



2009



Fremantle Ports

Annual Report

FREMANTLE PORTS ANNUAL REPORT

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Hon Simon O'Brien MLC,
Minister for Transport

To the Hon Simon O'Brien MLC

Minister for Transport

In accordance with section 68 and clauses 34 and 35 of Schedule 5 of the *Port Authorities Act 1999*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Fremantle Port Authority which trades as Fremantle Ports for the year ended 30 June 2009.

Alan Birchmore

Chairman I Board of Directors

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Performance Highlights

- Overall trade levels were maintained, despite the impact on some trades from the global economic downturn. Strong growth in the container trade in the first half of the year and increased grain exports contributed to this result.
- Budget targets were met, enabling a contribution to Government of \$20.1 million in taxes, tax equivalents and dividends.
- The Public Environmental Review process for the deepening of the Inner Harbour and approach channels and reclamation at Rous Head was completed towards achievement of final ministerial approval.
- Work began on the dismantling and reconstruction of Berth 10 on North Quay to enable it to handle container shipping, extending port capacity and facilitating scheduling of shipping during the deepening.
- Significant input was provided to the Fremantle Ports Optimum Planning Group established by the Minister for Transport and technical studies were completed in relation to approvals for the future development of additional container and general cargo port facilities at Kwinana.
- Product handling through Fremantle Ports' bulk terminal facilities continued to be enhanced with coal throughput for new customer Griffin Coal exceeding the one million tonne mark at the Kwinana Bulk Terminal.
- During 2008/09, the volume of containers carried by rail achieved a market share of 15 per cent. This was a 12 per cent increase over the previous year.
- A very successful cruise shipping season generated approximately \$55 million into the metropolitan area, with 28 cruise ship visits. There are 39 visits booked for next year.
- Planning for aspects of the Fremantle Waterfront implementation was progressed including the development of urban design guidelines and a draft heritage interpretation plan for the western end of Victoria Quay.
- Annual survey results showed that 89 per cent of shipping line customers were satisfied or very satisfied with Fremantle Ports' services. Community satisfaction levels with Fremantle Ports and support for the continuing role Inner Harbour as a working port were high.



Fremantle is Western Australia's biggest general cargo port.

Executive Summary

Chairman's Report

The year to the 30th June 2009 was difficult for individuals and businesses alike. Australians were better placed than most, but Fremantle Ports' activities are largely international and we saw significant reductions in a number of trade sectors.

Fremantle Ports re-budgeted and re-planned to ensure that facilities and manpower remained up to the task, but where savings could meet lower throughput, cut backs were made to maintain efficiency and cost. Against this background, the final outcome for the year was very satisfactory and is reported in some detail in the CEO's report.

There was a change of State Government during the year and in the best traditions of Australian politics, the constructive relationship enjoyed with our previous Minister has been fully maintained. The change offered an ideal opportunity to re-examine the long term plans for the port, an essential exercise as Fremantle Ports' inexorable growth continues to reflect our vigorous State. It is crucial that we stay ahead.

Consequently, at Minister O'Brien's direction the Fremantle Ports' Optimum Planning Group was established and is well advanced with its task of preparing independent advice on the long term needs of Fremantle Ports' container and general traffic. The report is expected by the end of 2009 and will become a valuable tool for long term planning. Last year, the total value of trade moving through Fremantle Inner and Outer Harbours exceeded \$25 billion and an essential element of the study will be to protect and improve freight corridors to and from this large and growing port.

At a time of budget cuts, the WA Government chose to maintain Fremantle Ports' \$250 million plans for harbour deepening and berth upgrades in the Inner Harbour. The size of ships visiting Fremantle constantly increases and failure to keep abreast of these developing shipping needs would seriously compromise Western Australia, its communities and business. A significant benefit from the dredging is the creation of 27 hectares of new land in the Rous Head area with an eventual value which will offset the cost of the work.

As with most Australian ports which were established at times of European settlement, Fremantle is surrounded by a large and growing city. There are many community benefits, such as employment and business opportunities which flow from that, but there are also accompanying responsibilities to limit the impact of the large logistical activities which operate 24/7.

Environmental and safety management and other ways to limit adverse impacts receive the highest priority and results demonstrate this, but outcomes are reviewed by ongoing external audits.

Fremantle Ports is active in the Fremantle community, consulting, listening and getting involved. The success of these efforts is reflected in annual surveys in which a large majority of Fremantle residents continue to show their support for this busy and active port in the heart of their city. They are fully deserving of our thanks.

Cooperative and friendly working relationships are invariably found at Fremantle Ports. The workplace is progressive and enjoyable, an environment in which our employees know what they are doing and do it well.

Fremantle's new CEO, Mr Chris Leatt-Hayter has settled well into the very demanding task and is proving to be a highly competent manager. My fellow Directors are a talented team of professionals who, through their experience and hard work, make a significant contribution to Fremantle Ports' governance and direction. We are nothing without our customers who daily make the choice of trusting Fremantle Ports with their business and their assets. My sincere thanks to you all.

Alan Birchmore
Chairman



Alan Birchmore, Chairman,
Fremantle Ports Board.

Chief Executive Officer's Report

Strong growth in container trade in the first half of the year and growth in some other areas of our business helped to offset the impacts of the current global recession. A concerted effort to reduce our cost base also helped to ensure that our budget targets were met.

Shipping and ports are supply and demand driven industries. The effect of the worldwide economic situation, coming hard on the heels of Western Australia's economic boom, demonstrates the increasingly interconnected nature of the global market.

Container volumes handled through Fremantle were slightly below last year's level, due mainly to a sharp fall in imports in the second half of the year as a result of reduced consumer demand. The effects of the downturn can also be seen in the 28 per cent fall in the number of new motor vehicle imports this year.

Overall trade, however, was boosted by wheat exports in a bumper harvest year and was slightly above the 2007/08 total.

In the midst of the economic downturn, the trade outcome was better than expected. Coupled with the measures we took to contain spending it enabled Fremantle Ports to return an after tax profit of \$13.7 million.

While in the short term trade growth is likely to be lower than in recent years, projections for the longer term indicate that additional container terminal capacity is expected to be needed within the next eight to ten years to service the metropolitan area. Fremantle Ports' forward planning with the Department of Planning and other agencies on the proposed Kwinana Quay container and general cargo port facilities is progressing.

The focus is now on the northern offshore option linked via an extension of the Rowley Road freight corridor. This option has been the subject of extensive study as part of the work towards statutory approvals and the data from the numerous environmental and other studies is also a valuable resource for the Fremantle Ports Optimum Planning Group.

Ports are highly capital intensive and as well as planning for additional facilities it makes good sense from a sustainability viewpoint to ensure that existing infrastructure is used optimally. We progressed work this year on an Inner Harbour Port Development Strategy which will update and build on Fremantle Ports' 2000 Port Development Plan. The aim is to have a well integrated port land use and transport plan for the Inner Harbour.

Developing a strategic asset management system consistent with best practice principles within the Australian ports industry is another priority area where we have made good progress.

Our primary role as a commercialised government trading enterprise is trade facilitation and we have continued to work closely with our customers to understand how we can add value to help the efficiency and competitiveness of their operations. Working in partnership helps to identify and open up business opportunities. It is very pleasing to see that 89 per cent of respondents to our annual shipping line survey were either quite or very satisfied with Fremantle Ports' services.

Reflecting our commitment to corporate social responsibility, we also strive to operate our business in a way that respects the needs of our community, maintaining a close dialogue and contributing to areas such as education, environmental management and local enrichment initiatives.

Executive Summary

In taking over the helm as Chief Executive Officer in late 2008, it was with awareness that Fremantle Ports is an organisation well recognised for achievements in business excellence. This is due in no small way to the contribution over many years by our previous CEO, Kerry Sanderson, who is now representing Western Australia very ably and energetically as Agent General in London.

With the help of all at Fremantle Ports and with our strategic priorities aligned with our corporate values I am confident we can build on that reputation.

In conclusion, I extend a particular thanks to our Minister, the Hon Simon O'Brien MLC and his team, our Chairman, Mr Alan Birchmore and Directors of the Board, Fremantle Ports' Executive Team and all our employees for their help and support during this first year in my new role.

I also take this opportunity to thank our customers, industry and government agency representatives and members of our community liaison groups for working with us in a constructive way towards achievement of common goals.

Chris Leatt-Hayter

Chief Executive Officer

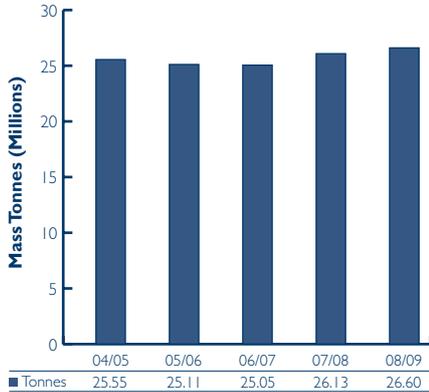


North Quay container berths.

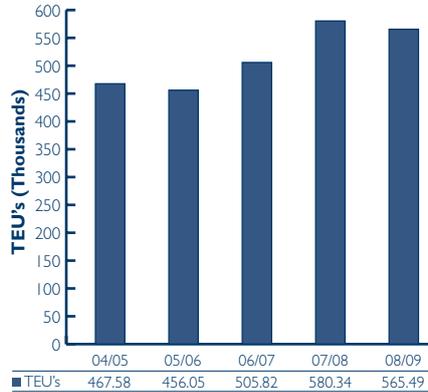
Executive Summary

Key Business Results

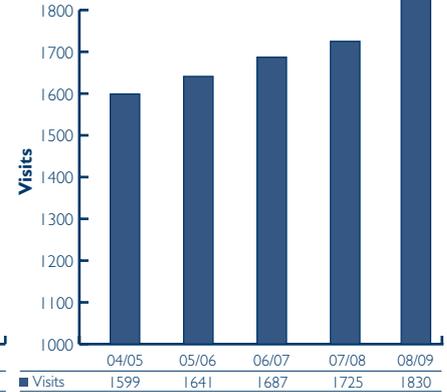
**Total Port Trade (Mass Tonnes)
2004/2005 to 2008/2009**



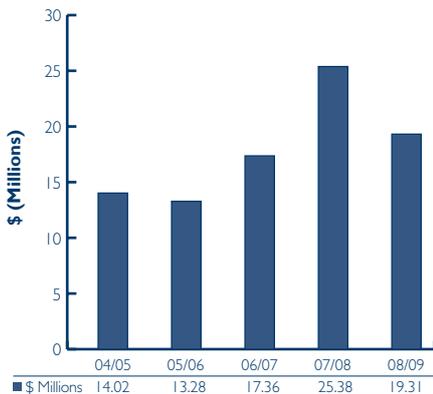
**Total Container Trade - TEUs
2004/2005 to 2008/2009**



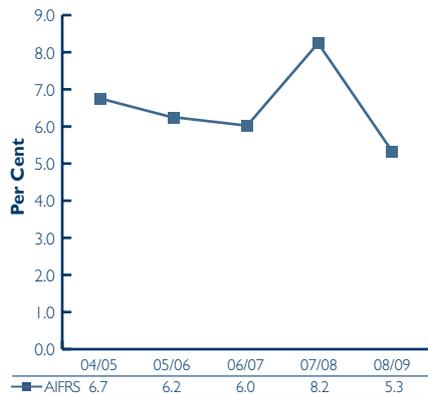
**Total Ship Visits
2004/2005 to 2008/2009**



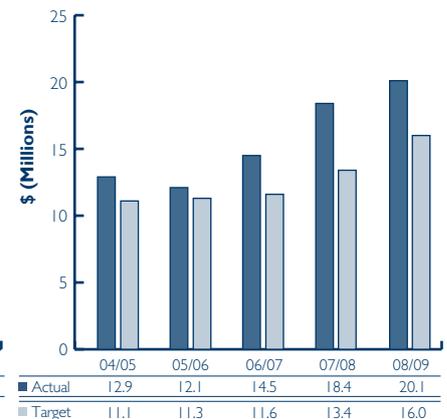
**Operating Profit (Loss)
Before Income Tax Equivalent
Comparison 2004/2005 to 2008/2009**



**Economic Rate of Return on Assets
Comparison 2004/2005 to 2008/2009**

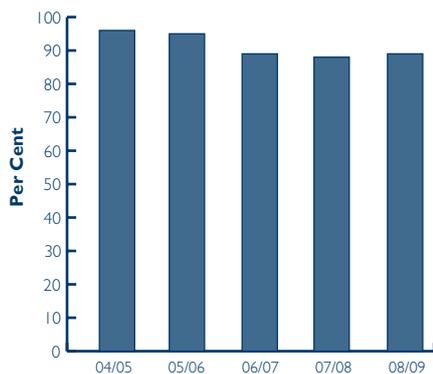


**Fremantle Ports - Contributions
to State Government 2004/2005
to 2008/2009**



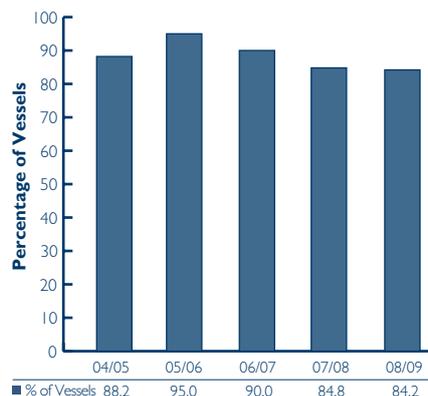
For comparative purposes the above figures exclude individually significant items.

**Shipping Line/Agent - Survey
Services - 2004/2005 to 2008/2009
Level of Overall Satisfaction with
Fremantle Ports' Services**

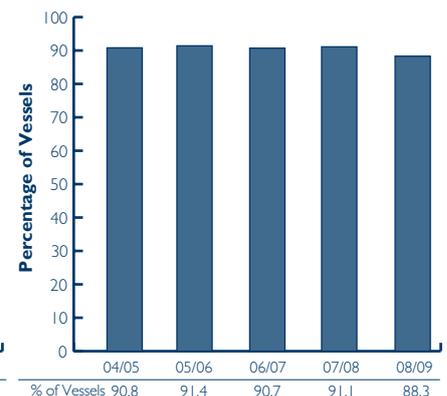


In 2008/09, 89% of respondents were satisfied or very satisfied. Target range 80-90%

**Time Awaiting Berth - % of Container
Vessels with Zero Waiting Time
2004/2005 to 2008/2009**



**Time Awaiting Berth -
% of Inner Harbour Non Container
Vessels with Zero Waiting Time
2004/2005 to 2008/2009**



Port Profile

The Port of Fremantle, Western Australia's biggest general cargo port, is essential infrastructure for the State.

The Inner Harbour at Fremantle handles almost all of the container trade for Western Australia. It also provides facilities for livestock exports, motor vehicle imports, other general cargo trades, cruise ships and visiting naval vessels.

The Outer Harbour, about twenty kilometres to the south at Kwinana, is one of Australia's major bulk cargo ports handling grain, petroleum, liquid petroleum gas, alumina, mineral sands, fertilisers, coal, sulphur and other bulk commodities.

The port is a mix of facilities and services managed by Fremantle Ports and private operators. Fremantle Ports provides and maintains shipping channels, navigation aids, cargo wharves at common user areas and leased terminals, the Fremantle Passenger Terminal, road and rail transport infrastructure in the port area, moles and seawalls and other port infrastructure such as storage sheds, water, power and public amenities.

Three of the jetties in the Outer Harbour are operated by private companies, generally under Special Agreement Acts with the State. They are the Alcoa, BP and CBH jetties. The Kwinana Bulk Jetty and the Kwinana Bulk Terminal are operated by Fremantle Ports.

Services such as towage, pilotage (under contract to Fremantle Ports), line boats, bunkering and providing of ships are provided by the private sector.

Fremantle Ports also cooperates with Commonwealth Government agencies responsible for customs, quarantine and maritime safety.

Legislative Framework

Fremantle Port Authority, which operates under its registered business name, Fremantle Ports, is a commercialised trading entity under the *Port Authorities Act 1999*. The Act sets out a clear role for Port Authorities in facilitating trade in a commercially responsible manner and establishes clear lines of accountability with the State Government.

Under the Act, Fremantle Ports has greater freedoms from government control than previously and a duty to act on commercial principles. The Act gives Fremantle Ports the powers to perform defined functions, including the power to hold and dispose of assets and enter into commercial arrangements. It exempts Fremantle Ports from the Public Sector Management Act, but requires it to put in place minimum standards that reflect the principles of the Act and to report annually to the Commissioner for Public Standards.

The *Port Authorities Act 1999* adopts financial reporting provisions equivalent to those of Corporations Law and exempts Fremantle Ports from the *Financial Management Act 2006*, with the exception of audit provisions, which means that the Auditor General continues to conduct annual audits.

Board of Directors

Fremantle Ports' governing body is a Board of five Directors appointed by and responsible to the Minister for Transport. Directors may hold office for up to three years, and are eligible to be re-appointed. They are remunerated out of Fremantle Ports' funds, with remuneration and allowances determined by the Minister. Members of Fremantle Ports' staff are not eligible to be appointed as Directors.

The role of the Board is to set the strategic direction of Fremantle Ports, agreeing goals for management and monitoring the achievement of those goals.

Directors agree the key objectives and strategies through a five-year *Strategic Development Plan* and an annual *Statement of Corporate Intent*, which requires approval by the Minister. A half yearly report is also submitted to the Minister on the operations of Fremantle Ports.

Operational Structure

The Board is empowered by legislation to determine its own procedures and has established:

- Standing Orders to encourage maximum participation by Directors at meetings of the Board
- an introductory document covering the role and responsibilities of the Board for the benefit of new members. This emphasises the ethical, entrepreneurial and legal dimensions of the role of Directors, including useful information relevant to statutes which place substantial legal responsibility upon Board members
- appropriate levels of delegation to effectively manage Fremantle Ports' business with clear lines of accountability, consistent with the powers of delegation contained in the enabling legislation
- an Audit Committee, overseeing the internal audit programme, which includes three Board members
- an Employee Relations Committee, overseeing strategic employee relations, which includes three Board members.

The enabling legislation sets out the roles, responsibilities and powers of the Board, and the Chief Executive Officer, who is appointed by the Board and responsible for day to day management.

Vision, Mission and Values

The Vision and Mission, developed with input from all staff, describe the organisation's business intent. With the Corporate Values they provide the foundation for strategic planning and decision making, helping to prioritise and work towards common goals.

Vision

To be valued by our customers and the community for our leadership and excellence.

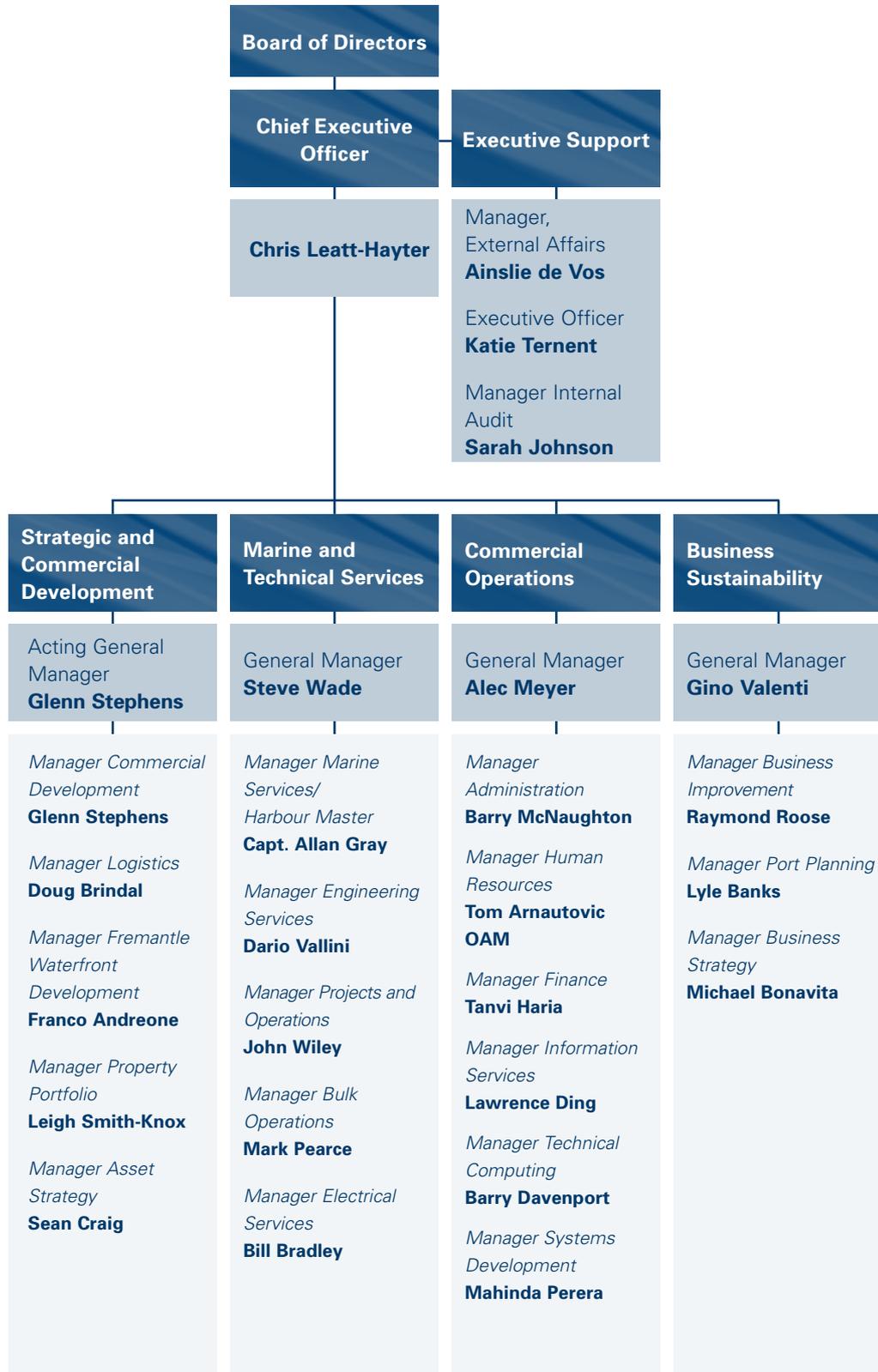
Mission

To facilitate trade in a sustainable way.

Values

- *Respect and Integrity*
- *Safety and Wellbeing*
- *Responsiveness and Delivery*
- *Continuous Improvement and Innovation*
- *Sustainability*

Corporate Structure (as at 30 June 2009)



Operational Structure

Executive Team

Chris Leatt-Hayter Chief Executive Officer

Chris Leatt-Hayter, who joined Fremantle Ports in 1992, has tertiary qualifications in economics. Before joining Fremantle Ports, he worked at the State Treasury and Department of Transport. He has wide-ranging experience in transport policy development, economic and financial evaluation and strategic and business development planning. Chris was appointed to the position of CEO in December 2008 after serving 13 years as General Manager Strategic and Commercial Development. He is a member of the Board of Ports Australia and the Freight and Logistics Council of Western Australia.



Alec Meyer General Manager Commercial Operations

Alec Meyer brings extensive commercial experience to his position at Fremantle Ports. He has tertiary qualifications in Accounting and has been closely involved with the re-organisation of Fremantle Ports to one of commercial orientation since his engagement in 1988. He is a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors.



Steve Wade General Manager Marine and Technical Services

Steve Wade has tertiary qualifications in engineering, and joined Fremantle Ports in 1995. Before this, he worked with BHP and has wide ranging experience in construction and project management in Australia and overseas in the resources and manufacturing sectors.



Gino Valenti General Manager Business Sustainability

Gino Valenti has tertiary qualifications in chemistry and joined Fremantle Ports in 1998. Before this he worked with the Department of Minerals and Energy in senior roles regulating the safe storage, handling and transport of explosives and dangerous goods and the management of major hazard facilities throughout Western Australia.



Glenn Stephens Acting General Manager Strategic and Commercial Development

Glenn Stephens joined Fremantle Ports in 1971 and has gained extensive experience in a range of areas within the organisation. He has tertiary qualifications in business and accounting and is a Certified Practising Accountant, Fellow of the National Institute of Accountants and a member of the Australian Institute of Company Directors.



Performance Management Framework

Alignment with Government Goals

Fremantle Ports' Strategic Plan is based on the organisation's Vision, Mission and Values.

Objectives of the Strategic Plan, the outcomes sought and results in the key areas of Service Delivery; Capability for the Future; Trade and Business Growth; Support Services; and Business Sustainability are aligned with whole of Government goals and are included in this annual report.

Fremantle Ports has continued to work closely this year with a wide range of State Government agencies in areas such as port and infrastructure planning, trade promotion, environmental management, security, occupational health and safety, land based transport and logistics, capital works forecasting, records management, indigenous affairs, training and tourism.

The following are some examples of achievements linked to the Government Goals.

State Building - Major Projects

Building strategic infrastructure that will create jobs and underpin Western Australia's long term economic development

The \$250 million Inner Harbour Deepening and Berth Works Project now underway is the biggest infrastructure project undertaken by Fremantle Ports for many decades.

The deepening and associated works, will enable the port to accommodate the larger generation of container ships.

Being the first and last port of call for many of the container shipping services coming to Australian ports, it is important that Fremantle has the maximum draft necessary to allow the bigger ships to call at their cargo handling capacity.

Deepening will maintain access to markets for Western Australia's importers and exporters on the large efficient regular container services and avoid higher freight costs likely to be incurred if these services were lost.

This project by the State ensures that Fremantle remains an efficient, modern working port able to handle current and future vessel requirements and trade needs.

The project has generated significant employment for contractors during the planning and construction phases. At 30 June 2009, lead contractor for the marine and civil works, Thiess Georgiou Joint Venture had 89 people working on the project.

Financial and Economic Responsibility

Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector

Early contractor involvement for Inner Harbour deepening project

Fremantle Ports adopted an Early Contractor Involvement model for the Inner Harbour Deepening Project. This contracting strategy incorporates the involvement of highly qualified and experienced contractors during the design development and pricing phases of the project.

The ECI approach has been effective as a mechanism for minimising risk to both Fremantle Ports and its contractors and achieving value for money.

Performance Management Framework

Proactive approach to global economic situation

Contact was made with all major shipping lines and port users to gather reliable information against which forecasts for 2008/09 and revised budgets from 2009/10 could be formed.

Information gathered generally confirmed that Fremantle would not be insulated from the impacts of the global economic crisis and that Fremantle Ports and customers could expect declines across most trade areas.

The 2008/09 budget was closely monitored and adjusted where necessary, helping to ensure a positive result at year end. The budget for 2009/10 and future year forecasts were adjusted to reflect the current impacts on trade.

Outcomes Based Service Delivery

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians

Recognising the importance of trade to the State's economy, Fremantle Ports has also continued to work closely with existing and potential new customers to understand and provide for their needs.

Significant progress was made this year towards delivery of better integration between key services such as ship scheduling and shipping movements, tugs, pilots, line boats, stevedoring and invoicing, to achieve more efficient services. The new port information management system to be rolled out in 2009/10 is a significant step in terms of systems and port efficiency.

Customer survey results for 2009 showed that 89 per cent of Fremantle Ports shipping line customers were satisfied or very satisfied with services provided by Fremantle Ports.

Stronger Focus on the Regions

Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas

Fremantle Ports has followed up outcomes of consultation with break bulk customers in the Inner Harbour with the aim of further improving services and facilities for trades such as new motor vehicle imports and imports of industrial and agricultural machinery which are essential for the metropolitan and regional communities.

Land use planning underway in the Inner Harbour aims to maximise the use of the existing footprint for cargo handling and to ensure that efficient use is made of new land acquired. Efficient use of available land for cargo handling will be particularly important to handle imports associated with ramping up of infrastructure projects such as the Gorgon gas project in the north of the State.

Social and Environmental Responsibility

Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State

With its mission being to facilitate trade in a sustainable way, Fremantle Ports has continued to place a strong emphasis on its environmental and social performance as well as its economic outcomes.

Environmental studies for the Inner Harbour deepening, Rous Head reclamation and offshore placement of dredged material were completed during the year as part of the Public Environmental Review for this project and comments from public and other stakeholder consultation were taken into account in finalising approvals.

Community Survey results for 2009 showed that 78 per cent of respondents surveyed in the Fremantle area were satisfied with Fremantle Ports.

Certification to environmental, quality and safety standards was maintained.

Corporate Scorecard

Each year in the Annual Report, Fremantle Ports publishes a range of corporate targets covering economic, social and environmental performance. The following corporate scorecard shows the extent to which these business objectives were achieved.

How We Plan To Succeed	Target 2008/2009	Results
Economic		
Financial Results	\$9.7 m profit after tax	\$13.7 m profit after tax
Trade results		
<ul style="list-style-type: none"> Total trade - underlying annual growth rate % 	2-3%	1.8%
<ul style="list-style-type: none"> Containers - annual growth rate % 	4-6%	-2.6% (This fall in container volumes resulted from the global economic downturn affecting trade worldwide)
Service Delivery		
<ul style="list-style-type: none"> Minimise berthing delays 	<p>Inner Harbour – Container Vessels</p> <p><i>Unavailability of Services</i></p> <p>Total vessels affected <1% 0</p> <p>Average hours per delay <5 0</p> <p><i>Unavailability of berths</i></p> <p>Total vessels affected <12% 12</p> <p>Average hours per delay <20 18</p> <p>Kwinana Bulk Terminal</p> <p><i>Unavailability of Services</i></p> <p>Total vessels affected <1% 0</p> <p>Average hours per delay <5 0</p> <p><i>Unavailability of berths</i></p> <p>Total vessels affected <25% 37</p> <p>Average hours per delay <80 66</p> <p>Kwinana Bulk Jetty</p> <p><i>Unavailability of Services</i></p> <p>Total vessels affected <2% 0</p> <p>Average hours per delay <5 0</p> <p><i>Unavailability of berths</i></p> <p>Total vessels affected <25% 28</p> <p>Average hours per delay <50 48</p>	
<ul style="list-style-type: none"> Customer satisfaction 	Maintain at least 80 to 90% overall customer satisfaction with agents/shipping lines.	89% of shipping line customers were satisfied or very satisfied with services provided by Fremantle Ports, based on shipping line/agents survey.

Corporate Scorecard

How We Plan To Succeed	Target 2008/2009	Results
Best practice environmental, safety and other business systems		
Compliance with ISO 14001	Continue to comply with ISO 14001, and further improve Environmental Management System.	Certification to ISO 14001 was maintained in external audit of safety, environmental, and quality management systems.
Australian Business Excellence Framework	Follow up recommendations from SAI Global Evaluation Team Report and continue to implement Business Improvement Plan.	Consolidated the improvement suggestions and identified priorities which are now being addressed.
Overall risk profile	Continue to implement treatment actions to ensure risk profile is reduced.	Risk treatment actions continued, and greater focus on risk led to risks rated greater than "moderate" being increased by 2, to 41.
Time lost to injuries	Overall target, zero lost time injuries.	Lost time injury frequency rate was 14.08 compared with 7.57 the previous year.
	Reduce workplace injuries.	The number of workplace injuries was 62 compared with 71 the previous year.
	Maintain certification to AS/NZS 4801.	Certification to AS/NZS 4801 (Occupational Health and Safety Management Systems) was maintained.
	Implement safety culture improvements.	New safety management structure implemented.
Employee commitment and satisfaction	Conduct cultural survey to understand our opportunities for business development and increasing employee satisfaction by building on our constructive culture.	Satisfaction results from the cultural survey: 78% greatly satisfied; 18% moderately satisfied; and 4% only slightly satisfied with the culture. Workgroups have discussed survey outcomes and have developed follow up action plans.
Social		
Community satisfaction	70 to 80% overall community satisfaction.	Overall satisfaction (based on survey results): Inner Harbour 78% compared with 66% the previous year; Outer Harbour 71% compared with 60% the previous year. Support for the Inner Harbour in its role as a busy working port: Inner Harbour 87% compared with 78% the previous year; Outer Harbour 85% compared with 82% the previous year.
Actions on complaints and suggestions	Follow up all complaints and continue to implement improvement opportunities.	All complaints followed up. Traffic complaints fell from 9 to 4, and noise-environment complaints fell from 20 to 8, reflecting improvements made in response to complaints.

Service Delivery

Objective

Providing exceptional services that exceed customer expectations

Key Outcomes Sought

Understanding changing customer needs and pressures in the current economic climate and being responsive to them

Deepening the Inner Harbour

The trend towards bigger ships is having an impact on ports worldwide, particularly where there are draft constraints. The average size of container ships calling at Fremantle Port has increased by 85 per cent over the past fifteen years.



Berth 10 is being replaced with a stronger structure to allow it to be used for container ships.

Deepening of the Fremantle Inner Harbour is a strategic investment to maintain compatibility with other national container ports and to ensure that global shipping lines can continue to call at Fremantle.

Without harbour and channel deepening, larger ships inevitably would bypass Fremantle and travel to Australia's eastern seaboard to load and offload cargo. This would lead to both direct and indirect adverse consequences in terms of increased costs for consumers, reduced competitiveness for Western Australian exports and reduced port-related employment opportunities in this State.

Fremantle Ports plans to deepen the Inner Harbour, Entrance Channel and Deepwater Channel to accommodate the bigger ships at full cargo carrying capacity.

The intention is to deepen the Inner Harbour to enable container ships up to 14 metres draft to access the port fully loaded, with the aid of the draft enhancing technology known as Dynamic Under Keel Clearance. Currently the maximum draft for container shipping at Fremantle is 12.8 metres.

The statutory approvals process for the Inner Harbour Deepening Project was substantially progressed during the year and incorporated community and other stakeholder consultation and a public comment period. Indigenous approvals for the deepening were obtained in 2007.

In June 2009, the Environmental Protection Authority concluded that it was unlikely that its objectives would be compromised, provided the recommended conditions were satisfactorily implemented. At year end, the project was awaiting final ministerial approval.

Associated work on the reconstruction of Berth 10 on North Quay to enable it to handle container shipping began in April 2009. Strengthening Berths 4 to 9 on North Quay will follow.

The plan is to complete all works associated with the Inner Harbour deepening, North Quay berth strengthening and Rous Head reclamation by the end of 2010.

A wide range of environmental studies was completed during the year as part of the Public Environmental Review for the Inner Harbour deepening and Rous Head reclamation. All aspects of the project will be undertaken with the strictest monitoring and safeguards to minimise any impacts on the environment.

Service Delivery

Improving Customer Service

Fremantle Ports' formal customer liaison program has been in place for over a decade and has successfully met the audit requirements of Standards Australia as part of Fremantle Ports' International Standards Organisation accreditation for safety, environment and quality.

The program has been successful in developing positive relationships and customer loyalty.

In 2008/09, 89 per cent of shipping line customers were satisfied or very satisfied with Fremantle Ports' services.

Value chain analysis has proved to be an effective tool and this work with customers has continued this year with key customers, mainly in the bulk business area.

Information provided by customers has enabled Fremantle Ports to understand not only the priority areas when dealing with customers but to assist in forward planning of port infrastructure such as the need for deepening to cater for deeper draft ships and new cargo handling equipment.

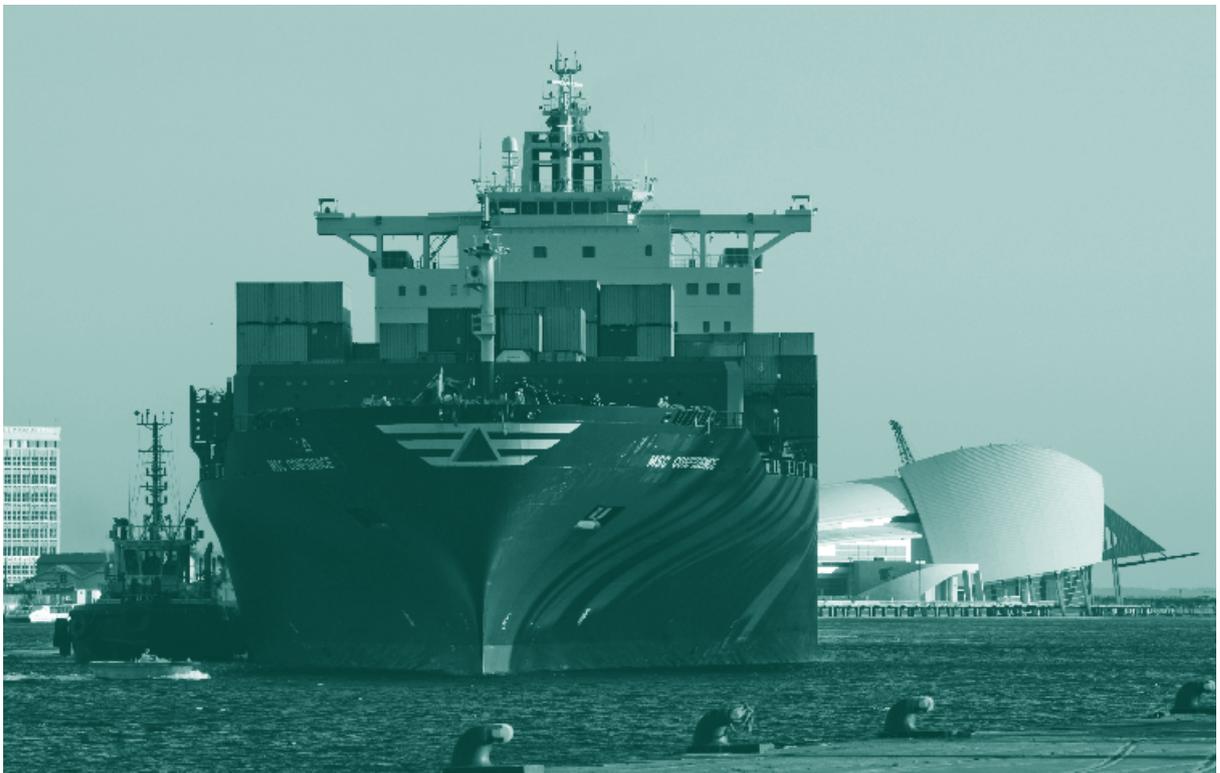
By seeking feedback on the importance of services Fremantle Ports has been able to determine where it should apply resources to add value.

First Post-Panamax ship

In April 2009, Fremantle Ports welcomed *MSC Confidence*, the largest gross tonnage container vessel and the first post-Panamax container ship to visit the Port of Fremantle.

At 274.6m long and 40m wide, with a capacity of 5680 containers, a hull depth of 24m and a gross tonnage of 64,845, *MSC Confidence* reflected the worldwide trend to increased vessel size for container shipping.

Until the deepening has been completed, ships of this size cannot enter the harbour fully laden. *MSC Confidence* came in at around 80 per cent capacity because of draft restrictions.



In April 2009, *MSC Confidence* became the first post-Panamax ship to visit Fremantle, but it could only enter the harbour at 80 per cent capacity because of draft restrictions.

Service Delivery

Break Bulk Workshop

Issues arising from a break bulk workshop in 2007 have continued to be progressed and in July 2008 consultants were engaged to review operations at the common user berths in the Inner Harbour, looking at stevedoring, receival and delivery operations.

A follow up workshop with customers was held in November 2008 to report back on the findings of the review and to see if any new issues had arisen. Some priority matters requiring further attention were identified and these are also being addressed.

Maintenance

Repairs were carried out to timbers on Berths 1, 2, B and E in the Inner Harbour.

The program of protection of steel piles continued with the wrapping of 95 piles at Berth 12.

Statutory inspections and routine maintenance has been carried out to fire services, building services, pilot and emergency response vessels, emergency response equipment, water and electrical supply systems, navigational aids and rail sidings.

Maintenance Dredging

Fremantle Ports has put in place a long term contract for maintenance dredging.

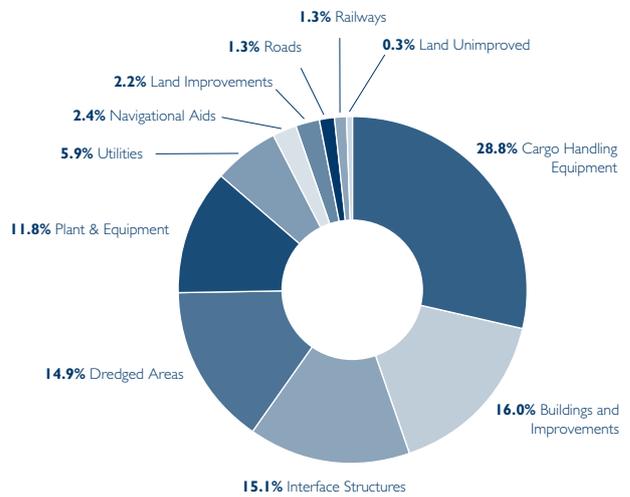
WA Shell Sands Pty Ltd has been engaged to carry out maintenance dredging for a five year period. This company, which has carried out a number of dredging projects for Fremantle Ports, has a dredger in the Cockburn Sound area which will be available during off-peak times to carry out dredging maintenance for the port.

The new contract will enable Fremantle Ports to request maintenance dredging services on an ongoing basis at a set price for a given period of time. This will achieve efficiencies whilst providing shipping with the required degree of draft certainty when manoeuvring within the port waters.

Electricity Supply

Following changes in the regulations for the supply of electricity, Fremantle Ports once again tested the market for this commodity when it advertised for proposals in August 2008. An agreement between Fremantle Ports and Synergy was subsequently signed in January 2009. Requirements will be re-assessed again towards the end of 2011.

**Fremantle Ports Marine and Technical Services Division
Asset Maintenance and Service Costs 2008/2009**



Capability for the Future

Objective

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

Key Outcomes Sought

Completing important planning projects critical to our future

Planning for Additional Port Facilities

The development of additional facilities for container and general cargo trade beyond the capacity of the Inner Harbour is a major component of Fremantle Ports' forward planning.

On current indications, the Inner Harbour is likely to reach optimal capacity by about 2018 to 2020, but this will depend on trade trends, further improvements to road and rail logistics and other factors.

The Fremantle Ports Optimum Planning Group established earlier this year by the Minister for Transport is currently examining optimal facilities to cater for the long term needs of container and other trades. The group is looking at:

- optimum facilities in the Outer Harbour to cater for container and other trades into the future, including an examination of Fremantle Ports' proposed Kwinana Quay and the James Point private port proposal
- optimum road and rail transport links
- land requirements in the Outer Harbour area to support long term port needs for services such as intermodal terminals and container parks
- the cost of providing optimum facilities
- likely timeframes and an appropriate delivery strategy.

The work of the Fremantle Ports Optimum Planning Group includes a review of all major planning studies to date, confirmation or revision of the long term trade forecasts, assessment of port and transport capacity requirements and identification of land requirements for port and ancillary facilities.

Meanwhile, Fremantle Ports' Kwinana Quay proposal for container and general cargo facilities is now ready to proceed into the forward statutory approvals phase. Further environmental and other studies were completed this year as part of the Environmental Review and Management Plan for this project.

The State Government's decision to progress a Metropolitan Region Scheme amendment for the James Point Stage One port proposal means that the land backed option for Kwinana Quay is no longer feasible.

Consequently, the focus is now solely on the northern off shore option for Kwinana Quay, with land links via an extension of the Rowley Road corridor. This was the preferred option emerging from a very comprehensive and integrated strategic assessment of the original four Kwinana Quay options.

Capability for the Future

Land Use Planning

The reclamation of 27 hectares at Rous Head associated with the proposed harbour and channel deepening provides an important opportunity not only in terms of expanding the availability of land in the Inner Harbour for port purposes but also to improve landside access and efficiency.

The Rous Head Planning Study currently in progress is designed to ensure that optimal land use and transport planning decisions are made at Rous Head. Another study being progressed is the Inner Harbour Port Development Strategy. This has a longer term focus and seeks to guide land use and transport planning decisions in all areas of the Inner Harbour.

Both of these studies complement the Inner Harbour Port Development Plan completed in 2000.

Planning Policies

Following public consultation, two planning policies related to Kwinana facilities and Outer Harbour waters have been approved by the Board of Fremantle Ports. They are the Kwinana Bulk Terminal and Kwinana Bulk Jetty Planning Policy and the Outer Harbour Waters Planning Policy.

The new policies for the Outer Harbour ensure that any proposed use or development is compatible with surrounding land uses, meets regulatory requirements and makes a positive contribution to the port's long-term sustainability. They add to the suite of four planning policies previously developed by Fremantle Ports for the Inner Harbour.

Fremantle Waterfront Masterplan

Commercial Precinct

Detailed planning for a Commercial Precinct development on Victoria Quay is proceeding.

The architectural design for the proposed development was finalised in December 2008. The developer (ING Real Estate), the Western Australian Planning Commission and the Government Architect worked together to refine the design. Through the State Administrative Tribunal, ING also obtained an extension of time to March 2011 to substantially commence the development.

Since Fremantle Ports received WA Planning Commission approval in April 2008 for Stage 1 and 2 infrastructure works, planning has continued for a number of infrastructure works to support the Commercial Precinct development. These include an extension to Peter Hughes Drive, the installation of basic services, and construction of new and upgraded pedestrian and vehicle rail crossings.

Approvals in principle for the technical design of the rail crossings have been obtained from Main Roads Western Australia, the City of Fremantle and the Heritage Council of WA, and final approval is now being sought from the Public Transport Authority and the Office of Rail Safety.

Victoria Quay Planning Committee

About 80 people attended a community briefing held by the Victoria Quay Planning Committee in November 2008. The aim of the briefing was to provide members of the public and committee members with facts and issues relevant to the area, including the context, framework and key opportunities and constraints of the site.

Topics covered at the briefing included opportunities and areas for revitalisation, heritage and the Victoria Quay conservation policy, risk issues, previous community input and the branding strategy, port operations, transport issues, public access, visual aspects and planning issues.

The Victoria Quay Planning Committee was appointed in February 2008 by the Western Australian Planning Commission with the aim of ensuring better-integrated and more transparent planning for future non-port activities at the western end of Victoria Quay and land along Beach Street adjacent to the railway line.

Capability for the Future

Its membership comprises Chairman Jeremy Dawkins, who is the former Chairman of the WA Planning Commission, Fremantle Mayor Peter Tagliaferri, Tourism CEO Richard Muirhead, Fremantle Ports Chairman Alan Birchmore and local architect Richard Longley.

It is expected that the work of the committee will be completed by the end of 2009.

Heritage Interpretation Plan

Fremantle Ports appointed award-winning heritage consultants Lovell Chen Architects to prepare a heritage interpretation plan for the western end of Victoria Quay. Lovell Chen is working on the project with Lookear, a consultancy specialising in interpretative design and communication.

Since August 2008, the consultants' work has included site visits, research and extensive consultation with interested community groups and individuals, historians, and representatives from the City of Fremantle and the WA Museum.

Anthropologists Ken Macintyre and Dr Barbara Dobson were also engaged by Fremantle Ports to assist with indigenous consultation with groups of Elders to provide advice and input into the interpretation planning.

Fremantle Ports is currently reviewing a second draft plan.

Welcome Walls Stage 3

Fremantle Ports is working with the WA Museum in regard to the Welcome Walls Stage 3 project. This project involves the design and construction of several interpretive walls in front of the Maritime Museum forecourt.

Urban Design Manual

Fremantle Ports has appointed Donaldson + Warn Architects to prepare an urban design manual for the western end of Victoria Quay. This manual will provide for a seamless transition from a design perspective between the proposed Commercial Precinct development, E Shed, the redeveloped B Shed and the rest of the Fremantle Waterfront.

Trade and Business Growth

Objective

Promoting and facilitating trade and business growth opportunities

Key Outcomes Sought

Maintaining existing trade and business and capturing new trade and business opportunities

Bulk Exports

Coal exports to China and India from the Kwinana Bulk Terminal reached a milestone of one million tonnes in June. The total was achieved in 25 shipments, the first of which was in January 2007.

Fremantle Ports and Griffin Coal have established a close working relationship, together achieving a number of improvements in receivals, storage and loading. Options to expand the receival and load out capacity of the Kwinana Bulk Terminal to handle increased tonnages for Griffin are being developed.

The success of this partnership with Griffin Coal is helping to offset impacts of the current loss of business from the Hls melt pig iron plant which is currently in care and maintenance mode.

Trial shipments of bauxite for the Kwinana Bulk Terminal are likely to occur in the second quarter of 2009/10 and discussions are in progress with a number of other potential customers for this import - export facility.

Improving Landside Logistics

Increased use of rail for container trade

During 2008/09, the volume of containers carried by rail achieved a market share of 15 per cent. This was a 12 per cent increase over the previous year and marks the continuing consolidation of rail transport as a key component of Fremantle Ports' landside operations.

The rate of growth in rail was particularly strong in the early part of the year. With the fall away in trade volumes, loss of some business due to mine closures and reduction in containerised grain, rail volumes in the latter part of the year were lower.

The volume of containers moved by rail was equivalent to about 65,000 truck journeys, relieving pressure on roads servicing the Inner Harbour. This also contributed significantly to reducing congestion at North Quay.

Rail continues to receive financial support from Government in recognition of the vital role it plays and the inherent difficulty rail has in competing with road transport over short distances. The longer term objective is for rail to become self sustaining as it becomes more established in the market place, interface problems at the wharf are overcome and volumes grow, allowing economies of scale to be realised.

Container Parks

Although there was a slowing of container trade in the second half of the year, the strong growth that has occurred in recent years has placed pressure on all components of the container supply chain, including the container parks which store and service empty containers.

As a result of a business sale this year, most of the Inner Harbour container park operations are now consolidated to one major operator, P&O Trans. Initial indications are that significant improvements have



Fremantle Ports exported its millionth tonne of coal to India and China in June 2009.

Trade and Business Growth

been introduced following the takeover and the full impact of these measures will be more comprehensively evaluated during 2009/10.

An inland container park opened at Forrestfield this year is the only significant container park away from the port. It allows for empty containers to be dropped off and picked up without trucks having to journey to the Inner Harbour, thus reducing traffic and wharf side congestion.

Planning for future rail capacity is critical to meeting longer term objectives. During the year planning focused on:

- identifying and evaluating potential new sites for intermodal terminal capacity in the Kewdale/Forrestfield area. This is to be the subject of a competitive bidding process early in 2009/10 to identify with industry the sites and development concepts which will best support the future growth of rail services to the port
- assessing the location and size of Stage 2 of the North Quay Rail Terminal
- evaluating options for improving line capacity on the Fremantle Cockburn line through development of passing loops.

Improvements to the road system are also critical to future port sustainability both from community impact and freight efficiency perspectives. Planning work is currently underway on key links on the road network feeding the port, particularly High Street, the extension of Roe Highway to Stock Road and the intersection of Leach Highway and Stock Road.

Work has proceeded during the year on the planning for an intermodal facility at Kwinana. While it is envisaged that this will primarily be for interstate rail traffic (when Kewdale ultimately runs out of capacity) it will also provide scope for intermodal operations from both the Inner Harbour and the Outer Harbour container operations when they are ultimately developed. The planning work has identified a preferred site and development footprint. This is currently subject to community consultation.

Growth in Cruise Ship Visits

The increasing trend towards seasonal basing of cruise ships at Fremantle demonstrates the confidence of the cruise companies in the Western Australian market and the ability of Fremantle Ports and other agencies to provide the necessary services at a high standard.

Fremantle Port had 28 cruise ship visits in 2008/09 financial year and is expecting 39 visits in 2009/10.

A number of cruise ships made their maiden voyages to Fremantle this season, including *Diamond Princess*, *Dawn Princess*, *Athena* and *Arcadia*. The 116,000-tonne *Diamond Princess*, which made its maiden voyage to Fremantle on 3 March, is the biggest cruise ship to have visited the port.



Fremantle experienced a bumper cruise season in 2008/09, with the expectation of more visits in 2009/10. Picture: Earle Seubert.

The *Sun Princess* will be back again in Western Australia next year for its biggest ever season, with a record six cruises on offer.

P&O Cruises Australia has also announced a new expanded program of summer cruises from Western Australia on *Pacific Sun*. The new season will feature eight cruises from Fremantle between November 2010 and February 2011.

Trade and Business Growth

Cunard's *Queen Victoria* and the giant *Queen Mary 2* will be making their inaugural visits to the port early in 2010. Classic International Cruises' *Athena* will also be seasonally basing at Fremantle again next year.

Fremantle Ports is currently upgrading facilities at the Fremantle Passenger Terminal, with an overall spend of around \$2 million over two years. This upgrading, along with improvements to passenger and baggage handling systems is helping to ensure that the terminal can efficiently handle the large passenger exchanges associated with seasonal basing. Some of the upgrades have been completed and it is expected that most of the remainder will be completed by mid 2010.

The fact that the Fremantle Passenger Terminal was designed for an earlier era of shipping has provided some challenges, particularly when there are passenger exchanges of up to 2000 people. Fremantle Ports, working with other agencies such as Customs and the Australian Quarantine and Inspection Service, has been very active in addressing the issues. Feedback from the cruise industry about the services provided at Fremantle has been very positive.

Figures provided by Cruise Down Under, the peak industry body for cruising in Australia, show that the cruise industry in WA in the last financial year generated expenditure of \$55 million, with an additional \$25.8 million in value add. This compares with expenditure of \$41m in 2007/08 and value add of \$19.3m.

Fremantle Port is the major cruise shipping destination in Western Australia. The cruise industry generated approximately \$41 million in the Perth area in 2008/09, up significantly from \$30.4 million the previous year. This stimulus generated additional wages income of approximately \$14.3 million and 270 full time equivalent jobs.

Ships of Special Interest

Fremantle's Inner Harbour was visited by a number of vessels during the year in addition to cargo and passenger ships. One of the most unusual was the 112-metre catamaran *Norman Arrow* which stopped at Fremantle on the way from Hobart to Europe to enter the Channel ferry service. The 11,000-tonne craft operates at speeds of 40 knots, enabling it to cross the Channel in one hour carrying 1200 passengers and 417 cars.

Royal Australian Navy Adelaide class frigates HMAS *Sydney* and HMAS *Melbourne* visited Fremantle in November before participating in Fleet Concentration Period-West 2008, a combined exercise involving Navy and Air Force elements from Australia and New Zealand.



Cross-Channel ferry *Norman Arrow* stopped off in Fremantle en-route between Tasmania and the UK.

The world's oldest ocean-going passenger vessel MV *Doulos*, a contemporary of the *Titanic*, made its final visit to Fremantle 10-28 October. The *Doulos* carries a diverse international crew of 340 volunteers. Over the past 29 years, over 20 million people around the world have walked up the gangways of this historic ship. Holding over 6,000 titles of books, it is the world's largest floating bookshop. The *Doulos* will be decommissioned in 2010.

Trade and Business Growth

Trade Performance

Total port trade reached 26.6 million tonnes in 2008/09, a 1.8 per cent increase on the record 26.1 million mass tonnes in 2007/08. The main reason for the growth in trade volume in 2008/09 was an increase of 15.6 per cent in Outer Harbour bulk commodities, particularly grains.

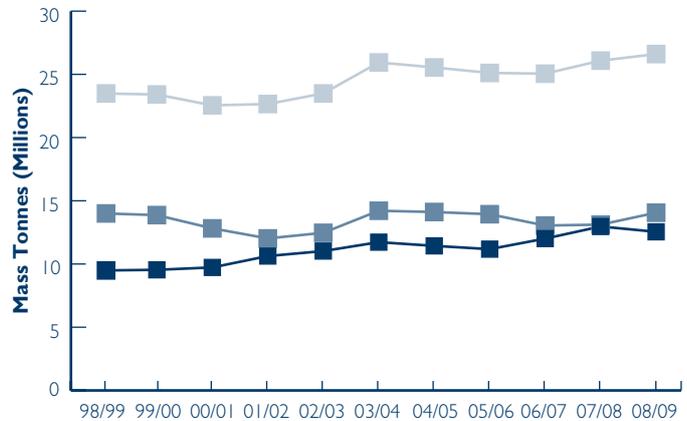
Total imports decreased by 0.5 million tonnes or 3.6 per cent and exports increased by 0.9 million tonnes or 7.1 per cent for this period.

Bulk cargo contributed 19.5 million mass tonnes or 73.5 per cent of total port trade in 2008/09, 5.7 per cent higher than last year. Bulk grains and oilseeds exports increased by 1.6 million tonnes or 62.3 per cent following a 12.3 million tonne grain crop in 2008/09. The port's principal bulk cargo, petroleum products, decreased from 8.5 million mass tonnes in 2007/08 to 8.2 million mass tonnes in 2008/09. Crude petroleum imports decreased by 0.3 million tonnes or 5.0 per cent compared to last year. Refined petroleum imports increased by 75.9 per cent and refined petroleum exports (including bunkers) decreased by 12.4 per cent.

Inner Harbour imports and exports decreased by 3.4 per cent and 9.6 per cent respectively. The global economic downturn has had a significant impact on Inner Harbour trade in the second half of the financial year, particularly the container trade and motor vehicle imports. Total containers handled decreased by 2.6 per cent in 2008/09 falling to 565,491 TEUs, a decrease of 14,854 TEUs on the previous year. Container trade is almost five times the level in 1990/91, representing an average annual growth of 9.5 per cent for this period. Non container cargoes to show strong growth in the Inner Harbour were imports of iron and steel and refined petroleum due to strong growth in the first half of the financial year. Sheep and cattle were the only non container exports to increase. New motor vehicles and industrial and agricultural machinery imports decreased significantly.

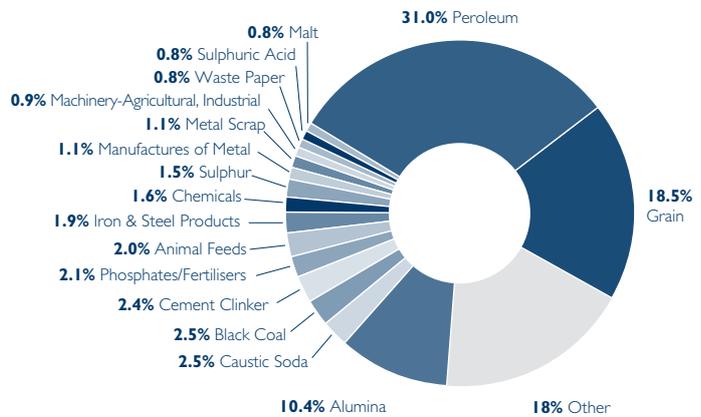
In volume terms the port's principal export commodities are grain, alumina and refined petroleum, which together account for 72 per cent by volume of total exports.

Total Port Trade 1998/99 to 2008/09



Imports	9.491	9.540	9.729	10.628	11.023	11.727	11.434	11.175	12.010	13.009	12.545
Exports	13.998	13.867	12.818	12.024	12.467	14.212	14.112	13.937	13.043	13.122	14.058
Total	23.489	23.407	22.547	22.652	23.490	25.939	25.546	25.112	25.053	26.131	26.603

Principal Commodities Imports/Exports - 2008/2009



Trade and Business Growth

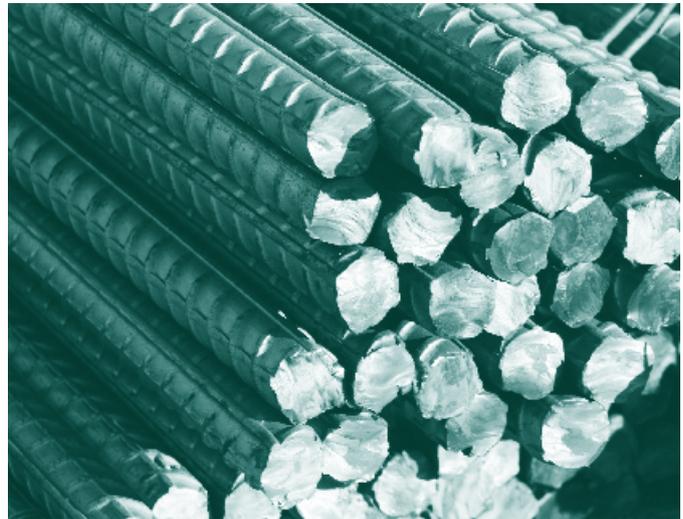
Major Trading Regions

Trade with East, South East and Southern Asia amounted to 52 per cent of total port trade in 2008/09, four percentage points higher than 2007/08. Over the period 1998/99 to 2008/09, trade with East, South East and Southern Asia has grown from 45 per cent to 52 per cent of Fremantle’s total trade. Significant increases in trade with China and Korea have boosted trade with East Asia by 18.7 per cent. South East Asian trade rose by 16.3 per cent due to increases in trade with Indonesia. In interpreting this figure, a cautionary note is that some of the increase could reflect cargo trans-shipped through Singapore to other destinations. Australian coastal cargo accounts for 19 per cent of total port trade, the Middle East accounts for 17 per cent, North America 4.0 per cent, Africa 2.0 per cent and UK and Europe 4.0 per cent. Again, these figures could be deflated because of trans-shipments through Singapore. (A graphical presentation showing the link with world trade is shown in page 114, in the Statistical Information section of this report).

Imports

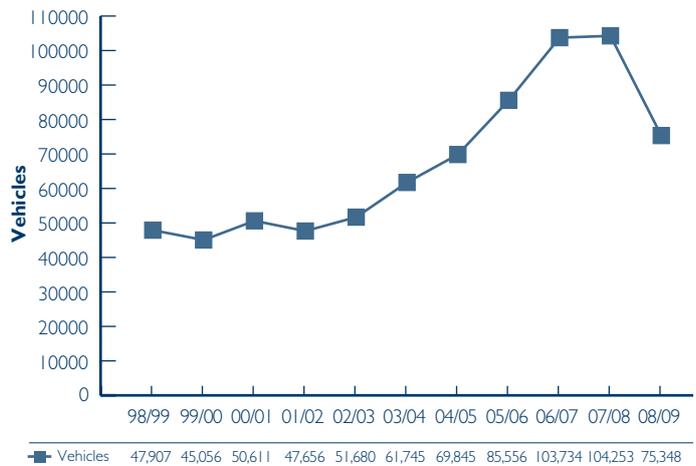
Total imports decreased by 3.6 per cent during 2008/09 to 12.5 million tonnes. Inner Harbour imports decreased by 3.4 per cent mainly due to falls in container and break-bulk trades in the second half of the financial year. Outer Harbour imports decreased by 3.6 per cent due to decreases in crude petroleum, caustic soda, cement clinker, phosphates, sulphur, iron ore, coal and gypsum. Overall petroleum product imports (crude and refined) increased by 1.3 per cent compared to last year.

New motor vehicle imports through Fremantle Ports totalled 75,348 units in 2008/09, a decrease of 28,965 units or 27.8 per cent compared to last year. Seasonally adjusted new motor vehicle sales in Western Australia declined by 7.9 per cent in the year to June 2009. New motor vehicle imports from Japan and Thailand declined by 36.3 per cent and 19.6 per cent respectively in 2008/09 compared to last year. Imports from South Korea increased by 2.0 per cent. Japan’s share of total motor vehicle imports was 37.6 per cent in 2008/09 compared to 41.7 per cent last year. Imports from Thailand and South Korea accounted for 22.8 per cent and 17.2 per cent of the total respectively.



Steel imports were among the break-bulk cargoes unloaded at 2 Berth on North Quay.

Motor Vehicles – New Imports 1998/1999 to 2008/2009



Trade and Business Growth

Import Cargoes Classified According to Cargo Class - Thousands of Tonnes

Commodity	Bulk	Container	Non Container General Cargo	Port Total 2008/09	Port Total 2007/08
Petroleum Crude	5,220	0	0	5,220	5,492
Petroleum Products	770	31	0	802	456
Caustic Soda	670	0	0	670	725
Cement Clinker	646	0	0	646	825
Phosphates - Fertilizers	491	33	2	526	700
Iron and Steel Products	0	244	228	471	379
Sulphur	409	0	0	409	423
Chemicals and Related Products	17	308	0	325	335
Urea	192	1	0	193	110
Machinery - Agricultural, Industrial	0	165	23	188	193
Iron Ore	171	0	0	171	308
Manufactures of Metal	0	165	3	169	155
Ammonia	164	0	0	165	54
Paper, Paperboard	0	152	0	152	169
Bricks, Tiles, Pavers	0	123	0	123	159
Unclassified Goods	0	117	4	121	113
Motor Vehicles - New	0	1	117	118	166
Vehicles - Industrial and Agricultural	0	16	100	116	148
Slag Residue ex Steel Furnace	109	0	0	109	102
Fabricated Construction Materials	0	92	8	100	107
Newsprint	0	95	0	95	107
Furniture and Parts	0	89	0	89	97
Black Coal	87	1	0	88	221
Ale, Beer and Stout; Cider (Alcoholic)	0	88	0	88	54
Gypsum	88	0	0	88	153
Plastic Wares and Other Manufactures	0	80	0	80	71
Rubber Manufactures	0	70	9	78	83
Urea Ammonium Nitrate (UAN)	69	0	0	69	58
Miscellaneous Manufactured Articles	0	62	0	62	92
Fruit and Vegetables (Preserved, Canned, Bottled or Frozen)	0	57	0	57	57
Cork and Wood Manufactures	0	54	0	54	72
Ammonium Sulphate	47	1	0	48	2
Sugar	1	47	0	48	59
Other Food Preparations	0	46	0	46	41
Other Transport Equipment and Parts	0	37	8	45	64
Glass	0	45	0	45	57

Import Cargoes Classified According to Cargo Class - Thousands of Tonnes (Continued)

Commodity	Bulk	Container	Non Container General Cargo	Port Total 2008/09	Port Total 2007/08
Logs and Timber	0	43	2	44	39
Sulphuric Acid	41	0	0	41	18
Non Alcoholic Beverages	0	33	0	33	24
Potash	27	3	1	31	17
Other Commodities	86	432	2	522	505
TOTALS	9,305	2,734	505	12,545	13,009

Note: Figures in the above table are subject to rounding

Exports

Total exports increased by 7.1 per cent during 2008/09 to 14.1 million tonnes. Inner Harbour exports decreased by 9.6 per cent mainly due to substantial falls in containerised wheat exports. Containerised wheat exports more than doubled in 2007/08 due to the deregulation of the containerised grain trade in August 2007 but have fallen by 42.4 per cent in 2008/09. A significant amount of containerised wheat has moved back to bulk due to the competitive bulk shipping rates. Other Inner Harbour exports to decline were titanium dioxide, non ferrous metals, mineral sands, chemicals, wool, nickel matt and concentrates, unclassified goods, bricks, tiles and pavers, animal foods, scrap metals, refined petroleum and tallow. However, agricultural commodities such as hay, oats, barley, canola seed and lupins increased significantly. Outer Harbour exports increased by 15.6 per cent, reflecting significant increases in bulk wheat, which increased by 1.5 million tonnes or 91.6 per cent. Other Outer Harbour commodities to increase significantly were coal, canola seed, sulphuric acid, ammonium nitrate and oats. Outer Harbour exports to fall were alumina, refined petroleum, barley and malt.



Growing exports to China have made it Fremantle's principal export trading partner.

In 2008/09 Fremantle Ports' major overseas export markets by volume (percentage of total exports) were China 15.3 per cent, Japan 9.5 per cent, Indonesia 8.9 per cent, South Korea 4.5 per cent, Iran 4.2 per cent and India 3.5 per cent. Exports to Indonesia almost doubled mainly due to wheat exports being more than three times higher than 2007/08. Following no exports of wheat to Iran in 2007/08, 0.6 million tonnes were exported in 2008/09. Exports to China increased by 11.3 per cent in 2008/09 and represent 2.1 million tonnes or 15.3 per cent of total exports making that country Fremantle's principal export trading partner. Alumina was the major export to China representing 1.0 million tonnes in 2008/09, however exports of alumina fell by 30.2 per cent compared to 2007/08. Coal exports to China were almost eight times higher than last year.

Exports to other Australian ports reached 2.8 million tonnes in 2008/09, 2.7 per cent higher than last year.

Trade and Business Growth

Export Cargoes Classified According to Cargo Class - Thousands of Tonnes

Commodity	Bulk	Container	Non Container General Cargo	Port Total 2008/09	Port Total 2007/08
Grain - Wheat	3,200	524	0	3,724	2,581
Barley	523	107	0	630	728
Canola Seed	309	29	0	338	149
Oats	52	158	0	211	155
Lupins	6	25	0	31	15
Alumina	2,767	10	0	2,777	3,050
Petroleum Refined (Including Bunkers)	2,220	2	0	2,223	2,537
Black Coal	580	1	0	581	411
Animal Feeds	108	406	5	518	467
Metal Scrap	0	80	213	293	392
Waste Paper	0	217	0	217	181
Malt	57	151	0	208	222
Sulphuric Acid	162	0	0	162	17
Sheep	0	0	155	155	150
Other Crude Minerals	0	146	1	147	132
Titanium Dioxide	0	141	0	141	175
Manufactures of Metal	0	120	1	121	71
Pig Iron	117	0	0	117	110
Chemicals and Related Products	33	75	0	108	116
Non Ferrous Metals	0	106	0	106	134
Fresh Meat - Chilled or Frozen	0	106	0	106	105
Mineral Sands	0	96	0	96	110
Fresh Fruit and Vegetables	0	94	0	94	89
Wool	0	68	0	68	74
Ammonium Nitrate	0	3	59	63	4
Liquified Petroleum Gas (LPG)	54	0	0	55	52
Machinery – Agricultural, Industrial	0	41	7	48	42
Cattle and Calves	0	0	39	39	37
Nickel Matt and Concentrates	0	39	0	39	58
Dairy Products	0	34	0	34	36
Unclassified Goods	0	31	1	32	40
Hides and Skins	0	32	0	32	34
Phosphates - Fertilizers	15	14	0	29	31
Iron and Steel Products	0	25	1	26	16
Tallow	20	5	0	25	30

Trade and Business Growth

Export Cargoes Classified According to Cargo Class - Thousands of Tonnes (Continued)

Commodity	Bulk	Container	Non Container General Cargo	Port Total 2008/09	Port Total 2007/08
Other Cereals and Cereal Preparations	0	25	0	25	19
Bricks, Tiles, Pavers	0	24	0	24	40
Logs and Timber	0	22	0	22	21
Fruit and Vegetables (Preserved, Canned, Bottled or Frozen)	0	21	0	21	29
Other	21	337	15	372	462
TOTALS	10,244	3,317	497	14,058	13,122

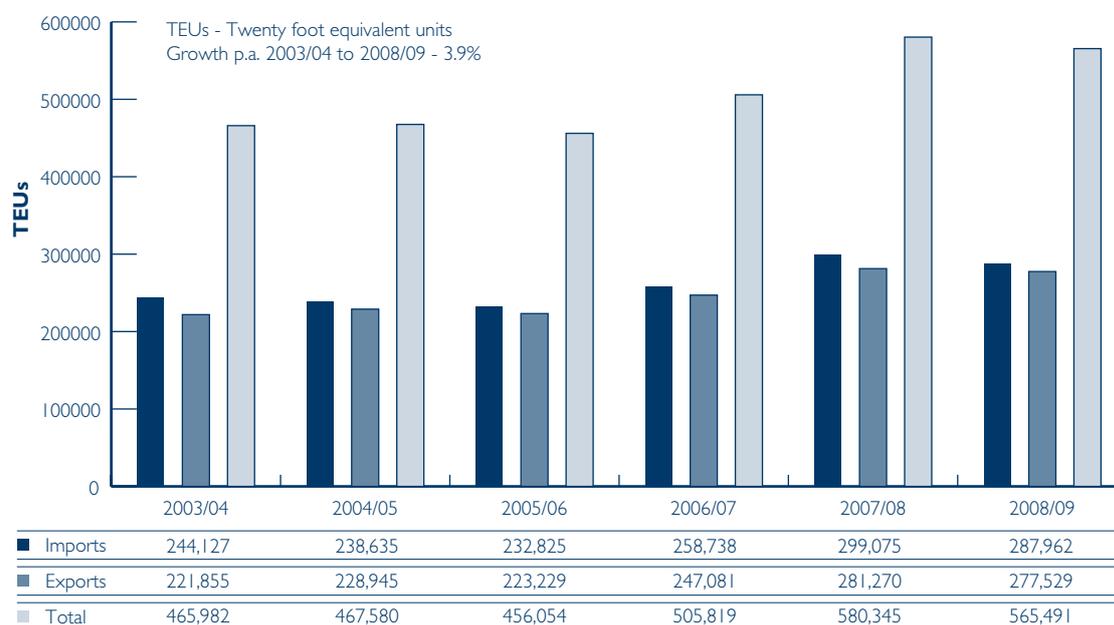
Note: Figures in the above table are subject to rounding

Container Trade

When compared with 2007/08:

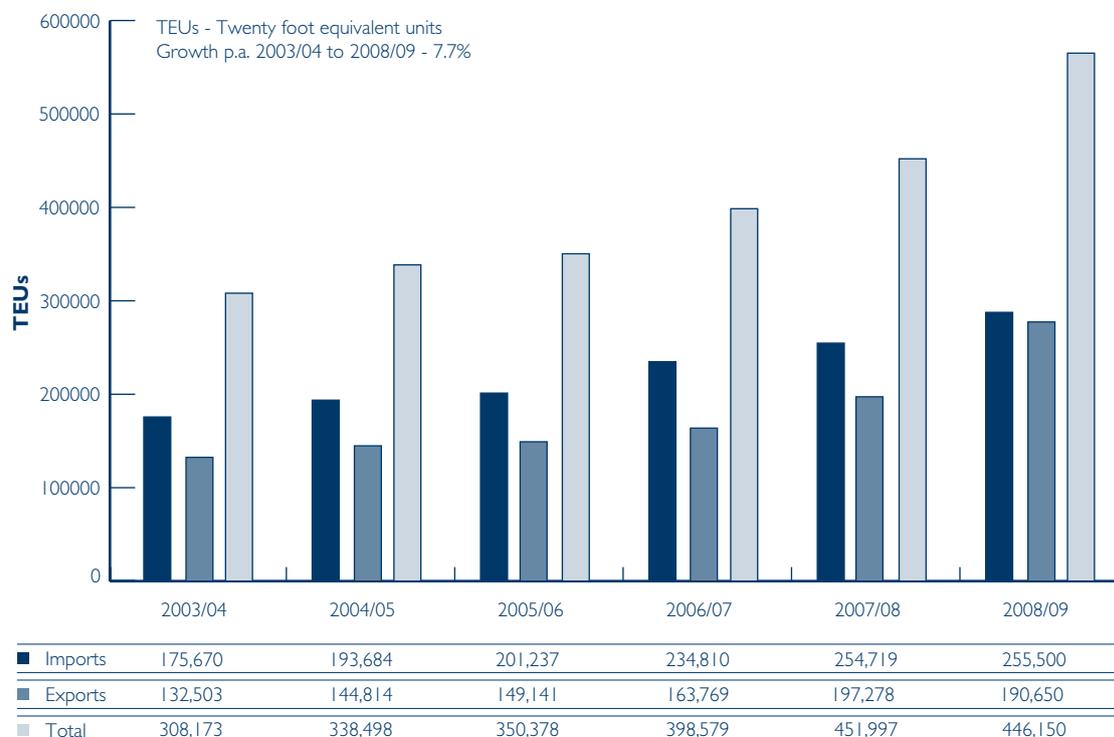
- Non trans-shipped full container exports decreased by 3.4 per cent and non trans-shipped full imports increased by 0.3 per cent.
- Total container exports and imports decreased by 1.3 per cent and 3.7 per cent respectively.
- Full container exports (including trans-shipments) decreased by 4.1 per cent and full imports (including trans-shipments) increased by 0.02 per cent.
- Empty container exports increased by 5.2 per cent and empty imports decreased by 25.8 per cent.
- Coastal container throughput totalled 80,011 TEUs, a decrease of 6.1 per cent on 2007/2008. Coastal non trans-shipment full container throughput totalled 66,671 TEUs, 8.2 per cent up on 2007/08.
- Full trans-shipment container throughput fell by 2,152 TEUs or 84.1 per cent.

Container Trade Comparison 2003/2004 to 2008/2009



Trade and Business Growth

Full Non Trans-Shipment Container Trade Comparison 2003/2004 to 2008/2009



Major Container Commodities Imported - TEUs

Commodities	2007/08	2008/09	Variance %
Machinery-Agricultural, Industrial	27,833	27,883	0.18%
Furniture and Parts	23,406	21,343	-8.81%
Chemicals and Related Products	18,267	17,946	-1.76%
Manufactures of Metal	14,094	16,632	18.01%
Iron and Steel Products	11,153	14,851	33.16%
Paper, Paperboard	14,969	13,982	-6.59%
Unclassified Goods	10,937	10,930	-0.06%
Plastic Wares and Other Manufactures	8,706	10,105	16.07%
Rubber Manufactures	10,052	9,839	-2.12%
Miscellaneous Manufactured Articles	11,535	9,779	-15.22%
Total	150,952	153,290	1.55%
Percentage of Total Full TEU Imports Excluding Trans-shipped TEUs	59.3%	63.3%	

Trade and Business Growth

Major Container Commodities Exported - TEUs

Commodities	2007/08	2008/09	Variance %
Hay, Chaff, Fodder Peas[Stock Feed]-Cargo	26,548	32,081	20.84%
Wheat	37,780	21,480	-43.14%
Waste Paper	15,282	18,930	23.87%
Malt	9,140	10,016	9.58%
Oats	7,215	9,197	27.47%
Fresh Meat-Chilled Or Frozen	7,919	7,737	-2.30%
Titanium Dioxide	8,600	6,964	-19.02%
Other Crude Minerals	5,573	6,089	9.26%
Manufactures of Metal	4,010	6,080	51.62%
Fresh Fruit And Vegetables	5,503	6,051	9.96%
Total	127,570	124,625	-2.31%
Percentage of Total Full TEU Exports Excluding Trans-shipped TEUs	64.7%	65.4%	

Fremantle's Trading Partners

Fremantle Ports' top 10 overseas trading partners collectively account for 60.7 per cent of total non trans-shipment full container trade (refer table below). Australian coastal container trade accounts for a further 14.9 per cent.

Top-Ten Container Trading Partners

Percentage of Total Full Container Trade

Country	2007/2008	2008/2009
China	20.5%	20.7%
Japan	8.3%	8.4%
Malaysia	7.3%	5.7%
Indonesia	6.1%	5.0%
Thailand	4.1%	4.2%
South Korea	3.3%	4.0%
United States of America	3.3%	3.8%
Singapore (1)	4.8%	3.8%
Vietnam	3.8%	3.2%
Taiwan	2.0%	1.9%
Top 10 Countries percentage of Total Country Trade	63.5 %	60.7%

Excludes all trans-shipment and empty containers

Note: (1) Hub Port: May include cargo trans-shipped through Singapore to and from other destinations and origins.

Trade and Business Growth

Livestock

Livestock Exports 2008/2009

Destination	Sheep No.	Cattle No.	Other No.	Total No.	% of Total
Africa	20,000	19,449		39,449	1.22%
Asia - South-East	20,835	34,329	910	56,074	1.74%
Indian Ocean - Mauritius		850		850	0.03%
Middle East	3,056,343	74,056		3,130,399	97.01%
Totals	3,097,178	128,684	910	3,226,772	100.0%

Live sheep

3,097,178 head of live sheep were exported through the Port of Fremantle in 2008/09, an increase of 119,567 head or 4.0 per cent compared with 2007/08.

Fremantle Ports' share of total Australian live sheep exports was 76 per cent in 2008/09, compared to 75 per cent in 2007/08 and 77 per cent in 2006/07. The value of live sheep exports through Fremantle Ports in 2007/08 was \$A265 million.

Exports from Australia during 2008/09 were 4.1 million head, a similar level to the previous year. The Middle East was the destination of 99.1 per cent of Australian live sheep exports in 2008/09.

Saudi Arabia was the largest export market for Australian live sheep in 2008/09 with 1.0 million head exported, followed by Kuwait, Oman, Bahrain, Qatar, Jordan, the United Arab Emirates and Israel.

Despite a 10 per cent decline in the Australian adult sheep flock during 2008/09, live sheep exports were at a similar level to last year. Between July 2008 and March 2009, live sheep export prices averaged around 20 per cent higher than the same period in 2007/08. The value of live sheep exports increased by 26 per cent in 2008/09 compared to 2007/08.

Source of total Australian live sheep export statistics and value of trade: Australian Bureau of Statistics.

Live cattle

Live cattle exports from Fremantle reached 128,684 head in 2008/09, an increase of 9,058 head or 7.6 per cent on 2007/08.

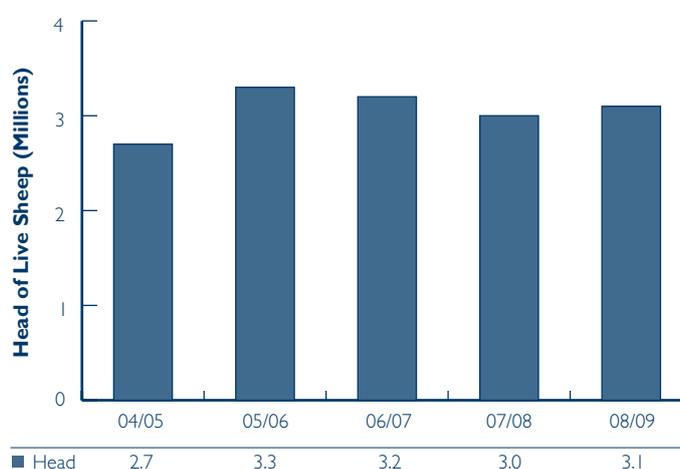
Fremantle Ports' share of total Australian live cattle exports was 13.6 per cent in 2008/09. The value of live cattle exports through Fremantle Ports in 2008/09 was \$A77 million.

In 2008/09, the largest export markets served from Fremantle were Indonesia, Libya, Saudi Arabia, Jordan and Israel.

Source of total Australian live cattle export statistics and value of trade: Australian Bureau of Statistics.

Source of information on live sheep and cattle trade: Meat and Livestock Australia, Australian Cattle and Sheep Industry Projections 2009 and ABARE - Australian Commodities Forecasts and Issues June Quarter 2009.

Live Sheep Exports 2004/2005 to 2008/2009



Outlook

Treasury Projections

Following strong growth in Gross State Product in 2008/09, the Western Australian economy is forecast to contract by 1.25 per cent in 2009/10. Domestic demand is forecast to fall by 3.5 per cent in 2009/10, due to contractions in both business and housing construction. This is partially offset by forecast growth in net exports. While exports are forecast to decline, imports are expected to fall more rapidly, resulting in an increase in net exports.

Data: Government of WA 2009-2010 Budget, Economic and Fiscal Outlook, Budget Paper No. 3.

Trade in 2009/10

Fremantle Port's full non trans-shipment container trade fell by 1.3 per cent in 2008/09 due to a sharp decline in trade in the second half of the financial year. Full container trade with South East Asia fell by 17.0 per cent mainly due to a 52.7 per cent decrease in wheat exports. Full container trade with China decreased by 0.3 per cent in 2008/09 compared to last year.

World trade is forecast to record its largest decline in 80 years, with the sharpest losses in East Asia. According to the International Monetary Fund (IMF), the world trade volume of goods and services is forecast to contract by 11 per cent in 2009. This follows average growth of 7.6 per cent over the past five years.

The economies of Western Australia's main export markets face very different outlooks. Based on the IMF forecasts, the weighted average economic output of the State's key export markets in 2009 will contract by 0.7 per cent, steeper than the recession following the 1997/98 Asian crisis during which growth contracted by 0.2 per cent. The economy of the State's largest export market, China, is forecast to grow by 6.5 per cent in 2009. The weighted average growth rate is expected to pick up to 3.1 per cent in 2010, due mainly to forecast growth of 7.5 per cent in China and 5.6 per cent in India.

Fremantle Port's full container trade fell by 20,578 TEUs or 9.0 per cent in the first half of 2009 compared to the same period in 2008 and fell by 9.0 per cent in July 2009 compared to July 2008. Forecasts for Fremantle's container trade in 2009/10 are difficult to formulate given that the extent and duration of the global downturn is still far from clear.

Following a substantial 27.8 per cent fall in 2008/09, Fremantle Port's new motor vehicle imports rose by 12.3 per cent in July 2009 compared to July 2008. New motor vehicle sales grew strongly over June in seasonally adjusted terms for both Western Australia (up 7.6 per cent) and nationally (up 5.7 per cent). A key factor in such growth is likely to have been the Federal Government's extension to December 2009 of the small and general business tax breaks that raised the tax deduction on cars. It is uncertain if the Government incentives will continue to influence new motor vehicle imports in 2009/10.

In 2009/10, Australia's live sheep exports are forecast to remain at similar levels to 2008/09. Strong export demand for live sheep, particularly from the Middle East, is expected to support live sheep exports. Fremantle's exports are forecast to be around 3.0 million head in 2009/10, a similar level to 2008/09.

Fremantle Ports' Kwinana Bulk Jetty and Kwinana Bulk Terminal bulk cargo tonnages represent around 19.7 per cent of total port bulk cargo volumes. Kwinana Bulk Jetty trade increased by 0.1 million tonnes or 6.4 per cent to 2.0 million tonnes in 2008/09, mainly due to increases in imports of ammonia, urea and ammonium sulphate and exports of sulphuric acid and ammonium nitrate. Trade throughput at Kwinana Bulk Jetty is forecast to be around 1.8 million tonnes in 2009/10.

Trade and Business Growth

Kwinana Bulk Terminal trade decreased by 0.3 million tonnes or 15.0 per cent to 1.9 million tonnes in 2008/09, due to decreases in cement clinker, iron ore, gypsum and coal imports. Exports to increase were coal and pig iron. Trade throughput at this facility is expected to fall by around 0.2 million tonnes to 1.6 million tonnes in 2009/10 due to decreases in HIs melt coal and iron ore imports and pig iron export exports. The HIs melt pig iron plant has been placed in "care and maintenance" until April 2010.

Co-operative Bulk Handling's Kwinana grain terminal exported 4.1 million tonnes in the 2008/09 financial year compared to 2.6 million tonnes in 2007/08. CBH is forecasting receivals to be at the top end of its 8-11 million tonne forecast with exports at the Kwinana Bulk Terminal reaching around 4 million tonnes in 2009/2010.

Petroleum product, Fremantle Port's major bulk commodity, is forecast to be around 8.0 million tonnes in 2009/10, and dry bulk alumina exports are expected to remain at levels similar to 2008/09 (2.8 to 3.0 million tonnes).



Fremantle Ports' bulk terminal facilities account for 19.7 per cent of port bulk cargo volumes.

Support Services

Objective

Ensuring appropriate and cost effective resources, processes and systems to support service delivery

Key Outcomes Sought

Support services are focused on achieving priority projects

Review of Organisational Structure

Fremantle Ports' business has changed significantly over recent years, in particular since the acquisition of the Kwinana Bulk Terminal in 2002, with considerable expansion in the workforce and the scope of its activities. Its organisational structure, which had not altered, was reviewed during the year and changed to ensure it is appropriate to enable Fremantle Ports to achieve its business goals, key outcomes and priority projects.

The objectives were to ensure alignment with Fremantle Ports' strategic direction and priorities and to identify opportunities for improved efficiency and streamlining.

The revised structure, which does not result in any job losses, takes effect from 1 July 2009.

Occupational Safety, Health and Injury Management

Fremantle Ports places the highest priority on maintaining a safe workplace. The Safety Vision is:
To be recognised by our people as a leader for our excellence in safety.

Safety Strategy 2009, a new, five-year strategic plan to improve and maintain a high standard of safety for all Fremantle Ports operations, was agreed in March and communicated to all personnel.

This new safety strategy includes a safety management structure, systems and standards, safety leadership, branch safety improvement plans and safety measurement. It requires safety leadership to come directly from managers and supervisors to their teams.

The priority actions being implemented to achieve the Safety Strategy 2009 are: for safety to be led and owned by supervisors and managers; concentrating on permits to work; contractor safety and audits; improved incident investigation and root cause analysis; a safety observation and conversation system; and better safety communications.

Safety is managed through a safety and health steering group under which managers and supervisors, with assistance and advice from safety advisors, drive safety by ensuring employees take reasonable care to ensure their own safety and health, and the safety and health of others. Employees are expected to comply with instructions given for safety and health; to wear provided personal protective equipment as required; to use equipment responsibly; to report hazards, incident and injuries; and to cooperate with all actions Fremantle Ports takes to comply with the *Occupational Safety and Health Act 1984*.

A Drug and Alcohol Policy and procedure were instituted in November 2008, following comprehensive training and rollout. Fremantle Ports' Safety at Home initiative continued, including provision of free personal protective clothing for home use, and annual free replacement batteries for smoke detectors.

Employee Training and Development

Fremantle Ports has been implementing its leadership development and support program, Leading Lights, since 2005 to help people develop their leadership abilities and potential.

A modular leadership program was introduced in February 2008. Two streams, one at senior management level and the other at supervisory and emerging leader level were identified. A total of 75 employees completed the program. The value of the program has been evaluated with positive outcomes.

All participants in the Leading Lights program have completed a 360 degree leadership profile, and a number of other employees have also taken up this opportunity for profiling and follow up.

Support Services

Coaching as a development tool is also contributing to building a participative leadership style at Fremantle Ports. A total of 25 employees were coached internally this year, with an emphasis on assertiveness and self management and a further 12 people undertook coaching in facilitation skills.

Training continues to be a priority with concentrated and continuous training, including cross skilling, occurring in the operations areas to ensure all employees are appropriately skilled in operations tasks, plant and equipment.

The Employee Development and Skills Development systems were reviewed and a new performance and appraisal system was developed and trialed, with plans to implement this organisation-wide from July 2009.

Measuring our Culture

Recognising that internal culture has a major influence on external performance, Fremantle Ports undertook a cultural survey during the year. There was an 82 per cent response rate to this survey which measured Fremantle Ports' culture, the factors that contribute to it and the outcomes.

Elements reflecting organisational alignment, participative leadership and employee involvement, communication, empowerment, goal setting, appropriate use of power and training and development opportunities compared very favourably with the national benchmarks.

Key opportunities for strengthening Fremantle Ports' culture include our internal customer focus, employee recognition and our performance management processes.

Branches have prepared plans based on the opportunities identified.

Health and Wellness

Fremantle Ports' Health and Wellness program is designed to provide employees with educational and lifestyle opportunities to improve their health and well being. Internal surveying shows that it is greatly valued by employees and the program has scored highly in external evaluations undertaken within the Australian Business Excellence Framework.

This year's program included a range of ongoing initiatives such as: influenza vaccinations, first aid training, skin cancer screening and healthy lifestyle awareness sessions on issues such as getting a good night's sleep, looking after the immune system in the winter months and maintaining kidney health.

Fremantle Ports' Employee Assistance program continues to offer employees and their families 24 hour confidential counselling assistance on work related or family issues.

Good rehabilitation support has continued to allow employees who received work place injuries to return to duties reasonably quickly and Fremantle Ports continues to monitor general fitness for work in relation to fatigue management, hours of work and the physical level of work being undertaken by employees.

Employee Relations

Negotiations for a variation to the Operations and Services Agreement 2006 are continuing, with employees in the Inner and Outer Harbours affected by the outcome, including Port Services Officers, Facilities Services Officers, Maintenance employees and a few ancillary staff.

Negotiations for a variation to the Stevedoring Agreement were concluded.

Negotiations for a separate Fremantle Ports Marine Services Agreement covering Vessel Traffic Officers and Small Craft Masters were also concluded.

Support Services

Employee numbers

At 30 June 2009, Fremantle Ports' full time equivalent employee total was 309.28. This was a slight increase on last year, reflecting some expansion in Fremantle Ports' operational requirements. With the current economic downturn, however, there are a number of vacancies not being directly filled and tasks are being shared by other employees in the work groups.

Fremantle Ports' attrition rate has reduced from last year's figure of 11 per cent to 7.5 per cent which may reflect the slowing economy, employees opting for job security and employees opting not to retire.

The number of positions advertised in 2008/09 was 25, compared with 45 in the previous year.

Harbour Master Retires

Harbour Master Captain Eric Atkinson retired in September after 29 years with Fremantle Ports, including 20 years as Harbour Master.

One of his significant contributions was his work with O'Brien Maritime, Fremantle Pilots and BP Australia on the introduction of the computerised draft enhancing technology, Dynamic Under Keel Clearance in 1994. Fremantle Ports later became the first in the world to use this technology for deep draft container ships.

Captain Atkinson also campaigned successfully to get the International Maritime Organisation to bring in regulations to address the issue of defective mooring lines on ships. Safe mooring procedures developed at Fremantle Ports under Captain Atkinson's guidance have been adopted in many international ports.

In 2007 Captain Atkinson was awarded the rare and prestigious Order of the Rising Sun with Gold Rays and Rosette from the Emperor of Japan for his services to the Japanese Antarctic research vessel *Shirase* over 25 years.

Captain Allan Gray, who joined Fremantle Ports in July 2006, was appointed Harbour Master to replace Captain Atkinson.

Captain Gray is a skilled mariner whose 20 years at sea included extensive experience in container and tanker shipping, as well as marine incident management and maritime systems development.

In addition to his day to day duties as Harbour Master, Captain Gray has also taken a close interest in increasing the number of young people interested in following a maritime career path. With his encouragement, Fremantle Ports has supported the development of a new training course by Challenger TAFE in Fremantle, and the Australian Marine Pilots Association to focus on the needs of pilots and port management.

In April 2009, Captain Gray was elected Federal Master of the Company of Master Mariners in Australia.

Strategic Asset Management

Fremantle Ports is currently developing a best practice strategic asset management system to help minimise the costs of providing and maintaining the organisation's asset portfolio.

The system will provide asset managers with the information and resources to make commercially driven decisions while maintaining high levels of service for customers and ensuring that the level of risk associated with the asset portfolio remains acceptable.

The project represents a further shift in Fremantle Ports' asset management practices towards long term planning and a whole of life approach.

Support Services

Systems Development

Fremantle Ports' computer systems have undergone a number of significant upgrades this year.

Further progress was made towards implementing the Port Management Information System, an improved system to support shipping operations such as ship scheduling, berth allocation, pilotage and booking of tugs. From April 2010, it will provide a higher level of service to port users than the current system.

The Voyager Dangerous Cargo system was enhanced to streamline handling of dangerous cargoes. The enhanced system will interface with the Port Management Information System.

Enhancements were also made to the Maritime Security Identification Card (MSIC) system in October 2008, when changes were made to Auscheck, a Federal Government agency responsible for coordinating criminal and security checks on MSIC applicants. A second set of changes, relating to expiry dates of some cards, was implemented in January 2009.

A new web application, the Common User Berths Access system, was implemented to provide stevedore-controlled access to common user berth landside restrictive zones areas in the Inner Harbour. Previously, Maritime Security Identification Card (MSIC) holders with port access permission from Fremantle Ports had unrestricted access to the common user berths.

Business Sustainability

Objective

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

Key Outcomes Sought

Favourable financial outcomes

Maintaining stakeholder support

Triple Certification Retained

Certification to the rigorous international environmental standard ISO 14001 is a key tool used by Fremantle Ports to ensure it operates in a way that protects the environment.

Fremantle Ports has retained its certification to safety (AS/NZS 4801), environmental (ISO 14001) and quality (ISO 9001) systems following an audit by SAI Global in June 2009. The auditors noted the improvements made since their audits in 2008, particularly those that bridged gaps previously identified.

They noted a number of key good practices including corrective actions across all systems, improvements to the Kwinana Bulk Terminal dust monitoring equipment and system, ground water and noise monitoring programs, staff training and the risQuay system.

They also noted the need to develop environmental auditing schedules for projects and for a review system for plant inspections, certification and registration.

Environmental Improvements

Discharge of oils and other hydrocarbons to the stormwater system can harm marine habitats, sea birds and marine life and contaminate coastal infrastructure. To monitor stormwater quality in the Rous Head and North Quay areas, Fremantle Ports has installed Smartpads in 23 stormwater drains to act as an oil (hydrocarbon) contamination detection system.

In the Outer Harbour, work continues to manage air quality and reduce dust from bulk operations. At the Kwinana Bulk Terminal, improved doors have been installed at the import storage shed truck load out area and dust treatment applied to unused open areas.

Hydro-mulch is being used to manage dust from the coal stockpile and windrows used around the import conveyor system and coal pad.

A high performance vibrating machine has been purchased to assist with hatch trimming on bulk cargo ships and to reduce dust at this source. Hydraulic-driven prongs vibrate and loosen material caught between the ribbings at the sides of the hatch.

The unit provides substantial savings by significantly reducing trimming requirements for cargo such as coal and slag being removed from hatches. It also reduces the risk of product caving in on personnel working below and greatly reduces damage to vessels during the trimming process.

Three real-time dust monitors have been upgraded and an audible alarm installed in the control room of the terminal and various dust collectors on the transfer system have been upgraded.

Monitoring for groundwater management has been on-going at Victoria Quay, Kwinana Bulk Terminal and Kwinana Bulk Jetty, with new monitoring wells installed at the Ravensdown site. Fremantle Ports is investigating the feasibility of groundwater reinjection from the air conditioning system at the Administration Building on Victoria Quay.

Fremantle Ports' marine quality monitoring program has been updated with the addition of sample sites at the Kwinana bulk sites, Rous Head Harbour, Stirling and Parmelia Channels and Gage Roads. Additional water quality monitoring has been undertaken at Kwinana Bulk Jetty.

Business Sustainability

Fremantle Ports has contributed to fisheries research including research on snapper, crabs, penguins, turtles and dolphins, and assists the Swan River Trust and Murdoch University with their dolphin studies. It also conducts ongoing testing and analysis of marine waters, sediment and biota.

Managing oil spillage and waste oil has a high priority. Activities this year have included oil spill response training for staff and contractors; desktop emergency exercises; training with the State Oil Spill Response Team; involvement in the national "Black Jack" oil spill exercise at Port Hedland and assisting with the response to the *Pacific Adventurer* oil spill in Queensland.

Understanding and Responding to Community Priorities

Recognising the importance of proactive community and stakeholder liaison, Fremantle Ports has continued to foster linkages with a wide range of organisations and groups. The various forums in which Fremantle Ports participates provide an opportunity for exchange of ideas and views, helping to achieve mutual understanding of community and port priorities.

The Inner Harbour and Kwinana community liaison groups established by Fremantle Ports over a decade ago have continued to meet quarterly. Community representatives are invited to submit agenda items and a loss management report setting out details of incidents and near misses in the previous three months is a regular agenda item. This frank sharing of information has been well received and has helped build trust with these groups that they will be kept informed and that their views will be taken into account.

Community liaison is part of a comprehensive plan developed this year to help ensure that liaison occurs on a systematic and regular basis with all of Fremantle Ports' many stakeholder groups to understand and respond to issues and perspectives.

Community Contribution

Community priorities are reflected in Fremantle Ports' targeted sponsorship program. Support, both monetary and in-kind, benefitted a wide variety of community organisations in the Inner and Outer Harbour areas this year.

Focus on Education

A significant effort is underway to make young people in the port area more aware of the importance of sea trade and the working port. Fremantle Ports sees this as an investment in the future and has initiated partnerships with a number of primary and secondary schools in the port area to encourage and help them to develop curriculum modules on the port, trade and related environmental themes.

A partnering arrangement with the Rockingham Senior High School in relation to its well established maritime studies program was the starting point several years ago and more recently this work with schools has been extended to include South Fremantle Senior High School, which also has a maritime studies program and the Hillman Primary School.



Fremantle Ports provided funds for a limestone containing wall when playground equipment was set up in the Kulunga kindergarten grounds.

Business Sustainability

A number of scholarships are provided in relation to the support for maritime studies programs and Fremantle Ports hosts an orientation day for scholarship students, who are given an opportunity to learn more about the role of the port, the importance of trade to the Western Australian economy and career opportunities.

Fremantle Ports has a strong commitment to assisting with Indigenous education and contributed again this year to the Centre for Aboriginal Studies at Curtin University of Technology. Support was given for the mentoring program for incoming students to the Aboriginal Bridging Course and four scholarships were provided.



Winners of Fremantle Ports scholarships at Rockingham Senior High School.

Community Health

Health is another area where Fremantle Ports works to support the community. Fremantle Ports has been the anchor sponsor for the Fremantle Football Club's Starlight Purple Haze Game for four years.

The money raised goes to the Starlight Children's Foundation to assist seriously ill children in hospital. A record \$43,275 was raised through the 2009 Purple Haze Game and associated activities, bringing to more than \$160,000 the amount raised over the past four years.

Fremantle Ports has given further support this year to the Gage Roads transit lounge which helps free up beds at Fremantle Hospital.

A further important contribution to community health and youth education was made this year through sponsorship of the Paraplegic Benefit Fund's Prevention Aqua Program in primary schools in the port area. This program aims to increase water safety awareness and reduce the risk of serious injury in the aquatic environment via presentations to Years 6 and 7 students by an individual who has sustained a permanent spinal cord injury as a result of an aquatic incident.

Support for the Arts and Festivals

In the arts field, Fremantle Ports sponsored local artists Susie Marwick and Angela Rossen as artists in residence in the winter of 2008. Their subsequent exhibition of port-related paintings, *Mosaic of Port Memories*, was exhibited at Fremantle's Kidogo Arthouse to coincide with the 2008 Festival of Fremantle. It expressed the vitality of the port in all aspects of its working life: ships under steam, berthing, loading, unloading, tugs, pilot boats at work, cranes, containers and workers.

A primary school photographic competition was held with the partnership. Other arts sponsorship this year included support for the Fremantle Chamber Orchestra; Deckchair Theatre; the Film and Television Institute's outdoor cinema season and the String Beans Children's Orchestra at North Fremantle.

Community festivals sponsored by Fremantle Ports included the Kwinana Festival; Rockingham Mussel Fest; the Fremantle Festival; the Fremantle Heritage Festival and the Fishing Fleet Festival.

Building Community Spirit

Fremantle Ports sponsors a number of sporting activities and organisations such as the Coogee Jetty-to-Jetty Swim and the Fremantle Rowing Club's annual corporate challenge event.

The Fremantle Ports Swim Thru 2008 held at South Beach in December raised about \$5000 for St Patrick's Community Support Centre and the "Freo Street Doctor". Fremantle Ports is the major sponsor of this annual event.

Business Sustainability

Support given to the North Fremantle Bowls, Tennis and Community Centre has enabled the development of a barbecue area and children’s playground.

Environmental Themes

Working in an environmentally sustainable manner is core to Fremantle Ports’ operations. However, in addition to having this strong focus in its daily activities, the port sponsors a number of community environmental projects. One of these is the Naragebup Rockingham Regional Environment Centre, where the Marine Learning Centre is undergoing a significant upgrade sponsored by Fremantle Ports.

Complaints Management

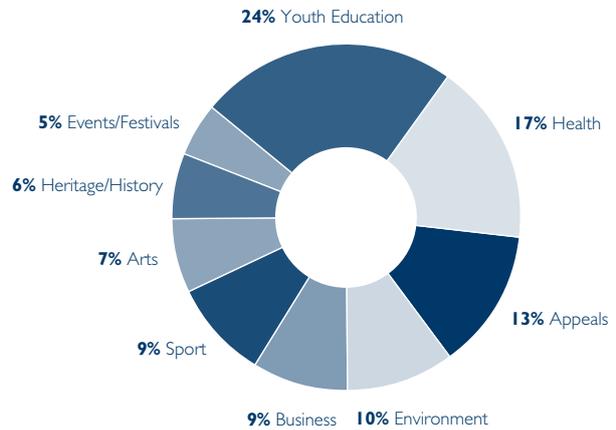
Fremantle Ports has an electronic system accessed via the Intranet to assist with complaints management. Complaints whether verbal or written, external or internal are registered as they occur. Required follow up actions are assigned electronically and progress is tracked.

Level of risk is calculated and trends are measured as a performance indicator and reported to the Executive and Board monthly.

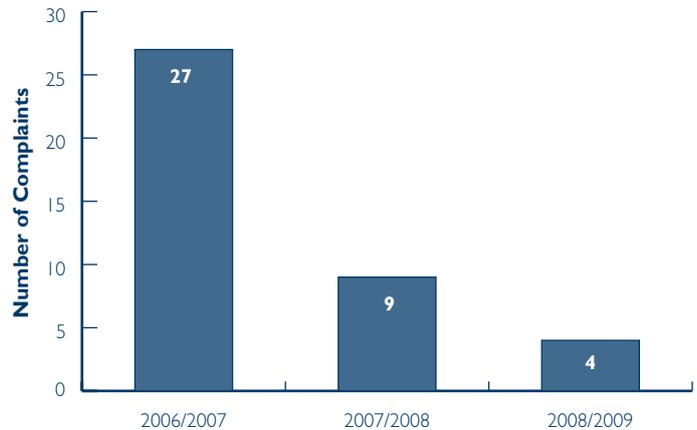
The importance of the complaints management system and how to use it is an ongoing element of the induction for new employees.

Fremantle Ports received 120 complaints in 2008/09 compared with 151 the previous year. A significant increase in safety complaints was due mainly to employee concerns on a range of safety issues, particularly in the Outer Harbour. The introduction of a new safety management approach (explained in the Occupational Health, Safety and Injury Management section of this report) should result in an improvement in this trend.

Community Sponsorship 2008/09



Fremantle Ports - Vehicle Traffic Complaints 2006/2007 to 2008/2009



Business Sustainability

Reduction in traffic management complaints in the North Quay and Rous Head area is related to the engagement of a road planning traffic management group to undertake on site monitoring of traffic in the area and work undertaken to minimise congestion.

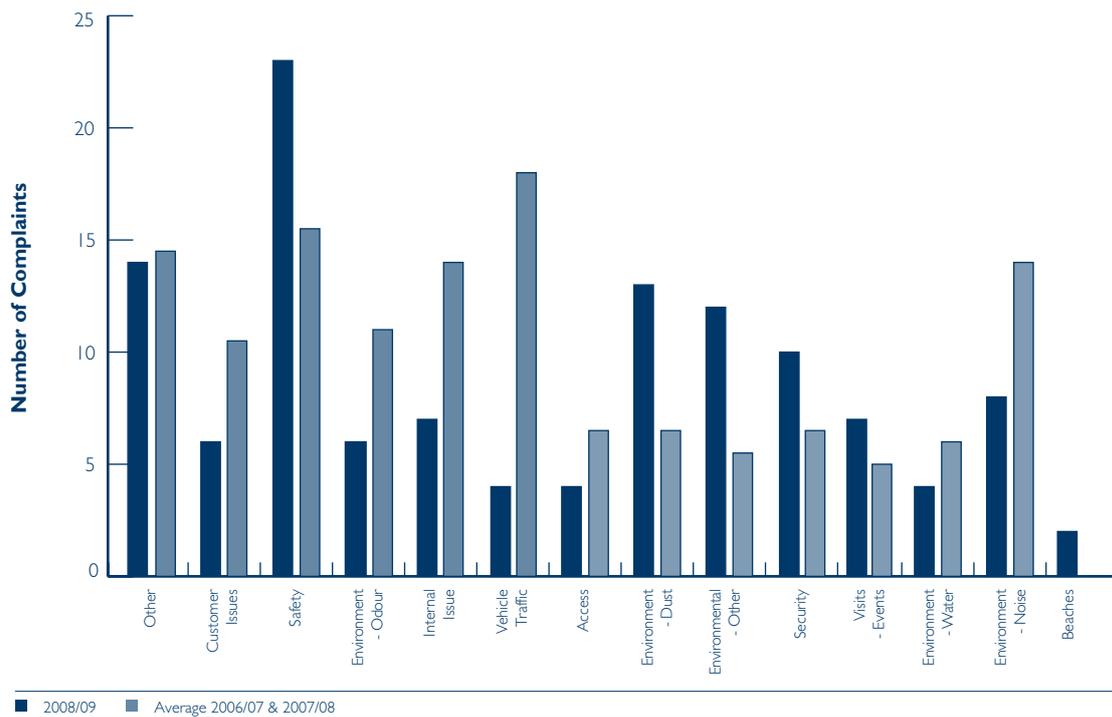
The complaints management system is linked to the electronic incident reporting system so that if an incident is also the subject of a complaint, this is recorded for follow up of the component.

Fremantle Ports' quick and thorough response to a hazardous incident in May was acknowledged by the Industrial Foundation for Accident Prevention (IFAP). Fremantle Ports was alerted by a complaint from an IFAP officer when a window cleaner stood on a glass awning while cleaning the second floor windows at Koolinda House on North Quay.

Investigation found that employees of the cleaning contractor had not received a suitable safety induction. This was because no additional risk assessment had been done when the contractor's role had been expanded to include exterior as well as interior cleaning.

Fremantle Ports has worked with the cleaning contractor to ensure safe working practices are followed in future.

Fremantle Ports - Registered Complaints 2008/2009 Compared to Average 2006/2007 and 2007/2008



Impacts of the Global Economic Crisis

Fremantle Ports is continuing to closely monitor industry forecasts in an effort to predict impacts of the worldwide economic downturn on Fremantle's trade volumes and revenue.

There have been significant reductions in some trades, for example motor vehicle imports, while others have fared better. Steel imports grew, mainly because of the strong growth in this trade in the first half of the year.

Fremantle Ports has undertaken a review of all trades to gain an understanding of likely trade patterns for both the Inner and Outer Harbours in 2009/10. This has involved discussions with major customers (shipping lines and shippers) to gain an insight from their forward estimates. General expectations are for reduction of between 5 and 8 per cent for full container totals.

While the impact on some trades is more difficult to forecast than others, current economic predictions appear to indicate that the downward trend will persist for the 2009 calendar year, with prospects for an upswing in the first or second quarter of 2010.

Rio Tinto's decision to place the HIs melt pig iron plant at Kwinana on care and maintenance for 12 months has significant implications for Fremantle Ports in terms of return on infrastructure investment. The upgrading of the Kwinana Bulk Terminal in recent years was, in part, to handle HIs melt's import and export needs.

The increased capacity at this terminal does, however, open opportunities for other bulk customers.

Lead Exports

The proposal by Magellan Metals to export lead carbonate through Fremantle Port's Inner Harbour has continued to generate some community concern, particularly in the Fremantle area. This is despite the fact that the product would be transported in a stringently controlled double containment system.

Magellan Metal's plan, with strict Environmental Protection Authority and ministerial conditions applying, involves the lead carbonate being transported from the mine site in sealed, double lined bulka bags inside locked steel shipping containers. This is completely different from the way in which the product was handled at Esperance, where it was shipped in bulk form.

Fremantle Ports engaged an external consultant in 2007 to undertake an independent environmental and risk assessment of the proposal by Magellan Metals to export the lead carbonate through the Inner Harbour. The review found that the risk control measures proposed by Magellan were acceptable. It also recommended a number of actions be undertaken by Fremantle Ports to ensure potential risk exposures were minimised.

One of the Ministerial conditions applied to the proposed export through Fremantle is the requirement for Magellan Metals to undertake baseline monitoring of lead levels in air, soil, water and sediment within the Inner Harbour before exports begin.

To provide additional independence of monitoring results and further verification of the work conducted by Magellan, Fremantle Ports has supplemented its existing environmental monitoring programs with some soil and air monitoring to provide baseline data for comparison with Magellan's monitoring results. Sampling for contaminants, including lead, is already undertaken as part of Fremantle Ports' annual marine monitoring program, so additional sampling to establish baseline levels in marine sediments and waters is not necessary.

Magellan Metals has worked closely with Fremantle Ports to ensure that we are satisfied that all obligations relating to shipment of lead carbonate through the Inner Harbour are being addressed appropriately.

In the unlikely event that elevated lead levels are detected once exports commence, analytical techniques are available to speciate the lead to determine whether the source is the Magellan minesite.

Impacts of Urban Encroachment on Transport Corridors

Fremantle Ports is increasingly concerned about the impact of new or planned urban development close to freight corridors. As well as the loss of potential to use the corridor for its current or planned future use, there is potential operational impact on the land uses associated with the transport corridor.

Reduced amenity for sensitive uses such as residential development close to transport corridors is another significant issue.

Planning strategies and policies are in place to achieve good planning outcomes at both local and State Government levels but despite this, there are increasing examples of residential development in close proximity to transport corridors and nodes such as ports and intermodal facilities. Residential development very close to the freight line at Fremantle and Coogee is an example of this, with the impacts already being felt.

Fremantle Ports is working with other agencies to increase awareness of the issue and the importance of ensuring that the policies are rigorously applied in assessment processes so that transport corridors are protected.

Container Terminals and the Vehicle Booking System

The landside performance of Fremantle's container terminals compares well with the general situation at Australia's container ports. The average truck turnaround time at Fremantle is 32 minutes compared with the national average of 38 minutes.

In Fremantle, however, as with other ports, there are a number of issues relating to the interface between carriers and the container terminals. The primary ones relate to the costs faced by carriers when delays occur at the wharf, the availability of daytime slots at container terminals, the difficulty of efficiently using night time slots and concerns regarding effective and timely communication on a range of matters.

Fremantle Ports has been working closely with the industry to address these issues through groups such as the Port Operations Task Force and Sea Freight Council (now the Freight and Logistics Council). Also, Fremantle Ports has taken the initiative to facilitate discussions between carriers and the container terminals as well as working at the national level to promote system changes which will help alleviate industry concerns and generate a more efficient supply chain, essential to the facilitation of trade.

Directors' Report

The Board of Directors of the Fremantle Port Authority (Fremantle Ports) has pleasure in submitting its report for the financial year ended 30 June 2009.

Directors

Details of the Board of Directors of Fremantle Ports during the financial year and until the date of this report are:

Alan Birchmore

Mr Birchmore was appointed to the Board on 1 March 2008. He is a former Chairman of the Albany Port Authority.

Mr Birchmore has occupied senior management and board appointments in Australia, the UK, Europe and the US, through a range of financial, industrial and mining operations. He came to Western Australia in 1979 as Managing Director of Amalgamated Industries and when this company was taken over by Bond Corporation, he was retained as an Executive Director to manage all Bond's industrial and mining interests. From 1984 he spent 12 years in the United Kingdom overseeing a range of European assets including international brewing, television, property developments and Airship Industries. He is currently a Director of United Minerals and a Fellow of the Australian Institute of Company Directors. Mr Birchmore is also a former Deputy Chairman of the Western Australian Ballet.

Mr Birchmore was appointed as Chairman on 1 March 2008.

Expiry of present term: 30 June 2010

Robert Pearce (Deputy Chairman)

Mr Pearce joined the Board on 1 July 2004. He is a former Western Australian Government Minister for Transport and Planning who also held the portfolios of Education, Environment and Leader of the House. He is Executive Director of the Forest Industries Federation of WA and President of the National Association of Forest Industries. He currently serves on the Freight and Logistics Council and the Biosecurity Council.

He was previously Chairman of the WA Port Operations Taskforce and a member of the Sea Freight Council of WA. He has served on the board of the Fremantle Sailing Club.

Mr Pearce was appointed as Deputy Chairman on 14 September 2004.

Expiry of present term: 30 June 2010

Directors' Report

Robert Edel

Mr Edel, a Perth-based partner in national law firm DLA Phillips Fox, was appointed to the Board on 1 February 2002. He is a graduate of The University of Western Australia and has a Master's degree in international commercial law from the University of London.

Mr Edel principally practises in the areas of mining and energy, project development, commercial litigation, construction and infrastructure, and trade practices. Other areas of his professional practice include international trade litigation, shipping and maritime law and risk management.

Expiry of present term: 30 June 2009

John Joseph O'Connor

Mr O'Connor was appointed to the Board on 1 January 2005. He is a former Australian Industrial Relations Commissioner and National President, State Secretary and Organiser/Advocate of the Transport Workers Union. Mr O'Connor has completed tertiary workshops including mediation skills enhancement and alternative dispute resolution, law for decision makers and intensive alternative dispute resolution.

Expiry of present term: 30 June 2009

Eve Howell

Ms Howell was appointed to the Board on 1 January 2006. She has over 30 years' technical and managerial experience in the petroleum industry in the UK and Australia. She is currently employed by Woodside as Executive Vice President, North West Shelf. She is also a Director of the Australian Mines and Metals Association (AMMA) where she also serves as President. She has formerly been an Australian Petroleum Production and Exploration Association (APPEA) Councillor and Chair of APPEA's Environmental Affairs Committee.

Ms Howell has a Bachelor of Science in Geology and Pure and Applied Mathematics from the University of London and an MBA from Heriot-Watt University, Edinburgh Business School.

Expiry of present term: 31 December 2010

Directors' Report

Directors' Meetings

Attendance by Directors at meetings held during the financial year ended 30 June 2009 was:

	Meetings of Directors	Audit Committee	Employee Relations
Number of Meetings Held	12	4	1
Numbers of meetings attended by:			
Alan Birchmore*	12	-	1
Robert Pearce	10	4	1
Robert Edel**	9	3	-
John O'Connor *	11	-	1
Eve Howell **	10	3	-

* Not members of the Audit Committee

** Not members of the Employee Relations Committee

Principal Activities

The principal activity of Fremantle Ports during the year was the provision of port services and facilities and there were no significant changes in the nature of the activities during the year.

Results

The profit before income tax for the financial year was \$19.311 million (2008: \$25.379 million). The income tax expense attributable to the profit for the financial year was \$5.591 million (2008: \$7.500 million).

Dividends

The Board of Directors provided \$8.939 million (2008: \$6.030 million) for dividends in respect of the results for the financial year ended 30 June 2008. This dividend was paid in the financial year ended 30 June 2009.

Review of Operations

Fremantle Ports is a general cargo port and ensures that port services and facilities meet the needs of customers.

A summary of the results during the year is set out below:-

	2009 \$'000	2008 \$'000
Profit Before Income Tax Expense	19,311	25,379
Income tax expense	(5,591)	(7,500)
Profit for the period	13,720	17,879
Retained earnings at 1 July	93,932	82,083
	107,652	99,962
Dividends paid in the financial year	(8,940)	(6,030)
Retained earnings at 30 June	98,712	93,932

Directors' Report

State of Affairs

There were no significant changes in the state of affairs of Fremantle Ports that occurred during the financial year under review.

Fremantle Ports operates in Western Australia under the provisions of the *Port Authorities Act 1999*.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of Fremantle Ports, to affect significantly the operations, the results of those operations, or the state of affairs, in future financial years.

Likely Developments and Expected Results

Fremantle Ports will continue to work closely with customers and stakeholders to fulfil its trade facilitation role. Major infrastructure projects planned for the Inner and Outer Harbours will be progressed and further work will be undertaken towards embedding of Fremantle Ports' sustainability principles.

Emoluments

In accordance with Section 13(c)(i) of Schedule 5 of the Port Authorities Act 1999, included below is the nature and amount of each element for each Director and the five named officers of Fremantle Ports receiving the highest emoluments.

Directors' Emoluments

The Minister determines the emoluments of the Board of Directors.

Details of emoluments provided to directors:

	Primary Fees	Post-employment Superannuation	Total
	\$	\$	\$
A Birchmore	50,000	4,500	54,500
R Pearce	33,000	2,970	35,970
R Edel	25,000	2,250	27,250
J O'Connor	25,000	2,250	27,250
E Howell	25,000	2,250	27,250

Directors' Benefits

No Directors of Fremantle Ports have received benefits or become entitled to receive any benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors) by reason of a contract made with the Director, or with a firm of which the Director is a member, or with an entity in which the Director has a substantial interest.

Directors' Report

Executives' Emoluments

The Board, with the approval of the Minister and subject to the *Salaries and Allowances Act 1975* determines the emolument package of the Chief Executive Officer. The Board delegates to the Chief Executive Officer the power to determine the terms and conditions of other senior executives in accord with a policy under which Fremantle Ports engages emolument consultants to report and recommend competitive emolument packages for senior executives based on benchmarking with other organisations.

The performance and bonus of the Chief Executive Officer and senior executives is monitored against agreed criteria including profit results.

Details of emoluments provided to senior executives:

	Salary	Primary Bonus	Other	Post-employment Superannuation	Total
	\$	\$	\$	\$	\$
C Leatt – Hayter*	320,875	6,981	7,849	34,492	370,197
A Meyer	268,668	5,510	4,474	30,792	309,444
S Wade	257,877	5,293	4,560	29,232	296,962
G Valenti	253,428	5,192	4,875	24,159	287,654
K Sanderson*	118,622	27,114	11,836	12,800	170,372

* Kerry Sanderson retired as CEO on 7 November 2008 and Chris Leatt-Hayter was appointed as CEO on 8 November 2008.

Environmental Regulation

Fremantle Ports' operations are subject to regulation under both Commonwealth and State environmental legislation applicable to any Australian commercial entity. Under the *Port Authorities Act 1999*, Fremantle Ports is also required to "protect the environment of the port and minimise the impact of port activities on that environment".

Environmental Management

Fremantle Ports is committed to demonstrating that it is an environmentally responsible organisation and this commitment is reflected in its values and corporate priorities. In order to comply with environmental responsibilities and objectives, Fremantle Ports maintains an environmental management system certified to the international standard ISO14001 by external auditors.

Rounding of Amounts to Nearest Thousand Dollars

Amounts have been rounded off to the nearest thousand dollars in the Directors' Report and Financial Statements.

This report is made in accordance with a resolution of the Board on 21 August 2009.



Chairman



Director
21 August 2009

DISCLOSURES AND LEGAL COMPLIANCE

Financial Statements for the year ended 30 June 2009

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Income Statement

	Note	2009 \$'000	2008 \$'000
Revenue	2.1	125,910	122,472
Other income	2.2	-	63
General administration		(30,261)	(25,869)
Asset maintenance		(25,464)	(26,509)
Port operations expenses		(23,585)	(20,532)
Depreciation and amortisation expense	3	(7,992)	(7,765)
Marine expenses		(5,661)	(5,259)
Port utilities		(4,430)	(4,252)
Other expenses		(4,304)	(3,397)
Finance costs		(2,590)	(3,111)
Environmental expenses		(2,312)	(462)
Profit before income tax		19,311	25,379
Income tax expense	4	(5,591)	(7,500)
Profit for the period		13,720	17,879

The above Income Statement should be read in conjunction with the accompanying notes.

DISCLOSURES AND LEGAL COMPLIANCE

Financial Statements for the year ended 30 June 2009

Balance Sheet

	Note	2009 \$'000	2008 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6.1	31,885	14,966
Trade and other receivables	6.2	15,808	19,648
Inventories	6.3	827	721
Total current assets		48,520	35,335
Non-current assets			
Receivables	7.1	8,712	9,027
Property, plant and equipment	7.2	208,854	173,453
Deferred tax assets	4	12,962	12,444
Total non-current assets		230,528	194,924
Total assets		279,048	230,259
LIABILITIES			
Current liabilities			
Trade and other payables	8.1	12,317	11,316
Interest bearing borrowings	8.2	1,995	2,444
Income tax payable	4	298	2,925
Provisions	11	6,883	5,219
Other	12	1,110	583
Total current liabilities		22,603	22,487
Non-current liabilities			
Interest bearing borrowings	8.2	88,643	47,374
Provisions	11	13,573	11,144
Other	12	1,579	1,596
Total non-current liabilities		103,795	60,114
Total liabilities		126,398	82,601
Net assets		152,650	147,658
EQUITY			
Contributed equity	13	53,938	53,726
Retained earnings	13	98,712	93,932
Total equity	13	152,650	147,658

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Note	2009 \$'000	2008 \$'000
Contributed equity			
Balance at start of the period		53,726	53,513
Equity contribution		212	213
Balance at end of the period	13	53,938	53,726
Retained earnings			
Balance at start of the period		93,932	82,083
Profit for the period		13,720	17,879
Dividends paid	5	(8,940)	(6,030)
Balance at end of the period	13	98,712	93,932
Total equity		152,650	147,658
Profit for the period		13,720	17,879

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

	Note	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Receipts from customers		128,319	114,015
Payments to suppliers and employees		(90,496)	(85,155)
Interest received		2,177	2,725
Interest paid		(2,451)	(3,125)
Income tax paid		(8,735)	(7,289)
Net cash inflow from operating activities	14	28,814	21,171
Cash flows from investing activities			
Purchase of property, plant and equipment		(43,914)	(19,522)
Proceeds from sale of property, plant and equipment		43	163
Net cash outflow from investing activities		(43,871)	(19,359)
Cash flows from financing activities			
Repayment of borrowings		(1,573)	(1,946)
Proceeds from borrowings		42,500	-
Payment of finance lease liabilities		(512)	(409)
Proceeds from finance lease receivable		289	265
Dividends paid	5	(8,940)	(6,030)
Equity contribution	13	212	213
Net cash inflow / (outflow) from financing activities		31,976	(7,907)
Net increase / (decrease) in cash and cash equivalents		16,919	(6,095)
Cash and cash equivalents at 1 July		14,966	21,061
Cash and cash equivalents at 30 June	6.1	31,885	14,966

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 21 August 2009 by the Board of Directors of Fremantle Port Authority ('Fremantle Ports'). The following significant accounting policies have been adopted in the preparation of the financial statements for the year ended 30 June 2009.

I.1 Statement of compliance

These financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the financial reporting provisions of the Port Authorities Act 1999.

The following standards and amendments were available for early adoption but have not been applied by Fremantle Ports in these financial statements:

- AASB Interpretation 17 and AASB 2008-13 *Distributions to Non-cash Assets to Owners and consequential amendments to Australian Accounting Standards AASB 5 and AASB 110*. This Interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. The impact, if any, is still to be assessed by Fremantle Ports.
- AASB Interpretation 18 *Transfers of Assets from Customers*. This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The impact, if any, is still to be assessed by Fremantle Ports.
- AASB 123 (Revised) and AASB 2007-6 *Borrowing Costs and consequential amendments to other Australian Accounting Standards*. The revised AASB 123 requires all borrowing costs associated with a qualifying asset be capitalised. Fremantle Ports already capitalises borrowing costs directly attributable to qualifying assets, therefore there will be no impact on the financial statements when the standard is first applied.
- AASB 101 (Revised), AASB 2007-8 and AASB 2007-10 *Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards*. This standard introduces a statement of comprehensive income and other revisions which impact on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of financial statements. The impact, if any, is still to be assessed by Fremantle Ports.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. The improvement project will make non-urgent, but necessary, amendments to IFRS's. The impact, if any, is still to be assessed by Fremantle Ports.
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. This improvement project is stage 2 of the implementation of AASB 2008-5. The impact, if any, is still to be assessed by Fremantle Ports.
- AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]*. The main amendment to AASB 7 requires fair value measurements to be disclosed by the source inputs using a pre-determined three-level hierarchy. The amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The impact, if any, is still to be assessed by Fremantle Ports.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]*. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The impact, if any, is still to be assessed by Fremantle Ports.
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]*. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The impact, if any, is still to be assessed by Fremantle Ports.
- AASB 2009-Y *Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]*. The amendments comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements. The impact, if any, is still to be assessed by Fremantle Ports.

I.2 Basis of preparation

The financial statements have been prepared on an accrual accounting basis and in accordance with the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

During the year ended 30 June 2009 the Authority modified the income statement presentation of expenses using a classification based on the nature of expenses. Comparative amounts were reclassified for consistency.

Classification of expenses by nature is considered to provide more relevant and reliable information than classification by function due to the nature of the Authority's operations.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

I.3 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

Provision for environmental remediation

Various assumptions are required in determining Fremantle Port's environmental rehabilitation obligations including the extent of environmental damages to be rectified and the methodology and timing for rectifications.

Defined benefit plans

Various actuarial assumptions are required when determining Fremantle Ports' superannuation obligations. These assumptions and the related carrying amounts are discussed in note 1.18.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Fremantle Ports and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue for services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest revenue includes interest receivable on funds invested and interest receivable under finance leases. Interest receivable on funds invested includes interest on short-term investments and term deposits and is recognised as it accrues using the effective interest rate method. The interest receivable component of finance lease receivables is also recognised in the income statement using the effective interest rate method.

Miscellaneous revenue recognised as the legal entitlement arises is derived predominantly from the hire of facilities and equipment, recoupment of rates and taxes and insurance claims.

Rental income is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

I.5 Expenses by nature

Operating expenses are presented on the face of the income statement using a classification based on the nature of expenses. Marine expenses include those expenses derived from water based activities, port operations expenses include those expenses related to land based support activities, whilst general administration expenses includes expenditure of an administrative nature.

I.6 Finance costs

Finance costs comprise finance charges payable under finance leases and interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is also recognised in the income statement using the effective interest rate method.

Borrowing costs are recognised as expenses in the period in which they are incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset in which case they are capitalised as part of the cost of the asset, in accordance with AASB 123 *Borrowing Costs*.

In determining the amount of borrowing costs to be capitalised during the financial year, investment revenue earned directly relating to the borrowings, is deducted from the borrowing costs incurred.

I.7 National Tax Equivalent Regime (Income tax)

Fremantle Ports is subject to the National Tax Equivalent Regime (NTER).

The NTER is an administrative arrangement under which relevant Commonwealth Taxation laws are applied notionally to the NTER entities as if they were subject to those laws. Income tax equivalent liabilities are paid to the State Government.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I.8 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

I.9 Receivables

Trade receivables

Trade debtors are recognised and carried at the original amounts due less an allowance for any uncollectible amounts. Debtors are generally settled within 30 days except for property rentals, which are governed by individual lease agreements.

The value of the provision for impairment loss is assessed using an analysis of historical data to determine the level of risk and subsequent recovery of debts based on the age of amounts outstanding. Bad debts are written off when formally recognised as being irrecoverable.

Trade and other receivables are stated at their cost less impairment losses.

Lease receivables

A lease receivable is recognised for leases of property, plant and equipment which effectively transfers to the lessee substantially all of the risks and benefits incidental to legal ownership of the leased asset. The lease receivable is initially recognised as the amount of the present value of the minimum lease payments receivable at the reporting date plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I.9 Receivables (Continued)

Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease with interest revenue calculated using the interest rate implicit in the lease and recognised directly in the income statement.

I.10 Inventories

Inventories consist of stores which are stated at the lower of cost and net realisable value.

I.11 Property, plant and equipment

Property, plant and equipment purchased or constructed for port operations is recorded at the cost of acquisition less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Any subsequent cost of replacing/upgrading an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Fremantle Ports and its cost can be measured reliably.

Property, plant and equipment, excluding freehold land, are depreciated at rates based on the expected useful lives using the straight line method. Depreciation on assets under construction commences when the assets are ready for use. Depreciation is charged to the income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The depreciation rates for the various classes of non-current assets are as follows:

	Depreciation Rates (%)
Channels and breakwaters	1.92 - 3.7
Land improvements	1.92 - 10
Buildings and improvements	2 - 14.28
Plant and equipment	2.5 - 20
Berths, jetties and infrastructure	2 - 25
Plant and equipment under lease	20 - 66.67

I.12 Impairment

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If a trigger exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of assets is the greater of fair value less costs to sell and value in use. As Fremantle Ports is a not-for-profit entity, the value in use is the asset's depreciated replacement cost.

Impairment losses are recognised in the income statement.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I.13 Leased assets

Leases are classified as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased asset to Fremantle Ports are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

I.13 Leased assets (continued)

Finance leased assets are amortised over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability so as to achieve a consistent rate of interest on the remaining balance of the liability with interest expense calculated using the interest rate implicit in the lease and recognised directly against income.

Leased assets held at the reporting date are being amortised over periods ranging from 1.5 to 5 years (2008: 2 to 5 years).

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term as this represents the pattern of benefits derived from the leased assets.

I.14 Financial Instruments

In addition to cash, Fremantle Ports has three categories of financial instruments:

- Loans and receivables;
- Held to maturity investments; and
- Financial liabilities measured at amortised cost.

Refer to Note 9(b) for further information on the classification of financial instruments.

Initial recognition and measurement is at fair value plus directly attributable transaction costs for assets not carried at fair value through profit and loss. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables approximates their carrying amount because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material. Gains or losses are recognised when the financial assets are derecognised or impaired.

I.15 Payables

Payables, including trade creditors, amounts payable and accrued expenses, are recognised for amounts to be paid in the future for goods and services received prior to the reporting date. Trade creditors are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I.16 Interest bearing borrowings

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as through the amortisation process.

Borrowing costs are expensed as incurred unless they relate to qualifying assets.

Finance Lease Liabilities are recognised at the present value of the minimum lease payments. The interest expense is recognised in the income statement using the effective interest method.

I.17 Employee benefits

Annual Leave benefits represent present obligations resulting from employees' services provided to reporting date and are provided at nominal amounts calculated on the basis of remuneration rates expected to be paid when the liability is settled.

Sick Leave and Long Service Leave liabilities were assessed on the basis of the present value of estimated future payments, discounted by the Commonwealth Government Bonds rates estimated to be applicable to the relevant period. A 4.50% (2008: 4.50%) per annum rate of increase in employee wage and salary rates was assumed in the present value calculations.

The liability in all provisions covers entitlements from the date the employee commences in accordance with the conditions of employment.

Provisions are made for long service leave even though in some cases such amounts are currently not vesting.

Associated payroll on-costs are included in the determination of other provisions.

I.18 Employee superannuation

The Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme, and the Superannuation and Family Benefits Act Scheme, a defined benefit pension scheme, are now closed to new members. Fremantle Ports is liable for superannuation benefits for past years' service of members of the Superannuation and Family Benefits Act Scheme who elected to transfer to the GSS Scheme. Fremantle Ports also accrues for superannuation benefits to the pension scheme for those members who elected not to transfer from that scheme.

The superannuation liability for existing employees with the pre-transfer service incurred under the Superannuation and Family Benefits Act Scheme who transferred to the GSS Scheme is provided for at reporting date.

Fremantle Ports' total superannuation liability has been actuarially assessed as at 30 June 2009.

Employees who are not members of either the Pension or the GSS Schemes became non contributory members of the West State Superannuation Scheme (WSS), an accumulation fund until 15 April 2008. From 16 April 2008, employees who are not members of the Pension, GSS or WSS Schemes become non-contributory members of the GESB Superannuation Scheme (GESB Super), a taxed accumulation fund. Fremantle Ports makes concurrent contributions to the Government Employee Superannuation Board (GESB) on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESB Super Schemes.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I.18 Employee superannuation (continued)

Defined benefit plan

Fremantle Ports' net obligation in respect of defined benefit pension plans is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. These benefits are unfunded.

The discount rate used is the market yield rate at the balance sheet date on national government bonds that have maturity dates approximating to the terms of the entity's obligations. The calculation is performed by a qualified actuary using the actuarial cost method.

The superannuation expense of the defined benefit plan is made up of the following elements:

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

Actuarial gains and losses of the defined benefit plan are recognised immediately as income and expense in the Income Statement.

The superannuation expense of the defined contribution plan is recognised as and when the contributions fall due.

I.19 Dividends

Dividends are recognised as a liability in the period in which they are declared.

I.20 Provisions

A provision is recognised in the balance sheet when Fremantle Ports has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

I.21 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cash at bank, at call deposits and term deposits due within 30 days.

For the purpose of the cash flow statement, cash equivalents consist of cash and cash equivalents as defined above.

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I.22 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

I.23 Contributed equity

Fremantle Ports receives support from the WA Government (See Note 13). The amount received is recognised directly as a credit to contributed equity.

Notes to the Financial Statements

2. REVENUE AND OTHER INCOME

2.1 Revenue

Revenue consists of the following items:

	2009	2008
	\$'000	\$'000
Revenue		
Charges on cargo	73,450	76,461
Charges on ships	12,426	10,950
Shipping services	7,519	6,649
Rentals and leases	13,732	12,994
Port utilities and services	4,183	4,114
Miscellaneous revenue	12,435	8,774
Interest		
Bank interest receivable	575	68
Interest receivable from cash equivalents	432	1,516
Interest receivable under finance leases	988	976
Other interest receivable	170	(30)
	2,165	2,530
Total revenue	125,910	122,472

2.2 Other income

Other income consists of the following items:

	2009	2008
	\$'000	\$'000
Other income		
Net gain on sale of property, plant and equipment	-	63

Notes to the Financial Statements

3. PROFIT BEFORE INCOME TAX

	2009 \$'000	2008 \$'000
Expenses		
Profit before income tax includes the following specific expenses:		
Finance costs		
Finance charges payable under finance leases	89	83
Borrowings	3,177	3,028
Total finance costs	3,266	3,111
Less: finance costs capitalised	(676)	-
Total finance costs expensed	2,590	3,111
Depreciation and amortisation		
Channels and breakwaters	1,112	1,115
Land improvements	354	382
Buildings and improvements	532	499
Plant and equipment	2,896	3,012
Berths, jetties and infrastructure	2,543	2,305
Plant and equipment under lease	555	452
Total depreciation and amortisation	7,992	7,765
Net loss on sale of property, plant and equipment	221	-
Other charges against assets		
Impairment loss on trade receivables	90	63
Impairment loss on property, plant and equipment	661	-
Provisions		
Employee benefits	1,064	860
Retirement benefit obligations	1,417	(145)
	2,481	715
Rental expense relating to operating leases	339	432
Employee benefits expense		
Wages and salaries	30,475	25,304
Workers' compensation	74	147
Pension costs	3,050	2,408
	33,599	27,859

Notes to the Financial Statements

4. INCOME TAX EXPENSE

Major components of income tax expense for the year are:

	2009	2008
	\$'000	\$'000
Income tax expense		
Current income tax:		
Current income tax charge	(6,732)	(8,535)
Adjustments in respect of current income tax of previous years	313	(41)
Adjustment in respect of Research & Development claim	203	478
Deferred income tax:		
Deferred income tax charge	518	545
Adjustments in respect of deferred income tax of previous years	107	53
Income tax expense reported in the income statement	(5,591)	(7,500)

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by Fremantle Port's applicable income tax rate is as follows:

	2009	2008
	\$'000	\$'000
Accounting profit before income tax	19,311	25,379
Tax at statutory income tax rate of 30%	(5,793)	(7,614)
Tax effect of amounts which are taxable in calculating taxable income:		
Depreciation	(297)	(308)
Sundry items	(17)	(15)
	(6,107)	(7,937)
Adjustments in respect of current income tax of previous years	313	(41)
Adjustment in respect of Research & Development claim	203	478
	(5,591)	(7,500)

Notes to the Financial Statements

4. INCOME TAX EXPENSE (continued)

Deferred tax

	2009	2008	2009	2008
	Balance	Balance	Income	Income
	Sheet	Sheet	Statement	Statement
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities				
Finance lease receivables	(2,709)	(2,795)	86	70
Others	(1,978)	(368)	(1,610)	(7)
Gross deferred tax liabilities	(4,687)	(3,163)		
Deferred tax assets				
Employee benefits	5,223	4,478	745	214
Accelerated depreciation for accounting purposes	9,937	9,310	627	103
Prepaid rental	936	856	80	(32)
Others	1,553	963	590	187
Gross deferred tax assets	17,649	15,607		
Set-off of deferred tax liabilities pursuant to set-off provisions	(4,687)	(3,163)		
Net deferred tax assets	12,962	12,444		
Deferred tax charge			518	545

Current Tax Liabilities

The current tax liability of \$0.298 million (2008: \$2.925 million) represents the amount of income taxes payable in respect of current and prior financial periods.

Notes to the Financial Statements

5. DIVIDENDS

	2009	2008
	\$'000	\$'000
Dividend paid in the financial year	8,940	6,030

In accordance with Government Financial Policy, WA Ports are required to pay dividends of 50% of after tax profits. However, in accordance with Australian Accounting Standards, dividends relating to the financial results for the year ended 30 June 2009 have not been provided as they are expected to be approved by Government and declared by the Board after balance date.

A dividend of \$8.940 million (2008: \$6.030 million) in respect of the financial results for the year ended 30 June 2008 was paid by 30 June 2009.

6. CURRENT ASSETS

6.1 Cash and cash equivalents

Cash and cash equivalents represent Cash at Bank, Cash on Hand, At Call Deposits and Term Deposits. Funds surplus to operational requirements have been invested in At Call Deposits and Term Deposits to maximise earnings.

	2009	2008
	\$'000	\$'000
Cash at Bank and Cash on Hand	521	314
At Call Deposits	31,364	1,652
Term Deposits	-	13,000
Cash and cash equivalents in the cash flow statement	31,885	14,966

(i) Significant Terms and Conditions

Interest on Cash at Bank was at prevailing rates. The weighted average interest rate at 30 June 2009 was 2.75 % (2008: 6.45%).

Interest on At Call Deposits was at prevailing rates. The weighted average interest rate at 30 June 2009 was 3.30% (2008: 7.40%).

The weighted average interest rate for Term Deposits at 30 June 2008 was 7.71%. Term Deposits are held until their maturity dates and are normally held for a period of 30 days.

(ii) Fair Value

The directors consider the carrying amounts of Cash at Bank and At Call Deposits represent their fair value.

Notes to the Financial Statements

6. CURRENT ASSETS (continued)

6.2 Trade and other receivables

Receivables represent Debtors, Accrued Income, Finance Lease Receivable and Prepayments. Accrued Income includes accrued interest, charges on ships, cargo and services provided but not invoiced as at reporting date.

Fremantle Ports' exposure to credit risks related to trade and other receivables are disclosed in Note 9.

	Note	2009 \$'000	2008 \$'000
Trade Debtors		11,883	14,546
Less: Provision for Impairment of Receivables		(115)	(171)
		11,768	14,375
Other Debtors		427	529
Accrued Income		2,890	4,176
Finance Lease Receivable	10.2	315	289
Prepayments		408	279
Balance as at 30 June		15,808	19,648

(i) Significant Terms and Conditions

Trade debtors are generally settled within 30 days except for property rentals and finance lease receivables which are governed by individual lease agreements. Other debtors have a range of terms and conditions with various settlement periods.

(ii) Impairment losses

The movement in the provision for impairment losses in respect of trade debtors during the year was as follows:-

	2009 \$'000	2008 \$'000
Balance at 1 July	171	211
Impairment loss recognised	115	51
Amounts written back	(171)	(91)
Balance at 30 June	115	171

Notes to the Financial Statements

6.2 Trade and other receivables (continued)

At 30 June, the ageing analysis of trade debtors past due but not impaired is as follows:

	2009	2008
	\$'000	\$'000
Not more than 3 months	1,224	3,692
More than 3 months but less than 6 months	152	291
More than 6 months but less than 1 year	197	-
More than 1 year	96	-
	1,669	3,983

(iii) Fair value

The directors consider the carrying amounts of trade and other receivables represent their fair value.

6.3 Inventories

	2009	2008
	\$'000	\$'000
Current		
Stores – at cost	827	721

7. NON-CURRENT ASSETS

7.1 Receivables

Receivables represent Finance Lease Receivable

	Note	2009	2008
		\$'000	\$'000
Finance Lease Receivable	10.2	8,712	9,027

Notes to the Financial Statements

7. NON-CURRENT ASSETS (continued)

7.2 Property, Plant and Equipment

	2009 \$'000	2008 \$'000
Channels and Breakwaters		
At Cost	41,697	41,697
Less: Accumulated Depreciation	(21,042)	(19,931)
	20,655	21,766
Land		
At Cost	41,549	41,549
	41,549	41,549
Land Improvements		
At Cost	11,980	11,711
Less: Accumulated Depreciation	(3,778)	(3,424)
	8,202	8,287
Buildings and Improvements		
At Cost	19,405	19,089
Less: Accumulated Depreciation	(9,404)	(8,880)
	10,001	10,209
Plant and Equipment		
At Cost	55,784	56,759
Less: Accumulated Depreciation	(19,903)	(18,509)
	35,881	38,250
Berths, Jetties and Infrastructure		
At Cost	69,654	61,892
Less: Accumulated Depreciation	(28,627)	(26,112)
	41,027	35,780
Leased plant and equipment		
At Cost	2,172	1,848
Less: Accumulated amortisation	(1,167)	(691)
	1,005	1,157
Total Property, Plant and Equipment at net book value	158,320	156,998
Add: Work in Progress (at cost)	50,534	16,455
Total Property, Plant and Equipment	208,854	173,453

Notes to the Financial Statements

7.2 Property, Plant and Equipment (continued)

Fremantle Ports, as lessor, derives operating lease income from the following leased assets included in the above:

	2009	2008
	\$'000	\$'000
Land		
At Cost	14,375	14,681
	14,375	14,681
Buildings and Improvements		
At Cost	4,558	4,814
Less: Accumulated Depreciation	(1,720)	(1,550)
	2,838	3,264
Included in Accumulated Depreciation above is the depreciation charge for the year of	172	146

Reconciliations of carrying amounts

	2009	2008
	\$'000	\$'000
Channels and Breakwaters:		
Carrying amount at 1 July	21,766	22,881
Depreciation for the year	(1,111)	(1,115)
Carrying amount at 30 June	20,655	21,766
Land:		
Carrying amount at 1 July	41,549	36,968
Transfer from work in progress	-	4,582
Disposals	-	(1)
Carrying amount at 30 June	41,549	41,549
Land Improvements:		
Carrying amount at 1 July	8,287	8,023
Transfer from work in progress	269	646
Depreciation for the year	(354)	(382)
Carrying amount at 30 June	8,202	8,287

Notes to the Financial Statements

7.2 Property, Plant and Equipment (continued)

Reconciliations of carrying amounts (continued)

	2009 \$'000	2008 \$'000
Buildings and Improvements:		
Carrying amount at 1 July	10,209	8,598
Transfer from work in progress	326	2,114
Disposals	(2)	(4)
Depreciation for the year	(532)	(499)
Carrying amount at 30 June	10,001	10,209
Plant and Equipment:		
Carrying amount at 1 July	38,250	39,370
Additions	-	84
Reclassification of inventory	-	(563)
Transfer from work in progress	1,450	2,518
Disposals	(262)	(147)
Depreciation for the year	(2,896)	(3,012)
Impairment Loss	(661)	-
Carrying amount at 30 June	35,881	38,250
Berths, Jetties and Infrastructure:		
Carrying amount at 1 July	35,780	35,849
Transfer from work in progress	7,790	2,267
Disposals	-	(31)
Depreciation for the year	(2,543)	(2,305)
Carrying amount at 30 June	41,027	35,780
Leased Plant and Equipment:		
Carrying amount at 1 July	1,157	1,152
Additions	403	457
Amortisation for the year	(555)	(452)
Carrying amount at 30 June	1,005	1,157
	158,320	156,998
Work in Progress:		
Carrying amount at 1 July	16,455	8,499
Additions	43,914	20,083
Transfers to property, plant and equipment	(9,835)	(12,127)
Carrying amount at 30 June	50,534	16,455
Total Property, Plant and Equipment	208,854	173,453

Notes to the Financial Statements

7.2 Property, Plant and Equipment (continued)

Impairment of property, plant and equipment

All land, buildings and plant and equipment have been valued by professional valuers Herron Todd White at 30 June 2009 and the carrying values of these assets do not exceed their recoverable amount (based on the asset's depreciated replacement cost) except for certain items of plant and equipment whose combined carrying value (after impairment) is \$1.165 million. An impairment loss of \$0.661 million has been recognised in the income statement as a result of this valuation.

8. CURRENT AND NON-CURRENT LIABILITIES

8.1 Trade and Other Payables

Trade and other payables represent Trade Creditors, Amounts Payable and Accrued Expenses. Accrued Expenses are comprised of interest and charges for goods and services received but not invoiced as at reporting date.

	2009	2008
	\$'000	\$'000
Trade Creditors and Amounts Payable	9,008	8,144
Accrued Expenses	3,309	3,172
	12,317	11,316

(i) Significant Terms and Conditions

Trade creditors payable are usually settled within 30 days.

(ii) Fair Value

The directors consider the carrying amounts of Trade Creditors, Amounts Payable and Accrued Expenses represent their fair value.

Notes to the Financial Statements

8.2 Interest Bearing Borrowings

	Note	2009 \$'000	2008 \$'000
Current			
Direct borrowings		-	599
Special borrowings		1,503	1,423
Lease liabilities	10.2	492	422
		1,995	2,444
Non-Current			
Direct borrowings		55,297	12,347
Special borrowings		32,757	34,259
Lease liabilities	10.2	589	768
		88,643	47,374
		2009	2008
		\$'000	\$'000
Financing arrangements			
Fremantle Ports has access to the following lines of credit			
Total facilities available:			
Liquidity facility, direct and special borrowings		89,629	63,776
		89,629	63,776
Facilities utilised at reporting date:			
Liquidity facility, direct and special borrowings		89,557	48,628
		89,557	48,628
Total facilities not utilised at reporting date:			
Liquidity facility, direct and special borrowings		72	15,148

(i) Master Lending Agreement (MLA)

For the purposes of accessing more simplified and flexible borrowing arrangements, Fremantle Ports entered into a MLA with the Western Australian Treasury Corporation (WATC) on 15 December 2006 which consolidates all of the existing agreements into one facility.

Notes to the Financial Statements

8.2 Interest Bearing Borrowings (continued)

(ii) Significant Terms and Conditions

All interest-bearing borrowings are unsecured and guaranteed by the Government.

The repayments for the Direct Borrowings are payable quarterly. The weighted average interest rate at 30 June 2009 on the loan portfolio is 5.15% per annum (2008: 5.89%).

Included in Special Borrowings are amounts to fund the acquisition of a bulk unloader at Fremantle Ports' Kwinana Bulk Jetty and a new bulk unloader and other assets at Fremantle Ports' Kwinana Bulk Terminal. A portion of the borrowings is subject to interest only. Interest and principal is payable quarterly. Interest rates on the Special Borrowings are fixed and range from 4.74% to 6.24% per annum (2008: 4.74% to 6.24%).

The interest rates implicit in the Lease Liabilities range from 5.44% to 7.80% (2008: 5.44% to 7.79%).

(iii) Interest Rate Risk Exposures

Fremantle Ports' exposure to interest rate risk on the interest bearing borrowings and the effective weighted average interest rate at year end by maturity periods is set out in the following table.

2009	Fixed interest rate							Total \$'000
	Variable interest rate \$'000	1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000	More than 5 years \$'000	
Interest Bearing Borrowings:								
Direct borrowings	55,297	-	-	-	-	-	-	55,297
Special borrowings	-	1,503	6,426	1,013	1,076	1,142	23,100	34,260
Lease liabilities	-	492	354	180	47	8	-	1,081
	55,297	1,995	6,780	1,193	1,123	1,150	23,100	90,638
Weighted Average Interest Rate:								
Direct borrowings	5.15%	-	-	-	-	-	-	-
Special borrowings	-	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	-
Lease liabilities	-	6.67%	6.67%	6.67%	6.67%	6.67%	-	-

Notes to the Financial Statements

8.2 Interest Bearing Borrowings (continued)

2008

	Variable interest rate \$'000	1 year or less \$'000	Over 1 to 2 years \$'000	Fixed interest rate				Total \$'000
				Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000	More than 5 years \$'000	
Interest Bearing Borrowings :								
Direct borrowings	12,946	-	-	-	-	-	-	12,946
Special borrowings	-	1,423	1,503	6,426	1,013	1,076	24,241	35,682
Lease liabilities	-	422	386	254	119	9	-	1,190
	12,946	1,845	1,889	6,680	1,132	1,085	24,241	49,818

Weighted Average Interest Rate:

Direct borrowings	5.89%	-	-	-	-	-	-
Special borrowings	-	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Lease liabilities	-	6.64%	6.64%	6.64%	6.64%	6.64%	-

(iv) Fair Value

Unless disclosed below, the carrying amount of Fremantle Ports' current and non-current borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates.

	2009		2008	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Special borrowings	34,260	33,916	35,682	33,515
	34,260	33,916	35,682	33,515

9. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Fremantle Ports' principal financial instruments comprise receivables, payables, interest bearing borrowings, finance leases and cash and cash equivalents.

The main risks arising from Fremantle Ports' financial instruments are interest rate risk, liquidity risk and credit risk. Fremantle Ports' policies for managing each of these risks are summarised below.

Notes to the Financial Statements

9. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Fremantle Ports' exposure to market risk for changes in interest rates relates primarily to its cash and cash equivalent holdings and its long-term debt obligation. Fremantle Ports' borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities or at variable rates. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than as detailed in the interest rate sensitivity analysis in the table below, Fremantle Ports has limited exposure to interest rate risk because it has no borrowings other than WATC borrowings and finance leases (fixed interest rate).

Sensitivity analysis

Fremantle Ports' policy is to manage its finance costs using a mix of fixed and variable debt with the objective of achieving optimum returns whilst managing interest rate risk to avoid uncertainty and volatility in the market place.

Fremantle Ports constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions and alternative financing structures.

At the balance sheet date, if interest rates had moved as illustrated in the table below, with all other variables held constant, the effect would be as follows:

	Carrying Amount	+0.25% Change Profit	(0.25%) Change Profit
	\$'000	\$'000	\$'000
2009			
Financial Assets			
Cash and cash equivalents	31,885	80	(80)
Financial Liabilities			
Interest bearing borrowings	55,297	138	(138)
Total (Decrease)/Increase		(58)	58

Notes to the Financial Statements

9. FINANCIAL INSTRUMENTS (continued)

	Carrying Amount	+0.50% Change Profit	(0.25%) Change Profit
	\$'000	\$'000	\$'000
2008			
Financial Assets			
Cash and cash equivalents	14,966	75	(37)
Financial Liabilities			
Interest bearing borrowings	12,946	65	(32)
Total Increase/(Decrease)		<u>10</u>	<u>(5)</u>

Credit risk

Credit risk arises when there is the possibility of debtors defaulting on their contractual obligations resulting in financial loss to Fremantle Ports. Fremantle Ports measures credit risk on a fair value basis and monitors risk on a regular basis. With respect to credit risk arising from cash and cash equivalents, Fremantle Ports' exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of the cash and cash equivalents.

Fremantle Ports operates predominantly within the shipping and cargo handling industry and accordingly is exposed to risks affecting that industry. The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 9(b).

Fremantle Ports follows stringent credit control and management procedures in reviewing and monitoring debtor accounts and outstanding balances as evidenced by the historical aged debtor balances. In addition, management of receivable balances includes frequent monitoring thereby minimising Fremantle Ports' exposure to bad debts. For financial assets that are either past due or impaired, refer to note 6.2 Trade and Other Receivables.

Fremantle Ports' credit risk management is further supported by rental agreements and sections 116 & 117 of the Port Authorities Act 1999. Section 116 refers to the liability to pay port charges in respect of vessels and Section 117 refers to the liability to pay port charges in respect of goods. Port charges are defined in Section 115.

Notes to the Financial Statements

9. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Fremantle Ports' objective is to maintain a balance between continuity of funding and flexibility through the use of cash reserves and its borrowing facilities. Fremantle Ports manages its exposure to liquidity risk by ensuring appropriate procedures are in place to manage cash flows, including monitoring forecast cash flows to ensure sufficient funds are available to meet its commitments.

The risk implied from the values shown in the table below reflects the cash outflows from leasing obligations, trade payables and other financial liabilities which mainly originate from the financing of assets used in the ongoing operations such as property, plant and equipment and investments in working capital e.g. inventories and trade receivables.

Risk associated with the liability on borrowings is reduced by Fremantle Ports paying a guarantee charge. This charge guarantees payment to the WATC by the Government for outstanding borrowings in case of default.

	Carrying Amount	Including interest			Total \$'000
		<12 Months \$'000	1-5 Years \$'000	>5 years \$'000	
2009					
Financial liabilities					
Trade and other payables	12,317	12,317	-	-	12,317
Interest bearing borrowings	90,638	6,576	29,012	107,185	142,773
	102,955	18,893	29,012	107,185	155,090

Notes to the Financial Statements

9. FINANCIAL INSTRUMENTS (continued)

2008	Carrying Amount	Including interest			Total \$'000
		<12 Months \$'000	1-5 Years \$'000	>5 years \$'000	
Financial liabilities					
Trade and other payables	11,316	11,316	-	-	11,316
Interest bearing borrowings	49,818	5,500	23,238	52,546	81,284
	61,134	16,816	23,238	52,546	92,600

(b) Categories of Financial Instruments

Set out below are the carrying amounts of Fremantle Ports' financial instruments. The directors consider the carrying amounts of the financial instruments represent their net fair values except for special borrowings whose fair value is disclosed in Note 8.2 (iv).

	Note	2009 \$'000	2008 \$'000
Financial assets			
Cash and cash equivalents	6.1	31,885	14,966
Trade and other receivables	6.2	15,808	19,648
Receivables (non-current)	7.1	8,712	9,027
Financial liabilities			
Trade and other payables	8.1	12,317	11,316
Interest bearing borrowings:			
Obligations under finance leases	10.2	1,081	1,190
Variable rate borrowings	8.2	55,297	12,947
Fixed rate borrowings	8.2	34,260	35,682

Notes to the Financial Statements

10. COMMITMENTS

10.1 (a) Capital Works

	2009 \$'000	2008 \$'000
Capital Commitments		
Commitments for the acquisition of plant and equipment and land contracted for at the reporting date but not recognised as liabilities:		
Within one year	34,036	3,834

10.2 Lease Commitments

Finance Leases Payable

	Note	2009 \$'000	2008 \$'000
Future minimum lease payment in relation to finance leases payable at reporting date are as follows:			
Within one year		554	493
Later than one year but not later than five years		634	835
Minimum lease payments		1,188	1,328
Future finance charges		(107)	(138)
Present value of lease liabilities		1,081	1,190

Representing Lease Liabilities

	Note	2009 \$'000	2008 \$'000
Current	8.2	492	422
Non-current	8.2	589	768
		1,081	1,190

Finance leases payable are in respect of computer and office equipment and security equipment with a carrying amount of \$1.081 million (2008: \$1.190 million) expiring within 1 to 5 years (2008: 1 to 5 years). Under the terms of the leases, Fremantle Ports has the option to return or upgrade the equipment at the expiry of the lease agreement.

Notes to the Financial Statements

10.2 Lease Commitments (continued)

Operating Leases Payable

	2009 \$'000	2008 \$'000
Future minimum rentals payable in relation to operating leases payable at reporting date but not recognised as liabilities payable are as follows:		
Within one year	294	252
Later than one year but not later than five years	199	108
	493	360

Operating leases payable are in respect of motor vehicles.

Finance Lease Receivable

	2009 \$'000	2008 \$'000
Amounts receivable under finance leases:		
Within one year	1,079	1,079
Later than one year but not later than five years	4,315	4,315
Later than five years	10,607	11,685
	16,001	17,079
Unearned finance income	(6,974)	(7,763)
	9,027	9,316

Representing Finance Lease Receivable

	Note	2009 \$'000	2008 \$'000
Current	6.2	315	289
Non-current	7.1	8,712	9,027
		9,027	9,316

Finance leases receivable are in respect of buildings and plant and equipment. The lease agreement expires in April 2024. Interest is charged at 8.59% per annum.

Operating Leases Receivable

	2009 \$'000	2008 \$'000
Future minimum rentals receivable for operating leases at reporting date but not recognised as assets:		
Within one year	11,890	11,793
Later than one year but not later than five years	41,900	42,921
Later than five years	29,105	45,108
	82,895	99,822

Operating leases receivable are in respect of property rentals.

Notes to the Financial Statements

II. PROVISIONS

(a) Current

	2009	2008
	\$'000	\$'000
Fringe Benefits Tax	26	26
Employee Benefits	3,654	3,367
Retirement Benefit Obligations	459	417
Other	2,744	1,409
	6,883	5,219

(b) Non-Current

	2009	2008
	\$'000	\$'000
Employee Benefits	6,046	5,269
Retirement Benefit Obligations	7,250	5,875
Other	277	-
	13,573	11,144

(c) Aggregate Employee Benefits

	2009	2008
	\$'000	\$'000
Current Liability	4,113	3,784
Non-Current Liability	13,296	11,144
	17,409	14,928

Notes to the Financial Statements

II. PROVISIONS (continued)

(d) Retirement benefit obligations

Surplus/deficit

The following is a summary of the most recent financial position of the Pension Scheme related to Fremantle Ports calculated in accordance with AASB 119 *Employee Benefits*.

	2009 \$'000	2008 \$'000
Amounts recognised in the balance sheet:		
Present value of unfunded obligations	7,662	6,292
Fair value of plan assets	-	-
	7,662	6,292

Reconciliation of movement in the present value of the unfunded obligations recognised in the balance sheet:

Opening balance	6,292	6,437
Current service cost	39	40
Interest cost	404	379
Actuarial loss/(gain) on liabilities	1,539	(268)
Benefits paid (including expenses and taxes)	(612)	(296)
	7,662	6,292

Amounts recognised in the income statement:

Current service cost	39	40
Interest cost	404	379
Actuarial loss/(gain) recognised	1,539	(268)
	1,982	151

Historic summary

Defined benefit plan obligation	7,662	6,292
Plan assets	-	-
	7,662	6,292
Experience adjustments arising on plan liabilities	1,539	(268)
Experience adjustments arising on plan assets	-	-

Principal actuarial assumptions

Discount rate	5.34%	6.64%
Expected future salary increases	4.5%	4.50%
Expected future pension increases	2.5%	2.50%
Anticipated return on plan assets	N/A	N/A

Expected contributions

Employer contributions are made to meet the cost of retirement benefit obligations as they fall due. For further details regarding the policy in respect of provision for retirement benefit obligations, refer to Note 1.18.

Notes to the Financial Statements

II. PROVISIONS (continued)

(e) Reconciliations

Reconciliations for the carrying amounts of each class of provision, except for employee benefits, are set out below:

	2009 \$'000
Retirement Benefit Obligations	
Carrying amount at 1 July	6,292
Provisions made during the year	5,692
Amounts utilised in the year	(4,275)
Carrying amount at 30 June	7,709
Fringe Benefits Tax	
Carrying amount at 1 July	26
Provisions made during the year	103
Amounts utilised in the year	(103)
Carrying amount at 30 June	26
Other	
Carrying amount at 1 July	1,409
Provisions made during the year	2,033
Amounts utilised in the year	(421)
Carrying amount at 30 June	3,021

Other provision is mainly for on-costs related to employee benefits and costs associated with environmental assessment remediation.

12. OTHER LIABILITIES

	2009 \$'000	2008 \$'000
Current		
Prepaid Rental Income	1,110	543
Interest Received in Advance	-	40
	1,110	583
Non-Current		
Prepaid Rental Income	1,579	1,596

Notes to the Financial Statements

13. EQUITY

	Contributed equity	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 1 July 2007	53,513	82,083	135,596
Equity contribution in the year	213	-	213
Total recognised income and expense	-	17,879	17,879
Dividends paid	-	(6,030)	(6,030)
Balance at 30 June 2008	53,726	93,932	147,658
Equity contribution in the year	212	-	212
Total recognised income and expense	-	13,720	13,720
Dividends paid	-	(8,940)	(8,940)
Balance at 30 June 2009	53,938	98,712	152,650

On 12 December 2000, Fremantle Ports entered into a fixed interest loan of \$5 million with the Western Australian Treasury Corporation which partially funded the acquisition of a bulk unloader at Fremantle Ports' Kwinana Bulk Jetty.

The WA Government has agreed to provide support on borrowing costs for this loan by way of equity contributions to Fremantle Ports. The amount of equity contributions made to Fremantle Ports is equivalent to the after tax cost of the borrowing costs paid by Fremantle Ports. The equity contribution on these borrowing costs for the year ended 30 June 2009 was \$0.212 million (2008: \$0.213 million). The period of the equity contribution is subject to a review in accordance with the terms of agreement between Government and Fremantle Ports.

Notes to the Financial Statements

14. NOTES TO CASH FLOW STATEMENT

Reconciliation of net cash inflow from operating activities to profit after income tax

	2009	2008
	\$'000	\$'000
Net Profit	13,720	17,879
Depreciation	7,437	7,313
Amortisation of leased assets	555	452
Net loss/(gain) on sale of property, plant and equipment	221	(63)
Impairment loss on property, plant and equipment	661	-
Changes in assets and liabilities:		
Receivables	3,995	(5,342)
Inventories	(106)	(19)
Prepaid expenses	(129)	178
Payables	1,001	(497)
Prepaid rental income and income received in advance	510	(413)
Employee benefits	2,481	715
Income tax	(2,627)	757
Deferred tax assets	(518)	(545)
Others	1,613	756
NET CASH INFLOW FROM OPERATING ACTIVITIES	28,814	21,171

Notes to the Financial Statements

15. REMUNERATION OF AUDITORS

	2009	2008
	\$	\$
Remuneration for audit of the financial statements	141,500	130,000

16. RELATED PARTIES

The following persons held the position of director during the financial year and until the date of this report:

Mr. Alan Birchmore

Mr. Robert Pearce

Mr. Robert Edel

Mr. John O'Connor

Ms. Eve Howell

There are no transactions in the year with the directors or other related parties.

17. CONTINGENT LIABILITIES

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Contaminated sites

Under the Contaminated Sites Act 2003 (the Act), the Port is required to report all land owned, vested or leased by the Authority that is known to be, or is suspected of being, contaminated to the Department of Environment and Conservation (DEC). In accordance with the Act, the DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as either 'contaminated – remediation required' or 'possibly contaminated – investigation required', the Port may have a liability in respect of investigation or remediation expenses.

Except for those areas planned underway for remediation and for which a liability has been provided, a portion of the sites identified as 'contaminated – remediation required' are currently being assessed further and therefore it is not yet practicable to reliably estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows other than the necessary detailed site investigations.

At 30 June 2009, a provision for environmental remediation of \$0.688 million has been provided for sites classified by the DEC as 'contaminated – remediation required'. A provision for further detailed site investigations of \$0.891 million for other areas identified as 'contaminated – remediation required' has also been provided in order to more reliably estimate the amount, timing and methodology required to comply.

18. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of Fremantle Ports, to affect significantly the operations, the results of those operations, or the state of affairs, in future financial years.

Directors' Declaration

In the opinion of the Directors of the Fremantle Port Authority:

- (a) the financial statements and notes, set out on pages 51 to 94, are in accordance with the financial reporting provisions of the Port Authorities Act 1999, including:
 - (i) giving a true and fair view of the financial position of the Fremantle Port Authority as at 30 June 2009 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Port Authorities Act 1999; and
- (b) there are reasonable grounds to believe that the Fremantle Port Authority will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors on 21 August 2009.



Chairman



Director

21 August 2009



Auditor General

INDEPENDENT AUDIT REPORT ON FREMANTLE PORT AUTHORITY

To the Parliament of Western Australia

I have audited the financial report of the Fremantle Port Authority. The financial report comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory Notes and the Directors' Declaration.

Board of Directors' Responsibility for the Financial Report

The Board of Directors of the Fremantle Port Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Port Authorities Act 1999. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Summary of my Role

As required by the Port Authorities Act 1999, my responsibility is to express an opinion on the financial report based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf.

An audit does not guarantee that every amount and disclosure in the financial report is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial report.

Audit Opinion

In my opinion, the financial report of the Fremantle Port Authority is in accordance with Schedule 5 of the Port Authorities Act 1999, including:

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Handwritten signature of Colin Murphy in blue ink.

COLIN MURPHY
AUDITOR GENERAL
28 August 2009

Financial Performance Indicators

In addition to the key performance indicators provided, the following financial performance indicators, which are not subjected to audit, are provided to assist users to assess the financial management performance of Fremantle Ports. The indicators selected are considered appropriate for use in either evaluating the performance of a Government Trading Enterprise or an entity in the private sector.

Current Ratio – Graph 1

This ratio is used to ascertain the extent to which current assets may be realised to meet current liabilities.

	2009		2008	
	\$'000		\$'000	
Total Current Assets	48,232	= 2.1	34,922	= 1.6
Total Current Liabilities	22,603		22,487	

Free Cash Flow – Graph 2

Measures the net cash flow available as a source of funds from operations after meeting interest costs.

	2009		2008	
	\$'000		\$'000	
Net Cashflow from Operations (after interest)	28,814	= 91.9%	21,171	= 87.1%
Net Cashflow from Operations (before interest)	31,353		24,296	

Debtors Average Collection Period – Graph 3

Shows the rate at which debtors generate cash flow for use in operations.

	2009		2008	
	\$'000		\$'000	
Average Trade Debtors	12,128	x 365	9,990	x 366
Sales Revenue	136,153	= 33 days	114,457	= 34 days

Financial Performance Indicators

Interest Cover - Graph 4

Provides an indication of the Port's ability to meet interest costs from operating profit.

	2009		2008	
	\$'000		\$'000	
Earnings Before Interest and Tax	21,901	= 8.45 times	28,490	= 9.16 times
Total Interest Costs	2,590		3,111	

Return on Assets – Graph 5

This measures the rate of return earned through operating total assets provided by the Port.

	2009		2008	
	\$'000		\$'000	
Earnings Before Interest and Tax	21,901	= 8.6%	28,490	= 12.7%
Average Total Assets	254,654		224,519	

Economic Rate of Return - Graph 6

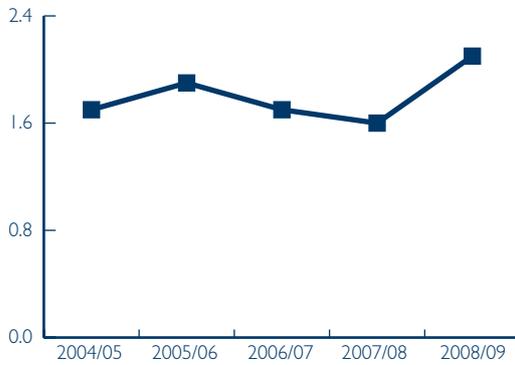
In accordance with the Government policy effective July 2000, Fremantle Ports is required to report a rate of return on non-current assets valued at Deprival Value. This indicator quantifies the rate of return earned on average current and non-current assets of the Port.

	2009		2008	
	\$'000		\$'000	
Operating EBIT (excluding significant items) + Depreciation – Deprival Value Depreciation	20,291	= 5.3%	26,291	= 8.2%
Current Assets + Deprival Value of Assets – Accumulated Deprival Value Depreciation	381,254		321,740	

DISCLOSURES AND LEGAL COMPLIANCE

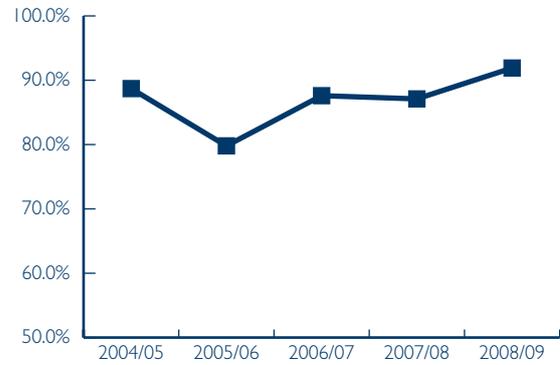
Financial Performance Indicators

**Graph 1: Current Ratio
Comparison 2004/2005 to 2008/2009**



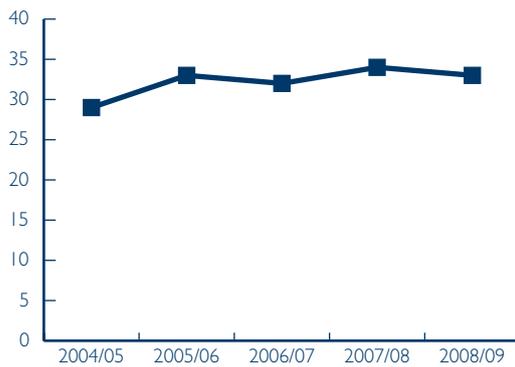
■ AIFRS	1.70	1.90	1.70	1.60	2.10
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**Graph 2: Free Cash Flow
Comparison 2004/2005 to 2008/2009**



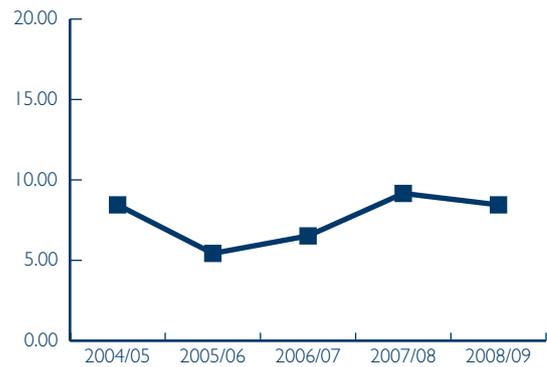
■ AIFRS	88.7%	79.8%	87.6%	87.1%	91.9%
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**Graph 3: Debtors Average Collection Period
Comparison 2004/2005 to 2008/2009**



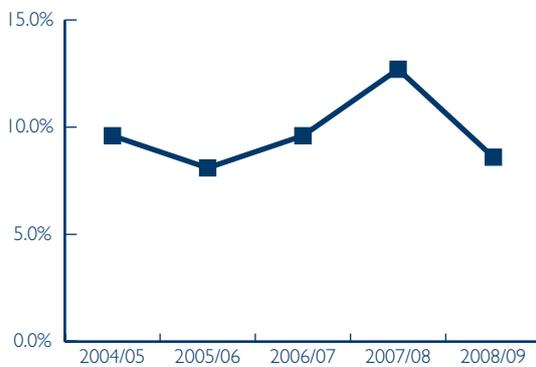
■ AIFRS	29	33	32	34	33
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**Graph 4: Intrest Cover
Comparison 2004/2005 to 2008/2009**



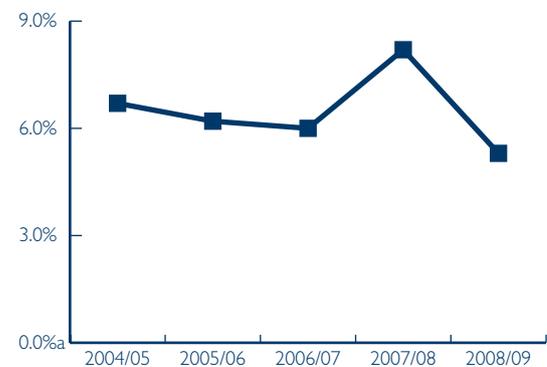
■ AIFRS	8.45	5.43	6.52	9.16	8.45
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**Graph 5: Return on Assets
Comparison 2004/2005 to 2008/2009**



■ AIFRS	9.6%	8.1%	9.6%	12.7%	8.6%
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**Graph 6: Economic Rate of Return
Comparison 2004/2005 to 2008/2009**



■ AIFRS	6.7%	6.2%	6.0%	8.2%	5.3%
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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.

Figure 1 and 2 show that Fremantle Ports did better than its target with no vessel delays recorded due to the unavailability of shipping services in the Inner Harbour, at the Kwinana Bulk Terminal and at the Kwinana Bulk Jetty.

Fig 1. Delays to Incoming Vessels due to Unavailability of Shipping Services 2008/09 - % of total vessels affected

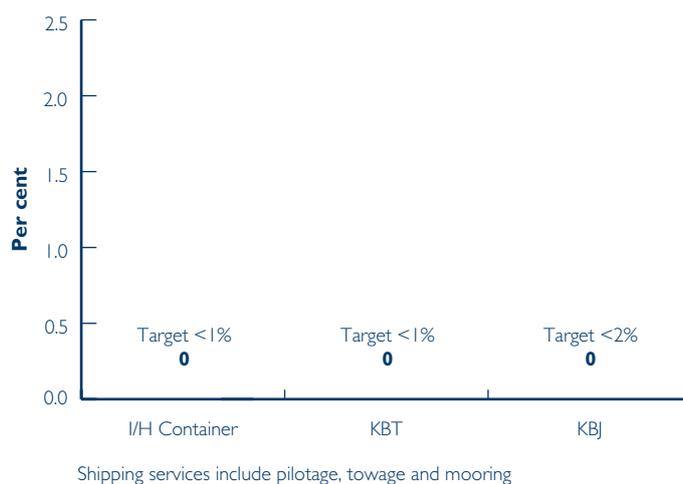
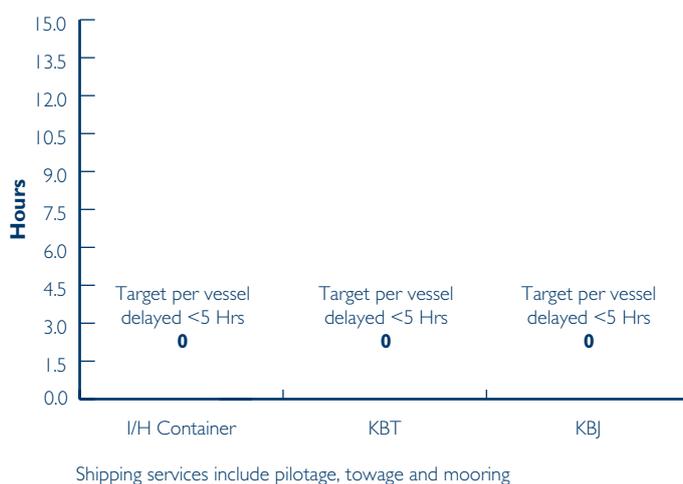


Fig 2. Delays to Incoming Vessels due to Unavailability of Shipping Services 2008/09 - Average hours of delay per vessel affected



Key Performance Indicators

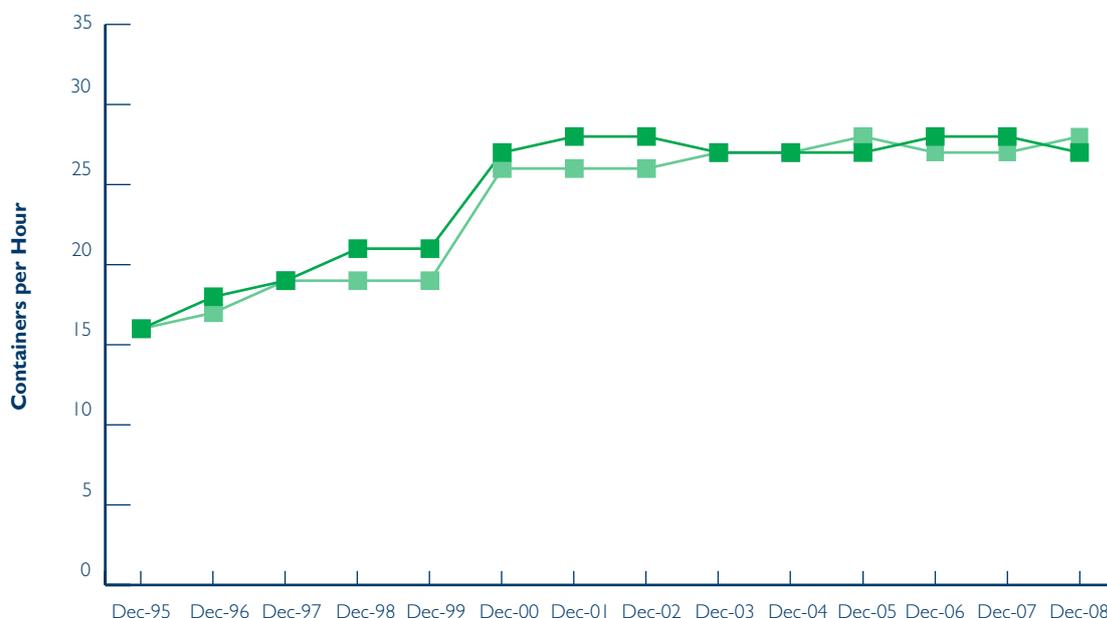
Service Delivery

Crane Rates

Container stevedoring in Fremantle Ports is carried out by Patrick and DP 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 3 shows that crane rates measured in containers per hour have increased by 64.8 per cent from the December Quarter 1995 to the December Quarter 2008 (latest figures released by Waterline). Productivity fell slightly in the December Quarter 2008 when compared to the five port average. The crane rate for Fremantle was above the five port average from the March quarter of 2006 to the June quarter 2008.

Fig 3. Container Terminal Performance Indicators Comparison of Crane Rates between Fremantle and Five Ports average - December 1995 to December 2008 Containers per Hour



■ Fremantle	16	18	19	21	21	27	28	28	27	27	27	28	28	27
■ Five Ports	16	17	19	19	19	26	26	26	27	27	28	27	27	28

Source: Waterline, Bureau of Infrastructure, Transport and Regional Economics

The Ship Rate in Fremantle increased from 35.9 containers per hour in December 2000 to 43.1 containers per hour in December 2008, an increase of 20.1 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.

Key Performance Indicators

Service Delivery

Productivity rates have increased for the two operators at Fremantle, DP World and Patrick and they remain competitive with other Australian capital city ports. Fremantle Ports will continue to work with the stevedores to help facilitate ongoing productivity improvements and also to work with them to facilitate investment in new infrastructure and accommodate future trade growth. Patrick has already invested in a new generation crane in Fremantle capable of handling larger, wider beam vessels and another new crane will arrive in late 2009. DP World has indicated that it has a crane on order for early 2010. The new cranes will have a longer reach and are necessary to handle the wider beam container vessels expected to enter the Australian trade in coming years. The average size of container vessels has increased from 27,200 gross tons (GT) in 1998/1999 to 36,900 GT in 2008/2009, an increase of 35.7 per cent over that period.

The average number of containers exchanged per container vessel decreased by 7.2 per cent over the year, from 1,103 TEUs per vessel in 2007/2008 to 1,024 TEUs per vessel in 2008/2009. Total container throughput decreased by 14,854 TEUs or 2.6% to 565,491 TEUs. Full container throughput decreased by 1.8 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 2008 was 33.6 containers per hour, an increase of 37.7 per cent compared to the figures for the December quarter 2000, which further highlights labour productivity over that period.

Customer Satisfaction

Fremantle Ports conducted a survey of shipping lines in June 2009. The survey was conducted as part of Fremantle Ports' customer liaison program with major lines and agents. A total of 22 shipping lines were surveyed and the response rate was 86 per cent.

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

Figure 4 shows that 89 per cent 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 per cent and above the level in the previous year when the response rate to the survey was 88 per cent. Satisfaction levels were similar to 2007/2008.

Fig 4. Shipping Line/Agent Survey Services - 2004/2005 to 2008/2009 Level of Overall Satisfaction with Fremantle Ports' Services



In 2008/09, 89% of respondents were satisfied or very satisfied.
Target range 80-90%

Key Performance Indicators

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 5 shows that 12 per cent of Inner Harbour container vessels incurred delays due to unavailability of berths (percentage of total vessels affected) which was similar to the maximum target. However, unavailability of berths at Kwinana Bulk Terminal was significantly higher than target at 37 per cent but less than the 44 per cent recorded last year due to decreases in berth utilisation and trade. Commodities to fall were cement clinker, gypsum and Hismelt coal and iron ore imports. Hismelt's pig iron plant was put into "care and maintenance" from January 2009 until April 2010. Unavailability of berths at Kwinana Bulk Jetty was slightly higher than target at 28 per cent. Berth Occupancy increased by eight percentage points to 49 per cent and trade increased by 6.4 per cent.

Figure 6 shows that Fremantle Ports was below its targets for the average hours vessels were delayed due to the unavailability of berths in the Inner Harbour and the Outer Harbour (Kwinana Bulk Terminal and Kwinana Bulk Jetty). Average hours of delay at Kwinana Bulk Terminal have fallen in 2008/09 mainly due to a decrease in berth utilisation which is the result of trade reductions (refer figure 5). Average hours of delay at the Kwinana Bulk Jetty were below the target and substantially less than the 75 hours recorded in 2007/08, despite an increase in berth utilisation and trade.

Fig 5. Unavailability of Berths 2008/2009
% of total vessels affected

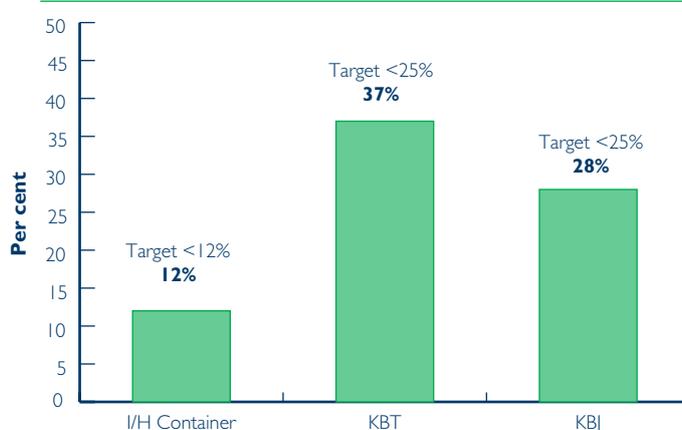
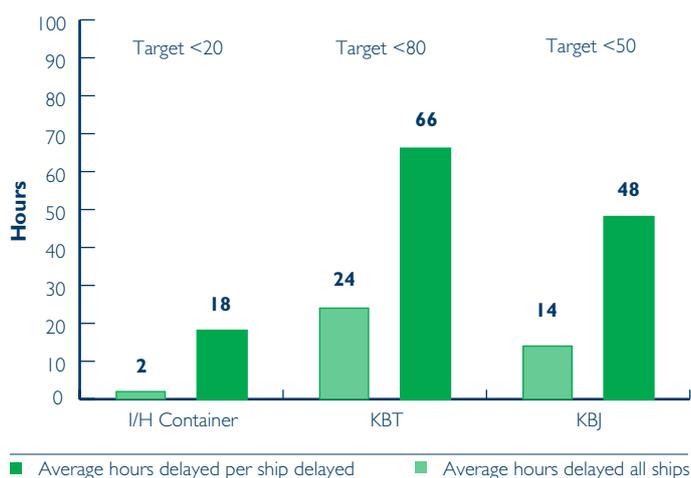


Fig 6. Unavailability of Berths 2008/2009 - Average hours of delay



Key Performance Indicators

Trade Performance

Our Objective

Promoting and facilitating trade and business growth opportunities

Outcomes Sought

- Trade growth
- Meeting or exceeding customer expectations for customer growth initiatives
- Business growth

Total Port Trade (Mass Tonnes 000's)

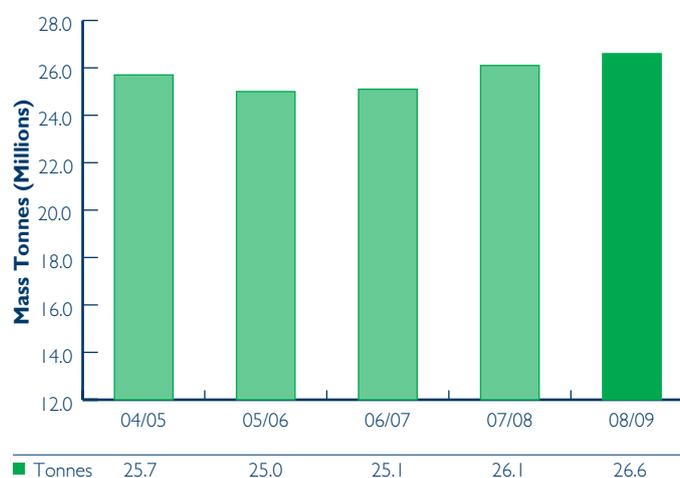
Figure 7 shows that total port trade (total imports and exports), was 0.5 million tonnes or 1.8 per cent higher than last year. Total exports increased by 0.9 million tonnes or 7.1 per cent to 14.1 million tonnes in 2008/09 while total imports decreased by 0.5 million tonnes or 3.6 per cent to 12.5 million tonnes.

Inner Harbour exports decreased by 9.6 per cent in 2008/2009 mainly due to a significant fall in full container trade, particularly wheat exports which decreased by 42.4 per cent compared to last year. Outer Harbour exports increased by 15.6 per cent, influenced by strong growth in bulk wheat exports which increased by 1.5 million tonnes or 91.6 per cent.

The combination of a 12.3 million tonne grain crop and lower bulk charter rates has increased bulk wheat exports. Canola seed exports more than doubled compared to last year and coal exports were up by 41.5 per cent. Sulphuric acid exports also increased significantly compared to last year.

Inner Harbour imports decreased by 3.4 per cent mainly due to the significant decrease in full container and breakbulk volumes, particularly new motor vehicles and industrial and agricultural vehicles. Outer Harbour imports decreased by 3.6 per cent due mainly to decreases in coal, iron ore, cement clinker, gypsum, phosphates, crude petroleum, caustic soda and sulphur.

Fig 7. Total Port Trade (Mass Tonnes)



Note: The Statement of Corporate Intent forecast for total trade in 2008/09 was annual growth of 2-3 per cent.

Key Performance Indicators

Trade Performance

Total Container Trade

Figure 8 shows that container trade has increased by 20.9 per cent since 2004/2005 and decreased by 2.6 per cent over the 12 months to 30 June 2009.

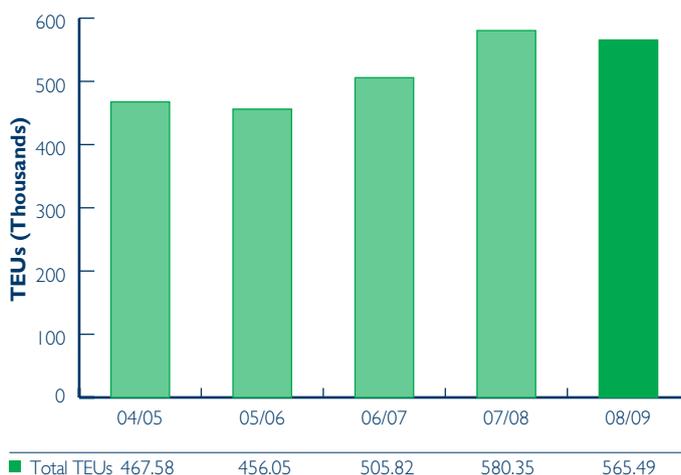
The main features of the container trade over the last twelve months were as follows:

- Non trans-shipped full container exports decreased by 3.4 per cent and non trans-shipped full imports increased by 0.3 per cent.
- Total container exports and imports decreased by 1.3 per cent and 3.7 per cent respectively.
- Full container exports (including trans-shipments) decreased by 4.1 per cent and full imports (including trans-shipments) increased by 0.02 per cent.
- Empty container exports increased by 5.2 per cent and empty imports decreased by 25.8 per cent.
- Coastal container throughput totalled 80,011 TEUs, a decrease of 6.1 per cent on 2007/2008. Coastal non trans-shipment full container throughput totalled 66,671 TEUs, 8.2 per cent up on 2007/08.
- Full trans-shipment container throughput reached 2,558 TEUs, almost five times higher than last year.
- The number of container vessel visits to Fremantle Port increased from 519 visits in 2007/2008 to 548 visits in 2008/2009.
- The average size of container vessels has increased from 36,300 gross tons (GT) in 2007/2008 to 36,900 GT in 2008/2009, an increase of 1.7 per cent over that period.
- The average number of containers exchanged per container vessel decreased by 7.2 per cent over the year, from 1,103 TEUs per vessel in 2007/2008 to 1,024 TEUs per vessel in 2008/2009.

Container Trade - Market Share

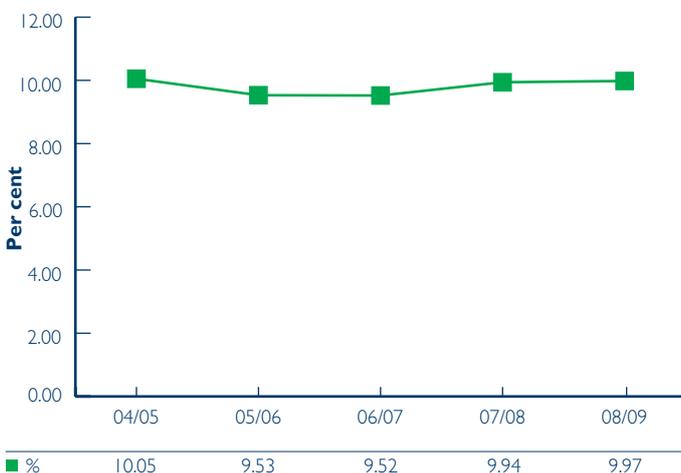
Figure 9 shows that Fremantle Ports' market share, measured as the number of containers through Fremantle as a percentage of Australian capital city ports (excluding Hobart), remained stable at around 10.0 per cent over the period 2004/05 to 2008/09.

Fig 8. Total Container Trade - TEUs



The Statement of Corporate Intent forecast for total container trade in 2008/09 was annual growth of 4-6 per cent.

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



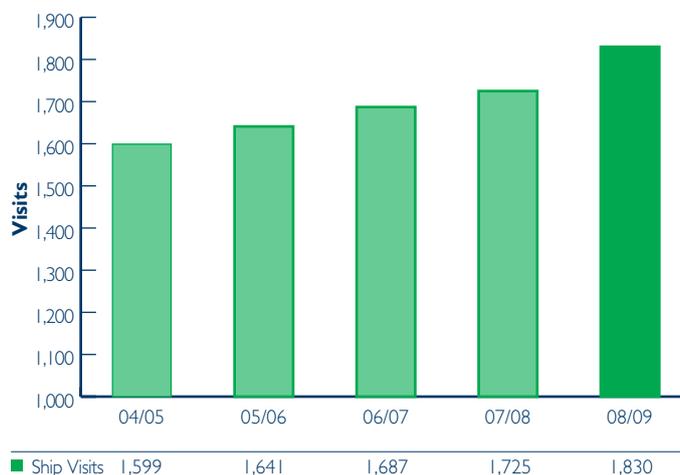
Key Performance Indicators

Trade Performance

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 6.1 per cent over the 12 months to 30 June 2009. Commercial ship visits increased by 13 visits in the Inner Harbour and 101 visits in the Outer Harbour. The Inner Harbour increase in ship visits was mainly due to increases in general cargo, roll on roll off, passenger and container vessels. Car carrier visits decreased by 43 visits or 25.3 per cent due to a 27.8 per cent fall in new motor vehicle imports. In the Outer Harbour, grain vessel visits increased by 60 or 70.6 per cent and vessel visits increased for dry bulk alumina, dry bulk other, liquid bulk other and bunker only vessels. Non trading vessel visits were at a similar level to the previous year.

Fig 10. Total Ship Visits



Note: Naval vessels not included. The Statement of Corporate Intent forecast for total ship visits in 2008/09 was 1,818.

Key Performance Indicators

Business Sustainability

Our Objective

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

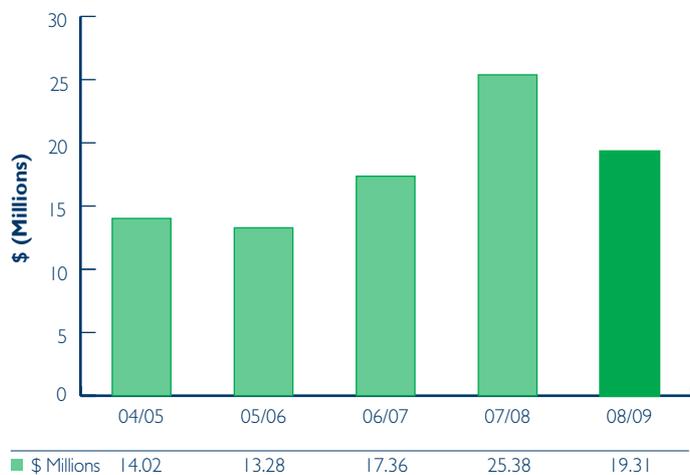
Outcomes Sought

- 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 \$19.3 million in 2008/2009, 23.9 per cent lower than 2007/2008.

Fig 11. Operating Profit Before Income Tax Equivalent Payments



For comparative purposes the above figures exclude individually significant items.

Key Performance Indicators

Business Sustainability

Economic Rate of Return on Assets

Figure 12 shows that the Economic Rate of Return on assets was 5.3 per cent for 2008/2009. This compares with the target of 5.8 per cent for the year. The target Rate of Return is agreed with the State Government annually. During the year the value of assets on which the rate of return is calculated increased by \$59.5 million or 18.5 per cent.

Community Satisfaction

Fremantle Ports conducted a community satisfaction survey in June 2009 as part of its community liaison program. This involved a telephone survey with 200 residents in the Inner Harbour area (North Fremantle, South Fremantle, East Fremantle, and Fremantle) and 200 residents in the Outer Harbour (Cockburn, Kwinana, and Rockingham).

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

Figure 13 shows that 78 per cent of respondents in the Inner Harbour and 71 per cent in the Outer Harbour were very satisfied or quite satisfied with the performance of Fremantle Ports overall and that 17 per cent and 25 per cent respectively were neither satisfied nor dissatisfied.

Fig 12. Economic Rate of Return on Assets

*The Economic Rate of Return is based on assets valued at deprival value

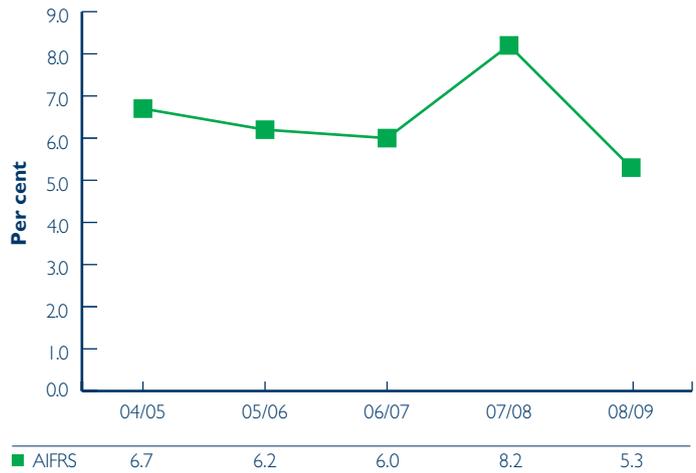
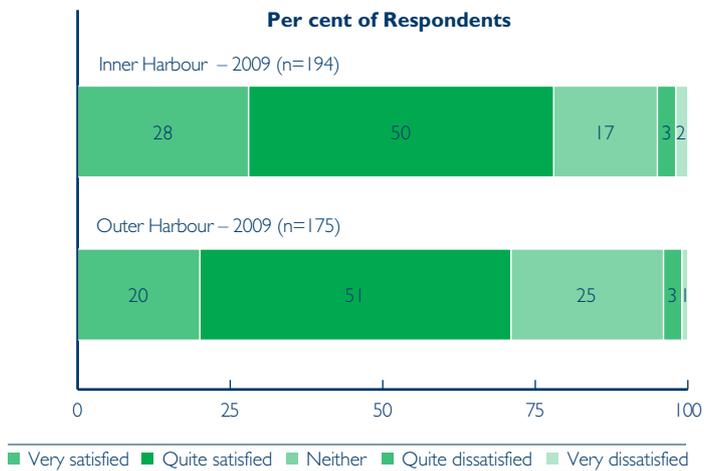


Fig 13. Overall Satisfaction with Fremantle Ports - June 2009

Q. How satisfied are you with the performance of Fremantle Ports overall.



Other Legal Requirements

Advertising

In compliance with section 175ZE of the Electoral Act 1907 the following information is supplied:

Advertising Agencies	Nil
Marketing Research Organisations	
Synovate Pty Ltd	\$33,895
Polling Organisations	Nil
Direct Mail Organisations (Distribution of leaflets)	
Community Newspaper Group	\$4,626
Fremantle Herald	\$8,573
Media Advertising Organisations	
Acorn Design (includes tenders, recruitment adverts)	\$14,622
Adcorp Australia	\$19,351
Chamber of Commerce & Industry of WA	\$2,750
City of Fremantle	\$6,000
Fremantle Herald	\$4,114
Media Decisions (includes tenders, recruitment adverts)	\$62,427
Mediterranean Shipping	\$2,500
RMJ Promotions	\$436
Seek (recruitment adverts)	\$4,486
Showcase Publications	\$16,150
South West Printing Rockingham	\$64
Summit Publishing	\$1,896
Surf Life Saving	\$400
Total	\$182,291

Disability Access and Inclusion Plan Outcomes

Fremantle Ports provides disability access to public areas of the Administration Building and to the Fremantle Passenger Terminal.

Compliance with Public Sector Standards and Ethical Codes

Code of Conduct

Fremantle Ports recognises that high standards of behaviour in staff relationships with each other, customers and suppliers and as corporate citizens are essential to earn the trust and respect of all stakeholders.

Fremantle Ports Code of Conduct Charter adopted by the Board, staff and management encompasses the following principles:

- We will respect laws and each other and act accordingly
- We conduct ourselves with integrity and treat others with dignity
- We are responsible for our actions and accountable for their consequences
- We are fair and honest in all our dealings

Other Legal Requirements

- We do not place ourselves in situations which result in divided loyalties
- We use Fremantle Ports' assets (including funds, equipment and information) responsibly, efficiently and in the best interest of the organisation.

The Code of Conduct also includes provision for whistleblowers in line with the *Public Interest Disclosure Act 2003*.

Fremantle Ports has detailed guidelines and processes in place which support these standards in human resource management

Human Resource policies and procedures are available to all staff and these are periodically reviewed to ensure they continue to reflect best practice in a commercialised environment and that there is compliance with them.

All staff members are provided with a copy of the Code of Conduct and staff seminars conducted on the content of the Code. A requirement for compliance with the Code of Conduct is included in employment contracts and is addressed at induction. Corporate Governance is also covered at induction of all new staff. Additionally, the Code of Conduct and organisational values are promoted via Fremantle Ports' intranet.

Periodic hypothetical case studies are discussed with the management team and in workgroups on a range of ethical issues and our Code of Conduct.

Following lessons learned from having to take disciplinary action against 10 employees in 2007/08, Fremantle Ports developed and implemented education and awareness sessions focusing on "doing the right thing". Additionally, Fremantle Ports' Human Resources Manager has been an active member of the Office of Public Sector Standards Commissioner Misconduct Resistance Working Group.

In 2008/09 there were no incidents involving reportable misconduct.

Recordkeeping Plans

In accordance with Section 61 of the *State Records Act 2000*, Fremantle Ports provides the following information in support of compliance with the State Records Commission's Standard 2 Principal 6.

The State Records Commission's recordkeeping principles are aligned to Fremantle Ports' use of the Australian Business Excellence Framework, in particular the principles of Category 3 Information and Knowledge. These principles are embedded in Fremantle Ports' revised Record Keeping Plan which has strategic information and knowledge management and compliance focus.

The new Record Keeping Plan which contains an action plan with improvement initiatives, and a revised Retention and Disposal Schedule, was approved by the State Records Office of WA in early 2009. The action plan has enabled Fremantle Ports to measure information and records management performance over the last year. The new Record Keeping Plan has been promoted to staff and is easily accessible on Fremantle Ports' Intranet.

Recordkeeping Program Review

Over the last 12 months Fremantle Ports has undertaken an internal customer survey and a review of its Intranet, Retention and Disposal Schedule and records management programs. The results of these reviews and survey identified that Fremantle Ports complies with its record keeping responsibilities under the State Records Act 2000. The results also demonstrate Fremantle Ports' dedication to implementing best practice record keeping programs ensuring compliance with the State Records Act 2000 and a strong commitment to continuous improvement.

Other Legal Requirements

Recordkeeping Plans (continued)

Record Keeping Plan Achievements 2008/09

The Record Keeping Plan planned improvement initiatives reported in Fremantle Ports 2008 Annual Report have been progressed as follows:

- Fremantle Ports' Intranet was upgraded in June 2009 and has been designed to integrate more efficiently with the electronic document and records management system (TRIM) reducing the confusion of where to store corporate documents and records.
- Fremantle Ports' Business Classification Scheme has been further revised to make better use of TRIM and is also reflected in the revised Retention and Disposal Schedule.
- Fremantle Ports has made further use of Recall, an accredited offsite storage solution, for a more cost effective approach to storage, retention and disposal of long term document and records archives;
- The new Record Keeping Plan has been applied to several new projects ensuring corporate documents and records are protected and preserved at document creation rather than completion. The most successful of these projects is the Inner Harbour Deepening Project which involves external contractors across various industries working onsite in a team as well as independently. This project required tight security requirements which were made possible by restricting the use of network and local drives for contractors and ensuring the use of TRIM for the storage of all project documents and records.

Training and Induction Programs

A monthly induction and training program is delivered to new employees and covers employees' record keeping responsibilities and compliance with Fremantle Ports' Record Keeping Plan. Records management training is regularly conducted by records management officers and TRIM training is delivered by computer applications trainers. Training strategies have included:

- Assigning dedicated computer applications trainers to work with people on targeted one-on-one training sessions aligned to the way people work with documents and records;
- Undertaking awareness sessions and marketing the "what's in it for me" factor;
- Getting people more involved in TRIM upgrades by asking them what they really want rather than dictating to them what they need.

Training Effectiveness

Evidence that Fremantle Ports' approach to training is working is demonstrated by the increased number of help calls received on Fremantle Ports' TRIM Hotline as well as TRIM usage statistics. It is also apparent from the nature of some of these help calls that people are thinking more strategically about information management by wanting to learn more of the advanced TRIM functions.

Recent TRIM usage statistics also identified that there has been a significant increase in the number of documents registered to TRIM since 2005 resulting in better search ability of corporate documents and records. Before 2005 an average of only 10,000 additional documents annually was registered to TRIM. Since 2005 this average has increased to more than 45,000 additional documents registered per year. This increased usage represents the effort Fremantle Ports has put into working with people to win them over, ensuring all staff understand the importance of good record keeping practices.

Ministerial Directives

The Minister may give directions in writing to the Board of Directors with respect to the performance of the functions prescribed by legislation.

There were no Ministerial directives during the year.

Government Policy Requirements

Corruption Prevention

In compliance with the State Government's requirement for agencies to take measures to reduce the risk of corruption and misconduct, Fremantle Ports has a Fraud and Corruption Control policy. Under this policy, Fremantle Ports applies the Australian Fraud and Corruption Control Standard AS 8001-2003 to minimise loss. Fremantle Ports is a notifying authority for the purposes of the *Corruption and Crime Commission Act 2003* and the *Public Interest Disclosure Act 2003*.

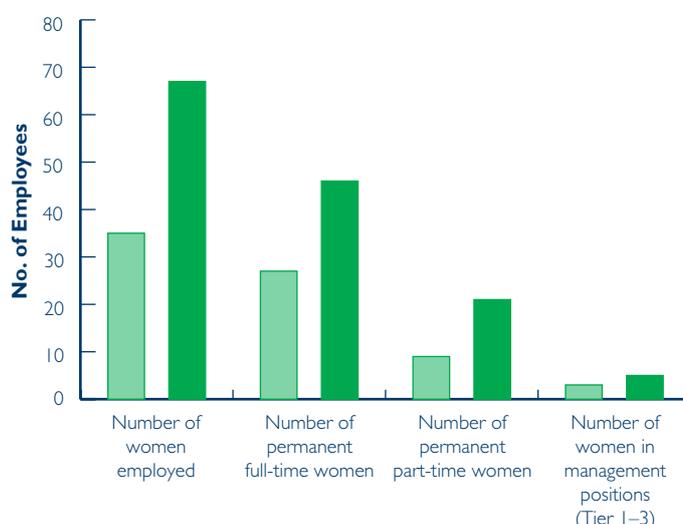
There were no incidents requiring disclose under this legislation during the year.

Substantive Equality

Fremantle Ports continues to proactively support employees balancing work and family responsibilities with flexible hours, availability of purchased leave, part-time work opportunities, working from home arrangements, and paid maternity and paternity leave.

Fremantle Ports engaged two indigenous female trainees who, during their one year traineeship, will gain experience in records management, customer service and personnel records management. Additionally a further two indigenous male trainees were engaged in the past year to learn security and port operations skills.

Fremantle Ports - Women Employees
2003 Compared to 2009



Occupational Safety, Health and Injury Management

Compliance with occupational safety, health and injury management reporting

Fremantle Ports is committed to providing a safe and healthy work environment for its employees. If an employee is injured or ill due to their work a structured, systematic approach to injury management and rehabilitation has been established to support an early return to work. Integral to this process is the involvement of the injured employee's manager/supervisor and Fremantle Ports' Injury Management Coordinator.

General fitness to work in relation to fatigue management, hours of work and the physical level of work being undertaken by employees continues to be monitored.

Government Policy Requirements

Formal mechanism for consultation with employees on occupational health and safety matters:

Fremantle Ports recognises the participation of employees and contractors and their input to the safety and health decision-making process is fundamental to an effective Safety Management System. It is the policy of Fremantle Ports that all employees / contractors should be given adequate opportunity and encouragement to participate in safety and health matters relevant to their work.

Generally, occupational safety and health issues will be identified by incident reports, incident trend analysis, changes to legislation and safety performance indicator reviews.

The Business Improvement and Safety branch provides information to all employees and contractors for their review, comments and feedback. The Branch reviews any comments, develops or amends policies or procedures, makes recommendations to the Executive Team as necessary and communicates changes to all employees and contractors.

Fremantle Ports complies in all respects with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*.

SAI Global conducts an externally accredited annual surveillance audit on Fremantle Ports' safety and health management systems (as well as environment and quality systems). Its report provides an annual summary of findings.

Indicator	Target and actual 2008/2009
Number of fatalities	Target - Zero Actual - 0
Lost time injury frequency rate (calculated by number of lost time injuries per million man-hours worked).	Overall target - 0; our improvement target for 2008/09 was 6* (ie 20% improvement target on previous year result) Actual - 14.08 (worse than our improvement target).
Lost time injury severity rate (calculated by days lost through lost time injuries per million man-hours worked)	Target - 32 (ie 20% improvement target on previous year's result) Actual - 154.87 (worse than our improvement target).
Percentage of injured workers returned to work within 28 weeks	Target - 100% Actual - 100%
Percentage of managers trained in occupational safety, health and injury management responsibilities	Target - 100% Actual - 100%

* Note that as 2007/2008 was the best result ever recorded at Fremantle Ports (7.57), the significant 'stretch' improvement target set by the organisation was 6.

STATISTICAL INFORMATION

FIVE YEAR SUMMARY					
Shipping	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
No. of Ships: Inner Harbour	902	934	996	1,044	1,045
Outer Harbour	697	707	691	681	785
Naval	49	46	33	35	17
TOTAL	1,648	1,687	1,720	1,760	1,847
Gross Tonnage (000's): Inner Harbour	25,385	27,735	29,586	33,262	34,608
Outer Harbour	17,373	18,203	17,884	17,488	19,263
TOTAL	42,758	45,938	47,470	50,750	53,871
Turnover per linear metre of wharf Inner Harbour tonnage only - (i)					
Trade in Tonnes	1,911	1,895	2,113	2,461	2,293
Gross Tonnage	7,948	8,683	9,263	10,414	10,835
TRADE	Mass tonnes '000				
Total Port Trade	25,657	25,044	25,053	26,131	26,603
Imports: Inner Harbour	2,712	2,669	3,146	3,465	3,349
Outer Harbour	8,833	8,567	8,864	9,544	9,196
TOTAL	11,545	11,236	12,010	13,009	12,545
Exports: Inner Harbour	3,279	3,317	3,550	4,324	3,916
Outer Harbour	10,635	10,373	9,333	8,626	10,011
TOTAL	13,914	13,690	12,883	12,950	13,927
Bunkers: Inner Harbour	111	65	55	78	61
Outer Harbour	87	53	105	94	70
TOTAL	198	118	160	172	131
FINANCE	\$ Millions				
Revenue from ordinary activities (ii), (iv)	84.181	89.488	105.142	122.535	125.910
Operating expenses (iv)	61.382	66.877	77.429	86.280	96.017
Interest and depreciation charges	7.587	9.331	10.356	10.876	10.582
Profits from ordinary activities (iv)	15.212	13.280	17.357	25.379	19.311
Written down value of fixed assets	149.500	158.315	161.340	173.453	208.854
Percentage of Revenue	Per cent				
Charges on cargo	55.18	58.94	59.96	62.40	58.34
Charges on ships	10.65	10.75	9.57	8.94	9.87
Charges for shipping services	6.24	6.07	5.70	5.43	5.97
Charges for other services	27.93	24.24	24.77	23.23	25.82
(Operating expenses)	72.92	74.73	73.64	70.41	76.26)
PERSONNEL	No	No	No	No	No
Employees at 30th June (iii)	243	269	272	299	309

(i) Lengths of berths A, B and C are excluded from turnover per linear metre of wharf calculations as these berths are not used for cargo purposes.

(ii) Revenue for ordinary activities for 2004/2005 includes a contribution of asset.

(iii) Full time equivalent employees.

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

STATISTICAL INFORMATION

SHIP VISITS AND GROSS TONNAGE

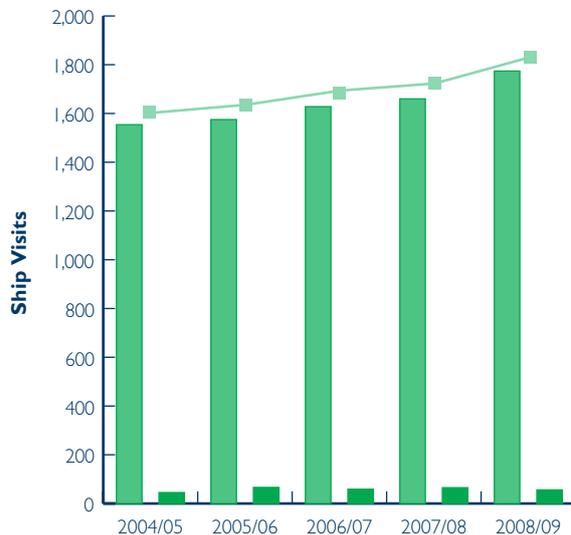
Year Ended 30 June	Commercial		Non Trading		Total Commercial & Non Trading		Naval
	No.	Gross Tonnage	No.	Gross Tonnage	No.	Gross Tonnage	No.
2005	1,554	42,617,256	45	140,898	1,599	42,758,154	49
2006	1,575	45,702,240	66	235,573	1,641	45,937,813	46
2007	1,628	47,297,066	59	171,991	1,687	47,469,057	33
2008	1,660	50,496,789	65	253,628	1,725	50,750,417	35
2009	1,774	53,650,220	56	221,352	1,830	53,871,572	17

SHIPS CLASSIFIED ACCORDING TO CARGO CLASS

Cargo Class	2006/2007			2007/2008			2008/2009		
	No.	Gross Tonnage (000's)	Average Per Ship (000's)	No.	Gross Tonnage (000's)	Average Per Ship (000's)	No.	Gross Tonnage (000's)	Average Per Ship (000's)
Break Bulk/ Gen Carrier	100	1,168	11.7	121	1,512	12.5	141	1,768	12.5
Container	497	17,180	34.6	519	18,855	36.3	548	20,214	36.9
Multi Purpose	35	147	4.2	33	166	5.0	28	153	5.5
Roll-on/Roll-off	26	1,554	59.8	34	1,868	54.9	53	3,105	58.6
Vehicle Carrier	157	6,777	43.2	170	7,592	44.7	127	5,894	46.4
Livestock Carrier	95	1,953	20.6	85	1,961	23.1	86	2,018	23.5
Passenger	17	285	16.8	25	893	35.7	29	1,208	41.7
Tankers	270	8,801	32.6	267	8,587	32.2	265	8,198	30.9
Dry Bulk - Grain	118	2,629	22.3	85	1,933	22.7	145	3,549	24.5
Dry Bulk - Other	200	4,083	20.4	216	4,540	21.0	227	4,485	19.8
Bunkering Only	110	2,651	24.1	105	2,590	24.7	125	3,058	24.5
Other - (Fishing, Tenders, etc.)	62	241	3.9	65	253	3.9	56	221	3.9
Sub Total	1,687	47,469	28.1	1,725	50,750	29.4	1,830	53,871	29.4
Naval	33			35			17		
Grand Total	1,720	47,469	28.1	1,760	50,750	29.4	1,847	53,871	29.4

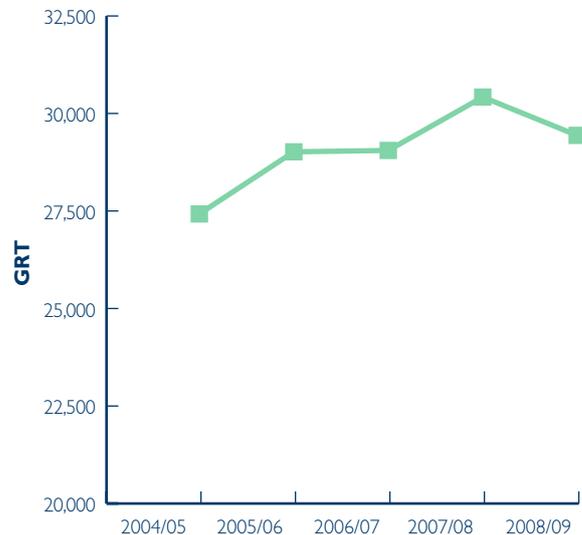
STATISTICAL INFORMATION

**Ship Visits 2004/2005 to 2008/2009
(Excluding Naval)**



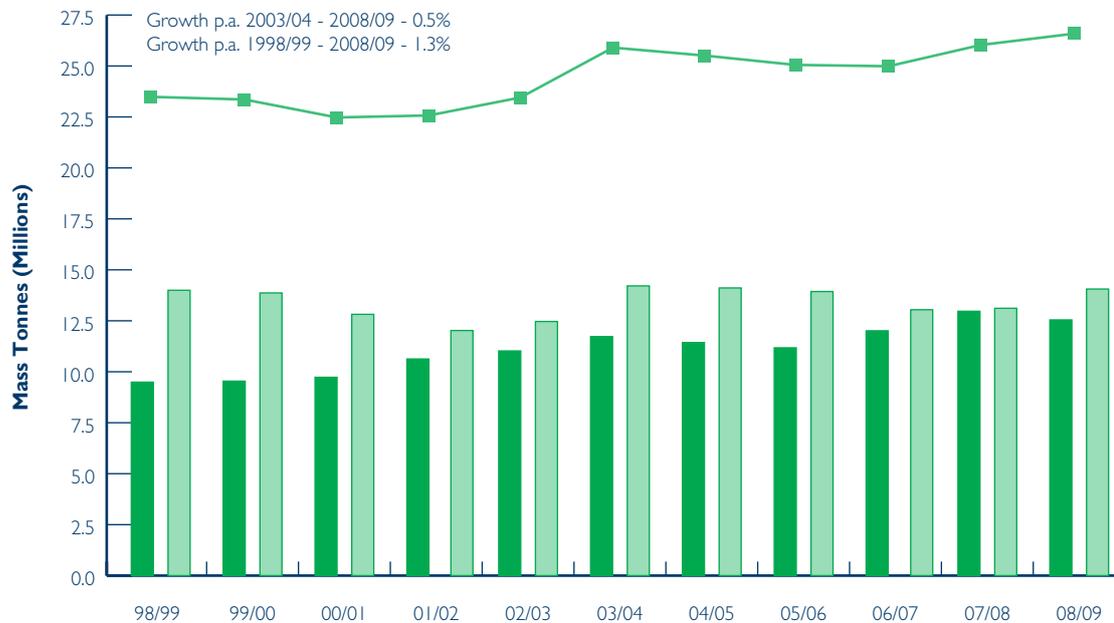
Commercial	1,554	1,575	1,628	1,660	1,774
Non-Trading	45	66	59	65	56
Total	1,599	1,641	1,687	1,725	1,830

**Average Gross Registered Tonnage per
Commercial Vessel 2004/2005 to 2008/2009**



GRT	27,424	29,017	29,052	30,420	29,438
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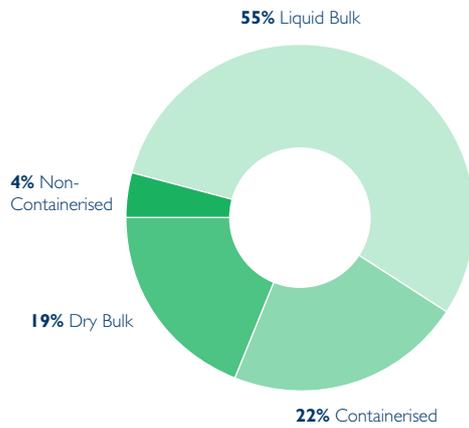
Total Port Trade 1998/1999 to 2008/2009



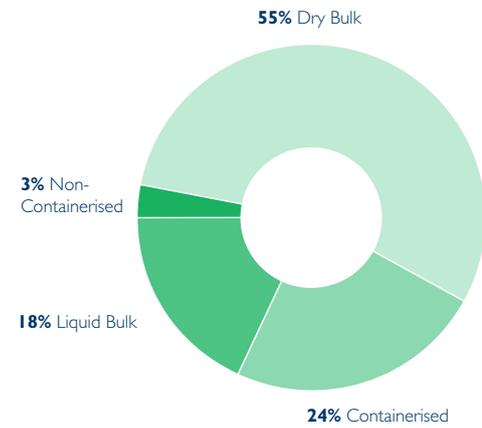
Imports	9.491	9.540	9.729	10.628	11.023	11.727	11.434	11.176	12.010	13.009	12.545
Exports	13.998	13.867	12.818	12.024	12.467	14.212	14.112	13.936	13.043	13.122	14.058
Total	23.489	23.407	22.547	22.652	23.490	25.939	25.546	25.112	25.053	26.131	26.603

STATISTICAL INFORMATION

Trade by Cargo Class Imports 2008/2009
(Mass Tonnes)



Trade by Cargo Class Exports 2008/2009
(Mass Tonnes)



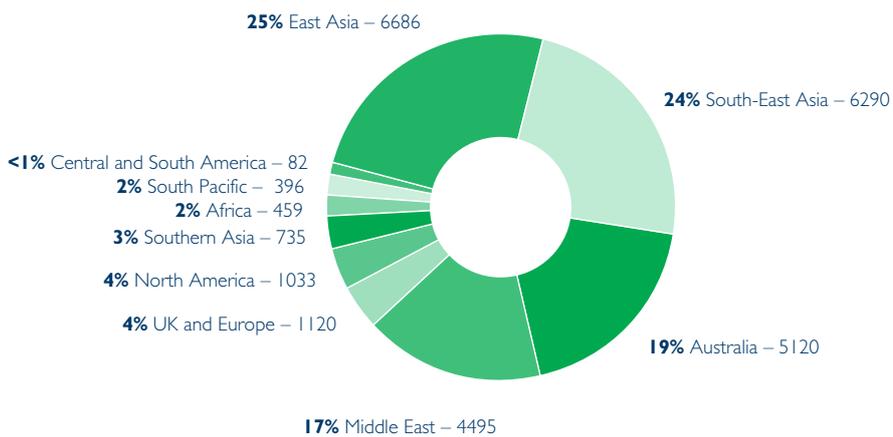
TRADE BY CARGO CLASS (MASS TONNES)

Cargo	Imports	Exports
Liquid Bulk	6,970,411	2,509,817
Dry Bulk	2,334,431	7,734,475
Non-Containerised	505,338	497,134
Containerised	2,734,346	3,316,739
Total	12,544,526	14,058,165

Links in World Trade

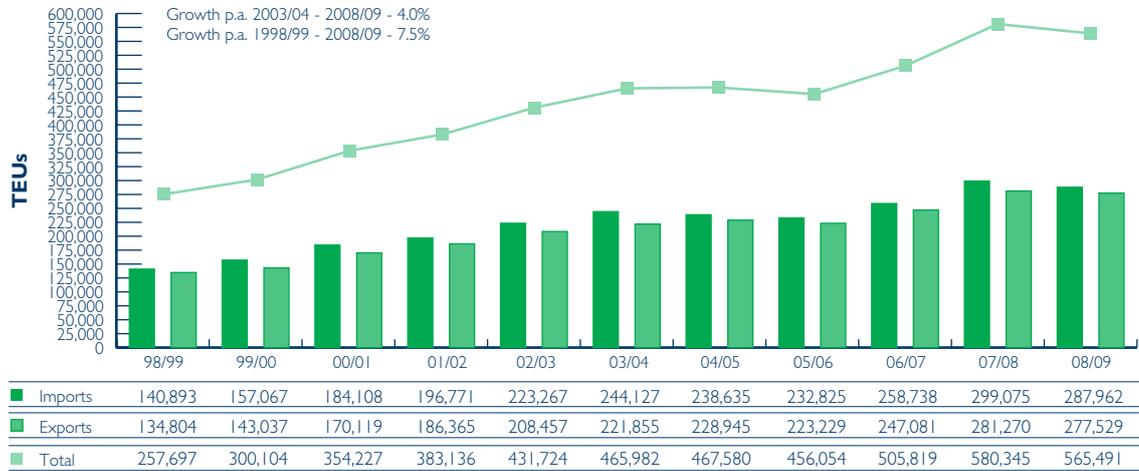


Fremantle Port - Principal Areas of Trade
Year Ended 30 June 2009 - Thousands of Mass Tonnes

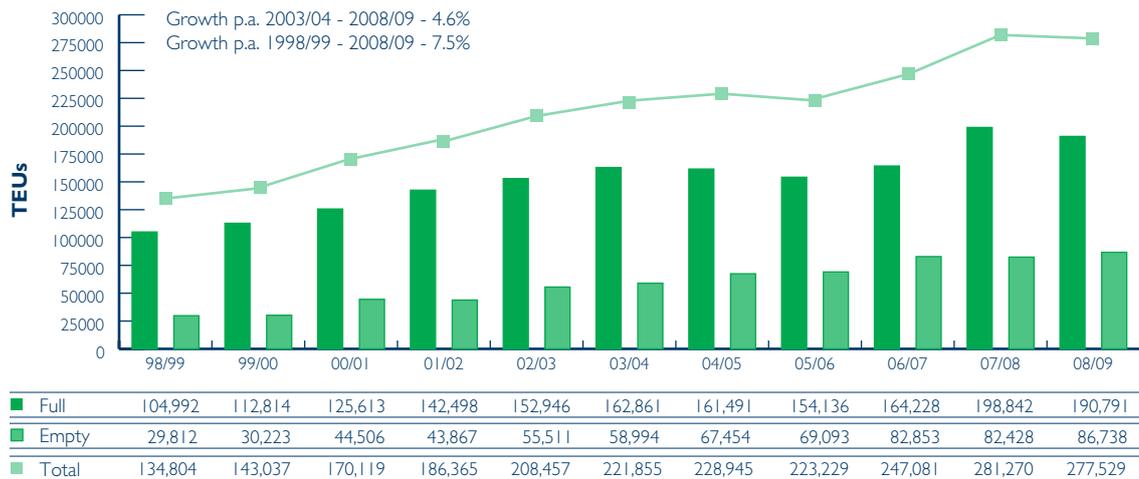


STATISTICAL INFORMATION

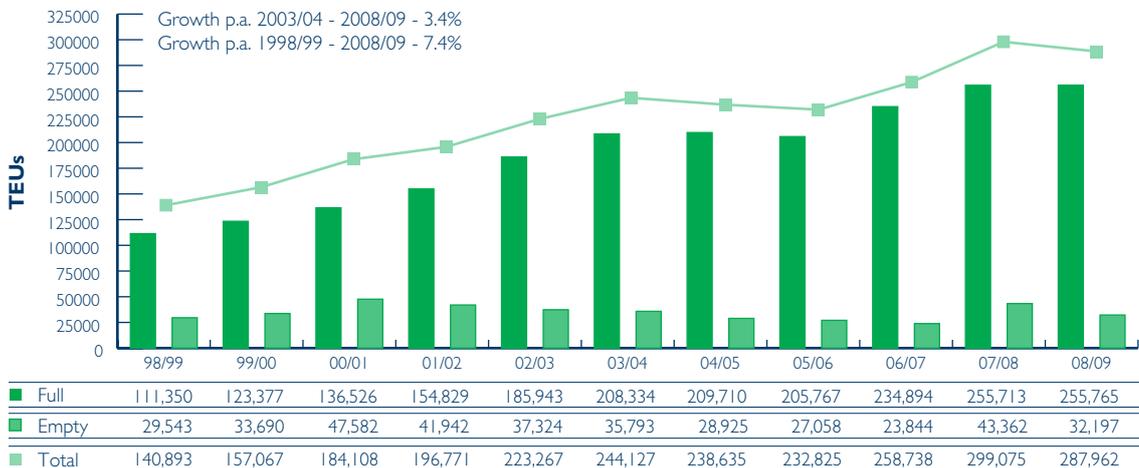
Total Container Trade – TEUs 1998/1999 to 2008/2009



Export Container Trade – TEUs 1998/1999 to 2008/2009



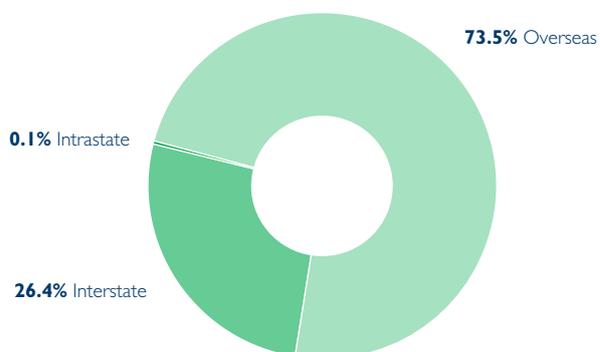
Import Container Trade – TEUs 1998/1999 to 2008/2009



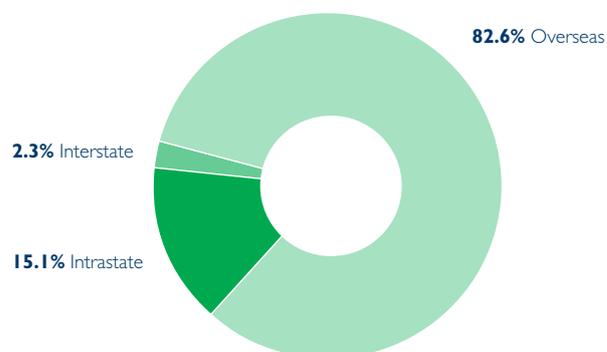
STATISTICAL INFORMATION

SYNOPSIS OF TRADE 2008/2009			
CARGO	INNER HARBOUR MASSTONNES	OUTER HARBOUR MASSTONNES	PORT TOTAL MASSTONNES
Imports			
From Intrastate Ports	3,215	1,384,755	1,387,970
From Interstate Ports	885,243	213,178	1,098,421
From Overseas Ports	2,459,828	7,598,308	10,058,136
Total Imports	3,348,286	9,196,241	12,544,527
Exports			
To Intrastate Ports	28,987	318,949	347,936
To Interstate Ports	49,819	2,236,061	2,285,880
To Overseas Ports	3,836,932	7,456,198	11,293,130
Total Exports	3,915,738	10,011,208	13,926,946
Total Cargo	7,264,024	19,207,449	26,471,473
Bunkers			
Fuel Oil	61,255	69,965	131,220
Total Port Trade	7,325,279	19,277,414	26,602,693

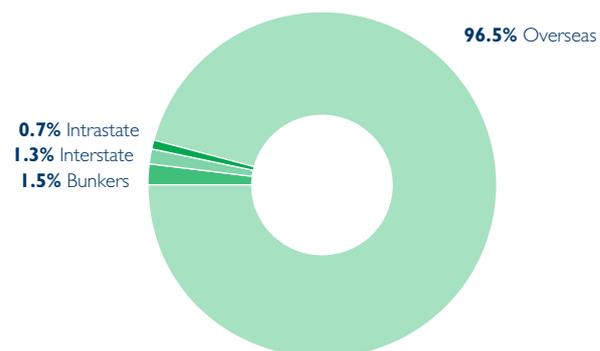
Inner Harbour Imports



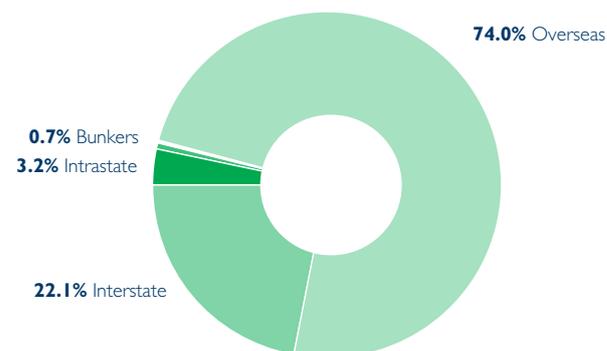
Outer Harbour Imports



Inner Harbour Exports



Outer Harbour Exports



STATISTICAL INFORMATION

PORT OF FREMANTLE CONTAINER TRADE - TEUS JULY 1 2008 TO JUNE 30 2009							
COUNTRY	IMPORTS			EXPORTS			GRAND TOTAL
	FULL	EMPTY	TOTAL	FULL	EMPTY	TOTAL	
Singapore	8,019	16,578	24,597	8,772	60,172	68,944	93,541
China	61,813	205	62,018	30,593	616	31,209	93,227
Australia	63,477	10,409	73,886	3,289	2,836	6,125	80,011
Malaysia	14,067	485	14,552	11,475	15,155	26,630	41,182
Japan	5,858		5,858	31,514	222	31,736	37,594
Indonesia	9,690	139	9,829	12,607	4,630	17,237	27,066
Thailand	11,692	31	11,723	7,074	102	7,176	18,899
South Korea	4,983		4,983	12,667	35	12,702	17,685
United States of America	12,912	94	13,006	4,048	28	4,076	17,082
Vietnam	3,716		3,716	10,724	60	10,784	14,500
Taiwan	4,098	15	4,113	4,451	61	4,512	8,625
New Zealand	3,805	40	3,845	3,279	1,260	4,539	8,384
India	2,894		2,894	5,041	6	5,047	7,941
Germany	6,444	9	6,453	970	146	1,116	7,569
South Africa	3,718	8	3,726	3,425		3,425	7,151
United Arab Emirates	2,896		2,896	3,775	1	3,776	6,672
Italy	5,000	243	5,243	836	532	1,368	6,611
Hong Kong	2,507	37	2,544	3,600	299	3,899	6,443
United Kingdom	4,626	13	4,639	1,703		1,703	6,342
Finland	827		827	5,284		5,284	6,111
Belgium	3,378		3,378	1,638	481	2,119	5,497
Netherlands	3,042		3,042	1,259	32	1,291	4,333
Philippines	620		620	3,337		3,337	3,957
Yemen Arab Republic				3,204		3,204	3,204
Canada	2,271		2,271	373		373	2,644
Mexico	1,652		1,652	527		527	2,179
Saudi Arabia	243	230	473	1,595		1,595	2,068
Spain	1,486	5	1,491	509	12	521	2,012
France	1,452	72	1,524	274	50	324	1,848
Reunion	1	1,597	1,598	228		228	1,826
Mauritius	15	1,423	1,438	363		363	1,801
Bangladesh	104		104	1,675		1,675	1,779
Sweden	1,163		1,163	77		77	1,240
Sri Lanka	322		322	824		824	1,146
Pakistan	298		298	682		682	980
Israel	914		914	17		17	931
Myanmar	52		52	799		799	851
Christmas Island	40	401	441	410		410	851
Other Countries	7,872	3	7,875	5,667	166	5,833	13,708
Grand Total	190,790	86,739	277,529	255,762	32,200	287,962	565,491

STATISTICAL INFORMATION

MAJOR EXPORTS BY COMMODITY 2008/2009

Commodity	% Tonnes	Mass Tonnes	Principal Countries (%Commodity)
Grain (includes Wheat, Lupins, Barley, Oats and Canola Seed)	35.85%	4,933,734	Japan (16.44) Indonesia (15.52) Iran (11.76) South Korea (9.02) China (7.02) Yemen Arab Republic (6.79) Saudi Arabia (6.26) Malaysia (5.59) Vietnam (5.09) Netherlands (2.24) Australia (1.67) South Africa (1.65) Pakistan (1.25) Germany (1.22) Philippines (1.19)
Alumina	20.18%	2,777,028	China (34.6) Australia (28.28) Indonesia (8.53) United States of America (5.87) United Arab Emirates (5.70) Japan (3.63) India (3.16) Russia (2.65) Egypt (2.15) Norway (1.30) Netherlands (0.92)
Petroleum Refined	15.20%	2,091,714	Australia (77.04) New Zealand (11.06) Singapore (10.92) Malaysia (0.69)
Black Coal	4.22%	580,770	China (51.03) India (42.25) Taiwan (6.59)
Animal Feeds	3.77%	518,413	Japan (55.19) South Korea (15.73) Kuwait (7.32) Saudi Arabia (6.26) Taiwan (3.77) Oman (2.08) Qatar (2.04) Indonesia (1.22) Israel (1.17) Australia (1.10)
Metal Scrap	2.13%	293,197	China (31.00) Indonesia (24.82) Japan (9.95) Vietnam (9.18) Thailand (7.14) India (6.63) Malaysia (5.68) Bangladesh (1.63) Singapore (1.62)
Waste Paper	1.58%	217,436	China (45.72) Indonesia (27.88) Hong Kong (6.78) South Africa (5.08) India (4.27) Vietnam (3.59) Malaysia (3.52) Philippines (1.92)
Malt	1.51%	207,861	Philippines (27.47) Thailand (21.16) Japan (15.03) Vietnam (14.98) South Korea (7.46) Singapore (7.17) Indonesia (3.89) Malaysia (1.24) Cambodia (1.19)
Sulphuric Acid	1.18%	161,759	Philippines (34.89) India (34.37) Australia (22.8) New Zealand (7.97)
Sheep	1.12%	154,806	Saudi Arabia (32.57) Kuwait (19.69) Oman (14.61) Bahrain (11.94) Qatar (10.75) Jordan (4.18) Israel (2.58) United Arab Emirates (2.40)
Other Crude Minerals	1.07%	146,939	China (22.25) India (7.95) South Korea (7.18) United Arab Emirates (5.65) Belgium (5.59) Italy (5.54) United Kingdom (5.22) New Zealand (4.07) Singapore (3.78) Japan (3.74) Spain (3.63) Germany (2.92) Australia (2.80) Netherlands (2.57) Bahrain (1.77) Malaysia (1.74) Iran (1.73) United States of America (1.69) Saudi Arabia (1.68) Qatar (1.34) Taiwan (1.18)
Titanium Dioxide	1.02%	141,005	China (30.15) South Korea (10.08) Thailand (7.07) India (6.97) Philippines (5.57) Hong Kong (5.55) Indonesia (4.9) Vietnam (4.83) Japan (4.71) Singapore (3.98) Belgium (3.32) Taiwan (2.49) New Zealand (2.27) Malaysia (1.85) Pakistan (1.55) South Africa (1.27) Myanmar (0.99)
Manufactures of Metal	0.88%	121,449	Finland (71.12) Belgium (3.88) South Africa (3.77) Australia (3.02) United States of America (2.34) Singapore (1.64) Taiwan (1.55) New Zealand (1.54) Thailand (1.20) Indonesia (1.16) China (1.15) India (1.12) South Korea (1.02)
Pig Iron	0.85%	116,867	Thailand (45.43) Taiwan (22.47) Malaysia (18.56) China (13.48)

STATISTICAL INFORMATION

MAJOR IMPORTS BY COMMODITY 2008/2009

Commodity	% Tonnes	Mass Tonnes	Principal Countries (%Commodity)
Petroleum Crude	41.88%	5,220,304	United Arab Emirates (36.3) Australia (19.82) Indonesia (15.74) Malaysia (13.24) South Korea (8.88) Saudi Arabia (2.87) China (1.13) Singapore (1.13) Vietnam (0.95)
Petroleum Refined	6.43%	801,661	Singapore (59.17) South Korea (13.8) Japan (12.42) Malaysia (4.57) Australia (3.93) Taiwan (3.68) Thailand (2.03)
Caustic Soda	5.37%	669,891	Saudi Arabia (47.43) Taiwan (30.16) South Korea (7.92) Qatar (6.60) China (5.50) Philippines (2.43)
Cement Clinker	5.18%	645,952	Indonesia (58.14) Japan (32.37) Malaysia (5.40) Thailand (4.11)
Phosphates - Fertilizers	4.22%	526,351	United States of America (35.57) Morocco (18.83) China (14.76) South Korea (8.90) Israel (7.65) Christmas Island (3.67) Australia (3.66) Germany (2.66) New Zealand (1.63)
Iron & Steel Products	3.78%	471,440	Australia (20.24) China (18.65) Singapore (10.99) Malaysia (9.78) Indonesia (8.32) Taiwan (8.03) South Korea (6.48) Japan (4.94) Thailand (2.83) Sweden (1.91) Belgium (1.57) United States of America (1.04)
Sulphur	3.28%	409,346	Canada (100)
Chemicals and Related Products	2.61%	325,088	Australia (20.88) China (17.74) Thailand (6.40) Indonesia (5.36) Singapore (5.25) United Arab Emirates (4.98) United States of America (4.80) Belgium (4.16) Malaysia (2.99) South Korea (2.86) Taiwan (2.79) South Africa (2.15) Germany (2.14) India (2.06) Japan (1.99) United Kingdom (1.86) Canada (1.83) New Zealand (1.18) Netherlands (1.01) Italy (1.00)
Urea	1.55%	193,175	Saudi Arabia (29.55) Bangladesh (23.78) Qatar (13.67) United States of America (11.32) Malaysia (8.41) Australia (6.55) Kuwait (6.33)
Machinery - Agricultural, Industrial	1.51%	187,672	China (23.30) United States of America (7.78) Germany (7.70) Thailand (7.01) Australia (6.85) Singapore (6.07) Malaysia (4.58) Italy (3.52) South Korea (3.15) Japan (2.75) Belgium (2.66) South Africa (2.64) Canada (2.59) Taiwan (2.53) United Kingdom (2.22) Netherlands (2.09) Indonesia (1.65) India (1.32)
Iron Ore	1.37%	170,642	Australia (100)
Manufactures of Metal	1.35%	168,551	China (37.39) Australia (9.76) Malaysia (9.28) Thailand (7.86) Singapore (4.93) United States of America (3.40) Indonesia (3.15) South Africa (2.90) Taiwan (2.88) India (2.55) South Korea (2.21) United Kingdom (2.07) Germany (2.00) Italy (1.10) Belgium (1.09)
Ammonia	1.32%	164,532	Australia (40.63) Iran (29.75) Ukraine (29.57)
Paper, Paperboard and Articles of Paper Pulp	1.22%	152,341	Australia (58.76) Finland (6.36) Indonesia (6.21) China (4.77) Singapore (3.84) Germany (3.80) United States of America (3.19) South Korea (3.03) Netherlands (2.22) Thailand (1.68) Italy (1.32)
Bricks, Tiles, Pavers	0.99%	122,965	China (28.80) Australia (19.06) Italy (12.80) Spain (5.71) Malaysia (5.16) Thailand (5.07) Vietnam (4.78) Indonesia (4.52) Turkey (2.90) Sri Lanka (2.12) Germany (1.75) India (1.04)

STATISTICAL INFORMATION

MAJOR EXPORTS BY COUNTRY 2008/2009

Commodity	% Tonnes	Mass Tonnes	Principal Countries (%Commodity)
Australia	19.86%	2,759,408	Petroleum Refined (58.28) Alumina (28.4) Ships Bunkers (4.75) Grain (2.97) Sulphuric Acid (1.34) Ammonium Nitrate (1.22)
China	15.32%	2,128,681	Alumina (45.1) Grain (16.26) Black Coal (13.91) Waste Paper (4.67) Metal Scrap (4.27) Wool (2.58) Mineral Sands (2.16) Titanium Dioxide (2.00) Other Crude Minerals (1.54) Liquefied Petroleum Gas [LPG] (1.24) Hides and Skins (1.12) Non Ferrous Metals (1.09)
Japan	9.53%	1,324,116	Grain (61.22) Animal Feeds (21.6) Alumina (7.61) Malt (2.36) Metal Scrap (2.21)
Indonesia	8.85%	1,229,510	Grain (61.85) Alumina (19.14) Metal Scrap (5.88) Waste Paper (4.90) Ammonium Nitrate (1.97) Cattle and Calves (0.88) Fresh Meat - Chilled or Frozen (0.86)
South Korea	4.52%	627,285	Grain (70.87) Animal Feeds (12.99) Malt (2.47) Titanium Dioxide (2.27) Alumina (2.01) Other Crude Minerals (1.68) Fresh Meat-Chilled or Frozen (1.27)
Iran	4.20%	582,832	Grain (99.47)
India	3.45%	479,898	Grain (62.27) Alumina (19.27) Metal Scrap (5.92) Waste Paper (4.94) Ammonium Nitrate (1.98)
Saudi Arabia	3.07%	427,087	Grain (72.32) Sheep (11.81) Animal Feeds (7.60) Cattle and Calves (2.45) Fresh Meat - Chilled or Frozen (2.10) Fresh Fruit and Vegetables (1.91)
Malaysia	3.04%	422,717	Grain (65.19) Alumina (5.72) Pig Iron (5.13) Fresh Fruit and Vegetables (4.19) Metal Scrap (3.94) Petroleum Refined (3.39) Waste Paper (1.81) Dairy Products (0.89)
Singapore	2.83%	392,697	Petroleum Refined (58.16) Non Ferrous Metals (5.98) Grain (5.60) Dairy Products (4.50) Fresh Fruit and Vegetables (4.22) Malt (3.80) Chemicals and Related Products (3.55) Mineral Sands (1.90) Unclassified Goods (1.69) Titanium Dioxide (1.43) Other Crude Minerals (1.42) Machinery - Agricultural, Industrial (1.37) Metal Scrap (1.21) Fresh Meat - Chilled or Frozen (0.97)
Vietnam	2.65%	368,758	Grain (68.02) Malt (8.45) Metal Scrap (7.30) Liquefied Petroleum Gas [LPG] (3.73) Rubber Manufactures (2.97) Waste Paper (2.12) Titanium Dioxide (1.85) Logs and Timber (1.17) Ammonium Nitrate (1.09)
Yemen Arab Republic	2.47%	343,550	Grain (97.45) Other Cereals and Cereal Preparations (2.07)
New Zealand	2.30%	319,487	Petroleum Refined (72.4) Grain (4.81) Sulphuric Acid (4.04) Bricks, Tiles, Pavers (3.99) Alumina (3.94) Other Crude Minerals (1.87) Titanium Dioxide (1.01)
United Arab Emirates	1.62%	225,249	Alumina (70.21) Grain (8.19) Fresh Fruit and Vegetables (6.54) Other Crude Minerals (3.69) Fresh Meat - Chilled or Frozen (2.29) Sheep (1.65) Fruit and Vegetables (Preserved, Canned, Bottled or Frozen) (1.56) Animal Feeds (1.48)

STATISTICAL INFORMATION

MAJOR EXPORTS BY COUNTRY 2008/2009 (Continued)

Commodity	% Tonnes	Mass Tonnes	Principal Countries (%Commodity)
United States of America	1.61%	224,121	Alumina (72.74) Non Ferrous Metals (8.17) Fresh Meat - Chilled or Frozen (5.08) Chemicals and Related Products (1.92) Manufactures of Metal (1.27) Machinery - Agricultural, Industrial (1.25) Other Crude Minerals (1.11)
Philippines	1.48%	206,143	Grain (28.27) Malt (27.7) Sulphuric Acid (27.38) Liquefied Petroleum Gas [LPG] (4.30) Titanium Dioxide (3.81) Waste Paper (2.02) Dairy Products (1.51) Fresh Meat - Chilled or Frozen (1.16)
Thailand	1.48%	205,779	Pig Iron (25.8) Malt (21.37) Grain (17.33) Metal Scrap (10.18) Alumina (5.98) Titanium Dioxide (4.85) Mineral Sands (3.46) Hides and Skins (1.67) Other Cereals and Cereal Preparations (1.51) Chemicals and Related Products (1.21)
Taiwan	1.29%	179,095	Black Coal (21.35) Grain (16.48) Pig Iron (14.66) Chemicals and Related Products (11.77) Animal Feeds (10.91) Alumina (7.19) Fresh Meat - Chilled or Frozen (2.57) Titanium Dioxide (1.96) Mineral Sands (1.86) Tallow (1.81) Manufactures of Metal (1.06)

STATISTICAL INFORMATION

MAJOR IMPORTS BY COUNTRY 2008/2009

Commodity	% Tonnes	Mass Tonnes	Principal Countries (%Commodity)
Australia	19.76%	2,463,499	Petroleum Crude (41.98) Iron Ore (6.93) Iron & Steel Products (3.88) Paper, Paperboard (3.64) Newsprint (3.61) Black Coal (3.59) Gypsum (3.56) Chemicals and Related Products (2.76) Fabricated Construction Materials (2.73) Ammonia (2.72) Unclassified Goods (1.89) Sugar (1.75) Ale, Beer and Stout; Cider (Alcoholic) (1.66) Petroleum Refined (1.28)
United Arab Emirates	15.45%	1,926,214	Petroleum Crude (98.36)
Indonesia	10.82%	1,348,538	Petroleum Crude (60.91) Cement Clinker (27.85) Iron & Steel Products (2.91) Sulphuric Acid (1.40) Chemicals and Related Products (1.30)
Malaysia	7.54%	939,554	Petroleum Crude (73.54) Iron & Steel Products (4.91) Petroleum Refined (3.90) Cement Clinker (3.72) Urea (1.73) Manufactures of Metal (1.67) Furniture and Parts (1.29) Cork and Wood Manufactures (1.25) Chemicals and Related Products (1.04)
South Korea	6.54%	815,793	Petroleum Crude (56.82) Petroleum Refined (13.56) Caustic Soda (6.5) Ammonium Sulphate (5.78) Phosphates - Fertilizers (5.74) Iron & Steel Products (3.74) Motor Vehicles - New (2.17) Chemicals and Related Products (1.14)
China	5.62%	700,807	Iron & Steel Products (12.55) Phosphates - Fertilizers (11.09) Manufactures of Metal (9.00) Petroleum Crude (8.40) Chemicals and Related Products (8.23) Furniture and Parts (7.20) Machinery - Agricultural, Industrial (6.24) Caustic Soda (5.25) Bricks, Tiles, Pavers (5.06) Miscellaneous Manufactured Articles (3.74) Rubber Manufactures (2.20) Plastic Wares and Other Manufactures (2.09) Unclassified Goods (2.01) Cork and Wood Manufactures (1.47) Other Transport Equipment and Parts (1.42) Toys, Games and Sporting Goods (1.41) Textile Yarn, Fabrics, Made up Articles and Related Products (1.26) Fabricated Construction Materials (1.08) Glass (1.05) Paper, Paperboard (1.04) Glassware (1.00)
Singapore	5.35%	667,207	Petroleum Refined (71.09) Petroleum Crude (8.78) Iron & Steel Products (7.77) Chemicals and Related Products (2.56) Unclassified Goods (2.41) Machinery - Agricultural, Industrial (1.71) Manufactures of Metal (1.25)
Japan	4.31%	536,956	Cement Clinker (38.94) Petroleum Refined (18.54) Slag Residue ex Steel Furnace (15.05) Motor Vehicles - New (8.13) Rubber Manufactures (4.61) Iron & Steel Products (4.34) Vehicles - Industrial & Agricultural (4.20) Sulphuric Acid (2.23) Chemicals and Related Products (1.21) Machinery - Agricultural, Industrial (0.96)
Saudi Arabia	4.27%	532,890	Caustic Soda (59.62) Petroleum Crude (28.05) Urea (10.72) Liquefied Petroleum Gas [LPG] (1.32)
Canada	3.47%	432,613	Sulphur (94.63) Chemicals and Related Products (1.37) Machinery - Agricultural, Industrial (1.13)

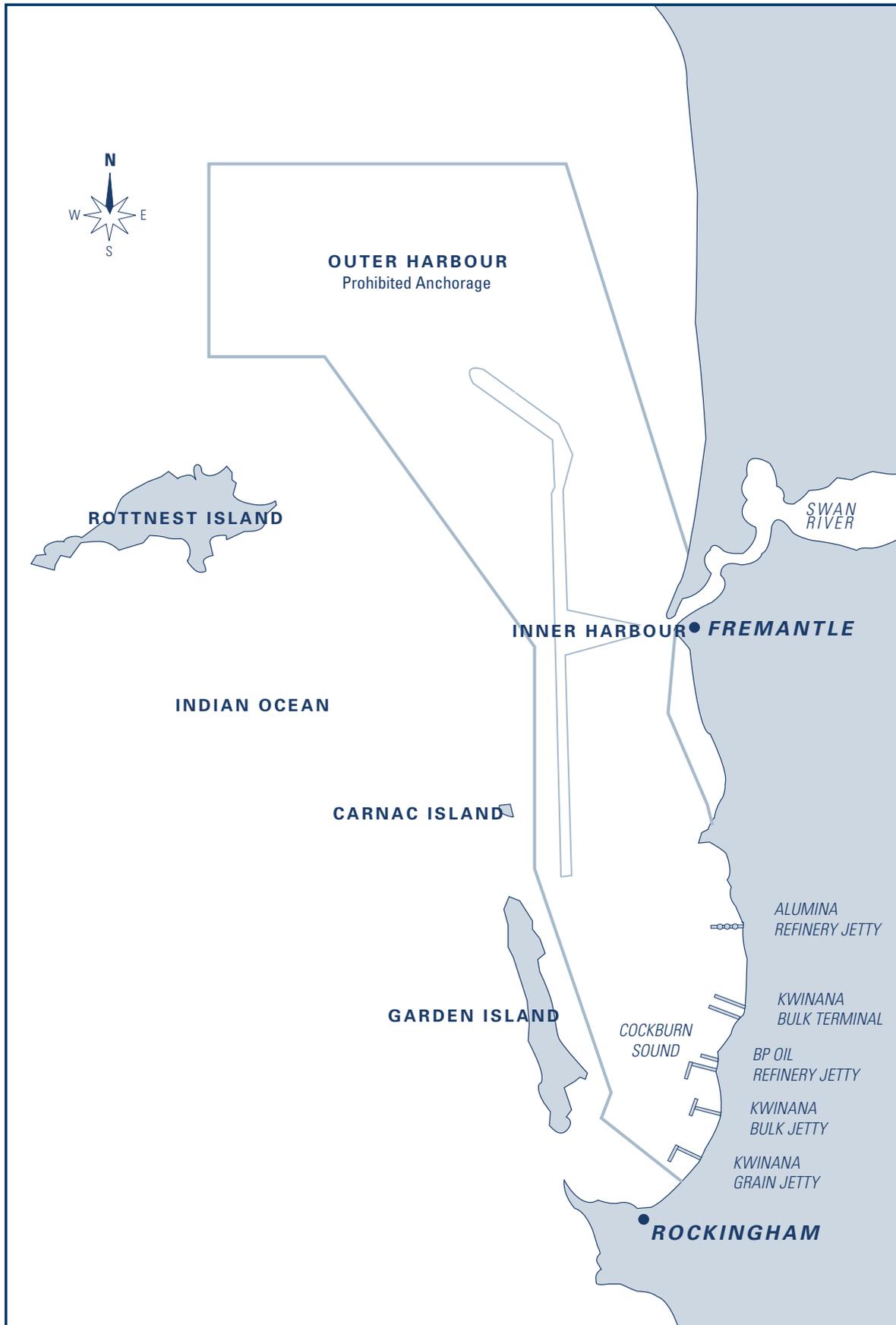
STATISTICAL INFORMATION

MAJOR IMPORTS BY COUNTRY 2008/2009 (Continued)

Commodity	% Tonnes	Mass Tonnes	Principal Countries (%Commodity)
United States of America	2.98%	371,724	Phosphates - Fertilizers (50.36) Vehicles - Industrial & Agricultural (10.06) Urea (5.88) Chemicals and Related Products (4.20) Machinery - Agricultural, Industrial (3.93) Other Transport Equipment and Parts (2.85) Rubber Manufactures (2.04) Potash (1.75) Other Crude Minerals (1.60) Manufactures of Metal (1.55) Fresh Fruit and Vegetables (1.44) Iron & Steel Products (1.31) Paper, Paperboard (1.31) Ale, Beer and Stout; Cider (Alcoholic) (1.25)
Taiwan	2.47%	308,314	Caustic Soda (65.53) Iron & Steel Products (12.27) Petroleum Refined (9.55) Chemicals and Related Products (2.94) Manufactures of Metal (1.58) Machinery - Agricultural, Industrial (1.54) Unclassified Goods (1.01) Plastic Wares and Other Manufactures (0.97)
Thailand	1.63%	203,193	Motor Vehicles - New (13.75) Cement Clinker (13.05) Chemicals and Related Products (10.24) Petroleum Refined (7.99) Iron & Steel Products (6.55) Manufactures of Metal (6.52) Machinery - Agricultural, Industrial (6.48) Fabricated Construction Materials (5.99) Rice (3.43) Other Food Preparations (3.21) Bricks, Tiles, Pavers (3.07) Plastic Wares and Other Manufactures (2.83) Glass (2.39) Rubber Manufactures (1.77) Non Alcoholic Beverages (1.66) Fish Crustaceans and Molluscs (1.64) Paper, Paperboard (1.26) Unclassified Goods (1.05)

INNER AND OUTER HARBOUR MAPS

Outer Harbour Map



About this Annual Report

This Annual Report complies with the relevant legislation and is designed to inform the public, other stakeholders and customers about Fremantle Ports' services, activities, achievements and future directions.

The report is written and edited by Fremantle Ports staff.

The Annual Report can be reviewed and downloaded from Fremantle Ports' website www.fremantleports.com.au. Additional copies may be obtained on disk from External Affairs, Telephone 61 (8) 9430 3555.

Abbreviations

FTE – Full Time Equivalent
GT – Gross Tonnes
KBJ – Kwinana Bulk Jetty
KBT – Kwinana Bulk Terminal
TEU – Twenty Foot Equivalent Unit

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