

# Fremantle Ports Annual Report 2022

Connecting Western Australia to the world

# About this Report

Thank you for taking time to review our annual report for 2021-22.

Its function is to inform you - our customers, communities, stakeholders, Western Australians and others - about us as an organisation, our financial and operational performance, our strategic direction, priorities, contribution to the economy, the year's significant issues and challenges, as well as outline our governance arrangements.

This report provides a comprehensive account of Fremantle Ports' activities during the 2021-22 financial year.

This report was provided, as required, to the Minister for Transport, Planning and Ports and later tabled before the Parliament of Western Australia.

Fremantle Ports acknowledges the Noongar Whadjuk and Pinjarup peoples as the traditional custodians of port land and waters and pays respect to their elders, past and present.

Cover photo: *Sailing from Fremantle*, Deanna Shanahan. Flotsam and Jetsam.

## Statement of Compliance

**To the Hon Rita Saffioti, MLA**

Minister for Transport; Planning; Ports.

In accordance with the provisions of the *Port Authorities Act 1999*, *Financial Management Act 2006* and other relevant legislation, I hereby submit for your information and presentation to the Parliament of Western Australia the annual report for the Fremantle Port Authority, which trades as Fremantle Ports, for the year ended 30 June 2022.

**Ross Love**

Chair

Board of Directors



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# Overview

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This year, our vision, mission and values were as follows:



## Vision

To be Australia's best maritime gateway. We define that as:

- The best place to do business
- The best neighbour
- The best place to invest
- The best place to work



## Mission

To create value by connecting Western Australia to global markets.



## Values

- Respect and integrity
- Safety and wellbeing
- Responsiveness and delivery
- Continuous improvement
- Sustainability

During 2021-22, we established a new purpose and aspiration:



## Our purpose

Facilitating trade for a more prosperous Western Australia



## Our aspiration

Providing the safest and most reliable, efficient and sustainable supply chain capacity for importers and exporters



## About us

Fremantle Ports is a government trading enterprise that has the Government of Western Australia as its sole shareholder. Its purpose is to facilitate trade through the Port of Fremantle. Fremantle Ports is responsible for the operation of Western Australia's largest general cargo port, comprising the Inner Harbour adjacent to the city of Fremantle and a number of Outer Harbour facilities in Cockburn Sound.

The Port of Fremantle handles more than 99 per cent of Western Australia's container trade and is the fourth-largest and one of the most efficient container ports in Australia against a number of measures assessed regularly by the Australian Government. The Inner Harbour also facilitates vehicle imports, cruise ships, non-containerised cargo such as machinery, steel, heavy equipment, livestock and scrap metal, as well as research, naval and specialist vessels or ships that are laid-up.

The heritage-listed Fremantle Passenger Terminal - Australia's largest - can handle two ships simultaneously and is owned and operated by Fremantle Ports.

Kwinana Bulk Jetty (KBJ) and Kwinana Bulk Terminal (KBT) in the Outer Harbour at Cockburn Sound handle bulk commodities including cement clinker, grains, petroleum products, silica sands, bitumen, fertilisers and sulphur. KBJ and KBT are owned and operated by Fremantle Ports, while separate facilities in Cockburn Sound are privately operated by Alcoa, BP and CBH Group.

Fremantle Ports provides and maintains shipping channels in Gage Roads and Cockburn Sound, navigation aids, seawalls and road and rail infrastructure within the port environs that allow port users to conduct their operations effectively.

Other services provided include pilotage, towage, ship monitoring and scheduling, berth allocation, mooring, port communications, security, hazardous cargo services, quarantine, waste disposal, property management, stevedoring, power distribution, lighting and bulk terminal receipt and dispatch.

Fremantle Ports works hand in hand with private sector partners in the overall provision of port services. A modern port is a complex operation with significant logistical integration both within and outside of the port precinct.

Essential services provided by private sector partners include container stevedoring, non-containerised and bulk cargo stevedoring, towage, line boats, bunkering, shipping agencies, ship provisioning, road and rail transport, freight forwarding, customs clearance and fumigation.

Under the *Port Authorities Act 1999*, Fremantle Ports licenses a range of port services, including non-exclusive contracts with the private sector for towage and pilotage.

Fremantle Ports is also responsible for the heritage-listed west end of Victoria Quay.

A 24/7 operation, Fremantle Ports is administered from its headquarters on Victoria Quay in Fremantle, has offices at Kwinana Bulk Terminal and has a direct workforce of 341 people, though the total number employed in the wider Port of Fremantle by port partner organisations is far larger, creating significant employment and economic contributions locally.



Safe navigation: All ships leaving port shall keep a proper lookout.



## A snapshot of our year



**\$68m**

### Commercial Results

Fremantle Ports achieved a before-tax profit of \$68m, well above the anticipated target of \$52.2m. Our rate of return was 9.5%.



**\$37,623,664,632**

### Trade

Total trade fell 6.9% to 28.3m tonnes, down 2.1m tonnes on the previous year, predominantly due to declines in bauxite exports and petroleum imports. Imports were down 1.6% and exports down 11.8%.

While the total container trade (TEU) fell 1.9%, total full containers rose 1.8%, reflecting a steady WA economy in a disturbed global environment. The total value of trade this year was \$37,623,664,632.63.



### Strategic Plan

We developed and launched an ambitious strategic plan for the organisation taking effect from July 1, 2022, which sets a clear direction, 12 major goals and associated targets to be achieved by 2027. See page 85.



### Asia Focus

East and South-East Asia dominate our trade picture. Our total trade with Asia was 19.5 million tonnes, representing 68.9 per cent of total port cargo movements by tonnage. See pages 42 and 55.



## COVID-19

Shipping operations continued uninterrupted throughout the year despite COVID-19, ensuring essential imports and exports in and out of Western Australia. For the second year, there were zero transmissions of the virus from ships in port to the WA community. See page 84.



## Community

We supported 38 grassroots community initiatives in the local area, across the areas of arts and culture, environmental leadership, community enrichment and education. See page 66.



## Heritage Assets

Fremantle Ports invested strongly in developing and/or maintaining heritage buildings on Victoria Quay, including the historic A, C and E transit sheds and the Slip Street workshops. See page 62.



## Westport

Fremantle Ports continued actively working with the Department of Transport, Westport and other government agencies to plan for the delivery of a new container port and associated facilities in the Outer Harbour. See page 51.



## A snapshot of our year *continued*



### 20.9% Rail Share

The share of containers transported on rail averaged 20.9% for the year, up from 18.4% last year and the equivalent of taking 109,000 truck movements off the roads. Our rail share is nearly double Australia's five-port average of 11.4%.



### Community Support

The community's overall satisfaction with Fremantle Ports remained strong, with

**56% of residents in Inner Harbour areas and 63% of residents in Outer Harbour areas satisfied overall**

Our annual community survey showed Fremantle Ports is most strongly associated with being efficient, safe and reliable.

### Investing in the Future

We allocated significantly more towards asset refurbishment and maintenance this year, including significant sustaining capital programs for investment in Inner Harbour buildings, the two Outer Harbour jetties at Kwinana Bulk Terminal and Kwinana Bulk Jetty. We also planned for, and committed to, a major capital project, the replacement of the clinker import circuit at Kwinana Bulk Terminal.



### Awards

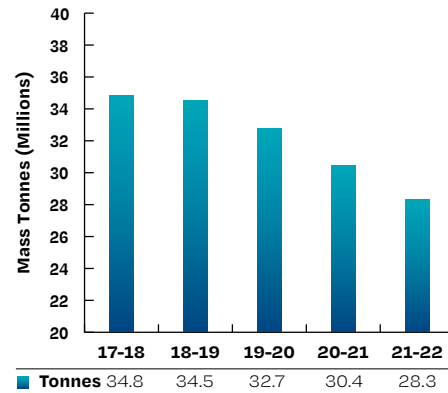
We won the W.S. Lonnie Memorial Trophy for best annual report for the year, awarded by the Institute of Public Administration Australia (WA). We won the Margaret Nadebaum Trophy for best annual report by a Government Trading Enterprise for the eighth consecutive year and the Ombudsman Western Australia Award for best complaints-handling, for a fourth consecutive year.



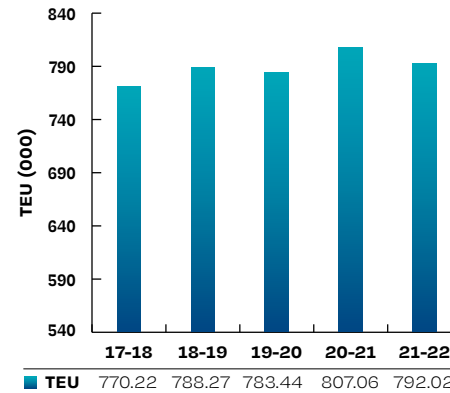


# Key business results

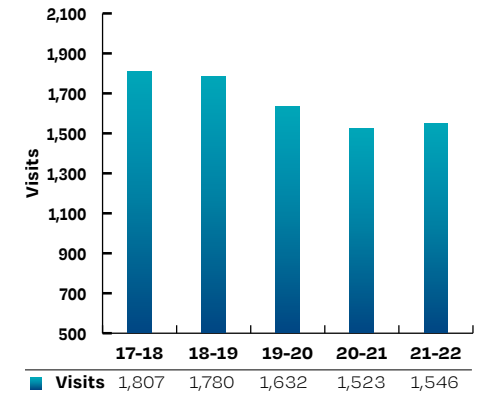
Total Port Trade



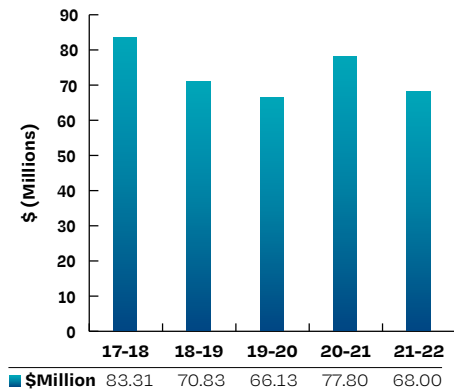
Total Container Trade (TEU)



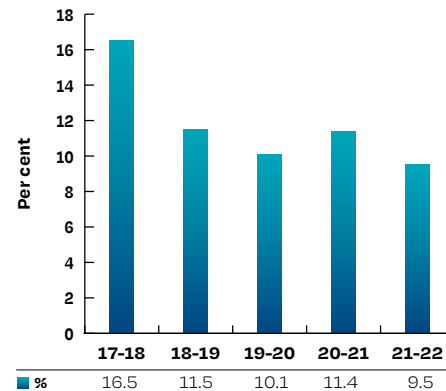
Total Ship Visits (excluding Naval)



Operating Profit Before Income Tax Equivalent

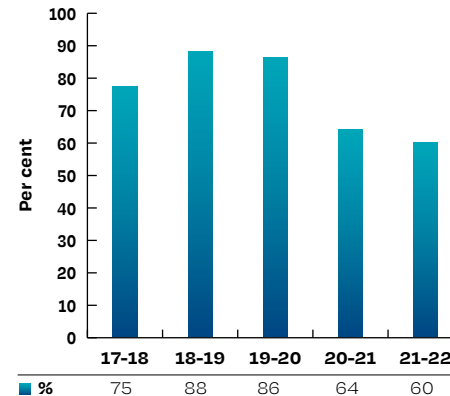


Economic Rate of Return on Assets



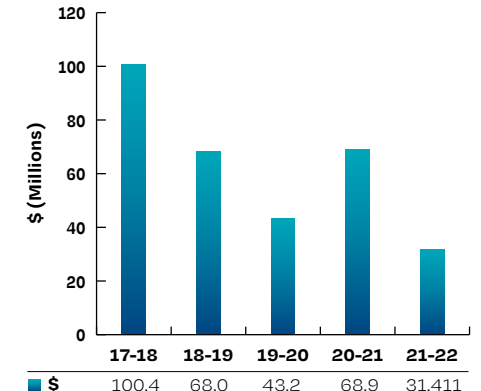
The Economic Rate of Return is based on assets valued at deprival value.

Shipping Line/Agent Survey Level of Overall Satisfaction with Fremantle Ports' Services



In 2021-22 60% of respondents were satisfied or very satisfied. Target range 80-90%.

Fremantle Ports' Contributions to State Government



## Chair's foreword



While the vicissitudes of COVID-19 continued to reverberate through the world's maritime supply chain in 2021-22, Fremantle Ports nonetheless sustained its reputation for solid trade performance, posting a before-tax profit of \$67.99m.

In meeting various challenges arising from such global disruption, the organisation proved its capacity to adjust. It did so, for example, by modifying operations and looking for innovations in ship scheduling, ship movements and cargo-handling.

This year, we began turning container ships on arrival in the Inner Harbour, for improved safety and efficiency. Sound planning, training and technology allowed us to deliver this step-change.

The Board remained conscious of its role in leading Fremantle Ports' efforts to prepare for a future where it is sustainable, has the assets it needs to perform and can become an influential supply-chain leader in Western Australia beyond the port gate.

**“The Board remained conscious of its role in leading Fremantle Ports’ efforts to prepare for a future where it is sustainable, has the assets it needs to perform and can become an influential supply-chain leader in Western Australia beyond the port gate.”**

**Ross Love**

It was a year in which the organisation successfully launched a new strategic plan for the next five years. The plan sets a very clear direction, is responsive to tomorrow's challenges and presents absolute clarity for the Board, senior management and staff.

Around the world, ports are changing in response to climate change. In our plan, we adopted an ambitious target of achieving net zero scope 1 and 2 emissions by 2027. This must occur at a time when we anticipate increasing trade, and already the organisation has identified projects that will deliver success. What is certain is that - like many businesses - Fremantle Ports must transform the way it does business, while delivering increased operational capacity, efficiency and reliability.

Fremantle Ports this year took a systematic approach to achieving a step-change in safety, through improved planning, better systems, stronger compliance and - importantly - a focus on safety culture. This has been pleasing to see.

As work continues towards transitioning the container trade out of Fremantle to Kwinana, the knowledge and experience Fremantle Ports has been able to contribute to this program, particularly in terms of logistics and maritime solutions, has been apparent.

Until that transition occurs, there remain many ways in which Fremantle Ports can continue to operate in the Inner Harbour in a way that is sustainable, meets customers' needs and does not impact greatly upon the surrounding community.

Our success this year in driving up our percentage share of containers on rail to a record 20.9% demonstrated how strong policy, well-executed, can be both a business success and demonstrably favourable in the public's eyes.

Fremantle Ports this year made strides in building a stronger team and acquiring the tools it requires to meet the challenges ahead. Sound port assets are essential as well and the resolve seen this year to build major new assets and refurbish existing ones has been reassuring. Support at government level is, of course, important to achieve infrastructure improvements and the Board and senior management are committed to continuing that dialogue.

In conclusion, I wish to acknowledge and thank all Board members for their contributions during the year and, also, thank our Minister the Hon Rita Saffioti and her team for their continued support. On behalf of the Board I would like to thank the management and all of the loyal, hard-working and committed staff at the port authority. I would like to specifically acknowledge the excellent contribution from our CEO Michael Parker in his first full year in the job, where he has not only helped us chart a new and more ambitious strategy, but also ensured the ongoing sound performance of our day to day operations.

**Ross Love**  
Chair  
Board of Directors



Inner Harbour: We handled 792,021 containers (TEU) this year.



# Chief Executive Officer's report



**“We developed our 2027 Strategic Plan, which underpins the decisions we make and how we prioritise our work over the next five years.”**

**Michael Parker**

**This year was, in many respects, a year of transition for Fremantle Ports, but the past 12 months have seen our organisation prepare for a new era. We, of course, continued to facilitate trade with success, but were required to do so in challenging circumstances beyond our control.**

As the global maritime logistics supply chain continued to see disruptions as a result of COVID-19, it was pleasing that the Western Australian economy remained strong and Fremantle Ports played a key role in ensuring imports and exports flowed. However, the variability of the international supply chain meant issues arose at various times, such as longer wait times for vessels, bunching of ship arrivals, subsequent lay-down congestion and insufficient stevedoring labour to rapidly move cargo off berths.

We sought to effectively manage or mitigate these challenges as far as possible to reduce the impact upon our customers and business partners and the year concluded with generally strong trade and financial outcomes.

This year, we also invested in the business for future success. Our Enterprise Resource Planning project began delivering new and integrated business systems that will make our financial and other processes simpler, quicker and more efficient. These tools will be essential to our organisational effectiveness and transformation in the years ahead. After detailed planning, our large project to replace the clinker importation facility at Kwinana Bulk Terminal was approved and funded, allowing us to look forward to a construction phase in the new year, in support of a critical industry for Western Australia.

In the Inner Harbour, we steadily upgraded assets so they are effective and safe, including works on berths 1 and 2 on North Quay and

replacement of operational lighting infrastructure. A lull in cruising allowed us to invest in the Fremantle Passenger Terminal.

Future planning was central, with our people continuing to support Westport, the State Government's plan to move containerised trade to Kwinana in the years ahead. This work was complex, multi-faceted and required close liaison with a multitude of other organisations. Simultaneously, we applied our thinking to the future facilitation of non-container trades currently served by the Inner Harbour and how to support an anticipated growth in bulk trades in the Outer Harbour.

Throughout, our staff and contractors delivered continually and were future-focused. We developed our 2027 Strategic Plan, which underpins the decisions we make

and how we prioritise our work over the next five years. This ambitious plan is a roadmap for how we intend to transform the organisation, lead the supply chain, build strong customer relationships and ensure we have the assets that will allow us to excel, meet our sustainability targets and stakeholder expectations.

We continue to make significant investments on our journey toward excellence in safety - one of five goal areas we have set for ourselves. Though there is much work still to do, we are laying the foundations to support our trajectory in this critical area.

After my first full year as CEO, I want to acknowledge the people in Fremantle Ports, for their passion, capability and knowledge of the business.

Beyond the facilitation of trade, we upheld our responsibilities as the custodian of Victoria Quay's heritage precinct, refurbishing buildings and preparing A Shed for its development as a successful micro-brewery. As the year closed, it was reassuring to see in survey outcomes that Fremantle Ports is well-regarded for its work to sustain heritage assets.

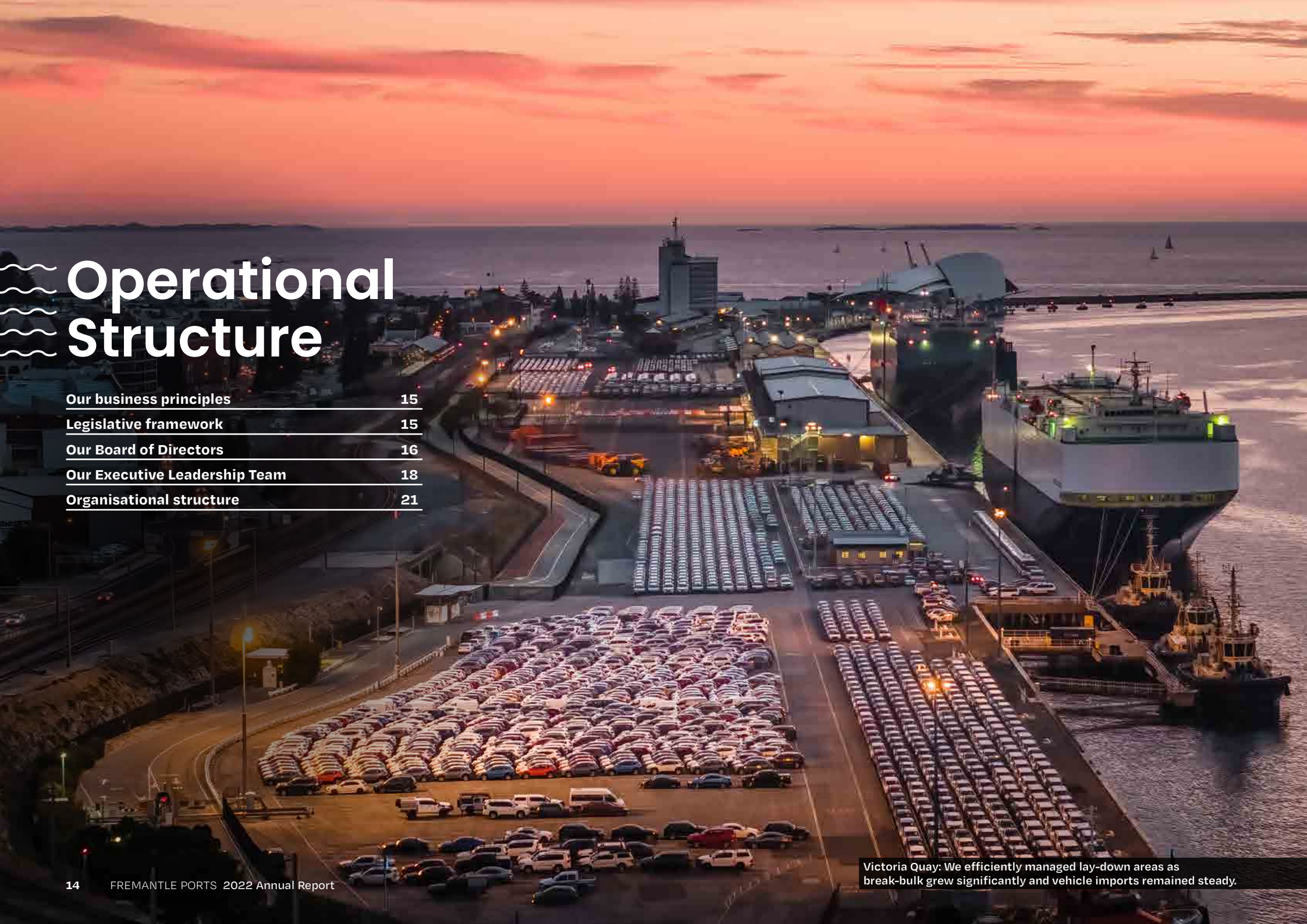
It was a year in which we set out to achieve a great deal, and did so. Many of those achievements are less visible but, together, set Fremantle Ports up for success as the State's major general cargo port, facilitating trade for a more prosperous Western Australia.

**Michael Parker**  
Chief Executive Officer



Port community: More than 100 businesses make up the port ecosystem.



An aerial photograph of a port at sunset. A large white cargo ship is docked at a pier on the right. In the foreground and middle ground, there are large stacks of cars, mostly silver and white, arranged in neat rows. The sky is a mix of orange, pink, and purple. The port area includes various buildings, cranes, and roads.

# Operational Structure

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## Our business principles

- Minimising or reducing adverse land transport impacts
- Building synergies with others' plans
- Protecting the environment
- Ensuring commercially sound and justifiable outcomes
- Continuing to improve port safety and security
- Supporting local communities
- Complying with legal requirements
- Ensuring efficiency and continuity of all port services
- Contributing to the aspirations and growth of our people and the port community
- Capitalising on opportunities and managing risks

We apply these principles in our planning, decision-making and our operations. We aim to create value by understanding and responding to the needs and expectations of the Western Australian Government as our sole shareholder, our regulators, our customers, partners, other port users, our tenants, port and landside service providers and the community.

## Legislative framework

Fremantle Ports is a Government Trading Enterprise responsible to the Minister for Ports and established under the *Port Authorities Act 1999* (WA). The following key State and Federal statutes apply to our operations.

*Aboriginal Heritage Act 1972*

*Australian Maritime Safety Authority Act 1990*

*Biosecurity Act 2015*

*Commercial Tenancy (Retail Shops) Agreements Act 1985*

*Contaminated Sites Act 2003*

*Corporations Act 2001*

*Corruption, Crime and Misconduct Act 2003*

*Customs Act 1901*

*Dangerous Goods Safety Act 2004*

*Disability Services Act 1993*

*Equal Opportunity Act 1984*

*Emergency Management Act 2005*

*Environmental Protection Act 1998*

*Environmental Protection and Biodiversity Conservation Act 1986*

*Fair Work Act 2009*

*Freedom of Information Act 1992*

*Financial Management Act 2006*

*Heritage Act 2018*

*Industrial Relations Act 1979*

*Maritime Transport and Offshore Facilities Security Act 2003*

*Minimum Conditions of Employment Act 1993*

*Modern Slavery Act 2018*

*Planning and Development Act 2005*

*Port Authorities Act 1999*

*Procurement Act 2020*

*Public Interest Disclosure Act 2003*

*Public Sector Management Act 1994*

*Salaries and Allowances Act 1975*

*Security of Critical Infrastructure Act 2018*

*State Records Act 2000*

*Statutory Corporations (Liability of Directors) Act 1996*

*Workers' Compensation and Injury Management Act 1981*

*Work Health and Safety Act 2020*

## Our Board of Directors



**Ross Love**

**CHAIR**

Ross Love, appointed as Chair in February 2020, recently retired after 25 years with the Boston Consulting Group where he was most recently Managing Partner for New York. Prior to that he held a number of positions in the Western Australian Government, including Chief of Staff to the Premier between 1990 and 1993. He is a graduate of UWA (BA Hons), Harvard's Kennedy School (MPA2) and the London Business School (ADP). Ross's experience bridges both corporate and government sectors, including airlines and airports, commuter rail, retail and resources. His focus has been on strategy development and execution, including large-scale organisational transformations. He is also a member of the WA Regional Development Trust and Chair of the Water Corporation Board.

*Expiry of present term: 31 December 2022*



**Kim Horne AM**

**DEPUTY CHAIR**

Kim Horne, appointed to the Board in February 2018, has worked in Western Australia and internationally as a senior executive in the mining industry for Alcoa for almost 45 years. He has extensive history in industry groups, and non-profit and government organisations in non-executive roles. Kim has chaired boards for privately owned transport and mining contracting companies. He has previously served on the Esperance Port Authority Board and is currently Deputy Chair of Synergy's Board. Kim is a graduate of the University of Western Australia's management education program and has completed numerous courses in most aspects of business management. Kim is Chair of the Board's Sustainability Committee.

*Expiry of present term: 31 December 2023*



**Debra Blaskett**

Debra Blaskett, appointed to the Board in January 2021, was previously an Executive at Perth Airport where she was responsible for Corporate Services including risk, governance, safety, environment, people and culture, and corporate affairs. Prior to joining Perth Airport, Debra held several senior positions in the Commonwealth public service across the portfolios of Australian External Territories Administration, and aviation, maritime and offshore oil and gas security regulation. Debra is currently Chair of the Western Australian Forest Products Commission and has also previously been the Deputy President of the Board of the Tourism Council of Western Australia. Debra holds Bachelor of Jurisprudence, Bachelor of Laws, and Bachelor of Arts (Hons) degrees, and is a Graduate of the Australian Institute of Company Directors and Fellow of the Governance Institute of Australia.

*Expiry of present term: 31 December 2022*



### Carmelina Fiorentino

Carmelina Fiorentino, appointed to the Board in January 2019, has over 25 years' executive finance and accounting experience in both in-house and consultancy capacities for government and private trading enterprises including Lotterywest, Office of Auditor General, and UWA Business School.

She has extensive experience as a Non-Executive Director on eight boards over 20 years and has previously served on boards in the gaming regulation, arts, education, and community sectors.

Carmelina currently provides strategic and business improvement guidance to SME business owners with Business Foundations.

Carmelina is qualified as a Fellow Chartered Accountant, has an MBA (Advanced) with Distinction, Bachelor of Commerce and has completed the AICD Company Directors' Course (GAICD).

*Expiry of present term: 30 June 2023*



### Kate Lewins

Kate Lewins, appointed to the Board in February 2020, is a Professor of Law at Murdoch University. Kate has specialised in shipping and transport matters for 30 years. Kate was a senior associate at a national law firm before joining Murdoch University in 1997. Kate completed her undergraduate law studies at UWA, holds an LLM (specialising in maritime law) from University of Southampton, and a PhD from Murdoch University. Kate is Academic Fellow of the Centre for Maritime Law at the National University of Singapore, where she teaches into their specialist LLM. She is a member of the Maritime Law Association of Australia and New Zealand, and Women's International Shipping and Trading Association.

*Expiry of present term: 30 June, 2024*



### Glen McLeod

Glen McLeod, appointed to the Board in November 2020, is a lawyer with more than 40 years' experience in environmental, town planning, government and development law. He has held senior positions in major law firms in Perth and London. In 2012, he established Glen McLeod Legal, which continues to operate. He is a member of the WA Environmental Protection Authority and the International Bar Association's Council for the Section on Energy, Environment Resources and Infrastructure Law. He is also a member of the WA Law Society's Environment Town Planning and Local Government Committee and is a Fellow of the Royal Society of Arts. Glen is an Adjunct Professor at Murdoch University, where he teaches environmental and town planning law.

*Expiry of present term: 30 June 2023*



### Anne Nolan

Anne Nolan, appointed to the Board in February 2018. She has had a distinguished career with the Western Australian Public Service. Anne is an economist with broad public policy experience in microeconomic reform, energy, infrastructure, tax and Commonwealth-State relations. She has held positions including Director-General, Department of Finance, Department of State Development; Deputy Director-General, Department of the Premier and Cabinet; Coordinator of Energy and Executive Director (Economics), Department of Treasury. Anne is currently Adjunct Professor of Economics at the University of Western Australia, a board member of the Australian Energy Market Operator, WA Symphony Orchestra, UWA Business School and Stateships. Anne is Chair of the Audit and Risk Management Committee.

*Expiry of present term: 31 December 2023*

## Our Executive Leadership Team



**Michael Parker**

**CHIEF EXECUTIVE OFFICER**

Michael Parker, appointed CEO in May 2021, was formerly Business Unit President and Managing Director/Chairman of Alcoa Alumina and Alcoa of Australia between 2015 and 2019. Michael has spent the majority of a 25 years plus career with Alcoa and has an extensive background in global business operations, commercial management and supply chain. He is a passionate advocate on gender equality, diversity and workplace culture. Michael was previously Director Business Development and Marketing and Vice-President Alcoa Materials Management in Knoxville, Tennessee, USA - a role with responsibility for the company's North American road, rail and shipping transportation. He has held a range of executive and non-executive directorships and is a graduate of the Australian Institute of Company Directors.



**Roger Makins**

**GENERAL MANAGER ASSET AND  
INFRASTRUCTURE MANAGEMENT**

Roger Makins joined Fremantle Ports in July 2020 and previously held senior management roles in both the public and private sector. Prior to his current role, he was Head of Engineering at the Water Corporation. He has extensive experience in developing and leading teams undertaking and providing asset management services in power utilities, mining and mineral processing organisations, and water utilities. Roger has master's level tertiary qualifications in mechanical engineering and business administration respectively and is a graduate member of the Australian Institute of Company Directors.



**Sean Craig**

**GENERAL MANAGER BUSINESS STRATEGY  
AND SUSTAINABILITY.**

Sean Craig joined Fremantle Ports in 2008 and, prior to his current position, held various leadership roles across the business in strategic planning, commercial management, port development and preparing for the previously planned privatisation, with a growing focus on strategy development and execution, and management systems and organisational improvement. Sean has a background in consulting and ports management, with previous roles in both the public and private sector in Queensland and Western Australia. Sean has undergraduate degrees in environmental engineering and natural resource management, postgraduate degrees in international trade and business administration, and is a graduate of the Australian Institute of Company Directors.





### David Good

**CHIEF FINANCE OFFICER  
AND GENERAL MANAGER COMMERCIAL  
AND CORPORATE SERVICES.**

David Good joined Fremantle Ports in May 2022, having previously held the position of CFO and Company Secretary of the Hawaiian Group. He has held senior financial roles in a range of different industries, including financial services, aviation and property. During his 20 years of experience, he has developed a keen interest in safety performance. David holds a Bachelor of Commerce, is a Chartered Accountant and a graduate member of the Australian Institute of Company Directors.

*Tanvi Haria occupied this role between 1 July 2021 and 24 November 2021.*



### Melanie Jasper

**GENERAL COUNSEL**

Melanie Jasper joined Fremantle Ports in January 2022, having previously held the position of counsel at a top-tier law firm. Prior to that, Melanie spent 10 years with Rio Tinto, working as a member of its in-house legal team, and then later as Mining Executive to the Chief Executive of Iron Ore. Her experience working in the resources sector has made Melanie a passionate advocate for driving improved safety outcomes. Melanie holds a Bachelor of Laws (Distinction) and Bachelor of Arts from the University of Western Australia.

*This was a newly-created position.*



### Louise Capewell

**ORGANISATION DESIGN**

Louise Capewell has worked with Fremantle Ports since 2015 in a variety of roles across the business, including a leading role in the previously planned privatisation, as well as the development and implementation of the organisation's five-year strategic plan. Louise brings more than 20 years' experience in commercial roles since graduating with a Bachelor of Commerce. Her early career commenced with the State Government followed by more than two years with CSC Australia in various roles including consulting, commercial management and as account director for resource sector clients. From 2013, Louise provided consulting services across the WA ports sector.



### Elaine Taylor

**MANAGER PEOPLE AND CULTURE**

Elaine Taylor joined Fremantle Ports in January 2022 and previously held senior management roles in human resources across the mining, oil and gas, logistics, finance and utility sectors. Elaine's most recent role was with Pioneer Credit where she was Senior Manager People & Culture and, prior to that, she held various roles with Karara Mining, Northern Star Resources, Western Power and the Water Corporation. Elaine's broad experience includes developing HR strategies, policies, systems and processes, industrial relations and developing leadership frameworks to maximise leadership capability and organisation performance. Elaine has a degree in human resources and management.

*Louise Capewell occupied this role between 1 July, 2021 and 31 January, 2022.*



### Mark Pearce

**A/GENERAL MANAGER PORT OPERATIONS.**

Mark has had an extensive career within the port industry and has held several roles across Fremantle Ports in the areas of safety, human resources and operations, most recently as Manager Bulk Business for 14 years, during which time he led a team of commercial, maintenance and operational employees to optimise the Outer Harbour's commercial viability. Mark brings a wealth of experience in delivering operational change and customer engagement.

*Gavin Bignell occupied this role between 1 July, 2021 and 6 May, 2022.*



### Alison Coates

**SENIOR MANAGER PUBLIC POLICY AND STRATEGY.**

Alison Coates joined Fremantle Ports in 2014 and has more than 25 years' experience in the government sector, mainly working in the transport portfolio across a range of areas including major transport projects, marine safety, regional services, licensing, corporate development and public transport. Alison has a Bachelor of Business, majoring in marketing and finance.

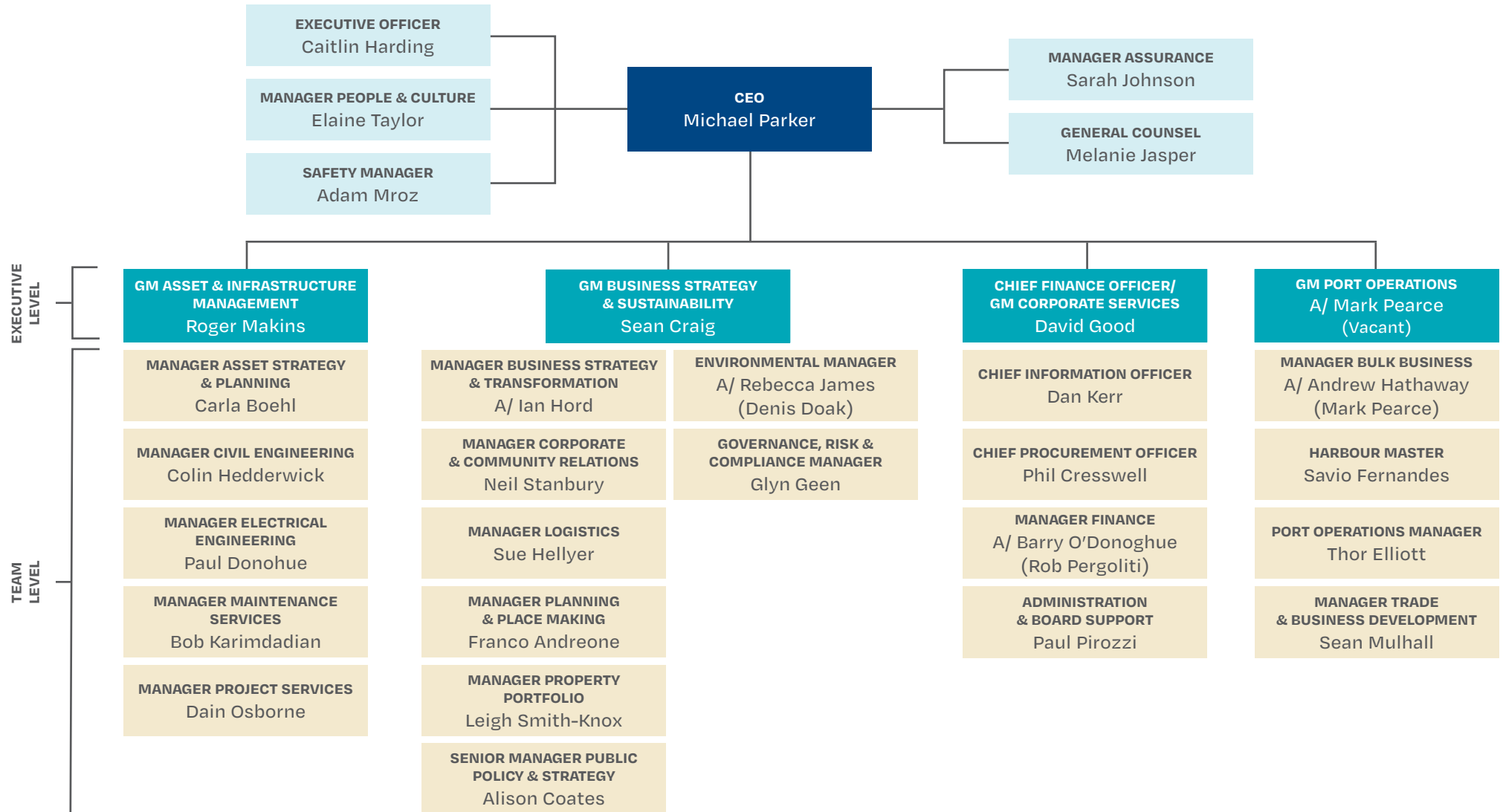


### Adam Mroz

**SAFETY MANAGER**

Adam Mroz joined Fremantle Ports in February 2020, having previously undertaken health, safety and environment management roles in the Australian and international oil and gas industry. Prior to this, he served as an officer in the Royal Australian Navy where he led teams in both peacetime and on operational deployments. Adam holds a Master of Management, has been a university lecturer in safety and crisis management and conducted his own safety risk management consultancy.

# Organisational structure





# Performance

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Safe navigation: Our navaid assets such as this leading light, were continually improved.



## Performance management framework

State Government organisations, including government trading enterprises (GTEs), work together to achieve high-level goals in support of the State Government's desired outcomes.

Government goals are an expression of high-level policies and/or priorities that support the State Government's vision.

Fremantle Ports contributes to three State Government goals. The following pages outline key contributions and how we performed:

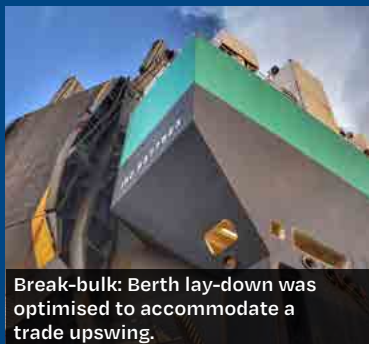


Lights: Both the South and North Mole lighthouses were refurbished.



## Goal: Strong and sustainable finances

Responsible, achievable,  
affordable service delivery.



Break-bulk: Berth lay-down was optimised to accommodate a trade upswing.

FREMANTLE PORTS' OBJECTIVES	KEY OUTCOMES SOUGHT	MEASURES	RESULTS
Achieve financial targets in line with State Government expectations	<ul style="list-style-type: none"> <li>Increased trade and revenue</li> <li>Optimised overheads and costs</li> </ul>	<ul style="list-style-type: none"> <li>Profit achieved</li> <li>Rate of return achieved</li> <li>Expenditure</li> <li>Financial contributions to government</li> </ul>	<ul style="list-style-type: none"> <li>Profit before tax of \$67.99m, above target</li> <li>Our rate of return was 9.5%</li> <li>Expenditure was below target</li> <li>Government dividends were not made this year and instead withheld by Fremantle Ports</li> </ul>
Provide reliable and efficient services to meet customer needs and add value	<ul style="list-style-type: none"> <li>Work collaboratively with key joint service providers</li> <li>Highly efficient port operations</li> </ul>	<ul style="list-style-type: none"> <li>Annual customer survey results</li> <li>Rail share of container trade</li> <li>Container crane rate</li> <li>Ship rate</li> <li>Truck turnaround time</li> <li>Rail turnaround time</li> </ul>	<ul style="list-style-type: none"> <li>60% of shipping lines satisfied with Fremantle Ports' services</li> <li>20.9% of containers on rail vs five-ports average of 11.4%</li> <li>Crane rate average of 32.4 gross moves per hour vs national average of 27.9</li> <li>Ship rate average of 29.5 containers per hour vs national average of 60.8</li> <li>Average receipts and delivery truck turnaround time of 24.2 minutes, and average rail truck turnaround time of 24.0 minutes. The national average truck turnaround time is 35.5 minutes</li> <li>Average rail truck turnaround time of 24 minutes vs national average of 35.5 minutes</li> </ul>



## Goal: WA jobs plan

Local manufacturing and production, creating WA jobs and training for the jobs of the future.



Upskilled: Training day for Port Services employees

FREMANTLE PORTS' OBJECTIVES	KEY OUTCOMES SOUGHT	MEASURES	RESULTS
Positively contribute to the growth and diversity of the Western Australian economy	<ul style="list-style-type: none"> <li>Conditions that support investment and technological advancement in the port by service providers and key stakeholders</li> <li>New trade and business opportunities captured</li> <li>Efficient supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Effective container terminal operations</li> <li>Number of trucks required to move 1,000 TEU</li> <li>Introduction of efficiency improvements and incentives</li> <li>New capital projects to facilitate trade</li> </ul>	<ul style="list-style-type: none"> <li>Assisted both container terminal operators to develop KPIs and their development obligations to enhance efficiency</li> <li>Number of trucks required to move 1,000 TEU increased to 694, up from 676 last year</li> <li>Kwinana Bulk Terminal clinker circuit capital project funded and progressed</li> </ul>
Provide meaningful employment and training opportunities	<ul style="list-style-type: none"> <li>A great place to work with competitive working conditions for all staff</li> <li>Skilled and high performing staff</li> </ul>	<ul style="list-style-type: none"> <li>Number of staff employed</li> <li>Number of recruiting events</li> <li>Enterprise agreements ratified</li> <li>Courses, training and programs run</li> </ul>	<ul style="list-style-type: none"> <li>341 people employed</li> <li>112 recruitment events, including new employees, contractors, internal promotions and secondments</li> <li>Bulk &amp; General Stevedoring Enterprise Agreement ratified</li> <li>Workplace training and development opportunities delivered across all divisions</li> <li>Leadership development framework commenced</li> </ul>



## Goal: Safe, strong and fair communities

Developing healthy and resilient communities.



Community: Spectators of all ages at the Harbour Master Classic.

FREMANTLE PORTS' OBJECTIVES	KEY OUTCOMES SOUGHT	MEASURES	RESULTS
Provide safe and healthy working conditions to prevent work related injury and ill-health	<ul style="list-style-type: none"> <li>Maintain safety management system with international best practice</li> </ul>	<ul style="list-style-type: none"> <li>Maintain safety management system ISO accreditation</li> <li>Number of lost time injuries</li> </ul>	<ul style="list-style-type: none"> <li>Complied with requirements of AS/NZS ISO 45001:2018 standard</li> <li>Lost-time injuries limited to 4, same as last two years</li> </ul>
Maintain strong relationships with our communities	<ul style="list-style-type: none"> <li>Reduced community complaints</li> <li>Community satisfied with Fremantle Ports</li> <li>High quality community relationships</li> </ul>	<ul style="list-style-type: none"> <li>Community complaints received/handled</li> <li>Community satisfaction survey conducted</li> <li>Community liaison meetings held</li> </ul>	<ul style="list-style-type: none"> <li>Total complaints 45, down from 49. All were addressed to the extent no further action could be taken</li> <li>59.5% of residents satisfied overall with Fremantle Ports, down from 62%</li> <li>51% satisfied overall with port's performance, down from 55%</li> <li>Seven community liaison group meetings held for Inner and Outer Harbour communities</li> </ul>
Invest in our communities	<ul style="list-style-type: none"> <li>Strong face to face engagement and education on Victoria Quay</li> <li>A positive impact from our community investment program</li> </ul>	<ul style="list-style-type: none"> <li>Number of Port Walks and harbour tours conducted</li> <li>Events conducted or facilitated</li> <li>Number of community initiatives supported</li> </ul>	<ul style="list-style-type: none"> <li>65 port walks and 13 school visits conducted by Friends of Fremantle Ports</li> <li>11 events conducted or facilitated on Victoria Quay</li> <li>Invested in 39 community initiatives /groups through sponsorships</li> </ul>



## Shared responsibilities

Fremantle Ports shares responsibilities with, and works alongside, a range of Western Australian Government departments and agencies, including those responsible for trade development, planning, emergency management, transport, environmental compliance, health, heritage, records management, tourism, local government and museums.



Bravo: Minister for Agriculture and Food Alannah MacTiernan promoting apple exports (Photo courtesy of Department of Primary Industries and Regional Development).

These agencies include WA Health; Department of Transport; Main Roads WA; Public Transport Authority; Western Australian Treasury Corporation; DevelopmentWA; WA Police Force; Department of Fire and Emergency Services; Department of Water and Environmental Regulation; Department of Biodiversity, Conservation and Attractions;

Department of Planning, Lands and Heritage; Department of Mines, Industry Regulation and Safety; and Department of Jobs, Tourism, Science and Innovation; Department of Primary Industries and Regional Development.

Apple promotion: Global exports of WA-developed Bravo apples rose 450%, mostly into South-East Asia.



Future of Fremantle: Members of the government-sponsored planning committee did a site visit of the Inner Harbour.

In 2021-22, keynote collaborative efforts included:

- Working with planning, transport and other agencies to participate in the Westport project to progress plans for new container facilities in the Outer Harbour and optimise our master-planning for trade facilitation
- Working with WA Health and the WA Police Force on measures to prevent the transmission of COVID-19 into the community
- Working with the Department of Planning, Lands and Heritage, Department of Transport, Department of Finance, Western Australian Museum, South Metropolitan TAFE and City of Fremantle regarding the Future of Fremantle Committee and enhancing the western end of Victoria Quay
- Assisting Main Roads WA on the Swan River Crossings project to replace the end-of-life Fremantle Traffic Bridge and construct a second rail bridge
- Liaising with the Department of Water and Environmental Regulation on environmental testing
- Consulting the Heritage Council of Western Australia on Victoria Quay heritage obligations and opportunities
- Working with the State Records Office regarding the retention of records, loans and digital archiving
- Providing input to Tourism WA and the WA Cruise Committee on arrangements and infrastructure for the resumption of the WA cruise trade post-COVID-19
- Supporting the Department of Primary Industries and Regional Development in its prevention of the incursion of exotic pests into WA, such as varroa mite
- Working with the Public Transport Authority to maintain the effectiveness of sound-reducing water sprays on the rail line through Fremantle's West End
- Helping the Department of Primary Industries and Regional Development promote trade opportunities for WA fruit, such as the Bravo apple

# Corporate scorecard

## How we planned to succeed

Each year in its annual report, Fremantle Ports publishes a range of key targets, covering economic, social, environmental and other performance. The targets put in focus those areas in which we strive to improve. This corporate scorecard sets out the extent to which Fremantle Ports was able to meet those targets.



## Customer satisfaction

CUSTOMERS SATISFIED	TARGET 2021-22	RESULTS
Degree to which shipping line customers satisfied with Fremantle Ports services	Maintain at least 80% to 90% overall customer satisfaction with agents/shipping lines	60% of shipping line customers satisfied with services provided by Fremantle Ports, based on a shipping line/agent survey



## Economic

FINANCIAL AND TRADE	TARGET 2021-22	RESULTS
Financial results	\$52.2m profit before tax	\$68m profit before tax
Bulk/ non-containerised Trade - annual growth rate	-5.2%	-18%
Containers - annual growth rate	2.0%	-1.9%
Number of ship visits	1472	1546







## Service Delivery

### UNAVAILABILITY OF SHIPPING SERVICES

### UNAVAILABILITY OF BERTHS

		TARGET 2021-22	RESULTS	TARGET 2021-22	RESULTS
	% of total vessels affected	Less than 1%	0.3%	Less than 12%	18.9%
	Average hours per delay	Less than 5	6.4	Less than 20	44.9
	% of total vessels affected	Less than 1%	0	Less than 40%	68.3%
	Average hours per delay	Less than 5	0	Less than 120	273.1
	% of total vessels affected	Less than 2%	0%	Less than 25%	56%
	Average hours per delay	Less than 5	0	Less than 50	112.9



## Best practice environmental, safety and other business systems

### CERTIFICATION TO INTERNATIONAL ENVIRONMENTAL, SAFETY AND QUALITY STANDARDS MAINTAINED

	TARGET 2021-22	RESULTS
Certifications achieved or maintained	Continue to comply with ISO 9001, ISO 14001 and ISO 45001, and continuous improvement of our environmental, safety and quality management systems	Certification to ISO 9001, ISO 14001 and ISO 45001
Number of lost time injuries	0	4
Lost time injury frequency rate	4	5



## Community satisfaction

### COMMUNITY SATISFACTION

### TARGET 2021-22

### RESULTS

#### Degree to which community satisfied with Fremantle Ports

70% overall satisfaction

59.5% overall satisfaction with Fremantle Ports  
73% support of Inner Harbour as a busy working port

#### Actions on complaints

100% of complaints followed up until no further action required

100% of 45 complaints received, logged and followed up until no further action required

# Trade focus

## Inner Harbour

Despite challenging international economic circumstances and periodic supply chain disruptions, trade through the Inner Harbour remained generally strong this year, which reflected the relative strength of the Western Australian economy, both for imports and exports. Full container trade increased despite difficulties with vessels maintaining their schedules through certain periods of the year, whilst break-bulk imports increased to the highest volume in the port's history.

Due to a range of factors including manufacturing delays for new vehicles, the cessation of motor vehicle manufacturing in Australia and, potentially, the continuation of increased discretionary income resulting from reduced travel, strong demand for used motor vehicles significantly increased total motor vehicle imports to record levels.

Record levels of break-bulk iron and steel imports arose as a result of strong local demand and high container costs creating a cargo shift towards break-bulk transport methods. This in turn increased demand for berth access and increased pressure on shore-side receipt and delivery. The increase in demand for berth storage was exacerbated by labour shortages and some industrial action.

Fremantle Ports took steps to streamline stevedoring efficiencies, introducing new charging practices for MAFI trailers in order to optimise laydown availability and we undertook a dedicated backlog clearance project. Again, in an

endeavour to improve efficiencies of cargo transfer, five-day reporting was introduced for vessels and notices introduced so ships might be ordered off berths to anchor, in order to make way for other vessels needing to discharge.

We commenced a review of the roll-on roll-off and steel supply chains and proposed changing the method of measuring free storage days so that the period would include weekends and public holidays. Following industry feedback this initiative was deferred, with consultants engaged to carry out further studies on the supply chain and working groups being established.

Workshops were held with stevedores on how to improve vessel turn-around times.

## Outer Harbour

**In the Outer Harbour, overall trade fell, with exports 17% down. This was largely due to bauxite and iron ore exports ceasing and despite a 17.1% increase in grain tonnage, led by a large canola harvest in Western Australia. Operations through Kwinana Bulk Jetty performed strongly throughout the year.**

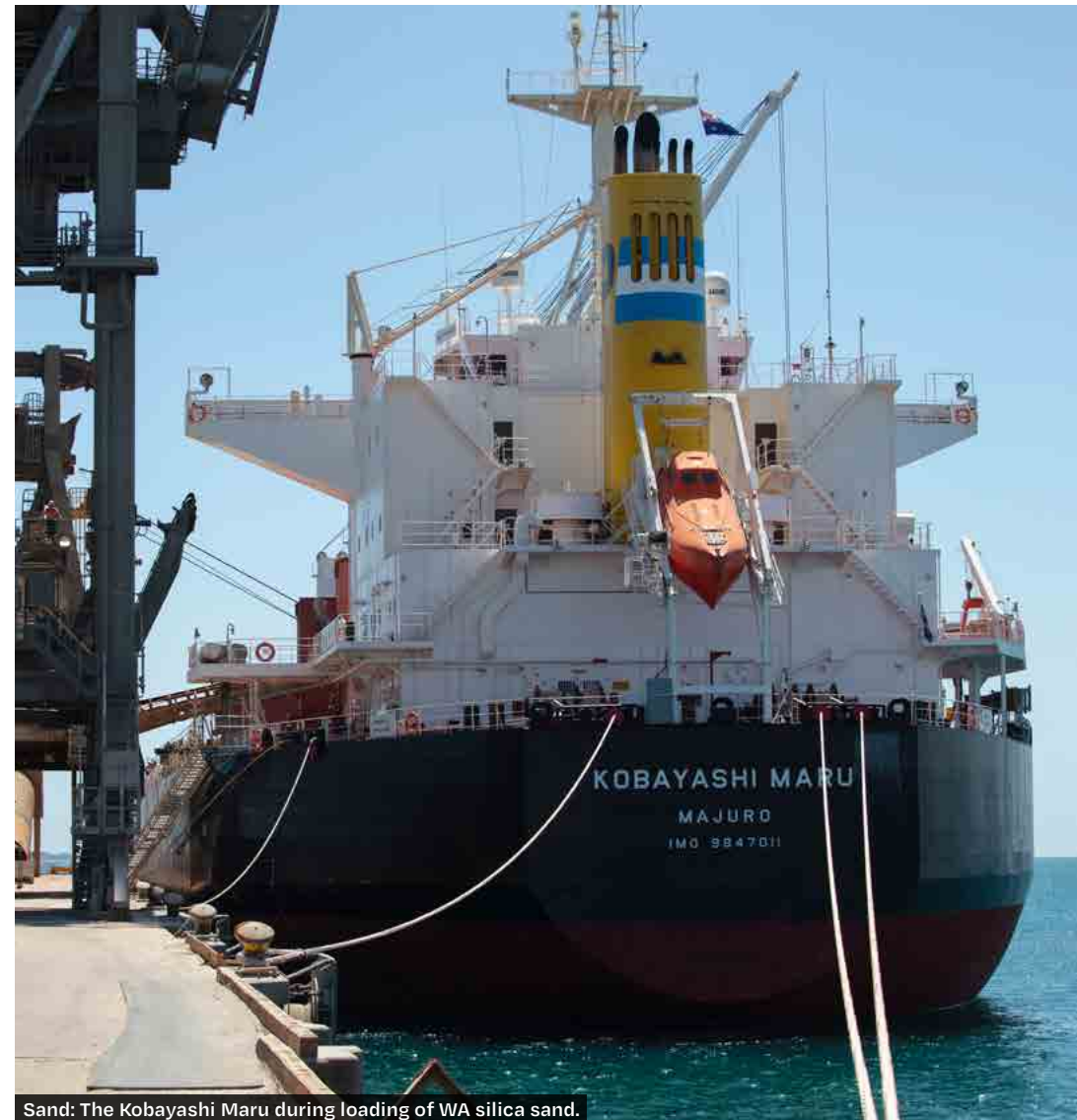
There was a 6.4% reduction in imports, predominantly led by a reduction in petroleum product imports.

Significant gains were made as the year progressed, in terms of reducing vessel wait times (from anchorage to berth). However, operational outages, industrial action and poor weather earlier in the year did impact upon performance outcomes. We had a strong commitment to respond to customer efficiency demands and that will continue in 2022-23.

We commenced a study on jetty development options at Kwinana Bulk Jetty which, if constructed, would enhance our capacity to facilitate trade through this facility. We also engaged with Woodside to better understand its requirements for a proposed hydrogen export facility immediately south of KBJ.

We also worked with Puma Energy to connect its major new fuel terminal to Kwinana Bulk Jetty. Once operational, this terminal will improve fuel security in Western Australia. Its pipeline was constructed and tested in accordance with the latest Australian and international standards, and the first importation of fuel is scheduled for the third quarter of 2022.

Coogee Chemicals installed a new stainless-steel pipeline to support imports of urea ammonium nitrate through Kwinana Bulk Jetty.



Sand: The Kobayashi Maru during loading of WA silica sand.





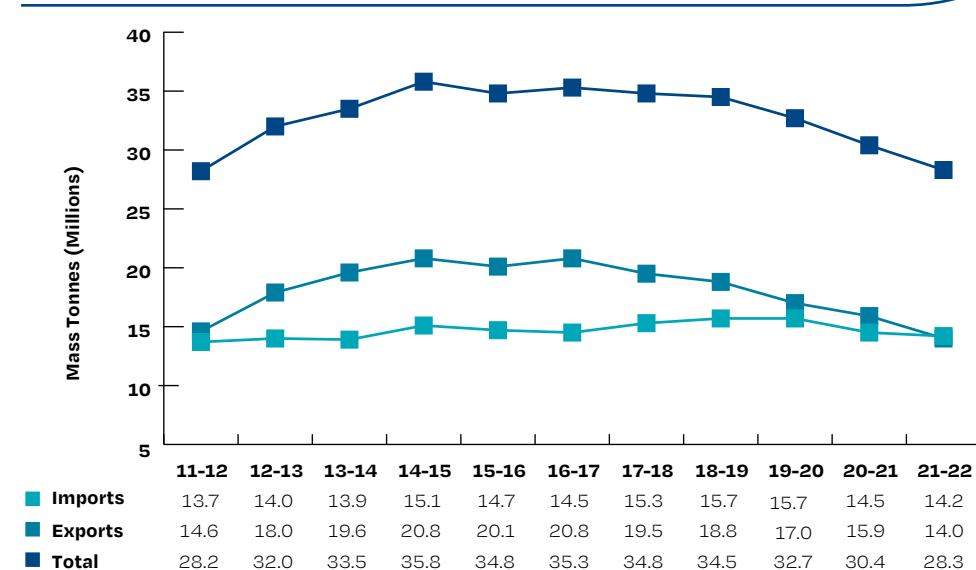
Fulls: The total full container trade increased 1.8%.

## Total trade

Total port trade in 2021-22 decreased by 6.9 per cent to 28.3 million tonnes, 2.1 million tonnes down compared with the previous fiscal year. This was predominantly due to the decline of bulk bauxite exports and bulk petroleum imports.

## Total port trade

2011-12 to 2021-22



## Imports

Total imports in 2021-22 decreased 0.2 million tonnes or 1.6 per cent compared with the previous financial year. Imports of crude petroleum ceased as from February 2021, contributing to 2.9 million tonnes or 20.2 per cent of the total decline of imports. The strengthening of other major commodities such as, refined petroleum, cement clinker, iron and

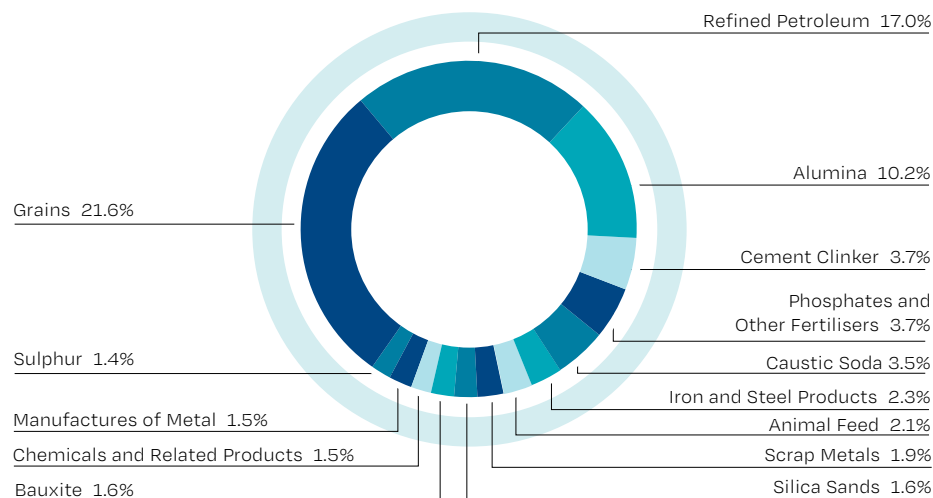
steel and lime partially offset the impact from crude petroleum. In the Outer Harbour imports decreased by 0.6 million tonnes or 5.9 per cent compared to 2020-21. In the Inner Harbour total imports increased by 0.35 million tonnes or 7.5 per cent.

## Exports

Total exports in 2021-22 decreased by 1.9 million tonnes or 11.8 per cent compared with the same period last year. This was predominantly due to shipments of bauxite from Kwinana Bulk Terminal decreasing by 1.6 million tonnes or 78.1 per cent. Inner Harbour exports increased by 86.5 thousand tonnes or 2.0 per cent due to a rise in full container trade.

## Principal commodities

2021-22 % of Total Trade (Mass Tonnes)



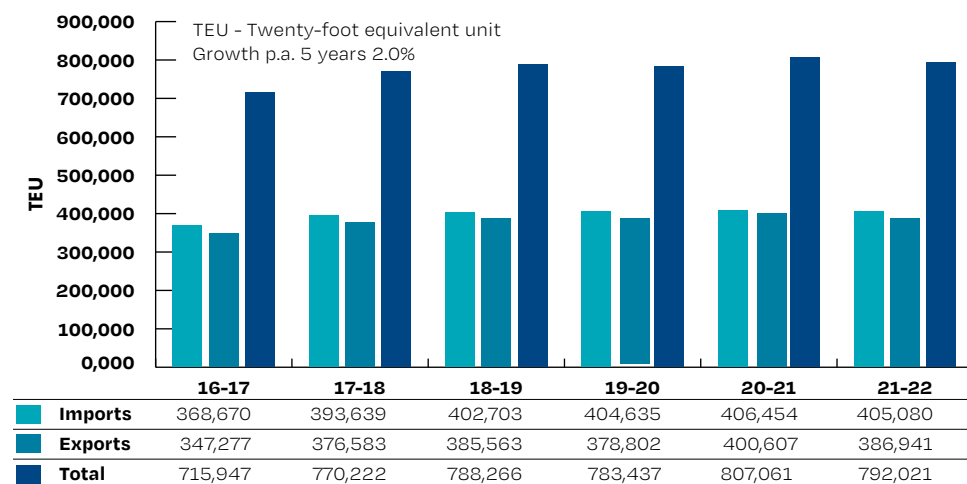
## Container trade

When compared with 2020-21:

- Total container trade decreased by 1.9 per cent or 15,040 TEU. Exports decreased by 3.4 per cent and imports decreased 0.3 per cent.
- Total full container trade increased by 1.8 per cent or 11,144 TEU. Full container exports increased by 3.4 per cent and full imports increased by 0.9 per cent.
- Empty container exports decreased by 12.0 per cent and empty imports decreased by 32.2 per cent.
- Container trade within Australia throughput increased by 11.6 per cent or 8,078 TEU. Coastal full container throughput was 62,324 TEU, an increase of 5,359 TEU or 9.4 per cent. Coastal empty container throughput increased by 2,719 TEU or 21.0 per cent.

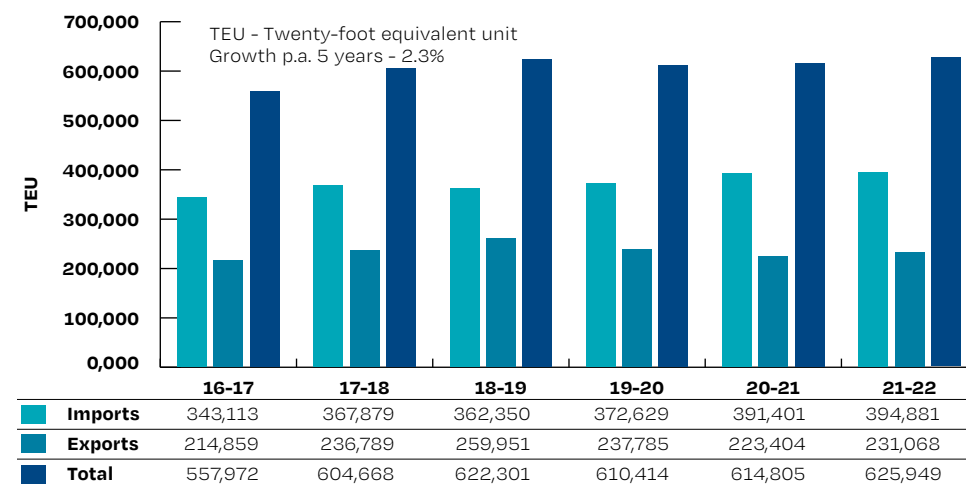
## Total container trade

2016-17 to 2021-22



## Full container trade

2016-17 to 2021-22



Top Ten Container Trading Partners		
Total Full Container Trade (TEU)		
Country	2020-21	2021-22
China	204,704	186,706
Australia	56,862	60,946
Thailand	30,363	39,810
Japan	33,333	39,327
Malaysia	32,706	37,858
South Korea	27,044	30,839
Indonesia	24,021	29,973
Vietnam	24,075	24,624
India	25,140	20,192
Singapore <sup>1</sup>	15,876	15,672
<b>Top 10 Countries percentage of Full Container Trade</b>	<b>77.1%</b>	<b>77.6%</b>

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.



## Break-bulk cargo

The total throughput of break-bulk cargo in the Inner Harbour 2021-22 was 1.1 million mass tonnes, an increase of 13.6 per cent compared with the previous year. Imports increased by 16.1 per cent predominantly due to iron and steel products. Exports increased by 8.6 per cent compared with last year predominantly due to scrap metal.



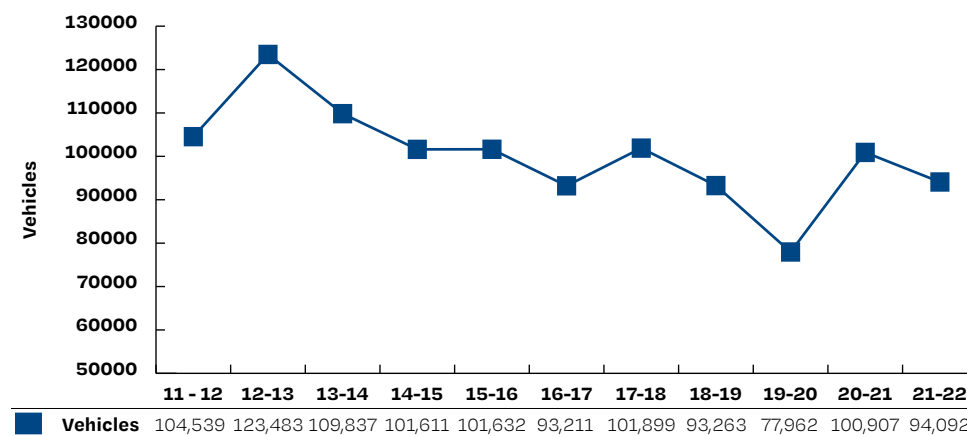


## New motor vehicle imports

The total import in 2021-22 of new motor vehicles was 94,092 units, a decrease of 6,815 units or 6.8 per cent. The combined total of vehicles imported from Japan, Thailand and South Korea accounted for 78.0 per cent of total imports, all of which encountered a decline in units by 2,980 (7.7%), 3,182 (11.7%) and 1,307 (8.9%) respectively. Imports from China increased by 1,748 units or 41.0 per cent whilst imports from the United Kingdom decreased by 1,283 units or 67.2 per cent.

## New motor vehicles - imports

2011-12 to 2021-22



## Live sheep exports

Exports of live sheep totalled 0.46 million head and accounted for 100% of Australia's live sheep exports by sea. Trade with the Middle East was responsible for 100 per cent of exports from Fremantle, though exports fell by 0.11 million head or 18.7 percent when compared to last year. Exports to Kuwait, the largest

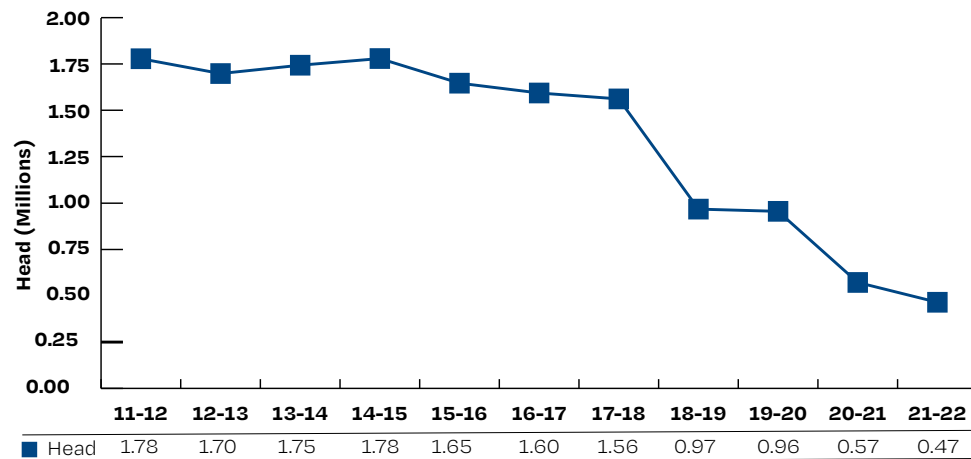
market for live sheep in 2021-22 decreased by 12,207 head or 3.7 per cent. Shipments to Israel declined by 40,317 head or 38.5 per cent and exports to Qatar ceased in 2021-22.

## Live cattle exports

Live cattle exports totalled 63,651 head, a decrease of 35,366 head or 35.7 per cent compared with 2020-21. The most significant falls in exports occurred with Vietnam and Malaysia, decreasing by 27,686 head (73.2%) and 6,398 head (80.2%) respectively.

## Live sheep exports - (millions)

2011-12 to 2021-22



## Bulk cargo

Bulk cargo trade throughput was 19.0 million mass tonnes in 2021-22, a share of 67.1 per cent of total port trade. Bulk exports decreased by 2.0 million tonnes or 17.0 per cent and imports decreased by 0.6 million tonnes or 6.4 per cent. Fremantle Ports' principal bulk cargo, petroleum products decreased to 4.9 million mass tonnes in 2021-22, a fall of 23.7 per cent or 2.43 million tonnes when compared with the same period last year. Refined petroleum exports were down by 0.8 million tonnes or 86.1 per cent and imports rose by 2.2 million tonnes or 90.7 per cent purely due to the closure of the petroleum refinery in Kwinana. The top five bulk exports were wheat, alumina, barley, and canola seed which accounted for 84.2 per cent of total bulk exports. The export of bulk grain from CBH Kwinana increased by 0.8 million tonnes or 17.1 per cent mainly due to a sharp increase in canola seed by 0.6 million tonnes or 174.6 per cent.

Total trade at the Kwinana Bulk Jetty (KBJ) decreased by 0.8 tonnes to 2.8 million tonnes primarily due to the import of refined petroleum, phosphates and exports of silica sands relocating to Kwinana Bulk Terminal. The total trade throughput at the Kwinana Bulk Terminal (KBT) decreased by 1.2 million tonnes or 34.7 per cent to 2.2 million tonnes. This was solely due to the cessation of bauxite exports as from January 2022.

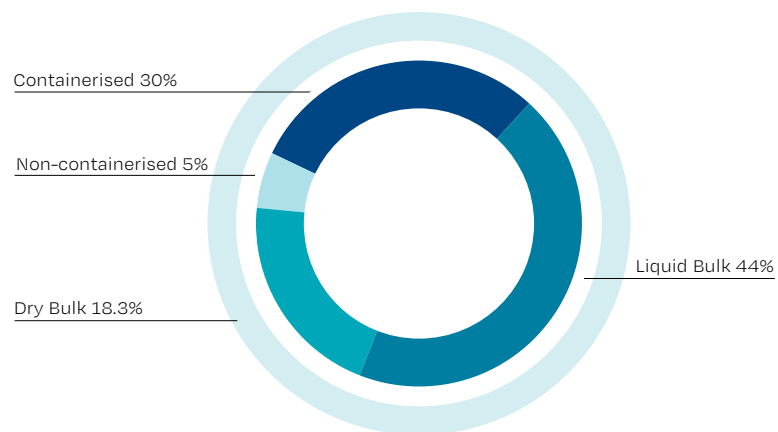


Trade by cargo class (mass tonnes)		
Cargo	Imports	Exports
Liquid Bulk	6,291,096	399,070
Dry Bulk	2,943,353	9,329,897
Non - Containerised	785,833	411,488
Containerised	4,209,107	3,900,099
<b>Total</b>	<b>14,229,389</b>	<b>14,040,554</b>



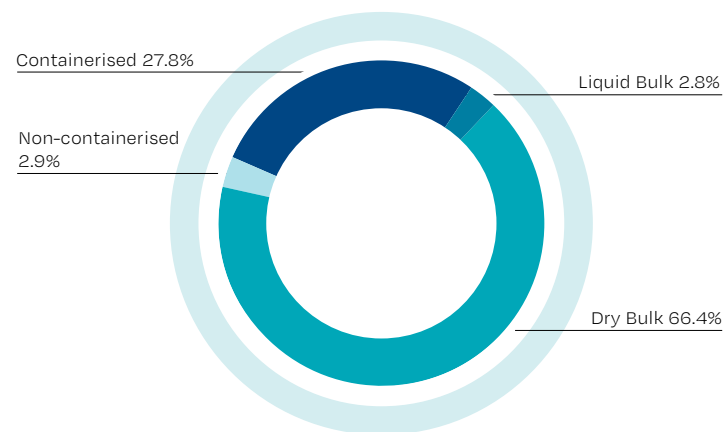
### Trade by cargo class - imports

2021-22 (Mass Tonnes)



### Trade by cargo class - exports

2021-22 (Mass Tonnes)





## Major overseas trading regions

In 2021-22 total trade with Asia was 19.5 million tonnes which accounted for 68.9 per cent of total port trade. Trade with Asia increased by 0.45 million tonnes or 2.4 per cent in 2021-22 when compared with 2020-21. Trade with East Asia decreased by 0.5 million tonnes or 4.7 per cent predominantly due to Chinese exports decreasing by 1.2 million tonnes or 30.8 per cent.

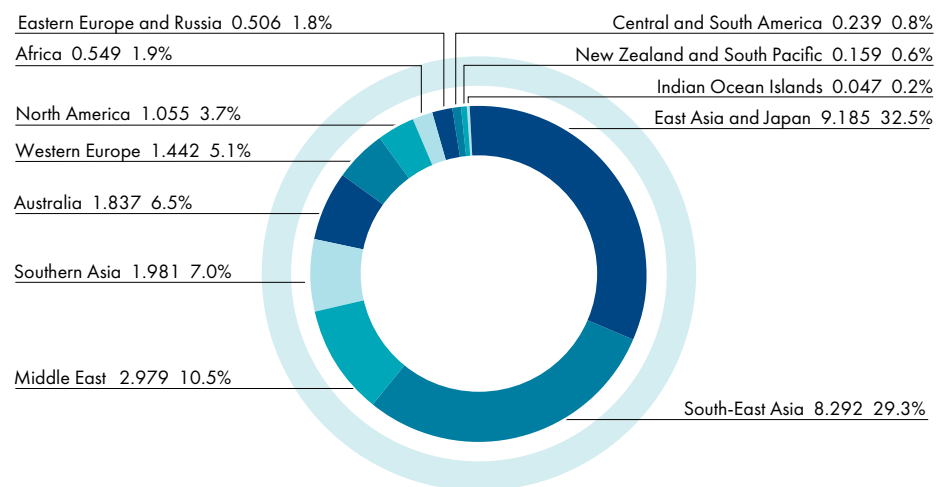
Trade with South-East Asia and South Asia increased by 0.2 (2.2%) and 0.7 (57.6%) million tonnes, respectively. Trade with the United States of America decreased by 0.5 million tonnes or 31.5 per cent predominantly due to nil crude petroleum imports. Additionally, trade with Malaysia and United Arab Emirates declined, also due to crude petroleum shipments ceasing to Kwinana. Middle Eastern trade

decreased by 0.9 million tonnes or 22.9% whilst trade with Western Europe increased by 0.4 million tonnes or 38.1 per cent.

A cautionary note is that some of these figures could be deflated because of trans-shipments through Singapore. (A graphical representation showing the link with world trade is shown in the appendix of Statistical Information.)

## Principal areas of trade

2021-22 Mass Tonnes (Millions)



## Trade outlook

Forecasting trade levels in the current domestic and international economic climate is challenging. COVID-19, a tight labour market, high levels of inflation and increasing interest rates are all expected to have an impact on trade in 2022-23, particularly on the container trade and break-bulk trades.

Notwithstanding this, due to a general backlog in supply, there are good indications that trade levels will be relatively stable for the next 12 months.

In terms of bulk trades, there have been and will continue to be significant changes in these trades, with Kwinana Bulk Terminal focusing upon imports and Kwinana Bulk Jetty expecting significant increases in diesel and petroleum products. Western Australia's anticipated solid grain harvest is also anticipated to generate another strong grain export year.



Ship-bound: Fremantle was the first WA port to re-instate shore leave for crews, in May.

# Maritime operations

## COVID-19 vessel management

From the beginning of the COVID-19 pandemic Fremantle Ports actively engaged with State and Federal agencies to ensure the ethical treatment of seafarers and provide assistance to infected ship-board crew members. That strong engagement, combined with robust and timely decision-making, helped in the evacuation and hospitalisation of one critically-ill seafarer.

We continued to play a significant role in assisting WA Health manage COVID-impacted vessels arriving in WA and maintained strong communications with all port stakeholders as we worked to resolve operational issues arising from the pandemic. We also implemented a strong monitoring process to ensure early detection of COVID-19 infections on board vessels to prevent transmission of the virus to the local community. For a second year, there were no cases of transmission of COVID-19 from vessels arriving at the Port of Fremantle to the community.

We engaged WA Health to promote the availability of COVID-19 vaccinations for international seafarers calling at the port, becoming the first port in Western Australia to do so. Fremantle Ports was the first port in the State to reinstate seafarer shore leave, with this occurring in May this year.



COVID-19: As a key entry point into WA, we continued strong COVID precautions.

## Case study

# Large container vessels turning on arrival

Container vessels calling at the Inner Harbour continue to increase in size. Turning of large vessels over 310m in length within the operational parameters with daylight restrictions was identified as requiring further improvement.

Turn-on-arrival was highlighted as an efficiency manoeuvre, so as a part of our continual improvement process we implemented a structured management of change process so such vessels could turn on arrival in daylight, giving them the opportunity to depart safely during night hours or more rapidly if required.

The change process included extended simulation studies, pilot training, use of new state-of-the art Portable Pilotage Units (PPUs), followed by six months of validation trials to ensure safety of operations.

On completion of this management of change process, the turn-on-arrival (daylight) process was formally implemented on 1 February. This has been a major improvement to port efficiency and scheduling, with Fremantle going from not turning any vessels on arrival (>310m) to now turning 67% of vessels on arrival.



Scan the QR code to watch the short video.

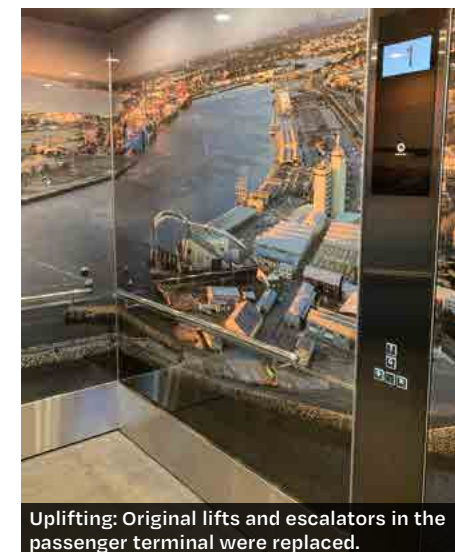
## Cruise shipping

Normally a hub for both locally-based cruise ships and longer-passage vessels, Fremantle Passenger Terminal remained quiet again this year as COVID-19 continued to affect the cruise industry worldwide. Due to Australian Government COVID-19 restrictions banning entry of foreign-flagged cruise vessels, just two Australian-flagged cruise ships visited Fremantle this year.

The *Coral Adventurer* called on 8 November and 21-23 March 2022 and the *Caledonian Sky* visited on 6-8 February 2022 and 18 March 2022. The ban on international cruise vessels commenced on 17 March 2020 and was lifted by the Australian Government on 17 April 2022.

With foreign-flagged cruise ships expected from August 2022, Fremantle Ports continued to work with the cruise industry and Federal and State departments to prepare for the resumption of operations and safety for the public and crews.

During the shutdown, Fremantle Ports took the opportunity to invest in the heritage-listed Fremantle Passenger Terminal, replacing the original 1960s escalators and lifts. These significant works began in late 2021 and were completed in March 2022.



Uplifting: Original lifts and escalators in the passenger terminal were replaced.



## Information sharing with the shipping industry and stakeholders

We continued improving our processes to provide clear information to all port users and customers through notices on our website. Harbour Master's Instructions - an existing process - are instructions applicable to commercial shipping, pilots, and private operators and other port users operating within the Port of Fremantle, primarily aimed at safety of navigation.

Shipping Agents' Memos - a new process - offer guidance for shipping agents, aimed at improving maritime safety and efficiency for all vessels calling and operating in the port.

We also introduced Best Practice and Marine Safety Criteria Bulletins to provide vessel owners/managers, masters and crew the guidance and information they require to complete safe port calls at Fremantle.

These processes, which continued into 2022-23, also enhance safety by minimising the risk of sub-standard vessels calling at the Port of Fremantle.



Farewell: Germany's *FGS Bayern* leaves Fremantle.

## Security

We continued working with the Federal Government's Cyber and Infrastructure Security Centre in the Department of Home Affairs towards understanding the risk environment for our port and applying a suite of security reforms intended for critical infrastructure operators.

## German naval visit

In October 2021, we hosted the German Brandenburg-class naval frigate *FGS Bayern*, the first German Navy vessel to visit WA since World War II. The visit involved active engagement with the Royal Australian Navy and the German Defence Attache to ensure the visit was a success. The ship and its crew were warmly welcomed by the Fremantle community.

## Case study

# Lighthouse refurbishment

This year, we refurbished the exteriors of both the South and North Mole lighthouses, both designed by C.Y. O'Connor, WA's Engineer-in-Chief responsible for the construction of the Inner Harbour. Both lights remain vital navigation aids for the Inner Harbour.

The heritage-listed lighthouses, which were manufactured by noted lighthouse engineering company Chance Brothers of Birmingham and imported here in sections in 1903, are made of cast-iron segments bolted and strapped together.

The 15m-high lighthouses were entirely scaffolded, then painted in high-quality marine paint. They were last painted in 2016. Historically painted French Grey, the installations are now green (South Mole) and red (North Mole) as per the Convention on

the International Regulations for Preventing Collisions at Sea (COLREGs).

The exterior works revealed the lighthouses to be in generally excellent condition and only requiring some maintenance repairs to exterior balconies, due to exposure to the elements.

Once fuelled by kerosene, the lights are today electric and fully-automated. Fremantle Ports also owns and operates the Woodman Point Lighthouse, which forms an important part of our navigation aid network for the Woodman Channel.



Scan the QR code to watch the short video.



Efficiency: Container terminal operating agreements now drive terminal efficiency through KPIs.

## Logistics

Supply chains across the globe were disrupted significantly during the year, with Fremantle Ports and supply chain partners facing many challenges, including the ongoing impacts of COVID-19, ship bunching, industrial action, inclement weather on the east coast of Australia, and labour and equipment shortages.



Made fast: Ships lower mooring lines to line boats which carry lines to the shoreside mooring gang.

## Container terminals

The Container Terminal Operating Agreements (TOAs) for the port's container stevedores DP World and Patrick were introduced, with associated incentives to encourage improvement in landside and quayside performance.

The TOAs have key objectives to drive port and supply chain efficiency through the application of key performance indicators (KPIs), in the categories of berth occupancy efficiency, road transport efficiency and rail mode share.

Container terminal performance in 2021-22, compared with the latest national average as published the Australian Government's Bureau of Infrastructure and Transport Research publication *Waterline 67*<sup>1</sup> featured:

- A crane rate<sup>2</sup> average of 32.4 gross moves per hour (GMPH); compared with the latest national average of 27.9 GMPH.
- An average receipts and delivery truck turnaround time of 24.2 minutes, and average rail truck turnaround time of 24.0 minutes. The national average truck turnaround time is 35.5 minutes.

<sup>1</sup> December 2021 Bureau of Infrastructure and Transport Research Economics *Waterline 67* report - data is across five national ports (Brisbane, Sydney, Melbourne, Adelaide, and Fremantle), December Quarter 2020.

<sup>2</sup> Crane Rate - Gross Moves Per Hour (GMPH) is defined as the number of containers moved (onload, offload and repositioning on a vessel) divided by the number of hours the cranes are working a vessel.

## Containers on rail

Rail transport remains critical to the efficient and sustainable movement of containers at Fremantle, with the share of containers on rail averaging 20.9% for the year (refer Figure 1), exceeding the State Government target of 20%, and well above the Australian five-ports average of 11.4%. The 20.9% rail share was a significant increase on the previous year's average of 18.4%.

In March 2022, Fremantle Ports achieved its highest-ever monthly rail share of 24.3% and highest ever monthly container volume on rail (16,807 TEU).

New rail wagons were introduced in November 2021, increasing rail capacity to up to 100 containers on a loaded train, with each load removing up to 65 truck movements. This rolling stock was also quieter.

This year almost 166,000 TEU were moved on rail, which equates to a reduction of over 109,000 truck movements on roads to and from the port - a significant factor in mitigating road congestion that could otherwise occur.

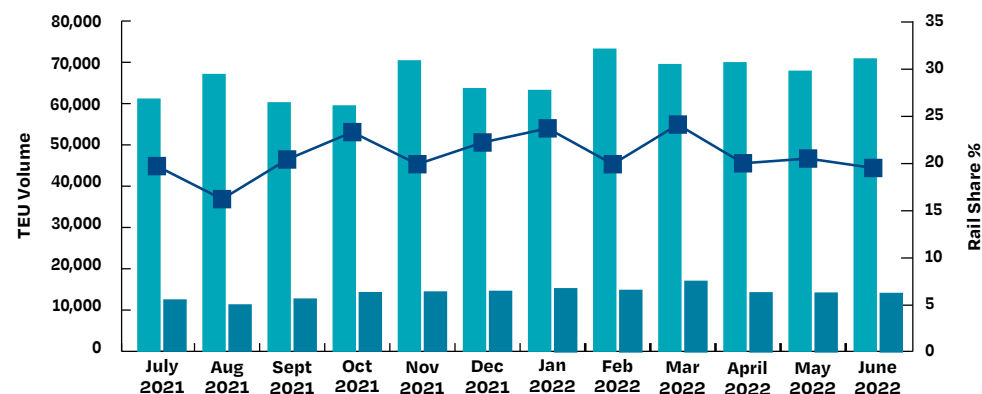
Rail volumes have almost doubled over the last ten years, and Fremantle Ports consistently records the highest rail market share across all capital cities in Australia.



Rail: The share of containers moved on rail peaked at 24.3% in March, the highest-ever.

## Monthly rail share

2021/2022



Total TEU	60,747	66,706	59,854	59,102	70,012	63,277	62,844	72,838	69,111	69,560	67,496	70,474
TEU by Rail	12,107	10,914	12,331	13,893	14,045	14,201	15,015	14,620	16,807	14,035	13,958	13,876
Rail Share %	19.9	16.4	20.6	23.5	20.1	22.4	23.9	20.1	24.3	20.2	20.7	19.7



## Empty container parks

In the 2021-22 financial year, empty container park utilisation averaged 60.2% across all facilities, which was a reduction from the previous year's average of 66.6%.

Peak utilisation of 69.4% in May 2022 was a significant reduction from the previous year's peak of 92.3% (February 2021).



Truck efficiency: There were fewer unladen trucks on our roads this year.

## Annual truck study

The annual truck study was again conducted in September 2021 over a two-week period, with trucks observed and measured entering and exiting North Quay via Tydeman and Port Beach Roads. We found:

- 1,850 trucks visited the port each day in 2021, 23.9 per cent fewer than last year, when 2,430 trucks visited per day.
- Truck productivity was at an all-time high, with:
  - Containers (measured in twenty-foot equivalent units [TEU]) per loaded truck averaged 1.98, compared with 1.93 last year
  - Overall truck loading was 1.53 TEU per truck, compared to 1.44 last year
- There were fewer unladen trucks on our roads, making up 23% of all trucks, compared with 25% last year

Factors contributing to fewer trucks being observed included:

- Trade during September (the observation period) 2020 was 9% lower than trade during September 2021
- Rail share during September 2021 was 46.1% higher than the previous year
- Unladen trucks declined by 8%.

## Westport

We continued our active participation in Westport logistics planning, in partnership with multiple agencies across State Government.

One of the key elements of work being undertaken by Westport is understanding the environment within Cockburn Sound. Fremantle Ports' environment team is working closely with Westport and the Western Australian Marine Science Institute (WAMSI) on a suite of studies that will underpin how the container development can exist within this important ecosystem.

Other major pieces of work include properly understanding the best timing (commercially, economic and socially) to make the move for containers and understanding whether there are opportunities to incorporate other trades into the Westport footprint.

Ultimately, the Westport work will be incorporated into a broader Port Master Plan being developed by Fremantle Ports to take into account all trades that are handled within the entire port. The Port Master Plan will also support and inform the Future of Fremantle planning work as we identify the long-term picture for the Inner Harbour.

In addition to participation in various Westport coordination and working groups, logistics advice was actively sought from Fremantle Ports as subject matter experts on key projects, including:

- Landside Logistics Opportunities Study (LLOS) - this considers how to achieve a step-change in efficiency over a 50-year time horizon, by developing optimal landside logistic systems that overcome current constraints and capitalise on emerging technologies, operational improvements and dynamic systems.
- Supply Chain and Integrated Design (SCID) - the central design consultancy which will build on the landside network options identified through the Landside Logistics Opportunities Study and test them with the wider marine supply chain components, to identify the most efficient overall supply chain system for Western Australia.
- Non-container trades study - a high-level consideration of how non-container maritime trades in the Inner Harbour might transition to other locations, if feasible and desired.



Westport: We continued planning for the transition of the container trade to Kwinana.



## Swan River Crossings project

The alignment of the new crossings has now been confirmed, with construction of a new road bridge and a new rail bridge to occur between the existing Fremantle Traffic Bridge and the current rail bridge.

Fremantle Ports continued to assist Main Roads WA and the project team as planning and development continues, and early construction works are anticipated to begin later in 2022. The project will have some impact on Fremantle Ports during

the construction phase and also result in the required relocation of the Small Craft facilities, however it is not expected to have major effects upon the movement of cargo to and from Victoria Quay.

## Digital initiatives

Progressive ports around the world are shifting from being traditional infrastructure providers to also becoming providers of digital solutions for entire port ecosystems, to optimise port and supply chain efficiency, while minimising community and environmental impacts. Fremantle Ports is working to optimise its digital capability to enable better-informed and fast decision making, as well as create value for our supply chain customers and partners.

### Digital twin

Over the past two years Fremantle Ports has successfully developed a live 3-D digital twin of the Inner and Outer Harbours, displaying over 30 layers of data sourced from internal and external data sets including, but not limited to, buildings, channels, bathymetry, berths, jetties, property leases, cranes, on and off-site cameras, and live vessel tracking in all Australian ports.

The digital twin provides the ability to remotely visualise the live working port and its supply chain ecosystem on a single platform. It will enhance decision making speed,

allow for simulation and modelling before design and construction, and facilitate visualisation and better understanding of our customers' supply chains including enablers and impediments to achieving optimisation.

The digital twin is undergoing further development, awaiting the availability and incorporation of additional real-time data generated through truck and train video analytics, and a variety of asset and environmental data via sensors still to be deployed. The new data will be added, creating new 'layers' to improve its usefulness and accuracy in replicating the physical asset. Future enhancements are being explored to enable prediction and visibility of inbound supply chain volumes.



### Supply chain data intelligence hub (Data Hub)

Fremantle Ports' Western Australian Supply Chain Data Intelligence Hub (Data Hub) provides supply chain visibility by combining and making large data-sets accessible to (internal and external) users through interactive dashboards.

The Data Hub generates insights for improved decision-making, increasing supply chain reliability and improving customer and partner relationships.

While the Data Hub was originally developed to inform government and industry action in response to the COVID-19 emergency and future similar exceptional events, its application is expected to extend beyond this to inform and influence broader port, industry, and government investment, planning and commercial activity. The Data Hub will enable us to become a centre of excellence in digital supply chain intelligence, with the opportunity to aid decision making across the entire port ecosystem, at local, state and national levels.

### Port vessel arrivals and departures screen

An arrivals and departures screen was designed to provide situational awareness of vessel traffic within the Inner and Outer Harbours and display performance metrics linked to our 2027 Strategic Plan. A visual display has been established in the Administration Office Building to show arrivals and departures, time and days at anchorage and berth, and total time in port.

A "split-screen" representation of the Digital Twin (shown right) has also been developed to accompany the port vessel arrivals and departures screen that provides real-time tracking and visualisation of vessels in the Inner and Outer Harbours, refreshed approximately every minute.





## East-west rail line disruption

Fremantle Ports played a direct role in supporting Western Australia's response to the east-west standard gauge rail line interruption in February 2022, by working with grocery retailers to support their efforts to fast track delivery of consumables and other essential products through alternative supply chains.

We worked with Coles and Woolworths to smooth out the movement of their containers through the port and broader supply chain. Based on strong operational working relationships with key supply chain partners, including DP World Australia, Patrick Terminals Intermodal Link Services, Toll and others, we were able to co-ordinate supply chain priority for both retailers' containers.

Once the containers arrived at Fremantle Inner Harbour, they were block-stacked by the container terminals to expedite pick up by rail and road operators who were immediately notified of their availability. Communication and goodwill across the port ecosystem were key.

As a member of the Freight and Logistics Council of Western Australia, Fremantle Ports participated in numerous round table discussions between supply chain members and the Minister for Transport to provide intelligence and advice on the east-west rail line disruption, its associated impact on supplies of consumables and other products to Western Australia, and to explore alternative supply chain solutions.

## Electric and hydrogen vehicles

Our new strategic plan includes strategic goals, themes and initiatives focussed on reducing, if not eliminating, supply chain emissions. The State Government has a policy to achieve net zero emissions across all economic sectors by 2050.

Transitioning the port's trucking fleet to low emissions vehicles will support the emissions goals of Fremantle Ports, the State Government, and our customers and partners. It will also reduce community impacts along roads servicing the port.

A low-emissions heavy container vehicle trial is proposed as a first step to demonstrate the operational, technical, commercial and social feasibility of low emission fuel use in port and supply chain contexts. We are working with industry and government agency partners to investigate facilitating electric and/or hydrogen truck trials in the port, including development of recharging/refuelling infrastructure.

## Port Eco-system Coordination Group

As COVID-19 cases in Western Australia intensified, the Port Eco-System Coordination Group met regularly to share information about labour and resources impacts, as well as congestion related issues, to ensure supply chains remained open and the efficient flow of containers.

With 40 per cent of Western Australian imports originating from China, trade volumes remained consistent despite recent COVID-19 lockdowns in China which are expected to impact manufacturing and logistics sectors well into the end of 2022, and early 2023.



Near neighbour: Indonesian Ambassador to Australia Dr Siswo Pramono with Fremantle Ports CEO Michael Parker.

## Trade with Indonesia

In May, Fremantle Ports was visited by His Excellency, Dr Siswo Pramono, Ambassador of Indonesia to Australia. Indonesia expressed a strong interest in meeting with Fremantle Ports to discuss maritime logistics and connectivity. Other conversations included the use of digital technologies and shifts to supply chain models to become more efficient, productive and sustainable.

The visit was followed by further liaison with the Consul General of Indonesia for Western Australia, Mrs Listiana Operananta, to discuss the cooperative relationship in trade and business between ports in Western Australia and Indonesia with a special focus on the East Java region. Fremantle Ports later hosted a delegation from the Consulate General of Indonesia in Perth to provide a familiarisation training session on the Fremantle Ports Data Hub, enabling access to the Data Hub and insights regarding bilateral trade trends between the two regions.



East Java: We hosted the Vice-Governor of East Java for talks on improving trade links with Surabaya.

In June, Fremantle Ports hosted the Vice-Governor of East Java, Mr Emil Elestianto Dardak, and the Consul General of Indonesia for Western Australia Mrs Listiana Operananta to discuss improved trade between Fremantle and Surabaya, East Java, particularly that enhanced by use of new digital technologies.



Hospitality: Historic A Shed was leased to Gage Roads Brew Co.



Harbourside: Gage Roads Brew Co prepared for opening.



Wayfinding: New, integrated signage went up across Victoria Quay.

## Assets and infrastructure

### A Shed transformation

Fremantle Ports undertook the successful installation of a new sheet pile wall, and refurbishment works, to the wharf and foundations in A Shed ahead of the development by Gage Roads Brew Co. The opening of the new Gage Roads facility at A shed took place in January 2022.

### Victoria Quay wayfinding

Fremantle Ports installed more than 40 new wayfinding and operational signs at Victoria Quay to enhance the precinct and improve navigability for pedestrians and drivers. The contemporary signs were manufactured to remain durable and attractive in a marine environment and follow a consistent design style. The signs direct visitors to the full range of destinations, both on and near Victoria Quay.

## Outer Harbour

### Kwinana Bulk Terminal new clinker circuit

Fremantle Ports' Board approved the new clinker circuit project at the Kwinana Bulk Terminal (KBT). The upgrade will result in the renewal of the current import system.

Clinker is a critical import for Western Australia, as it is essential for the manufacture of cement. Last year Fremantle Ports facilitated the importation of 817,056 mass tonnes, from Indonesia, Malaysia and Japan.

### Kwinana Bulk Terminal KBB2 jetty structural repairs

A four-year sustaining capital project was approved to undertake structural repairs to KBB2 jetty. This investment involves a structural remediation program, repairing critical structural members and sustaining KBT bulk material handling service over the short to medium term.

KBB2 jetty's future is dependent upon external factors including Westport and customer demands. Consequently, this investment is aimed at a 10-year minimum viable life extension solution to ensure safe operations.

### Kwinana Bulk Jetty KBB4 structural repairs and protection

Fremantle Ports approved a three-year sustaining capital works program to KBB4 jetty. The investment includes repairing and ongoing protection of the concrete soffit of KBB4 jetty. The program is necessary to sustain Kwinana Bulk Jetty bulk material and liquid handling service over the next 25 years.

The scope of this project comprises the removal and replacement of all drummy concrete and the installation of a new cathodic protection system.



New asset: 3D representation of the new clinker circuit.



## Case study

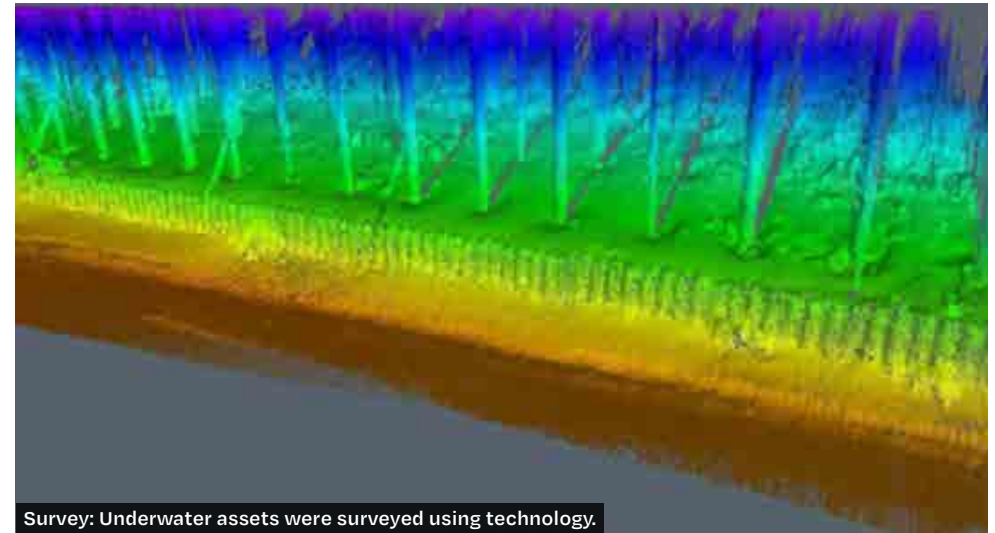
### C Shed remediation

We undertook important structural work to stabilise C Shed, which included the removal of the asbestos roof sheeting, installation of a new temporary roof and structural stabilisation works. C Shed is one of the oldest of the turn-of-the-century heritage-listed transit sheds on Victoria Quay, constructed in 1904.

Following this, we commenced more complex civil and structure refurbishment works, including remediating the foundation, installation of a new subterranean sheet pile wall, replacement of harbour-side cargo doors, lead paint removal and preparations for the installation of a permanent roof. No longer operational, these works, set for completion in December 2022 will make C Shed development-ready.



Scan the QR code to watch the short video.



### Underwater survey of Inner Harbour assets

In order to address risks and unknowns regarding the condition and performance of rock walls and under berth revetments within the Inner Harbour, we conducted a baseline multi-beam survey and side scan survey of all Inner Harbour assets.

The data will become a reference for condition assessments, be used to assess pre and post-storm damage, manage risk to channels and berth

pockets, and collaborate with external agencies conducting works in port waters.

Underwater surveys reduce inspection costs, replace qualitative assessment with quantitative methods and improve safety by minimising diving inspections.

## Case study

# North Quay berth lighting upgrade

New LED light poles were installed at Berths 1 & 2, 11A and 11 & 12, providing a higher lux output than the previous high-pressure sodium lamps, which had reached the end of their design life.

The brighter lights, combined with taller poles, resulted in greater ground coverage which meant Australian Standards could be achieved with fewer lamps - a cheaper and more sustainable outcome.

The upgraded lights also offer remote control of the timing and intensity of lighting during berth occupancy, to suit operational needs and deliver a safer working environment for stevedores. Previously, berth lighting was controlled via manual timeclocks generally kept on between dusk till dawn, with no intensity control.



LED: New lights went in on North Quay.



Scan the QR code to watch the short video.



Protected: KBT assets were protected by an extended seawall.

## KBT seawall

After several storms in April and May 2020, severe damage to seawalls and shoreline erosion was observed at Kwinana Bulk Terminal. Works were undertaken to reinstate damaged seawall sections and lengthen the seawall by 50m to protect assets from future storm damage and sea level rise.

## Electrical infrastructure

We replaced the power transformer and low voltage switchboard located between A and B Sheds on Victoria Quay. The old transformer did not have the capacity to supply the required power to tenant Gage Roads Brew Co. Given the close proximity of the equipment to the harbour, we took the opportunity to install a new and larger transformer that uses a coolant that is also environmentally friendly.

For safety reasons, low-voltage switchgear in that substation was changed out.

We continued upgrading the 22kV high voltage switchgear at KBT to remotely-operated arc fault contained.

This year we energised two new 22kV sub-stations (A and C). This project will be completed this calendar year when our last 22kV substation (B) is scheduled to come online later in 2022.

Fremantle Ports installed a new 22kV/415V substation at KBT (Sub 8) to provide the electrical power that will be required for the clinker project. Sub 8 was designed and built to include low-voltage switchgear that is arc fault contained and linked into our SCADA system, to permit remote operation of the circuit breakers.



Wrapped: Historical photos of the port now cover the asset on Victoria Quay.



Transformed: A new transformer was installed between A and B Sheds.

## HV SCADA

We continued installing a custom-designed and built high-voltage Supervision Control and Data Acquisition (HV SCADA) system that allows us to remotely operate the high-voltage switchgear at Fremantle Ports from anywhere in the world. This work was undertaken as part of the high-voltage upgrade work rolled out across all sites.

The new system allows us to monitor infrastructure for electrical load and faults, providing text message alerts if the network goes outside pre-defined limits.

The HV SCADA allows us to respond within minutes to unplanned electrical faults and to switch for planned maintenance without the

need for people to even enter a substation. The result is minimised disruption to the electrical network, essential for operational activities across all sites.

Similar HV SCADA workstations are scheduled to be introduced at KBT and KBJ.



Network: A new system allows us to monitor high-voltage switchgear.



# Property management

## Heritage

Fremantle Ports continued to effectively manage the Victoria Quay heritage precinct which sits within port boundaries on Fremantle Ports-owned land.

In June, the State Government transitioned Victoria Quay's west end on to the permanent State Register of Heritage Places, under the *Heritage Act 2018*. The precinct had formerly been on the interim list. The permanent register acknowledges places of significant heritage value which have helped shape Western Australia's story.

We continued our program of maintaining and interpreting the precinct and heritage buildings. Achievements this year included:

- The structural refurbishment of A Shed by Fremantle Ports and its subsequent development by the lessee, Gage Roads Brew Co. This food and beverage facility opened to the public in January
- The re-roofing and structural work undertaken on Victoria Quay's old transit shed, C Shed
- Re-painting and window replacements on E Shed
- Deck repairs to the Victoria Quay wharf in several locations
- Re-cladding of numerous workshops along Slip Street
- The refurbishment of the World War II gun emplacement and associated block houses at the end of South Mole

## Development

In response to continued interest to see development on Victoria Quay, Fremantle Ports undertook further planning work on future possible public-realm and property development options for the waterfront.

Consultation with a range of stakeholders took place on ways to improve pedestrian and cycle connectors to Victoria Quay, add amenities and develop usable civic spaces. This work continues.

The formation of the State Government's Future of Fremantle Committee and its focus on long-term future planning for the entire port area and parts of the Fremantle city presented important new considerations for how Victoria Quay development might occur. The committee has a planning timeframe of two years. Fremantle Ports is represented on the Future of Fremantle Committee.

In addition, the context of the working port remains a consideration, as the publicly-accessible waterfront area sits directly alongside the working port with its existing safety buffer zones, which restrict certain development types while dangerous goods are handled through the container terminals on North Quay.

## Land planning framework

Fremantle Ports has a responsibility to manage the planning and development of all land and waters within its boundary. To support good decision making, this year we reviewed all planning policies, land-use tables, planning framework and assessment processes. This will significantly aid Fremantle Ports in supporting good decision-making in the future.



Football: We were game sponsor for the WAFL Fremantle Derby.



Swim: We sponsored two important local swim events.



Surf: We helped Fremantle Surf Club acquire their new surf boat.

## Stakeholder engagement and social licence

### Community support

Fremantle Ports once again undertook its annual community satisfaction survey in June to ascertain public views on a range of port-related matters. The survey was conducted by an external market research provider, with results significance-tested to the 95% confidence level.

Community support for Fremantle Ports and overall satisfaction remains strong, with 56% of Inner Harbour residents and 63% of Outer Harbour residents satisfied overall with Fremantle Ports. The same survey showed respondents associated Fremantle Ports most strongly with being efficient, safe, reliable and community minded. Other findings included:

- 97% of residents are aware of Fremantle Ports
- 72% of Inner Harbour residents support the operation of the Inner Harbour as a busy working port
- 97% of Inner Harbour residents have heard of Victoria Quay

- There are low levels of distrust in Fremantle Ports
- Fremantle Ports' contribution to the local economy is seen as its strongest area of performance
- Around 1 in 3 respondents feel negatively impacted to some extent by smell and traffic from port operations. However, noise and air quality were not major issues and concern about traffic is declining
- There is strong and rising support (86%) for increased use of rail for container freight. Nearly four out of five respondents believed having more containers on rail would help reduce the impact on traffic

The survey confirmed many respondents feel they still don't know enough about Fremantle Ports' operations to make judgements about it. In the future, this information will be used to shape improvements to our community relations approaches.



Street theatre: We staged Harbouring Secrets, telling the port's stories wharfside.

## Customer support

We conducted our annual survey of major shipping lines, agents, customers, importers and exporters. The results were analysed by accredited marketing and communications research consultants.

This year 60% of respondents were satisfied or very satisfied with services provided by Fremantle Ports, down from 64% last year and below our target of 80%. The decline is attributed to three factors - operational delays arising from severe weather instances during the year, labour issues and suitability of infrastructure.

## Stakeholder engagement and social licence

As one of Western Australia's most important strategic assets, our future sustainability depends on the support of the local and wider WA community for our operations. For that reason, we support the economic, social and environmental aspirations of the communities in which we operate, with a view to building a sustainable future together.

This year, we engaged with community via social media, videos, electronic newsletters, the local and State news media, by conducting public events, community meetings, and also through our volunteer program 'Friends of Fremantle Ports' and our community investment and education programs.

We ran quarterly Inner Harbour and Outer Harbour Community Liaison Groups and consulted regarding Victoria Quay civic improvements, giving stakeholders and the community a range of options to share their views.

## Corporate brand update

In November we changed our corporate brand to make it more contemporary, fit for purpose and align with our new five-year strategic plan. The 'waves' graphical motif first created in 1991 was retained but now is accompanied by new text fonts and no longer sits on a blue background. This evolutionary branding change has allowed for reduced costs and a staged roll-out over the next three years. During that time, the old logo version will be progressively phased out. The new livery has been well received by stakeholders, customers and staff and will increasingly be seen across our organisation.



## Case study

# Harbour Master Classic

The second annual Fremantle Ports' *Harbour Master Classic* was held on Victoria Quay in Autumn, with nearly 1000 runners participating and two course records broken. Conditions were perfect for running and the maritime atmosphere set with Harbour Master Savio Fernandes firing the starter's gun and ships in the Inner Harbour sounding their horns to mark the start of the race.

Conducted by the West Australian Marathon Club, the *Harbour Master Classic* was smoothly-run and safe, scheduled with consideration for the modelled peak of COVID and showcased the heritage precinct to a sporting audience.

In two years, the running event has become known as a desirable event to the WA running community, featuring a fast and flat course that appeals to competitive and recreational runners.

The course leads runners from E Shed east past the heritage-listed Fremantle Passenger Terminal and common-user berths, then back towards the Maritime Museum and out South Mole. On their return, competitors sprint along Fleet Street, Slip Street then through an historic transport shed before finishing.

The *Harbour Master Classic* features 5km and 10km races as well as a popular 300m children's race.



Scan the QR code to watch the short video.



Dash: A kids' dash was a popular feature of the Harbour Master Classic.



Fast: The lead runners on South Mole.



## Community investment

Fremantle Ports has built a strong reputation for being a trusted partner with local communities. This year we supported projects and activities through our community investment program throughout the geographical area in which we operate, including Fremantle and its surrounding suburbs, Cockburn, Kwinana and Rockingham. This year, we supported 38 community initiatives with financial grants and/or in-kind support. Successful applications aligned with our four areas of focus:

- Community enrichment
- Education
- Environmental leadership
- Arts and culture

Investment decisions are made by our Community Investment Advisory Group comprising staff from several business units. Each application is assessed on its merit, taking into consideration how those initiatives or projects will make a difference, reflect community priorities and create opportunities for interaction with Fremantle Ports, Victoria Quay and our employees.

Community Enrichment sponsorships this year included support for Kwinana Little Athletics Club with the purchase of gazebos, two open-water swims - the Fremantle Ports Swim Thru held by the Fremantle Masters Swimming Club at South Beach and the Christmas 10K Swim organised by Cockburn Masters Swimming Club at Coogee Beach.

Fremantle Ports also provided support to Repair Café in Fremantle, a waste management community initiative run by volunteers aiming to reduce unnecessary waste going to landfill by repairing broken household items and encouraging and retaining repair practices in the community.

Fremantle Ports once again supported the City of Melville's Piney Lakes Environmental Education Centre with funding towards the Native Pollinator Garden. This is a community education tool used in the living classroom trail at the centre and aligns with our priority of environmental sustainability.



Christmas concert: Jessie Gordon entertains at B Shed.

Community investment funding was provided for a newly formed community garden that caters for all City of Cockburn residents including people with disabilities and the elderly. The Coogee Community Garden WA Inc practices sustainable gardening principles gives participants the opportunity to meet new friends and connect with local community.

Fremantle Ports also funded a new water-wise reticulation system for Beaconsfield Primary School. We sponsored business events in our catchment areas, including the Rockingham-Kwinana Chamber of Commerce and Fremantle Chamber of Commerce Business Awards. Fremantle Sea Rescue and the Fremantle Surf Lifesaving Club both received grants.

Arts and culture activities were well supported with Cockburn Community & Cultural Council's Youth Arts Festival and two sculpture community events receiving funding - the City of Rockingham's 'Castaways' sculpture event and Fremantle's popular 'Sculpture at Bathers' event which showcased 70 sculptures by Western Australian artists in a setting that extended along the coastline of Bathers Beach and, in a new initiative, at Victoria Quay.

We supported the Globe Town Project's StoryLab program and storytelling event at B Shed, Victoria Quay, which focused on young people.

Fremantle Ports supported a number of community fairs and festivals including the Yangebup Progress Association for their Carols and Family Fair, the Lions Club Rockingham Community Fair, East Fremantle's George Street Festival and White Gum Valley Primary School's 120-year celebrations which included a community fair component.

Other sponsorships have included funding towards the Hazel Orme Community Kindergarten in Fremantle towards its centenary

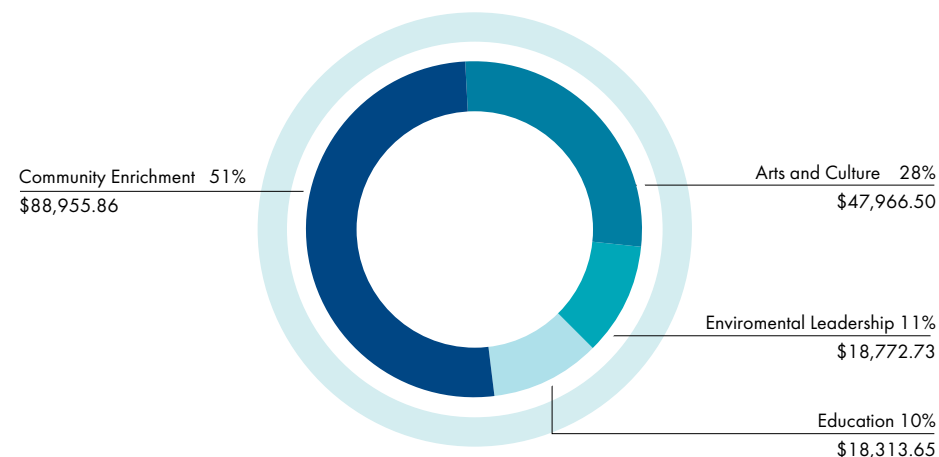
upgrade to the outdoor learning area, Rockingham Rugby Union Club towards their 'balls for all' campaign which is designed to support the young members of the club to develop their skills. We have also supported Clubs WA who aim to strengthen not for profit Clubs across Western Australia providing training, advice and workshops.

Our local indigenous choir, the Walyalup Kannajil Community Choir, had a very successful year providing weekly singing lessons, writing workshops and performance and interactive sessions to the community, proudly supported by Fremantle Ports.

Fremantle Ports was major sponsor of the South Fremantle Football Club 2022 Fremantle Derby, an iconic sporting event with historical ties to the port.

## Community sponsorship breakdown

2021-22





Perth Festival: We provided South Mole as the venue for Sounds of Sunset.

## Port events

Fremantle Ports' principal public event, Maritime Day, was unfortunately postponed due to COVID-19 and is now scheduled to occur in October 2022.

We again supported the West Australian Marathon Club in staging the *Harbour Master Classic* on Victoria Quay.

A series of live roving theatre performances entitled '*Harbouring Secrets*' was staged quayside to

celebrate our rich history, and included characters and scenes that helped shape the port. This unique performance experience was designed to educate the community and involved John Curtin College of the Arts, giving drama students an opportunity to develop their skills. A total of about 600 people attended the performances, raising funds for the Mission to Seafarers WA to support ship-bound crews during the COVID-19 pandemic.

Activation on Victoria Quay included the fourth *Quay to Summer* program of events which encompass Victoria Quay Christmas Concert, a Lego exhibition which was a joint venture with the WA Maritime Museum and a free movie marathon. The activation team also worked with external event providers hosting events in B Shed including:

- On Cloud Wine (CMS Events)
- Wild Things (City of Fremantle)
- Sounds of Sunset (Perth Festival)

- Contemporary Music Shows (Perth Festival)
- Globe Town Project - Storytelling event
- Colourful Cultures Runway (Valued Lives)



Friends of Fremantle Ports: Our volunteers ran 65 port walks.

## Friends of Fremantle Ports

Our Friends of Fremantle Ports volunteering program launched in October 2020 continues to be very successful. Our 12 volunteers, many with a background in marine or related operations and all with a strong interest in port operations and history, worked hard to educate and inform the public about maritime operations and celebrate the rich history of Victoria Quay.

Our Friends of Fremantle Ports have become expert in all aspects of the port's past and present operations and run regular, free Port Walks along

Victoria Quay on history, trade and logistics, architecture and maritime operations.

Since inception, the Friends have completed more than 500 hours, conducted around 100 port walks for community members and education groups and assisted with many events and a heritage photography project. This year they conducted 65 port walks and 14 school and university visits. Port Walk participants are regularly surveyed and consistently show a high degree of satisfaction and appreciation for these tours.

## Case study

### Port Walks

We continued our program of free one-hour Port Walks on Victoria Quay.

Port Walks are intended to educate and inform tourists and locals about the port, its history, shipping, logistics, environment, architecture and a host of other topics.

As groups walk around the heritage precinct and visit the Administration Office Building, our port experts deliver information and answer questions.

Most walks are conducted by Fremantle Ports' volunteer guides, the Friends of Fremantle Ports. Generally, there are two scheduled walks a week, with others added as inquiries come in.

Guests register through our website and we welcome enquiries for group bookings also. With the lifting of COVID

restrictions we welcomed the return of our popular school group program and look forward to the imminent return of cruise passengers to our Port Walk itinerary.

Each Port Walk focuses upon telling stories that explain the role of the port and its contribution to Western Australia's story. Logistics, shipping, tugs, pilot boats and the art on Victoria Quay are popular discussion points. The highlight is almost always the sweeping view of port waters from the roof of the administration building.



Volunteers: Our Friends help us every week.



Scan the QR code to watch the short video.



## Education

We conducted a number of educational tours through the Port Walks program, strengthening our educational partnerships. We also supported Notre Dame University with scholarships in the environmental, leadership and marketing areas and hosted two public relations and marketing internships.

Due to COVID restrictions, we were unable to conduct our mentoring and port education sessions with Curtin University's Centre for Aboriginal Studies and Murdoch University's Kulbardi Aboriginal Centre. These will resume in 2023.



Reconciliation: Almost all staff participated in cultural awareness mornings.

## Indigenous reconciliation

Fremantle Ports obtained in-principle endorsement from Reconciliation Australia for its first Reconciliation Action Plan, set to be launched in 2022-23, with some initiatives already completed or underway.

We rolled out company-wide cultural awareness training program for staff which was well received. This training was delivered by experienced Noongar trainers.

A continual series of reconciliation-related information was delivered to staff throughout the year, via the weekly internal communications tool, Anchor Points. We also were active participants in the City of Fremantle's Walyalup Reconciliation Action Group.

# Our People

**In an environment of constant change, the knowledge, capability and commitment of our people is essential to our purpose of facilitating trade for a more prosperous Western Australia. We strive to attract, retain and empower our employees and invest in our future leaders and workplace culture.**

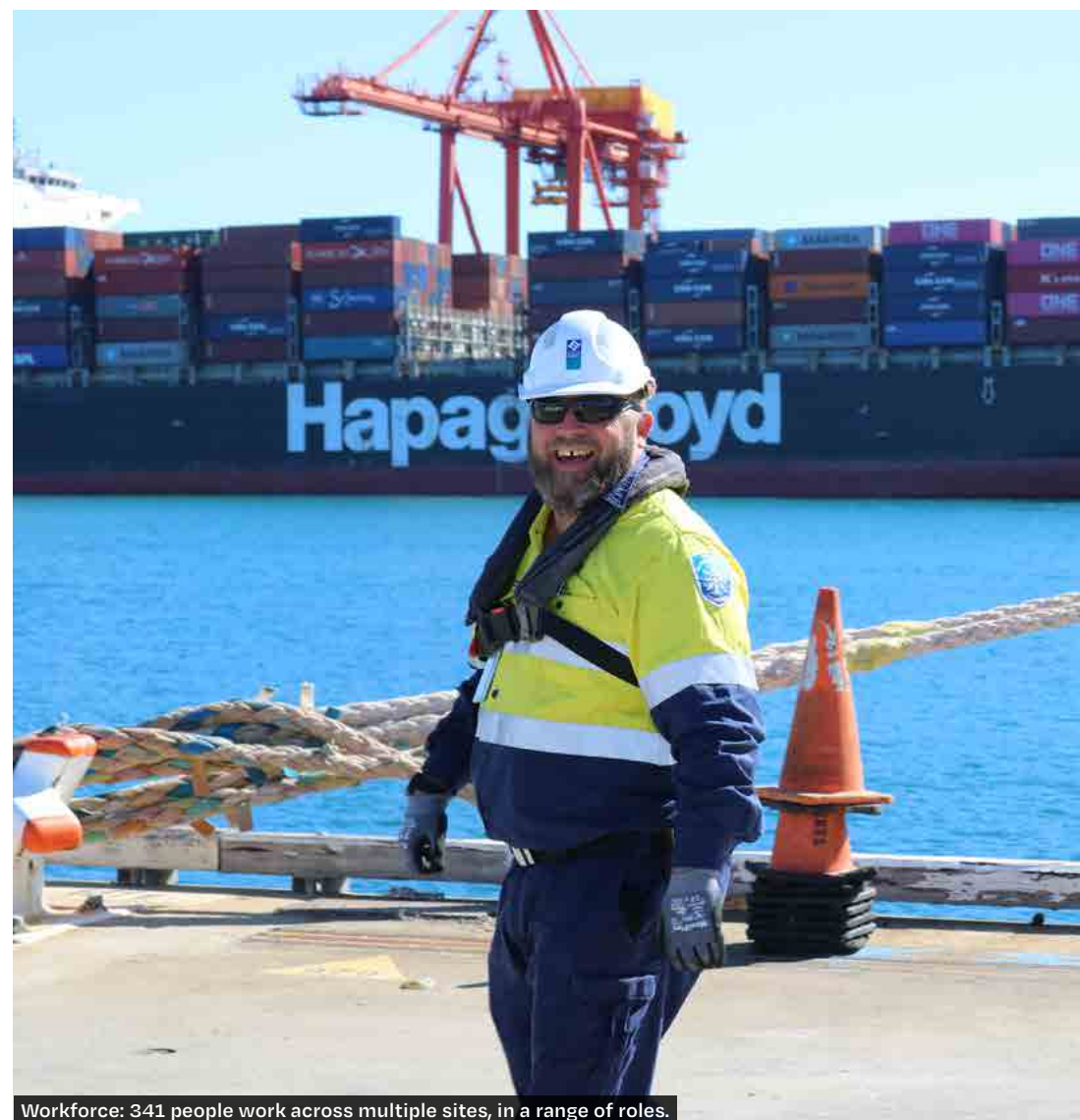
We employ 341 people, which equates to 332.52 full time equivalent (FTE) employees. The total number of people employed increased in 2021-22 from 318 the previous year. In addition, a further 44 people constituted a contractor workforce across the organisation, remaining steady from 44 the previous year. The total workforce growth (permanent, fixed term and contractor) of 6.35% can be attributed to an increase in asset maintenance works and other transformation project work across our organisation. Our attrition rate this year was 15.79%.

In total, 112 recruitment events were completed in 2021/22, including new employees, contractors, internal promotions and secondments. We continue to place a high degree of focus on 'right organisational fit', in addition to skills, qualifications and experience. Continued recruitment in Port Operations sought to increase gender diversity in the operational workforce.

Significant appointments in senior leadership roles were finalised, including the positions of:

- Chief Financial Officer / General Manager Corporate Services
- General Counsel
- Deputy Harbour Master
- Manager Asset Strategy & Planning
- Manager People & Culture

To service the business effectively, a new structure in our People and Culture team was also implemented. The new team structure was introduced to best enable the branch to achieve its priority initiatives and support the business.



Workforce: 341 people work across multiple sites, in a range of roles.



**Assets:** Our asset and project management teams plan for the future.



**On-water:** Our Small Craft Teams operate pilot and work boats.



**Training:** We continued our commitment to training young people.

## Employee relations

Over the past year, Fremantle Ports has been committed to concluding negotiations for our operational enterprise agreements, including responding to periods of industrial action during this time. The Bulk and General Stevedoring Enterprise Agreement was successfully endorsed by the workforce on 30 May 2022 and ratified by the Fair Work Commission shortly thereafter. Agreement was reached on the Operations and Services Enterprise Agreement.

The Administration and Management Enterprise Agreement expires on 31 August 2022. Negotiations for a new agreement commenced in April 2022.

In February 2022, the State Government issued a revised State Wages Policy, which Fremantle Ports passed on to its workforce.

## Enterprise resource planning system

Enterprise resource planning (ERP) replaces legacy systems (finance, budgeting, contract management and human capital management) with an integrated, contemporary system that will simplify processes, enable the business, and improve analysis, reporting and decision making. Oracle HCM, recruitment and on-boarding, payroll and rostering streams went live in June. Additional human resource streams will go live in August 2022 as well as multiple finance streams in September 2022.





## Code of conduct training

After a complete review of our code last year, which included updating the language and making it more relevant and accessible to readers, the new code was published and promoted this year. To accompany the document, a suite of online awareness sessions were developed and rolled out, with employees now having completed these modules.



## Values refresh program

Work commenced on our values refresh this year, with employees and leaders contributing to the new set of values via surveys and workshops. The new values will be launched later in 2022. A strong and clear set of values are expected to align the organisation, drive a strong and healthy culture and help staff deliver on the 2027 Strategic Plan goals and initiatives.



## Employee Assistance Program

Many factors impact the lives of our employees outside of work. To help manage these external factors, staff sometimes require additional assistance or resources to support their mental and physical wellbeing. Fremantle Ports' confidential employee assistance program is available and supports our employees during these times. Services offered include independent counselling, advice and support for a full range of life issues. This program is extended to immediate family members of our employees.

## Wellness

Recognising that our employees spend a significant amount of their time at work, we offered a range of wellness initiatives including:

- A COVID-19 vaccination program and annual flu vaccinations
- Professional ergonomic assessments
- First aid training
- On site gym
- Skin checks
- Time to provide blood donations



Wellness: A range of wellness initiatives were extended to staff.

# Safety, environment and sustainability

## Safety

**Fremantle Ports doubled down on its commitment to lead with safety, making significant inroads in transforming its focus on operating safely every day.**

Our objectives for safety and health are to:

- operate the port in a safe manner
- care for and support the health and well-being of our people
- provide safe and healthy working conditions to prevent work related injury and ill-health

The Board and executive leadership team drove a safety management improvement program, with the support of consultants Epigroup. This program focused upon critical workplace health and safety risk management, safety leadership training and coaching, inductions and onboarding, and planning for the introduction of a new health, safety and environment management system.

The new system will bring together policies, manuals, procedures, incident reporting, performance monitoring, management of contractors and other health and safety elements.

Managers were supported throughout the year to become more active champions of safety behaviours, which has been a successful initiative. This included familiarisation with the requirements of new work health and safety legislation and the obligations of individuals and the business.

The *Work Health and Safety Act 2020* obliges employers to consult with workers and health and safety representatives on work health and safety matters. Fremantle Ports Inner Harbour and Outer Harbour Safety Committees meet regularly to review safety performance, address identified hazards and to review emerging trends in health and safety management.

In accordance with the *Workers Compensation and Injury Management Act 1981*, Fremantle Ports collaborates with treating health and allied health professionals so wherever possible, injured workers are returned to their pre-injury duties as quickly as is safely possible.

Fremantle Ports continues to comply with the requirements of AS/NZS ISO 45001:2018 standard for its work health and safety management system which was independently assessed by Lloyds Register in May 2022 and found to have no non-conformances.

## Case study

# Working safely under berths

Leading with safety in all elements of our work continues to be a focus at Fremantle Ports, which has some uncommon risks due to the marine environment.

This year considerable maintenance work occurred beneath berths on Victoria Quay, to replace pylons, wooden stringers and assure the ongoing safe condition of under-berth electrical cables.

While falls in this environment may not be considered high-risk due to height, when working near water even a short fall can be hazardous, particularly when working with electricity and near sharp barnacles growing on pylons.

We met this challenge by upgrading our access and egress to the under-berth workspace, by developing a sturdy work platform that surrounds pylons

and has both a solid footing and railings. The unique platform allows workers more space and greater manoeuvrability in an awkward marine location.



Scan the QR code to watch the short video.



## Environment

### Air Quality

Fremantle Ports implements a comprehensive dust strategy at our Kwinana Bulk Terminal site to ensure the health and amenity of surrounding industry and the environment are not affected by our operations. We undertook continuous monitoring of Total Suspended Particulates (TSP) at four locations around the site boundary. Conservative alarm levels are in place that trigger management responses to maintain compliance

with required dust levels. Dust monitoring results are reported annually to the Department of Water and Environmental Regulation and no exceedances of reportable dust levels occurred this year.

## Greenhouse gas emissions

We set a goal to achieve net zero scope 1 and 2 emissions by 2027. This year we identified three strategic emission reduction initiatives to allow us to reach that goal:

### Transition to low emissions equipment

### Generate renewable energy

### Purchase green power

Under each of the initiatives we will investigate specific projects that will support the achievement of our goal:

## Transition to low emissions equipment

### • Electric vehicle feasibility study

Feasibility work was undertaken to identify strategies to transition our light vehicle fleet to electric cars in line with the WA Electric Vehicle Strategy (2020). The study reviewed our current fleet, the suitability and availability of electric vehicles, other low-emission technologies, and the existing electrical infrastructure at our sites. Electrical infrastructure upgrades and electric vehicle charging equipment required at our locations to support an electric fleet were identified and the potential for public charging stations on Victoria Quay was also investigated.

### • Green hydrogen

We aim to support the development of technologies like green hydrogen that will reduce emissions and help reduce transport noise and social amenity impacts close to the port and along freight corridors. Hydrogen is seen as a versatile resource that can be stored and used over time and is considered one of the most promising solutions for sectors where emissions are particularly hard to abate, such as the transport and heavy industry sectors.

In 2021, we became one of more than 30 global ports in to join the Clean Energy Ministerial (CEM) Global Ports Hydrogen Coalition. The aim of the coalition is to establish a forum for ports, government officials and key stakeholders to explore how our role could be further taken into account in government efforts to scale-up low carbon hydrogen production and use.

In May 2022 the coalition made several policy recommendations to raise the awareness in government about the role of ports in their energy systems and, therefore, the role that they can play in the adoption of hydrogen technologies. During the year we worked collaboratively with government and industry stakeholders to investigate renewable hydrogen project opportunities at the port, including refuelling infrastructure for vessels and for other fuel-cell vehicles such as trucks and mobile plant.

## Generate renewable energy

### • Feasibility study

A renewable energy feasibility study was completed which recommended we continue to investigate the best solar and wind energy options for Fremantle Ports while keeping abreast of emerging technologies such as batteries, offshore wind and wave energy. The study also explored options for the purchase of renewable energy from alternate sources versus Fremantle Ports investing in developing its own renewable energy generation.

### Purchase green power

During the year we renegotiated our electricity supply contract so that from 1 July 2022 renewable energy will be purchased equivalent to Fremantle Ports' direct consumption.

The purchase of green power from July 2022, coupled with commissioning of the Fremantle Passenger Terminal PV System, will decrease Fremantle Ports' organisational scope 1 and 2 emissions from the baseline 25,937 to an estimated 18,891 tonnes carbon dioxide equivalent (CO<sub>2</sub>e), a reduction of 7,045 CO<sub>2</sub>e over the next 12 months.



## Case study

### Rooftop solar

We finalised our plans to install a 500kW photovoltaic (PV) system on the roof of the Fremantle Passenger Terminal at Victoria Quay by October 2022. The solar system will generate approximately 836MWh of electricity every year, providing 15% of Victoria Quay's energy needs.

It will provide 65% of Fremantle Ports' Administration Office Building's energy needs or 100% of the energy needs of the passenger terminal when it is required for cruise ships. The PV system will prevent 15,000 tonnes of CO2 emissions over 25 years, equivalent to the planting of 85,000 trees.

Careful attention was paid to ensuring the heritage values of the passenger terminal are not impacted and nearby residents don't suffer glare or reflection from the installation, which will be completed in the second half of 2022.



Scan the QR code to watch the short video.

## Marine

One of our key objectives is to maintain the quality of water, sediment and biota so environmental values are protected. Due to the nature of port activities, services and infrastructure, there are a range of marine environmental aspects that require management. Risks to the marine environment associated with port assets and operations include biosecurity, coastal stability and oil spills. To provide structure to marine environmental management activities, Fremantle Ports has a Marine Environmental Management Framework (MEMF) that aligns with relevant State Government legislative instruments, policies and guidelines.

A key component of the MEMF is an annual Marine Quality Monitoring Program (MQMP). Established as a voluntary program in 2001, the MQMP comprises a single annual summer survey made up of sampling and analyses of water quality, sediment quality and mussel tissue quality across sites at the Inner Harbour, Rous Head, our shipping channels and the Outer Harbour. The program aims to ensure environmental quality objectives detailed in the MEMF are maintained across all sampling sites.

## Case study

# Dolphins (Kwilena)

Kwilena is the Noongar word for dolphin. They have long been associated with the Swan River (Derbarl Yerrigan) and are an important totem for Aboriginal people. Since the Dreamtime, Kwilena have helped Aboriginal people understand the change in seasons as well as when and where to hunt for fish and they continue to hold special significance for Aboriginal people.

As the entry to the Swan River, the Inner Harbour is frequented daily by Indo-Pacific bottlenose dolphins. The dolphins can be seen passing in and out of the harbour, feeding against wharves or ship sides and commonly swimming in front of ships entering or departing the harbour, at which time they are known to expend half their normal energy by riding bow waves.

The river system has an estimated population of about 21 dolphins, excluding calves, according to the Coastal and Estuarine Dolphin Project - a collaborative and multi-institutional project that combines the research expertise of Edith Cowan University and Murdoch University with the support of the community to research and monitor the health and ecology of local dolphins.

Swan River dolphins live their whole lives in the same environment, with different populations that live outside the harbour and frequent the Outer Harbour in Cockburn Sound. Dolphin groups visit those in neighbouring populations but will always belong to their own social group.

Fremantle Ports has for many years supported dolphin research by local universities including studies into foraging in the Inner Harbour and the impact on dolphins of noise in an urbanised water environment. This research will be incorporated into planning for the forthcoming Swan River Crossings bridge construction phase.



Scan the QR code to watch the short video.



Environment: Annual water quality testing was again undertaken.

## Terrestrial

### Bitou Bush

In 2012, a well-established population of bitou bush was detected at Kwinana Bulk Terminal, the only location in Western Australia where it has been detected. It is unknown how the plant arrived in WA, however the previous KBT site had linkages to NSW where there are extensive bitou bush infestations.

On the east coast of Australia, bitou bush has decimated native dune vegetation and decreased biodiversity through high growth rate and outcompeting native species. Bitou bush is native to Southern Africa, is one of eastern Australia's worst environmental weeds and classified as a weed of national significance.

In collaboration with CSIRO, Fremantle Ports worked to control and eradicate bitou bush on-site. Following its identification in 2012, there has been an annual eradication program which has seen the population of bitou bush steadily decline from 1268 plants identified in the 2012 survey to three plants in the 2022 survey. To manage the bitou bush risk, it is prohibited to remove soil or vegetation matter



from KBT without environmental approval. Machinery also has a 'clean on exit' requirement.

### Fairy terns

The Australian Fairy Tern (*Sternula neris neris*) is listed as 'vulnerable' under the *Commonwealth Environment Protection and Biodiversity Conservation (EPBC) Act*.

Fremantle Ports voluntarily established a breeding sanctuary for migratory fairy terns at Rous Head in 2013. The sanctuary has since become one of the most successful breeding sites (in terms of chick



production) in the South-West, though in 2022 fairy tern populations elected not to breed there. It is not unusual for breeding colonies to alternate between locations in different years.

The 3400 square metre sanctuary has been designed to provide a secure, managed breeding site close to fairy tern prey species in the lower Swan River estuary. The location of the sanctuary is not only ideal for the fairy terns but also for proactive pest management, site maintenance and conservation research.

## Waste

Several initiatives were introduced or maintained at the port during the year in support of a circular economy:

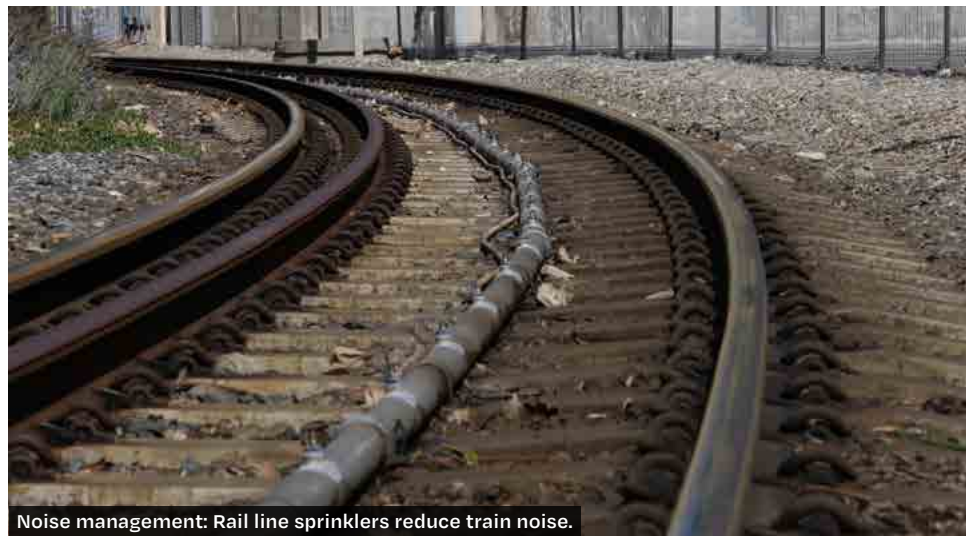
- A new safety boot recycling scheme for port staff. The boot steel caps are melted down and rubber soles repurposed to make gym flooring, play equipment and park benches.
- Support for charities through the *Container for Change* program with collection bins at the port
- Collection facilities provided for port staff to bring from home plastic lids, bread clips, pens and eyeglasses to be recycled.
- Contract templates updated to include new requirements for reporting on waste and recycling volumes.

## Noise management

This year, we developed a noise management strategy to help mitigate noise arising from our Inner Harbour operations.

Even though noise is not a demonstrated wide public concern, in recent years there has been an increase in community complaints about noise from ships while in port. In many instances these complaints have been verified through further investigation and monitoring with typical noise sources found to include auxiliary engines, fans, public address systems, and cargo extraction equipment.

We continued to investigate opportunities for consistent approaches across the Australian ports industry, working together to collectively understand ship noise impacts and develop responses that will satisfy the public.



## Staff awareness

Our staff need to be aware environmental performance is essential for the long-term sustainability and continuing business success of Fremantle Ports. We successfully developed and delivered a workshop in the Outer Harbour for operations personnel, covering environmental topics including environmental licence requirements, waste management and hazardous material management. Through a better-informed workforce, we can be more effective.



## Case study

# Countering erosion at Port Beach

Fremantle Ports played a key role in the sand renourishment project at Port Beach. Significant planning was done in preparedness for dredging sand from Fremantle Ports' deep-water channel, then transporting and 'rainbowing' the sand at Port Beach to provide a buffer protecting the coast from erosion.

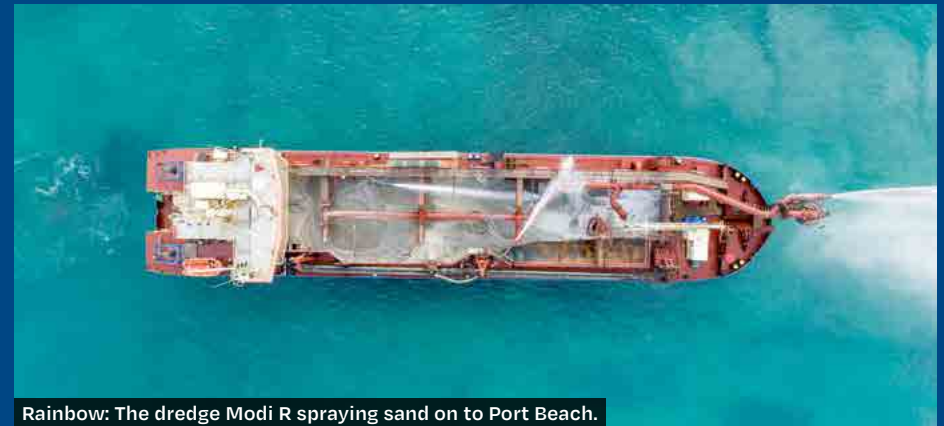
'Rainbowing' is a method of pumping a mixture of dredged sand and water from the dredge vessel, through a hose with a nozzle in a high arc through the air and onto the sea just offshore from the beach.

The design of the Port Beach program has been developed to provide a wide enough beach, even after the expected movement of the placed sand, to create a buffer against the erosion caused by severe storms.

Up to 150,000m<sup>3</sup> of sand dredged is expected to be dredged from the Deep Water Channel during the project, with an initial volume of around 30,000m<sup>3</sup> and the remaining to be placed later this year and next year.

While the key purpose of the sand nourishment is to provide protection of the beach for the public, the operational advantages to the port include maintenance of the shipping channel's depth and ensuring a buffer for the critical Port Beach Road access to Rous Head.

The project is being delivered as a partnership project by Fremantle Ports, the City of Fremantle and the Department of Transport using \$3.25 million in WA Recovery Plan funding from the State Government.



Rainbow: The dredge Modi R spraying sand on to Port Beach.

Sand nourishment via dredging was selected over other potential coastal erosion adaptation options based on the investigations and recommendations of coastal engineering experts in 2019.

The works are intended to provide protection for up to ten years, although the actual life of the works will ultimately depend on the weather conditions experienced over the next decade.



Scan the QR code to watch the short video.



# Significant Issues and Challenges

## COVID-19

Once again Fremantle Ports successfully prevented the transmission of COVID-19 through the Port of Fremantle. With ports being a potential entry point for the virus, protocols and personal protection measures were constantly re-evaluated and optimised to keep our people safe while supporting the efficient movement of cargo.

The impacts of the COVID-19 pandemic and Government responses to it continued to impact the gross domestic product of most countries globally, which in turn influences anticipated trade volumes. We continued rent relief to eligible tenants.

The Port of Fremantle remains an important node in the hard border protecting the State. We continued working with State and Commonwealth agencies and port users to ensure communication protocols and safety procedures were in place to manage interactions between ship and shore crews across all facilities within the port

boundary to mitigate the ongoing risk of COVID-19 transmission.

As a critical infrastructure and service provider, business continuity was considered essential. Business continuity plans were seen as a key part of our operations, which included the operations of key partners such as pilots, tug operators and stevedores. The plans identify critical processes and detail actions to be taken should key systems or people be unavailable, or if widespread community transmission of COVID-19 occurs within Western Australia.

Shore leave for ships' crews was banned for part of the year, then re-instated by Fremantle Ports later in the year. Boarding of international vessels by pilots, shore crews, stevedores and others were minimised, and where it was unavoidable strict COVID-19 protection measures were implemented. Vaccination for all port workers was mandated by the WA Government and this



**COVID-19: Staff injections were keenly promoted.**

was overwhelmingly taken up by Fremantle Ports staff and other port workers. As occurred last year, a significant proportion of office-based staff periodically worked from home while essential operational staff underwent regular rapid antigen testing and implemented measures to reduce the risk of infection at work.



## Corporate strategy 2027

We put significant effort into developing a strategic plan to guide our business over the next five years. The 2027 Strategic Plan was the outcome of numerous internal planning sessions, consultation with customers and Government, obtaining external advice and undertaking a deep analysis of our current performance and the local and international context.

The result has been a clear direction for Fremantle Ports for the next five years that is responsive to tomorrow's challenges, promises to broaden our influence across the wider supply chain and meet the challenges that we see ports around the world turning their minds to.

The plan has five areas of focus (safety, sustainability, efficiency and reliability, capacity and engagement). To deliver on our aspirations, 12 high-level goals have been determined, which must be achieved by the end of financial year 2027.

While ambitious, this plan is exciting and will underpin our decisions we make and how we prioritise our work over the next five years. The 2027 Strategic Plan can be read at [www.fremantleports.com.au/publications](http://www.fremantleports.com.au/publications)



## Port master planning

The future effective facilitation of trade through the Port of Fremantle was a major point of focus for us this year, as Fremantle Ports worked towards the development of a new port master plan.

This plan will take into consideration both the State Government's planned future transition of the container trade to Kwinana and how we facilitate non-container trades in both the Inner and Outer Harbours in a way that delivers for the State, our customers and partners.



Planning: Much effort went into master planning for our port's future.

The master plan will also take into account the likely future planning and economy of the wider Fremantle area, a matter being examined by the Government-sponsored Future of Fremantle Planning Committee.

We have focused particularly on how the port is expected to develop over the next 10 years in support of various maritime trades, however the master plan, which will be completed by 2024, has a 30-year timeframe. A framework for the master planning

work was largely completed this year, in readiness for the subsequent planning work, which will be undertaken with the assistance of external consultants.





Film studio: We provided a detailed submission on this proposal.

## Investing in the business

This year had a strong focus upon investing in the business, so that we can facilitate trade for a more prosperous Western Australia. While the Port of Fremantle has significant strategic strengths, we recognised the need to invest in new assets and asset-renewal, in order to sustain the capacity and capability to facilitate trade effectively and meet customer needs.

Assets in both the Inner and Outer Harbours were identified for replacement or renewal – essential for Fremantle Ports to efficiently and reliably handle projected trade, and do so in a safe and sustainable way in the decades ahead.

## Film studio proposal

In response to the State Government's election commitment to build a film studio on Victoria Quay, Fremantle Ports provided full assistance to the Market-Led Proposal (MLP) process driven by the Department of Finance and, more recently, the Department of Planning, Lands and Heritage.

We provided a detailed submission as part of the MLP process, following due diligence assessments to consider a range of matters. The MLP process for a screen production facility remains ongoing.



# Disclosures and Legal Compliance

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Morning light: Roll-on roll-off ships  
alongside at Victoria Quay in May.

## Directors' Report For the year ended 30 June 2022

# Directors' Report For the year ended 30 June 2022

The Board of Directors of the Fremantle Port Authority (Fremantle Ports) has pleasure in submitting its report for the financial year ended 30 June 2022.

## Directors

The following were Directors of Fremantle Ports at the date of this report:

### Ross Love (Chair)

Director since 1 February 2020

Chair since 1 February 2020

### Kim Horne AM (Deputy Chair)

Director since 1 February 2018

Deputy Chair since 1 January 2019

### Anne Nolan

Director since 1 February 2018

### Carmelina Fiorentino

Director since 1 January 2019

### Professor Kate Lewins

Director since 1 February 2020

### Glen McLeod

Director since 16 November 2020

### Debra Blaskett

Director since 1 January 2021

There were no Directors whose terms expired during the financial year.

Directors' biographies are shown on pages 16 - 17.

## Directors' meetings

Attendance by Directors at meetings (including non-face-to-face meetings pursuant to Schedule 2 of the *Port Authorities Act 1999*) held during the financial year ended 30 June 2022 was:

	Eligibility to attend meetings of Directors	Meetings of Directors	Eligibility to attend Audit and Risk Management Committee	Audit and Risk Management Committee	Eligibility to attend Sustainability Committee	Sustainability Committee
<b>Number of meetings held</b>		9		5		4
Number of meetings attended by:						
<b>Ross Love</b>	9	9	-	-	-	-
<b>Kim Horne</b>	9	9	-	-	4	4
<b>Anne Nolan</b>	9	8	5	5	-	-
<b>Carmelina Fiorentino</b>	9	9	5	5	-	-
<b>Professor Kate Lewins</b>	9	8	5	5	-	-
<b>Glen McLeod</b>	9	8	-	-	4	4
<b>Debra Blaskett</b>	9	9	-	4*	4	4

\* Debra Blaskett attended ARMC meetings as a guest Board member

## Directors' Report For the year ended 30 June 2022

### 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 \$67.996 million (2021: \$77.797 million). The income tax expense attributable to the profit for the financial year was \$20.500 million (2021: \$23.292 million).

### Dividends

From 1 July 2014, an amendment to Section 84 of the *Port Authorities Act 1999* came into effect which provides for Government to request an interim dividend be recommended by the Board. An interim dividend for the year ended 30 June 2022 was not required to be declared by the Board (2021: \$nil).

During the financial year ended 30 June 2022, no dividend was required to be paid. For the year ended 30 June 2021, \$34.686 million was paid representing the full year dividend in respect of the financial results for the year ended 30 June 2020.

### 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:

	2022 \$'000	2021 \$'000
<b>Profit before income tax</b>	67,996	77,797
Income tax expense	(20,500)	(23,292)
<b>Profit for the period</b>	47,496	54,505
Other comprehensive income	618	846
Retained earnings at 1 July	285,766	265,101
	333,880	320,452
Dividends paid in the financial year	-	(34,686)
Retained earnings at 30 June	333,880	285,766

### State of affairs

There were no significant changes in the state of affairs of Fremantle Ports during the financial year under review. Fremantle Ports operates in Western Australia under the provisions of the *Port Authorities Act 1999*.



## Directors' Report For the year ended 30 June 2022

### Events subsequent to reporting date

No matters or circumstances have arisen since the end of the financial year, 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 operate the business and work closely with its customers and stakeholders to fulfil its trade facilitation role. Fremantle Ports has continued to work with a range of planning, transport and other agencies to participate in the Westport project to progress plans for new container facilities in the Outer Harbour as announced by the State Government in August 2020.

### Emoluments

In accordance with Section 13(c)(i) of Schedule 5 of the *Port Authorities Act 1999*, included below are 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:

Position	Name	Period of Membership*	Short-term benefits Board and committee fees	Post-employment benefits Superannuation	Total
			\$'000	\$'000	\$'000
Chair	R Love	12 months	92	9	101
Deputy Chair	K Horne	12 months	52	5	57
Director	A Nolan	12 months	47	5	52
Director	C Fiorentino	12 months	45	4	49
Director	G Mcleod	12 months	45	4	49
Director	K Lewins	12 months	45	4	49
Director	D Blaskett	12 months	45	4	49

\* The period of membership column refers to the Board member's membership during the 2021/22 financial year.

### Directors' benefits

No director of Fremantle Ports has received benefits or became 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 For the year ended 30 June 2022

### 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 of the Chief Executive Officer and senior executives is monitored against agreed criteria. Details of emoluments provided to senior executives:

Name	Salary \$'000	Other \$'000	Post-employment benefits Superannuation \$'000	Other long-term benefits Long service leave \$'000	Total \$'000
M. Parker	535	1	27	13	576
S. Craig	326	1	32	20	379
R. Makins	325	-	28	9	362
G. Bignell <sup>1</sup>	264	1	20	(8)	277
T. Haria <sup>2</sup>	199	1	18	15	233
D. Good <sup>3</sup>	71	-	7	-	78

<sup>1</sup> Gavin Bignell ceased as GM Port Operations on 6th May 2022.

<sup>2</sup> Tanvi Haria ceased as CFO & GM Commercial and Corporate Services on 24th November 2021.

<sup>3</sup> David Good was appointed CFO & GM Commercial and Corporate Services from 2nd May 2022.

### 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. 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 19 August 2022.



Chair



Director

26 August 2022

## Financial Statements For the year ended 30 June 2022

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## Financial Statements For the year ended 30 June 2022

### Directors' Declaration

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

- (a) the financial statements and notes, set out on pages 94 to 138 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 2022 and its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards, *Port Authorities Act 1999* and the *Corporations Regulations 2001*; 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 19 August 2022.



**Chair**



**Director**

26 August 2022



## Statement of Comprehensive Income For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Revenue</b>	A.1	233,765	226,067
<b>Expenditure</b>			
Employee benefits	A.2	(50,880)	(46,096)
Service and maintenance		(29,357)	(30,192)
Contracts and consultants		(29,178)	(20,216)
Government charges		(8,202)	(8,215)
Utilities		(5,383)	(5,330)
Insurance		(3,067)	(2,635)
Other expenses		(16,703)	(12,716)
Depreciation and amortisation	A.2	(17,993)	(16,996)
Finance costs	A.2	(5,006)	(5,874)
<b>Profit before income tax</b>		<b>67,996</b>	<b>77,797</b>
Income tax expense	A.4	(20,500)	(23,292)
<b>Profit after income tax for the period</b>		<b>47,496</b>	<b>54,505</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gains on defined benefit plans	D.2	883	1,209
Income tax effect	A.4	(265)	(363)
Total other comprehensive income		618	846
<b>Total comprehensive income for the period, net of tax</b>		<b>48,114</b>	<b>55,351</b>

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

## Statement of Financial Position As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C.2	147,527	108,326
Trade and other receivables	E.1	29,392	22,716
Inventories	E.2	4,081	3,992
<b>Total current assets</b>		<b>181,000</b>	<b>135,034</b>
<b>Non-current assets</b>			
Receivables	E.1	864	1,824
Property, plant and equipment	B.1	431,689	436,792
Intangible assets	B.2	-	140
Deferred tax assets	A.4	25,624	25,564
<b>Total non-current assets</b>		<b>458,177</b>	<b>464,320</b>
<b>Total assets</b>		<b>639,177</b>	<b>599,354</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	E.3	18,957	17,437
Interest bearing borrowings	C.3	2,318	1,780
Current tax liability	A.4	337	1,947
Provisions	D.1	15,316	14,477
Other liabilities	E.4	3,729	711
<b>Total current liabilities</b>		<b>40,657</b>	<b>36,352</b>

	Note	2022 \$'000	2021 \$'000
<b>Non-current liabilities</b>			
Interest bearing borrowings	C.3	146,832	157,888
Provisions	D.1	11,894	13,434
Other liabilities	E.4	855	855
<b>Total non-current liabilities</b>		<b>159,581</b>	<b>172,177</b>
<b>Total liabilities</b>		<b>200,238</b>	<b>208,529</b>
<b>Net Assets</b>		<b>438,939</b>	<b>390,825</b>
<b>EQUITY</b>			
Contributed equity	C.6	105,059	105,059
Retained earnings	C.6	333,880	285,766
<b>Total equity</b>	C.6	<b>438,939</b>	<b>390,825</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity For the year ended 30 June 2022

	Note	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		<b>105,059</b>	<b>265,101</b>	<b>370,160</b>
Profit for the period		-	54,505	54,505
Other comprehensive income		-	846	846
Total comprehensive income for the period	C.6	-	55,351	55,351
Transactions with owners in their capacity as owners				
Dividends paid	A.3	-	(34,686)	(34,686)
<b>Balance at 30 June 2021</b>	C.6	<b>105,059</b>	<b>285,766</b>	<b>390,825</b>
<b>Balance at 1 July 2021</b>		<b>105,059</b>	<b>285,766</b>	<b>390,825</b>
Profit for the period		-	47,496	47,496
Other comprehensive income		-	618	618
Total comprehensive income for the period	C.6	-	48,114	48,114
Transactions with owners in their capacity as owners				
Dividends paid	A.3	-	-	-
<b>Balance at 30 June 2022</b>	C.6	<b>105,059</b>	<b>333,880</b>	<b>438,939</b>

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

## Statement of Cash Flows For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		255,557	246,937
Payments to suppliers and employees		(165,417)	(150,224)
Interest received		1,047	963
Interest paid		(5,100)	(6,095)
Income tax paid		(22,435)	(19,650)
<b>Net cash inflow from operating activities</b>	A.5	<b>63,652</b>	<b>71,931</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(13,242)	(11,521)
Proceeds from sale of property, plant and equipment		42	-
<b>Net cash outflow from investing activities</b>		<b>(13,200)</b>	<b>(11,521)</b>

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(11,120)	(11,054)
Principal elements of lease		(1,011)	(662)
Proceeds from finance lease receivable		880	808
Dividends paid	A.3	-	(34,686)
<b>Net cash outflow from financing activities</b>		<b>(11,251)</b>	<b>(45,594)</b>
<b>Net increase in cash and cash equivalents</b>		<b>39,201</b>	<b>14,816</b>
<b>Cash and cash equivalents at 1 July</b>		<b>108,326</b>	<b>93,510</b>
<b>Cash and cash equivalents at 30 June</b>	C.2	<b>147,527</b>	<b>108,326</b>

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



## Notes to the Financial Statements For the year ended 30 June 2022

### About these statements

Fremantle Port Authority ('Fremantle Ports') is a not-for-profit reporting entity for the purposes of Australian Accounting Standards (AASs). The nature of operations and principal activities are described in the Directors' Report.

### Statement of compliance

The financial statements are general purpose financial reports prepared in accordance with AASs (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB). The financial statements also comply with the financial reporting provisions of the *Port Authorities Act 1999*.

### 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.

### Rounding

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

### Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

### Currency

The functional and presentation currency of Fremantle Ports is Australian dollars.

### Changes in accounting policies, new and amended standards and interpretations

In the current year, Fremantle Ports has adopted all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period.

### Accounting standards and interpretations issued but not yet effective

Fremantle Ports did not early adopt any new amended AASs and Interpretations issued but not yet effective. Refer to Note F.8 for additional information on new and amended AASs and interpretations issued but not yet effective.

### Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

## Notes to the Financial Statements For the year ended 30 June 2022

The notes are organised into the following sections:

		Page
<b>A.</b>	Performance for the year	100 - 106
<b>B.</b>	Property, Plant and Equipment and Other Assets	107 - 111
<b>C.</b>	Capital Management	111 - 118
<b>D.</b>	Employee Benefits	119 - 128
<b>E.</b>	Other Assets and Liabilities	129 - 132
<b>F.</b>	Other Items	132 - 138

### Key estimates and judgements

In applying the Fremantle Ports' accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the organisation. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances known to management. Actual results may differ from those judgements, estimates and assumptions.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies are:

Note	Area of judgement	Page
<b>F.5</b>	Provision for environmental remediation	135
<b>D.2</b>	Defined benefit plans	121 - 128
<b>E.1</b>	Impairment losses	129 - 131
<b>D.1</b>	Annual leave, sick leave and long service leave	119 - 120

### Financial and capital risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Fremantle Ports risk management framework. The Audit and Risk Management Committee has oversight of Fremantle Ports' internal control system and risk management processes, including the oversight of the internal audit function.

Fremantle Ports' management of financial and capital risks is aimed at ensuring that available capital, funding and cash flows are sufficient for Fremantle Ports.

The below risks arise in the normal course of Fremantle Ports' business. Risk information can be found in the following sections:

Note	Description	Page
<b>C.</b>	Capital risk	111 - 112
<b>C.</b>	Liquidity risk	113
<b>C. &amp; C.3</b>	Interest rate risk	111 and 116
<b>C.</b>	Credit risk	112

# Notes to the Financial Statements For the year ended 30 June 2022

## A. Performance for the year

### In this section

This section addresses financial performance for the reporting period including, where applicable, the accounting policies applied, and the key estimates and judgements made. The section also includes the tax position of Fremantle Ports for and at the end of the reporting period.

### A.1 Revenue and other income

#### Recognition and measurement

Revenue is recognised in the Statement of Comprehensive Income at the transaction price as Fremantle Ports satisfies a performance obligation by transferring a promised service or goods to a customer. An asset is transferred when or as a customer obtains control of that asset.

#### • Revenue from services

Revenue for services rendered is recognised to the extent that the performance obligation is provided at reporting date. Revenue for services includes charges on cargo, charges on ships, shipping services and port and utilities services. Revenue is recognised over time where the customer simultaneously receives and consumes the benefits. Charges on cargo and port utilities and services are generally recognised over time, whereas charges on ships and shipping services are generally recognised at a point in time.

The total transaction price for services may include variable consideration.

#### • Rentals and leases

Rental income relating to operating leases is recognised over time 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 where applicable.

#### • Miscellaneous revenue

Miscellaneous revenue is recognised as the legal entitlement arises and is derived predominantly from the hire of facilities and equipment, recoupment of rates and taxes and insurance claims and revenue arising from the contribution of assets recognised in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.

#### • Contributed assets

Contributed assets or services received by Fremantle Ports are recognised as revenue at the fair value of the assets or services where they can be reliably measured.

#### • Deferred income

Deferred income contract liabilities represent income received in advance and is released to the Statement of Comprehensive Income as the performance obligations are satisfied over the course of the contract.

#### • Variable consideration

Where consideration in respect of a contract includes a variable amount, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved and where it is highly probable that a significant reversal of revenue will not occur. The estimate is based on all available information including historic performance. Where a contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Third party rebates, volume rebates, discounts and commissions give rise to variable consideration.

## A. Performance for the year (continued)

### A.1 Revenue and other income (continued)

#### • Financing components

Fremantle Ports does not expect to have any contracts where the period between the transfer of the promised service or goods to the customer and payment by the customer exceeds one year. Therefore, Fremantle Ports does not adjust any transaction prices for the time value of money or other financing components.

#### Other income

#### • Interest revenue

Interest revenue includes interest receivable on funds invested, interest receivable under finance leases and interest charged on overdue trade and other receivables. 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 using the effective interest rate method.

Revenue consists of the following items:

	2022 \$'000	2021 \$'000
<b>Revenue</b>		
Charges on cargo	145,750	144,018
Rentals and leases	35,710	33,954
Charges on ships	17,500	18,369
Shipping services	12,121	11,663
Miscellaneous revenue	12,550	8,608
Port utilities and services	9,139	8,512
	<b>232,770</b>	<b>225,124</b>
Interest		
Interest receivable from cash equivalents	279	158
Interest receivable under finance leases	716	785
	<b>995</b>	<b>943</b>
<b>Total revenue</b>	<b>233,765</b>	<b>226,067</b>

In accordance with recognition and measurement principles as disclosed under A.1 'Revenue and other income':

- Revenue from charges on cargo and port utilities and services are generally recognised over time, whereas charges on ships and shipping services are generally recognised at a point in time.
- Rental income relating to operating leases is recognised over time on a straight-line basis over the term of the lease.
- Miscellaneous revenue is recognised as the legal entitlement arises and is primarily comprised of hire of facilities and equipment, recoupment of rates and taxes and insurance claims and revenue arising from the contribution of assets recognised in accordance with AASB 15.



# Notes to the Financial Statements For the year ended 30 June 2022

## A. Performance for the year (continued)

### A.2 Expenses

#### Recognition and measurement

##### Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest payable on overdue trade and other payables and finance charges payable under leases. The interest expense component of lease payments is also recognised in the Statement of Comprehensive Income 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.

##### Reclassification

According to AASB 101 *Presentation of Financial Statements*, expenses classified by nature are not reallocated among various functions within the entity. However, last year, Fremantle Ports had allocated employee benefits expenses to various line items on the Statement of Comprehensive Income including marine expenses, port operations expenses, general administration, and asset maintenance.

Following a review of its Statement of Comprehensive Income, classification of expenses by nature is considered to provide more relevant and reliable information than classification by function due to the nature of Fremantle Ports' operations.

Accordingly, Fremantle Ports has updated its Statement of Comprehensive Income and presented expenses classified by their nature. The comparative figures have been reclassified and represented to be comparable with the current year classification.

	Note	2022 \$'000	2021 \$'000
<b>Expenses</b>			
Profit before income tax includes the following specific expenses:			
Finance costs			
Finance charges payable under leases		46	39
Borrowings		4,960	5,835
Total finance costs		5,006	5,874
Depreciation and amortisation			
Channels and breakwaters	B.1	3,538	3,538
Land improvements	B.1	842	852
Buildings and improvements	B.1	1,207	1,181
Plant and equipment	B.1	2,912	3,008
Berths, jetties and infrastructure	B.1	8,267	7,512
Right of use assets	B.1	1,087	718
Intangible assets	B.2	140	187
Total depreciation and amortisation		17,993	16,996
Net loss on derecognition of property, plant and equipment		2,118	398
Other charges against assets			
(Gain) / loss on impairment of trade receivables	E.1	(274)	323
Rental expenses		560	926

## A. Performance for the year (continued)

### A.2 Expenses (continued)

	Note	2022 \$'000	2021 \$'000
<b>Employee benefits expenses</b>			
Wages and salaries		45,696	41,874
Pension costs		4,816	4,471
Employee benefits		368	(249)
		50,880	46,096

### A.3 Dividends paid and proposed

#### Recognition and measurement

Dividends are declared and recognised as a liability in the period in which the Minister's approval and the Treasurer's concurrence is received.

	Note	2022 \$'000	2021 \$'000
Interim dividend		-	-
Final dividend		-	34,686
Total dividends paid	C.6	-	34,686

From 1 July 2014, an amendment to Section 84 of the *Port Authorities Act 1999* came into effect which provides for Government to request an interim dividend be recommended by the Board. An interim dividend for the year ended 30 June 2022 was not required to be declared by the Board (2021: \$nil).

During the financial year ended 30 June 2022, no dividend was required to be paid. For the year ended 30 June 2021, \$34.686 million was paid representing full year dividend in respect of the financial results for the year ended 30 June 2020.

### A.4 Income tax expense

#### Recognition and measurement

Fremantle Ports operates within the national tax equivalent regime (NTER) whereby an equivalent amount in respect of income tax is payable to the WA Government. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government.

As a consequence of participation in the NTER, Fremantle Ports is required to comply with AASB 112 *Income Taxes*.

Income tax expense/(benefit) on the profit or loss for the year comprises current and deferred tax. Income tax expense/(benefit) is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in other comprehensive income or directly 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 Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, on all temporary differences at the Statement of Financial Position 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 goodwill or 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.

# Notes to the Financial Statements For the year ended 30 June 2022

## A. Performance for the year (continued)

### A.4 Income tax expense (continued)

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position 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 Statement of Financial Position date.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Major components of income tax expense for the year are:

	2022 \$'000	2021 \$'000
<b>Statement of Comprehensive Income</b>		
Current income tax:		
Current income tax charge	(20,572)	(22,014)
Adjustments in respect of previous years	(253)	149
Deferred income tax:		
Deferred income tax benefit / (charge)	222	(1,427)
Adjustments in respect of previous years	103	-
<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<b>(20,500)</b>	<b>(23,292)</b>

	2022 \$'000	2021 \$'000
<b>Other Comprehensive Income</b>		
Deferred tax related to items recognised in other comprehensive income during the year:		
Net actuarial (losses)/gains	(265)	(363)
<b>Income tax benefit charged to Other Comprehensive Income</b>	<b>(265)</b>	<b>(363)</b>

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

	2022 \$'000	2021 \$'000
Profit before income tax	67,996	77,797
Tax at statutory income tax rate of 30% (2021: 30%)	(20,399)	(23,339)
Tax effect of amounts which are taxable in calculating taxable income:		
Depreciation	(90)	(81)
Sundry items	(7)	(26)
	(20,496)	(23,446)
Adjustments in respect of previous years	(4)	154
Income tax expense	(20,500)	(23,292)

## Notes to the Financial Statements For the year ended 30 June 2022

### A. Performance for the year (continued)

#### A.4 Income tax expense (continued)

	2022 Statement of Financial Position \$'000	2021 Statement of Financial Position \$'000	2022 Statement of Comprehensive Income \$'000	2021 Statement of Comprehensive Income \$'000
<b>Deferred tax liabilities</b>				
Finance lease receivables	(547)	(811)	264	242
Others	(543)	(590)	47	(5)
Gross deferred tax liabilities	(1,090)	(1,401)		
<b>Deferred tax assets</b>				
Employee benefits	7,137	7,304	(167)	(551)
Accelerated depreciation for accounting purposes	15,423	16,497	(1,074)	(1,555)
Prepaid rental	858	873	(15)	(241)
Deferred income	-	1	(1)	1
Others	3,296	2,290	1,006	317
Gross deferred tax assets	26,714	26,965		
Set-off of deferred tax liabilities pursuant to set-off provisions	(1,090)	(1,401)		
Net deferred tax assets	25,624	25,564		
Deferred tax benefit / (charge)			325	(1,427)
Deferred tax charge in Other Comprehensive Income			(265)	(363)
			60	(1,790)

#### Current tax liabilities

The current tax liability of \$0.337 million (2021: \$1.947 million) represents the amount of income taxes payable at the Statement of Financial Position date in respect of the current and prior financial period.



## Notes to the Financial Statements For the year ended 30 June 2022

### A. Performance for the year (continued)

#### A.5 Notes to the Statement of Cash Flows

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

	2022 \$'000	2021 \$'000		2022 \$'000	2021 \$'000
<b>Profit after income tax</b>	<b>47,496</b>	<b>54,505</b>	Changes in assets and liabilities		
Non cash items			Receivables	(5,220)	(1,662)
Depreciation	16,766	16,091	Inventories	(89)	(114)
Amortisation of right of use/leased assets	1,087	718	Prepaid expenses	(1,129)	(1,076)
Amortisation of intangible assets	140	187	Payables	1,520	1,007
Net loss on derecognition of property, plant and equipment	2,118	398	Prepaid rental and deferred income and interest received in advance	3,018	(1,422)
Impairment of trade receivables	(274)	323	Employee benefits	(776)	(1,836)
Taxable items presented in Other Comprehensive Income			Income tax payable	(1,610)	2,215
Remeasurements of the net defined benefit liability	618	846	Deferred tax assets	(60)	1,790
			Others	47	(39)
			<b>Net cash inflow from operating activities</b>	<b>63,652</b>	<b>71,931</b>

## B. Property, Plant and Equipment and Other Assets

### In this section

This section addresses property, plant and equipment and intangible assets including, where applicable, the accounting policies applied, and the key estimates and judgements made.

### B.1 Property, plant and equipment

#### Recognition and measurement

##### Capitalisation/expensing of assets

Items of property, plant and equipment purchased or constructed costing more than \$5,000 are recorded at the cost of acquisition less accumulated depreciation and impairment losses. Items of property, plant and equipment purchased or constructed costing \$5,000 or less are immediately expensed to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total). 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.

##### Initial recognition and measurement

Property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Right of use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payment made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Fremantle Ports elected not to recognise right of use assets and lease liabilities for short term leases (with a lease term of 12 months or less) and low value leases (assets less than \$5,000).

##### Subsequent measurement

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

The cost model is applied for subsequent measurement of right of use assets, requiring the asset to be carried at cost less any accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liability.

##### Derecognition

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

##### Depreciation and amortisation

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 Statement of Comprehensive Income.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. Where Fremantle Ports is reasonably certain to exercise a purchase option, or the asset transfers to Fremantle Ports at the end of the lease term, the right of use asset is depreciated over the asset's useful life.

## B. Property, Plant and Equipment and Other Assets (continued)

### B.1 Property, plant and equipment (continued)

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

Class	Depreciation Rates (%)
Channels and breakwaters	1.92% - 2.63%
Land improvements	2.50% - 10.00%
Buildings and improvements	2.22% - 10.00%
Plant and equipment	2.50% - 25.00%
Berths, jetties and infrastructure	1.00% - 25.00%
Right of use assets	over life of lease

### 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 current replacement cost where the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Fremantle Ports would, if deprived of the asset, replace its future economic benefits. In all other instances value in use is the present value of future cash flows expected to arise from the asset.

Impairment losses are recognised in the Statement of Comprehensive Income.

## B. Property, Plant and Equipment and Other Assets (continued)

### B.1 Property, plant and equipment (continued)

	Note	Channels and Breakwaters \$'000	Land \$'000	Land Improvements \$'000	Buildings and Improvements \$'000	Plant and Equipment \$'000	Berth, Jetties and Infrastructure \$'000	Right of use / leased assets \$'000	Work in Progress \$'000	Total \$'000
<b>Cost</b>										
<b>At 1 July 2020</b>		<b>167,273</b>	<b>76,004</b>	<b>30,404</b>	<b>39,931</b>	<b>73,942</b>	<b>268,481</b>	<b>3,872</b>	<b>8,226</b>	<b>668,133</b>
Additions		-	-	-	-	101	-	757	11,420	<b>12,278</b>
Transfer from Work in Progress		-	-	193	-	434	2,146	-	(2,773)	-
Disposals		-	-	-	(569)	(315)	(599)	(799)	-	<b>(2,282)</b>
<b>At 30 June 2021</b>		<b>167,273</b>	<b>76,004</b>	<b>30,597</b>	<b>39,362</b>	<b>74,162</b>	<b>270,028</b>	<b>3,830</b>	<b>16,873</b>	<b>678,129</b>
Additions		-	-	-	-	309	-	1,696	12,933	<b>14,938</b>
Transfer from Work in Progress		-	494	-	3,381	1,701	3,184	-	(8,760)	-
Disposals		-	-	-	-	(1,038)	-	(492)	(1,931)	<b>(3,461)</b>
<b>At 30 June 2022</b>		<b>167,273</b>	<b>76,498</b>	<b>30,597</b>	<b>42,743</b>	<b>75,134</b>	<b>273,212</b>	<b>5,034</b>	<b>19,115</b>	<b>689,606</b>
<b>Depreciation and impairment</b>										
<b>At 1 July 2020</b>		<b>61,178</b>	-	<b>8,537</b>	<b>17,389</b>	<b>44,950</b>	<b>91,865</b>	<b>2,457</b>	-	<b>226,376</b>
Depreciation and amortisation	A.2	3,538	-	852	1,181	3,008	7,512	718	-	<b>16,809</b>
Disposals		-	-	-	(175)	(313)	(597)	(763)	-	<b>(1,848)</b>
<b>At 30 June 2021</b>		<b>64,716</b>	-	<b>9,389</b>	<b>18,395</b>	<b>47,645</b>	<b>98,780</b>	<b>2,412</b>	-	<b>241,337</b>
Depreciation and amortisation	A.2	3,538	-	842	1,207	2,912	8,268	1,086	-	<b>17,853</b>
Disposals		-	-	-	-	(806)	-	(467)	-	<b>(1,273)</b>
<b>At 30 June 2022</b>		<b>68,254</b>	-	<b>10,231</b>	<b>19,602</b>	<b>49,751</b>	<b>107,048</b>	<b>3,031</b>	-	<b>257,917</b>
<b>Carrying value</b>										
<b>At 30 June 2021</b>		<b>102,557</b>	<b>76,004</b>	<b>21,208</b>	<b>20,967</b>	<b>26,517</b>	<b>171,248</b>	<b>1,418</b>	<b>16,873</b>	<b>436,792</b>
<b>At 30 June 2022</b>		<b>99,019</b>	<b>76,498</b>	<b>20,366</b>	<b>23,141</b>	<b>25,383</b>	<b>166,164</b>	<b>2,003</b>	<b>19,115</b>	<b>431,689</b>

### Impairment of property, plant, and equipment

There were no indicators of impairment to property, plant and equipment in the current or prior reporting period.



## B. Property, Plant and Equipment and Other Assets (continued)

### B.2 Intangible assets

#### Recognition and measurement

##### Capitalisation/expensing of intangible assets

Intangible assets separately acquired and/or developed costing more than \$5,000 are carried at the cost of acquisition less any accumulated amortisation and impairment losses. Intangible assets acquired and/or developed costing \$5,000 or less are immediately expensed to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total). Cost includes expenditure that is directly attributable to the acquisition or the development of the intangible asset and, where developed, includes the cost of direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Research costs are expensed to the Statement of Comprehensive Income as incurred.

##### Initial recognition and measurement

Intangible assets are initially recognised at cost.

##### Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

#### Amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income as amortisation expense.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis and is treated as a change in accounting estimate.

Class	Amortisation Rate (%)
Computer software	33.33%

## B. Property, Plant and Equipment and Other Assets (continued)

### B.2 Intangible assets (continued)

	Note	Computer Software \$'000	Total \$'000
<b>Cost</b>			
<b>At 30 June 2020</b>		<b>820</b>	<b>820</b>
Additions		-	-
<b>At 30 June 2021</b>		<b>820</b>	<b>820</b>
Additions		-	-
<b>At 30 June 2022</b>		<b>820</b>	<b>820</b>
<b>Amortisation</b>			
<b>At 30 June 2020</b>		<b>493</b>	<b>493</b>
Amortisation	A.2	187	187
<b>At 30 June 2021</b>		<b>680</b>	<b>680</b>
Amortisation	A.2	140	140
<b>At 30 June 2022</b>		<b>820</b>	<b>820</b>
<b>Carrying value</b>			
<b>At 30 June 2021</b>		<b>140</b>	<b>140</b>
<b>At 30 June 2022</b>		<b>-</b>	<b>-</b>

### Impairment of intangible assets

There were no indicators of impairment to intangible assets in the current or prior reporting period.

## C. Capital Management

### In this section

This section addresses cash, debt and capital position including, where applicable, the accounting policies applied, and the key estimates and judgements made.

### Key financial and capital risks in this section

#### 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 obligations. Fremantle Ports' borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are either 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 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 protect against market uncertainty and volatility.

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

## Notes to the Financial Statements For the year ended 30 June 2022

### C. Capital Management (continued)

#### Key financial and capital risks in this section (continued)

At the Statement of Financial Position 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 \$'000	+0.50% change Profit \$'000	+0.50% change Equity \$'000	(0.50%) change Profit \$'000	(0.50%) change Equity \$'000
<b>2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	147,527	738	738	(738)	(738)
<b>Financial liabilities</b>					
Interest bearing borrowings	147,104	(736)	(736)	736	736
<b>Total increase/ (decrease)</b>		2	2	(2)	(2)

	Carrying Amount \$'000	+0.50% change Profit \$'000	+0.50% change Equity \$'000	(0.50%) change Profit \$'000	(0.50%) change Equity \$'000
<b>2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	108,326	542	542	(542)	(542)
<b>Financial liabilities</b>					
Interest bearing borrowings	158,225	(791)	(791)	791	791
<b>Total (decrease)/increase</b>		(249)	(249)	249	249

#### 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 manages credit risk on cash deposits by only holding funds at Australian financial institutions which have satisfactory credit ratings.

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 Statement of Financial Position 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 C.1.

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 E.1.

Fremantle Ports' credit risk management, with regard to trade receivables, is further supported by rental agreements and sections 116 and 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.

## C. Capital Management (continued)

### Key financial and capital risks in this section (continued)

#### Liquidity risk

Liquidity risk is the risk that a corporation will not be able to meet its financial obligations as they fall due.

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 as they fall due.

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 WA Government for outstanding borrowings in case of default.

	Carrying Amount \$'000	Including Interest			
		< 12 months \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
<b>2022</b>					
<b>Financial liabilities</b>					
Trade and other payables	18,957	18,957	-	-	18,957
Interest bearing borrowings	149,150	7,661	23,870	165,748	197,279
	168,107	26,618	23,870	165,748	216,236

	Carrying Amount \$'000	Including Interest			
		< 12 months \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
<b>2021</b>					
<b>Financial liabilities</b>					
Trade and other payables	17,437	17,437	-	-	17,437
Interest bearing borrowings	159,668	6,752	21,445	173,049	201,246
	177,105	24,189	21,445	173,049	218,683

### C.1 Financial instruments

Fremantle Ports has three categories of financial instruments:

- Loans and receivables;
- Cash and cash equivalents; and
- Financial liabilities measured at amortised cost.

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 approximate 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.



## C. Capital Management (continued)

### C.1 Financial instruments (continued)

#### 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 at Note C.3.

	Note	2022 \$'000	2021 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	C.2	147,527	108,326
Trade and other receivables	E.1	26,231	20,611
Receivables (non-current)	E.1	864	1,824
<b>Financial liabilities</b>			
Trade and other payables	E.3	18,957	17,437
Interest bearing borrowings:			
Fixed rate borrowings	C.3	141,048	151,048
Fixed rate borrowings	C.3	6,056	7,177

### C.2 Cash and cash equivalents

#### Recognition and measurement

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, cash at bank, at call deposits and short-term deposits with original maturities of three months or less. Funds surplus to operational requirements have been invested in At Call Deposits and Term Deposits to maximise earnings.

For the purpose of the Statement of Cash Flows, cash equivalents consist of cash and cash equivalents as defined above.

	2022 \$'000	2021 \$'000
Cash at Bank and Cash on Hand	1,207	707
At Call Deposits	46,320	13,619
Term Deposits	100,000	94,000
Cash and cash equivalents in the Statement of Cash Flows	147,527	108,326

#### Significant terms and conditions

Interest on Cash at Bank was at prevailing rates. The weighted average interest rate at 30 June 2022 was 0.26% (2021: 0.50%).

Interest on At Call Deposits was at prevailing rates. The weighted average interest rate at 30 June 2022 was 0.05% (2021: 0.05%).

The weighted average interest rate for Term Deposits at 30 June 2022 was 0.31% (2021: 0.24%). Term Deposits are held until their maturity dates, which are generally for periods of 120 days or less.

#### Fair value

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

## C. Capital Management (continued)

### C.3 Interest bearing liabilities

#### Recognition and measurement

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 Statement of Comprehensive Income when the liabilities are derecognised, as well as through the amortisation process.

Lease liabilities are recognised at the present value of the minimum lease payments. The interest expense is recognised in the Statement of Comprehensive Income using the effective interest method.

	Note	2022 \$'000	2021 \$'000
<b>Current</b>			
Special borrowings		1,191	1,121
Lease liabilities	C.4	1,127	659
		2,318	1,780
<b>Non-Current</b>			
Direct borrowings		141,048	151,048
Special borrowings		4,865	6,056
Lease liabilities	C.4	919	784
		146,832	157,888

### Master Lending Agreement (MLA)

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

#### Significant terms and conditions

All interest-bearing borrowings, except for lease liabilities, are unsecured and guaranteed by the WA Government.

Interest repayments on Direct Borrowings are payable quarterly while the principal repayments are deferred as part of the loan product flexibility. The weighted average interest rate at 30 June 2022 on the loan portfolio is 2.36% per annum (2021: 2.43% per annum).

Special Borrowings include amounts to fund the acquisition of a new bulk unloader and other assets at Fremantle Ports' Kwinana Bulk Terminal. Interest and principal are payable quarterly. Interest rates on the Special Borrowings are fixed and range from 6.22% to 6.39% per annum (2021: 6.22% to 6.39% per annum).

The interest rates implicit in the Lease liabilities range from 0.23% to 10.00% (2021: 0.23% to 9.84%).

## C. Capital Management (continued)

### C.3 Interest bearing liabilities (continued)

#### Interest rate risk exposures

Fremantle Ports' exposure to interest rate risk on the interest-bearing borrowings and the effective weighted average interest rate at reporting date is set out in the following table.

	Weighted Average Interest Rate	Fixed Interest Rate						Total \$'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	
<b>2022</b>								
<b>Interest Bearing Borrowings</b>								
Direct borrowings	2.36%	-	-	-	-	-	141,048	141,048
Special borrowings	6.28%	1,191	1,267	1,129	525	558	1,386	6,056
Lease liabilities	3.30%	1,127	405	237	132	63	82	2,046
		2,318	1,672	1,366	657	621	142,516	149,150

	Weighted Average Interest Rate	Fixed Interest Rate						Total \$'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	
<b>2021</b>								
<b>Interest Bearing Borrowings</b>								
Direct borrowings	2.43%	-	-	-	-	-	151,048	151,048
Special borrowings	6.29%	1,121	1,191	1,267	1,129	525	1,944	7,177
Lease liabilities	2.39%	659	292	242	174	72	4	1,443
		1,780	1,483	1,509	1,303	597	152,996	159,668

## Notes to the Financial Statements For the year ended 30 June 2022

### C. Capital Management (continued)

#### C.3 Interest bearing liabilities (continued)

##### 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.

	2022		2021	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Special borrowings	6,056	6,501	7,177	8,447

#### C.4 Lease payables

##### Recognition and measurement

From 1 July 2019, the operating and finance distinction for lessees no longer exists. Leases (where Fremantle Ports is lessee) are recognised as a right of use asset and a corresponding liability at the date the leased asset is available for use by Fremantle Ports, except for two recognition exemptions; leases of 'low-value' assets (assets less than \$5,000) and short-term leases (leases with a lease term of 12 months or less), where lease payments are recognised directly in the Statement of Comprehensive income on a straight-line basis.

Lease liabilities are measured at the present value of future lease payments, discounted using the rate implicit in the lease or, if that rate is not available, the incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 2.1%. Extension options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right of use asset.

Right of use assets held at the end of the reporting period are being amortised over periods ranging from 1 to 8 years (2021: 1 to 5 years).

Leases payables are in respect of computer equipment, office equipment, security equipment, motor vehicles, a pilot vessel and vessel traffic system, expiring within 1 to 8 years (2021: 1 to 5 years). Under the terms of some of the leases, Fremantle Ports has the option to return or upgrade the property, plant and equipment at the expiry of the agreements.

##### Leases payable

	2022 \$'000	2021 \$'000
Future minimum lease payments in relation to leases payable at the end of the reporting period are as follows:		
Within one year	1,175	686
Later than one year but not later than five years	871	807
More than five years	83	4
Minimum lease payments	2,129	1,497
Future finance charges	(83)	(54)
Present value of lease liabilities	2,046	1,443

## Notes to the Financial Statements For the year ended 30 June 2022

### C. Capital Management (continued)

#### C.4 Lease payables (continued)

##### Representing lease liabilities

	Note	2022 \$'000	2021 \$'000
Current	C.3	1,127	659
Non-current	C.3	919	784
		2,046	1,443

#### C.5 Financing facilities

Fremantle Ports has access to the following lines of credit:

	2022 \$'000	2021 \$'000
Total facilities available:		
Liquidity facility, working capital, direct and special borrowings	201,605	206,526
Facilities utilised at the end of the reporting period:		
Liquidity facility, working capital, direct and special borrowings	147,104	158,225
Total facilities not utilised at the end of the reporting period:		
Liquidity facility, working capital, direct and special borrowings	54,501	48,301

At reporting date, Fremantle Ports has an approved financing facility from WATC for 2022/2023 of \$195.9 million.

#### C.6 Equity

##### Recognition and measurement

Where Fremantle Ports receives support by way of equity from the WA Government the amount received is recognised directly as a credit to contributed equity.

	Note	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		105,059	265,101	370,160
Total comprehensive income for the period		-	55,351	55,351
Dividends paid	A.3	-	(34,686)	(34,686)
Balance at 30 June 2021		105,059	285,766	390,825
Total comprehensive income for the period		-	48,114	48,114
Dividends paid	A.3	-	-	-
Balance at 30 June 2022		105,059	333,880	438,939



## D. Employee Benefits

### In this section

This section addresses liabilities due to employees including, where applicable, the accounting policies applied, and the key estimates and judgements made.

### D.1 Provisions

#### Recognition and measurement

A provision is recognised in the Statement of Financial Position 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.

All annual leave, long service leave and sick leave provisions are in respect of employees' services up to the end of the reporting period.

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

#### Annual leave

Annual leave benefits are measured on a discounted basis (at a rate reflective of the maturity of future expected cash flows) and on the basis of remuneration rates expected to be paid when the liability is settled.

The provision for annual leave is classified as a current liability as Fremantle Ports does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### Sick leave and long service leave

Sick leave and long service leave benefits are assessed on the basis of the present value of estimated future payments, discounted by the Commonwealth Government Bond rate estimated to be applicable to the relevant period. The present value calculation assumed estimated employee wage and salary growth rates at an average of 3.00% (2021: 2.10%).

Unconditional sick leave and long service leave provisions are classified as current liabilities as Fremantle Ports does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional sick leave and long service leave provisions are classified as non-current liabilities because Fremantle Ports has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

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

#### Key estimates and judgements

This assessment requires a determination of various assumptions as to future events and circumstances, in particular, wage increase rates, inflation rates and employee retention rates.

## Notes to the Financial Statements For the year ended 30 June 2022

### D. Employee Benefits (continued)

#### D.1 Provisions (continued)

##### Current

	Note	2022 \$'000	2021 \$'000
Fringe benefits tax	F.2	80	64
Employee benefits		13,483	12,623
Retirement benefit obligations	D.2	425	401
Other	F.2	1,328	1,389
		15,316	14,477

##### Non-current

	Note	2022 \$'000	2021 \$'000
Employee benefits		1,230	1,721
Retirement benefit obligations	D.2	8,432	9,601
Other	F.2	2,232	2,112
		11,894	13,434

#### Aggregate employee benefits

	2022 \$'000	2021 \$'000
Current liability	13,908	13,024
Non-current liability	9,662	11,322
	23,570	24,346

Assessments indicate that actual settlement of the leave liabilities is expected to occur as follows:

	2022 \$'000		2021 \$'000	
	Within 12 months of the end of the reporting period	More than 12 months after the end of the reporting period	Within 12 months of the end of the reporting period	More than 12 months after the end of the reporting period
Annual leave	3,668	1,414	3,467	1,075
Long service leave	2,210	4,327	1,917	4,616
Sick leave	938	2,156	861	2,408
Total leave liabilities	6,816	7,897	6,245	8,099

## D. Employee Benefits (continued)

### D.2 Retirement benefit obligations

The Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme, and the Superannuation and Family Benefits Act Scheme (Pension), 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 the end of the reporting period.

Fremantle Ports' total superannuation liability has been actuarially assessed as at 30 June 2022.

Employees who were 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 2007. From 16 April 2007, employees who were not members of the Pension, GSS or WSS Schemes became non-contributory members of the GESB Superannuation Scheme (GESB Super), a taxed accumulation fund. On 30 March 2012, employees were granted with the opportunity to have their contributions paid to a complying superannuation fund of their choice. Those members not electing to nominate their own fund remain either in the WSS Schemes or the GESB Superannuation Scheme. Fremantle Ports makes concurrent contributions to the Government Employee Superannuation Board (GESB) or other fund providers on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish Fremantle Ports' liability for superannuation charges.

#### Defined benefit plan

Fremantle Ports' net obligation in respect of defined benefit 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 Statement of Financial Position 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.

A net defined benefit asset or liability is shown on the Statement of Financial Position equal to:

- The present value of the accrued defined benefit obligations; less
- The fair value of the Scheme assets; plus
- Any adjustment for the limitation on the net asset.

The defined benefit cost to be included in the Statement of Comprehensive Income is made up of the following elements:

- Current service cost (notional cost of employer-financed benefits accruing during the year);
- Net interest (notional interest on the Scheme's liabilities);
- Past service cost, if any, recognised during the year; and
- The effect of settlements and/or curtailments (i.e. significant events), if any, during the year.

Remeasurements of the net defined benefit liability/(asset) is immediately recognised in Other Comprehensive Income.

## D. Employee Benefits (continued)

### D.2 Retirement benefit obligations (continued)

#### Key estimates and judgements

This assessment requires a determination of various actuarial assumptions as to future events and circumstances, in particular, the pensioner mortality rate, discount rate and pension and salary increase rates.

#### Nature of the benefit provided by the Schemes

##### *Pension Scheme*

The employer-financed benefit is a pension benefit payable on retirement, death or invalidity, or a lump sum on resignation.

##### *Gold State Super*

Some former Pension Scheme members have transferred to Gold State Super (GSS). In respect of their transferred benefit the members receive a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

#### Description of the regulatory framework

The Pension and GSS Schemes operate under the *State Superannuation Act 2000 (Western Australia)* and the State Superannuation Regulations 2001 (Western Australia).

Although the Schemes are not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the WA Government has undertaken (in a Heads of Government Agreement) to operate the Schemes in accordance with the spirit of the SIS legislation.

As exempt public sector superannuation Schemes (as defined in the SIS legislation), the Schemes are not subject to any minimum funding requirements.

As a constitutionally protected superannuation fund (as defined in the Income Tax Assessment legislation), the Schemes are not required to pay tax.

#### Description of other entities' responsibilities for the governance of the Scheme

The Government Employees Superannuation Board (GESB) is the Pension and GSS Schemes Trustee and is responsible for the governance of the Schemes. As Trustee, GESB has a legal obligation to act solely in the best interests of Scheme beneficiaries. GESB has the following roles:

- Administration of the Scheme and payment to the beneficiaries when required in accordance with the Scheme rules;
- Management and investment of the Scheme assets; and
- Compliance with the Heads of Government Agreement (referred to above).

## D. Employee Benefits (continued)

### D.2 Retirement benefit obligations (continued)

#### Description of risks

There are a number of risks to which the Schemes expose Fremantle Ports. The more significant risks relating to the Pension Scheme defined benefits are:

- Legislative risk - The risk that legislative changes could be made which increase the cost of providing the defined benefits.
- Pensioner mortality risk - The risk that pensioner mortality will be lower than expected, resulting in pensions being paid for a longer period.
- Inflation risk - The risk that inflation is higher than anticipated, increasing pension payments, and the associated employer contributions.

The more significant risks relating to the GSS defined benefits are:

- Legislative risk - The risk that legislative changes could be made which increase the cost of providing the defined benefits.
- Inflation risk - The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, and/or that inflation (which affects the indexation of deferred benefits) will be higher than assumed, increasing defined benefit amounts and associated employer contributions.

#### Description of significant events

There were no amendments, curtailments or settlements during the year to the Schemes.

#### Reconciliation of the net defined benefit liability

	2022 \$'000		2021 \$'000	
	Pension Scheme	Gold State Super	Pension Scheme	Gold State Super
Defined benefit obligation	8,836	21	9,979	23
Fair value of scheme assets	-	-	-	-
Deficit	8,836	21	9,979	23
Adjustments for effect of asset ceiling	-	-	-	-
<b>Net defined benefit liability</b>	<b>8,836</b>	<b>21</b>	<b>9,979</b>	<b>23</b>

#### Reconciliation of the fair value of Scheme assets

	2022 \$'000		2021 \$'000	
	Pension Scheme	Gold State Super	Pension Scheme	Gold State Super
<b>Fair value of scheme assets at the beginning of the year</b>	-	-	-	-
Employer contributions	409	-	351	125
Benefits paid	(409)	-	(351)	(125)
<b>Fair value of scheme assets at end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## D. Employee Benefits (continued)

### D.2 Retirement benefit obligations (continued)

#### Reconciliation of the effect of the asset ceiling

The asset ceiling has no impact on the net defined benefit liability.

#### Fair value of Scheme assets

There are no assets in the Pension Scheme to support the State Share of the Benefit and no assets in the Gold State Super for current employees to support the transferred benefits. Hence, there is/are:

- No fair value of Scheme assets;
- No asset allocation of Scheme assets;
- No financial instruments issued by the employer;
- No assets used by the employer;
- No asset-liability matching strategies.

#### Funding arrangements

The employer contributes, as required, to meet the benefits paid.

#### Expected contributions

	2023 \$'000
<b>Pension Scheme</b>	
Expected employer contributions	425
<b>Gold State Super</b>	
Expected employer contributions	-

#### Maturity profile of defined benefit obligation

##### *Pension Scheme*

The weighted average duration of the Fremantle Ports defined benefit obligation is 13.3 years.

##### *Gold State Super*

The weighted average duration of the Fremantle Ports defined benefit obligation is 8.3 years.

## D. Employee Benefits (continued)

### D.2 Retirement benefit obligations (continued)

#### Reconciliation of the defined benefit obligation

2022 changes in the defined benefit obligation and fair value of plan assets:

			Costs charged to Statement of Comprehensive Income (SoCI)				Re-measurement losses/(gains) in other comprehensive income (OCI)					
2022	Note	1 July 2021 \$'000	Service Cost \$'000	Net Interest \$'000	Subtotal incl. in SoCI \$'000	Benefits Paid \$'000	Actuarial changes arising from changes in Financial Assumptions \$'000	Actuarial changes arising from changes in Liability Experience \$'000	Actuarial changes arising from changes in Demographic Assumptions \$'000	Sub-Total incl. in OCI \$'000	Contributions by Employer \$'000	Total 30 June 2022 \$'000
Pension Scheme defined benefit obligation		9,979	-	147	<b>147</b>	(409)	(1,390)	431	78	<b>(881)</b>	-	<b>8,836</b>
Gold State Super defined benefit obligation		23	-	-	-	-	(2)	-	-	<b>(2)</b>	-	<b>21</b>
<b>Benefit liability</b>	D.1	10,002			<b>147</b>	<b>(409)</b>	<b>(1,392)</b>	<b>431</b>	<b>78</b>	<b>(883)</b>	-	<b>8,857</b>

## Notes to the Financial Statements For the year ended 30 June 2022

### D. Employee Benefits (continued)

#### D.2 Retirement benefit obligations (continued)

2021 changes in the defined benefit obligation and fair value of plan assets:

			Costs charged to Statement of Comprehensive Income (SoCI)				Re-measurement losses/(gains) in other comprehensive income (OCI)					
2021	Note	1 July 2020 \$'000	Service Cost \$'000	Net Interest \$'000	Subtotal incl. in SoCI \$'000	Benefits Paid \$'000	Actuarial changes arising from changes in Financial Assumptions \$'000	Actuarial changes arising from changes in Liability Experience \$'000	Actuarial changes arising from changes in Demographic Assumptions \$'000	Sub-Total incl. in OCI \$'000	Contributions by Employer \$'000	Total 30 June 2021 \$'000
Pension Scheme defined benefit obligation		11,425	-	96	<b>96</b>	(351)	(1,073)	(119)	-	<b>(1,192)</b>	-	<b>9,979</b>
Gold State Super defined benefit obligation		164	-	1	<b>1</b>	(125)	(2)	(15)	-	<b>(17)</b>	-	<b>23</b>
<b>Benefit liability</b>	D.1	<u>11,589</u>			<b>97</b>	<b>(476)</b>	<b>(1,075)</b>	<b>(134)</b>	-	<b>(1,209)</b>	-	<b>10,002</b>

#### Sensitivity analysis

The defined benefit obligation as at 30 June 2022 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity. Scenario E and F relate to expected salary increase and indexation rate sensitivity.

Scenario A: 0.5% pa lower discount rate assumption

Scenario B: 0.5% pa higher discount rate assumption

Scenario C: 0.5% pa lower than expected pension increase rate assumption

Scenario D: 0.5% pa higher than expected pension increase rate assumption

Scenario E: 0.5% pa lower expected salary increase and indexation rate assumption

Scenario F: 0.5% pa higher expected salary increase and indexation rate assumption

## D. Employee Benefits (continued)

### D.2 Retirement benefit obligations (continued)

2022 Sensitivity Level	Base Case	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F
		Discount Rate		Pension Increase Rate		Salary Increase & Indexation Rate	
		(0.50%)	+0.50%	(0.50%)	+0.50%	(0.50%)	+0.50%
Pension Scheme							
Discount rate	3.35%	2.85%	3.85%	3.35%	3.35%	-	-
Pension increase rate	2.50%	2.50%	2.50%	2.00%	3.00%	-	-
Defined benefit obligation (\$'000)	8,836	9,433	8,298	8,311	9,412	-	-
Gold State Super							
Discount rate	3.35%	2.85%	3.85%	-	-	3.35%	3.35%
Salary increase rate	3.50%	3.50%	3.50%	-	-	3.00%	4.00%
Defined benefit obligation (\$'000)	21	21	20	-	-	20	21

2021 Sensitivity Level	Base Case	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F
		Discount Rate		Pension Increase Rate		Salary Increase & Indexation Rate	
		(0.50%)	+0.50%	(0.50%)	+0.50%	(0.50%)	+0.50%
Pension Scheme							
Discount rate	1.50%	1.00%	2.00%	1.50%	1.50%	-	-
Pension increase rate	2.00%	2.00%	2.00%	1.50%	2.50%	-	-
Defined benefit obligation (\$'000)	9,979	10,752	9,289	9,310	10,720	-	-
Gold State Super							
Discount rate	1.50%	1.00%	2.00%	-	-	1.50%	1.50%
Salary increase rate	3.00%	3.00%	3.00%	-	-	2.50%	3.50%
Defined benefit obligation (\$'000)	23	24	22	-	-	22	24

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, while retaining all other obligations.

# Notes to the Financial Statements For the year ended 30 June 2022

## D. Employee Benefits (continued)

### D.2 Retirement benefit obligations (continued)

#### Significant actuarial assumptions at the reporting date

	2022	2021
<b>Pension Scheme</b>		
<i>Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year</i>		
Discount rate	1.50%	0.85%
Expected salary increase rate	2.0% for 2021/22 2.0% for 2022/23 and then 3.00%	2.0% for 20/21 2.0% for 21/22 and then 3.50%
Expected pension increase rate	1.75% for 2021/22 1.75% for 2022/23 and then 2.00%	2.00%
<i>Assumptions to determine defined benefit obligation at the valuation date</i>		
Discount rate	3.35%	1.50%
Expected salary increase rate	3.50%	2.0% for 2021/22 2.0% for 2022/23 and then 3.00%
Expected pension increase rate	5.5% for 2022/23 3.0% for 2023/24 3.0% for 2024/25 and then 2.5%	1.75% for 2021/22 1.75% for 2022/23 and then 2.00%

	2022	2021
<b>Gold State Super</b>		
<i>Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year</i>		
Discount rate	1.50%	0.85%
Expected salary increase rate	2.0% for 21/22 2.0% for 22/23 and then 3.00%	2.0% for 20/21 2.0% for 21/22 and then 3.50%
CPI	1.75% for 2021/22 1.75% for 2022/23 and then 2.00%	2.00%
<i>Assumptions to determine defined benefit obligation at the valuation date</i>		
Discount rate	3.35%	1.50%
Expected salary increase rate	3.50%	2.0% for 21/22 2.0% for 22/23 and then 3.00%
CPI	3.0% for 2022/23 3.0% for 2023/24 3.0% for 2024/25 and then 2.5%	1.75% for 2021/22 1.75% for 2022/23 and then 2.00%

The discount rate is based on the Government bond maturing in December 2030.



## E. Other Assets and Liabilities

### In this section

This section addresses trade receivables, trade and other payables, and other assets and liabilities including, where applicable, the accounting policies applied, and the key estimates and judgements made.

### E.1 Receivables

#### Recognition and measurement

##### Trade receivables

Trade debtors and other receivables are initially recognised at fair value. Debtors are carried at the original amounts recognised due less an allowance for any uncollectible amounts. Trade 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 based on the expected credit losses of trade receivables and is measured at the lifetime expected credit losses at each reporting date. Fremantle Ports utilises a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtor and the economic environment. Bad debts are written off when formally recognised as being irrecoverable. Movement in the allowance for impairment of receivables is disclosed in Note E.1.

Receivables represent debtors, accrued income, finance lease receivable and prepayments. Accrued income includes interest, charges on ships, cargo and services provided but not invoiced as at the end of the reporting period.

Fremantle Ports' exposure to credit risks related to trade and other receivables are disclosed in Note C.1.

##### Finance leases

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 end of the reporting period plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

Finance lease receipts are allocated between interest revenue and a 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 Statement of Comprehensive Income.

##### Operating leases

Leases where Fremantle Ports (as 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 basis as the lease income. Operating lease income is recognised as revenue in the Statement of Comprehensive Income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

##### Key estimates and judgements

Various assumptions are required in determining Fremantle Ports' impairment of trade and other receivables including an assessment of credit risk and likelihood of subsequent payment.

## Notes to the Financial Statements For the year ended 30 June 2022

### E. Other Assets and Liabilities (continued)

#### E.1 Receivables (continued)

##### Current

	2022 \$'000	2021 \$'000
Trade debtors	23,317	18,579
Less: Provision for impairment of receivables	(1,151)	(1,471)
	22,166	17,108
Other debtors	401	326
Accrued income	2,704	2,297
Finance lease receivable	960	880
Prepayments	3,161	2,105
Balance at 30 June	29,392	22,716

##### Non-current

	2022 \$'000	2021 \$'000
Finance lease receivable	864	1,824

#### 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.

#### Impairment losses

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

	2022 \$'000	2021 \$'000
Balance at 1 July	1,471	1,148
Provision for impairment loss recognised	(274)	323
Provision for impairment loss written off	(46)	-
Balance at 30 June	1,151	1,471

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

	2022 \$'000	2021 \$'000
Not more than 3 months	252	83
More than 3 months but less than 6 months	95	308
More than 6 months but less than 1 year	1,102	115
More than 1 year	-	104
	1,449	610

#### Fair value

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

## Notes to the Financial Statements For the year ended 30 June 2022

### E. Other Assets and Liabilities (continued)

#### E.1 Receivables (continued)

##### Finance lease receivable

	2022 \$'000	2021 \$'000
Amounts receivable under finance leases:		
Within one year	1,079	1,079
Later than one year but not later than five years	899	1,978
Later than five years	-	-
	1,978	3,057
Unearned finance income	(154)	(353)
Present value of minimum lease payments receivable	1,824	2,704
	2022 \$'000	2021 \$'000
Current	960	880
Non-current	864	1,824
	1,824	2,704

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% (2021: 8.59%) per annum.

#### E.2 Inventories

##### Recognition and measurement

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

	2022 \$'000	2021 \$'000
Stores - at cost	4,081	3,992

#### E.3 Trade and other payables

##### Recognition and measurement

Trade and other 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 end of the reporting period. Trade creditors are unsecured and are usually paid within 30 days of recognition. Accrued expenses comprise interest and charges for goods and services received but not invoiced as at the end of the reporting period.

	2022 \$'000	2021 \$'000
Trade creditors and amounts payable	11,664	10,319
Accrued expenses	7,293	7,118
	18,957	17,437

## E. Other Assets and Liabilities (continued)

### E.3 Trade and other payables (continued)

#### Significant terms and conditions

Trade creditors are usually settled within 30 days.

#### Fair value

The Directors consider the carrying amounts of trade creditors, amounts payable and accrued expenses represent their fair value.

### E.4 Other liabilities

	2022 \$'000	2021 \$'000
<b>Current</b>		
Prepaid rental income	747	689
Interest received in advance	73	17
Deferred income	2,909	5
	3,729	711
<b>Non-Current</b>		
Other	855	855
	855	855

## F. Other Items

### In this section

This section addresses information on items which require disclosure to comply with Australian Accounting Standards and the *Port Authorities Act 1999*.

### F.1 Related parties

#### Related party transactions

Fremantle Ports is a Government Trading Enterprise that is wholly owned and controlled by the State of Western Australia.

Related parties of Fremantle Ports include:

- all WA Cabinet Ministers, their close family members, and their controlled or jointly controlled entities;
- all senior officers, their close family members, and their controlled or jointly controlled entities;
- other public sector entities, including their related bodies, that are included in the whole of Government consolidated financial statements;
- associates and joint ventures of an entity that are included in the whole of Government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

#### Remuneration of auditors

	2022 \$'000	2021 \$'000
Remuneration for audit of the financial statements	170	166

## F. Other Items (continued)

### F.1 Related parties (continued)

#### Significant transactions with Government-related entities

##### Financial year ended 30 June 2022

There are no related parties' transactions for the current financial year.

##### Financial year ended 30 June 2021

There were no related parties' transactions in the previous financial year.

#### Compensation of key management personnel of Fremantle Ports

Fremantle Ports has determined that key management personnel include WA Cabinet Ministers and senior officers of Fremantle Ports. However, Fremantle Ports is not obligated to reimburse the compensation of Ministers and therefore no disclosure is required. The disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances* published by the WA Government.

Total compensation of senior officers of Fremantle Ports for the reporting period is:

	2022 \$'000	2021 \$'000
Short-term employee benefits	3,132	2,813
Post-employment benefits	264	277
Other long-term benefits	62	76
<b>Total compensation paid to key management personnel</b>	<b>3,458</b>	<b>3,166</b>

### F.2 Other provisions

#### Reconciliations

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

	Note	2022 \$'000	2021 \$'000
<b>Fringe Benefits Tax</b>			
Carrying amount at 1 July		64	76
Provision increase during the year		331	392
Amounts utilised in the year		(315)	(404)
Carrying amount at 30 June	D.1	80	64
<b>Other</b>			
Carrying amount at 1 July		3,501	3,528
Provision increase/(decrease) during the year		193	146
Amounts utilised in the year		(134)	(173)
Carrying amount at 30 June	D.1	3,560	3,501

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



## Notes to the Financial Statements For the year ended 30 June 2022

### F. Other Items (continued)

#### F.3 Lease commitments

##### Leases payable

There are no leases commitments. From 1 July 2019, Fremantle Ports has recognised right of use assets and lease liabilities, except for short term and low value leases. Changes in accounting policies has been effected in the previous financial year, refer to notes B.1 and C.4 for further information.

##### Operating leases receivable

	2022 \$'000	2021 \$'000
Future minimum rental amounts receivable for operating leases at the end of the reporting period but not recognised as assets:		
Within one year	27,518	26,709
Later than one year but not later than five years	92,009	91,889
Later than five years	150,800	163,261
	270,327	281,860

Operating leases receivable are in respect of property rentals.

#### F.4 Capital commitments

	2022 \$'000	2021 \$'000
Commitments for the acquisition of property, plant and equipment contracted for at the end of the reporting period but not recognised as liabilities:		
Within one year	35,071	4,923
Later than one year but not later than five years	24,540	-
	59,611	4,923

## F. Other Items (continued)

### F.5 Contingent liabilities and assets

There are no contingent assets at reporting date.

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

a) Fremantle Ports is defending proceedings commenced by the Construction, Forestry, Maritime, Mining & Energy Union in the Federal Court of Australia. The proceeding relates to the application of an average annualised wage under certain Enterprise Agreements. Fremantle Ports denies the allegations made against it. The matter has not yet proceeded to trial, and it is not practicable to provide a reliable estimate of possible financial exposure.

#### b) Contaminated sites

Under the *Contaminated Sites Act 2003* (the Act), Fremantle Ports is required to report all land owned, vested or leased by Fremantle Ports that is known to be, or is suspected of being, contaminated to the Department of Water and Environment Regulation (DWER). In accordance with the Act, the DWER 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', Fremantle Ports may have a liability in respect of further investigation, assessment and/or remediation expenses.

As further investigation is required to determine the extent of, if any, potential remediation requirements, it is not yet practicable to reliably estimate the potential timing or financial effect. Estimates to undertake further detailed site investigations, assessment and remediation have been recognised.

At 30 June 2022, a provision for environmental investigation, assessment and remediation of \$2.125 million (2021: \$2.125 million) has been provided for sites classified by the DWER as 'contaminated – remediation required'.

### Key estimates and judgements

This assessment requires management to make certain estimates and apply judgement in determining assumptions as to future events and circumstances, in particular, the extent of environmental damages to be rectified and the methodology and timing for rectification.

### F.6 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) 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 Australian Taxation Office (ATO) is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows 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.

### F.7 Events subsequent to end of the reporting period

No matters or circumstances have arisen since the end of the financial year, 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.

## F. Other Items (continued)

### F.8 Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been early adopted by Fremantle Ports for the financial year ended 30 June 2022 are outlined in the table below:

Pronouncement	Summary	Application date of standard	Impact on Fremantle Ports' Financial Statements	Application date for Fremantle Ports
AASB 2020-3	<p><i>Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments</i></p> <p>AASB 2020-3 amends the following Australian Accounting Standards:</p> <ul style="list-style-type: none"> <li>• AASB 1 First-time Adoption of Australian Accounting Standards (July 2015);</li> <li>• AASB 3 Business Combinations (August 2015);</li> <li>• AASB 9 Financial Instruments (December 2014);</li> <li>• AASB 116 Property, Plant and Equipment (August 2015);</li> <li>• AASB 137 Provisions, Contingent Liabilities and Contingent Assets (August 2015); and</li> <li>• AASB 141 Agriculture (August 2015).</li> </ul> <p>These amendments arise from the issuance by the International Accounting Standards Board (IASB) in May 2020 of the following International Financial Reporting Standards:</p> <ul style="list-style-type: none"> <li>• Annual Improvements to IFRS Standards 2018–2020;</li> <li>• Reference to the Conceptual Framework (Amendments to IFRS 3);</li> <li>• Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and</li> <li>• Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)</li> </ul>	1-Jan-2022	Fremantle Ports has completed the assessment and determined there is no impact.	1-Jul-2022

## F. Other Items (continued)

### F.8 Accounting standards and interpretations issued but not yet effective (continued)

Pronouncement	Summary	Application date of standard	Impact on Fremantle Ports' Financial Statements	Application date for Fremantle Ports
AASB 2020-1	<p><i>Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current</i></p> <p>AASB 2020-1 makes amendments to AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for the liability for at least 12 months after the reporting period. The AASB recently issued amendments at AASB 101 to clarify the requirements for classifying liabilities as current. Specifically:</p> <ul style="list-style-type: none"> <li>• clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period;</li> <li>• stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability;</li> <li>• adding guidance about lending conditions and how these can impact classification; and</li> <li>• including requirements for liabilities that can be settled using an entity's own instruments.</li> </ul>	1-Jan-2023	Fremantle Ports has completed the assessment and determined there is no impact.	1-Jul-2023

## F. Other Items (continued)

### F.8 Accounting standards and interpretations issued but not yet effective (continued)

Pronouncement	Summary	Application date of standard	Impact on Fremantle Ports' Financial Statements	Application date for Fremantle Ports
AASB 2021-2	<p><i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i></p> <p>AASB 2021-2 amends the following Australian Accounting Standards:</p> <ul style="list-style-type: none"> <li>• AASB 7 Financial Instruments: Disclosures (August 2015);</li> <li>• AASB 101 Presentation of Financial Statements (July 2015);</li> <li>• AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (August 2015); and</li> <li>• AASB 134 Interim Financial Reporting (August 2015).</li> </ul> <p>The Standard also makes amendments to AASB Practice Statement 2 Making Materiality Judgements (December 2017).</p> <p>These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2021 of the following International Financial Reporting Standards:</p> <ul style="list-style-type: none"> <li>• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and</li> <li>• Definition of Accounting Estimates (Amendments to IAS 8).</li> </ul>	1-Jan-2023	Fremantle Ports has completed the assessment and determined there is no impact.	1-Jul-2023
AASB 2021-5	<p><i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i></p> <p>AASB 2021-5 amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.</p>	1-Jan-2023	Fremantle Ports has completed the assessment and determined there is no impact.	1-Jul-2023

Other amendments to existing standards that are not yet effective are not expected to result in significant changes to Fremantle Ports accounting policies.



# Financial Audit Opinion



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Fremantle Port Authority

To the Parliament of Western Australia

#### Opinion

I have audited the financial report of the Fremantle Port Authority (the Authority), which comprises:

- the Statement of Financial Position as at 30 June 2022, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- notes to the financial report, including a summary of significant accounting policies
- the directors' declaration.

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

- gives a true and fair view of the Authority's financial position at 30 June 2022 and of its performance for the year then ended
- in accordance with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial report section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other Information

The directors are responsible for the other information. The other information is the information in the Authority's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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7<sup>th</sup> Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

#### Responsibilities of the directors for the financial report

The directors of the Authority are responsible for:

- keeping proper records
- preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and Schedule 5 of the *Port Authorities Act 1999*
- such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for:

- assessing the Authority's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

#### Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

#### My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Page 2 of 3

# Financial Audit Opinion

(continued)

## Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Authority for the year ended 30 June 2022 included in the annual report on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to contact the Authority to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
31 August 2022

# Financial Performance Indicators

In addition to the key performance indicators provided, the following financial performance indicators, which are not subject to audit, are provided to assist users to assess the financial 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

After adjusting for net GST receivable/payable, this ratio is used to ascertain the extent to which current assets may be realised to meet current liabilities.

	2022 \$'000		2021 \$'000	
Total Current Assets	181,000	=	135,034	3.8
Total Current Liabilities	39,673		35,346	

## Free cash flow – Graph 2

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

	2022 \$'000		2021 \$'000	
Net Cashflow from Operations (after interest)	63,652	=	71,931	92.2%
Net Cashflow from Operations (before interest)	68,752		78,026	

## Debtors average collection period – Graph 3

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

	2022 \$'000		2021 \$'000	
Average Trade Debtors	18,521 x 365	=	18,532 x 365	27 days
Sales Revenue	253,885		247,811	

## Interest cover – Graph 4

Provides an indication of Fremantle Ports' ability to meet interest costs from operating profit.

	2022 \$'000		2021 \$'000	
Earnings Before Interest and Tax	73,002	=	83,671	= 14.24 times
Total Interest Costs	5,006		5,874	

## Return on assets – Graph 5

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

	2022 \$'000		2021 \$'000	
Earnings Before Interest and Tax	73,002	=	83,671	= 14.1%
Average Total Assets	619,266		594,718	

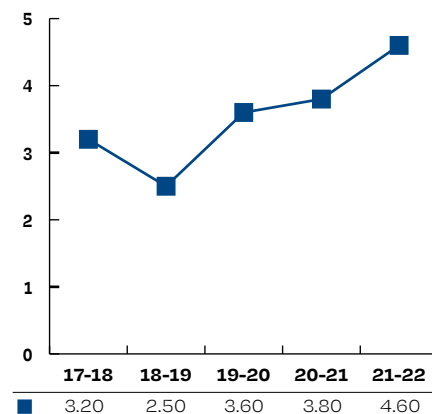
## Economic rate of return – Graph 6

In accordance with Government policy, 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 Fremantle Ports.

	2022 \$'000		2021 \$'000	
Operating EBIT (excluding significant items) + Depreciation - Deprival Value Depreciation	70,738	=	81,124	= 11.4%
Average Current Assets + Written Down Deprival Value of Non-Current Assets	742,431		709,202	

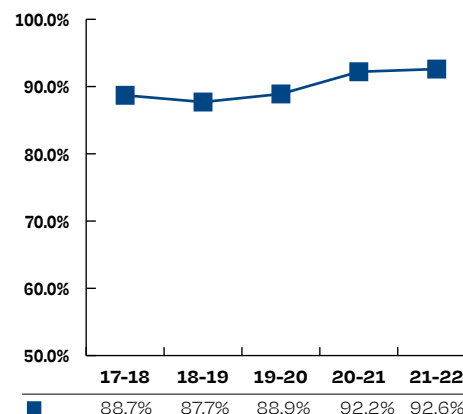
**Graph 1:**  
**Current Ratio Comparison**  
2017/2018 to 2021/2022

**Graph 1**

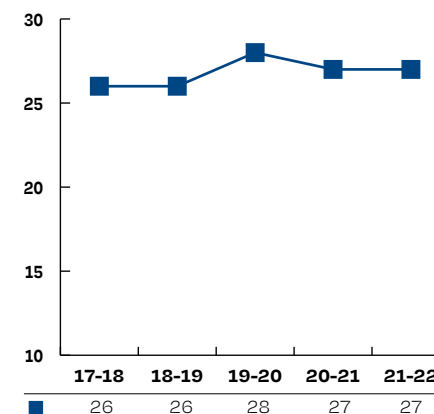


**Graph 2:**  
**Free Cash Flow Comparison**  
2017/2018 to 2021/2022

**Graph 2**

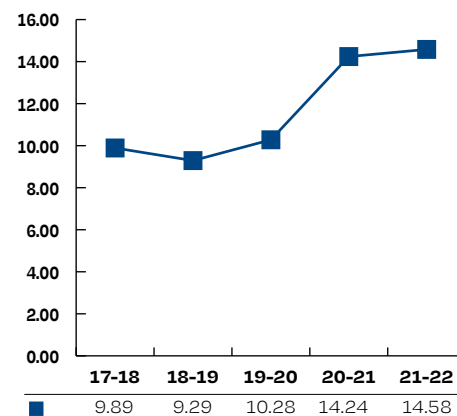


**Graph 3**



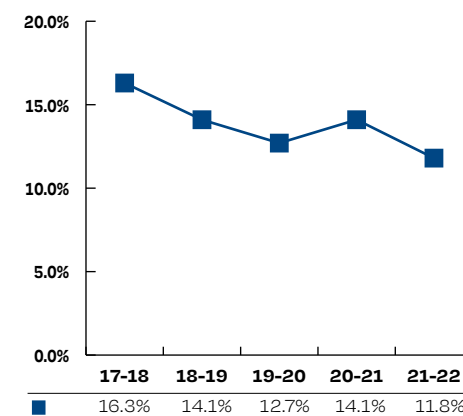
**Graph 4:**  
**Interest Cover Comparison**  
2017/2018 to 2021/2022

**Graph 4**

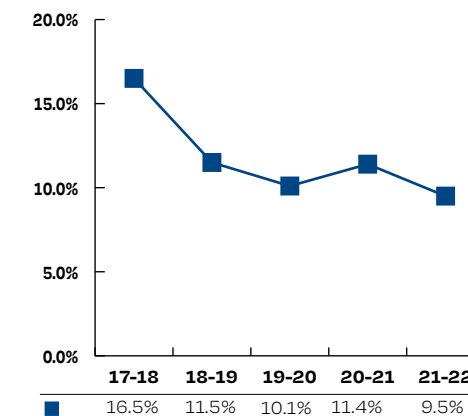


**Graph 5:**  
**Return on Assets Comparison**  
2017/2018 to 2021/2022

**Graph 5**



**Graph 6**



**Graph 6:**  
**Economic Rate of Return Comparison**  
2017/2018 to 2021/2022

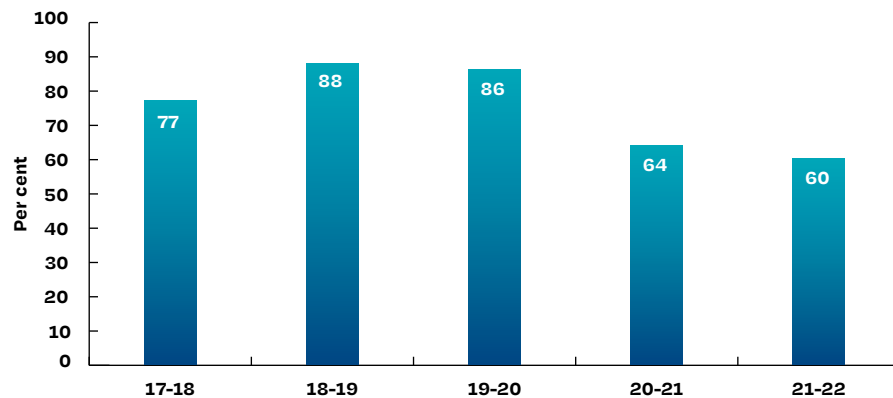


# Key performance indicators

## Customer satisfaction

Fremantle Ports again conducted a survey of shipping lines and agents this year. Results were analysed by a firm of marketing and communications research consultants. Figure 1 shows 60% of respondents were satisfied or very satisfied with services provided by Fremantle Ports, down from 64% last year.

**Fig 1. Shipping line/agent survey services level of overall satisfaction with Fremantle Ports' services**



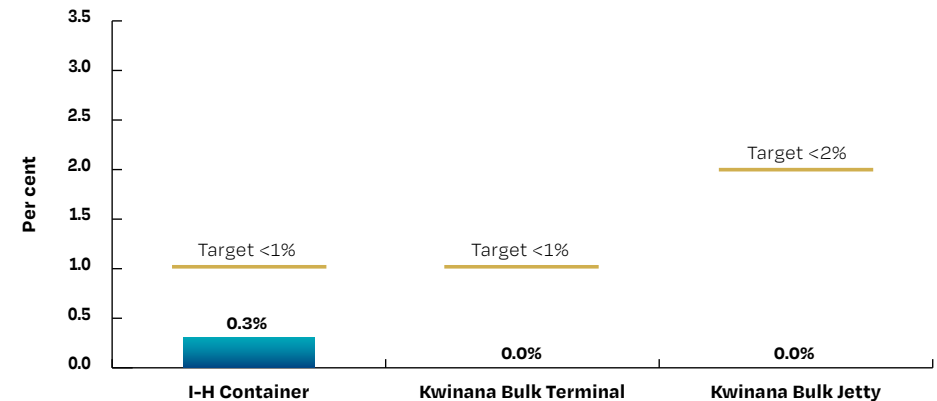
In 2021-22, 60% of respondents were satisfied or very satisfied. Target range 80-90%.

## Berthing delays – incoming vessels

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 all vessels at Kwinana Bulk Terminal and Kwinana Bulk Jetty in the Outer Harbour. Services include pilotage, towage and mooring. This performance indicator measures the percentage of total ships affected and the average hours per delay for unavailability of services and berths. Figure 2 shows all three locations remained within target percentages for delays.

**Fig 2. Delays to incoming vessels due to unavailability of shipping services 2021-22**

Percentage of Total Vessels affected



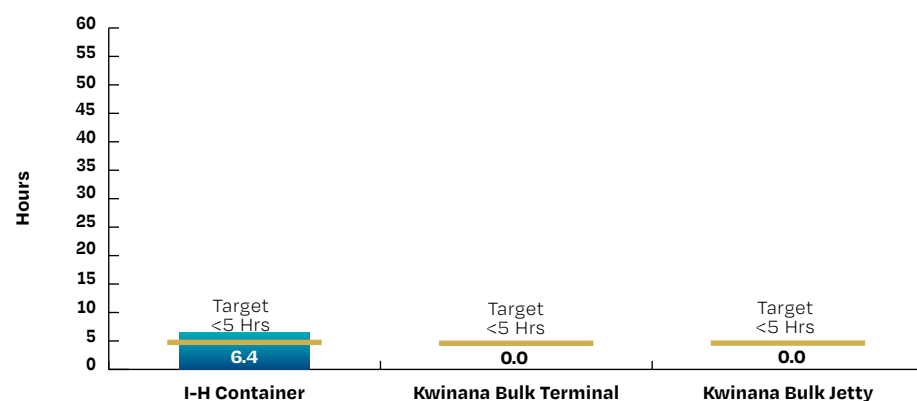
Shipping services include pilotage, towage and mooring.

## Berthing delays due to unavailability of shipping services

For delays to incoming vessels due to unavailability of shipping services, the Inner Harbour container berths exceeded this year's target, while Kwinana Bulk Terminal and Kwinana Bulk Jetty both had nil delays for this reason.

**Fig 3. Delays to incoming vessels due to unavailability of shipping services 2021-22**

Average Hours of Delay per Vessel Delayed



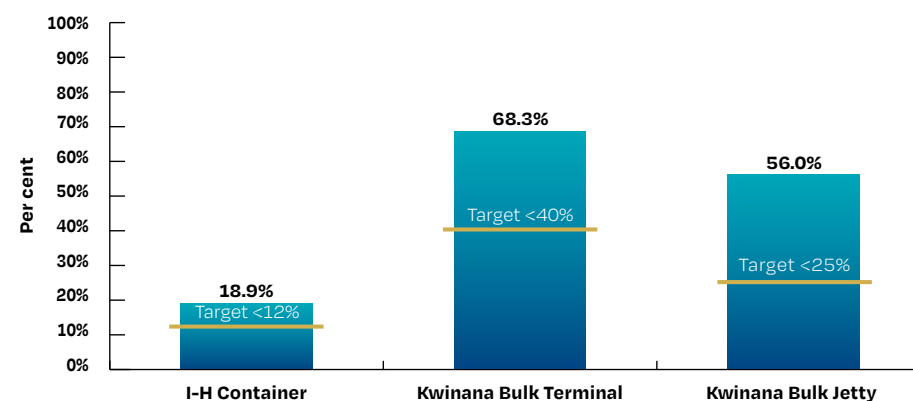
Shipping services include pilotage, towage and mooring.

## Unavailability of berths - percentage of vessels affected

Figure 4 shows Inner Harbour container terminals, Kwinana Bulk Jetty and Kwinana Bulk Terminal all experienced delays above target this year, due to the unavailability of berths. Delays were most significant at the two Outer Harbour facilities.

**Fig 4. Unavailability of berths 2021-22**

Percentage of Total Vessels Affected

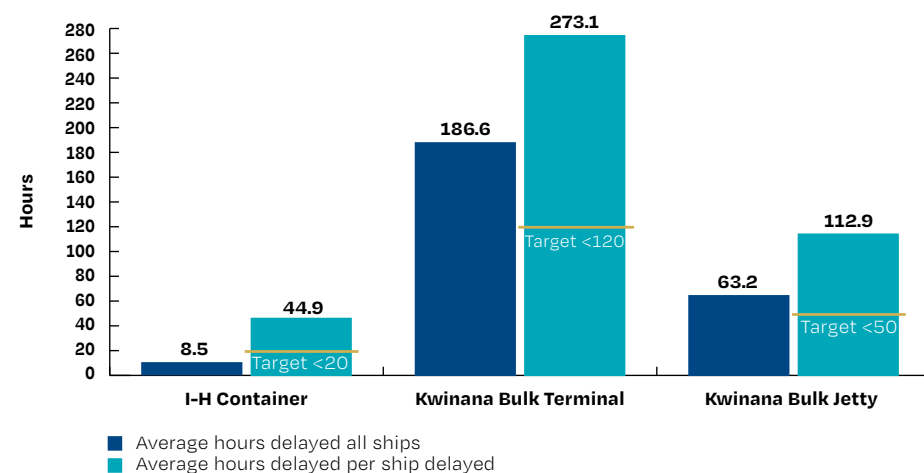


## Unavailability of berths – average hours of delay

Figure 5 shows the average hours of delay in circumstances where berths were unavailable. Average hours delayed per ship delayed exceeded this year's targets for the Inner Harbour container berths, Kwinana Bulk Terminal and Kwinana Bulk Jetty.

**Fig 5. Unavailability of berths 2021-22**

Average Hours of Delay

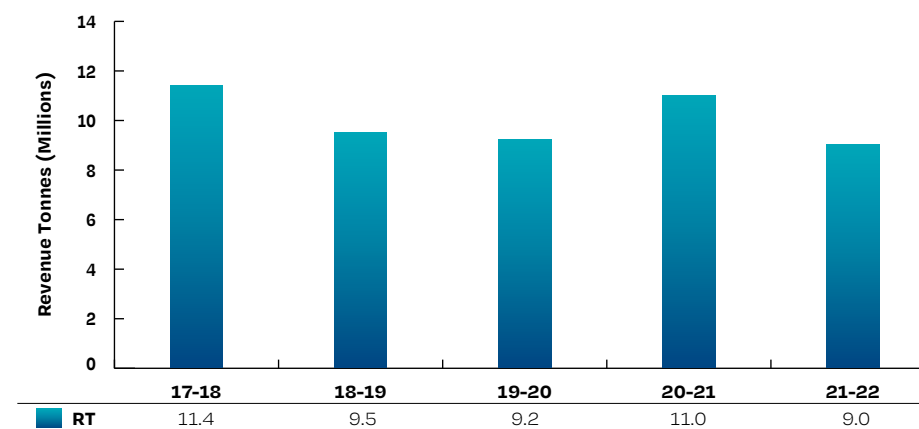


## Total chargeable trade

Figure 6 shows the total chargeable bulk and non-containerised trade was 2.0 million revenue tonnes or 17.9 per cent lower than last year. Total exports decreased by 1.7 million revenue tonnes or 49.5 per cent to 1.8 million revenue tonnes predominantly due to the cessation of bauxite from Kwinana Bulk Terminal. Total imports decreased by 0.2 million revenue tonnes or 3.1 per cent to 7.2 million revenue tonnes.

**Fig 6. Fremantle Ports bulk business and non-containerised trade**

(Revenue Tonnes)



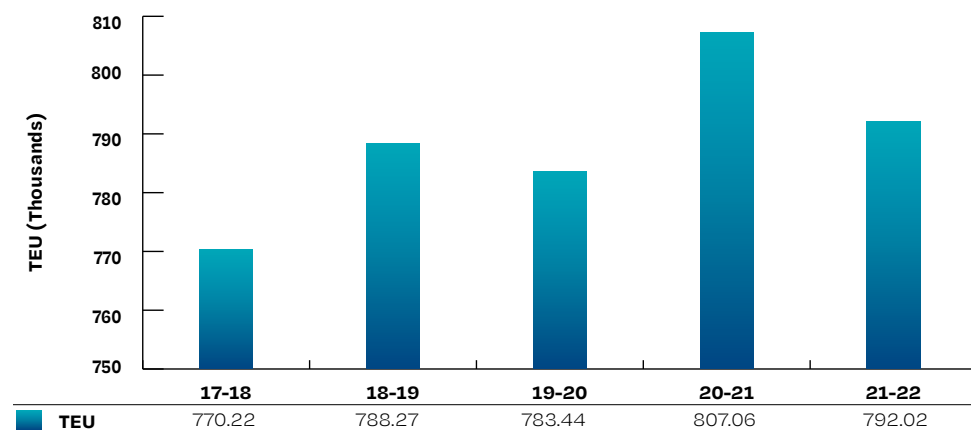
The Statement of Corporate Intent forecast for total container trade in 2021-22 was annual growth of -5.2 per cent.

## Total container trade

Figure 7 shows the container trade decreased by 15,040 TEU or 1.9 per cent compared with 2020-21. The main features of the container trade this year were:

- Exports decreased by 3.4 per cent and imports decreased by 0.3 per cent.
- The full container trade increased by 1.8 per cent or 11,144 TEU. Full exports increased by 7,664 TEU or 3.4 per cent, while full imports increased by 0.9 per cent or 3,480 TEU.

**Fig 7. Total container trade – TEU**

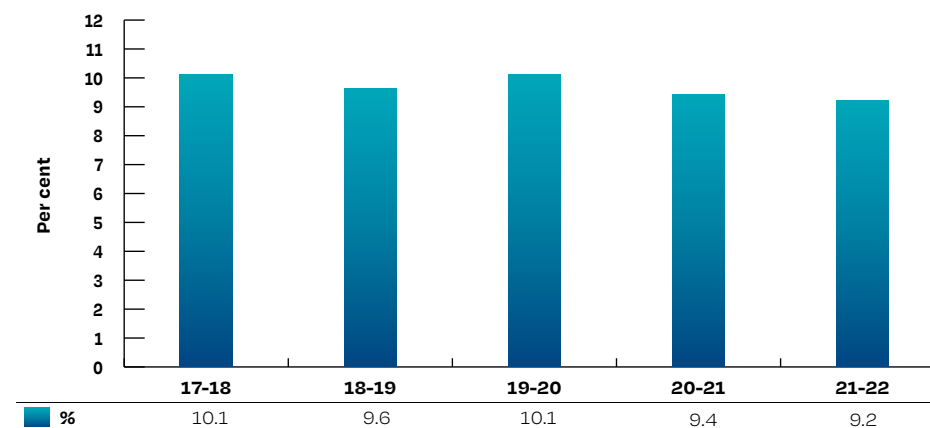


The Statement of Corporate Intent forecast for total container trade in 2021-22 was annual growth of 2.0 per cent.

## Container trade – market share

Figure 8 shows Fremantle Ports' market share, measured as the number of containers through Fremantle as a percentage of Australian capital city ports (excluding Hobart), decreased by 0.2% to 9.2% compared to last year.

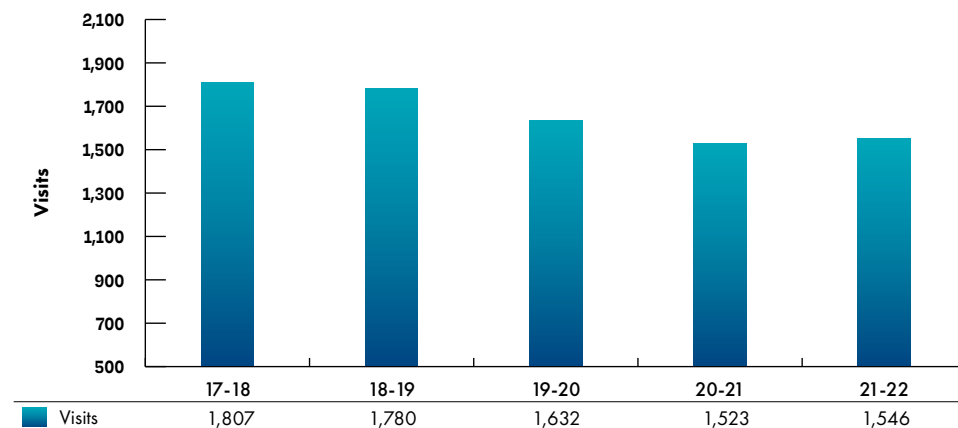
**Fig 8. Fremantle Ports – market share of Australian container trade**



## Number of ship visits

Figure 9 shows total ship visits for commercial, non-trading and fishing vessels (naval vessels of war excluded) increased from 1523 last year to 1546 this year, above the target for 2021-22 of 1472.

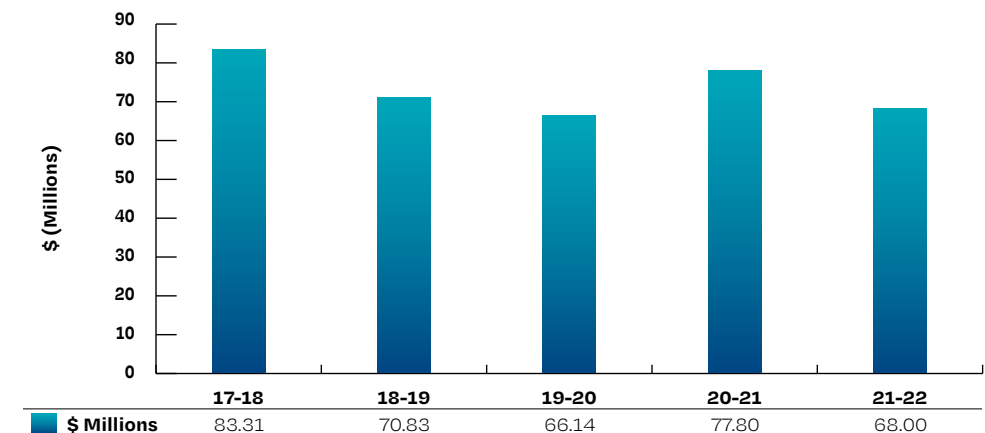
**Fig 9. Total ship visits**



## Profit before income tax equivalent

Figure 10 shows Fremantle Ports' operating profit before income tax equivalent in 2021-22 decreased from 77.8m last year to 68.0m this year, above target.

**Fig 10. Operating profit before income tax**

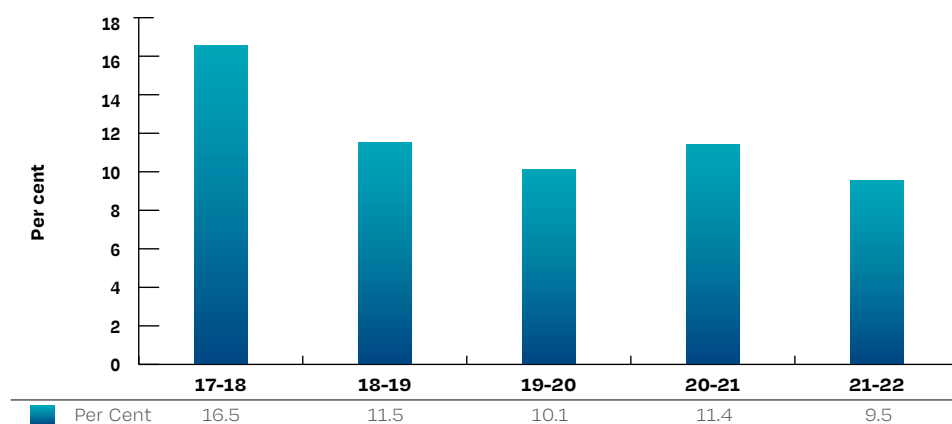




## Economic rate of return

Figure 11 shows the economic rate of return on assets was 9.5% this year, compared with 11.4% last year.

**Fig 11. Economic rate of return on assets**



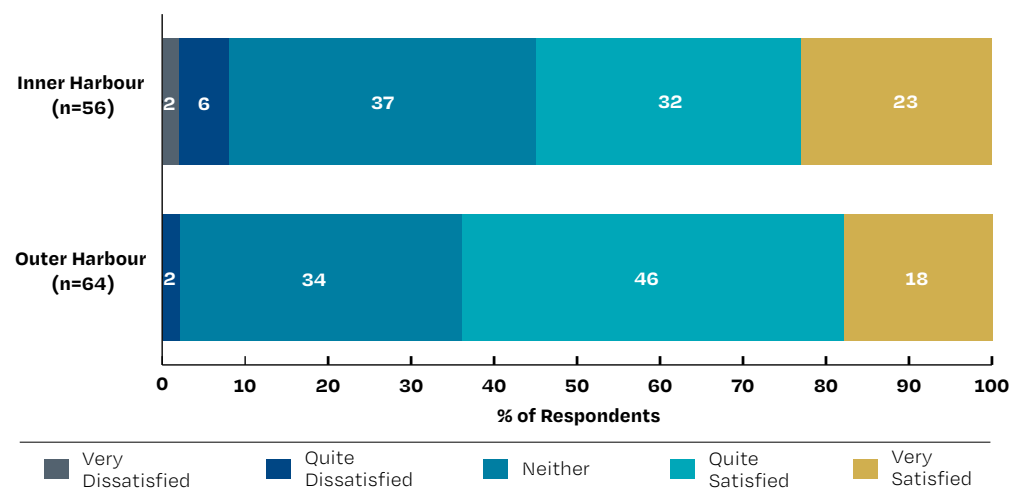
The Economic Rate of Return is based on assets valued at deprival value.

## Community satisfaction

Figure 12 shows overall community satisfaction with Fremantle Ports was 59.5%, down from 62% last year. Overall satisfaction among residents around the Inner Harbour was 56%, while overall satisfaction with residents around the Outer Harbour was 63%.

**Fig 12. Overall satisfaction with Fremantle Ports – June 2022**

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



Please note : Percentage figures were subject to rounding. n = number of persons interviewed.



# Our Governance Approach

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## Our governance approach

Fremantle Port Authority, which operates under its registered business name Fremantle Ports, is a Government Trading Enterprise governed 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.

Fremantle Ports' governing body is a Board of Directors appointed by and responsible to the Minister for Transport, Planning and Ports.

The board sets the strategic direction of Fremantle Ports, agrees on goals for management and monitors the achievement of those goals. The Chief Executive Officer is appointed by the Board and is responsible for day-to-day management.

Fremantle Ports' obligations under the Act include operations within the Fremantle Inner Harbour and at Kwinana Bulk Terminal (KBT) and Kwinana Bulk Jetty (KBJ) in the Outer Harbour. Fremantle Ports is

responsible for maintaining port property, port security, operating the ports, facilitating trade, minimising the impact of port operations on the environment and planning for future growth.

Under the Act, Fremantle Ports has 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 1994* but requires it to put in place minimum standards of ethics, conduct and human resource management that reflect the principles of the Act. It must also report annually to the Public Sector Commissioner.

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.

There were no legislative changes this year that changed our annual accounts or financial reporting obligations.

## Board of Directors

Fremantle Ports' governing body is a board of directors appointed by, and responsible to, the Minister for Transport, Planning and Ports. Directors are selected for their range of relevant experience and skills. They may hold office for up to three years and are eligible for reappointment. Details of directors can be found on pages 16 to 17.

The enabling legislation sets out the roles, responsibilities and powers of the Board, and the Chief Executive Officer, who is appointed by the Board (subject to the Minister's agreement) and who is responsible for day-to-day management of the organisation.

## Board role and activities

The Board sets 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.

Quarterly progress reports are submitted to the Minister and each of these plans is updated annually. The Board met on nine occasions this year.

## Directors' code of conduct and charter

The Directors' Code of Conduct identifies the minimum standards of conduct required of all directors of the Fremantle Port Authority in carrying out their duties and responsibilities.

Directors agree to be bound by the code, which covers professional and personal behaviour, communication and official information. It incorporates elements of the Fremantle Ports Code of Conduct and the guidelines issued by the Australian Institute of Company Directors, Chartered Accountants Australia and New Zealand and the Western Australian Public Sector Commission.

Fremantle Ports' Board Charter sets out the responsibilities of the Board and Chief Executive Officer.

## Audit and Risk Management Committee

The Audit and Risk Management Committee of the board comprises three directors and has been chaired by Anne Nolan since 1 January 2019. The committee's role is to support and assist the Board and Chief Executive Officer in exercising due care, diligence and skill in fulfilling its corporate oversight and monitoring responsibilities.

The committee provides:

- independent and objective nonexecutive review and monitoring of Fremantle Ports' governance, financial reporting processes, risk and internal control framework, performance of internal audit and other assurance processes, and monitoring compliance with legal, regulatory, policies and industry standards
- an open avenue of communication between the Audit and Risk Management Committee, Board of Directors, Executive, Senior Management, External Audit and Internal Audit.

## Sustainability Committee

The Sustainability Committee of the Board comprises three directors and has been chaired by the Deputy Chair of the board, Kim Horne, since its inception in 2019.

Sustainability encompasses how Fremantle Ports conducts its business, now and in the future, including driving workplace health and safety, minimising the organisation's impact on the environment and maintaining a safe, agile and high-performing workforce.

In relation to these three key areas, the Sustainability Committee is responsible for reviewing and making recommendations to the Board on strategies, initiatives, targets, policies, frameworks, and management systems.

## Management

General managers, who control and direct various divisions, make up the Executive Leadership Team (ELT) which meets weekly and is led by the CEO. ELT's composition this year included specialists or managers from legal, government relation, safety, and human resources areas. Line managers responsible for teams or functions make up the Senior Leadership Team (SLT) and meet monthly. There is a strong commitment toward cross-divisional cooperation, in order to foster joined-up decision-making and action. A range of other operational and consultative committees complete the management framework.

## Governance frameworks

Our commitment to good governance is demonstrated by the continued work of the Governance, Risk and Compliance Team, staffed by subject matter experts with experience in both the public and private sectors.

Two new frameworks - integrity and delegated authorisations - were developed to integrate with the existing enterprise risk management, compliance and governance documentation frameworks. These are the final major components of our holistic corporate governance model.

## Statutory compliance

Fremantle Ports' reputation is a significant asset. The early detection of statutory failures or potential failures is vital to ensure rectification is carried out without incurring reputational damage or future liabilities.

Fremantle Ports has a strong compliance culture which ensures all our employees are aware of specific requirements for handling and reporting compliance failures.

Fremantle Ports is governed by licences, legislation, regulations, and codes covering many aspects of its operations. Personnel across the business are accountable for function-specific compliance activities.

These activities are overseen by the Governance Risk and Compliance team to ensure a coordinated, consistent approach to compliance is maintained. Fremantle Ports' compliance policy sets out its compliance objectives and our commitment to maintaining a culture of compliance.

Achieving compliance objectives helps ensure we sustain our social licence to operate and work effectively with key stakeholders, including the government, communities and industry. A copy of the compliance policy is available on our website.

The key elements of the compliance framework include:

- the identification and management of Fremantle Ports' obligations and responsibility of relevant operational areas for ensuring compliance
- risk assessment of compliance requirements to identify high-risk exposures and determine assurance efforts required to manage and monitor the compliance requirement
- identification of compliance monitoring and assurance processes based on compliance risks
- review of compliance risks and report through to the Audit and Risk Management Committee.



## Ethical and responsible behaviour

Fremantle Ports' *Code of Conduct* outlines the standards of behaviour we expect from everyone who works for Fremantle Ports, regardless of role or location.

Fremantle Ports is committed to conducting its operations and exercising its authority diligently and in good faith so that honest, fair, impartial outcomes are achieved in the best interests of its stakeholders and community.

Achieving our integrity objectives ensures that we sustain our social licence to operate the Port of Fremantle by key stakeholders, including the government, our communities and industry.

Our approach is to do what is right by acting with honesty, integrity and impartiality in all things that we do in order to maximise the effective and efficient use of resources to which we have been entrusted stewardship.

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 sessions for all new staff.

Additionally, the code of conduct and organisational values are promoted via our intranet and public web site.

We have detailed guidelines and processes in place which support the code. People and Culture 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.

In 2021-22 there were 12 substantiated breaches of Fremantle Port's Code of Conduct. Compulsory e-learning training courses were held regularly on the topics of alcohol and drugs in the workplace, and the requirements of the code of conduct.

A new Integrity Framework including additional integrity program initiatives was developed to align with the objectives modelled by the Public Sector Commission Integrity Strategy 2020-2023. These initiatives will integrate with the code to further enhance the corporate culture.

## Gifts and benefits

Fremantle Ports maintains a gifts and benefits policy, which sets out requirements for responding to offers of gifts, benefits or hospitality. A gifts and benefits register is maintained and regularly reported to the board and Audit and Risk Management Committee. Its importance is reinforced by regular communication to staff on compliance requirements by the Chief Executive Officer. This year, there were no non-compliances in which gifts were accepted that were not in line with the policy.

## Conflicts of interest

We manage actual and potential conflicts of interest in compliance with our conflicts of interest policy and procedure, to ensure that all decisions are made in the best interests of Fremantle Ports and its stakeholders. A centralised confidential register is maintained with oversight by the Audit and Risk Management Committee and the Board.

## Whistleblowing

The *Public Interest Disclosure Act 2003* applies to Fremantle Ports and covers improper or unlawful conduct, is management of public resources or an action involving a significant public health, environment or safety risk.

It provides protections for the person making the disclosure as well as rights to be informed of progress relating to any investigation. We maintain a Public Interest Disclosure policy and procedure and there are appointed PID officers who are trained to receive and confidentially manage disclosures of actual or suspected wrongdoing. There were no PID disclosures this year.

## Auditing systems and processes

### Internal Audit

Assurance/internal audit activity provides the board with an independent appraisal of the operation and effectiveness of systems and controls. It also assists Fremantle Ports in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the organisation's risk management, control, and governance processes.

The results of all audits are reported to the Executive and the Audit and Risk Management Committee (sub-committee of the Board) and include recommendations regarding the adequacy of financial, operational, administrative and system controls.

The Audit and Risk Management Committee approved the annual audit plan for 2023 in June and will periodically review the plan to ensure it remains responsive and adequately provides coverage of our activities in a changing environment.

Audit reviews are performed in accordance with the endorsed annual internal audit plan. Key reviews and audits undertaken during the year included:

- IT and cyber security
- Delegated authorisations
- Health check 3 of the Enterprise Resource Planning system implementation.
- Procurement to payment and contract management
- Organisational governance
- Operational process audits
- Security system (post-implementation review)
- Capital planning

Additionally, to increase the value the activity provides to the organisation, the Assurance Section has also been involved in an advisory/ consultancy capacity in the implementation of the Governance, Risk and Compliance system, process improvement project of the procurement process and implementation of the Enterprise Resource Planning system.

Under the International Professional Practices Framework (IPPF) for Internal Auditing an external assessment is required to be undertaken at least every five years to assess conformance to the IPPF Standards. An external assessment was undertaken of our internal audit activity in 2020, with the assessor concluding our internal audit activity generally conforms with the IPPF Standards.

### External Audit

In compliance with the *Port Authorities Act 1999*, Fremantle Ports is required to have the financial report for the financial year audited by the Auditor General. The Auditor-General has currently outsourced this audit to Grant Thornton Australia Ltd.

## Ministerial directives

There were no Ministerial directives made during the year.

## Disability access

Fremantle Ports provides access to people with disabilities to public areas of the Administration Office Building and passenger terminal in Fremantle and the ferry terminal within B Shed. ACROD parking facilities are provided in several locations on Victoria Quay. Fremantle Ports also encourages ACROD pass holders to use regular parking bays on Victoria Quay should disabled bays be occupied. This is welcomed by disabled people and carers who seek to patronise E Shed Markets on Fridays.

## Substantive equality and diversity

Fremantle Ports actively promotes gender equity and diversity in all its human resource approaches and continued efforts this year to recruit women into operational fields in particular. Four of seven directors on our Board, and four of 10 Executive Leadership Team members are women. Our equality and diversity profile is as follows:

## Equal employment opportunity

Groups	Headcount	Representation (%)*	Response Rate (%)	Equity Index
Women	91	26.5%	100.0%	74
Women in leadership				
Tier 1	0	0.0%	100.0%	N/A
Tier 2	4	57.1%	100.0%	N/A
Tier 3	6	28.6%	100.0%	N/A
Aboriginal and Torres Strait Islander	2	0.7%	84.0%	7**
People with disability	1	0.3%	84.3%	0**
Culturally and linguistically diverse	19	6.7%	83.1%	7
Youth (aged 24 and under)	5	1.5%	100.0%	N/A
Mature (aged 45 and over)	204	59.5%	100.0%	N/A

\*Where response rates are under 70%, representation rates may be unreliable.

\*\*An Equity Index may be unreliable where there are fewer than 10 employees in a particular diversity group that have a known salary.

### Diversity



0.3%  
People with  
disability

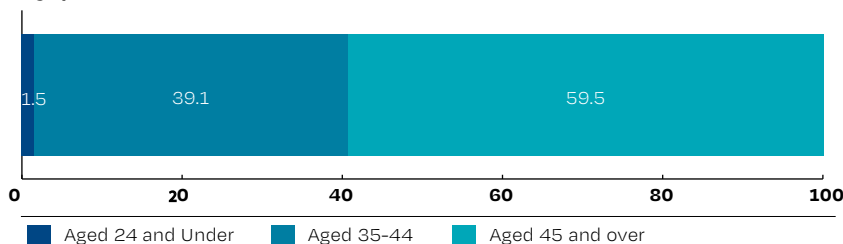


0.7%  
Aboriginal and  
Torres Strait Islander

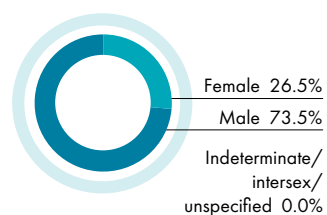


6.7%  
Culturally and  
linguistically Diverse

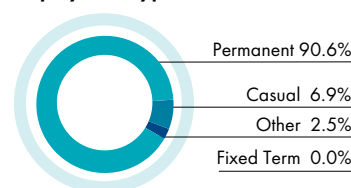
### Age profile



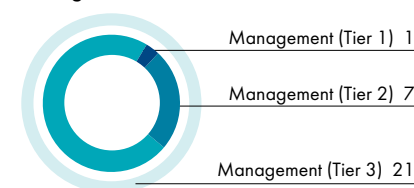
### Gender



### Employment Type



### Management Tiers



## Project approvals and funding decisions

Fremantle Ports follows rigorous, well documented capital works approval processes. This ensures the validity of projects and protection of our assets through application of sound strategic asset management principles. A capital management policy is in place.

## Enterprise risk management

Fremantle Ports has a holistic, integrated enterprise risk management framework which is integral to effective corporate governance, strategic and business planning, and optimal operations. Our approach is to manage risks within our risk appetite by achieving a balance between acceptable levels of risk and reward through the effective and efficient use of resources.

Clear enterprise risk management objectives are defined within the Board approved policy and delivered within the enterprise risk management framework that:

- defines the key attributes of Fremantle Ports' risk culture, risk appetite and integrated risk management approach
- provides an overview of the risk management process, including the risk treatment actions and the internal control effectiveness within Fremantle Ports
- describes roles and responsibilities for managing risk.

A key component of the framework is recognition that introducing and refining the various elements required to implement and embed risk management represent a continuous journey. Our enterprise risk management policy is available on our website.

Key enterprise risk management activities undertaken during the reporting period include:

- A significant improvement project, the implementation of a new Health, Safety and Environment (HSE) and Governance, Risk and Compliance (GRC) software system, commenced in April
- Quarterly reviews of Fremantle Ports' strategic risk profile
- Refresh of the strategic risk profile following the development of the 2027 Strategic Plan
- Asset and Infrastructure Management division progressed the asset risk assessment program
- Operational risk assessments across both the Inner and Outer Harbours
- Conducting Fremantle Ports' event risk assessments.

## Resilience

During the reporting period, a comprehensive COVID-19 business continuity review was completed to prepare for the reopening of Western Australia's borders and subsequent increase in COVID-19 infections amongst our workforce.

A review and update of the resilience framework, including crisis and emergency management and business continuity plans was progressed.

## Advertising and market research expenditure

<b>Advertising Agency</b>	
<b>Marketing Research Organisations</b>	
PAINTED DOG RESEARCH	\$54,760.00
<b>Direct Mail Organisations</b>	
FREMANTLE HERALD	\$4,181.82
<b>Polling Organisations</b>	
NA	-
<b>Media Advertising Organisations</b>	
SCOTT PRINT	\$29,475.00
RUBIS GROUP PTY LTD	\$13,417.50
SEEK LIMITED	\$12,512.00
ACORN DESIGN	\$10,559.88
OPTIMUM MEDIA DECISIONS WA (OMD)	\$8,258.04
TENDERLINK.COM (ILLION)	\$6,249.00
FACEBOOK	\$4,398.41
WORD OF MOUTH	\$4,300.00
PT PROMOTIONS	\$3,500.00
CLIP MEDIA MOTION	\$3,450.00
PARAGON DCN PTY LTD	\$3,450.00
ALL FLAGS SIGNS	\$1,560.00
AIR ADS	\$1,200.00
THE POSTER GIRLS	\$1,000.50
DOCUPRINT WA	\$737.09
STREETWISE MEDIA	\$500.00
HELLO PERTH	\$363.64
MUSEUMS WITHOUT WALLS	\$300.00
CANVA PTY LTD	\$32.70
FREMANTLE CHAMBER OF COMMERCE	\$32.52
<b>Total</b>	<b>\$164,238.10</b>

## Complaints management

Fremantle Ports' complaints management process allows us to identify issues and incidents of concern and improve our timely response to those matters. Efficient complaints management is taken seriously.

Complaints can be submitted in person, by phone, letter, email and online. Both the Fremantle Ports and Victoria Quay websites have feedback links on the homepages that take the public to the online forms. An all-hours telephone number is available for emergency calls, including environmental issues.

All complaints are referred to the Corporate and Community Relations team which, if necessary, refers some complaints to staff with specialist expertise to aid in the understanding and resolution of those complaints.

Our policy is to provide initial acknowledgement to complainants within one working day of receipt of complaint and close out all complaints within two working weeks. We are unable at this point to measure compliance with the initial acknowledgement standard, but a new compliance, governance and risk system to be commissioned in late 2022 will introduce this workflow functionality.

All complaints this year were logged into the existing electronic complaints management system, from which they were recorded, tracked, managed and closed out with any trends reported. This system is able to be reviewed by any member of Fremantle Ports' staff.

Complaints and feedback are welcome and considered as valuable input into our continuous improvement process. We recognise people have a right to complain about services or operations and give them multiple ways to do so. Complaints provide an opportunity to improve our services and operations and can alert us to potential problems, including operational and safety issues.

Complaint numbers and types are openly discussed at our Inner Harbour Community Liaison and Outer Harbour Community Liaison Groups and referenced in meeting minutes posted on our website. The groups' members represent a wide range of community organisations and precinct areas.



## Complaints received

Complaints continued to trend downwards from 49 last year to 45 this year. All were addressed to the point where no further action was required. There were no recorded instances of multiple complaints from the same complainant.

Overall, complaints were down in most areas, with safety complaints down from nine to four. All four were reviewed by the Safety Branch and comprised two tripping incidents, broken glass on a wharf and a cycling incident.

Environment complaints rose, however, from two last year to nine this year. Four of these related to the installation by contractors of new floodlights opposite Tydeman Road, North Fremantle. These complaints were investigated and attributed to the angle of the floodlights being too high. This was addressed by our maintenance team and no further complaints were received on this issue.

There were also three complaints about high levels of litter and plastic dropped at North Mole, resulting in further attention to rubbish collection activities. Noise complaints also decreased slightly with a new noise management strategy designed to reduce ship-originating noise incidents in the Inner Harbour. Two complaints related to ship noise at F-H berths and were described as a dull droning noise. The ship was identified and placed on a watch list for monitoring when next in port. The Environment Branch commenced working with Ports Australia and other Australian ports on future data-sharing about noisy vessels with a view to adopting a collaborative approach to this source of complaints. Other complaint topics included vehicle traffic, homelessness on Victoria Quay, drone operation, faults with truck and harbour cams, vehicle damage, trade waste and floating timbers.

## Records management and information

Recordkeeping is an essential part of Fremantle Ports' business activities. Records are captured, secured, retained and are accessible when required. Compliance with State Records Commission Standard 2, Principle 6, is achieved through regular reviews.

Employee responsibilities in relation to good recordkeeping practices and to ensure compliance with the State Records Act and the Ports current Recordkeeping Plan are conveyed to new employees when they commence.

This year, the following projects were completed:

- We upgraded our Electronic Document and Records Management System (EDRMS) to the latest version 10
- The Records Team continued working within the business to ensure electronic and hardcopy records were appraised against the retention and disposal program and registered to the EDRMS.

## Compliance with injury management and reporting

Fremantle Ports maintains a strong commitment to occupational safety and health and injury management. Our Safety, Environment and Quality Policy objectives for safety and health are to:

- operate the port in a safe manner
- care for and support the well-being of our people
- provide safe and healthy working conditions to prevent work related injury and ill-health.

In accordance with the policy, the Executive Leadership Team is responsible for providing the leadership and resources to support the implementation of this policy.

The *Work Health and Safety Act 2020* obliges employers to consult with workers and health and safety representatives on work health and safety matters. Our Inner Harbour and Outer Harbour safety committees meet regularly to review safety performance, address identified hazards and to review emerging trends in health and safety management.

In accordance with the *Workers Compensation and Injury Management Act 1981*, Fremantle Ports collaborates with treating health and allied health professionals so wherever possible, injured workers are returned to their pre-injury duties as quickly as is safely possible.

Fremantle Ports continues to comply with the requirements of AS/NZS ISO 45001:2018 standard for its work health and safety management system which was independently assessed by Lloyds Register in May 2022 and found to have no non-conformances.

Measure	2019-20	2020-21	2021-22	Targets	Comment
Number of fatalities	0	0	0	0	Target achieved
Lost time injury and/or disease incidence rate	8.0	5.0	5.0	4.0	Target not achieved
Total recordable injury and/or disease incidence rate	23.8	19.0	19.0	20.0	Target achieved



# Statistical Information

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SHIPPING	2017-18	2018-19	2019-20	2020-21	2021-22
No. of Ships: Inner Harbour	1,003	993	850	726	668
Gross Tonnage (000's):					
Inner Harbour	48,363	46,160	41,207	34,110	30,960
Outer Harbour	23,569	22,331	21,721	21,675	23,139
TOTAL	71,931	68,491	62,928	56,511	54,099
Turnover per linear metre of wharf					
Inner Harbour Tonnage Only - (i)					
Trade in Tonnes	2,753	2,878	2,793	2,780	2,917
Gross Tonnage	15,142	14,452	12,901	10,680	9,693
TRADE	Mass tonnes '000	Mass tonnes '000	Mass tonnes '000	Mass tonnes '000	Mass tonnes '000
Total Port Trade	34,845	34,489	32,656	30,381	28,270
Imports: Inner Harbour	4,350	4,302	4,447	4,653	5,004
Outer Harbour	10,993	11,380	11,251	9,802	9,225
TOTAL	15,343	15,683	15,698	14,455	14,229
Exports: Inner Harbour	4,444	4,890	4,475	4,227	4,313
Outer Harbour	15,059	13,915	12,483	11,699	9,727
TOTAL	19,502	18,806	16,958	15,926	14,041

FINANCE	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Revenue from ordinary activities	228.853	222.030	217.939	226.067	233.765
Operating expenses	119.203	125.692	127.250	125.400	142.770
Interest and depreciation charges	26.346	25.509	24.553	22.870	22.999
Profits from ordinary activities	83.305	70.829	66.136	77.797	67.996
Written down value of fixed assets	424.624	440.326	441.757	436.792	431.689
Percentage of Revenue	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent
Charges on cargo	61.79	61.25	60.42	63.71	62.35
Charges on ships	9.54	9.73	9.35	8.13	7.49
Charges for shipping services	5.56	5.92	5.98	5.16	5.19
Charges for other services & Interest	23.11	23.11	24.25	23.01	24.98
Operating expenses	52.09	56.61	58.39	55.47	61.07
PERSONNEL	No.	No.	No.	No.	No.
Employees at 30th June (ii)	311	304	296	300	333

(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) Full time equivalent employees.



## SHIP VISITS AND GROSS TONNAGE

Year ended 30th June	COMMERCIAL		NON TRADING		TOTAL		NAVAL
	No.	Gross Tonnage	No.	Gross Tonnage	No.	Gross Tonnage	No.
2018	1,768	71,588,860	39	342,462	1,807	71,931,322	31
2019	1,726	68,255,990	54	235,074	1,780	68,491,064	38
2020	1,575	62,647,342	57	280,814	1,632	62,928,156	15
2021	1,429	55,207,983	94	577,415	1,523	55,785,398	15
2022	1,433	53,787,291	113	310,568	1,546	54,097,859	25

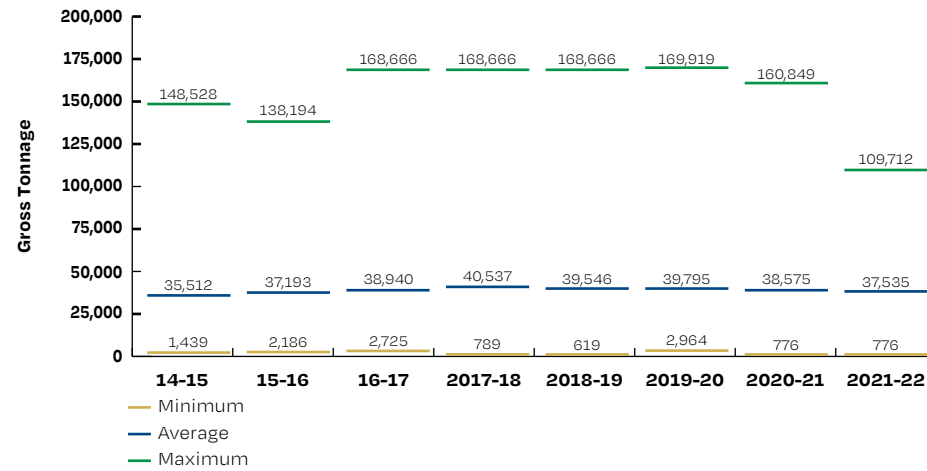
Export: Silica sand being prepared for loading.



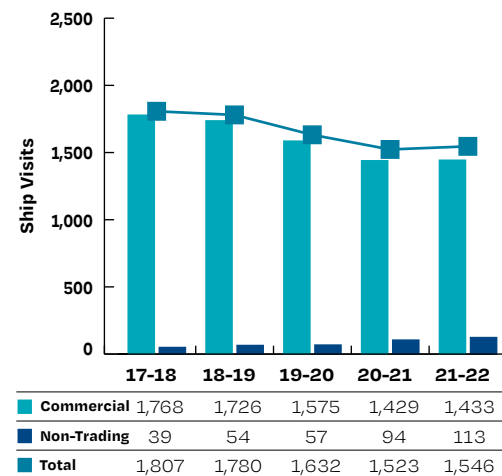


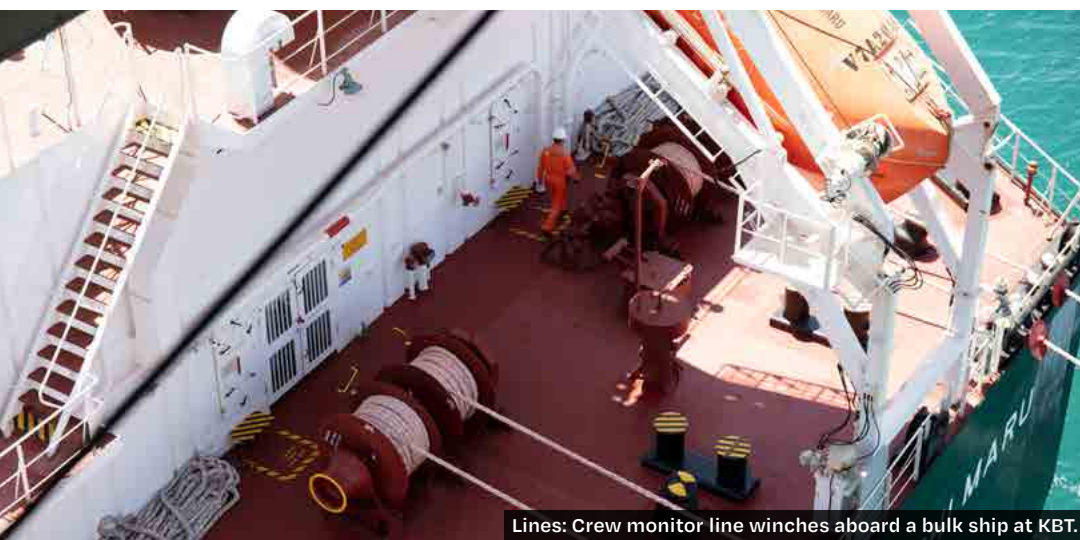
SHIPS CLASSIFIED									
Vessel Class	2019-20			2020-21			2021-22		
	No.	Gross Tonnage (000's)	Average Per Ship (000's)	No.	Gross Tonnage (000's)	Average Per Ship (000's)	No.	Gross Tonnage (000's)	Average Per Ship (000's)
Break Bulk/General Carrier	72	985	13.7	84	977	39.5	96	1,394	21.8
Container	413	24,029	58.2	357	20,466	57.3	312	17,157	55.0
Other - Trading	13	239	18.4	4	24	5.9	15	198	13.2
Roll-on/Roll-off	20	1,432	71.6	15	1,088	72.5	10	704	70.4
Vehicle Carrier	186	10,592	56.9	178	10,452	58.7	186	11,114	59.8
Livestock Carrier	73	1,280	17.5	48	835	17.4	37	698	18.9
Passenger	40	2,551	63.8	3	7	2.4	4	16	4.0
Tankers	260	8,829	34.0	237	6,979	140.2	232	5,874	25.3
Dry Bulk - Grain	126	3,446	27.3	119	3,795	31.9	124	4,536	36.6
Dry Bulk - Other	260	6,374	24.5	257	6,579	133.2	220	5,341	24.3
Bunkering Only	112	2,890	25.8	129	4,075	66.2	197	6,756	34.3
Non Trading - Other	57	281	4.9	92	508	7.4	113	311	2.7
Sub Total	1,632	62,928	38.6	1,523	55,785	36.6	1,546	54,098	35.0
Naval	15			15			25		
Grand Total	1,647	62,928	38.6	1,538	55,785	36.6	1,571	54,098	35.0

## Gross tonnage per commercial vessel 2014-15 to 2021-22



## Ship visits (excluding naval)

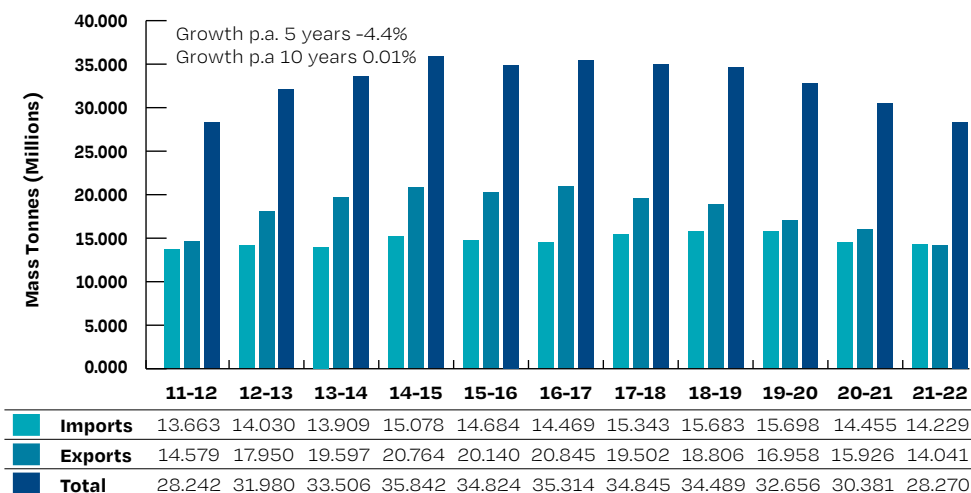




Lines: Crew monitor line winches aboard a bulk ship at KBT.

## Total port trade

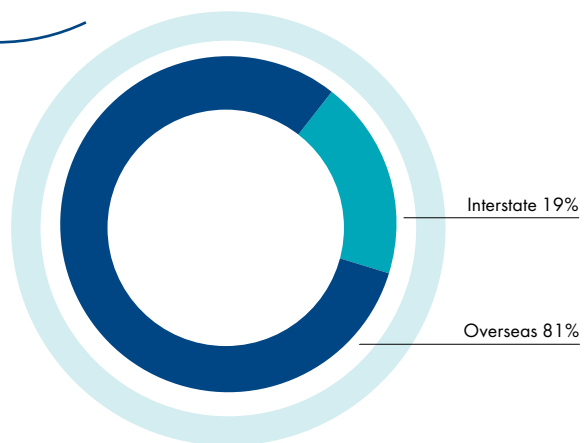
2011-12 to 2021-22



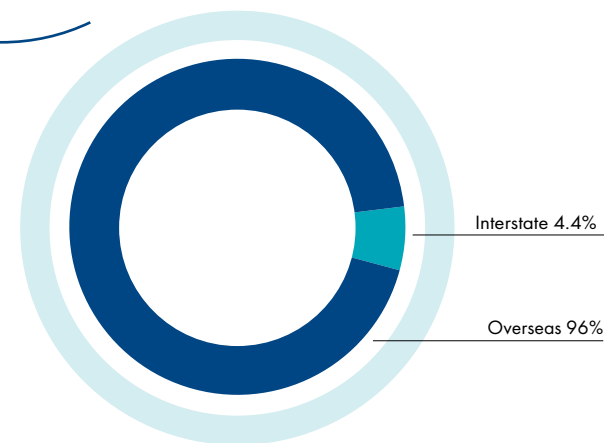
## SYNOPSIS OF TRADE 2021-22

CARGO	Inner Harbour Mass Tonnes	Outer Harbour Mass Tonnes	Port Total Mass Tonnes
<b>Imports</b>			
From Intrastate Ports	-	409,487	409,487
From Interstate Ports	928,362	19,085	947,447
From Overseas Ports	4,075,568	8,796,887	12,872,455
<b>TOTAL IMPORTS</b>	<b>5,003,930</b>	<b>9,225,459</b>	<b>14,229,389</b>
<b>Exports</b>			
To Intrastate Ports	600	69,267	69,867
To Interstate Ports	191,067	218,635	409,702
To Overseas Ports	4,121,538	9,439,447	13,560,985
<b>TOTAL EXPORTS</b>	<b>4,313,204</b>	<b>9,727,349</b>	<b>14,040,554</b>
<b>TOTAL PORT TRADE</b>	<b>9,317,134</b>	<b>18,952,809</b>	<b>28,269,943</b>

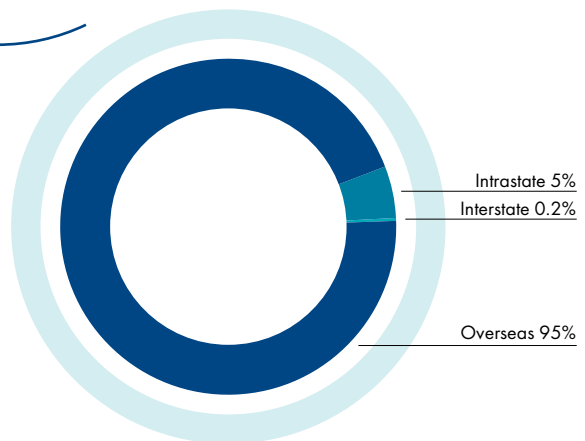
### Inner Harbour imports



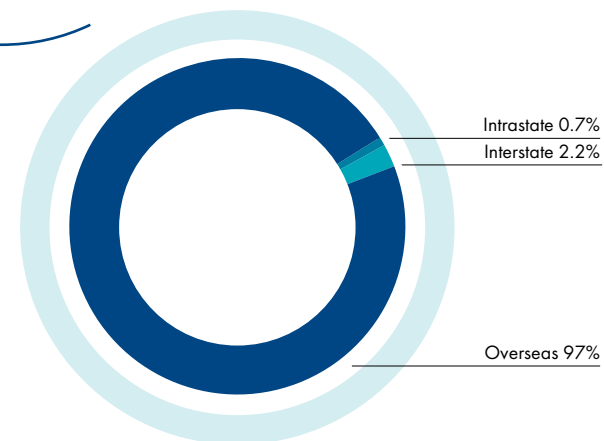
### Inner Harbour exports



### Outer Harbour imports



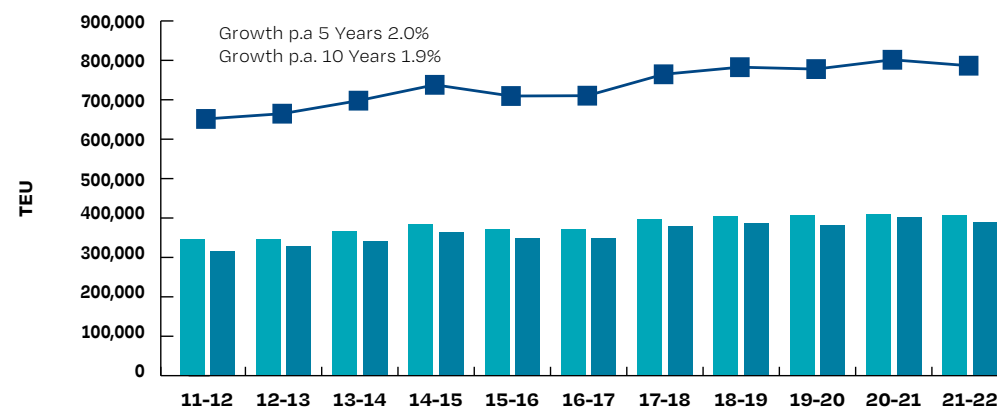
### Outer Harbour exports





## Total container trade - TEU

2011-12 to 2021-22

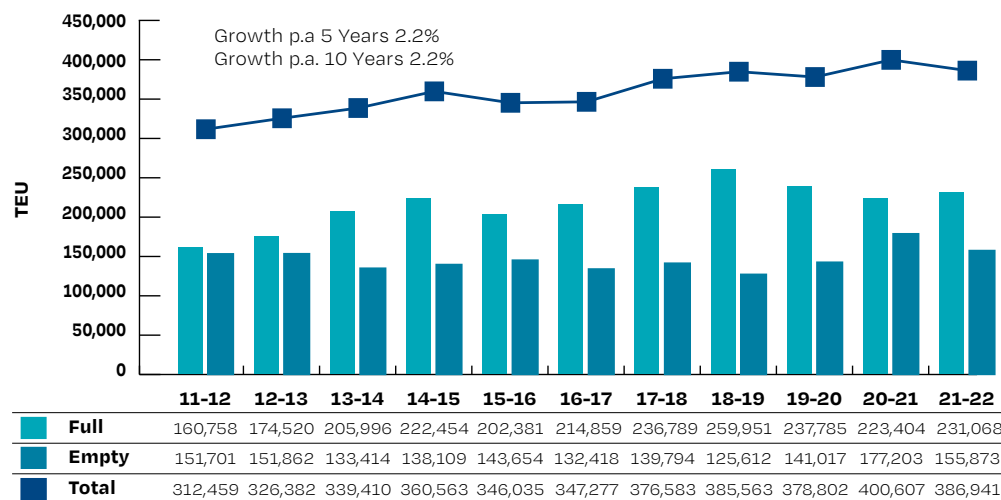


	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Imports	344,453	343,900	363,917	382,932	369,072	368,670	393,639	402,703	404,635	406,454	405,080
Exports	312,459	326,382	339,410	360,563	346,035	347,277	376,583	385,563	378,802	400,607	386,941
Total	656,912	670,282	703,327	743,495	715,107	715,947	770,222	788,266	783,437	807,061	792,021



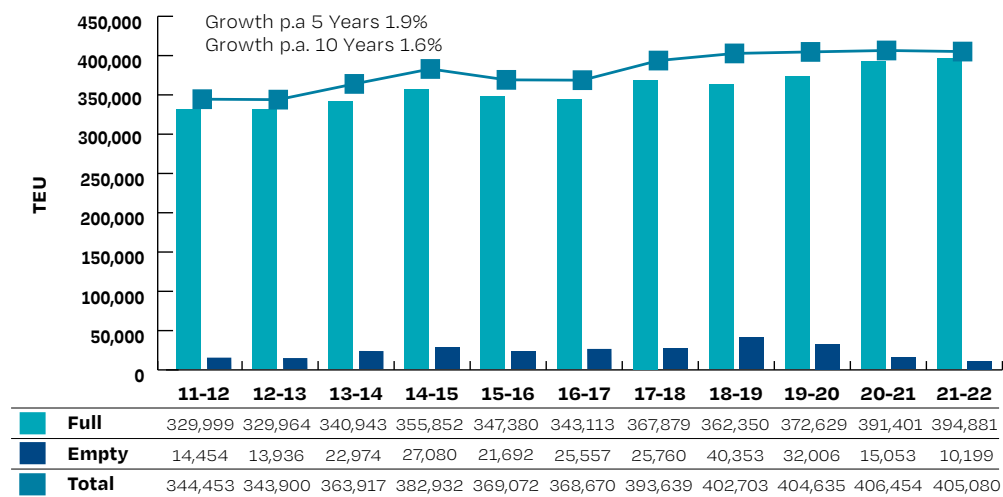
## Export container trade - TEU

2011-12 to 2021-22



## Import container trade - TEU

2011-12 to 2021-22



PORT OF FREMANTLE CONTAINER TRADE -TEU July 1 2021 to June 30 2022							
COUNTRY/LOCATION	Imports			Exports			Grand Total
	Full	Empty	Total	Full	Empty	Total	
China	150,076	925	151,001	37,049	1,627	38,676	189,677
Singapore <sup>1</sup>	9,917	3,728	13,645	6,033	84,421	90,454	104,099
Malaysia	21,349	101	21,450	16,687	48,695	65,382	86,832
Australia	57,723	4,598	62,321	4,601	11,089	15,690	78,011
Thailand	28,122		28,122	11,733	113	11,846	39,968
Japan	6,178	6	6,184	33,158		33,158	39,342
Indonesia	10,534		10,534	19,505	1,149	20,654	31,188
South Korea	6,237	2	6,239	24,649	101	24,750	30,989
Vietnam	13,001	6	13,007	11,765	292	12,057	25,064
India	9,818	12	9,830	10,396		10,396	20,226
United States of America	9,444		9,444	4,987	6	4,993	14,437
Taiwan	4,792	22	4,814	9,388	24	9,412	14,226
New Zealand	5,002	179	5,181	3,196	2,617	5,813	10,994
United Arab Emirates	3,433		3,433	5,695		5,695	9,128
Germany	8,347		8,347	751	2	753	9,100
Italy	6,775		6,775	564	4	568	7,343
Philippines	751		751	6,136		6,136	6,887
Sri Lanka	396		396	1,126	4,750	5,876	6,272
Netherlands	4,457		4,457	1,811		1,811	6,268
Belgium	3,928		3,928	1,074	126	1,200	5,128
Other Countries	34,601	620	35,221	20,764	857	21,621	56,842
<b>Grand Total</b>	<b>394,881</b>	<b>10,199</b>	<b>405,080</b>	<b>231,068</b>	<b>155,873</b>	<b>386,941</b>	<b>792,021</b>

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

MAJOR EXPORTS BY COMMODITY 2021-2022			
COMMODITY	% Tonnes	Mass Tonnes	Principal Trading Partners (% Commodity Total)
Grains	44.4%	6,100,521	China (19.2) Japan (14.7) South Korea (10.5) Saudi Arabia (7.3) Indonesia (6.4) Philippines (6.2) Yemen (5.8) Vietnam (3.8) United Arab Emirates (3.7) Netherlands (3.1) Jordan (3.1) Belgium (2.6) France (2.6) Malaysia (1.9)
Alumina	21.0%	2,883,341	China (18.2) Japan (11.3) South Korea (8.3) Indonesia (6.8) Saudi Arabia (4.9) Netherlands (4.4) India (4.3) Malaysia (4.2) Philippines (4.2) Yemen (4.0) Bahrain (3.5) United Arab Emirates (3.4) Egypt (3.1) Vietnam (2.6) Jordan (2.1)
Animal Feed	4.9%	678,392	Japan (47.7) South Korea (28.9) Taiwan (9.1) Philippines (2.5) Vietnam (2.1)
Scrap Metals	4.0%	544,338	Vietnam (21.1) Indonesia (18.9) Bangladesh (15.3) Australia (12.0) Thailand (6.7) South Korea (6.2) Malaysia (5.8) India (4.4) United Arab Emirates (3.6)
Silica Sands	3.2%	443,039	South Korea (49.4) China (33.6) Thailand (11.8) Japan (4.8)
Bauxite	3.2%	440,539	China (100.0)
Waste Paper	1.6%	221,320	Indonesia (60.2) Malaysia (16.8) Thailand (11.6) Vietnam (6.6) South Korea (3.7)
Titanium Dioxide	1.5%	207,108	India (19.1) China (13.2) South Korea (12.5) Philippines (7.6) United States of America (6.9) Thailand (6.7) Belgium (5.1) Indonesia (4.4) Vietnam (3.9) Japan (2.8) Malaysia (2.8) Singapore (2.2) Taiwan (2.1)
Fresh Fruit and Vegetables	1.4%	198,705	United Arab Emirates (17.5) China (13.8) Malaysia (11.3) Saudi Arabia (11.2) Singapore (11.0) Egypt (7.2) Qatar (4.6) Taiwan (4.0) Philippines (3.3) Thailand (3.1) Hong Kong (2.1) Japan (2.0)
Other Crude Minerals	1.2%	167,090	Malaysia (67.2) Taiwan (4.6) Singapore (4.4) Indonesia (4.3) New Zealand (3.4) China (3.3) Japan (2.8) Australia (2.4)

MAJOR EXPORTS BY COUNTRY 2021-2022			
COUNTRY/LOCATION	% Tonnes	Mass Tonnes	Principal Commodity (% Country Total)
China	19.7%	2,771,594	Grains (42.3) Alumina (16.8) Bauxite (15.9) Silica Sands (5.4) Iron Ore (3.4) Non Ferrous Metals (2.3) Mineral Sands (2.1)
Japan	10.4%	1,458,845	Grains (61.6) Animal Feed (22.2) Alumina (8.2)
South Korea	9.1%	1,278,771	Grains (50.3) Silica Sands (17.1) Animal Feed (15.3) Alumina (7.8) Scrap Metals (2.7) Titanium Dioxide (2.0)
Indonesia	6.7%	936,343	Grains (42.0) Alumina (23.5) Waste Paper (14.2) Scrap Metals (11.0) Sulphuric Acid (2.3)
Malaysia	5.4%	757,108	Alumina (34.9) Grains (15.4) Other Crude Minerals (14.8) Waste Paper (4.9) Scrap Metals (4.2) Fresh Fruit and Vegetables (3.0) Other Cereals and Cereal Preparations (2.6)
India	3.9%	552,355	Alumina (62.8) Mineral Sands (7.5) Grains (7.5) Titanium Dioxide (7.2) Scrap Metals (4.4) Rubber Manufactures (2.6) Liquified Petroleum Gas (2.3) Other Cereals and Cereal Preparations (2.0)
Saudi Arabia	3.4%	481,496	Grains (92.3) Fresh Fruit and Vegetables (4.6)
Australia	3.4%	479,569	Alumina (27.8) Refined Petroleum (14.5) Scrap Metals (13.7) Sulphuric Acid (9.2) Ammonium Nitrate (8.2) Glassware (6.6) Non Alcoholic Beverages (2.4) Vehicles - Industrial and Agricultural (2.3) Fertiliser (1.6) Glass (1.4) Motor Vehicles - Used and Private (1.3)
Philippines	3.2%	447,751	Grains (84.6) Animal Feed (3.7) Titanium Dioxide (3.5) Other Cereals and Cereal Preparations (3.0) Dairy Products (1.6)
Vietnam	3.1%	435,467	Grains (53.5) Scrap Metals (26.4) Refined Petroleum (3.8) Waste Paper (3.3) Animal Feed (3.2)

MAJOR IMPORTS BY COMMODITY 2021-2022			
COMMODITY	% Tonnes	Mass Tonnes	Principal Trading Partners (% Commodity Total)
Refined Petroleum	32.5%	4,628,890	Singapore (49.0) India (21.7) Malaysia (8.4) Brunei (7.8) South Korea (4.5) Taiwan (2.3) United Arab Emirates (2.0) Japan (1.8)
Cement Clinker	7.4%	1,046,433	Indonesia (47.7) Japan (38.0) Malaysia (8.6) Philippines (3.1) United Arab Emirates (2.6)
Fertiliser	7.3%	1,032,587	Saudi Arabia (25.9) United States of America (18.0) China (9.2) Qatar (7.1) Morocco (6.9) Indonesia (6.7) South Korea (4.8) Russia (4.0) Lithuania (3.3) Jordan (2.7) Canada (2.2) United Arab Emirates (2.1)
Caustic Soda	7.0%	997,975	Saudi Arabia (36.2) United States of America (16.6) Taiwan (11.4) China (11.3) Japan (10.9) South Korea (8.9) Qatar (2.1) India (2.0)
Iron and Steel Products	4.5%	645,424	Australia (38.3) China (15.4) South Korea (7.0) India (6.1) Turkey (4.9) Singapore (4.5) Taiwan (4.1) Thailand (3.6) Indonesia (2.8) Vietnam (2.0)
Sulphur	2.9%	409,364	Canada (99.6)
Manufactures of Metal	2.8%	397,144	China (53.1) Malaysia (9.8) Australia (6.8) Indonesia (4.1) South Korea (4.0) Vietnam (2.9) Singapore (2.9) India (2.6)
Lime	2.6%	374,702	Thailand (55.9) Malaysia (33.5) Vietnam (10.6)
Urea Ammonium Nitrate	2.5%	351,033	Russia (43.3) Estonia (37.1) Trinidad and Tobago (10.0) India (9.6)
Slag Residue	2.4%	340,498	Japan (100.0)



**MAJOR IMPORTS BY COUNTRY 2021-2022**

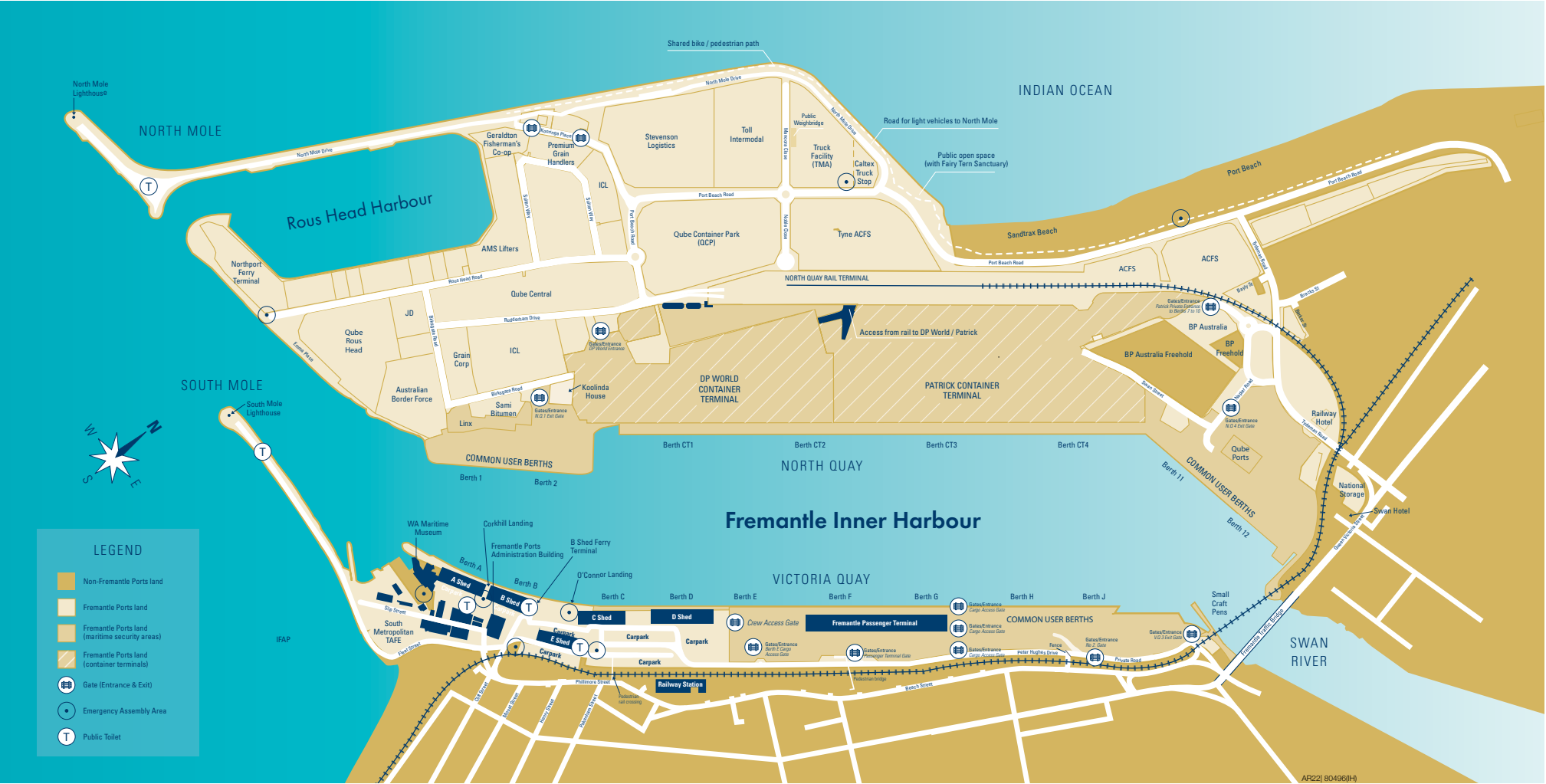
COUNTRY	% Tonnes	Mass Tonnes	Principal Commodity (% Country Total)
Singapore	17.5%	2,487,595	Refined Petroleum (91.1) Petroleum Residual Products (4.4)
China	11.1%	1,575,670	Manufactures of Metal (13.4) Chemicals and Related Products (8.3) Caustic Soda (7.2) Furniture and Parts Thereof (6.7) Iron and Steel Products (6.3) Fertiliser (6.0) Machinery - Agricultural, Industrial (5.3) Plastic Wares and Other Manufactures (4.7) Bricks, Tiles, Pavers (4.6) Rubber Manufactures (3.3) Other Transport Equipment and Parts (2.9)
Australia	9.5%	1,356,934	Ammonia (18.8) Iron and Steel Products (18.2) Gypsum (10.5) Paper, Paperboard and Articles of Paper Pulp (6.0) Ale, Beer and Stout; Cider (Alcoholic) (5.7) Motor Vehicles - Used and Private (4.1) Non Alcoholic Beverages (3.7) Refined Petroleum (2.6) Fruit and Vegetables (Preserved, Canned, Bottled or Frozen) (2.6) Fabricated Construction Materials (2.4) Vehicles - Industrial and Agricultural (2.4) Chemicals and Related Products (2.2) Manufactures of Metal (2.0)
India	8.4%	1,189,033	Refined Petroleum (84.4) Iron and Steel Products (3.3) Urea Ammonium Nitrate (2.8)
Japan	7.7%	1,098,697	Cement Clinker (36.2) Slag Residue (31.0) Caustic Soda (9.9) Refined Petroleum (7.5) Motor Vehicles - New (5.5) Vehicles - Industrial and Agricultural (3.5) Rubber Manufactures (2.8)
Malaysia	5.6%	791,708	Refined Petroleum (48.8) Lime (15.8) Cement Clinker (11.4) Manufactures of Metal (4.9) Chemicals and Related Products (2.2) Plastic Wares and Other Manufactures (2.1) Rubber Manufactures (2.8)
Indonesia	4.8%	685,703	Cement Clinker (72.8) Fertiliser (10.1) Iron and Steel Products (2.6) Chemicals and Related Products (2.6) Manufactures of Metal (2.4)
Saudi Arabia	4.5%	636,557	Caustic Soda (56.8) Fertiliser (42.0)
Thailand	3.6%	515,974	Lime (40.6) Artificial Resin and Plastic in Primary Form (12.8) Motor Vehicles - New (9.3) Fabricated Construction Materials (4.9) Iron and Steel Products (4.5) Rubber Manufactures (4.4) Household Appliances (3.1) Chemicals and Related Products (3.1) Plastic Wares and Other Manufactures (2.1)
South Korea	3.5%	504,601	Refined Petroleum (41.4) Caustic Soda (17.5) Fertiliser (9.9) Iron and Steel Products (8.9) Motor Vehicles - New (4.1) Manufactures of Metal (3.2) Petroleum Residual Products (2.8) Chemicals and Related Products (2.4)

Major Container Commodities Exported - TEU			
Commodities	2020-21	2021-22	Variance %
Manufactures of Metal	34,359	29,579	-13.9%
Furniture and Parts Thereof	31,898	27,695	-13.2%
Machinery - Agricultural, Industrial	24,895	23,625	-5.1%
Plastic Wares and Other Manufactures	23,339	22,485	-3.7%
Paper, Paperboard and Articles of Paper Pulp	21,007	21,571	2.7%
Iron and Steel Products	18,628	20,632	10.8%
Household Appliances	21,923	19,557	-10.8%
Rubber Manufactures	21,101	18,733	-11.2%
Chemicals and Related Products	17,301	16,654	-3.7%
Lime	4,645	13,205	184.3%
<b>Total</b>	<b>219,096</b>	<b>213,736</b>	<b>-2.4%</b>
<b>Percentage of Total Full TEU Imports</b>	<b>56.0%</b>	<b>54.1%</b>	

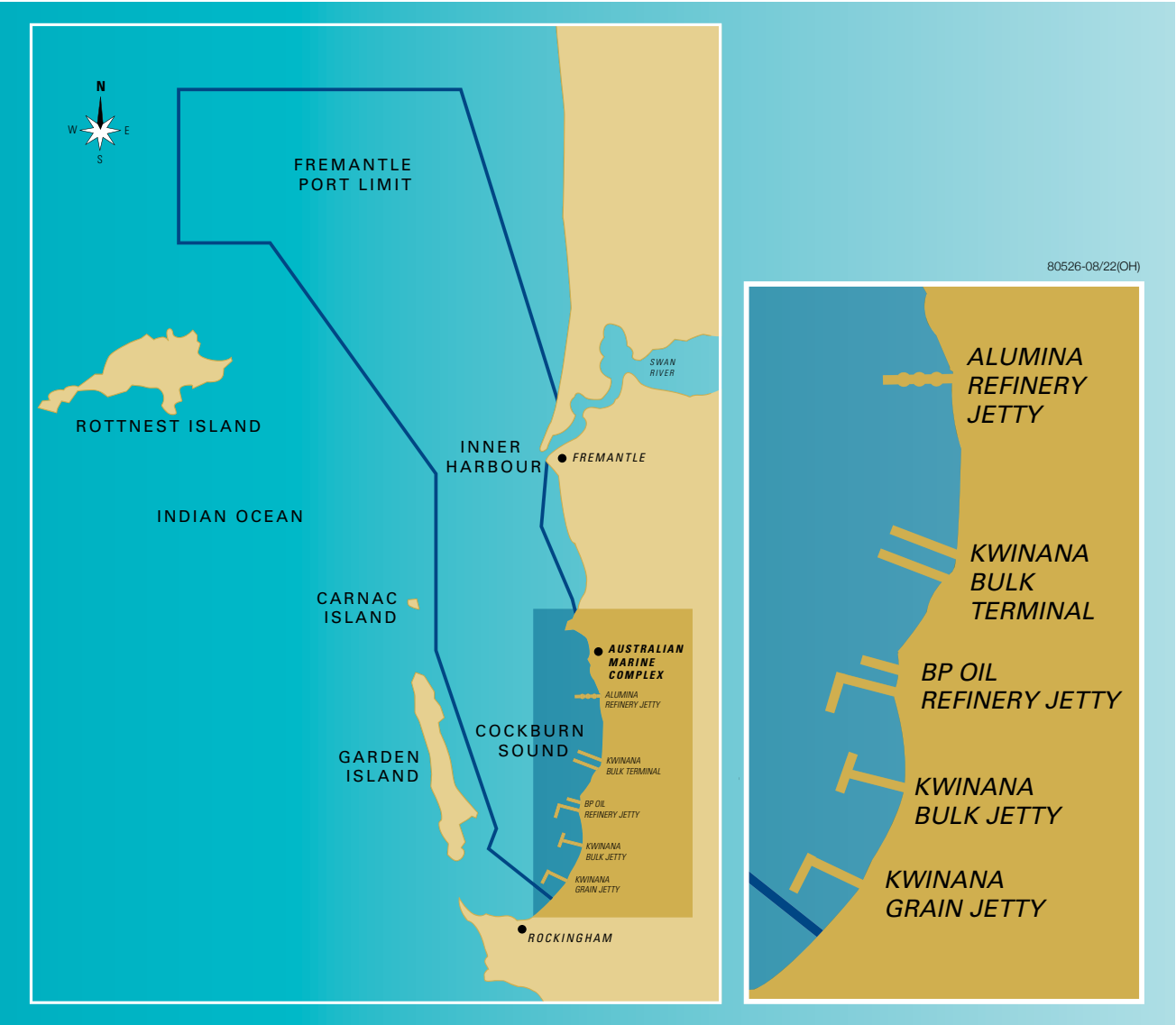
Major Container Commodities Exported - TEU			
Commodities	2020-21	2021-22	Variance %
Animal Feed	42,505	44,171	3.9%
Oats	17,838	19,828	11.2%
Waste Paper	17,859	18,581	4.0%
Scrap Metals	15,669	16,394	4.6%
Fresh Fruit and Vegetables	11,244	12,180	8.3%
Malt	11,292	11,772	4.3%
Titanium Dioxide	8,753	9,946	13.6%
Other Cereals and Cereal Preparations	9,438	8,879	-5.9%
Fresh Meat - Chilled or Frozen	8,752	8,625	-1.5%
Chemicals and Related Products	8,132	8,110	-0.3%
<b>Total</b>	<b>151,482</b>	<b>158,486</b>	<b>4.6%</b>
<b>Percentage of Total Full TEU Exports</b>	<b>67.8%</b>	<b>68.6%</b>	

LIVESTOCK EXPORTS 2021-22					
Destination	Sheep	Cattle	Other Livestock	Total Quantity	% of Total
Asia South-East	0	31,915	0	31,915	6.04%
East Asia - China	0	4,526	0	4,526	0.86%
Middle East	464,664	27,210	0	491,874	93.10%
<b>Totals</b>	<b>464,664</b>	<b>63,651</b>	<b>0</b>	<b>528,315</b>	<b>100.0%</b>

# Inner Harbour map



# Outer Harbour map



# Publications, abbreviations, address, contacts

## About this annual report

In accordance with the provisions of the *Port Authorities Act 1999* and other legislation, this Annual Report is provided to the Minister for Transport; Planning; Ports, the Hon Rita Saffioti, MLA, then tabled in the Parliament of Western Australia. The Annual Report is intended to inform the Parliament of Western Australia, public, our stakeholders and others of Fremantle Ports' activities, performance, achievements and challenges during 2021-22.

The report is prepared by Fremantle Ports staff. Previous years' annual reports are lodged with the State Library of Western Australia and past annual report remain available at [www.fremantleports.com.au/publications](http://www.fremantleports.com.au/publications)

## Glossary

**Crane rate** - Gross Moves Per Hour (GMPH) is defined as the number of containers moved (onload, offload and repositioning on a vessel) divided by the number of hours the cranes are working a vessel. This is measured by the number of containers moved divided by the total crane time for each vessel.

**MAFI** - MAFI trailers are wheeled platforms used on roll-on-roll-off vessels to move large static cargo

**Ship rate** - This is the average number of containers moved on or off a ship in one hour.

## Abbreviations

DPLH	Department of Planning, Lands and Heritage
EDRMS	Electronic document and records management system
EMS	Environmental management system
GT	Gross tonnes
GTE	Government Trading Enterprise
GMPH	Gross moves per hour
ISO	International Organisation for Standardisation
KBJ	Kwinana Bulk Jetty
KBT	Kwinana Bulk Terminal
LNG	Liquified natural gas
MCA	Multi-criteria analysis
RORO	Roll-on-roll-off vessels which predominantly carry vehicles and break-bulk cargoes
TEU	Twenty-foot equivalent unit container. A 40-foot container equates to two TEU.
tph	Tonnes per hour
UAN	Urea ammonium nitrate
WA	Western Australia



## Our address

Fremantle Ports  
1 Cliff Street, Fremantle  
Western Australia 6160

By post: PO Box 95  
Fremantle WA 6959

## Other ways to contact us

Tel: 618 9430 3555

Fax: 618 9336 1391

Email: [mail@fremantleports.com.au](mailto:mail@fremantleports.com.au)

## Tell us how we're performing

The quality of this annual report to you is important to us.

We welcome feedback on our reporting performance, as we are committed to the principle that our annual reports should meet the needs of the public, our customers, stakeholders and the community.

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To give feedback, make inquiries or seek approvals for use, contact us at:

Tel: 08 9430 3555

Email: [mail@fremantleports.com.au](mailto:mail@fremantleports.com.au)

Web: [fremantleports.com.au](http://fremantleports.com.au)

Mail: PO Box 95  
Fremantle  
Western Australia 6959

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# ONYX ARROW

## Thank you

Fremantle Ports' achievements in 2021-22 were the result of commitment, teamwork and effort by staff, contractors and those we work with.

We thank our employees, customers, stakeholders, partners, community organisations and the public for their support and collaboration.



1 Cliff Street Fremantle Western Australia 6160 | T: +61 8 9430 3555 | F: +61 8 9336 1391  
E: [mail@fremantleports.com.au](mailto:mail@fremantleports.com.au) | [www.fremantleports.com.au](http://www.fremantleports.com.au)