

Key Performance Indicators

Service Delivery

Our objective

- Providing exceptional services that exceed customer expectations.

Outcomes sought

- Understanding of customer needs
- Meeting or exceeding customer expectations
- Availability and reliability of all services and facilities
- Responsiveness.

Berthing delays – incoming vessels

The performance targets for port operations include maximum berthing delays due to the unavailability of services and berths for container vessels in the Inner Harbour and Fremantle Ports' Kwinana Bulk Terminal and Kwinana Bulk Jetty in the Outer Harbour. Services include pilotage, towage and mooring. This performance indicator measures the percentage of ships affected and the average hours per delay for unavailability of services and berths.

Figures 1 and 2 show that Fremantle Ports did better than its target with significantly less than 1% of vessels affected by delays due to the unavailability of shipping services in the Inner Harbour and at the Kwinana Bulk Terminal and less than 2% at the Kwinana Bulk Jetty. The hours delayed were also below the target at Kwinana Bulk Terminal and Kwinana Bulk Jetty but slightly higher for Inner Harbour Container vessels. It should be noted that there was only one container vessel delayed by shipping services in the Inner Harbour in 2007/2008.

Fig 1. Delays to Incoming Vessels due to Unavailability of Shipping Services 2007/08
% of total vessels affected

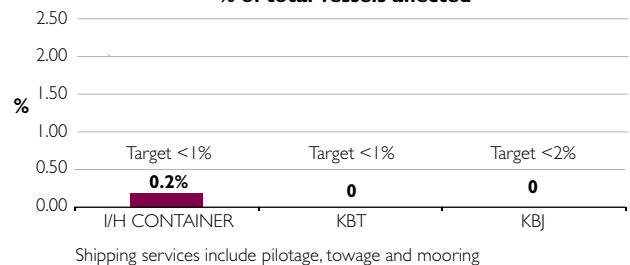
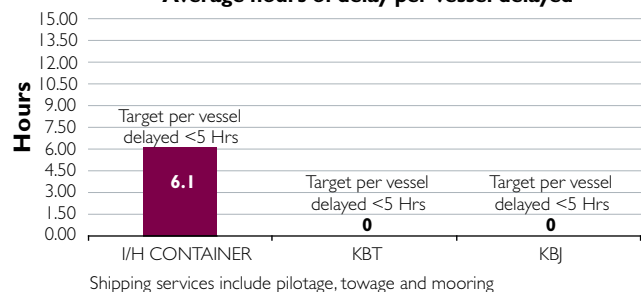


Fig 2. Delays to Incoming Vessels due to Unavailability of Shipping Services 2007/08
Average hours of delay per vessel delayed



Capability for the Future

Our objective

- Ensuring sound planning for all aspects of our business including resources, services and infrastructure.

Outcomes sought

- Relevant planning is undertaken across all areas
- Providing appropriate infrastructure and services for current and future trade.

Figure 3 shows that delays due to unavailability of berths (percentage of total vessels affected) in the Inner Harbour and at Kwinana Bulk Jetty in the Outer Harbour were below the maximum target. However, unavailability of berths at Kwinana Bulk Terminal was significantly higher than target due to increases in berth utilisation due to new customers and increased trade for existing customers and this has resulted in higher than targeted percentage of total vessels affected (44 per cent).

Figure 4 shows that Fremantle Ports was below its targets for unavailability of berths (average hours of delay) in the Inner Harbour and at Kwinana Bulk Terminal. Although the figures for the Kwinana Bulk Terminal are slightly below the target, the average hours of delay reflect increases in berth utilisation due to new customers and this has resulted in average hours per delay remaining high during 2007-08 with the average delay per vessel visit being 34 hours and the average delay per vessel delayed being 75 hours.

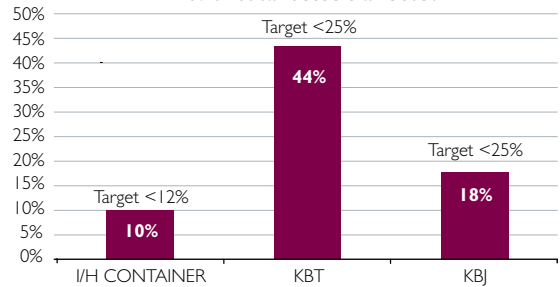
Customer satisfaction

Fremantle Ports conducted a survey of shipping lines in June 2008. The survey was conducted as part of Fremantle Ports' customer liaison program with major lines and agents. A total of 20 shipping lines were surveyed and the response rate was 85 per cent.

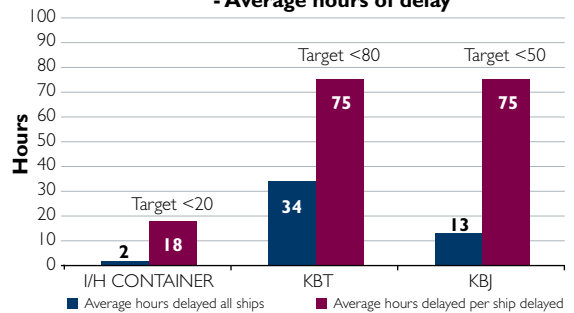
The overall results were analysed by a firm of marketing and communications research consultants.

Figure 5 shows that 88% of respondents were satisfied or very satisfied with services provided by Fremantle Ports which was at the upper end of the target range of 80-90% and marginally below the level in the previous year when the response rate to the survey was 89%.

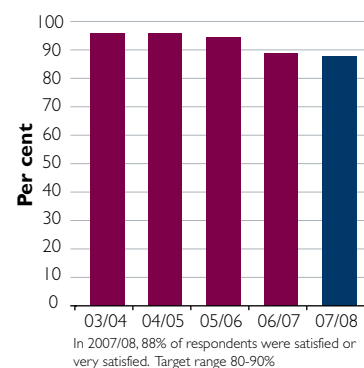
**Fig 3. Unavailability of Berths 2007/2008
% of total vessels affected**



**Fig 4. Unavailability of Berths 2007/2008
- Average hours of delay**



**Fig.5 Shipping Line/Agent
Survey Services - 2003/2004 to 2007/2008
Level of Overall Satisfaction
with Fremantle Ports' Services**



Key Performance Indicators

Crane rates

Container stevedoring in Fremantle Ports is carried out by Patrick and Dubai Ports World. Crane rates are a measure of the productivity of the container terminal operators in the port. The crane rate is the number of containers handled divided by the Elapsed Crane Time. The Elapsed Crane Time is the total allocated crane hours, less operational and non-operational delays.

Figure 6 shows that crane rates measured in containers per hour have increased by 72.8 per cent from the December Quarter 1995 to the December Quarter 2007 (latest figures released by Waterline). Productivity was significantly higher than the five port average in the June and September quarters of 2007. The crane rate for Fremantle was above the five port average from the March quarter of 2006 to the December quarter 2007.

The Ship Rate in Fremantle increased from 35.9 containers per hour in December 2000 to 46.8 containers per hour in December 2007, an increase of 30.4 per cent. The Ship Rate is defined as the crane rate multiplied by Crane Intensity. Crane Intensity is defined as the total number of allocated crane hours, divided by the elapsed time from labour first boarding the ship and labour last leaving the ship.

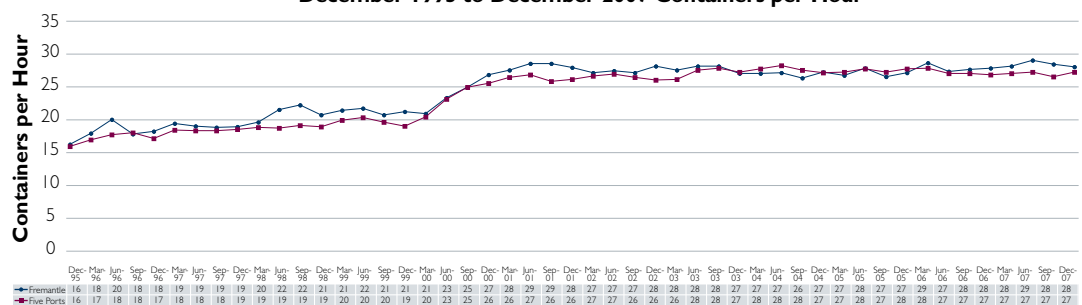
The number of cranes used by a stevedore to work a ship depends on a variety of factors including the size of the ship, the stowage pattern and number of containers to be exchanged, the total number of cranes at the terminal, crane availability, and the cost of using the cranes in terms of labour and maintenance.

The average size of container vessels has increased from 25,000 gross tonnes (GT) in 1997/1998 to 36,300 GT in 2007/2008, an increase of 45.2 per cent over that period. The arrival of a new quayside container crane at Patrick Terminals in late 2006 has contributed to improved crane rates in 2007/2008 and will ensure that the Port of Fremantle is capable of handling larger vessels in the future.

The average number of containers exchanged per container vessel increased by 7.3 per cent over the year, from 995 TEUs per vessel in 2006/2007 to 1,103 TEUs per vessel in 2007/2008. Total container throughput increased by 74,526 TEUs or 14.7% to 580,345 TEUs. Full container throughput increased by 13.9 per cent over the year.

The Vessel Working Rate (the number of containers handled divided by the Elapsed Labour Time) in the port for the December quarter 2007 was 34.9 containers per hour, an increase of 43.0 per cent compared to the figures for the December quarter 2000, which further highlights labour productivity over that period.

Fig 6. Container Terminal Performance Indicators
Comparison of Crane Rates between Fremantle and Five Ports Average
December 1995 to December 2007 Containers per Hour



Source: Waterline, Bureau of Transport and Regional Economics Figures for March and June quarter 2008 not available due to Waterline being published in January and August.

Trade and Business Growth

Our objective

- Promoting and facilitating trade and business growth opportunities.

Outcomes sought

- Trade growth
- Meeting or exceeding customer expectations for customer growth initiative
- Business growth.

Total port trade (mass tonnes 000's)

Figure 7 shows that total port trade (total imports and exports), was 1.0 million tonnes or 4.1% higher than last year. Total exports increased by 0.07 million tonnes or 0.6 per cent to 13.1 million tonnes in 2007/2008 while total imports increased by 1.0 million tonnes or 8.0 per cent to 13.0 million tonnes.

Inner Harbour exports increased by 21.9 per cent in 2007/2008 mainly due to strong growth in full container trade, particularly containerised wheat exports which more than doubled compared to last year. Outer Harbour exports decreased by 7.6 per cent, influenced by declines in wheat and refined petroleum. Bulk wheat exports decreased by 1.5 million tonnes or 47.7 per cent. Coal exports were almost 10 times the level of last year with 0.4 million tonnes exported and barley exports more than doubled to 0.7 million tonnes.

Inner Harbour imports increased by 10.1 per cent mainly due to the significant increase in full container and breakbulk volumes. Outer Harbour imports increased by 7.2 per cent due mainly to significant increases in coal, caustic soda, cement clinker, gypsum, iron ore, crude petroleum, phosphates, sulphur, and urea.

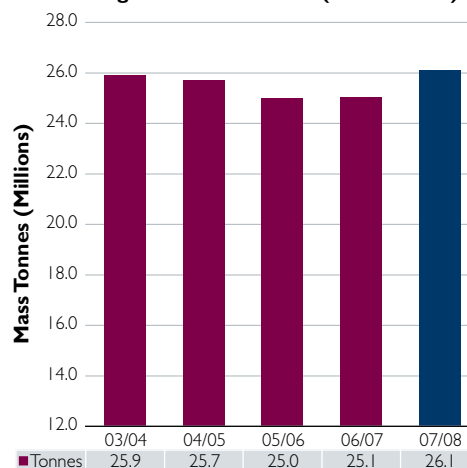
Total container trade

Figure 8 shows that container trade has increased by 24.5 per cent since 2003/2004 and by 14.7 per cent over the 12 months to 30 June 2008.

The main features of the container trade over the last twelve months were as follows:

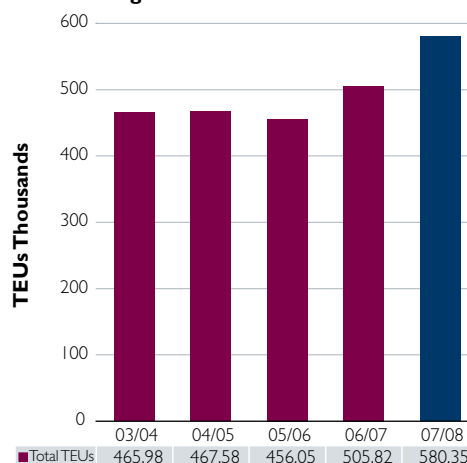
- Non trans-shipped full container exports increased by 20.5 per cent and non trans-shipped full imports by 8.5 per cent
- Total container exports and imports increased by 13.8 per cent and 15.6 per cent respectively

Fig.7 Total Port Trade (Mass Tonnes)



Note: The Statement of Corporate Intent forecast for total trade in 2007/08 was 29.0 million tonnes.

Fig.8 Total Container Trade - TEUs



Note: The Statement of Corporate Intent forecast for total container trade in 2007/08 was 534,000 TEUs.

Key Performance Indicators

- Full container exports (including trans-shipments) increased by 21.1 per cent and full imports (including trans-shipments) increased by 8.8 per cent
- Empty container exports decreased by 0.5 per cent and empty imports increased by 81.9 per cent
- Coastal container throughput totalled 85,167 TEUs, an increase of 8.9 per cent on 2006/2007. Coastal non trans-shipment full container throughput totalled 61,607 TEUs, 1.0 per cent down on 2006/2007
- Full trans-shipment container throughput reached 2,558 TEU's, almost five times higher than last year
- The number of container vessel visits to Fremantle Port increased from 497 visits in 2006/2007 to 519 visits in 2007/2008
- The average size of container vessels has increased from 34,600 gross tonnes (GT) in 2006/2007 to 36,300 GT in 2007/2008, an increase of 4.9 per cent over that period
- The average number of containers exchanged per container vessel increased by 7.3 per cent over the year, from 995 TEUs per vessel in 2006/2007 to 1,103 TEUs per vessel in 2007/2008

Container trade - market share

Figure 9 shows that Fremantle Ports' market share, measured as the number of containers through Fremantle as a percentage of Australian capital city ports (excluding Hobart), increased from 9.5 per cent in 2006/2007 to 9.9 per cent in 2007/2008. The significant rise in containerised grain exports was the main reason for the increase in market share in 2007/2008.

Number of ship visits

Figure 10 shows that the number of ship visits for commercial, non trading and fishing vessels (naval vessels of war are excluded) increased by 2.3 per cent over the 12 months to 30 June 2008. Commercial ship visits increased by 51 visits in the Inner Harbour and declined by 18 visits in the Outer Harbour. The Inner Harbour increase in ship visits was mainly due to increases in car carriers, general cargo vessels, and roll on roll off, passenger and container vessels. In the Outer Harbour, grain vessel visits declined by 33 or 28.0 per cent and vessel visits increased for dry bulk other and phosphate. Non trading vessel visits were at a similar level as the previous year.

Fig.9 Container Trade Fremantle - Market Share % Australian Container Trade

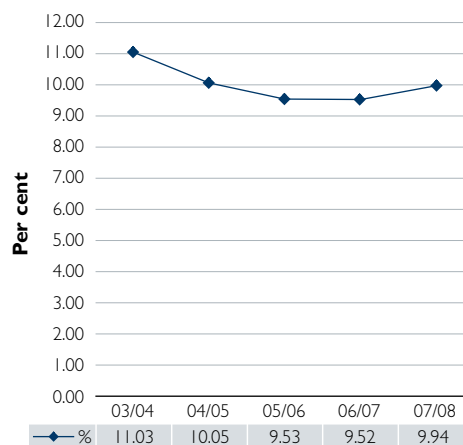
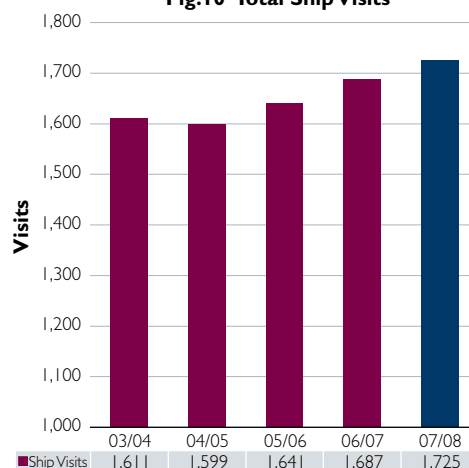


Fig.10 Total Ship Visits



Note: Naval vessels not included. The Statement of Corporate Intent forecast for total ship visits in 2007/08 was 1,775

Business Excellence and Sustainability

Our objective

- Ensuring business sustainability through our excellent performance in all areas, innovation, business improvement and community and stakeholder engagement.

Outcomes sought

- Embedding of the Australian Business Excellence Framework and our sustainability principles
- Business improvement
- Innovation
- Competitiveness of services and facilities
- Financial viability
- Triple bottom line
- Safety and protection of the environment
- Understanding of community and stakeholders requirements.

Fremantle Ports' profit before income tax equivalent (excluding individually significant items)

Figure 11 shows that operating profit before income tax equivalent reached \$25.4 million in 2007/2008, 46.2 per cent higher than 2006/2007.

Economic rate of return on assets

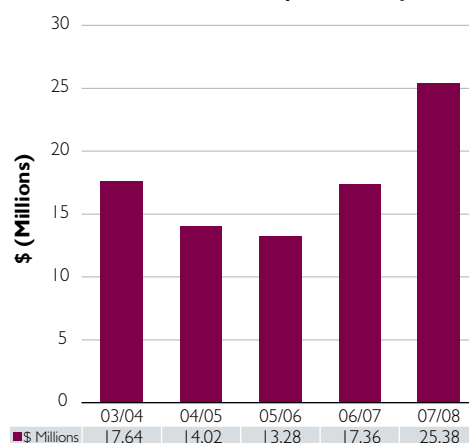
Figure 12 shows that the Economic Rate of Return on assets was 8.2 per cent for 2007/2008.

This compares with the target of 5.5 per cent for the year. The target Rate of Return is agreed to with the State Government annually. During the year the value of assets on which the rate of return is calculated increased by \$20.3 million or 6.7%.

Community satisfaction

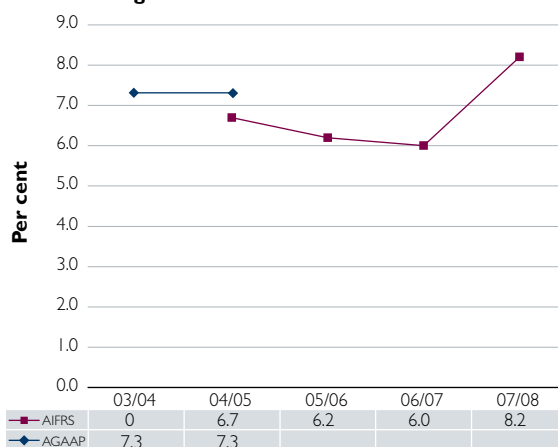
Fremantle Ports conducted a community satisfaction survey in June 2008. The survey was conducted as part of Fremantle Ports' community liaison program. This involved a telephone survey with 200 residents in the Inner Harbour (North Fremantle, South Fremantle, East Fremantle, and Fremantle) and 200 residents in the Outer Harbour (Cockburn, Kwinana, and Rockingham).

Fig 11: Operating Profit Before Income Tax Equivalent Payments



Note: For comparative purposes the above figures exclude individually significant items.

Fig 12 Economic Rate of Return on Assets



With effect from 2005/06, Fremantle Ports financial statements are prepared in compliance with Australian International Financial Reporting Standards (AIFRS). The 2004/05 figures which were previously reported under Australian Generally Accepted Accounting Principles have now been restated under AIFRS.

Key Performance Indicators

The overall results were analysed by a firm of marketing and communications research consultants.

Figure 13 shows that 66 per cent of respondents in the Inner Harbour and 60 per cent in the Outer Harbour were quite satisfied or very satisfied with the performance of Fremantle Ports overall and that 24% and 34% respectively were neither satisfied nor dissatisfied. Whilst the majority of Inner and Outer Harbour residents are satisfied with Fremantle Ports' performance, there has been some shift from satisfaction to neutral ratings amongst Outer Harbour residents surveyed.

Fig 13. Overall Satisfaction with Fremantle Ports - June 2008

