mbeki in the "2006 - State of the Nation Address", is aimed at increasing the competitiveness of the South African economy and reducing levels of unemployment.

Transnet's existing iron ore handling facility (Photo Plate 1) was established in 1977 at the Port of Saldanha, located approximately 120 kilometres north of Cape Town in the Western Cape Province (Figures 1 and 2). The facility is presently able to handle approximately 38 million tons per annum (MTPA) of iron ore, but authorised to handle 45 MTPA. The iron ore is transported to the facility by rail from Sishen in the Northern Cape, where it is stockpiled prior to loading onto bulk iron ore carrier ships for export.

Global commodity demand forecasts suggest a significant increase in demand for iron ore in the medium to long-term. A portion of this global demand could be satisfied by an accessible supply of good quality ore available in the Northern Cape Province. Transnet, along with a few large mining companies, has identified an opportunity to increase its capacity to supply larger volumes of ore to satisfy increased demand in the future. Refer to Section 2.3 for the detailed motivation for the proposed expansion of the facility.

Thus, Transnet, through its business units: South African Port Operations (SAPO), the National Ports Authority (NPA), and Spoornet, has identified the need to expand the current capacity of the bulk iron ore handling facility at the port of Saldanha. The proposed expansion will increase the approved capacity from approximately 45 million tonnes of iron ore per year to 93 million tonnes per year.

Due to the nature of the planned upgrade the Environment Conservation Act, 1989 (Act No. 73 of 1989) (ECA)¹ requires that an Environmental Impact Assessment (EIA) be undertaken by an independent consultant to evaluate the potential impacts of the project.

¹ Although the EIA regulations in terms of the ECA have been repealed by EIA regulations in terms of the National Environmental Management Act (NEMA) as from 1 July 2006, this application is being dealt with in terms of the ECA, as the EIA process was started prior to the new regulations coming into affect.

PD Naidoo and Associates (Pty) Ltd (PDNA) and SRK Consulting (Pty) Ltd (SRK) have been appointed by Transnet to undertake the EIA for the proposed Phase 2 expansion of the bulk iron ore handling infrastructure.

1.2 DETAILS OF THE APPLICANT

In terms of the EIA process the applicant for this application is Transnet Limited; their contact details are as indicated in Table 1.

Table 1: Details of the Applicant and Contact Person

Name of Applicant	Postal Address	Relevant Numbers
Transnet Limited	Private Bag X20,	Tel: (011) 239 5976
Contact person:	Gallo Manor	Fax: (011) 239 5804
Mr. Dan Reddy	2052	

Four business units within the Transnet Group will play a key role in the construction and operation of the facilities to be upgraded under the proposed Phase 2 expansion. These entities, and a description of their responsibilities within Transnet, are listed below:

- Spoornet: Focuses on the rail transportation of freight.
- National Ports Authority (NPA): Responsible for providing port infrastructure and marine-related services, as well as managing port activities in a landlord capacity at South Africa's major ports.
- South African Port Operations (SAPO): Managing port and cargo terminal operations through a number of strategically segmented units. The Bulk Terminal Saldanha (BTS) is the unit responsible for SAPO's Saldanha operations.
- Transnet Projects: A new business unit of Transnet that since 1 October 2006 includes the former Protekon: a multi-disciplinary engineering component specialising in providing turnkey railway, port and inter-modal logistical solutions in Africa and further afield.

1.3 PURPOSE AND STRUCTURE OF THIS SCOPING REPORT

Environmental Impact Assessment (EIA) is a major part of the integrated environmental management procedure (IEM), an approach that integrates environmental considerations into all stages of the planning and development process and requires post-impact monitoring and management (DEAT, 2002). The EIA process, as outlined in the EIA Guideline Document (DEAT, 1998), consists of a number of phases. The first phase is the scoping exercise, which aims to focus the EIA on the main issues, and involve the appropriate persons and groups early in the scoping process. The purpose of the scoping exercise is therefore to enable the authorities, the proponent and stakeholders to:

- Identify key issues and potential impacts related to the project;
- Propose and select feasible alternatives for further assessment;
- Identify important characteristics of the affected environment;
- Outline significant issues to be examined in the assessment phase; and
- Provide the basis for determining the terms of reference for the assessment phase (DEAT, 2002).

The following key factors have been taken into account in compiling this report:

- The nature of the proposed expansion and the receiving environment;
- The legal policy and planning context (regulatory framework) for the proposed expansion; and
- The environmental priorities of the affected population in the study area.

The second phase of the EIA process is the assessment phase, to which the scoping process is directed. Therefore the desired outcomes of the scoping exercise are as follows:

- Effectively identify stakeholders and include them in the scoping process;
- Give due consideration to alternatives for achieving the objectives of the proposed expansion;
- To close the process, by identifying significant issues that will be addressed in the EIA phase;
- Clarify the roles and responsibilities of various stakeholders in the process; and

- Develop adequate terms of reference for the EIA that are acceptable to all stakeholders.

Accordingly, this report has been structured to the following outline:

Executive Summary: This is a summary of the whole report, its findings and recommendations.

Section 1: A concise introduction to the project and background information on the expansion.

Section 2: Provides a detailed project description and motivation for the project.

Section 3: Section 3 is a discussion on the regulatory framework for the proposed expansion of the iron ore handling facility.

Section 4: Section 4 provides a description of the receiving environment.

Section 5: Section 5 outlines the public participation process conducted prior to and during the scoping phase.

Section 6: This section discusses the key issues identified in the scoping process. It also outlines the terms of reference for further studies.

Section 7: This section is a brief analysis of the alternatives identified thus far.

Section 8: This section concludes the report and makes recommendations for the EIA phase of the study.

Section 9: Is a reference list.

Section 10: Lists the appendices to the Scoping Report.



Photo Plate 1: Aerial view of Saldanha with the port in the background.

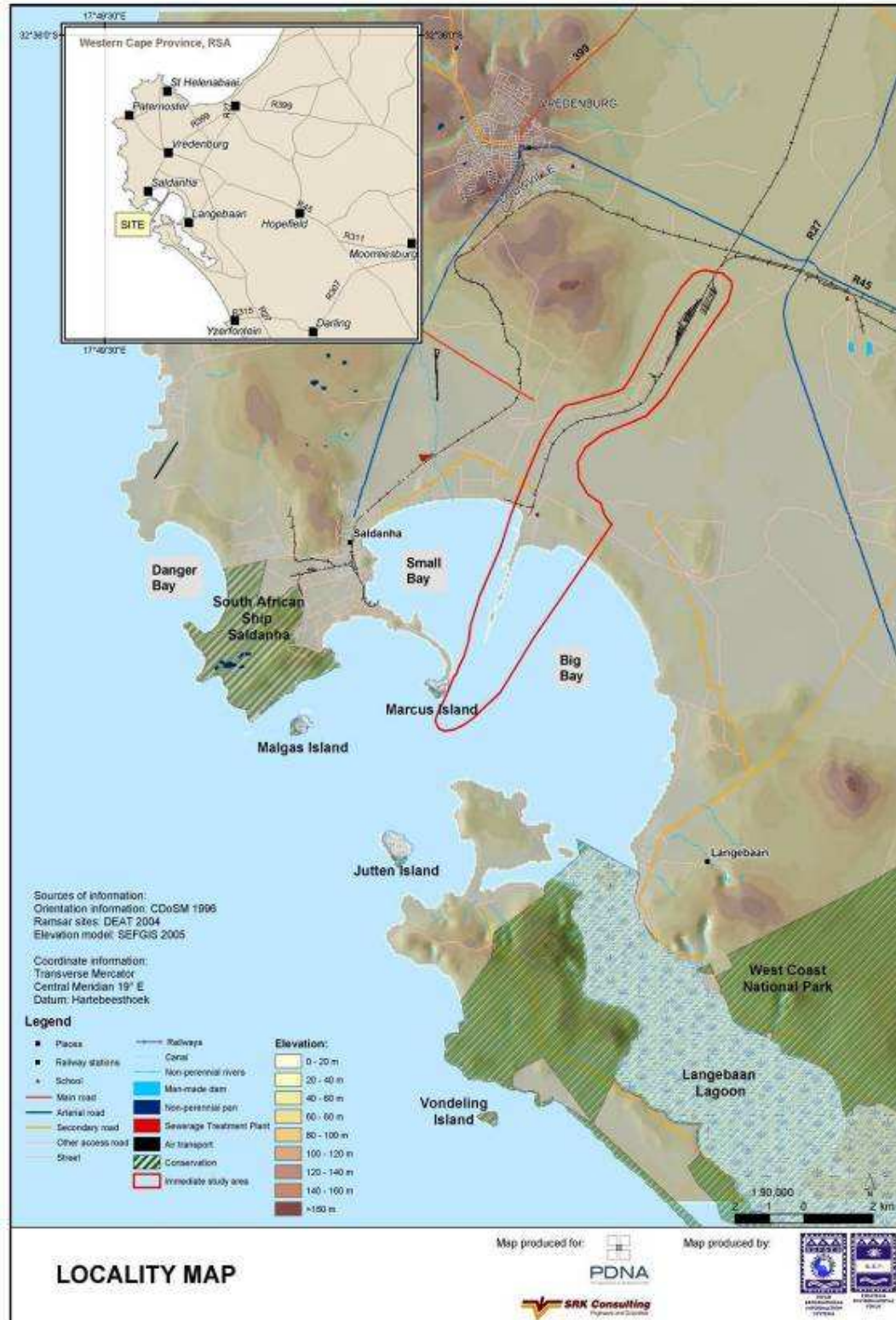


Figure 1: Locality Map of the Port of Saldanha, showing the study area

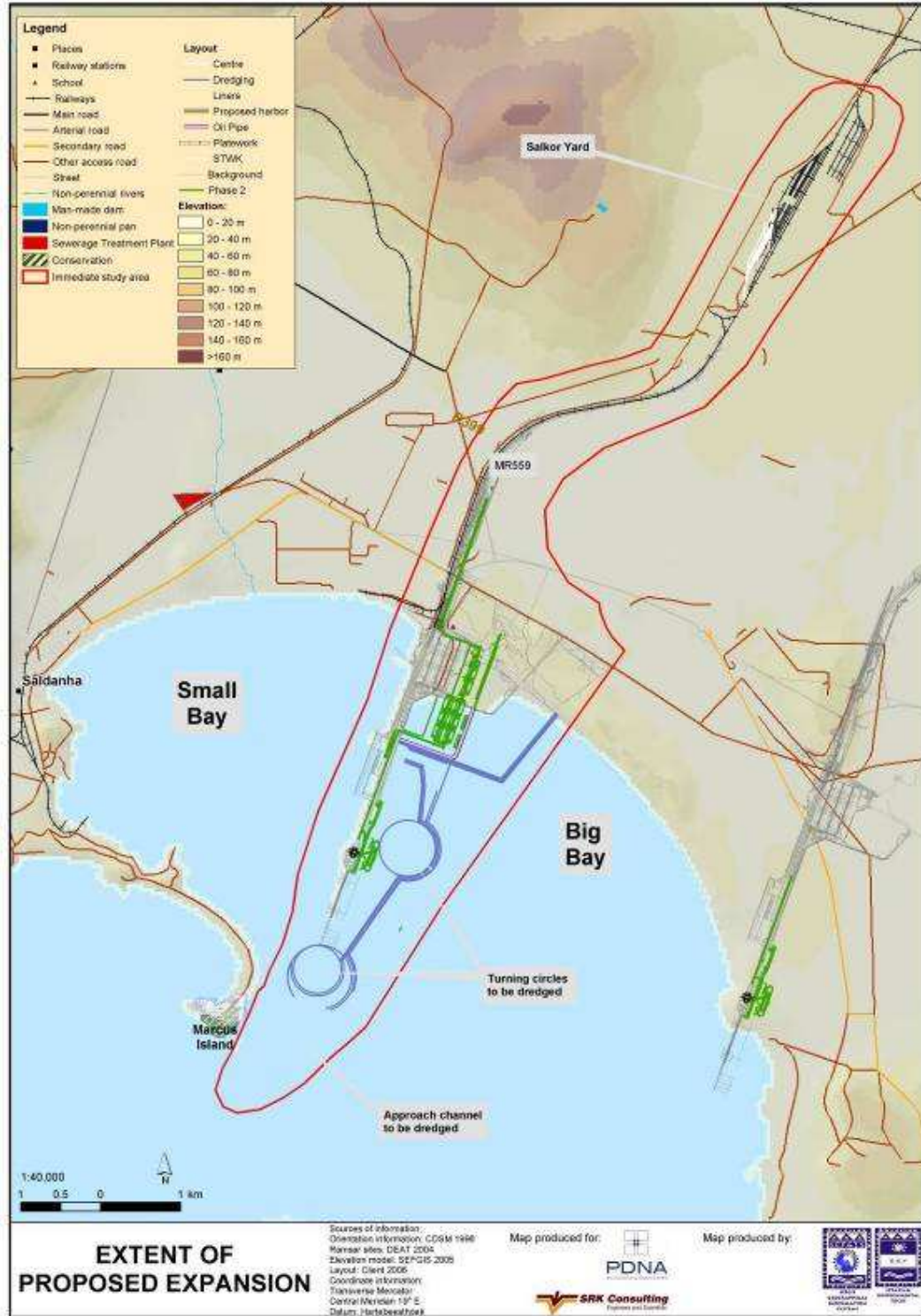


Figure 2: Close up map of Saldanha Bay showing the full extent of the study area, navigation infrastructure: active and future berths, as well as proposed turning circles.