

Statement of compliance

To the Hon David Michael, MLA

Minister for Ports; Local Government;
Road Safety; Minister Assisting the
Minister for Transport.

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 2023.


Chris Sutherland

Chair
Board of Directors

Kaya Wanju Nidja
Gnarla Karla Booja and Whadjuk Booja

Fremantle Ports acknowledges the Noongar people as the traditional custodians of port land and waters and pays respect to their Elders, past and present.

Cover photo: Inner Harbour Sunset



The general cargo ship AAL *Bangkok* departs past North Mole at the Inner Harbour.

Thank you for taking the time to read our annual report.

Its function is to inform you - our customers, communities, stakeholders, Western Australians and others - about Fremantle Ports, our financial and operational performance for the year, our strategic direction, priorities and contribution to the economy.

We hope the report gives a sound account of the year's issues and challenges, as well as make clear to you our governance arrangements and activities.

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

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Sunrise on the Inner Harbour.
Photo: Louis Trouchet

Overview

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About us

Fremantle Ports is a government trading enterprise that has the Western Australian Government 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. 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 is owned and operated by Fremantle Ports and one of two terminals in Australia that can berth two large passenger ships at once.

Kwinana Bulk Terminal (KBT) and Kwinana Bulk Jetty (KBJ) in the Outer Harbour located in Cockburn Sound handle bulk commodities including cement clinker, petroleum products, silica sand, bitumen, fertilisers and sulphur.

Kwinana Bulk Terminal and Kwinana Bulk Jetty are owned and operated by Fremantle Ports, while separate jetty 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 operates predominantly according to a landlord port model that is common worldwide, working 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.

Such 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 appropriate development and activation of the heritage-listed west end of Victoria Quay as a vibrant civic and commercial space. Together, the Outer Harbour, Inner Harbour and Victoria Quay make up the three business areas that comprise Fremantle Ports.



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



Our Values

- Collaboration
- Accountability
- Respect
- Excellence

A 24/7 operation,
Fremantle Ports is administered from its headquarters on Victoria Quay in Fremantle and has a **direct workforce of 373 people,** though the total number employed in the wider Port of Fremantle by port partner organisations is in the thousands, creating significant employment and economic contributions locally.

A snapshot of our year



\$67.0m

Commercial Results

Fremantle Ports achieved a before-tax profit of \$67.0m, similar to last year (\$68.0m). Our rate of return was 8.7 per cent.



\$46,183,798,392*

Trade

The total value of trade this year was \$46,183,798,392*.

We moved a record number of containers – 809,709 TEU, up from 792,021 TEU last year.



Strategic Planning

We began implementing our 2027 strategic plan. The plan sets a clear direction for the organisation, identifying five goal areas supported by six strategic themes.



Safety

We advanced on our journey towards a higher level of safety maturity, and our Total Recordable Industry Frequency Rate (TRIFR) halved over the past year, putting us on track to deliver on our five-year target.

* International Trade Financial Year 2023 Exports and Imports Data
Australian Bureau of Statistics



Reconciliation

We launched our first Reconciliation Action Plan, with a focus on building respect and stronger relationships with Indigenous communities and leaders.



Community

We supported 44 grassroots community initiatives in the local area, across the areas of arts and culture, environmental leadership, community enrichment and education.



Heritage Assets

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



Westport

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



A snapshot of our year *continued*



20.1% Rail Share

The share of containers transported on rail continued to rise hitting a high of 23.5 per cent in May and averaging 20.1 per cent across the year. Our rail share is more than double Australia's five-port average of 9.4 per cent.



60.5% Community Support

The community's overall satisfaction with Fremantle Ports' performance remained strong at 60.5 per cent.

59% of residents in Inner Harbour areas and 62% in the Outer Harbour areas were satisfied

Already-low community concerns about port-related traffic, noise and air quality all fell, compared to last year.

Our Values

We successfully developed and introduced updated values this year - Collaboration, Accountability, Respect and Excellence. A subsequent independent staff engagement survey found 88 per cent of employees believed they had a good understanding of these values.



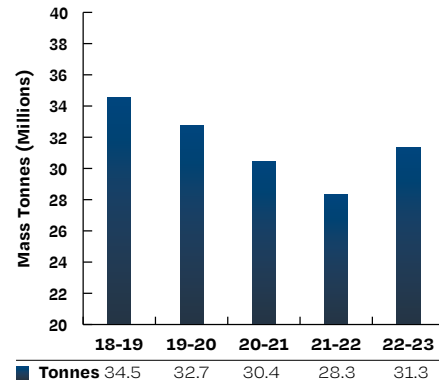
Awards

We won the Office of Digital Government Award for Best Practice Digital Transformation, for our 'smart port' initiatives. We also won the Margaret Nadebaum Trophy for best annual report by a Government Trading Enterprise, for the ninth consecutive year.

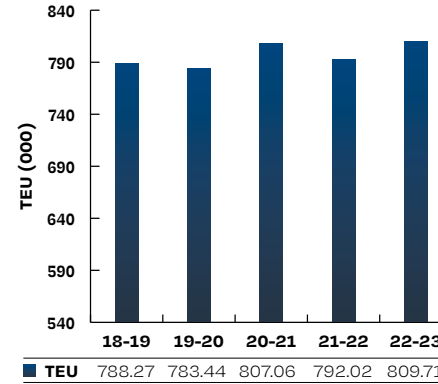


Key business results

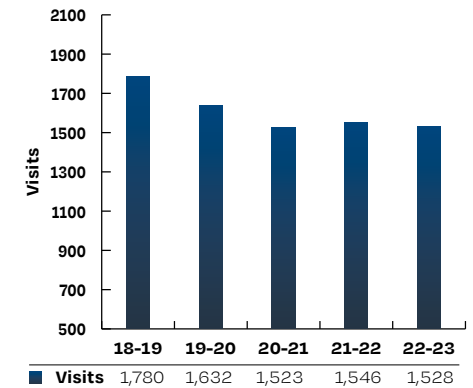
Total Port Trade



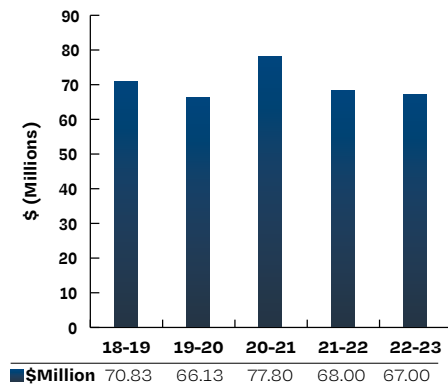
Total Container Trade (TEU)



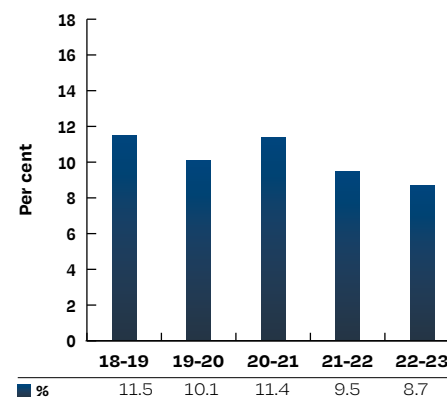
Total Ship Visits (excluding Naval)



Operating Profit Before Income Tax Equivalent

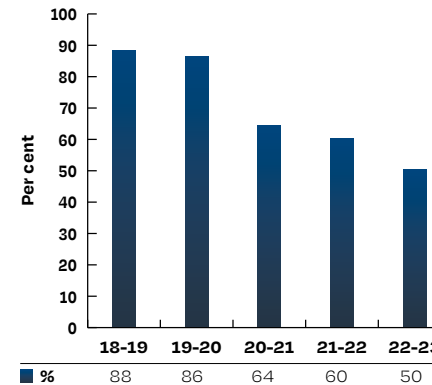


Economic Rate of Return on Assets



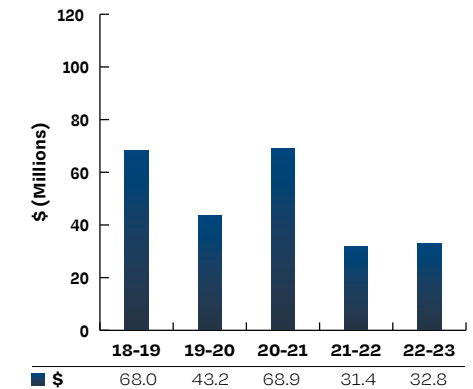
The Economic Rate of Return is based on assets valued at deprival value.

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



In 2022-23 50% of respondents were satisfied or very satisfied. Target range is 80-90%.

Fremantle Ports' Contributions to State Government



Chair's foreword

Reflecting upon the 2022-23 financial year for Fremantle Ports, it has been one of growth and adaptation to change, and the congruence of these has seen our organisation demonstrate resilience and agility as we have lifted to meet these challenges.

“Sustainability has been a major focus for Fremantle Ports, and this is a principle applied in the broadest sense - incorporating how we manage our people, our assets, our systems and programs - it informs everything we do.”



This year we saw the COVID-19 pandemic recede, a crisis that focussed the world's attention on the importance of supply chains as never before. Fremantle Ports consolidated its reputation as a facilitator of international trade, posting a before-tax profit of \$67.0m, similar to last year (\$68.0m).

The strength of the Western Australian economy has driven trade volumes, with bumper harvest years for grain and robust demand for other commodities including silica and clinker, keeping our Outer Harbour facilities in Kwinana busy. Concurrently, the containerised trade achieved a record year as a result of increased global demand, and combined with strong vehicle,

agricultural and mining equipment imports, the Inner Harbour was a hive of activity. Adding to this, we saw the return of cruising after more than two years with 33 vessels carrying more than 67,000 passengers visiting Fremantle.

This year we have made major investments in key areas to drive our business forward towards the achievement of the ambitious goals outlined in our Strategic Plan 2027. Continuing investments in our assets, systems and processes have yielded improved operational performance, guided by the skill and expertise of our talented team of ports professionals. They are the heart of our business, and we are thankful for their dedication, professionalism and commitment.

As we partner with the State Government to assist in the delivery of the Westport vision, major infrastructure works are already underway at our Outer Harbour in Kwinana. Construction is well underway on a new facility for the import and storage of clinker - a key component in the manufacture of the cement that the construction industry relies upon. Plans are also advancing on the development



Correcting C Shed's lean was one of the challenges of the heritage shed project.

of business cases to upgrade and expand our facilities at the Kwinana Bulk Terminal and Bulk Jetty. Once delivered, these will improve our capacity to perform our vital role as facilitators of trade and economic growth, which in turn delivers prosperity for all Western Australians.

Sustainability has been a major focus for Fremantle Ports, and this is a principle applied in the broadest sense - incorporating how we manage our people, our assets, our systems and programs - it informs everything we do. In early 2023, we unveiled one of the largest rooftop solar arrays in Western Australia that will provide the entire energy needs for our iconic passenger terminal. This, together with further renewable energy generation options, infrastructure upgrades and demand management will be critical in helping Fremantle Ports reach our ambitious target of achieving net zero scope 1 and 2 emissions by 2027.

Governance was further strengthened across the board, including support for and improved ways for employees to raise any integrity concerns.

In conclusion, I wish to acknowledge my fellow Board members for their contributions during the year, and in particular, pay tribute to outgoing Board Chair Ross Love. In a year where change has been a constant, in June 2023 we welcomed our new Minister for Ports, the Hon David Michael MLA, and expressed our appreciation for the work done by outgoing Minister the Hon Rita Saffioti MLA and her team for their continued support during her term. I also thank CEO Michael Parker, his management team and all the loyal, hard-working and committed staff at Fremantle Ports.

Chris Sutherland

Chair
Board of Directors

Chief Executive Officer's report

This year has seen our organisation navigate successfully through shifts in both the global and our local operating environment, while transforming our organisation to meet the current and future needs of our customers.

“It is an exciting time to be leading our business, as our operational environment evolves. Game-changing investments we are making in the Outer Harbour will transform our business and cement our role as an amplifier of our State’s future growth.”



As the financial year ends, our organisation led by our new Board Chair, Chris Sutherland, and our senior leadership team which is now complete following the appointment of new General Managers for Operations, and Strategy Planning and Performance, has a true sense of purpose, renewed energy and focus.

Our continued focus on safety has seen much improved results, with new systems and procedures already delivering a change in both mindset and practice, and in turn performance. We continue to lead by fostering collaboration with our Western Australian port colleagues and with Ports Australia, in key areas where we are enabling professional development and innovation including in asset management, sustainability and governance, to name a few.

In close partnership with our customers and suppliers, we are proud of the positive impact we have on our local economy that is felt regionally, State-wide and beyond. We have a strong track record as an employer of local people both at our Inner Harbour (Fremantle)

and Outer Harbour (Kwinana) and prioritise local economic impacts by partnering with local companies - including the construction of two new pilot boats that are now being built by Dongara Marine based in Geraldton.

The future of Fremantle Ports continues to evolve, with many exciting opportunities, guided by our Strategic Plan 2027, now in its second year of implementation, being evaluated and progressed. A thorough review of our organisation structure and operating system has been undertaken, underpinned by our updated values - collaboration, accountability, respect and excellence. I thank our talented and dedicated team who have risen magnificently to embrace these changes and I appreciate the patience and resilience they have shown.

It is an exciting time to be leading our business, as our operational environment evolves. Game-changing investments we are making in the Outer Harbour will transform our business and cement our role as an amplifier for our State's future growth.



Kwinana Bulk Terminal: Providing import and export facilities for customers.

At our Inner Harbour we are collaborating with the State Government and local stakeholders to shape the Future of Fremantle with exciting new possibilities for Victoria Quay. This has already delivered renewed vibrancy and energy with new tenants including Gage Roads Brew Co who are bringing thousands of visitors to this tourism precinct each week. At the same time, we are investing in maintaining our built assets with repair and construction works at the heritage-listed B and C Sheds, while preserving our maritime industry history in partnership with the WA Maritime Museum including

our historic luffing cranes that are now being restored - one type being the only of its kind left on any port in Australia.

We have maintained our investment in our local community through a range of initiatives, guided and supported by the work of our dedicated volunteers, the Friends of Fremantle Ports. Under the leadership of our new Board Chair, we will continue to partner with local community groups who exemplify our pillars of community enrichment, education, environmental leadership and arts and culture.

Towards the year's end we launched Fremantle Ports' Reconciliation Action Plan for 2023-24. Positioned at the Reflect level, the plan was developed through strong engagement with our team and community and is underpinned by a wide range of practical steps that will help us to do our part in achieving national reconciliation by focussing on relationships, respect (cultural awareness), opportunities and governance.

As we reach the end of my second full year as CEO, I acknowledge the people in Fremantle Ports, for their loyalty, skill and knowledge of the

business. They can be rightly proud of the role they each play in ensuring that Fremantle Ports, our State's major general cargo port, facilitates trade and delivers a more prosperous Western Australia for everyone.

Michael Parker
Chief Executive Officer



Rainbow dredging: Port beach sand nourishment.
Photo: Joel Bonsel

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Legislative framework

Fremantle Ports is a Government Trading Enterprise (GTE) responsible to the Minister for Ports and established under the *Port Authorities Act 1999*. This year our operations required us to comply with these key State and Federal statutes:

Aboriginal Heritage Act 1972

Australian Maritime Safety Authority Act 1990

Biosecurity Act 2015

Commercial Tenancy (Retail Shops) Agreements Act 1985

Contaminated Sites Act 2003

Corruption, Crime and Misconduct Act 2003

Customs Act 1901

Dangerous Goods Safety Act 2004

Disability Services Act 1993

Disability Discrimination Act 1992 (Cth)

Equal Opportunity Act 1984

Emergency Management Act 2005

Environmental Protection Act 1998

Environment Protection and Biodiversity Conservation Act 1999 (Cth)

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 2018

Sex Discrimination Act 1984

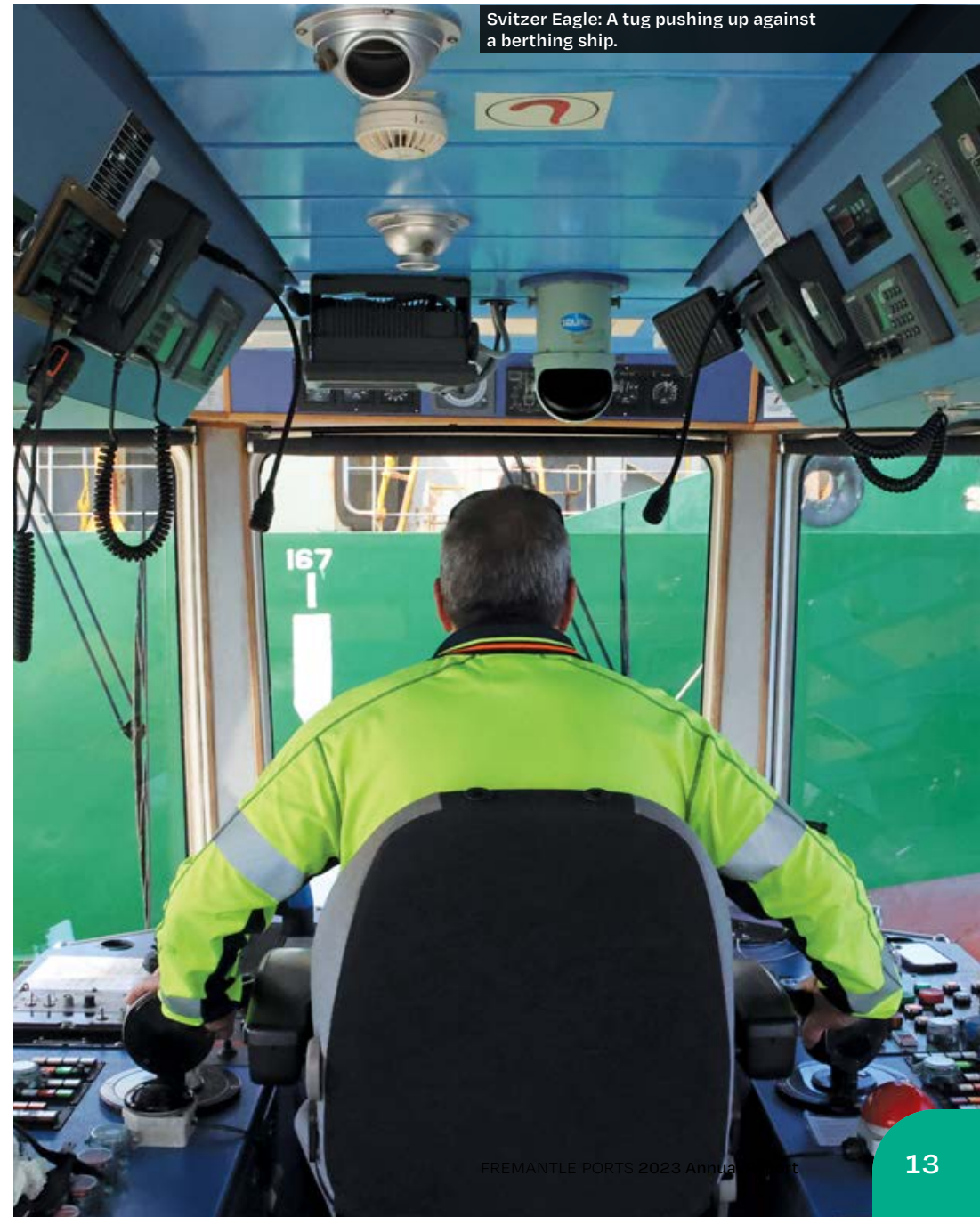
State Records Act 2000

Statutory Corporations (Liability of Directors) Act 1996

Work Health and Safety Act 2020

Workers' Compensation and Injury Management Act 1981.

Fremantle Ports notes the commencement of the *Government Trading Enterprises Act 2023* as at 1 July 2023 and confirms that this will be a key pillar of our legislative framework going forward.



Svitzer Eagle: A tug pushing up against a berthing ship.

Our Board of Directors



Chris Sutherland (Chair)

Chris Sutherland, appointed as Chair in January 2023, is an experienced executive and director with strong leadership, Board, management and operational experience. For 20 years, Chris was in various engineering and management roles with leading engineering companies including Clough and WorleyParsons. Chris was Managing Director and Group CEO of Programmed from January 2008 to September 2019.

Chris is currently a non-executive Director of Matrix Engineering & Composites Ltd, Copper Search Ltd, Remsense Technology Ltd and has been nominated Fremantle Football Club's next President. His qualifications include a B.Eng (Civil) UWA (Hons) 1985 he attended an Advanced Management Program at Harvard Business School in 2001.

Expiry of present term: 31 December 2024



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. 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 People, Safety, Environment and Communications Committee.

Expiry of present term: 31 December 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 and WA Symphony Orchestra. Anne is Chair of the Audit and Risk 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 the Chair of the Western Australian Forest Products Commission and has also previously been Deputy President of the Board of the Tourism Council of Western Australia. Debra holds a Bachelor of Jurisprudence, Bachelor of Laws, and Bachelor of Arts (Hons), 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 2024



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 2024



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).

Term expired: 30 June 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.



David Good
Chief Financial Officer and
General Manager 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.



Jodie Ransom
General Manager Port Operations

Jodie Ransom joined Fremantle Ports in May 2023 from Svitzer Australia, where she was General Manager, West (covering Western Australia, Northern Territory and Papua New Guinea). Jodie's career over the previous three decades commenced as a seafarer with BHP Transport before progressing into management, operational, commercial and supply chain roles, including with MUR Shipping Australia, Jebsons Australia and CBH Group. As a leader in her field, Ms Ransom has a strong reputation, including as a previous member of the Freight and Logistics Council of Western Australia and former Board member for the Kimberley Port Authority. Jodie holds formal qualifications in leadership and the marine industry.

Mark Pearce acted in this role between 11 April 2022 and 30 April 2023.



Sami Zouad
General Manager Strategy, Planning
and Performance

Sami Zouad joined Fremantle Ports in March 2023 and brings extensive experience in strategy formulation and implementation to his new role. He joined Fremantle Ports from Jemena where he held the position of General Manager, Business Development Western Australia for the past three years. Prior to this role, he held the positions of Chief Financial Officer and General Manager Commercial Services at Horizon Power and Manager Strategy and Innovation at Synergy, leading both organisations' new strategy development and implementation. Sami holds a Master of Business Administration from Columbia Business School in New York, and a Masters in Engineering (Optics and Physics) from the Institut d'Optique Graduate School in France.

Franco Adreone acted in this role between May 2022 and February 2023.



Melanie Jasper

General Counsel and General Manager Governance and Assurance

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.



Roger Makins

General Manager Assets and Services

Roger Makins joined Fremantle Ports in July 2020 with more than 25 years of experience in developing and leading teams and undertaking and providing asset management services in power and water utilities, and mining and mineral processing organisations. Roger has extensive global experience working with diverse cultures across four continents. Prior to his current role, he was Head of Engineering at the Water Corporation. Roger has masters level tertiary qualifications in mechanical engineering and business administration respectively and is a graduate member of the Australian Institute of Company Directors.



Brett Salt

General Manager, Commercial and Customer

Brett has over 25 years of experience working in a variety of commercial positions including global sales and marketing, shipping and logistics, corporate development and strategy across the mining industry. Brett joined Fremantle Ports from Ferrexpo PLC, where he was based in Singapore as Chief Marketing Officer for their global operations spread across seven countries. Prior to that, Brett has held multiple roles at Rio Tinto including Chief Negotiator, General Manager Sales/Strategy and Development – Iron Ore located in China and Singapore, General Manager Corporate Development in London and Chief Financial Officer – Marine in Melbourne. In addition to his roles at Rio Tinto, Brett has previously held the position of Chief Commercial Officer at SouthGobi Resources in Hong Kong, Chief Development Officer at Turquoise Hill Resources in Canada and a variety of non-executive director roles.

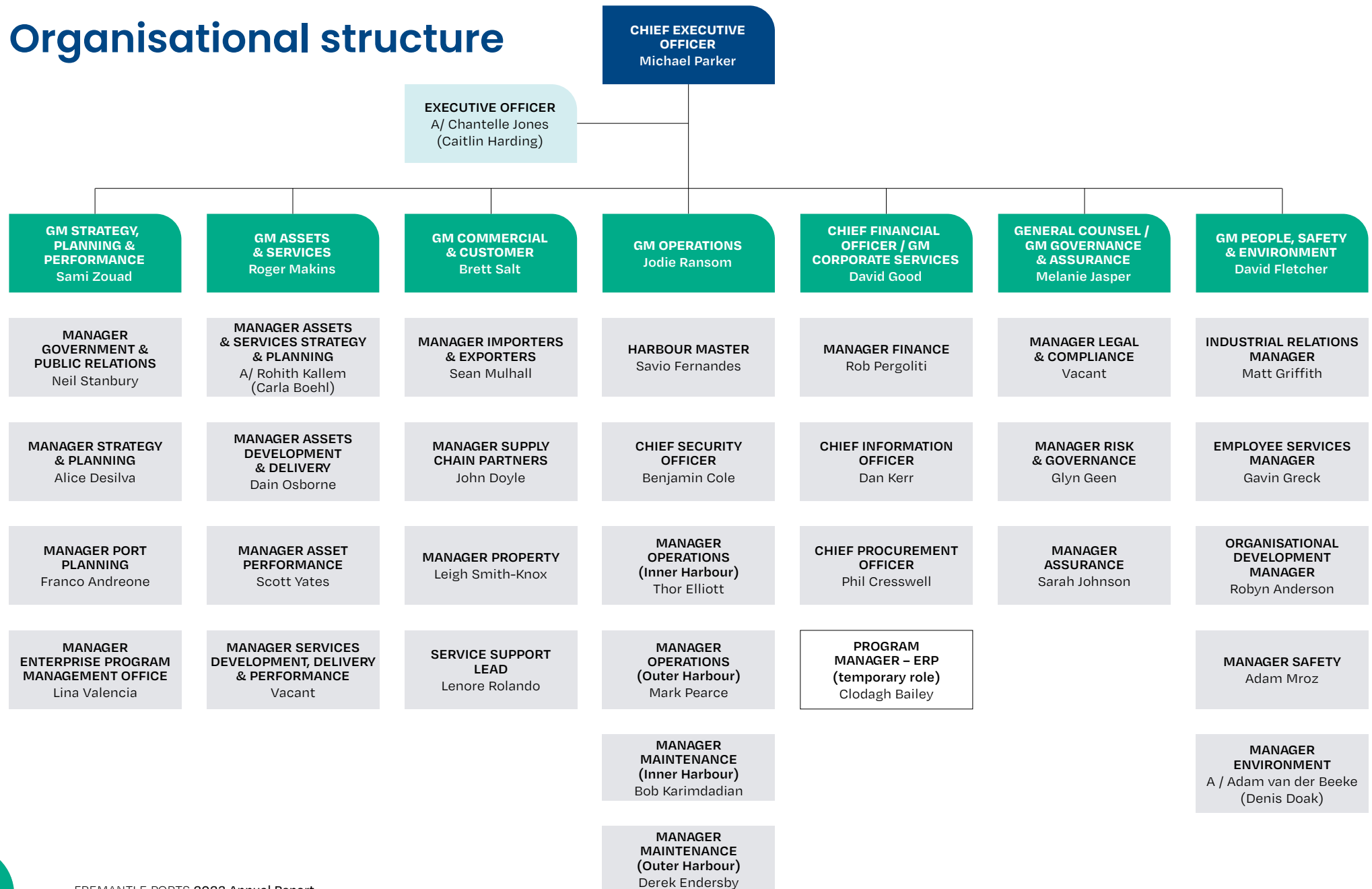


David Fletcher

General Manager, People, Safety and Environment

David is a seasoned global executive with 30 years of experience working in human resources, safety, environmental and change management roles across mining, industrial processing and oil and gas. He holds a suite of qualifications including a Bachelor of Science, Master of Science (Management of Natural Resources) and various Human Resources, OHS and Executive & Organisational Coaching accreditations. David joined Fremantle Ports after spending more than ten years at Tronox where he most recently held the positions of Vice President Change Management and VP People, Safety & Environment for their global operations which comprised over 6,000 personnel spread across more than a dozen countries.

Organisational structure





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Case study

A new strategic plan to guide us

Fremantle Ports developed and launched its 2027 Strategic Plan this year, setting a clear direction for the next five years. The plan was the result of extensive internal and external consultation and research, including examining trends facing ports and the maritime industry both within Australia and overseas.

The plan, which is available on our website, endeavours to broaden our influence in the supply chain and guide us in our response to tomorrow's challenges. It has five strategic goal areas:

- Safety
- Sustainability
- Efficiency and reliability
- Capacity
- Engagement

Scan the QR code to watch the short video.



Understanding and responding to the needs of our customers – importers and exporters – is a major thread running through the document and, of course, the 12 measurable strategic goals that flow on from the five strategic goal areas.

The 2027 Strategic Plan doesn't neglect the importance of transforming the organisation's model, structures and behaviours to support success, and it also recognises the criticality of working in partnership with our stakeholders and communities.

This was the first year of activity against the 2027 Strategic Plan.

Achievement against our goals

Fremantle Ports supports the State Government's objectives for Western Australia, including:

- 1 Strong and sustainable finances: responsible, achievable and affordable budget management**
- 2 WA Jobs Plan: Diversifying the WA economy, creating local jobs for the future**
- 3 Safe, strong and fair communities: Supporting our local and regional communities to thrive**
- 4 Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities**

Fremantle Ports launched updated Values consistent with the integrity model for WA Public Authorities as set down by the Public Sector Commission.

Transform our organisation

(State Government Goals 1, 2 and 4)

1

2

4

Objective

Transform our business model, structures and behaviours to enable our strategy

Desired outcomes

- Improve revenue, diversification and growth
- Plan for the future and provide a gateway for trade and tourism
- Engaged and enabled workforce

Measures

- Deliver a sustainable return by driving operational performance (efficiency and profitability) and investing in assets required to facilitate trade
- Intelligent investment of all capital to ensure that all funds spent on Fremantle Ports (including resources) are on track against forecast and budget
- Providing support, clarity and organisational capacity for employees



The post-pandemic return of shore leave has provided great relief for our visiting international crew members.

Results

- Profit before tax of \$67.0m, above target
- Our rate of return was 8.7 per cent (outperforming budget profitability)
- Expenditure was below target
- Successful launch of updated Fremantle Ports Values
- Attraction of talent – Recruitment of both executive and senior management roles are substantially complete
- All Enterprise Agreements are in place, including establishment of an employee relations committee

Operational Excellence

(State Government Goal 3)

3

Objective

Keep everyone safe, and build our people and business through relentless improvement and excellence in all we do

Desired outcomes

- Safety is embedded into all activities occurring at Fremantle Ports
- Frontline and backroom controls provide the processes, platforms, environment, systems and equipment required for safe work practices
- Fremantle Ports is on par with the top six mining, top six oil and top six gas organisations on TRIFR performance



Vessel Traffic Officers coordinate berthing.

Measures

- Ability to identify and address critical risks and implementing processes and procedures for fatality prevention and an increase in Fremantle Ports' ability to perform safely
- Ability to address key target areas of injury prevention and recovery and psychological safety, with an expected step-change improvement in Fremantle Ports' Safety Maturity and fatality prevention
- Visible safety leadership and engagement

Results

- The fatality prevention program has made significant progress, including a focus on enabling safe behaviours via a HSE Field book
- An executive HSE Steerco has been established to monitor and drive the completion of actions from our risk assessments and incident investigations
- Total recordable injury frequency rate (TRIFR) results have halved over the past year putting us on track to delivering to our five-year target
- Several significant incidents and near misses have been recorded, with detailed investigations completed and corrective action plans established
- Fremantle Ports' integrated Safety, Environment and Quality management system continues to be certified by Lloyds to comply with ISO 9001, ISO 14001 and ISO 45001

A sustainable port and supply chain

(State Government Goal 4)

4



Objective

Embrace and support the energy transition across our assets, business and infrastructure

Desired outcomes

- Transition to a low carbon operation on a pathway consistent with net zero emissions by 2027
- A sustainable port and supply chain
- Shipping emissions reductions supported through port policies and initiatives

Measures

- Reaching net zero Scope 1 and 2 emissions by 2027 (ahead of State Government policy) by 28 per cent by 2030, and net zero by 2050
- An effective and engaged first line of defence environmental management capability
- A Port Development Plan that models capacity of all port assets and sets a long-term forecast for all commodities

Results

- 21 per cent reduction in Scope 1 and 2 emissions over the past 12 months
- Work nearing completion on the development of a sustainability strategy

Strong customer and commercial relationships

(State Government Goals 3)

3

Objective

Build and maintain strong stakeholder relationships based on a reputation for delivery

Desired outcomes

- Capacity constraints and performance limitations are addressed
- Customer engagement is effective and evidence based, to help us to achieve our goals
- High level of engagement with the Inner and Outer Harbour community
- Consistent, transparent and reliable services

Measures

- Develop and utilise a Customer Strategy
- Research, map, prioritise, and manage a commercial pipeline of customers, products, and opportunities
- Improved scheduling for Inner and Outer Harbour arrivals across all vessel types, to address visibility, accuracy, and reliability

Results

- Increased engagement with our importers and exporters
- Community satisfaction in the Fremantle Ports' 2022 Community Satisfaction Survey levels have been retained
- Extensive consultation with customers during the development of the Port Development Plan

Leading the supply chain

(State Government Goals 1 and 2)

1

2

Objective

Lead Western Australia's supply chain improvement, through enablement and investment

Desired outcomes

Fremantle Ports effectively facilitates trade and meets trade demand with a focus on:

- Increasing berth availability
- Robust trade planning
- Landside and supply chain efficiencies

Measures

- Ability to address macroeconomic and geopolitical pressures that limit supply chain reliability, and capabilities and frustrate importers/exporters
- Robust trade planning to inform our commercial pipeline, Infrastructure and Asset Utilisation Plan, Asset Investment Plan and Port Development Plan
- Accurate and meaningful trade data and modelling to give Fremantle Ports the ability to forecast, measure and meet trade demands
- Contribute to supply chain optimisation

Results

- Higher silica sand exports due to operational efficiencies
- Vessels in the Inner and Outer Harbour have been berthed on time and consistently met our FY22-23 target
- Vessels departed on time at KBT and consistently met the FY22-23 target
- Progress made on common user berth initiatives to improve berth capacity

Assets and infrastructure for our future

(State Government Goals 1, 2 and 3)

1

2

3



Tugs with a bollard pull of up to 70 tonnes guide a ship.

Objective

Provide certainty on our future through planning and developing our assets and infrastructure

Desired outcomes

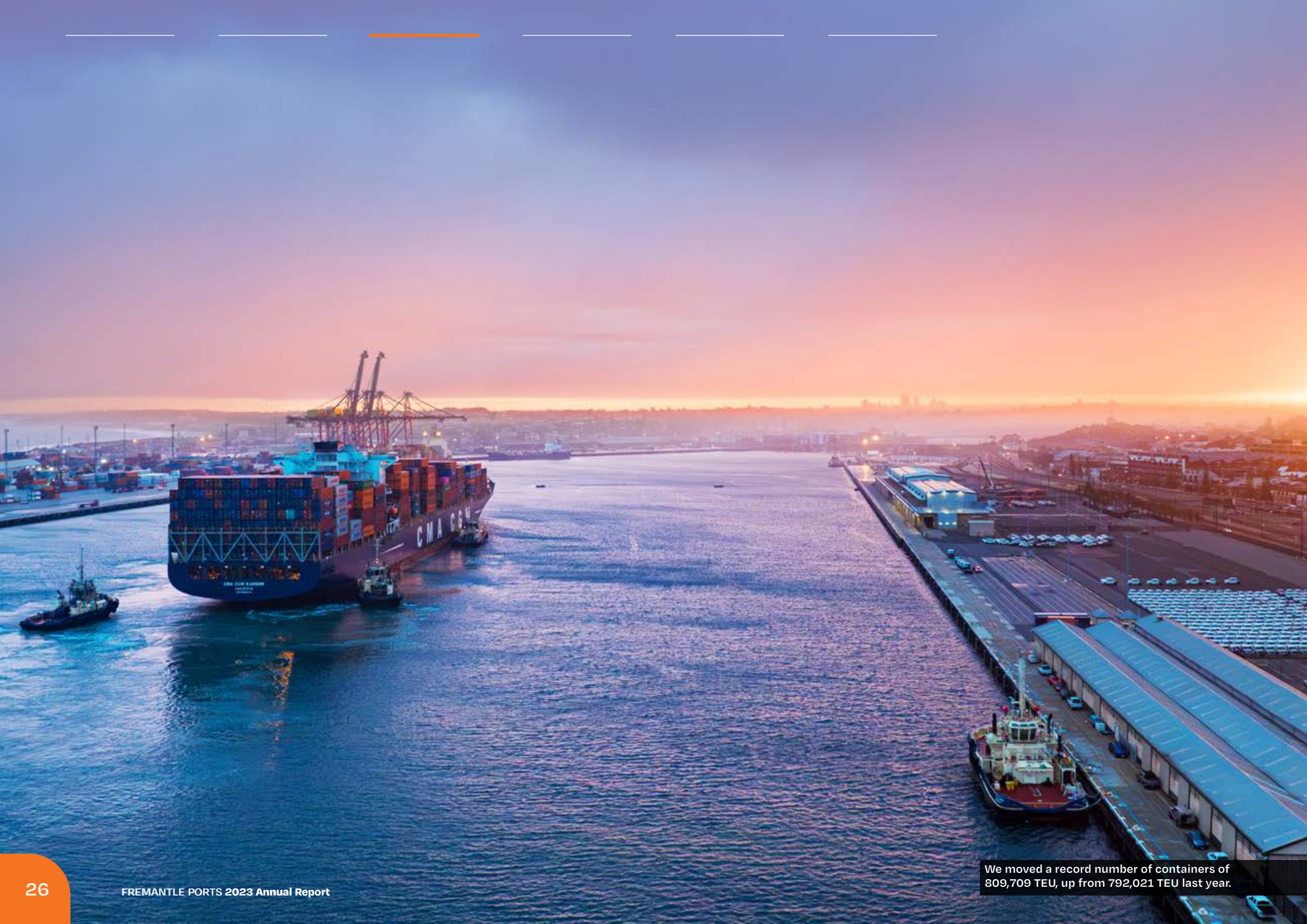
- Increased integration of and improvements in the provision of port services
- Improved safety and performance of our assets
- Enable current and critical future trade for Western Australia

Measures

- Accurate and informed scheduling to enable maximum use of berths, landside availability and supply chain requirements
- Understand capacity constraints across Inner and Outer Harbours, including utilisation, non-endorsed trade, operational and contractual barriers
- Model future demand and build new assets and services to maximise emerging opportunities
- Developed port service delivery with a purpose to upgrade port asset capacity, capability, and optimisation

Results

- Clunker import circuit project is underway and scheduled for completion in Q3 2024
- Outer Harbour expansion studies underway
- Construction of two new pilot vessels commenced
- Commenced the Port Development Plan



How we work with our partners

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.

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.

In 2022-23 we:

- Worked with planning, transport and other agencies to participate in the Westport project to progress plans for new container facilities in Kwinana and our Port Development Plan
- Worked with the Department of Planning, Lands and Heritage, Department of Transport, Department of Finance, Western Australian Museum, South Metropolitan TAFE, the City of Fremantle and Future of Fremantle Committee regarding the future of Victoria Quay
- Assisted Main Roads WA on the Swan River Crossings project to replace the end-of-life Fremantle Traffic Bridge and construct a second rail bridge
- Liaised with the Department of Water and Environmental Regulation on environmental testing
- Consulted the Heritage Council of Western Australia on Victoria Quay heritage obligations and opportunities
- Worked with the State Records Office regarding the retention of records, loans and digital archiving
- Provided input to Tourism WA and the WA Cruise Committee on the State's new cruise strategy
- Supported the Department of Primary Industries and Regional Development in its prevention of the incursion of exotic pests into WA, such as the sea squirt and varroa mite
- Worked with the Public Transport Authority to maintain the effectiveness of sound-reducing water sprays on the rail line through Fremantle's West End
- Cooperated with Australian Border Force, the Australian Federal Police and Western Australia Police Force on security matters

Shaping future direction

The key decisions we make now will ensure the successful delivery of port services for Western Australia into the future. Planning for and investing in the assets and systems we require today and by anticipating future needs for the years ahead, we will secure supply chains for vital imports and markets for our State's exports in a way that is sustainable and efficient. By adapting to market conditions and by making strategic investments, we will remain competitive in the global trade landscape as it evolves. This strategic vision guided our approach in 2022-23 as we planned for our future:

Cruise, tourism and attractions

Fremantle Ports is supporting the State Government to transform the west end of Victoria Quay into a vibrant commercial and tourism precinct. An area rich in history and heritage, the Victoria Quay Waterfront has significant potential for further activation and redevelopment and represents one major element of our business. The site is a key destination for WA's cruise tourism industry, a sector rebounding strongly after the pandemic, supported by the Western Australian Cruise Tourism Strategic Plan 2023-33. Victoria Quay's future will evolve as a result of the planned transition of the container trade to Kwinana. The commencement of the Future of Fremantle project gives us the opportunity to take a longer-term planning view of the Inner Harbour land's future use and potential. Fremantle Ports is part of this planning and will continue in the year ahead.

Planning for our future

Fremantle Ports continued shaping its Port Development Plan, a comprehensive strategic blueprint that outlines the actions required to enhance and expand the port's capabilities, infrastructure and operations. The plan will set a pathway for the port's sustainable growth, in a manner consistent with state government objectives and the evolution of container trade, to ensure we remain competitive, resilient and responsive to evolving trade demands and industry trends. Wide consultation has been an important part of this planning work.

Enabling future growth

Ensuring we have the right ports and freight strategy in place to efficiently cater for WA's growing trade needs is critically important to the economic vitality of the State. Fremantle Ports is working closely with the State Government to support the strategic planning of Westport, a long-term initiative for a new container terminal in Kwinana. A robust business case next year will provide advice to Government on the best timing and means to transition trade from the Inner Harbour in Fremantle to Kwinana. The potential implications and opportunities for non-container trades are part of this thinking.



Investing in our assets

By investing in new assets and renewing existing ones, we can sustain our capacity and capability to facilitate trade effectively and meet the needs of our customers. The replacement and renewal of assets in both the Inner and Outer Harbour have been identified as essential for Fremantle Ports to efficiently and reliably handle projected trade and do so in a safe and sustainable way in the decades ahead. Fremantle Ports this year undertook significant maintenance on existing assets. New assets are being developed, while planning continues for new major infrastructure and the required overhaul of existing infrastructure.

Emerging markets and global trade trends

Aligning our business with Western Australia's strategic interests, emerging markets and growth trends is key to our ability to responsibly manage our asset and cater for forecast trade growth. Gathering intelligence about and adapting to evolving trade patterns will enable Fremantle Ports to take advantage of changing market dynamics and remain relevant in the global supply chain.

Innovation and technology

Innovation and technology can play a transformative role in enhancing the efficiency, sustainability and competitiveness of a port. Rapid advancements in technology, such as automation, data analytics, digitisation and robotics can reshape port operations and infrastructure requirements while driving advancements in safety and efficiency. By embracing innovation and technology, Fremantle Ports can modernise our operations, improve customer experiences, reduce environmental impacts and stay competitive in the ever-evolving global maritime industry.

Sustainability

Fremantle Ports is committed to sustainability in the broadest sense. We are implementing environmentally sustainable practices, and making strong progress on achieving our goal of net zero scope 1 and 2 emissions by 2027. We are working collaboratively with our suppliers and customers to work sustainably across our value chains, preserving the integrity of our people, systems and assets for the long term. Fremantle Ports is working closely with local, regional and global partners to drive best practice in this space, in line with maritime industry leaders.

Trade focus

Inner Harbour

As Australia and the world emerge from the unprecedented challenges associated with COVID-19, Western Australia's trade has demonstrated significant resilience to wider external pressures. Overall trade volumes rose 10.5 per cent for 2022-23 compared to 2021-22.

Despite lingering concerns and volatility associated with the war in Ukraine and potential flashpoints such as Taiwan, global supply chains are settling into pre-pandemic routines and efficiencies, which has reduced logistics-related costs for importers and exporters. Domestically, the inflationary environment created during the COVID-19 response, and the subsequent fiscal controls attempting to reduce that inflation have not yet significantly dampened the robust Western Australian economy.

Container trade in the Inner Harbour reached an annual total of more than 809,000 TEU with growth of 2.2 per cent from 2021-22 and is the highest ever annual volume of containers for Fremantle Ports. Pleasingly, the volume of exports has proportionally grown relative to imports, and they now represent approximately 49 per cent of all container volume. China and domestic Australian trade remain the key markets for containerised trade. The container terminal operators continue to invest in the precinct through new vehicle gating and marshalling areas. They also continue to deliver some of the best crane movement rates in Australia, as well as leading truck-turn around metrics for land-side logistics.

Significantly, demand for new motor vehicle imports climbed steeply with new arrivals amounting to more than 113,000 vehicles. This represents year-on-year growth of more than 21 per cent and is the highest total since 2012-13. This appears to represent the pent-up purchasing pressure that was created during COVID-19. As inflationary pressures, and associated interest rates, continue to climb, it is anticipated that this level of demand will cool in coming years.

Also up on 2021-22 volumes, despite significant political attention, live sheep exports increased by more than 33 per cent to over 620,000 head of sheep.

Kwinana Bulk Terminal is Western Australia's only clinker import location.



Outer Harbour

Outer Harbour overall trade climbed in line with the growth in the Inner Harbour, increasing 15 per cent from 19 million tonnes in 2021-22 to 22 million tonnes in 2022-23. Imports grew 10 per cent by volume. This was led by cement clinker imports rising by 6 per cent, petroleum increasing by 16 per cent and fertiliser increasing by 19 per cent. Exports grew by more than 20 per cent. Wheat was up 65 per cent this year as a result of bumper crops in Western Australia, equivalent to an increase of 2.2 million tonnes. Barley increased 59 per cent or 597,000 tonnes, while silica sand exports rose 42 per cent, equating to an increase of 180,000 tonnes. The growth was tempered by the cessation of bauxite and iron ore exports.

Not surprisingly, with the growth in both imports and exports there was increasing demand for berths, and a growing focus on operating efficiency and the maintenance of aged facilities. Significant efforts are being invested into engaging with stakeholders to manage that demand and to continue to accommodate the growth that Western Australia's importers and exporters are achieving. Efforts are also continuing to gauge future demands as significant industrial projects, such as Woodside's hydrogen export facility, advance in coming years.

As planning for Westport continues, Fremantle Ports will continue to work with government, importers and exporters in the continued provision of bulk import and export facilities. Fremantle Ports' current Port Development Plan project is expected to set down a clear pathway for an expansion of trade at Kwinana Bulk Terminal and Kwinana Bulk Jetty.

Total trade

Total port trade in 2022-23 increased by 11 per cent to 31.3 million tonnes, 3 million tonnes up compared with the previous financial year. The cessation of the export of bauxite exports was offset by the marked increase in the trade of grains, refined petroleum, urea, ammonium nitrate and lime.

Imports

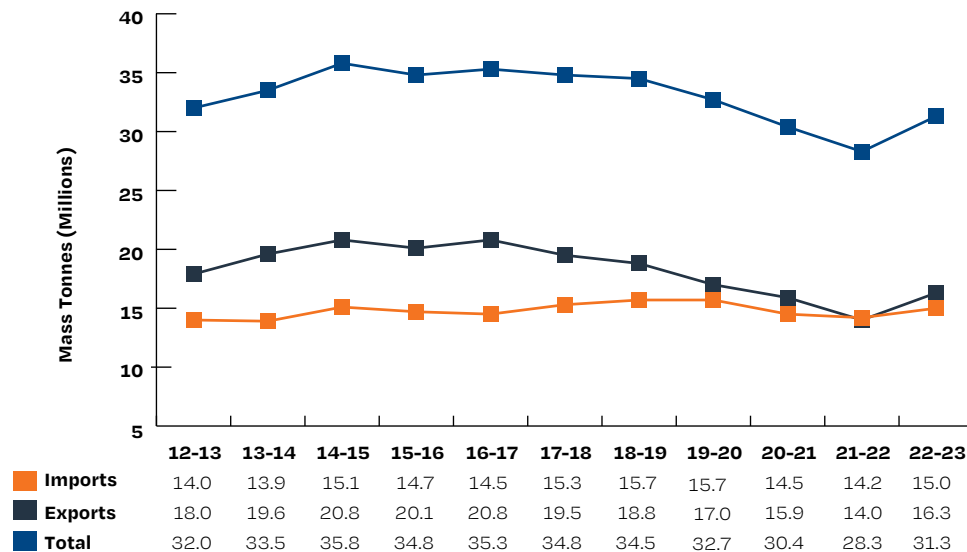
Total imports in 2022-2023 increased by 700,000 tonnes compared with the previous year. A range of trades contributed to this five per cent growth in imports. The Outer Harbour saw strong demand for key bulk commodities which support the Western Australian economy, namely; refined petroleum, fertilisers, clinker and caustic soda.

The Inner Harbour saw growth in the container volumes and separately an increase of 21 per cent in the number of new vehicles imported. Total breakbulk cargo imports reached 652,000 tonnes which was down 17 per cent compared to the previous year. The change was largely due to a decrease in the importation of iron and steel products. It is worth noting that with the reduction in

the container rates, there has been a movement of some iron and steel products from breakbulk back to containerised cargo.

Total port trade

2012-13 to 2022-23



Total port trade increased by 11 per cent in 2022-23.



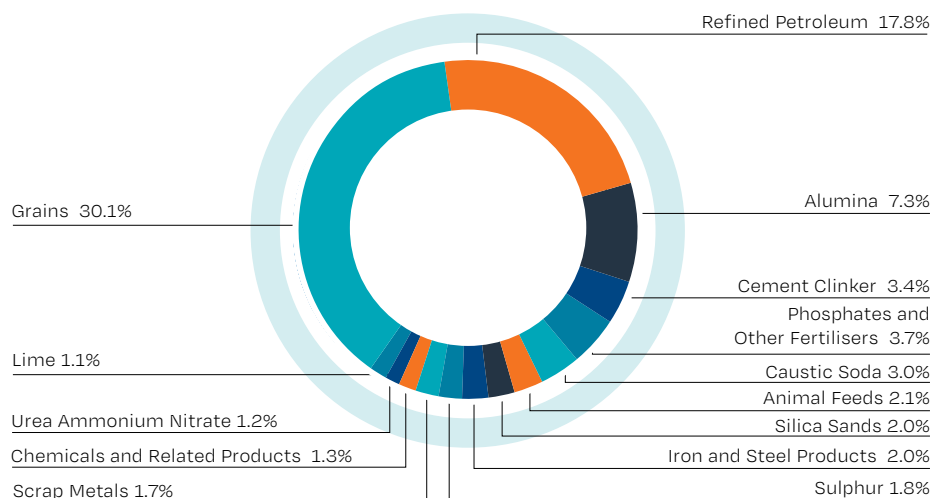
Exports

In 2022-23, total exports increased 16 per cent or 2.2 million tonnes in total, compared with the previous financial year. This was predominantly due to the 54 per cent increase in grains exported, up 3.3 million tonnes compared with the same period last year. Total silica sand exports also saw a good year, reflecting the growing interest in this commodity increasing from 443,039 tonnes to 616,184 tonnes, an increase of 39 per cent.

Inner Harbour exports increased by 255,000 mass tonnes, which equates to a 5.9 per cent increase. The drivers behind the containerised exports through the Inner Harbour were similar to the overall trade drivers, with containerised lupin and wheat exports more than doubling to 8,606 TEU for wheat and 8,156 TEU for lupins. Fresh fruit and vegetable containerised exports decreased from 12,180 TEU to 10,661 TEU.

Principal commodities

2022-23 per cent of Total Trade (Mass Tonnes)



Clinker is a key element in cement and crucial for the construction industry.

Bulk fuel imports

This year saw the inauguration of Impala Terminals' new fuel import terminal in Kwinana, capable of receiving, storing and distributing fuel imported over Kwinana Bulk Jetty. A flagship terminal for Western Australia, Impala's facility has a storage capacity of 225 million litres. The first shipment successfully took place in September 2022.

The commissioning of this facility not only was an important addition to the Kwinana Industrial Area, but had direct and positive implications for Fremantle Ports, through the

arrival of an additional 20 to 25 extra vessels per annum. We played a role in a range of ways in support of this development, including collaboration on engineering and design plans, permits, approvals and engagement with our commercial partners on future business drivers for bulk-liquid trade.

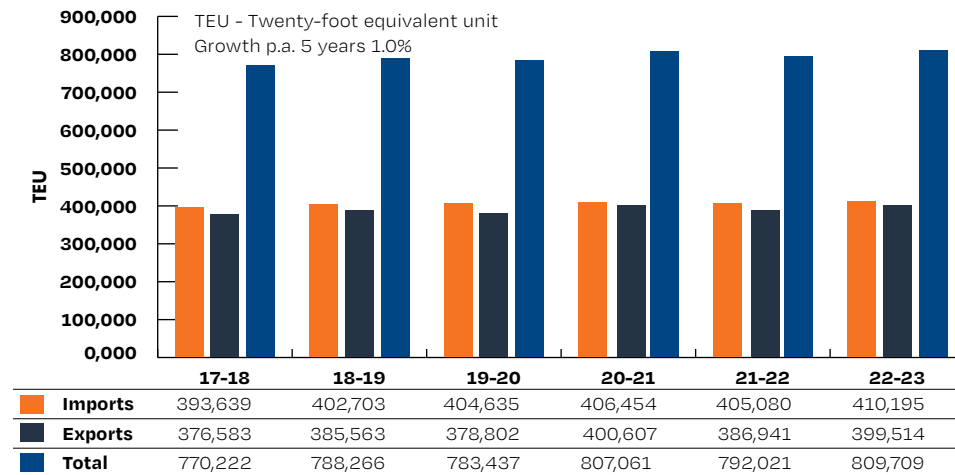
Fuel stored at the facility is used by retail and commercial distributors across the region, bringing security of supply for fuel consumers, including the WA mining sector.



More than 2,500 trucks visit North Quay each day.

Total container trade

2017-18 to 2022-23



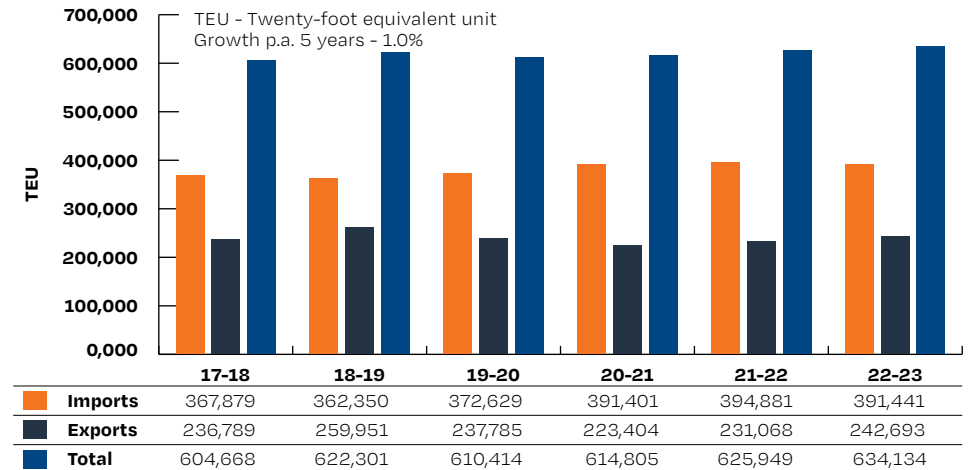
Container trade

The container trade increased by 17,688 TEU or 2.2 per cent compared with 2021-22. The main features of the container trade this year were:

- Total exported containers increased by 3.2 per cent and imported containers increased by 1.3 per cent
- The full container trade increased by one per cent or 8,185 TEU
- Exported full containers increased by 5.0 per cent or 11,625 TEU and imported full containers decreased by 0.9 per cent or 3,440 TEU
- Domestic container trade (within Australia) increased by 1,769 TEU (or 2.9 per cent) to 62,715 TEU

Full container trade

2017-18 to 2022-23



Top Ten Container Trading Partners			
Total Full Container Trade (TEU)			
Country	2020-21	2021-22	2022-23
China	204,704	186,706	192,270
Australia	56,862	60,946	62,715
Thailand	30,363	39,810	36,890
Japan	33,333	39,327	39,517
Malaysia	32,706	37,858	43,732
South Korea	27,044	30,839	31,209
Indonesia	24,021	29,973	31,351
Vietnam	24,075	24,624	27,345
India	25,140	20,192	20,617
Singapore ¹	15,876	15,672	14,576
Top 10 Countries percentage of Full Container Trade	77.1%	77.6%	78.9%

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.



Breakbulk: Cargo unable to fit in containers, such as heavy machinery and steel, was down by 16 per cent on the previous year.

Breakbulk cargo

The total throughput of breakbulk cargo in the Inner Harbour 2022-23 was 0.95 million mass tonnes, a decrease of 13.8 per cent compared with the previous year. Imports decreased by 18.1 per cent compared with last year predominantly due to iron and steel products. Exports decreased by 4.4 per cent compared with last year, predominantly due to a fall in exports of scrap metal.

Year-on-year growth of more than 21 per cent represents the greatest growth in new motor vehicle imports since 2012-13.

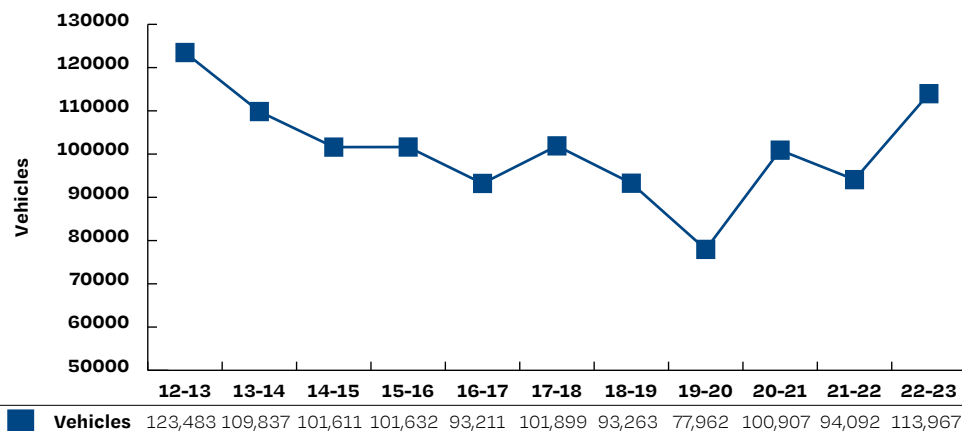


New motor vehicle imports

Demand for new motor vehicle imports in Western Australia rose to 113,967 vehicles. This represents year-on-year growth of more than 21 per cent and is the highest amount since 2012-13. This reflected a strong Western Australian economy and a residual demand post-COVID-19.

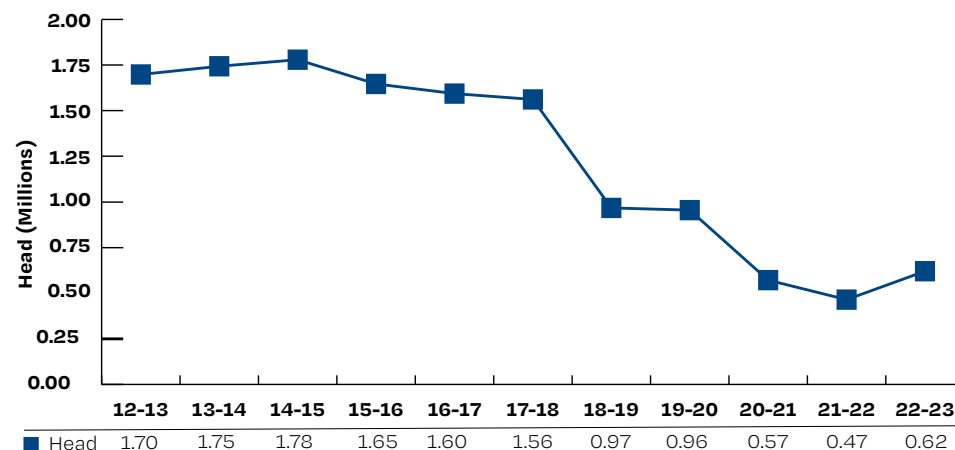
New motor vehicles - imports

2012-13 to 2022-23



Live sheep exports - (millions)

2012-13 to 2022-23



Live sheep exports

Exports of live sheep totalled 0.62 million head and accounted for 100 per cent of Australia's live sheep exports by sea. Trade with the Middle East was responsible for 100 per cent of exports from Fremantle and increased by 34 per cent or 0.16 million head compared to last year.

Live cattle

Live cattle exports totalled 72,152 head, an increase of 8,501 or 13 per cent compared with 2021-22. The most significant export region for live cattle was the Middle East, with 59 per cent of cattle, followed by Southeast Asia, receiving 35 per cent.

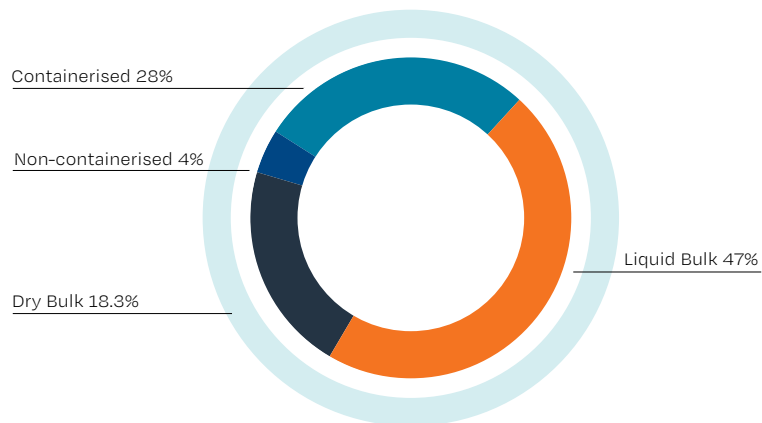
Bulk cargo

In the Outer Harbour bulk cargo trade grew from 19 million tonnes last year to 22 million tonnes this year, up more than 15 per cent. While imports grew 10 per cent by volume led by increases in clinker (up 6 per cent), petroleum (up 16 per cent) and fertiliser (up 19 per cent) exports grew more than 20 per cent.

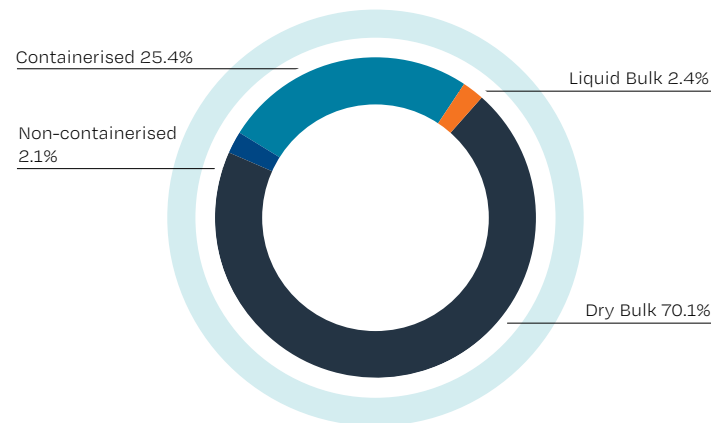
The key drivers of this export growth were wheat (up 65 per cent or 2.2 million tonnes), barley (up 59 per cent or 597,000 tonnes) and silica sand (up 42 per cent or 180,000 tonnes).

Trade by cargo class (mass tonnes)		
Cargo	Imports	Exports
Liquid Bulk	7,022,572	390,989
Dry Bulk	3,162,761	11,412,727
Non - Containerised	651,699	347,249
Containerised	4,130,673	4,136,372
Total	14,967,706	16,287,337

Trade by cargo class - imports
2022-23 (Mass Tonnes)



Trade by cargo class - exports
2022-23 (Mass Tonnes)



High-profile visits

Fremantle Ports received visits from, or met with, representatives of other nations during the year, to discuss trade opportunities, sister-port relations and other matters of common interest, including port logistics, sustainability and cooperation. In addition to this, links were maintained with overseas ports at management and officer level, which helped sustain Fremantle Ports' currency on international trends regarding maritime trade and port efficiency. Notable engagements during the year were:

- A high-level meeting with the Ambassador of Denmark to Australia, Pernille Hahler Kardel in July
- Two visits from the Consul-General of Japan to Western Australia, Mr Naito Yasushi, including one in May to mark the 40th anniversary of the sister port agreement between Fremantle Ports and the Nagoya Port Authority
- A visit in March from the Mauritius High Commissioner to Australia, Her Excellency Mrs Marie Claire Jeanne Monty and Mr Ian Whitaker, Honorary Consul of Mauritius in Western Australia
- A high-level meeting with representation from the Canadian High Commission in June



The Consul-General of Japan to Western Australia, Mr Naito Yasushi with Harbour Master Savio Fernandes.

Major overseas trading regions

In 2022-23 total trade with Asia was 22.1 million tonnes which accounted for 70.6 per cent of total port trade. Trade with Asia increased by 2.6 million tonnes or 13.3 per cent in 2022-23 when compared with 2021-22. Trade with East Asia decreased by 1.3 million tonnes or one per cent predominantly due to Chinese exports decreasing by 1.3 million tonnes or one per cent.

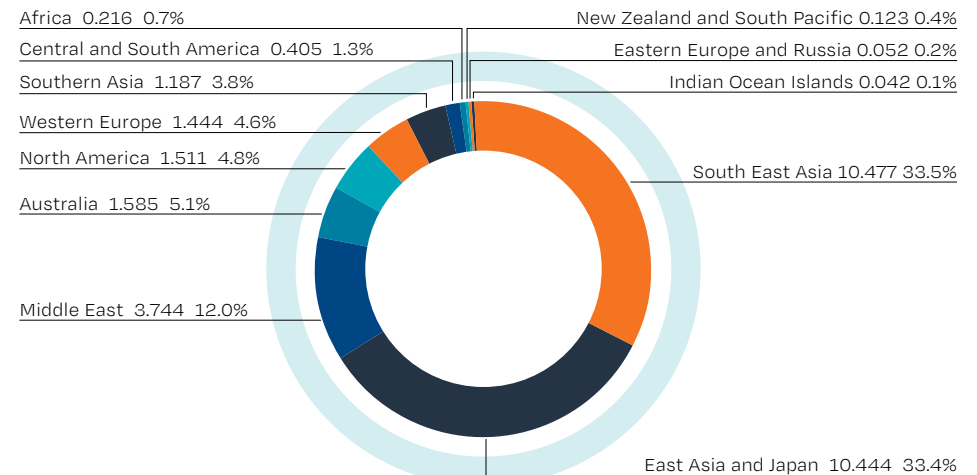
Trade with South-East Asia increased by 2.2 million tonnes (4.3 per cent) and South Asia decreased by

0.8 (3.2 per cent) million tonnes. Trade with the United States of America increased by 0.5 million tonnes, or 1.1 per cent. Middle Eastern trade increased by 0.8 million tonnes or 1.5 per cent whilst trade with Western Europe by volume didn't change from 2022.

Trade with Eastern Europe and Russia decreased by 0.454 million tonnes. This was due largely to the Russia-Ukraine war which started at the beginning of 2022.

Principal areas of trade

2022-23 Mass Tonnes (Millions)



Supply chain

As one of Australia's major container ports, Fremantle serves as a critical gateway for imports and exports, connecting businesses to global markets. The global supply chain is an intricate web of interconnected processes and networks that facilitate the movement of goods, raw materials, and resources across the world. During the last year, the global supply chain faced many challenges, including disruptions caused by the COVID-19 pandemic, shifts in trade policies, and technological advancements. These factors influenced the operations and efficiency of ports worldwide. Fremantle Ports has navigated through these challenges, adapting its processes, and implementing measures to ensure the smooth flow of goods while prioritising safety.

Container terminals

This year saw significant infrastructure investment by both container stevedores, with DP World constructing a new traffic marshalling area, forklift stacking area and a more efficient gate interface between the rail terminal. It also acquired new forklifts to replace its rubber-tyred gantries.

Patrick constructed 36,000m² of additional full container load hardstand, also developing a more effective rail gate interface, to improve efficiency of container movement.

Both container stevedores have committed to further investment over the course of their lease agreements.

There were developments for both of Fremantle's port container stevedores, DP World and Patrick, following the introduction of new container terminal leases and operating agreements. The operating agreements came with incentives aimed at improving landside and quayside performance, with key objectives centred around driving port and supply chain efficiency through the implementation of key performance indicators.

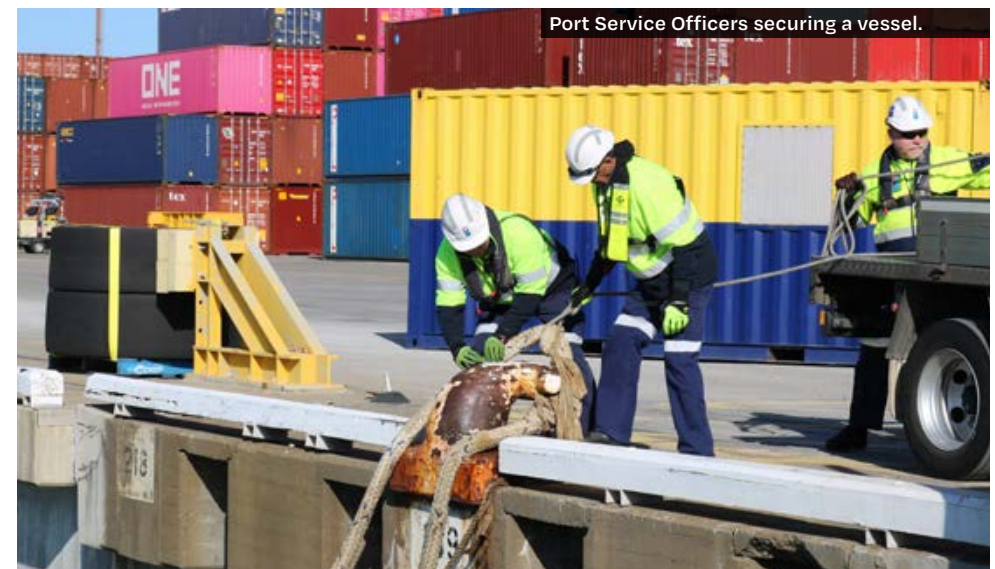
Container terminal performance in 2022-23, compared with the latest national average as published the Australian Government's Bureau of Infrastructure and Transport Research publication Waterline 68¹ featured:

- A crane rate² average of 33.4 gross moves per hour (GMPH); compared with the latest national average of 28.3 GMPH
- An average receipts and delivery truck turnaround time of 23.2 minutes

- Average rail truck turnaround time of 20.6 minutes. The latest national average truck turnaround time is 32.3 minutes

¹ September 2022 Bureau of Infrastructure and Transport Research Economics Waterline 68 report - data is across five national ports (Brisbane, Sydney, Melbourne, Adelaide, and Fremantle), Jan-Jun 2021.

² 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

Container rail freight plays a crucial role in the efficient movement of goods in and out of Fremantle Port. Serving as a vital link in the supply chain, it enables the seamless transportation of containers, connecting the port with major industrial hubs and distribution centres.

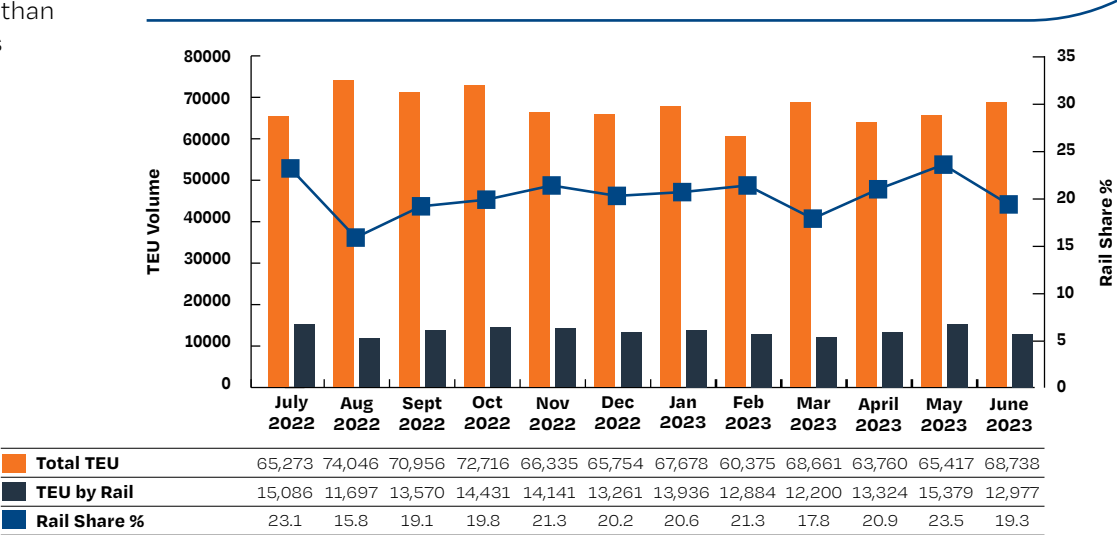
By alleviating road congestion, reducing carbon emissions, and enhancing overall logistics efficiency, container freight rail contributes significantly to the economic growth and sustainability of Western Australia.

The share of containers on rail averaged 20.1 per cent for the year, exceeding the State Government target of 20 per cent and more than double the Australian five-ports average of 9.4 per cent.



Fremantle Ports continued to achieve the highest rate of containers on rail for all Australian container ports.

Monthly rail share
2022/2023



Fremantle Ports achieved its highest monthly rail share for the year in May 2023, with 23.5 per cent of containers moved on rail, which was a total of 15,379 TEU moved for the month.

This year over 162,000 TEU were moved on rail, which equalled a reduction of over 106,000 truck movements on roads to and from the port - a significant factor in mitigating traffic congestion.

Empty container parks

Empty container park utilisation remained steady on the previous year, averaging 62.2 per cent across all facilities, with peak utilisation of 67.5 per cent in March 2023. Fremantle Ports continues to work proactively with empty container park operators to drive supply chain efficiency, reduce yard congestion, and drive off-peak movements.

Shipping lines

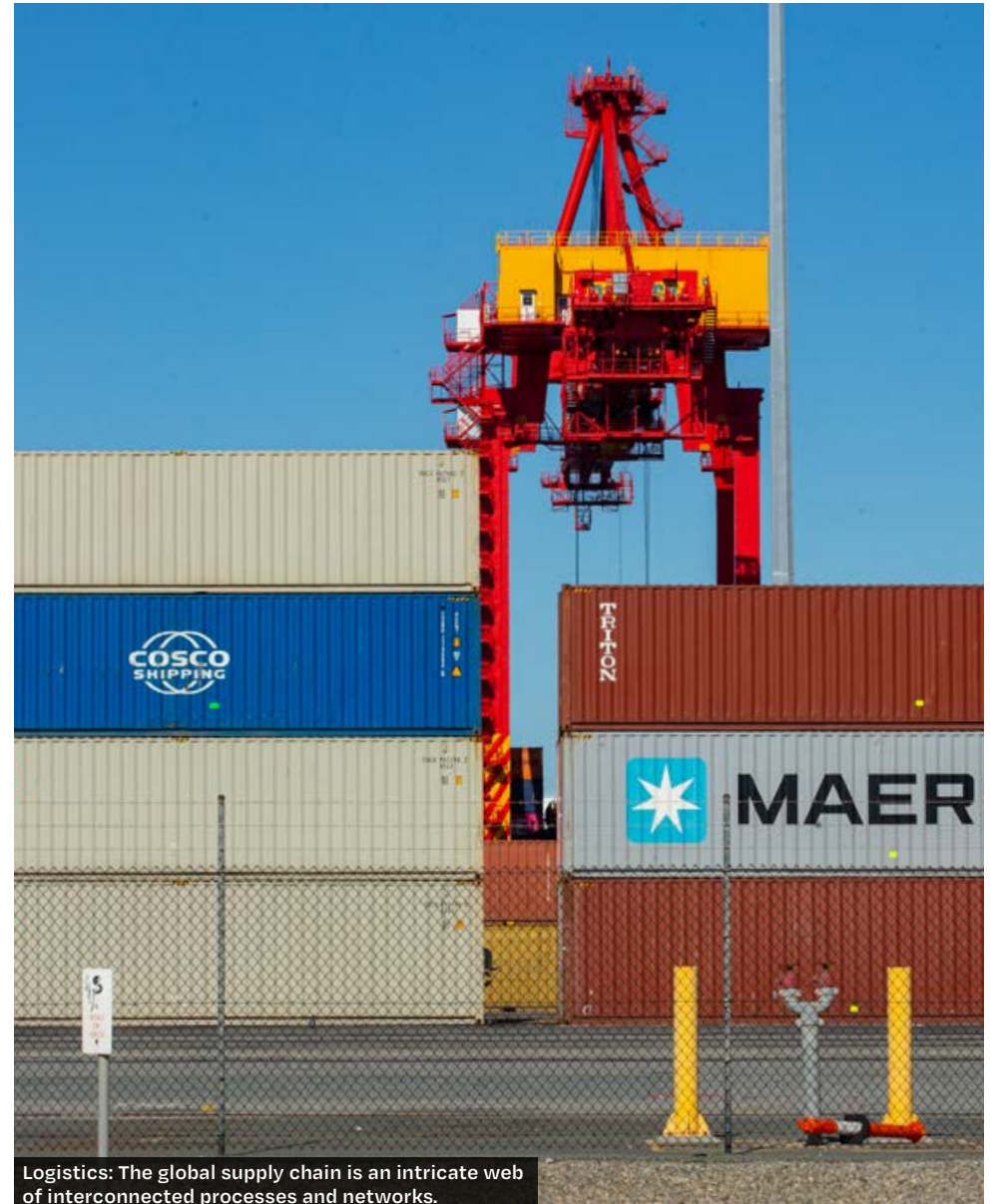
Being actively engaged with all shipping lines enables the fostering of efficient operations, enhancing maritime connectivity, and helping facilitate global trade. Fremantle Ports takes into account the requirements of shipping lines, given their primacy in the supply chain.

Recent months saw the pressures of COVID-19 ease, and global supply chains normalise.

We welcomed new regular weekly liner services from new shipping companies in late 2022 and were pleased to see the continued operation of these services in testing market conditions.

Longstanding liner shipping companies with Fremantle Ports links continued to provide their regular services, whilst making some minor adjustments as market conditions changed, including either rotational changes or adjustments in vessel sizes.

RORO (Roll-on, roll-off) and PCC (Pure Car Carriers) continued to play a significantly important role in keeping Western Australia supplied with vehicles for mining and agricultural industry, as well as households, with the new and used import car market remaining strong.



Logistics: The global supply chain is an intricate web of interconnected processes and networks.



This year we turned 70 per cent of large vessels on arrival.

Maritime operations

Large container vessels turning on arrival

Calls by large container ships continued to increase at the Port of Fremantle. Turning such ships on arrival significantly increases safety and efficiencies, by allowing for them to depart safely during night hours.

Last year, we reported a 67 per cent success rate for turning on arrival since the process was first implemented in February 2022.

This year saw an increase of 11 per cent in the number of large container vessels calling at the port, with 70 per cent of those vessels turning on arrival.

While the manoeuvre is currently restricted to daylight only, Fremantle Ports is currently working towards making this a 24/7 possibility.

The HMAS *Sirius* deconstruction project

The ex-HMAS *Sirius* was the Royal Australian Navy's refuelling ship in service for 15 years and holds the record for the navy's biggest-ever fuel replenishment at sea.

The vessel reached the end of its operational life and was decommissioned in December 2021. A private company was then contracted to carry out the deconstruction of the vessel at the Australian Marine Complex (AMC) - the largest vessel identified for deconstruction at AMC.

The Harbour Master's Office was contacted and commenced engagement in February 2022 with the Department of Defence, AMC stakeholders and the contractor. Risk assessments and a project plan review was conducted by Fremantle Ports to advise all stakeholders regarding operational risks that could impact the safety of the project.



HMAS *Sirius* cut in two prior to scrapping.
Photo courtesy of Birdon Group.

Discussion resulted in strong risk mitigation measures being implemented prior to commencement of the project.

While the initial project plan was to utilise a semi-submersible vessel to lift the *Sirius* out of the water to cut the vessel into two sections, logistical challenges required a review and the project plan was amended to include in-water cutting

of the vessel into two sections - a first for Fremantle Ports, AMC and Western Australia.

The project was safely completed and both sections of the vessel safely transferred on to dry land at AMC on 3 May 2023, for the final stages of deconstruction. There were no incidents or injuries reported during the project.



The port ecosystem at work, keeping the port running, 24 hours a day, seven days a week.

Pre-arrival notification process and navigation process improvements

Fremantle Ports implemented an enhanced pre-arrival notification process which involves proactive vetting of all ships calling at the Port of Fremantle.

The intent of this process is to ensure that ships calling are safe for their intended operations while here. The process provides a significant layer of risk management to protect our people, the environment and port infrastructure.

As an additional navigation process improvement, escort towage for loaded tankers was introduced as a risk mitigation measure for ships transiting the critical Success and Parmelia channels.

Enhanced on-water security surveillance

An enhanced on-water security patrols process was implemented to facilitate early detection of any marine security and safety related matters. This enhanced process resulted in successful search and rescue operations for two separate incidents when our Small Craft Team assisted in rescue of affected members of the local community in support of Hazard Management Agencies, under Western Australia's emergency management framework.



Fremantle was the only Australian port to be called on in the commemoration of India's 75th anniversary of independence.

Indian navy vessel – INS Sumedha

On 15 August 2022, we hosted the Indian warship, the INS *Sumedha*, one of a fleet of eight warships calling at different continents around the world to commemorate India's 75th anniversary of independence.

Fremantle was the only Australian port to be called on for this significant event. The visit required active engagement with the Royal Australian Navy and the Indian Defence Attache, resulting in a successful event.



Case study

Cruising returns!

Scan the QR code to watch the short video.



After two years without cruise ship operations due to interruptions resulting from COVID-19, this trade came back to the Inner Harbour. Cruising has significant economic and social impacts in Western Australia, but also locally in Fremantle, so its return was warmly welcomed.

Australian international and domestic borders closed in March 2020 and lifted in March 2022, with the *Silver Explorer* the first cruise vessel received in August 2022.

Prior to COVID-19, cruising contributed \$276m per annum to the WA economy and supported more than 1000 jobs. This is expected to grow, as the Australian cruise schedule normalises in 2023-24.

Fremantle Ports utilised the downtime to replace lifts and elevators in the Fremantle Passenger Terminal, in line with Western Australia's WA Cruise Tourism Vision to enhance the cruise visitor experience. We also used the opportunity to install one of Western Australia's largest on-building solar arrays, on the building's rooftop, as part of our sustainability work.

The return of iconic ships such as Cunard Line's *Queen Elizabeth* were greeted enthusiastically by the Fremantle public. The ship can be seen here arriving into Fremantle, passing one of our pilot vessels, *Genesis*, on its way to another piloting task in Gage Roads.



Cruise shipping

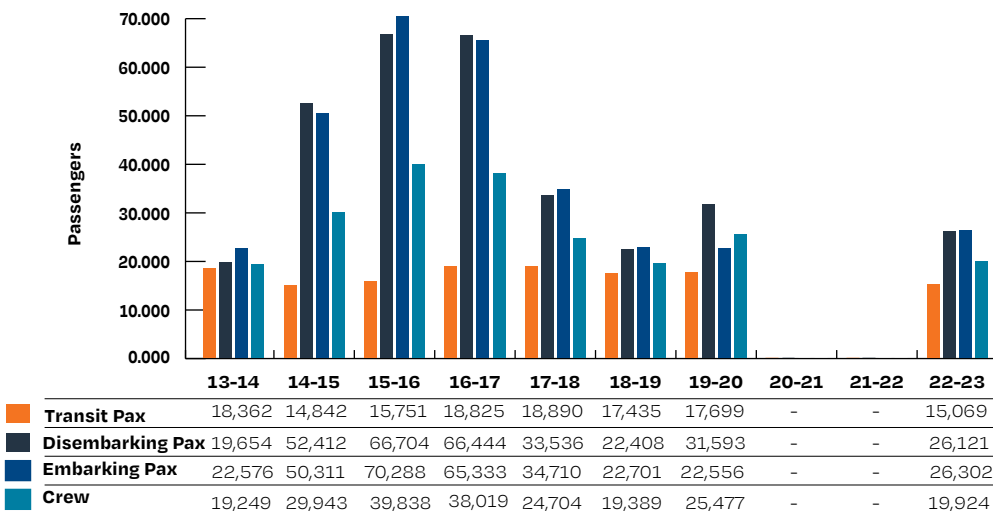
Fremantle Ports welcomed back cruise shipping into Fremantle after a two-year hiatus caused by COVID-19. The Commonwealth Government announced in March 2022 that the ban on international cruising would be lifted and this occurred on 17 April 2022. The first vessel for the season was the *Silver Explorer*, on 20 August 2022, with the last the *Pacific Explorer* on 18 May 2023.

In total for the 2022-23 season, Fremantle Ports welcomed 33 cruise calls. Some notable debut visits to Fremantle were by the *Coral Princess*, *Noordam*, *AidaMar* and the *Zuiderdam*. The *Pacific Explorer* undertook seven turnaround visits to and from Fremantle. The economic contribution locally and to the State was significant.

The 33 visits were by 16 separate ships, carrying a total of 67,492 passengers. Twelve of those vessels were international visits and 21 home-based calls.

Passengers through Fremantle Port

2013-14 to 2022-23

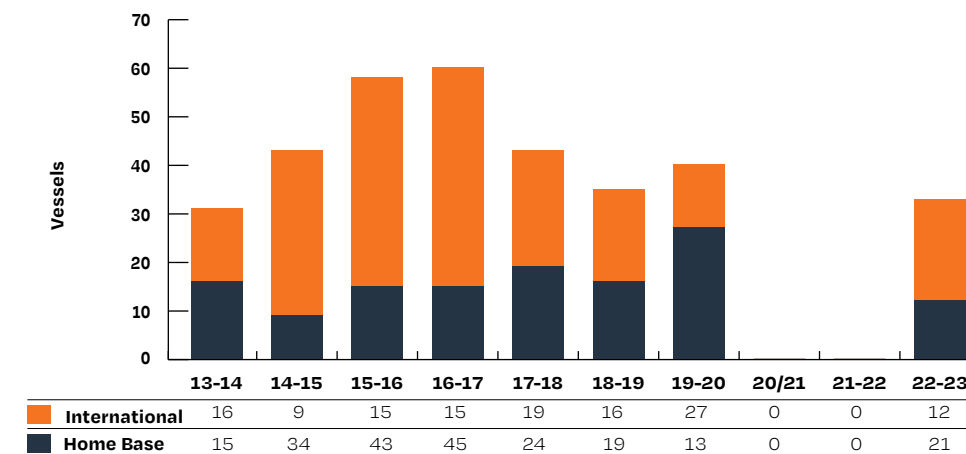


During the pandemic, Fremantle Ports was able to undertake lengthy work on aspects of the heritage-listed passenger terminal, which remains one of the only terminals in Australia able to cater for two large cruise ships at once. Fremantle Ports replaced the original lifts and escalators that were over

60 years old, to allow the facility to operate smoothly during ship visits. During the year, future planning was conducted for proposed significant berth and fender works at F and G Berths to continue to facilitate the cruise industry now and into the future.

Cruise vessels visiting Fremantle Port

2013-14 to 2022-23



A firm favourite: Cunard Line's *Queen Elizabeth*.

Security

Fremantle Ports is committed to continuous improvement in respect of security across the Port of Fremantle. During the year it commenced a comprehensive security uplift program, designed to address areas of opportunity.

Ensuring effective coordination, communication, and decision-making regarding security matters. In April 2023, the appointment of a Chief Security Officer was a significant milestone in enhancing security management and coordination within the port.

Fremantle Ports continues to work collaboratively with government stakeholders including the Department of Home Affairs, Border Force, the Australian Federal Police

and the Western Australia Police Force, to support and achieve the objectives of the *Maritime Transport and Offshore Security Act*, *Customs Act* and the *Security of Critical Infrastructure Act*.

Fremantle Ports has established a cohesive and proactive approach to security management and the protection of Fremantle Ports' people and assets.



Small Craft conduct maritime security patrols.



Victoria Quay activation: Gage Roads Brew Co. is a great success.

Planning

Victoria Quay Waterfront

The western end of Victoria Quay is the 'old port' precinct adjacent to the Fremantle Inner Harbour and central business district. The Western Australian Government and Fremantle Ports are committed to revitalising the western end of VQ into a vibrant and active waterfront and world class destination.

To progress with the implementation of the Victoria Quay Waterfront activation program, in November 2022 a Memorandum of Understanding was signed between Fremantle Ports and the Department of Planning, Lands and Heritage (DPLH).

Fremantle Ports is working collaboratively with DPLH to design, plan and deliver an improvement to the WA Maritime Museum forecourt and Bathers Beach to VQ connector. This work can be used as a basis for all further improvement works in the precinct.

The works programs completed or progressed include:

1. Precinct maintenance

To improve the current visitor experience on Victoria Quay, a general maintenance of the western end is progressing, which includes:

- Removing/ reducing and refreshing signage
- Upgrading mesh fencing
- Managing traffic in pedestrian areas
- Improving entry gardens

2. Forecourt enhancement and place activation

Planning is underway to design and implement some urban realm enhancement and activation for the central part of the Victoria Quay Waterfront, WAM forecourt and the Fremantle Ports workshops. This may include shading, seating, bike racks, trees in large pots, festoon lighting, other movable street furniture, place activation and events for the area.

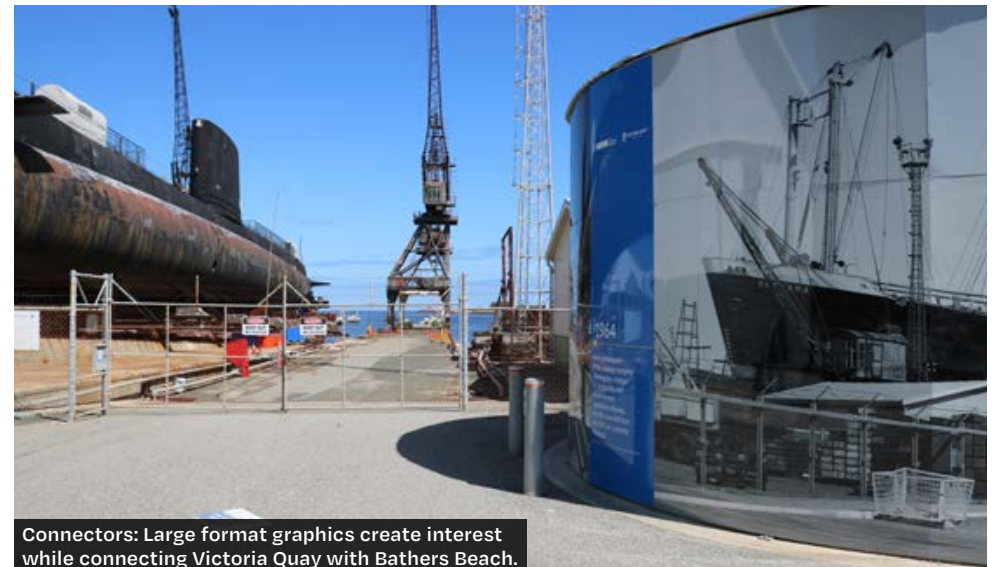
Immediate physical changes to the environment will allow Fremantle Ports to test urban design concepts and events in the area without committing to large-scale improvement works involving relocation of services or level changes.

3. Bathers Beach to Victoria Quay connections and South Metropolitan TAFE parking upgrade

This work will deliver improved pedestrian connections between Victoria Quay and Bathers Beach and upgrades to the South Metropolitan TAFE parking area for shared public use.

Ferry operations

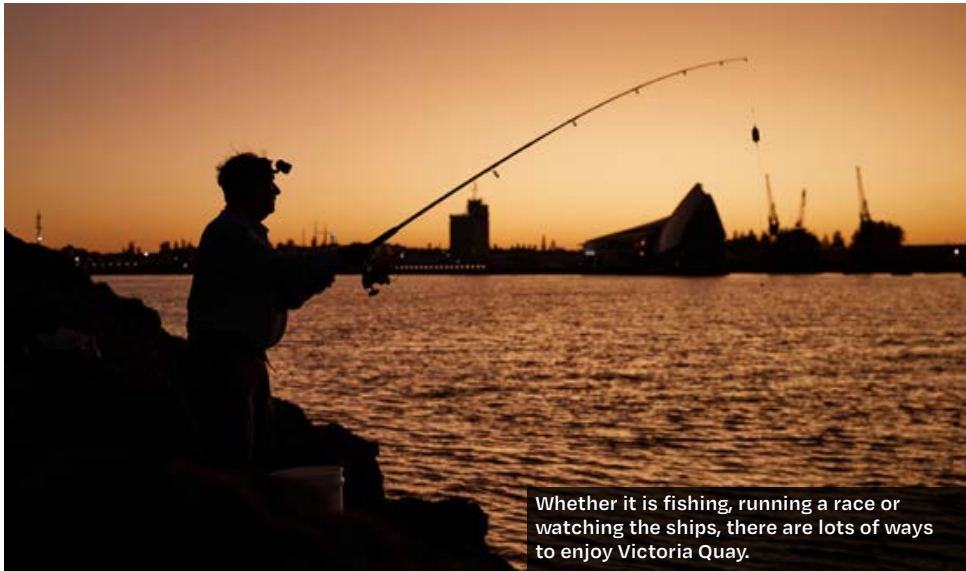
Fremantle Ports continued to support the local tourism industry. Victoria Quay based Rottnest Ferry operators Rottnest Express and Sealink celebrated record years following the reopening of the State border.



Connectors: Large format graphics create interest while connecting Victoria Quay with Bathers Beach.



West Australian Maritime Museum presides over Victoria Quay.



Place activation

During the year, Fremantle Ports planned for increased activation of Victoria Quay, to draw the public to the precinct.

Fremantle Ports' approach to activation has been built firstly around collaboration with other partners and tenants on and around Victoria Quay, such as the WA Maritime Museum, J Shed artists, Gage Roads Brew Co, the E Shed Markets, ferry operators Sealink and Rottnest Express, and the City of Fremantle. We continued facilitating and chairing quarterly communication and placemaking

meetings with these partners, to share information and encourage cooperation.

We also ran key events, including the Harbour Master Classic run event with the WA Marathon Club, the inaugural Slip Street Carnivale, Maritime Day at the Passenger Terminal and free boat tours of the Inner Harbour during Autumn, as well as hosting many community activities in partnership with the City of Fremantle throughout the year, including during school holidays.



Case study

Activating Victoria Quay

Scan the QR code to watch the short video.



Victoria Quay hosted the third annual Fremantle Ports Harbour Master Classic Fun Run in May 2023, with more than 800 runners and spectators taking advantage of Fremantle's mild autumn weather - perfect for running, in a safe, traffic-free environment.

Our Victoria Quay place activation calendar encourages a blend of demographics to experience and enjoy the area. The Harbour Master Classic is the leading sporting event in the mix, introducing both amateur and more competitive runners to Victoria Quay as a potential training location, as well as a great opportunity to witness the VQ offering and a working port in action.

The West Australian Marathon Club (WAMC) is the event owner with Fremantle Ports the official principal event sponsor, a successful model we look forward to replicating for future Victoria Quay event opportunities.

The WAMC delivers WA's leading running events with the added benefit of marketing access to WA's running community. Fremantle Ports provides a great, safe location and fun entertainment, complementing our successful partnership.

Westport

Westport is the State Government's long-term program to investigate, plan and build a future container facility in Kwinana with integrated road and rail transport networks. An opportunity exists to create an efficient and sustainable trade network that will support new jobs and training opportunities, grow the WA economy by keeping trade moving, and protect our environment through evidence-based mitigation strategies and a carbon neutral supply chain.

Fremantle Ports is a key partner in the Westport planning process and the program has significant strategic implications for the future of our port and business. We have provided technical input and advice to Westport, and simultaneously worked on a broader port development plan examining the wider future requirements of the Port of Fremantle, particularly taking into consideration non-container trades.

Alignment is necessary between several strategic planning initiatives including Westport, Future of Fremantle Planning Committee, Department of Transport Non-Container Trade (NCT) Strategic Advice, Global Advanced Industries

Hub (GAIH) Economic Development Framework and Fremantle Ports' Port Development Plan.

Fremantle Ports supports Westport through the provision of expert advice and information via subject matter experts who participate in the Westport Steering Committee, Program Control Group and various working groups. These groups provide direction on a range of project aspects, including:

Commercial framework - investigative work focussing on identifying the suite of options available to fund and operate the new port facility and associated supply chain. A broad range of options are under consideration including government-led and funded development, public-private partnership and private sector development covering marine infrastructure, base terminal infrastructure, terminal superstructure, and operations. Options will be further assessed over the coming year.

Business case development - this work focuses on preparing a business case for the new container terminal in Kwinana, which includes project benefits and costs, detailed



Container terminal: Reach stacker at work.

financial analysis and modelling, risk analysis and project delivery.

Westport Supply Chain Integrated Design (SCID) - the central design workpiece to identify the most efficient overall supply chain system for Western Australia. Fremantle Ports provided strategic input to the draft port layout options and the potential impact these could have on existing infrastructure.

Non-container trade feasibility studies - a high-level consideration of how non-container maritime trades in the Inner Harbour might transition to other locations, if

feasible and desired. Fremantle Ports provided support to the Department of Transport by preparing some high-level cost estimates for various NCT scenarios for the Inner Harbour.

Westport's enabling works - Fremantle Ports is progressing with feasibility studies for some enabling works which includes the preparation of business cases for new Outer Harbour jetties.

Port Development Plan

Fremantle Ports is preparing a Port Development Plan which will focus on how the port will develop to facilitate forecasted trade growth. Once completed, this work will incorporate the strategic planning outcomes of the Westport project.

The Port Development Plan will take into consideration both the State Government's planned future transition of the container trade to Kwinana, 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 and the likely future planning and economy of the wider Fremantle area, a matter being examined by the Government-sponsored Future of Fremantle Planning Committee.

The preparation of the Port Development Plan is being undertaken in four stages:

Phase 1 - strategic planning framework development

Phase 2 - baseline analysis

Phase 3 - options development and assessment

Phase 4 - completion of port development plan

The first two phases were completed this year and, with the assistance of external consultants, the final two phases will be completed in 2024.

This will align with the completion of Westport's business case.



Kwinana is the focus for the planning of the transition of the container terminals.

Enterprise Program Management Office (EPMO)

This year, we established an Enterprise Program Management Office (EPMO) to standardise project and program governance processes, methodologies, tools and techniques.

This significant development, which included the on-boarding of further staff skilled in this field, also resulted in further sharing of resources across the organisation.

The objectives of the EPMO are to:

- Develop, implement and embed a new project management framework
- Support and facilitate funding for approved projects
- Track and manage approved projects
- Coach, educate and support project managers in effective project execution and change management

Our asset integrity inspections program focussed on cargo handling machines this year, particularly at Kwinana Bulk Terminal.



Assets and infrastructure

Fremantle Ports is committed to reinvesting in the business to support our strategic direction, investing in excess of \$100m during the year. Our assets are essential to delivering strong service to our customers and ensuring the efficiency of maritime and supply chain operations.

Asset management improvements

This year we merged the electrical and civil engineering branches to create a new team known as Asset Performance and added mechanical engineering capability in the process. The newly formed team has accountability for managing the integrity and performance of all assets across their life cycle.

We commenced the project to renew and upgrade our asset maintenance works management system with the new Oracle Maintenance Cloud, with full implementation expected in Q3 2023.

We also commenced developing a strategy to expand the Geospatial Information System (GIS) to integrate with other asset data

sources such as our asset drawings and records, new digital asset class management plans, and the new Oracle Maintenance Cloud to allow business decisions to be made with appropriate spatial awareness.

The development and implementation of digital asset class management plans have progressed as digital dashboards, utilising Power BI, a cloud-based business intelligence tool that allows data analysis. Full implementation is planned for the end of 2023.



An investment of almost \$1 million, the installation is the largest solar array in the Perth metropolitan area, and provides all of the passenger terminal's operational power needs.

Solar array

We completed the installation of the new 500kw solar array on the roof of the Fremantle Passenger Terminal, obtaining approval from Western Power to commission the system in early 2023-24.

High voltage upgrade

Kwinana Bulk Terminal's electrical supply upgrade was completed across the embedded high voltage site network to improve the safe and reliable supply of power to operations. Switching operations can now be undertaken remotely, reducing the time required to respond to incidents and reducing the exposure of personnel to hazards such as arc flash.



High voltage upgrade at KBT.



Case study

Solar array

The Hon. Rita Saffioti, Minister for Ports announced the completion of a major solar array on the roof of the Fremantle Passenger Terminal which will help power Victoria Quay.

Comprising more than 1,100 individual panels and covering much of the building's roof, the 500kw solar array will be able to supply 100 per cent of the passenger terminal's needs during cruise ship operations and 65 per cent of Fremantle Ports' administration building requirements.

The system is one of the biggest rooftop solar arrays in the Perth metropolitan area and the photovoltaic system will generate approximately 836MWh of electricity every year, equivalent

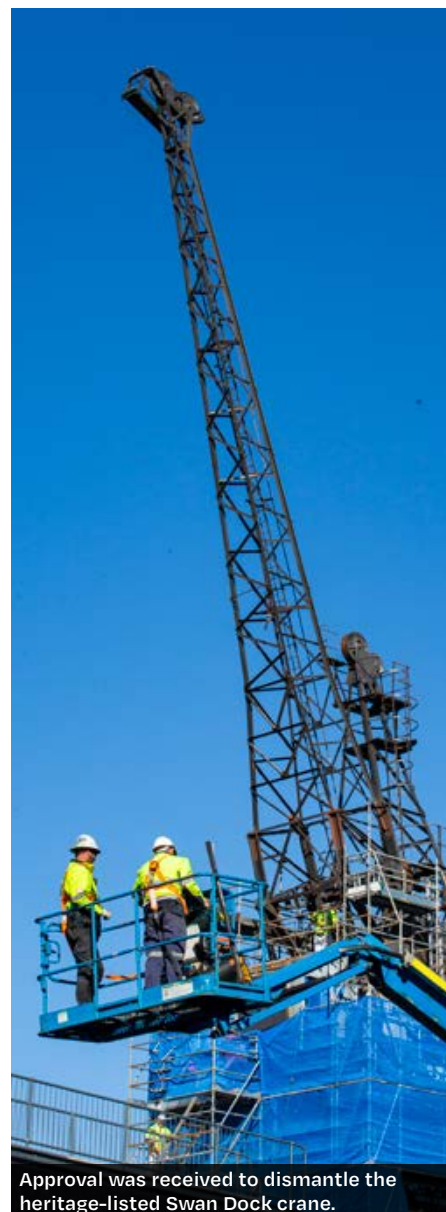
Scan the QR code to watch the short video.



to 2.5 per cent of Fremantle Ports' direct usage.

Over the 25-year expected lifespan of the system, it will offset 15,000 tonnes of CO₂, the equivalent of planting 85,000 trees.

The initiative contributes to Fremantle Ports' 2027 Strategic Plan goal to achieve net zero scope 1 and 2 emissions by 2027. This goal aims to achieve a sustainable port and supply chain over the long term and aligns with the Western Australian Climate Policy (2020) and the State Government's commitment to achieve net zero emissions by 2050. The cost of the installation was \$950,000.



Approval was received to dismantle the heritage-listed Swan Dock crane.

Swan Dock crane

In the Inner Harbour, Fremantle Ports received a clearance from the Department of Planning, Lands and Heritage (DPLH) to dismantle the heritage-listed Swan Dock crane near the slipways. Works commenced in June to dismantle the crane and it will be reinstated later on Victoria Quay, at a location and timing yet to be determined. While two nearby heritage cranes are under the control of the WA Maritime Museum, they too are earmarked for dismantling by the museum, again under instruction of DPLH.

New pilot boats ordered

We awarded a \$7.6m contract to Geraldton boat and ship builders, Dongara Marine, to construct two new pilot boats to enhance our small craft fleet.

The first pilot boat is scheduled for delivery in mid-2024 and the second later that year.

The two new pilot boats will be built to plans by Southerly Designs of Port Denison.

Cone-fenders installed at H Berth, Victoria Quay.



H Berth fendering

Fremantle Ports undertook the successful selective replacement of old fenders and bollards with new cone-fenders, at H Berth on Victoria Quay. H Berth receives Roll-on Roll-off vessels carrying vehicles and heavy breakbulk cargo such as machinery and industrial

equipment. The fendering work involved the installation of new precast panels and beams to support the fender structure. A prominent, local First-Nations led civil engineering firm was contracted to undertake the works.



Case study

Remediation works at C Shed

Scan the QR code to watch the short video.



Fremantle Ports' historic facilities at Victoria Quay are important State heritage assets and are undergoing significant refurbishment.

In addition to major repairs at B Shed, which up until recently, housed the ticketing offices for ferries to Rottnest Island, we have invested \$6m in major repairs to C Shed which was the first of our iconic transit sheds to be built in 1903-04.

The works include a new steel sheet pile wall under the shed, refurbishment of the timber structure including foundations, concrete deck repairs, new roof, as well as the removal of asbestos.

Commencing in April 2023, the repairs are largely complete, paving the way for the future uses of C-Shed to be determined. C Shed is historically and visually significant, both in terms of its aesthetic value and in defining the north-western edge of the city centre and its interface with the Derbal Yerrigan (Swan River).



Truck marshalling area

We installed new automated gates at the Rous Head truck marshalling area to increase security at this facility. The work involved installation of new security card readers and cameras, realignment of kerb and safety barriers and upgrade of security to MSIC standards.

Small craft pens

Temporary accommodation and amenities were installed on H Berth on Victoria Quay, to house Fremantle Ports small craft operations during the construction phase of the Swan River Crossings project. The existing small craft pens facility in part sits immediately adjacent to the Fremantle Traffic Bridge, requiring the relocation. It is expected operations will transition into the temporary facility by September 2024.

B Shed remediation

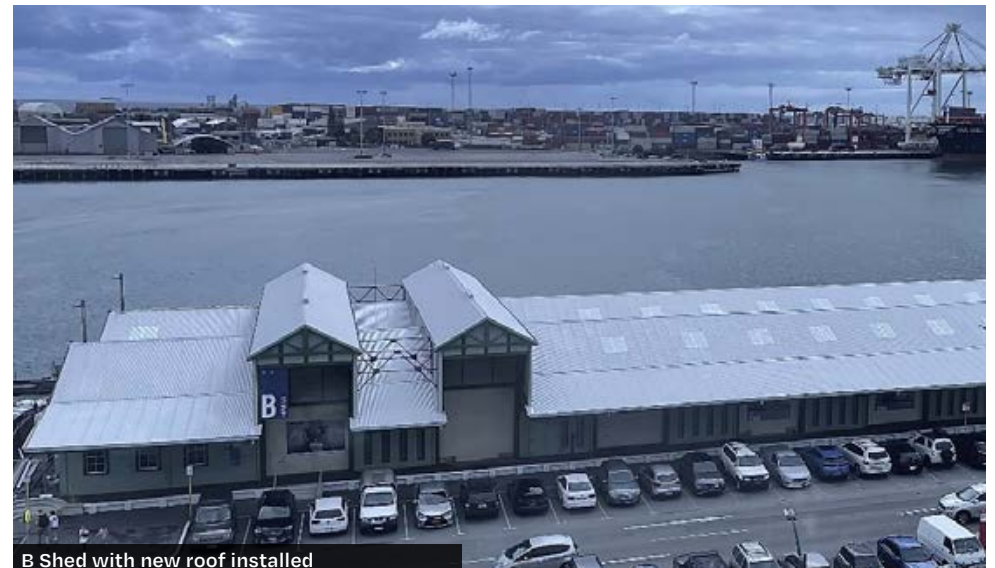
Following subsidence beneath a section of B Shed, we commenced the installation of new sheet pile walls beneath the heritage-listed transit shed on Victoria Quay during the year. The project to remediate B Shed has incorporated replacement of the roof and some structural remedial works to the shed and surrounding wharf decking. Tenants were required to be relocated as a result of these works.



B Shed: remediation underway.



Small Craft accommodation installed on H berth.



B Shed with new roof installed

Kwinana Bulk Terminal new clinker import circuit

Work continued on the new clinker import circuit project at Kwinana Bulk Terminal. The upgrade will result in the complete renewal of the current import system and feature a direct conveyor to Cockburn Cement Limited's adjacent site. This facility will deliver significant efficiencies for both Fremantle Ports and clinker customers.

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

Kwinana Bulk Terminal structural repairs

A four-year sustaining capital project was approved to undertake structural repairs to KBB2 jetty at Kwinana. This investment involves a structural remediation program, repairing critical structural members on the jetty, providing continuity of reliable service for KBT's bulk material handling service, over the short to medium term. This investment is aimed at a 10-year minimum viable life extension solution for the jetty, while future planning for Outer Harbour bulk operations continues.

Kwinana Bulk Jetty structural repairs and protection

Fremantle Ports also approved a three-year sustaining capital works program for the KBB4 jetty facility. The investment includes repairing and ongoing protection of the concrete soffit, to ensure Kwinana Bulk Jetty can operate successfully for the next 25 years. The scope of this project comprises the removal and replacement of all damaged concrete and installation of a hybrid cathodic protection system.



Kwinana Bulk Terminal: KBB2 structural repairs extends the life of the jetty.



The new clinker import terminal is taking shape. Photo: Paul Separovich



Maritime Day: A highlight was a parade of immigration-era fashions.

Stakeholder engagement

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. 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 the community via a range of communication channels, including electronic, newsletters, social media, news media, public events, community consultation meetings, our volunteer program 'Friends of Fremantle Ports' and through our community investment and education programs.

We conducted eight Inner Harbour and Outer Harbour Community Liaison Group meetings, giving residents and community groups the opportunity to provide feedback to us and on-share our information.

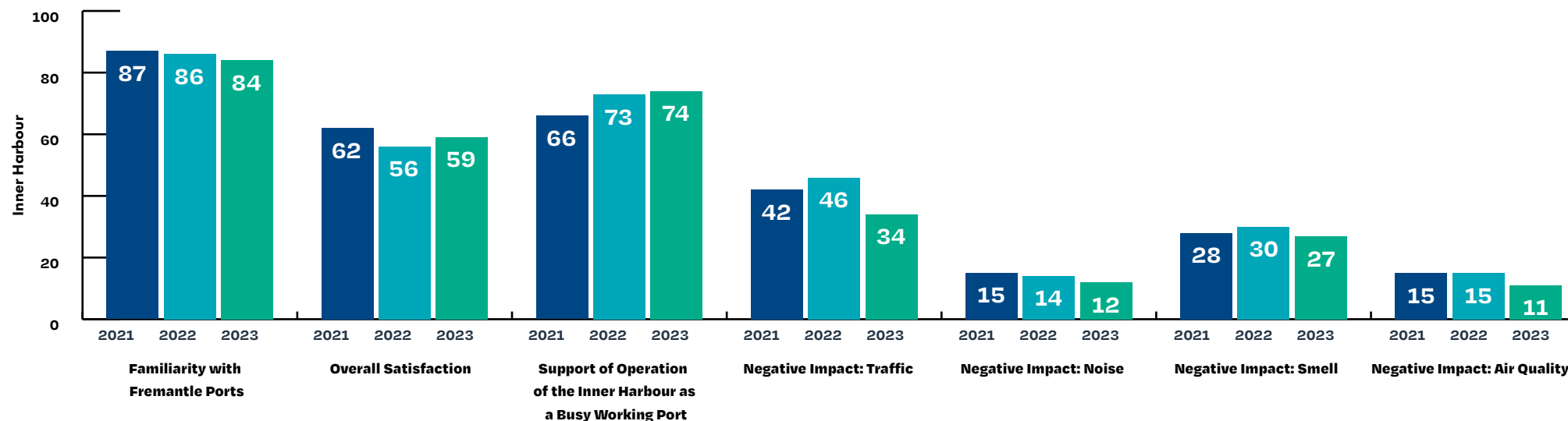
Community support

Fremantle Ports once again conducted its annual survey in June of communities in the vicinity of the Inner and Outer Harbours, to track public views on port-related matters. This survey of 617 respondents was conducted by WA-based market research firm Painted Dog.

This year's survey found performance across most issues remained strong and stable. Support for Fremantle Ports and overall satisfaction remains strong, with 59 per cent of Inner Harbour and 62 per cent of Outer Harbour residents satisfied with Fremantle Ports. The same survey showed 79 per cent of respondents were familiar with what Fremantle Ports does. This has steadily tracked upwards since such surveys commenced in 2004.

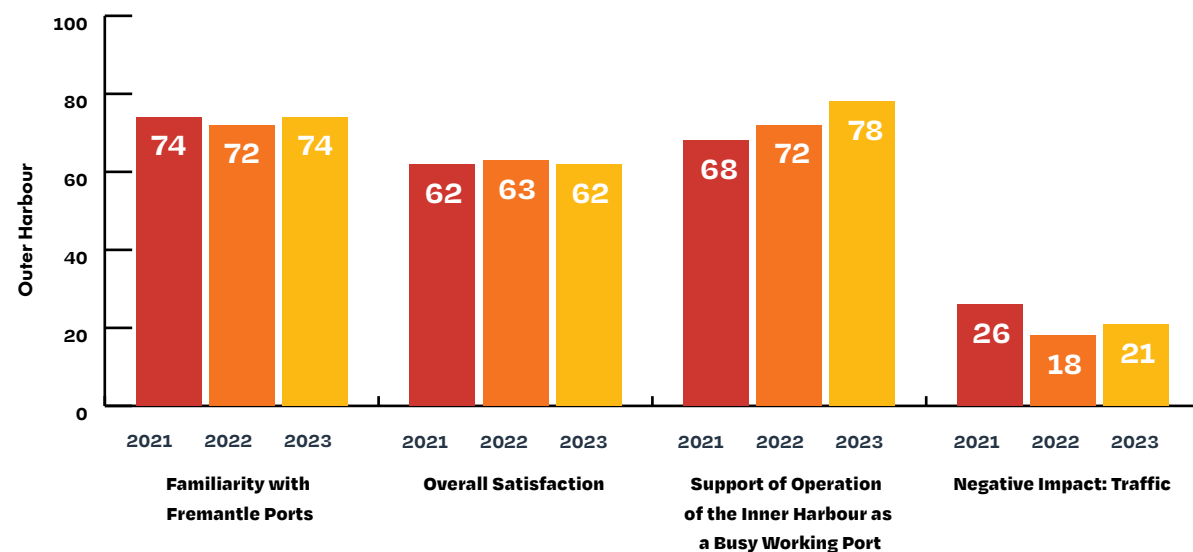
Community satisfaction – Inner Harbour

2021-23



Community satisfaction – Outer Harbour

2021-23



76 per cent of respondents supported the operation of the Inner Harbour as a busy working port, up from 72.5 per cent last year. As an inner-city port with many surrounding residents, it remains important to track this sentiment annually.

In good news, the percentage of respondents who said they were affected by the negative impacts of traffic, smell, noise and air quality all fell, with port-related traffic concerns dropping from 46 per cent to 34 per cent for Inner Harbour respondents.

This year, Fremantle Ports introduced dip-sample surveys to track movement against key performance indicators.

Community investment

Fremantle Ports has built a strong reputation for being a trusted partner with local communities. By way of sponsorship and in-kind assistance, we supported projects and activities through our community investment program.

The focus is exclusively upon the geographical areas in which we operate, including Fremantle and surrounding suburbs, Cockburn, Kwinana and Rockingham.

This year, we supported a total of 44 community initiatives that aligned with one or more of our five areas of focus:

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

All decisions resulted from recommendations by our Community Investment Advisory Group, comprising staff from across our business. Each application was assessed on its merits, 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 the Cockburn Community and Cultural Council's Youth Arts Festival and the Friends of Cantonment Hill toward development of its educational book for early year learning and many other very worthwhile community organisations.

Fremantle Ports sponsored North Fremantle Football Club's first Indigenous jumpers featuring a depiction of the Dreamtime story of how the Waugal (Rainbow Serpent) defeated the Yondock (Spirit Crocodile) to create Derbal Nara (Cockburn Sound).

The Phoenix Cricket Club in Cockburn also received a grant towards equipment and the Fremantle Masters Swimming Club towards its annual 'Fremantle Ports Swim Thru' at South Beach.

Fremantle Ports was proud to support the Friends of the Spectacles which is a volunteer group caring for the Spectacles Wetlands located in the City of Kwinana. The group was formed after a major bushfire swept through the wetlands and works

to support the rehabilitation of the wetland area through activities such as re-vegetation.

Further community investment funding was provided for the the Coogee Community Garden WA that caters for all City of Cockburn residents including people with disabilities and the elderly. The Coogee Community Garden WA practices sustainable gardening principles including using rainwater to grow organic fruit and vegetables that promote healthier lifestyles and gives participants the opportunity to make friends and connect with local community.

We provided sponsorship for business events in our catchment areas including the Rockingham Kwinana Chamber of Commerce and the Fremantle Chamber of Commerce Business Awards. The Fremantle Surf Lifesaving Club also received several grants.

Arts and culture activities were well supported including the City of Rockingham's 'Castaways' sculpture event where all sculptures are created using recycled materials.

Place activation: The Slip Street
Carnivale was a huge success.



We provided a grant to Mixed Palette, a not-for-profit organisation which provides weekly art workshops for the community including those with intellectual disabilities.

Fremantle Ports supported a number of community fairs and festivals including the Lions Club Rockingham Community Fair and East Fremantle's George Street Festival.

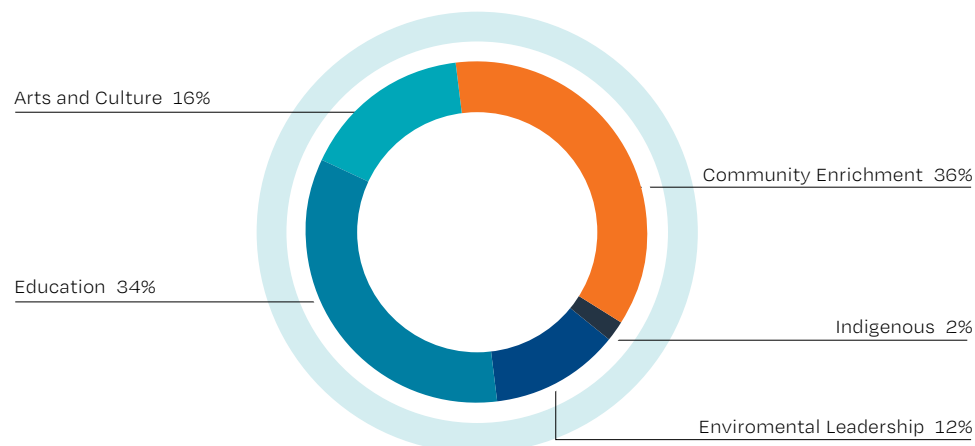
Other sponsorships included funding towards Triathlon WA, the Festival of Community Soccer and Fremantle Netball Association's Umpire Academy.

Support was also provided to WA Wildlife's Marine Turtle facility which was completed in late 2022.

We continue to be a major sponsor of both the Leeuwin Ocean Adventure Foundation and the Flying Angels Mission to Seafarers, Fremantle.

Following COVID-19 we reaffirmed our commitment to seafarers through our direct support for the Flying Angels, by increasing our financial support for its provision of transport services for seafarers to and from their ships. These activities were consistent with our commitment through Fremantle Ports' Modern Slavery Statement.

Community investment breakdown 2022-23



Case study

Reduce, re-use, re-cycle!

Scan the QR code to watch the short video.



Fremantle Ports proudly sponsors the City of Rockingham Castaways Sculpture Awards through the Community Investment Program.

Sheoak Grove Primary School was the winner of the Fremantle Ports People's Choice Award (Schools category) at the Castaways Sculpture Awards on the Rockingham foreshore in October.

The Sheoak Grove students' sculpture, Melody, explores the themes of mental health, recycling and the power of music.

Waste minimisation is important to Fremantle Ports. This year we conducted a trial to segregate recyclables offloaded from cruise vessels. Lessons from this trial have since been shared with ports and stakeholders across Australia.

We once again supported Plastic Free July, Containers for Change and continued to maintain and manage special receptacle bins at fishing points at the Inner Harbour, to prevent fishing lines and tackle being discarded into the marine environment.

We're continuing to explore opportunities to reuse significant jarrah wharf timbers recovered during the refurbishment of heritage assets on Victoria Quay and other locations.

Port events

Fremantle Ports' principal public event, Maritime Day, was held in November 2022 at the Fremantle Passenger Terminal and attracted over 7,000 people.

Fremantle Ports once again supported the West Australian Marathon Club, providing funding and hosting the third annual Harbour Master Classic fun run on Victoria Quay. The event attracted more than 800 runners and spectators.

The 'Quay to Summer' branding was used to tie together a number of initiatives on Victoria Quay over the warmer months, between October and April.

Fremantle Ports continued its program of publicising Victoria Quay events on its 'Fremantle Ports illuminations' laser projections on the eastern face of the port building each evening. Local artists and community organisations were also engaged to utilise this asset.

Friends of Fremantle Ports

Our Friends of Fremantle Ports volunteering program launched in October 2020 continues to be very successful and this year increased from 12 volunteers to 17. Our volunteers, many with a background in marine or related operations and all with a strong interest in port operations and history, work 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 experts 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.

Our popular Harbour Tours were held once again with 15 tours over three Sundays in May 2023. Port Walk participants are regularly surveyed and consistently show a high degree of satisfaction and appreciation for these tours.



Maritime Day returned in 2022, with an impressive attendance and a port full of ships!

During the year, they conducted 72 regular port walks, 20 supplementary tours and presentations and 13 free harbour tours in April-May. In total, the Friends committed more than 120 hours to volunteering.

Through the year, Fremantle Ports further developed the skills and knowledge of the Friends, by conducting four training and development events.



Reconciliation Action Plan: Steve Jacobs hosted a very informative tour of the Inner Harbour.



Collaboration is one of our refreshed Values.

Customer support

We again conducted our annual survey of our major shipping lines, agents, stevedores, customers, importers and exporters. The survey was conducted as part of Fremantle Ports' annual customer liaison program and took on the views of 120 organisations. The overall results were analysed by an independent and accredited firm of marketing and communications research consultants.

This year 50 per cent of respondents were satisfied or very satisfied with services provided by Fremantle Ports, down from 60 per cent last year and

below our target of 80 per cent. The decline is attributed to three factors - suitability of port infrastructure for customers' requirements, berth availability and customer engagement. Berth availability was impacted by congestion resulting from vessel arrivals and continued strong growth in the economy which placed pressure on supply chains. Fremantle Ports is committed to understanding and using the feedback provided, to make improvements in the future.



Case study

Women in Maritime

Scan the QR code to watch the short video.



The International Maritime Organisation coordinates the International Day for Women in Maritime on 18 May each year.

This year, we shared the inspiring story of incoming General Manager Operations at Fremantle Ports, Jodie Ransom.

In this brief video, Jodie shares her own personal insights on how she has found a rewarding and varied career in the maritime industry.

Now a recognised leader in senior management, she began as a seafarer, and was one of very few women in operational roles when she first started.

Aligning with the theme of this year's Women in Maritime Day, 'Mobilising networks for gender equality', Jodie shared that

by deploying values including collaboration and respect, as well as seeking out and offering mentoring, she overcame obstacles faced by many women, especially those in operational roles.

Jodie said: "Great careers for women exist and are opening up across the maritime industry in Australia. Get on board!"

Reconciliation Action Plan

Fremantle Ports' successfully launched its Reconciliation Action Plan in June after its endorsement by Reconciliation Australia. The plan sets out more than 50 initiatives to be conducted over 12 months, led by Fremantle Ports' reconciliation working group. The plan takes as its starting point an acknowledgement that the Inner Harbour's creation 126 years ago physically altered the landscape at the mouth of Derbal Yerrigan (Swan River) and changed the ecology of this waterway, which had a negative impact upon Noongar people. Today, Fremantle Ports is focused upon working with Aboriginal and Torres Strait Islander people in a concerted and authentic way, to produce better outcomes for all Australians.

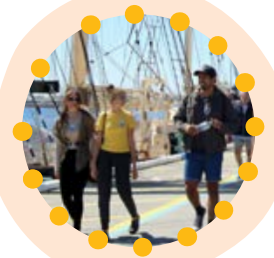
The RESPECT-level Reconciliation Action Plan is our starting point on our reconciliation journey. It has as its focus building strong foundations for the future, particularly better understanding local Indigenous groups and Elders, and seeking their advice on how best to advance the various initiatives in not just this plan, but the ones that follow it in future years. This plan emphasises

celebrating Indigenous culture, Fremantle Ports using its own sphere of influence as a leader in the maritime industry to promote reconciliation, and encouraging our employees to progressively build their understanding, recognition of, and support for Aboriginal and Torres Strait islander issues, culture, history and rights.

A big focus was placed upon involving our people in two launch events for the Reconciliation Action Plan - one at our Fremantle offices and the other at our Kwinana Bulk Terminal administration building. Fremantle Ports employee and Noongar Elder Lorna Davies spoke at both. Additionally, a significant artwork by Noongar artist Bradley Kickett was unveiled and hung in the Administration Office Building foyer. During the year, employees enjoyed the opportunity to engage with Mr Kickett in the workplace as he created the artwork, providing positive feedback regarding this initiative.

Through the year, a range of separate initiatives - all part of the reconciliation plan - took effect.

Most notable among these were further actions by our Procurement team to increase the use of Indigenous contractors, steps toward the creation of a role for an Indigenous employee to coordinate development and progression of reconciliation initiatives, and a refreshed focus upon Indigenous history in the content of port walks and harbour tours conducted around the Inner Harbour. Fremantle Ports will report against its progress in 2024, to both government and Reconciliation Australia.



Our people

This year we made great efforts to attract, retain and empower our employees and invest in future leaders and workplace culture. We also committed to updated Values – Collaboration, Accountability, Responsibility and Excellence – and living the values with our colleagues, customers and other stakeholders.

We employ 373 people, which equates to 364.56 full time equivalent (FTE) employees. The total number of people employed increased in 2022-23 from 341 last year. In addition, a further 47 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 9.38 per cent can be attributed to an increase in asset maintenance works and other transformation project work across our organisation. Our attrition rate this year was 12.33 per cent.

In total, 105 placements were completed in 2022-23, 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.

With the introduction of the new organisational design, significant appointments in senior leadership roles were finalised, including the positions of:

- General Manager People, Safety & Environment
- General Manager Commercial & Customer
- General Manager Operations
- General Manager Strategy, Planning & Performance
- Chief Security Officer
- Manager Strategy & Planning
- Manager Enterprise Program Management Office (EPMO)
- Manager Asset Performance



Fremantle Ports continued its commitment to work experience for young people.

Education

Fremantle Ports conducted a series of educational tours through the Port Walks program, strengthening our educational partnerships with primary and secondary colleges from metropolitan and country areas.

We supported a Notre Dame University scholarship in Environmental Leadership and hosted two public relations and marketing internships. We also provided scholarships for local schools including Rockingham Senior High School, and funding

for Hillman Primary School's Positive Behaviour Support program which focuses on values and a sense of belonging for students.

Due to COVID-19 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, but these are scheduled to resume from September 2023.

Employee relations

During the year, Fremantle Ports formally concluded negotiations and successfully registered with the Fair Work Commission the Operations and Services Enterprise Agreement and Administration and Management Enterprise Agreement.

Organisation design

Following the launch of our 2027 Strategic Plan in 2022, we embarked on reviewing our organisation design to provide greater clarity on responsibilities, create stronger connections between divisions, drive efficiencies and increase our business capability.

Developing the value chain was an important foundation of the Organisation Design Project. As its name suggests, the value chain outlines how Fremantle Ports creates value and has been used to design the new organisation structure. Underpinned by our value chain, we announced our new executive and management structures in the second half of 2022 and successfully created the new divisions of Strategy, Planning and Performance; Commercial and Customer; People, Safety and Environment and Governance and Assurance.

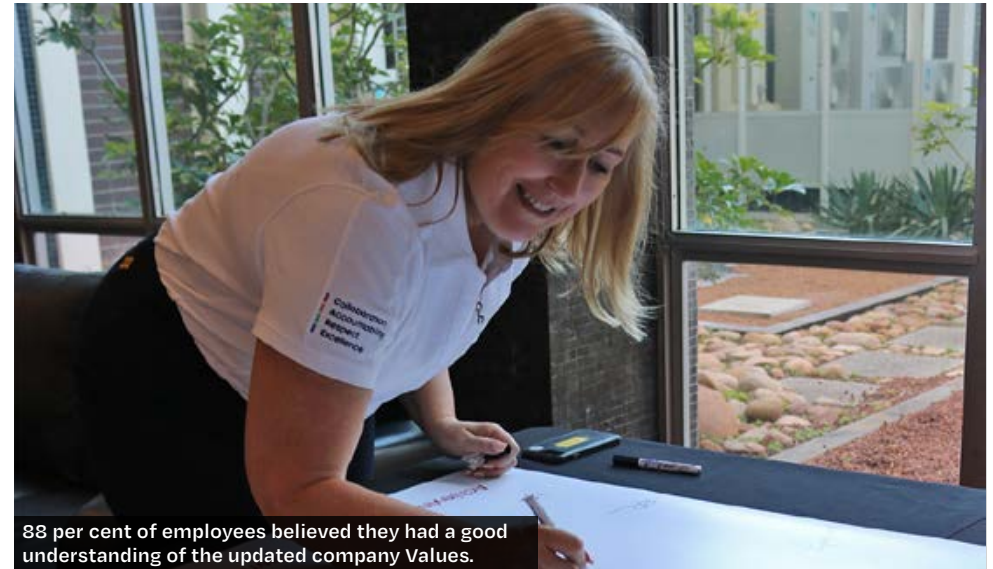
The business is now continuing to review its processes, systems and capabilities to deliver Fremantle Port's purpose and aspiration.

Values update program

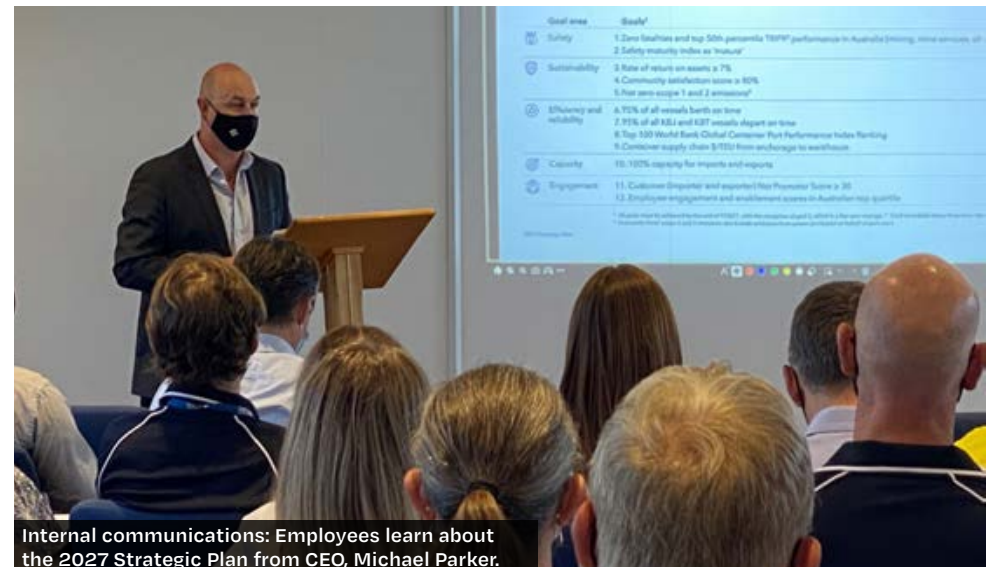
The updated Values were launched in November 2022, with employees and leaders contributing to the new set of Values via surveys and workshops. The Values - Collaboration, Accountability, Responsibility and Excellence - are helping to align the organisation, drive a strong and healthy culture and help staff deliver on the 2027 Strategic Plan goals and initiatives.

Employee Engagement Survey

An organisation-wide Employee Engagement and Enablement Survey was conducted in the first half of 2023, with a pleasing 72 per cent response rate. The business is continuing to communicate and work through the results and on developing a response to employees' feedback that will address the key areas from the survey that will build understanding, relationships and ownership.



88 per cent of employees believed they had a good understanding of the updated company Values.



Internal communications: Employees learn about the 2027 Strategic Plan from CEO, Michael Parker.

Enterprise resource planning

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. Several human resource streams, as well as multiple finance streams, went live in the second half of 2022.

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 revised reward & recognition program
- Annual flu vaccinations
- Professional ergonomic assessments
- First aid training
- On-site gym
- Skin checks
- Time to provide blood donations
- Mental health first aid training
- Mental health awareness and personal resilience training ('Take Charge')

The Quay

The Quay is Fremantle Ports' new portal for online benefits and wellness which lays the foundation for our future values based reward and recognition program.



Our Asset Development Team in action.

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. This year, four of seven directors on our Board, and seven of 26 members of the Senior Leadership Team were women.

Nearly 10 per cent of Fremantle Ports' employees are culturally or linguistically diverse. We had two people who identified as Aboriginal or Torres Strait Islander. Only 0.3 per cent of our employees declared a disability.

Women made up just over a quarter of our workforce, slightly down from 26.5 per cent last year.

Equality and diversity 2022-23

Diversity



0.3%
People with
disability

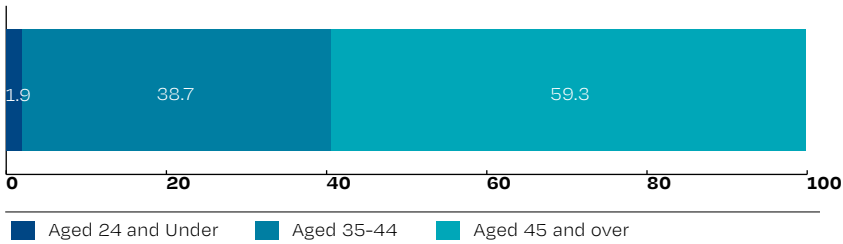


0.6%
Aboriginal and
Torres Strait Islander

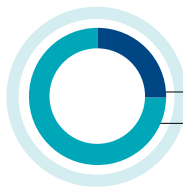


9.7%
Culturally and
linguistically Diverse

Age profile

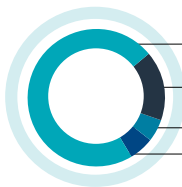


Gender



Female 26.5%
Male 73.5%
Indeterminate/
intersex/
unspecified 0.0%

Employment Type



Permanent 72.7%
Maximum Term 16.4%
Casual 5.3%
Other 5.6%

Safety, environment and sustainability

Safety

Fremantle Ports continues to update its safety management systems and processes to support Fremantle Ports staff and all who work at Fremantle Port to get their work done safely.

Our safety objectives are to have zero fatalities, an injury rate among the best performing businesses in Australia, and a mature safety climate where our people are guided and enabled to execute their work efficiently, effectively and safely.

Active engagement, counsel and oversight by the Board and executive leadership team has seen work in 2022 on several safety improvement initiatives come to fruition.

New safety, environment and risk management software was introduced, which after extensive consultation with frontline users and rigorous user acceptance testing, has replaced legacy software for reporting safety and environment incidents and hazards, completing investigations, recording suggestions

by staff and complaints by third parties. This contemporary software-as-a-service system has a modern user interface, including being portable device friendly, and supports greatly improved data analytics and reporting.

The high level of field-based safety interactions by managers has continued during the period demonstrating the leadership teams commitment to working safely and understanding work-as-done, through engaging with and consulting our frontline workers in their workplace.

Health and safety committees made up of health and safety representatives from both the Inner and Outer Harbour frontline workforce have continued to

meet regularly. This key consultation mechanism has enabled safety issues to be raised and discussed with decision makers. Often the matters are resolved during the meetings. During the year the Health Safety and Environment Field Book was developed – a pocket guide for all employees and contractors. The first draft will be released in Q1 2024.

Critical Risk Workshops involving employees were conducted throughout the year to identify dangerous activities and their controls.

New safety improvement initiatives due to be completed in 2023-24 include:

- a 'total care' program to integrate the prevention, early intervention and, where necessary, treatment of work-related injuries and illnesses.

- a comprehensive psychosocial health and wellbeing program.
- a whole of port 'eco-system' safety management program to support all port users to fulfill their obligation to consult, collaborate and cooperate with other duty holders in accordance with WA's *WHS Act*.

Fremantle Ports integrated Safety, Environment and Quality management system was again independently audited and maintains its certification against the requirements of ISO 9001, ISO 14001 and ISO 45001.

Compliance with injury management and reporting

Fremantle Ports' injury management program is intended to provide consistent and effective management of work related injuries and illnesses so workers can remain at work or return to work at the earliest appropriate time. While updates to this program are expected in the coming year, the injury management

program has met its objectives in providing no-fault support to injured or ill staff and has complied with all legislative obligations.

Notification of injuries and dangerous occurrences to WorkSafe during the period have not resulted in any compliance action by the regulator.

Measure	2020-21	2021-22	2022-23
Fatalities	0	0	0
Lost time injury and/or disease incidence rate	8	6	4
Total recordable injury and/or disease incidence rate	24	20	10

Environment

Air quality

Fremantle Ports monitors dust at our Kwinana Bulk Terminal site to ensure that the health and amenity of surrounding industry and environment is not affected by our operations. As part of this, we undertake 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 during the reporting period.

Greenhouse gas emissions

Under our 2027 Strategic Plan, Fremantle Ports has set the



Dust: We conduct dust emissions monitoring at four KBT locations.

The solar array will provide for 65 per cent of Fremantle Ports' Administration Building's energy needs or 100 per cent of the energy needs of the passenger terminal when it is required for cruise ships.



ambitious goal of achieving net zero scope 1 and 2 emissions by 2027.

On 20 March 2023, the Hon. Rita Saffioti, Minister for Ports announced the completion of a 500kW solar array on the roof of the Passenger Terminal, at Victoria Quay. The PV system will generate approximately 836MWh of electricity every year, or 15 per cent of Victoria Quay's energy needs. It will provide for 65 per cent of Fremantle Ports' Administration Building's energy needs or 100 per cent of the energy needs of the passenger terminal when it is required for cruise ships.

From 1 July 2022, Fremantle Ports began purchasing renewable NaturalPower electricity, equivalent to Fremantle Ports, consumption. Options for renewable electricity for Fremantle Ports and tenant operations are being explored for a new Energy Supply Agreement due to commence in late 2023.

Marine

Marine Quality Monitoring Program

One of our key objectives is to maintain the quality of water, sediment and biota so that 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 can 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 comprising sampling and analyses of water quality, sediment quality and mussel tissue quality across sites at the Inner Harbour, Rous Head, Shipping Channels and Outer Harbour. The program aims to ensure that environmental quality objectives detailed in the MEMF are maintained across all sampling sites.

Overall, the 2023 MQMP results were very good and confirmed Environmental Quality Objectives were broadly met at the Inner Harbour, Outer Harbour, Rous Head and in the shipping channels.

Carpet Sea Squirt invasive pest

In January 2023, the Department



Collecting in-situ field measurements of temperature, salinity, dissolved oxygen and pH using a multiparameter probe. The multiparameter probe is lowered through the entire water column, logging data at 0.1 m intervals.



of Primary Industries and Regional Development (DPIRD) reported that *Didemnum vexillum*, an exotic Carpet Sea Squirt, had been detected at the Australian Marine Complex (AMC) in Henderson. *D. vexillum* is an invasive marine invertebrate which can overgrow and smother shellfish, sponges and algae, as well as man-made structures such as wharves, jetty pylons and pontoons. It has the potential to impact aquaculture, marine environments, dive tourism industries as well as increase maintenance costs for operators of commercial and



recreational vessels.

A Quarantine Area Notice (QAN), prepared by DPIRD under the *Biosecurity and Agriculture Management Act 2007*, was published in the Government Gazette on 20 March 2023. The QAN sets out a risk-based inspection and hull cleaning regime based on how long vessels stay in the quarantine area.

Fremantle Ports supports DPIRD to manage the biosecurity risk by ensuring vessels entering the quarantine area are aware of requirements set out in the notice.

In consultation with DPIRD, Fremantle Ports also developed a process to approve in-water hull cleaning operations at AMC, to reduce biosecurity and marine environment pollution risks associated with the incident response to Carpet Sea Squirt.

Dolphin Watch

The Dolphin Watch program integrates systematic population surveys with citizen science for monitoring and management of Indo-Pacific bottlenose dolphins in the Swan Canning Estuary, including

the Fremantle Ports Inner Harbour.

Fremantle Ports has a long history of supporting Dolphin Watch and collaborating with researchers. This year Fremantle Ports staff had the opportunity to assist in the Autumn round of Murdoch University's dolphin population monitoring.

Fremantle Ports also sponsored a project for Dolphin Watch that will enable researchers to refine the 'presence-absence data model' being used in this citizen science program.

This will result in a small cohort of dedicated Dolphin Watch volunteers being trained to monitor areas of the Swan-Canning Estuary under a Strategic App Survey Program. The project will help remove some of the biases associated with opportunistic sightings and increase the reliability of data being analysed by researchers investigating the spatial and temporal patterns of dolphin groups sighted in the Swan-Canning Estuary.

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 is classified as a Declared Plant and Weed of National Significance. In collaboration with CSIRO, Fremantle Ports has worked to control and aim to eradicate the Bitou Bush population on site. Following its identification in 2012, there has been an annual eradication program which has seen the population of Bitou Bush removed steadily decline from 1268 plants identified in the 2012 survey, to two plants in the 2023 survey. To manage the Bitou Bush risk, it is prohibited to remove soil or vegetative matter

from KBT without environmental approval. Machinery also has a clean on exit requirement to ensure soil matter and seed doesn't leave the site.

Fairy Terns

The Australian Fairy Tern (*Sternula neris neris*) is listed 'vulnerable' under the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act*. The decline of the WA Fairy Tern population is due to reduced availability of suitable breeding sites, chick predation (e.g. by feral cats and foxes) and their preference to breed on exposed coastal sandy areas prone to flooding.

Fremantle Ports voluntarily established a breeding sanctuary for migratory Australian Fairy Terns at Rous Head in 2013. The large sanctuary is designed to mitigate threats to Fairy Terns and provide a secure, managed breeding site close to Fairy Tern prey species near the mouth of the 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.

Planning for the next breeding season will include consideration of anti-predation strategies in consultation with the WA Conservation Council Fairy Tern Network.

Waste

Cruise Vessel Recycling

Fremantle Ports worked collaboratively with the Department of Agriculture, Fisheries and Forestry to pilot a process where segregated recyclables offloaded in Fremantle from cruise vessels are inspected and cleared by biosecurity officers for recycling. This process was developed prior to COVID-19 and now implemented with cruise ships returning for the 2022-23 cruise season. The pilot trial identified a number of barriers to successful recycling and further research is being undertaken to understand the berth side waste reception facilities and services that allow successful recycling to occur in other parts of the world such as Europe and North America. Lessons from this Australian-first trial are being shared with ports and other stakeholders across Australia and New Zealand.

Planning for the next fairy tern breeding season will include consideration of anti-predation strategies after a decline in numbers this year.



HSE Management System Framework

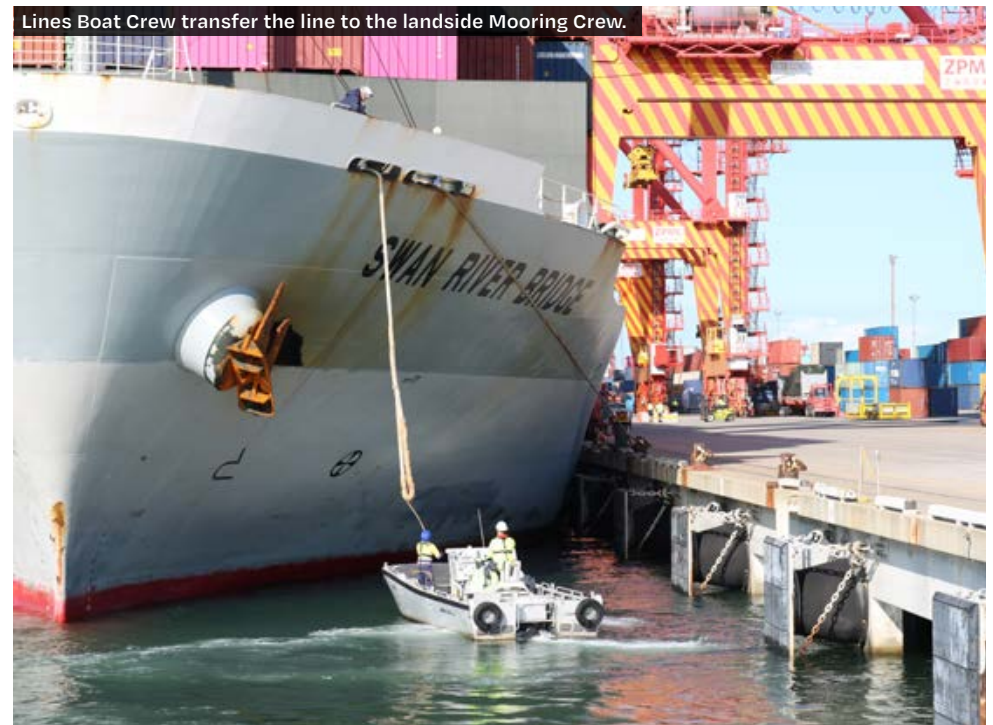
Fremantle Ports recognises that excellence in the management of Health, Safety and Environmental (HSE) responsibilities is essential to our business success and strives to meet these responsibilities through systematic implementation of our Health, Safety and Environment Management System (HSEMS). In May 2023, as part of a broader improvement program, we developed a new HSEMS Framework. The Framework provides a structured document for the management of HSE risks and demonstrates how the requirements of the HSEMS are implemented throughout Fremantle Ports. It provides the organisational structure, planning, responsibilities, practices, procedures/processes for ensuring HSE issues are appropriately managed in all aspects of the operations.

Environmental awareness training

Fremantle Ports is committed to ensuring that all operations are undertaken in an acceptable manner so that port activities do not adversely impact on the environment. In order to develop better environmental awareness in the organisation, the environment team successfully developed and delivered environmental awareness training in the Outer Harbour for operations personnel. The training covered a broad range of environmental topics including environmental licence requirements, waste management and environmental due diligence. The aim of the training is to develop the frontline workforce to be an effective and engaged first line of defence for environmental management.



Internally we encourage employees to consider their environmental impact. Port Services Officer Lisa Highman brings lunch from home to avoid single-use packaging.



Lines Boat Crew transfer the line to the landside Mooring Crew.



Kwinana Bulk Jetty welcomes PUMA's first discharge vessel, STI *Marvel*.

Our Governance Approach

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Our governing bodies

The *Port Authorities Act 1999* (the Act) establishes Fremantle Port Authority, a government trading enterprise operating under its trading name Fremantle Ports. Responsibility for the strategic direction of Fremantle Ports is vested in its Board of Directors who are appointed by and responsible to the Minister for Ports. The Board appoints the Chief Executive Officer who is responsible for the business' day-to-day operations. The CEO is supported by the Executive Leadership Team, comprising seven General Managers.

Board of Directors

The Board is our peak decision-making body, setting our strategic direction, agreeing goals for management and monitoring the progress and achievement of those goals. This direction is set through a five-year Minister approved Strategic Development Plan and an annual Statement of Corporate Intent. The Board reports progress to the Minister and each of these plans is updated annually. The Board met eight times this year.

Our Directors bring a wealth of diverse knowledge and experience across the corporate and public sectors. Their biographies are on pages 14 to 15.

Governance and behavioural expectations of our Directors are described in Fremantle Ports' Board Charter. Work occurred during the reporting period to contemporise the Board and its committees' charters to prepare for the commencement of the *Government Trading Enterprises Act 2023*.

Audit and Risk Committee

Our Audit and Risk Committee oversees the effectiveness of Fremantle Ports governance, internal audit and risk management and control environments. Its role is to provide confidence to the Board that adequate management practices in respect of these areas are developed and maintained.

Focus areas for the Audit and Risk Committee this year included:

- Endorsing the Annual Internal Audit Plan 2022-23
- Discussing and approving audit progress reports, with a focus on Management's timely implementation of audit recommendations



Fremantle Ports' Community Investment Program supports The Flying Angels Mission to Seafarers, who provide shore-side services for visiting crew.

- Considering our Information Technology Strategy including cyber security, Enterprise Resource Planning implementation and procurement and contract management approaches

People, Safety, Environment and Community Committee

Our People, Safety, Environment and Community Committee was previously known as the Sustainability Committee. Its role is to oversee the effectiveness of Fremantle Ports, approach to its people, their health and safety, its environmental impact and its engagement with the community. It provides confidence to the Board that these aspects of sustainability are effectively managed now and into the future.

Focus areas for the People, Safety, Environment and Community Committee this year included:

- Reviewing and endorsing strategies for People, Work Health and Safety and Environment, as well as Fremantle Ports' Environmental Management Plan
- Reviewing work health and safety and environmental incidents and associated mitigating actions
- Considering legislative changes in respect of work health and safety, employee and industrial relations, and environment

- Monitoring key initiatives such as the refresh of Fremantle Ports' Values and safety improvement actions

Executive Leadership Team

The Executive Leadership Team operationalises the Board's strategic direction and intent. Its role is to support the Chief Executive Officer in discharging his responsibilities and working together to coordinate the day-to-day operations of Fremantle Ports.

The role of Company Secretary is part of the accountabilities of our General Counsel and General Manager Governance and Assurance, who is part of our Executive Leadership Team. This role is accountable directly to the Board, through the Board Chair, on all matters to do with the governance of the Board. Our General Counsel is responsible for ensuring that Board procedures are complied with and that governance matters are addressed.



Workshop: Executive Leadership Team

Our governance approach

Our governance approach, processes and behaviours are integral to us achieving our purpose and aspiration. Complying with relevant laws, government directions and standards to meet the community's expectations of integrity, accountability and transparency are key to our licence to operate.

This work is led by a dedicated Governance and Assurance division comprising risk, governance, integrity, assurance, legal and compliance subject matter experts. The team this year focused upon building maturity and driving continuous improvement, in line with government and industry best practice.

Implementing a corporate governance, risk and compliance system

We successfully implemented CGR Foundation during the year. The system is a cutting-edge governance, risk and compliance system that allows for the consistent capture and reporting of operational risks, incidents and hazards in a single integrated system.

The new system:

- allows our people to report and manage hazards, incidents and operational risks in one place
- becomes a central repository for all risk, compliance and assurance activities
- provides a refreshed incident, complaints and action management capability

Conducting critical risk programs

Significant work was undertaken during the year to identify, assess and manage our strategic and operational risks. Our enterprise risk management framework takes a holistic and integrated approach, which is essential to effective corporate governance, strategic and business planning, and safe operations. We aim to manage our risks within our risk appetite by achieving a balance between acceptable levels of risk and reward through the effective and efficient use of resources.

Key enterprise risk management programs conducted during the year included:

- Monitoring and reviewing Fremantle Ports' strategic risks, including preparing for dedicated focus sessions at Board meetings
- Completing a program to identify our safety critical risks and assess the critical controls which are in place to manage them
- Continuing to focus on identifying and assessing key operational risks which have a health and safety impact across the business

Embedding a culture built on integrity

Our Code of Conduct and integrity framework underpin our approach to preventing misconduct, fraud and corruption and promoting a culture of integrity. During the year we worked to embed aspects of the code and framework which included:

- Updating core integrity policies and embedding integrity and good governance into other key policies and frameworks throughout the organisation
- Rolling out our online conflict of interest declaration process
- Communicating with employees, contractors and suppliers about declaring gifts, benefits and hospitality and speaking up about unethical behaviour
- Developing a feedback portal that will allow for our people and external stakeholders to provide us feedback, both positive and negative, including about the behaviour and conduct of our people, anonymously if they wish



Cyber security has been a focus for Information Technology Services this year.

Fremantle Ports Code of Conduct

Our Code is consistent with section 21 of the *Port Authorities Act 1999* and outlines the standards of behaviour we expect from everyone who works for Fremantle Ports, regardless of role or location. It applies to all directors, employees, contractors, volunteers and our suppliers.

Section 23 of the *Port Authorities Act 1999* requires our Board to report to the Minister for Ports on observance of our code by our people. This report is submitted at the same time as Fremantle Ports' annual report. We also report annually to the Public Sector Commissioner about the integrity and conduct of our people.

In 2022-23 there were nine substantiated breaches of our code.

Public interest disclosure

We maintained a public interest disclosure (PID) procedure, internal guidelines and have designated PID officers who are trained to receive, assess and confidentially manage disclosures of actual or suspected wrongdoing under the *Public Interest Disclosure Act 2003*. PID is part of our broader network of reporting pathways available for our people, customers, partners and members of the community who wish to

speak up about suspected unethical behaviour.

In 2022-23 there were no public interest disclosures lodged with us.

Strengthening our assurance approach

We worked to strengthen our established audit approach during the year. Always looking to government and industry good practice, our internal audit function operates under a Board-approved Internal Audit Charter that aligns with the International Professional Practices Framework of the Institute of Internal Auditors.

A wide range of internal audits were undertaken, covering:

- security
- operational activities
- information technology, including cyber security
- financial activities, including GST taxation compliance
- recruitment
- Enterprise Risk Management

We were recognised by The Office of the Auditor General of Western Australia as a 'Best Practice top 20 large entities' based on our audit readiness, financial reporting and financial controls.

Consolidating our legal and compliance functions

Our legal and compliance environment is governed by licences, legislation, regulations, and codes covering various aspects of our operations. Our compliance policy and framework describe how we go about managing our obligations and maintaining a positive compliance culture.

With the implementation of CGR Foundation, we integrated Lexis Nexis compliance alert modules for key risk areas. Work continues with obligation owners to refine the modules and how they can inform their work.

Ports WA Governance Forum

Fremantle Ports hosted the 2023 Ports WA Governance Forum in April. The forum provided a great opportunity for directors and executives from Western Australian port authorities to network and hear from industry and public sector experts on a range of topics including mental health and psychosocial risk, inclusion and diversity, best practice integrity frameworks, and effective asset management. The forum also provided an opportunity to share insights about recent governance initiatives.



The Ports WA Governance Forum included a boat tour of the Inner Harbour.



Ministerial directives

There were no Ministerial directives made during the year.

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.

Advertising and market research expenditure

Advertising agency	
Marketing research organisations	
Painted Dog Research	\$79,220.00
Direct mail organisations	
Createsend.com	\$64.42
Polling organisations	
NA	
Media advertising organisations	
Optimum Media Decisions WA (OMD)	\$16,188.10
Grandstand Agency	\$11,002.00
Fremantle Herald	\$5,382.95
Seek Limited	\$5,250.28
Rubis Group Pty Ltd	\$4,277.50
Acorn Design	\$3,167.13
Tenderlink.com (Illion)	\$2,475.00
Meta	\$2,030.19
The Poster Girls	\$900.00
Canva Pty Ltd	\$16.35
Total	\$129,973.92

Complaints management

Fremantle Ports takes complaints management seriously, because our social licence depends upon us responding effectively and quickly to stakeholder and public concerns.

Our complaints management process allows us to identify issues and incidents of concern and improve our timely response to those matters. Complaints are received in person, by phone, in writing or via an online form.

Key features of our approach to complaints include:

- Responsibility for complaints-handling is clearly assigned to one team within the organisation
- There is a well-established system for that team to quickly directing technical complaints to subject matter experts if required
- Complaints and associated details, including responses and updates, are logged on an electronic system, so they can be tracked and reviewed
- There is an active culture of responding immediately to complainants, if possible by phone because this results in a more personal exchange and a richer understanding of the matter

This year, Fremantle Ports further improved its complaints capability, via the development of a new Corporate Governance and Risk electronic system, that incorporates the handling of complaints, feedback and suggestions. The new system, which commenced operation on the 18 July 2023, has a number of improvements:

- Staff will be allocated clear responsibility for handling of complaints
- Management and staff will be able to track timeliness performance in real time
- Performance reports can be generated at regular intervals, to monitor complaint types, trends and response performance
- Public responders via our website will be able to choose to present their issues as 'complaints', 'feedback' or 'suggestions', presenting a richer source of information to Fremantle Ports on how we can improve
- The system securely caters for complaints about alleged misconduct or criminal behaviour

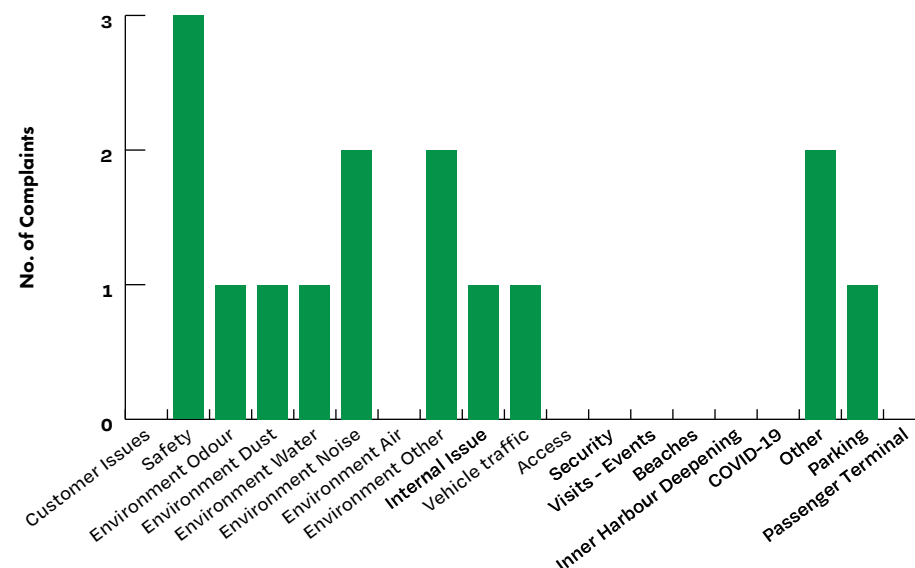
Complaints received

This year, we received just 15 complaints, down from 45 the previous year. Complaints fell in all categories, with safety, noise and environment the only categories to record multiple complaints. Pleasingly, there was just one complaint regarding vehicle traffic, which aligns with market research this year that shows public concern with traffic from the Inner Harbour to have significantly declined as an issue of community concern.

100 per cent of complainants received an initial response within two working days. Fourteen of the 15 complaints were assessed within 10 working days as successfully closed with no further action required. One - relating to a traffic incident involving a utility entering Gate 3 which cut off cyclists - was not handled to the required timeliness standard. The complainant was informed of this, yet provided with an avenue of recourse through another agency.

Complaints

July 2022 to June 2023



Records management

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 Fremantle 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

Information technology

The IT strategy approved in 2020 delivered the foundational outcomes it set for 2022-23 including several sub strategies, improved governance, measurable performance and streamlined services and operations. This provides the platform to assist with the delivery of the business strategy.

The Enterprise Resource Planning (ERP) project first tranche was delivered resulting in human capital management, finance and contracts being implemented. This will result in improved business processes, more accurate data, and the removal of seven legacy systems.

Cyber security continues to mature with numerous initiatives completed during 2022-23 including the introduction of new tools to assist in protecting our assets. A capital investment to replace the network was approved resulting in simplified and converged networks with an increased security posture.

Numerous improvement and upgrade projects have been completed through the year resulting in a contemporary and simplified IT environment. With the adoption of Software as a Service (SaaS) and Public Cloud being the preferred solution.



Fremantle Ports' deep water channel dredging provided the sand for the Port Beach Sand Nourishment project.

Disclosures and Legal Compliance

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Directors' Report For the year ended 30 June 2023

Directors' Report For the year ended 30 June 2023

The Board of Directors of the Fremantle Port Authority (Fremantle Ports) has pleasure in submitting its report for the financial year ended 30 June 2023.

Directors

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

Chris Sutherland (Chair)

Director since 1 January 2023
Chair since 1 January 2023

Kim Horne AM (Deputy Chair)

Director since 1 February 2018
Deputy Chair since 1 January 2019

Anne Nolan

Director since 1 February 2018

Professor Kate Lewins

Director since 1 February 2020

Glen McLeod

Director since 16 November 2020

Debra Blaskett

Director since 1 January 2021

Steve Lewis

Director since 1 July 2023

Directors whose terms expired during the financial year were:

Ross Love

Director since 1 February 2020
Chair since 1 February 2020
Term Expired 31 December 2022

Carmelina Fiorentino

Director since 1 January 2019
Term Expired 30 June 2023

Directors' biographies as at 30 June 2023, are shown on pages 14 - 15.

Directors' meetings

Attendance by Directors at meetings (including non-face-to-face meetings pursuant to Section 13(2) of Division 3 of the *Government Trading Enterprises Regulations 2023*) held during the financial year ended 30 June 2023 was:

	Eligibility to attend meetings of Directors	Meetings of Directors	Eligibility to attend Audit and Risk Committee	Audit and Risk Committee	Eligibility to attend People, Safety, Environment and Community Committee	People, Safety, Environment and Community Committee
Number of meetings held		8		5		4
Number of meetings attended by:						
Ross Love	5	5	N/A	N/A	N/A	N/A
Chris Sutherland	3	3	N/A	N/A	N/A	N/A
Kim Horne	8	8	N/A	N/A	4	4
Anne Nolan	8	7	5	5	N/A	N/A
Carmelina Fiorentino	8	8	5	5	N/A	N/A
Professor Kate Lewins	8	8	5	5	N/A	N/A
Glen McLeod	8	8	N/A	N/A	4	4
Debra Blaskett	8	7	N/A	N/A	4	4

Directors' Report For the year ended 30 June 2023

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 \$66.987 million (2022: \$67.996 million). The income tax expense attributable to the profit for the financial year was \$20.418 million (2022: \$20.500 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 2023 was not required to be declared by the Board (2022: nil).

During the financial year ended 30 June 2023, no dividend was required to be paid (2022: nil).

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:

	2023 \$'000	2022 \$'000
Profit before income tax	66,987	67,996
Income tax expense	(20,418)	(20,500)
Profit for the period	46,569	47,496
Other comprehensive (loss)/ income	(148)	618
Retained earnings at 1 July	333,880	285,766
	380,301	333,880
Dividends paid in the financial year	-	-
Retained earnings at 30 June	380,301	333,880

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* and the *Government Trading Enterprises Act 2023*.

Directors' Report For the year ended 30 June 2023

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 15(c) of Division 3 of the *Government Trading Enterprises Regulations 2023*, 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	Post-employment benefits	Total
			Board and committee fees	Superannuation	
			\$'000	\$'000	\$'000
Chair	C Sutherland	6 months	43	5	48
Deputy Chair	K Horne	12 months	53	5	58
Chair	R Love	6 months	42	5	47
Director	A Nolan	12 months	48	5	53
Director	D Blaskett	12 months	45	5	50
Director	C Fiorentino	12 months	45	5	50
Director	K Lewins	12 months	45	5	50
Director	G Mcleod	12 months	45	5	50

* The period of membership column refers to the Board member's membership during the 2022/23 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 2023

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	Other	Post-employment benefits	Other long-term benefits	Total
			Superannuation	Long service leave	
	\$'000	\$'000	\$'000	\$'000	\$'000
M. Parker ¹	523	2	27	15	567
D. Good ¹	370	2	27	10	409
R. Makins	354	2	27	17	400
M. Jasper	341	2	27	13	383
M. Pearce ²	333	2	33	14	382

¹ Michael Parker and David Good held the positions of Chief Executive Officer and Chief Finance Officer/General Manager Corporate Services respectively, for the full reporting period.

² Mark Pearce was Acting General Manager Operations until 30 April 2023.

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.

Indemnification of Directors and Officers

The Directors and Officers Liability Insurance Policy was renewed during the financial year to ensure that the Directors and Officers had adequate insurance cover against liabilities and expenses arising as a result of work performed in their capacities, to the extent permissible under law. Fremantle Ports paid an insurance premium of \$168,800 in respect of the Directors and Officers Liability Insurance Policy for the 2022-23 reporting period.

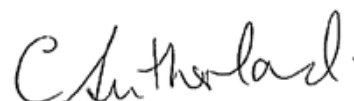
Auditor

The auditor of Fremantle Ports' financial report is the Office of the Auditor General.

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 29 August 2023.



Chair



Director

29 August 2023

Financial Statements For the year ended 30 June 2023

Financial Statements For the year ended 30 June 2023

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Financial Statements For the year ended 30 June 2023

Directors' Declaration

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

- (a) the financial statements and notes, set out on pages 92 to 137 are prepared in accordance with the *Government Trading Enterprises Act 2023*, including Section 176 and the *Government Trading Enterprises Regulations 2023*, and:
 - (i) gives a true and fair view of the financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - (ii) is in accordance with Australian Accounting Standards 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.

The Directors have been given the declaration by the Chief Executive Officer and the Chief Financial Officer for the reporting year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Directors on 29 August 2023.



Chair



Director

29 August 2023

Statement of Comprehensive Income For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Revenue	A.1	252,995	233,765
Expenditure			
Employee benefits	A.2	(60,378)	(50,880)
Service and maintenance		(35,343)	(29,357)
Contracts and consultants		(29,950)	(29,178)
Government charges		(8,303)	(8,202)
Utilities		(5,457)	(5,383)
Insurance		(3,315)	(3,067)
Other expenses		(19,340)	(16,703)
Depreciation and amortisation	A.2	(18,432)	(17,993)
Finance costs	A.2	(5,490)	(5,006)
Profit before income tax		66,987	67,996
Income tax expense	A.4	(20,418)	(20,500)
Profit after income tax for the year		46,569	47,496
Other comprehensive (loss)/ income			
<i>Other comprehensive (loss)/ income not to be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement (losses)/ gains on defined benefit plans	D.2	(211)	883
Income tax effect	A.4	63	(265)
Total other comprehensive (loss)/ income		(148)	618
Total comprehensive income for the year, net of tax		46,421	48,114

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

Financial Statements For the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	C.2	136,135	147,527
Trade and other receivables	E.1	37,491	29,392
Inventories	E.2	4,208	4,081
Income tax receivable	A.4	755	-
Total current assets		178,589	181,000
Non-current assets			
Receivables	E.1	-	864
Property, plant and equipment	B.1	475,542	431,689
Deferred tax assets	A.4	26,385	25,624
Total non-current assets		501,927	458,177
Total assets		680,516	639,177
LIABILITIES			
Current liabilities			
Trade and other payables	E.3	22,542	18,957
Interest bearing borrowings	C.3	1,869	2,318
Current tax liability	A.4	-	337
Provisions	D.1	17,142	15,316
Other liabilities	E.4	6,872	3,729
Total current liabilities		48,425	40,657

	Note	2023 \$'000	2022 \$'000
Non-current liabilities			
Interest bearing borrowings	C.3	135,351	146,832
Provisions	D.1	10,525	11,894
Other liabilities	E.4	855	855
Total non-current liabilities		146,731	159,581
Total liabilities		195,156	200,238
Net Assets		485,360	438,939
EQUITY			
Contributed equity	C.6	105,059	105,059
Retained earnings	C.6	380,301	333,880
Total equity	C.6	485,360	438,939

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 2023

	Note	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		105,059	285,766	390,825
Profit for the year		-	47,496	47,496
Other comprehensive income		-	618	618
Total comprehensive income for the year	C.6	-	48,114	48,114
Transactions with owners in their capacity as owners				
Dividends paid	A.3	-	-	-
Balance at 30 June 2022	C.6	105,059	333,880	438,939
Balance at 1 July 2022		105,059	333,880	438,939
Profit for the year		-	46,569	46,569
Other comprehensive loss		-	(148)	(148)
Total comprehensive income for the year	C.6	-	46,421	46,421
Transactions with owners in their capacity as owners				
Dividends paid	A.3	-	-	-
Balance at 30 June 2023	C.6	105,059	380,301	485,360

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

Financial Statements For the year ended 30 June 2023

Statement of Cash Flows For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers		272,250	255,557
Payments to suppliers and employees		(185,990)	(165,417)
Interest received		3,696	1,047
Interest paid		(5,373)	(5,100)
Income tax paid		(22,207)	(22,435)
Net cash inflow from operating activities	A.5	62,376	63,652
Cash flows from investing activities			
Purchase of property, plant and equipment		(62,543)	(13,242)
Proceeds from sale of property, plant and equipment		-	42
Net cash outflow from investing activities		(62,543)	(13,200)

	Note	2023 \$'000	2022 \$'000
Cash flows from financing activities			
Repayment of borrowings		(11,191)	(11,120)
Principal elements of lease		(993)	(1,011)
Proceeds from finance lease receivable		959	880
Dividends paid	A.3	-	-
Net cash outflow from financing activities		(11,225)	(11,251)
Net (decrease)/ increase in cash and cash equivalents		(11,392)	39,201
Cash and cash equivalents at 1 July		147,527	108,326
Cash and cash equivalents at 30 June	C.2	136,135	147,527

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 2023

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 *Government Trading Enterprises Act 2023*.

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 2023

The notes are organised into the following sections:

		Page
A.	Performance for the year	98 - 104
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C.	Capital Management	109 - 116
D.	Employee Benefits	117 - 126
E.	Other Assets and Liabilities	127 - 130
F.	Other Items	130 - 135

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
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D.2	Defined benefit plans	119 - 126
E.1	Impairment losses	127 - 129
D.1	Annual leave, sick leave, and long service leave	117 - 118

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 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
C.	Capital risk	109 - 111
C.	Liquidity risk	110
C. & C.3	Interest rate risk	109 and 113
C.	Credit risk	110

Notes to the Financial Statements For the year ended 30 June 2023

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.

Notes to the Financial Statements For the year ended 30 June 2023

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:

	2023 \$'000	2022 \$'000
Revenue		
Charges on cargo	159,705	145,750
Rentals and leases	37,627	35,710
Charges on ships	19,094	17,500
Shipping services	12,977	12,121
Port utilities and services	9,426	9,139
Miscellaneous revenue	10,586	12,550
	249,415	232,770
Interest		
Interest receivable from cash equivalents	2,887	279
Interest receivable under finance leases	693	716
	3,580	995
Total revenue	252,995	233,765

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 2023

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.

	Note	2023 \$'000	2022 \$'000
Expenses			
Profit before income tax includes the following specific expenses:			
Finance costs			
Finance charges payable under leases		53	46
Borrowings		5,437	4,960
Total finance costs		5,490	5,006
Depreciation and amortisation			
Channels and breakwaters	B.1	3,542	3,538
Land improvements	B.1	1,289	842
Buildings and improvements	B.1	1,087	1,207
Plant and equipment	B.1	2,908	2,912
Berths, jetties and infrastructure	B.1	8,477	8,267
Right of use assets	B.1	1,129	1,087
Intangible assets	B.2	-	140
Total depreciation and amortisation		18,432	17,993
Net loss on derecognition of property, plant and equipment		513	2,118
Other charges against assets			
Gain on impairment of trade receivables	E.1	(103)	(274)
Rental expenses		423	560

Notes to the Financial Statements For the year ended 30 June 2023

A. Performance for the year (continued)

A.2 Expenses (continued)

	Note	2023 \$'000	2022 \$'000
Employee benefits expenses			
Wages and salaries		53,261	45,696
Pension costs		5,611	4,816
Employee benefits		1,506	368
		60,378	50,880

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	2023 \$'000	2022 \$'000
Interim dividend		-	-
Final dividend		-	-
Total dividends paid	C.6	-	-

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 2023 was not required to be declared by the Board (2022: \$nil).

During the financial year ended 30 June 2023, no dividend was required to be paid (2022: \$nil).

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 2023

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:

	2023 \$'000	2022 \$'000
Statement of Comprehensive Income		
Current income tax:		
Current income tax charge	(21,093)	(20,572)
Adjustments in respect of previous years	(22)	(253)
Deferred income tax:		
Deferred income tax benefit / (charge)	740	222
Adjustments in respect of previous years	(43)	103
Income tax expense reported in the Statement of Comprehensive Income	(20,418)	(20,500)

	2023 \$'000	2022 \$'000
Other Comprehensive Income		
Deferred tax related to items recognised in other comprehensive income during the year:		
Net actuarial gains/ (losses)	63	(265)
Income tax benefit/ (loss) charged to Other Comprehensive Income	63	(265)

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:

	2023 \$'000	2022 \$'000
Profit before income tax	66,987	67,996
Tax at statutory income tax rate of 30 per cent (2022: 30 per cent)	(20,096)	(20,399)
Tax effect of amounts which are taxable in calculating taxable income:		
Depreciation	(96)	(90)
Sundry items	(155)	(7)
	(20,347)	(20,496)
Adjustments in respect of previous years	(71)	(4)
Income tax expense	(20,418)	(20,500)

Notes to the Financial Statements For the year ended 30 June 2023

A. Performance for the year (continued)

A.4 Income tax expense (continued)

	2023 Statement of Financial Position \$'000	2022 Statement of Financial Position \$'000	2023 Statement of Comprehensive Income \$'000	2022 Statement of Comprehensive Income \$'000
Deferred tax liabilities				
Finance lease receivables	(259)	(547)	288	264
Others	(280)	(543)	263	47
Gross deferred tax liabilities	(539)	(1,090)		
Deferred tax assets				
Employee benefits	7,619	7,137	482	(167)
Accelerated depreciation for accounting purposes	14,734	15,423	(689)	(1,074)
Prepaid rental	902	858	44	(15)
Deferred income	-	-	-	(1)
Others	3,669	3,296	373	1,006
Gross deferred tax assets	26,924	26,714		
Set-off of deferred tax liabilities pursuant to set-off provisions	(539)	(1,090)		
Net deferred tax assets	26,385	25,624		
Deferred tax benefit / (charge)			698	325
Deferred tax benefit/ (charge) in Other Comprehensive Income			63	(265)
			761	60

Current Tax Assets/ (Liabilities)

The current tax asset of \$0.755 million (2022: current tax liability of \$0.337 million) represents the amount of income taxes receivable/ payable at the Statement of Financial Position date in respect of the current and prior financial year respectively.

Notes to the Financial Statements For the year ended 30 June 2023

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

	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000
Profit after income tax	46,569	47,496	Changes in assets and liabilities		
Non cash items			Receivables	(7,078)	(5,220)
Depreciation	17,302	16,766	Inventories	(127)	(89)
Amortisation of right of use/leased assets	1,130	1,087	Prepaid expenses	(1,014)	(1,129)
Amortisation of intangible assets	-	140	Income tax receivable	(755)	-
Net loss on derecognition of property, plant and equipment	513	2,118	Payables	3,585	1,520
Impairment of trade receivables	(103)	(274)	Prepaid rental and deferred income and interest received in advance	3,143	3,018
Taxable items presented in Other Comprehensive Income			Employee benefits	1,567	(776)
Remeasurements of the net defined benefit liability	(148)	618	Income tax payable	(337)	(1,610)
			Deferred tax assets	(761)	(60)
			Others	(1,110)	47
			Net cash inflow from operating activities	62,376	63,652

Notes to the Financial Statements For the year ended 30 June 2023

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.

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

B.1 Property, plant and equipment (continued)

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.

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	1.92% - 10.00%
Buildings and improvements	2.22% - 10.00%
Plant and equipment	2.50% - 25.00%
Berths, jetties, and infrastructure	1.25% - 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.

Notes to the Financial Statements For the year ended 30 June 2023

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
Cost									
At 1 July 2021	167,273	76,004	30,597	39,362	74,162	270,028	3,830	16,873	678,129
Additions	-	-	-	-	309	-	1,696	12,933	14,938
Transfer from Work in Progress	-	494	-	3,381	1,701	3,184	-	(8,760)	-
Disposals	-	-	-	-	(1,038)	-	(492)	(1,931)	(3,461)
At 30 June 2022	167,273	76,498	30,597	42,743	75,134	273,212	5,034	19,115	689,606
Additions	-	-	-	-	50	-	255	62,493	62,798
Transfer from Work in Progress	1	-	2,446	2,008	677	8,213	-	(13,345)	-
Disposals	-	-	-	(986)	-	-	(282)	-	(1,268)
At 30 June 2023	167,274	76,498	33,043	43,765	75,861	281,425	5,007	68,263	751,136
Depreciation and impairment									
At 1 July 2021	64,716	-	9,389	18,395	47,645	98,780	2,412	-	241,337
Depreciation and amortisation	3,538	-	842	1,207	2,912	8,268	1,086	-	17,853
Disposals	-	-	-	-	(806)	-	(467)	-	(1,273)
At 30 June 2022	68,254	-	10,231	19,602	49,751	107,048	3,031	-	257,917
Depreciation and amortisation	3,542	-	1,289	1,087	2,908	8,477	1,129	-	18,432
Disposals	-	-	-	(473)	-	-	(282)	-	(755)
At 30 June 2023	71,796	-	11,520	20,216	52,659	115,525	3,878	-	275,594
Carrying value									
At 30 June 2022	99,019	76,498	20,366	23,141	25,383	166,164	2,003	19,115	431,689
At 30 June 2023	95,478	76,498	21,523	23,549	23,202	165,900	1,129	68,263	475,542

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.

Notes to the Financial Statements For the year ended 30 June 2023

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.

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	+0.50% change	(0.50%) change	(0.50%) change
2023	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	
Financial assets					
Cash and cash equivalents	136,135	681	681	(681)	(681)
Financial liabilities					
Interest bearing borrowings	135,913	(680)	(680)	680	680
Total increase/(decrease)		1	1	(1)	(1)

	Carrying Amount \$'000	+0.50% change	+0.50% change	(0.50%) change	(0.50%) change
2022	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	
Financial assets					
Cash and cash equivalents	147,527	738	738	(738)	(738)
Financial liabilities					
Interest bearing borrowings	147,104	(736)	(736)	736	736
Total increase/(decrease)		2	2	(2)	(2)

C. Capital Management (continued)

Key financial and capital risks in this section (continued)

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.

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 guaranteed 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
2023					
Financial liabilities					
Trade and other payables	22,542	22,542	-	-	22,542
Interest bearing borrowings	137,220	7,459	23,972	157,229	188,660
	159,762	30,001	23,972	157,229	211,202

Notes to the Financial Statements For the year ended 30 June 2023

C. Capital Management (continued)

Key financial and capital risks in this section (continued)

2022	Carrying Amount \$'000	Including Interest			
		< 12 months \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
Financial liabilities					
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

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.

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	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	C.2	136,135	147,527
Trade and other receivables	E.1	33,316	26,231
Receivables (non-current)	E.1	-	864
Financial liabilities			
Trade and other payables	E.3	22,542	18,957
Interest bearing borrowings:			
Fixed rate borrowings	C.3	131,048	141,048
Fixed rate borrowings	C.3	4,865	6,056

Notes to the Financial Statements For the year ended 30 June 2023

C. Capital Management (continued)

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.

	2023 \$'000	2022 \$'000
Cash at Bank and Cash on Hand	2,864	1,207
At Call Deposits	33,271	46,320
Term Deposits	100,000	100,000
Cash and cash equivalents in the Statement of Cash Flows	136,135	147,527

Significant Terms and Conditions

Interest on Cash at Bank was at prevailing rates. The weighted average interest rate for the year ended 30 June 2023 was 1.03 per cent (2022: 0.26 per cent).

Interest on At Call Deposits was at prevailing rates. The weighted average interest rate for the year ended 30 June 2023 was 0.80 per cent (2022: 0.05 per cent).

The weighted average interest rate for Term Deposits for the year ended 30 June 2023 was 2.61 per cent (2022: 0.31 per cent). 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.

Notes to the Financial Statements For the year ended 30 June 2023

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	2023 \$'000	2022 \$'000
Current			
Special borrowings		1,267	1,191
Lease liabilities	C.4	602	1,127
		1,869	2,318
Non-Current			
Direct borrowings		131,048	141,048
Special borrowings		3,598	4,865
Lease liabilities	C.4	705	919
		135,351	146,832

Master Lending Agreement (MLA)

For the purposes of accessing more simplified and flexible borrowing arrangements, Fremantle Ports has an MLA with the WATC which consolidates all of its 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 2023 on the loan portfolio is 3.20 per cent per annum (2022: 2.36 per cent 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 per cent to 6.39 per cent per annum (2022: 6.22 per cent to 6.39 per cent per annum).

The interest rates implicit in the Lease liabilities range from 0.23 per cent to 10.00 per cent (2022: 0.23 per cent to 10.00 per cent).

Notes to the Financial Statements For the year ended 30 June 2023

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.

2023	Weighted Average Interest Rate	Fixed Interest Rate						
		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	Total \$'000
Interest Bearing Borrowings								
Direct borrowings	3.20%	-	-	-	-	-	131,048	131,048
Special borrowings	6.27%	1,267	1,129	525	558	593	793	4,865
Lease liabilities	3.18%	602	286	183	115	83	38	1,307
		1,869	1,415	708	673	676	131,879	137,220
2022	Weighted Average Interest Rate	Fixed Interest Rate						
		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	Total \$'000
Interest Bearing Borrowings								
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

Notes to the Financial Statements For the year ended 30 June 2023

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.

	2023		2022	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Special borrowings	4,865	5,095	6,056	6,501

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 per cent. 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 (2022: 1 to 8 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 6 years (2022: 1 to 8 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

	2023 \$'000	2022 \$'000
Future minimum lease payments in relation to leases payable at the end of the reporting period are as follows:		
Within one year	631	1,175
Later than one year but not later than five years	704	871
More than five years	39	83
Minimum lease payments	1,374	2,129
Future finance charges	(67)	(83)
Present value of lease liabilities	1,307	2,046

Notes to the Financial Statements For the year ended 30 June 2023

C. Capital Management (continued)

C.4 Lease payables (continued)

Representing Lease Liabilities

	Note	2023 \$'000	2022 \$'000
Current	C.3	602	1,127
Non-current	C.3	705	919
		1,307	2,046

C.5 Financing facilities

Fremantle Ports has access to the following lines of credit:

	2023 \$'000	2022 \$'000
Total facilities available:		
Liquidity facility, working capital, direct and special borrowings	167,913	201,605
Facilities utilised at the end of the reporting period:		
Liquidity facility, working capital, direct and special borrowings	135,913	147,104
Total facilities not utilised at the end of the reporting period:		
Liquidity facility, working capital, direct and special borrowings	32,000	54,501

At reporting date, Fremantle Ports has an approved financing facility from WATC for 2023/2024 of \$209.6 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 2021		105,059	285,766	390,825
Total comprehensive income for the year		-	48,114	48,114
Dividends paid	A.3	-	-	-
Balance at 30 June 2022		105,059	333,880	438,939
Total comprehensive income for the year		-	46,421	46,421
Dividends paid	A.3	-	-	-
Balance at 30 June 2023		105,059	380,301	485,360

Notes to the Financial Statements For the year ended 30 June 2023

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 3.5 per cent (2022: 3 per cent).

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 2023

D. Employee Benefits (continued)

D.1 Provisions (continued)

Current

	Note	2023 \$'000	2022 \$'000
Fringe benefits tax	F.2	94	80
Employee benefits		15,019	13,483
Retirement benefit obligations	D.2	468	425
Other	F.2	1,561	1,328
		17,142	15,316

Non-Current

	Note	2023 \$'000	2022 \$'000
Employee benefits		1,200	1,230
Retirement benefit obligations	D.2	8,450	8,432
Other	F.2	875	2,232
		10,525	11,894

Aggregate Employee Benefits

	2023 \$'000	2022 \$'000
Current liability	15,487	13,908
Non-current liability	9,650	9,662
	25,137	23,570

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

	2023 \$'000		2022 \$'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	4,299	1,441	3,668	1,414
Long service leave	2,359	4,963	2,210	4,327
Sick leave	903	2,254	938	2,156
Total leave liabilities	7,561	8,658	6,816	7,897

Notes to the Financial Statements For the year ended 30 June 2023

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 2023.

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).

Notes to the Financial Statements For the year ended 30 June 2023

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

	2023 \$'000		2022 \$'000	
	Pension Scheme	Gold State Super	Pension Scheme	Gold State Super
Defined benefit obligation	8,897	21	8,836	21
Fair value of scheme assets	-	-	-	-
Deficit	8,897	21	8,836	21
Adjustments for effect of asset ceiling	-	-	-	-
Net defined benefit liability	8,897	21	8,836	21

Reconciliation of the Fair Value of Scheme Assets

	2023 \$'000		2022 \$'000	
	Pension Scheme	Gold State Super	Pension Scheme	Gold State Super
Fair value of scheme assets at the beginning of the year	-	-	-	-
Employer contributions	439	-	409	-
Benefits paid	(439)	-	(409)	-
Fair value of scheme assets at end of the year	-	-	-	-

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

	2024 \$'000
Pension Scheme	
Expected employer contributions	467
Gold State Super	
Expected employer contributions	1

Maturity profile of defined benefit obligation

Pension Scheme

The weighted average duration of the Fremantle Ports defined benefit obligation is 12.7 years.

Gold State Super

The weighted average duration of the Fremantle Ports defined benefit obligation is 7.4 years.

Notes to the Financial Statements For the year ended 30 June 2023

D. Employee Benefits (continued)

D.2 Retirement benefit obligations (continued)

Reconciliation of the Defined Benefit Obligation

2023 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)					
2023	Note	1 July 2022 \$'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 2023 \$'000
Pension Scheme defined benefit obligation		8,836	-	289	289	(439)	(223)	434	-	211	-	8,897
Gold State Super defined benefit obligation		21	-	-	-	-	-	-	-	-	-	21
Benefit liability	D.1	8,857			289	(439)	(223)	434	-	211	-	8,918

Notes to the Financial Statements For the year ended 30 June 2023

D. Employee Benefits (continued)

D.2 Retirement benefit obligations (continued)

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

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

Sensitivity Analysis

The defined benefit obligation as at 30 June 2023 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 per cent pa lower discount rate assumption

Scenario B: 0.5 per cent pa higher discount rate assumption

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

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

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

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

Notes to the Financial Statements For the year ended 30 June 2023

D. Employee Benefits (continued)

D.2 Retirement benefit obligations (continued)

2023 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	3.55%	3.05%	4.05%	3.55%	3.55%	-	-
Pension increase rate	2.50%	2.50%	2.50%	2.00%	3.00%	-	-
Defined benefit obligation (\$'000)	8,897	9,471	8,377	8,389	9,453	-	-
Gold State Super							
Discount rate	3.55%	3.05%	4.05%	-	-	3.55%	3.55%
Salary increase rate	3.50%	3.50%	3.50%	-	-	3.00%	4.00%
Defined benefit obligation (\$'000)	21	21	20	-	-	20	21

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

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 2023

D. Employee Benefits (continued)

D.2 Retirement benefit obligations (continued)

Significant Actuarial Assumptions at the Reporting Date

	2023	2022
Pension Scheme		
<i>Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year</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 2.50%	1.75% for 2021/22 1.75% for 2022/23 and then 2.00%
<i>Assumptions to determine defined benefit obligation at the valuation date</i>		
Discount rate	3.55%	3.35%
Expected salary increase rate	3.50%	3.50%
Expected pension increase rate	3.0% for 2023/24 3.0% for 2024/25 and then 2.50%	5.5% for 2022/23 3.0% for 2023/24 3.0% for 2024/25 and then 2.50%

	2023	2022
Gold State Super		
<i>Assumptions to determine start of year defined benefit obligation and defined benefit cost for the current year</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%
CPI	3.0% for 2022/23 3.0% for 2023/24 3.0% for 2024/25 and then 2.50%	1.75% for 2021/22 1.75% for 2022/23 and then 2.00%
<i>Assumptions to determine defined benefit obligation at the valuation date</i>		
Discount rate	3.55%	3.35%
Expected salary increase rate	3.50%	3.50%
CPI	5.8% for 2023/24 3.0% for 2024/25 and then 2.50%	3.0% for 2022/23 3.0% for 2023/24 3.0% for 2024/25 and then 2.50%

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

Notes to the Financial Statements For the year ended 30 June 2023

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 2023

E. Other Assets and Liabilities (continued)

E.1 Receivables (continued)

Current

	2023 \$'000	2022 \$'000
Trade debtors	28,308	23,317
Less: Provision for impairment of receivables	(993)	(1,151)
	27,315	22,166
Prepayments	4,175	3,161
Accrued income	1,710	2,704
Finance lease receivable	864	960
Other receivables	3,427	401
Balance at 30 June	37,491	29,392

Non-Current

	2023 \$'000	2022 \$'000
Finance lease receivable	-	864

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:

	2023 \$'000	2022 \$'000
Balance at 1 July	1,151	1,471
Provision for impairment loss recognised	(103)	(274)
Provision for impairment loss written off	(55)	(46)
Balance at 30 June	993	1,151

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

	2023 \$'000	2022 \$'000
Not more than 3 months	732	252
More than 3 months but less than 6 months	202	95
More than 6 months but less than 1 year	46	1,102
More than 1 year	6	-
	986	1,449

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 2023

E. Other Assets and Liabilities (continued)**E.1 Receivables (continued)****Finance Lease Receivable**

	2023 \$'000	2022 \$'000
Amounts receivable under finance leases:		
Within one year	899	1,079
Later than one year but not later than five years	-	899
Later than five years	-	-
	899	1,978
Unearned finance income	(35)	(154)
Present value of minimum lease payments receivable	864	1,824
	2023 \$'000	2022 \$'000
Current	864	960
Non-current	-	864
	864	1,824

Finance leases receivable are in respect of buildings and plant and equipment. The lease agreement expires in April 2024. Interest is charged at 8.59 per cent (2022: 8.59 per cent) per annum.

E.2 Inventories**Recognition and Measurement**

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

	2023 \$'000	2022 \$'000
Stores - at cost	4,208	4,081

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.

	2023 \$'000	2022 \$'000
Trade creditors and amounts payable	8,408	11,664
Accrued expenses	14,134	7,293
	22,542	18,957

Notes to the Financial Statements For the year ended 30 June 2023

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

	2023 \$'000	2022 \$'000
Current		
Prepaid rental income	635	747
Interest received in advance	267	73
Deferred income	5,970	2,909
	6,872	3,729
Non-Current		
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 *Government Trading Enterprises Act 2023*.

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

	2023 \$'000	2022 \$'000
Remuneration for audit of the financial statements	177	170

Notes to the Financial Statements For the year ended 30 June 2023

F. Other Items (continued)

F.1 Related parties (continued)

Significant transactions with Government-related entities

Financial year ended 30 June 2023

Fremantle Ports has been notified that a current WA State Government Minister has declared that a non-dependent close family member is a partner of a law firm that provided services to Fremantle Ports to the value of \$0.17 million.

There are no other material related party transactions for the current financial year.

Financial year ended 30 June 2022

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:

	2023 \$'000	2022 \$'000
Short-term employee benefits	3,014	3,132
Post-employment benefits	234	264
Other long-term benefits	69	62
Total compensation paid to key management personnel	3,317	3,458

F.2 Other Provisions

Reconciliations

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

Fringe Benefits Tax			
Carrying amount at 1 July		80	64
Provision increase during the year		370	331
Amounts utilised in the year		(356)	(315)
Carrying amount at 30 June	D.1	94	80
Other			
Carrying amount at 1 July		3,560	3,501
Provision (decrease)/ increase during the year		(917)	193
Amounts utilised in the year		(207)	(134)
Carrying amount at 30 June	D.1	2,436	3,560

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 2023

F. Other Items (continued)

F.3 Lease commitments

Leases Payable

There are no lease commitments. Fremantle Ports recognises right of use assets and lease liabilities, except for short term and low value leases. Refer to notes B.1 and C.4 for further information.

Operating Leases Receivable

Future minimum rental amounts receivable for operating leases at the end of the reporting period but not recognised as assets:		
Within one year	29,696	27,518
Later than one year but not later than five years	97,216	92,009
Later than five years	139,825	150,800
	266,737	270,327

Operating leases receivable are in respect of property rentals.

F.4 Capital commitments

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	65,490	35,071
Later than one year but not later than five years	13,087	24,540
	78,577	59,611

Notes to the Financial Statements For the year ended 30 June 2023

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 is listed for trial in late 2023. 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 2023, a provision for environmental investigation, assessment, and remediation of \$0.92 million (2022: \$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 significantly affect the operations, the results of those operations, or the state of affairs, in future financial years.

Notes to the Financial Statements For the year ended 30 June 2023

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 2023 are outlined in the table below:

Pronouncement	Summary	Application date of standard	Impact on Fremantle Ports' Financial Statements	Application date for Fremantle Ports
AASB 2020-1	<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">• 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;• stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability;• adding guidance about lending conditions and how these can impact classification; and• including requirements for liabilities that can be settled using an entity's own instruments.	1-Jan-2023	Fremantle Ports has completed the assessment and determined there is no impact.	1-Jul-2023

Notes to the Financial Statements For the year ended 30 June 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"> • AASB 7 Financial Instruments: Disclosures (August 2015); • AASB 101 Presentation of Financial Statements (July 2015); • AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (August 2015); and • AASB 134 Interim Financial Reporting (August 2015). <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"> • Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and • Definition of Accounting Estimates (Amendments to IAS 8). 	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 2023 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 2023, and 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 the *Government Trading Enterprises Act 2023*, including section 176 and the Government Trading Enterprises Regulations 2023, and:

- gives a true and fair view of the financial position at 30 June 2023 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 2023, 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.

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

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 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 in accordance with the *Government Trading Enterprises Act 2023*, including section 176 and the Government Trading Enterprises Regulations 2023 that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Regulations 2001
- such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 report. 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.

My independence and quality management 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 ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023 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 2023

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.

	2023 \$'000		2022 \$'000
Total Current Assets	177,725	= 3.7	181,000 = 4.6
Total Current Liabilities	48,425		39,673

Free Cash Flow – Graph 2

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

	2023 \$'000		2022 \$'000
Net Cashflow from Operations (after interest)	62,376	= 92.1%	63,652 = 92.6%
Net Cashflow from Operations (before interest)	67,749		68,752

Debtors Average Collection Period – Graph 3

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

	2023 \$'000		2022 \$'000
Average Trade Debtors	24,013 x 365	= 31 days	18,521 x 365 = 27 days
Sales Revenue	281,991		253,885

Interest Cover – Graph 4

Provides an indication of Fremantle Ports' ability to meet interest costs from operating profit.

	2023 \$'000		2022 \$'000	
Earnings Before Interest and Tax	72,477	=	73,002	= 14.58 times
Total Interest Costs	5,490		5,006	

Return on Assets – Graph 5

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

	2023 \$'000		2022 \$'000	
Earnings Before Interest and Tax	72,477	=	73,002	= 11.8%
Average Total Assets	659,847		619,266	

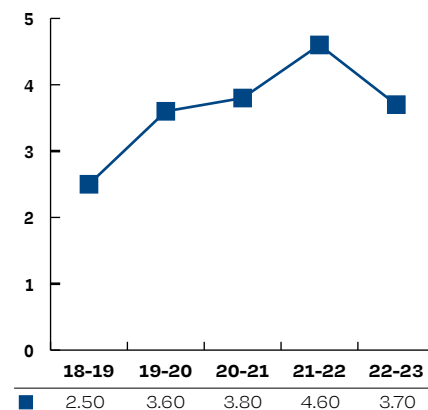
Economic Rate of Return – Graph 6

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.

	2023 \$'000		2022 \$'000	
Operating EBIT (excluding significant items) + Depreciation - Deprival Value Depreciation	69,385	=	70,738	= 9.5%
Average Current Assets + Written Down Deprival Value of Non-Current Assets	798,663		742,431	

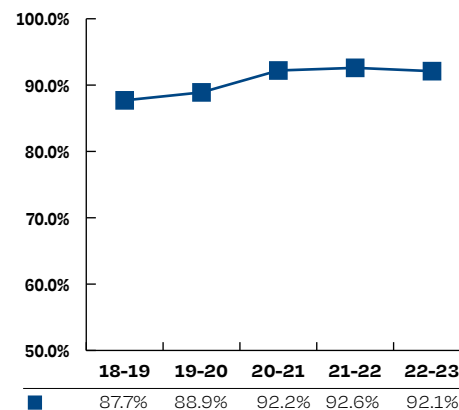
Graph 1:
Current Ratio Comparison
2018/2019 to 2022/2023

Graph 1

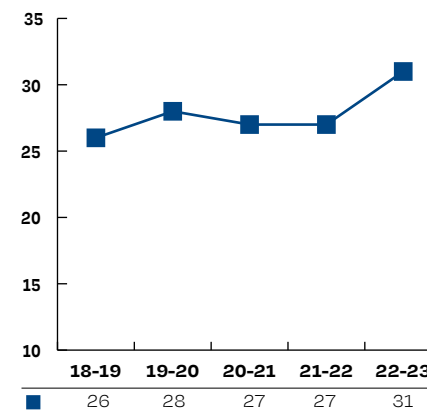


Graph 2:
Free Cash Flow Comparison
2018/2019 to 2022/2023

Graph 2

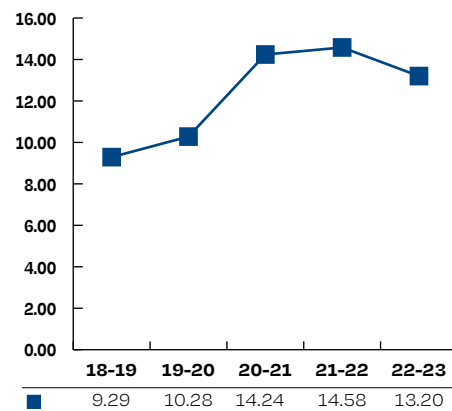


Graph 3



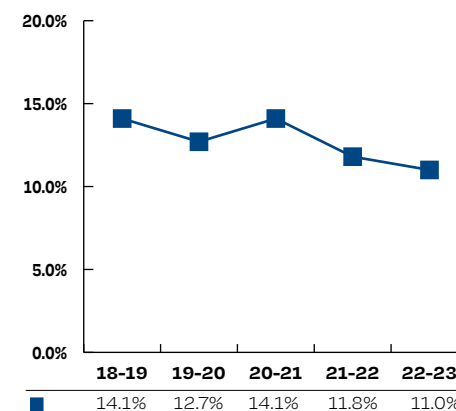
Graph 4:
Interest Cover Comparison
2018/2019 to 2022/2023

Graph 4



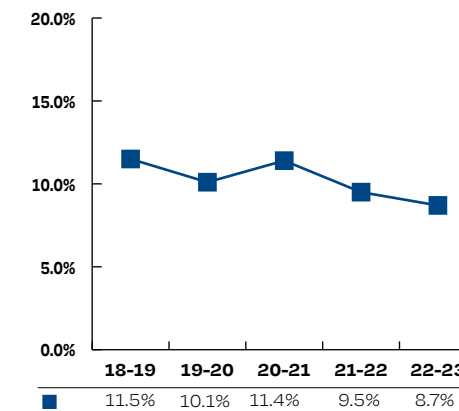
Graph 5:
Return on Assets Comparison
2018/2019 to 2022/2023

Graph 5



Graph 6:
Economic Rate of Return Comparison
2018/2019 to 2022/2023

Graph 6





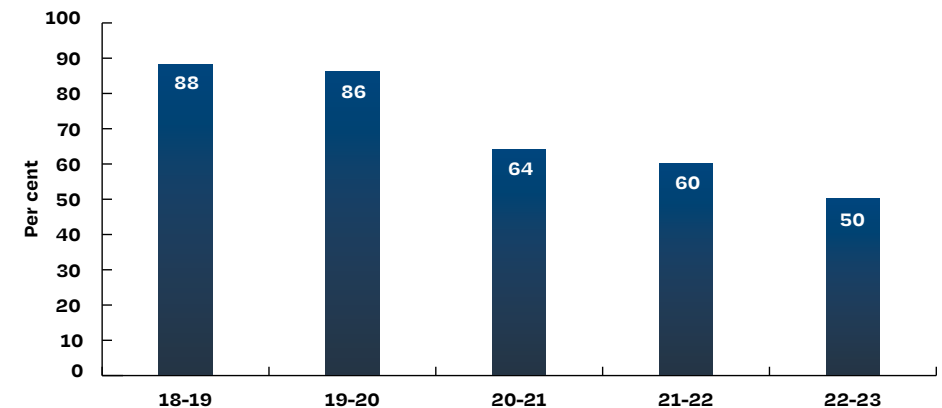
A regular visitor to the Port of Fremantle, Japanese icebreaker *Shirase* calls in after its Antarctic expedition.

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 50 per cent of respondents were satisfied or very satisfied with services provided by Fremantle Ports, down from 60 per cent last year. The decline is predominantly attributable to port infrastructure and berth availability. Fremantle Ports is committed to understanding and using the feedback provided, to make improvements in the future.

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%.

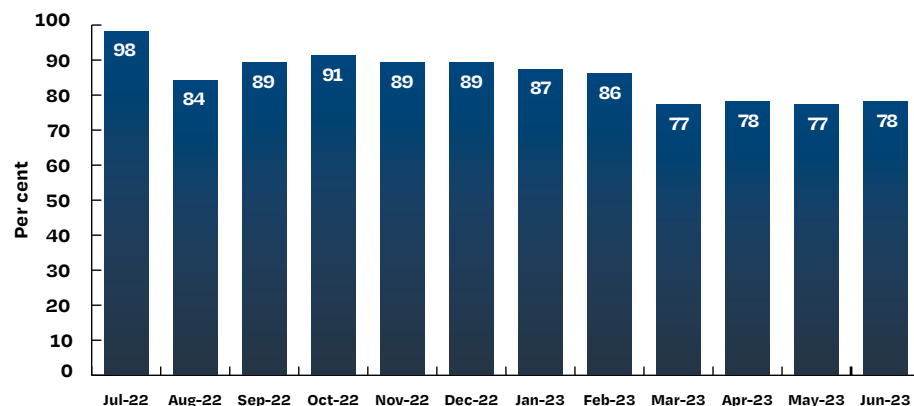
Vessels berth on time

Fremantle Ports measures reliability and efficiency within the port and reflects schedule accuracy for vessel arrivals. Vessel arrivals are impacted by a number of factors including berth and wharf availability, pilotage, tug availability and weather.

As a key link in the maritime supply chain, vessels arriving on schedule allows the efficient scheduling of stevedore services (berthing and unloading) and for the mobilisation of the supporting land side logistics.

In 2021-22 a baseline for on-schedule arrivals was established (83 per cent for Inner Harbour and 70 per cent for Outer Harbour) and during 2022-23 progress

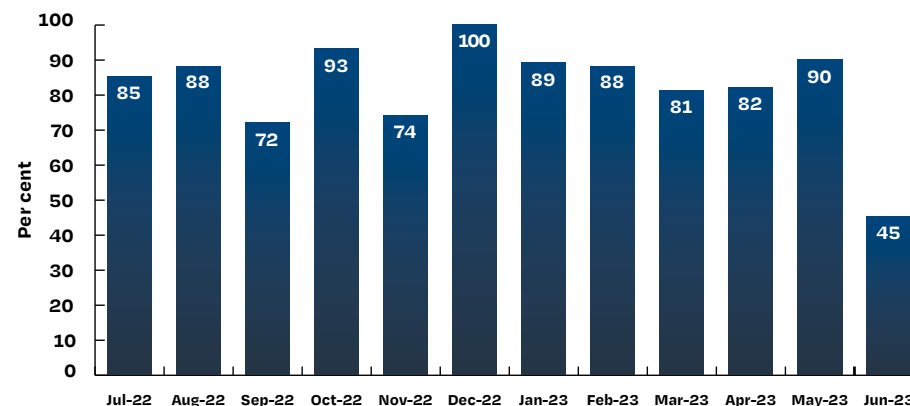
Fig 2. Vessels berth on time
Inner Harbour



was made, improving reliability and efficiency both in our Inner Harbour and Outer Harbour with schedule arrivals improving to 85 per cent and 82 per cent respectively.

The notable decline in performance in June in the Outer Harbour is attributed to a flow-on effect from a vessel that experienced an extended discharge time due to difficult and out of specification cargo, in combination with vessels arriving back-to-back. The Outer Harbour also experienced delays caused by weather and vessels that were held at anchor at the agent's request and for hold cleaning.

Fig 3. Vessels berth on time
Outer Harbour



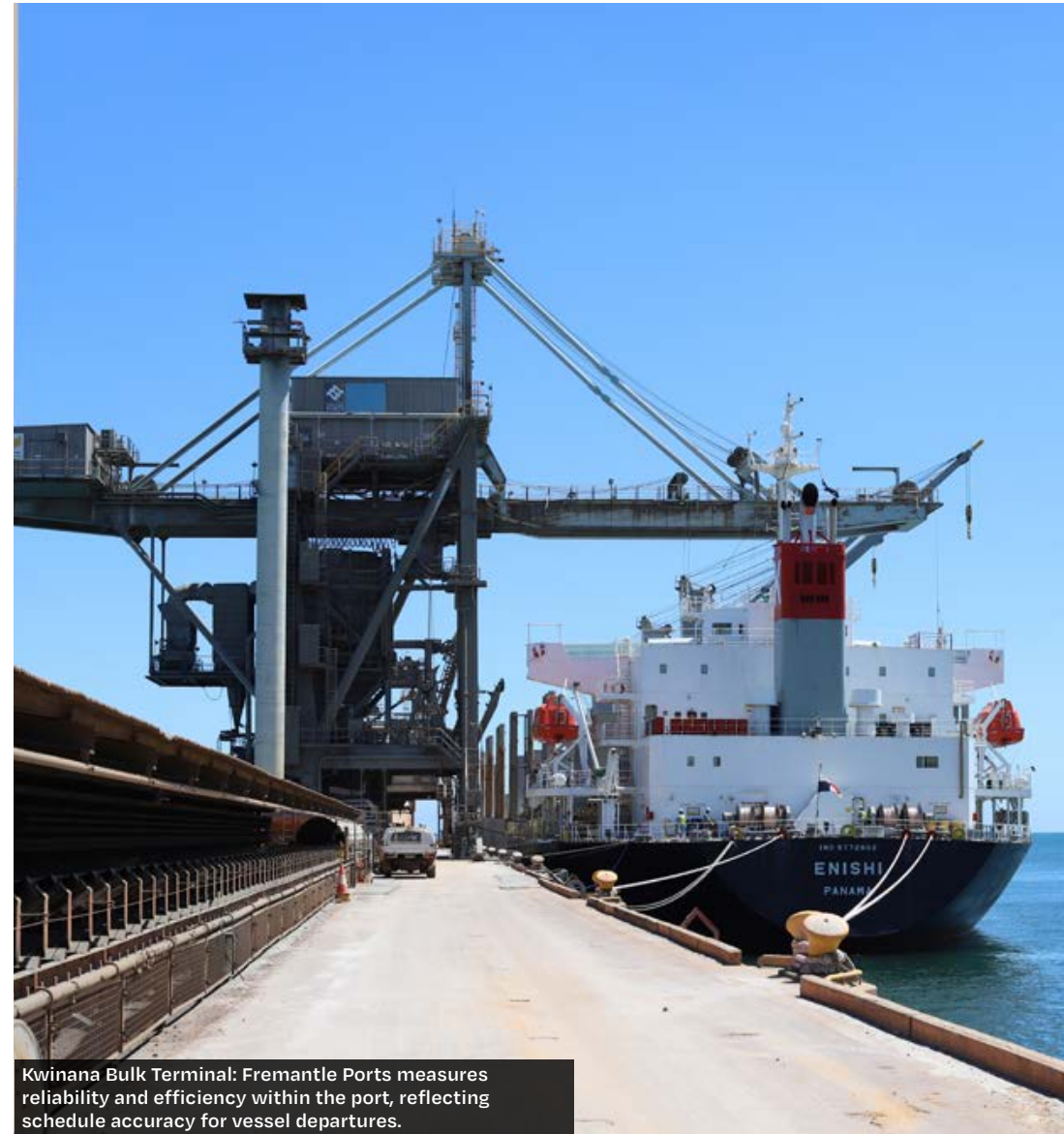
Outer Harbour vessels departing on time

Fremantle Ports measures reliability and efficiency within the port, reflecting schedule accuracy for vessel departures. There are many factors that contribute to vessels being unable to depart on time.

Under Fremantle Ports' direct control we have experienced delays with availability and reliability of equipment, assets and supporting services.

The largest contributors to delays for leaving on time have been the arrival of out-of-specification cargo, weather delays, customer delays due to truck and site storage availability, as well as continuous labour supply, tug availability, and vessel gear issues.

During 2022-23 progress was made towards improving reliability and efficiency in the Outer Harbour with schedule departures recorded from January 2023 as 43 per cent and 72 per cent for KBJ and KBT respectively (50 per cent overall).

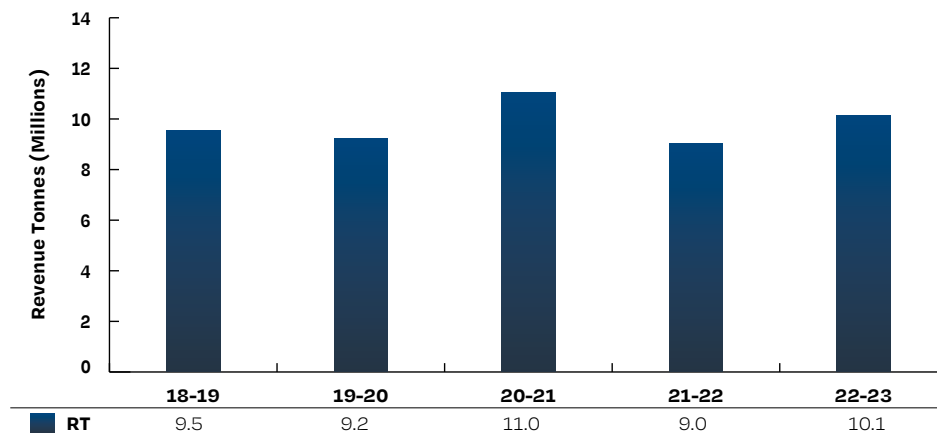


Kwinana Bulk Terminal: Fremantle Ports measures reliability and efficiency within the port, reflecting schedule accuracy for vessel departures.

Total chargeable trade

Figure 4 shows the total chargeable bulk and non-containerised trade was 1.1 million revenue tonnes or 12 per cent higher than last year.

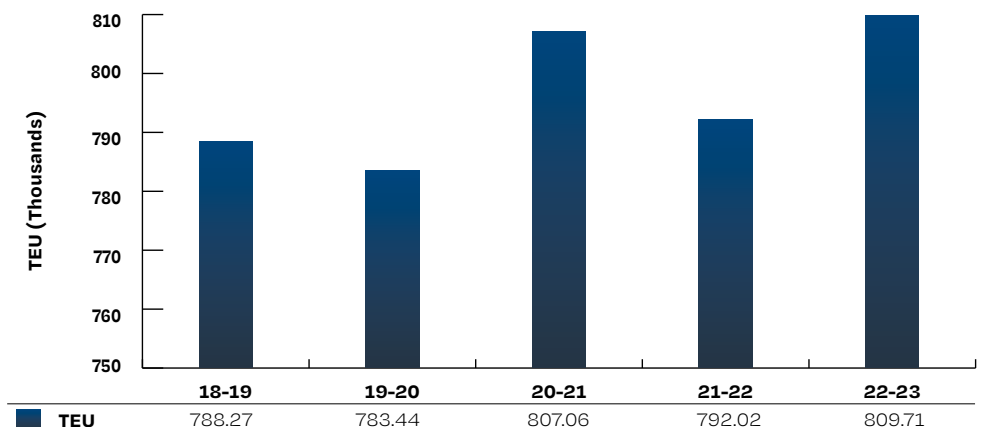
Fig 4. Fremantle Ports bulk business and non-containerised trade
(Revenue Tonnes)



Total container trade

Figure 5 shows that total container trade increased by 17,688 TEU (2.2 per cent) compared with 2021-22. Exports increased by 3.2 per cent and imports increased by 1.3 per cent. Full container trade increased by 1.3 per cent or 8,185 TEU. Full imports reduced by 3,440 TEU (or 1 per cent) and full exports increased by 11,625 TEU (or 5 per cent).

Fig 5. Total container trade – TEU

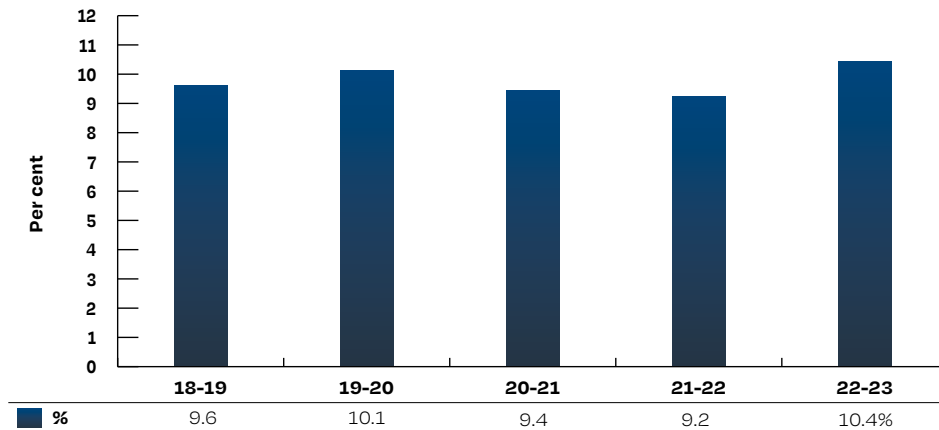


The Statement of Corporate Intent forecast for total container trade in 2021-22 was annual growth of 2.0 per cent.

Container trade – market share

Figure 6 shows Fremantle Ports' market share, measured as the number of containers through Fremantle as a percentage of Australian capital city ports (excluding Hobart), increased by 1.2 per cent to 10.4 per cent compared to last year.

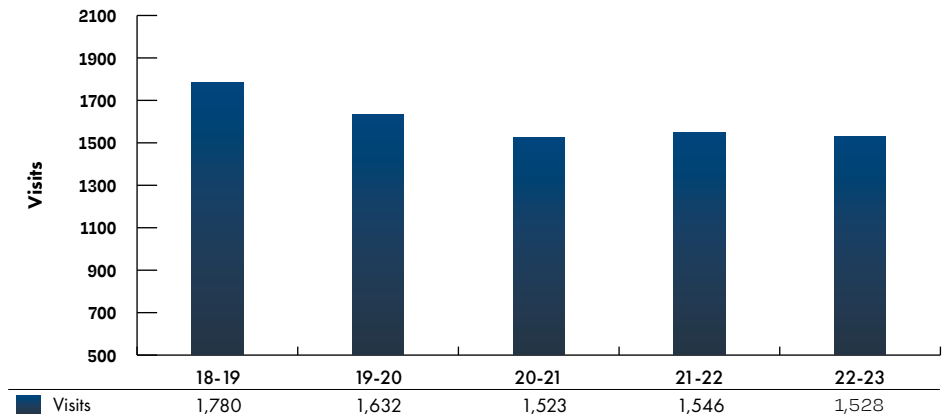
Fig: 6. Fremantle Ports – market share of Australian container trade



Number of ship visits

Figure 7 shows total ship visits for commercial, non-trading and fishing vessels (naval vessels of war excluded) decreased from 1546 last year to 1528 this year, above the target for 2022-23 which was 1,487.

Fig 7. Total ship visits

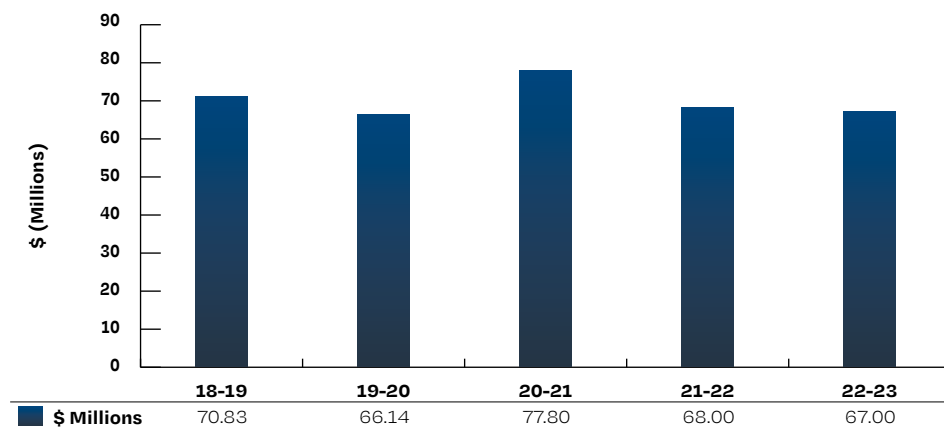


*Number of vessels visits includes commercial, non-trading and fishing vessels (excludes naval).

Profit before income tax equivalent

Figure 8 shows Fremantle Ports' profit before tax was \$67.0m, similar to last year (\$68.0m).

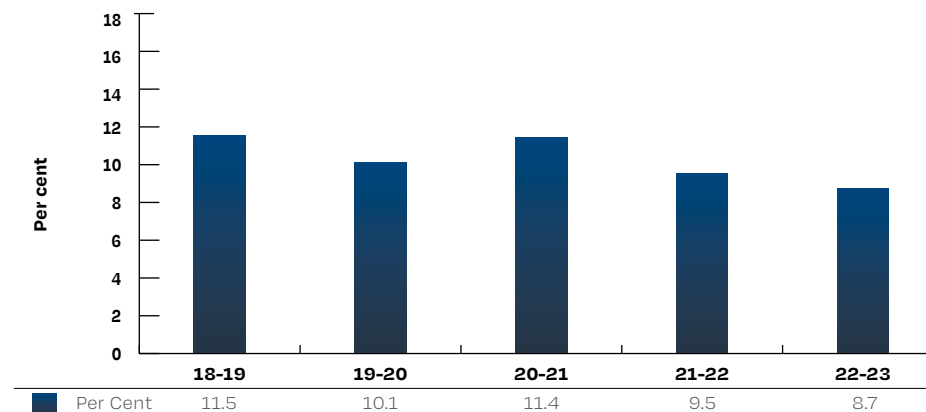
Fig 8. Operating profit before income tax



Economic rate of return

Figure 9 shows the economic rate of return on assets was 8.7 per cent this year, compared to 9.5 per cent last year.

Fig 9. Economic rate of return on assets



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



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Trade graphs and tables

FIVE YEAR SUMMARY					
SHIPPING	2018-19	2019-20	2020-21	2021-22	2022-23
No. of Ships: Inner Harbour	993	850	726	668	729
Gross Tonnage (000's):					
Inner Harbour	46,160	41,207	34,110	30,960	33,380
Outer Harbour	22,331	21,721	21,675	23,139	22,460
TOTAL	68,491	62,928	56,511	54,099	55,840
Turnover per linear metre of wharf					
Inner Harbour Tonnage Only - (i)					
Trade in Tonnes	2,878	2,793	2,780	2,917	2,926
Gross Tonnage	14,452	12,901	10,680	9,693	10,451
TRADE	Mass tonnes '000	Mass tonnes '000	Mass tonnes '000	Mass tonnes '000	Mass tonnes '000
Total Port Trade	34,489	32,656	30,381	28,270	31,255
Imports: Inner Harbour	4,302	4,447	4,653	5,004	4,776
Outer Harbour	11,380	11,251	9,802	9,225	10,191
TOTAL	15,683	15,698	14,455	14,229	14,968
Exports: Inner Harbour	4,890	4,475	4,227	4,313	4,568
Outer Harbour	13,915	12,483	11,699	9,727	11,720
TOTAL	18,806	16,958	15,926	14,041	16,287

FIVE YEAR SUMMARY					
	2018-19	2019-20	2020-21	2021-22	2022-23
FINANCE	\$ Millions	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Revenue from ordinary activities	222.03	217.939	226.067	233.765	252.995
Operating expenses	125.692	127.250	125.400	142.770	162.086
Interest and depreciation charges	25.509	24.553	22.870	22.999	23.922
Profits from ordinary activities	70.829	66.136	77.797	67.996	66.987
Written down value of fixed assets	440.326	441.757	436.792	431.689	475.542
PERCENTAGE OF REVENUE	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent
Charges on cargo	61.25	60.42	63.71	62.35	63.13
Charges on ships	9.73	9.35	8.13	7.49	7.55
Charges for shipping services	5.92	5.98	5.16	5.19	5.13
Charges for other services & Interest	23.11	24.25	23.01	24.98	24.20
Operating expenses	56.61	58.39	55.47	61.07	64.07
PERSONNEL	No.	No.	No.	No.	No.
Employees at 30th June (ii)	304	296	300	333	365

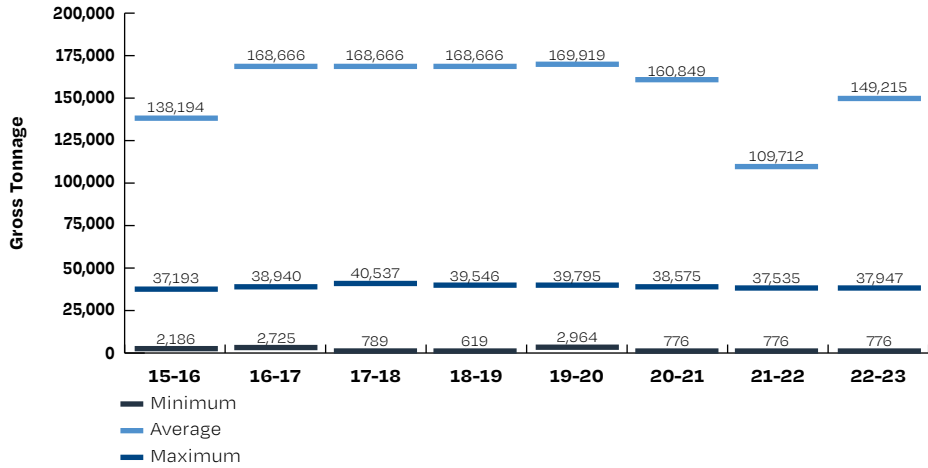
(i) Lengths of berths A, B and C are excluded from turnover per linear metre of wharf calculations as these berths are not used for cargo purposes.

(ii) Full time equivalent employees.

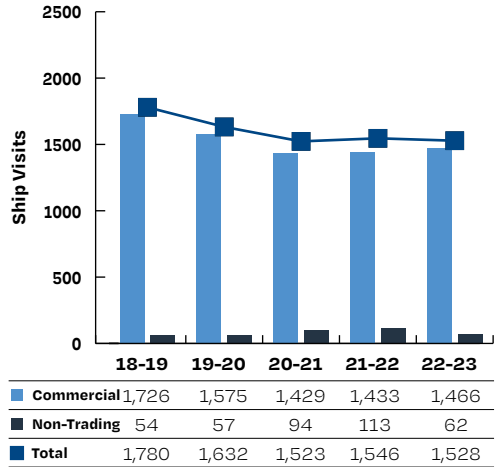
SHIP VISITS AND GROSS TONNAGE							
Year ended 30th June	COMMERCIAL		NON TRADING		TOTAL		NAVAL
	No.	Gross Tonnage	No.	Gross Tonnage	No.	Gross Tonnage	No.
2019	1,726	68,255,990	54	235,074	1,780	68,491,064	38
2020	1,575	62,647,342	57	280,814	1,632	62,928,156	15
2021	1,429	55,207,983	94	577,415	1,523	55,785,398	15
2022	1,433	53,787,291	113	310,568	1,546	54,097,859	25
2023	1,466	55,630,547	62	209,333	1,528	55,839,880	18

SHIPS CLASSIFIED									
VESSEL CLASS	2020-21			2021-22			2022-23		
	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)
Breakbulk/General Carrier	84	977	39.5	96	1,394	21.8	105	1,567	14.9
Container	357	20,466	57.3	312	17,157	55.0	379	20,370	53.7
Other - Trading	4	24	5.9	15	198	13.2	6	98	16.3
Roll-on/Roll-off	15	1,088	72.5	10	704	70.4	2	151	75.3
Vehicle Carrier	178	10,452	58.7	186	11,114	59.8	150	8,598	57.3
Livestock Carrier	48	835	17.4	37	698	18.9	40	851	21.3
Passenger	3	7	2.4	4	16	4.0	35	1,950	55.7
Tankers	237	6,979	140.2	232	5,874	25.3	253	6,679	26.4
Dry Bulk - Grain	119	3,795	31.9	124	4,536	36.6	160	5,910	36.9
Dry Bulk - Other	257	6,579	133.2	220	5,341	24.3	199	4,981	25.0
Bunkering Only	129	4,075	66.2	197	6,756	34.3	137	4,476	32.7
Non Trading - Other	92	508	7.4	113	311	2.7	62	209	3.4
Sub Total	1,523	55,785	36.6	1,546	54,098	35.0	1,528	55,840	36.5
Naval	15			25			18		
Grand Total	1,538	55,785	36.6	1,571	54,098	35.0	1,546	55,840	36.5

Gross tonnage per commercial vessel 2015-16 to 2022-23



Ship visits (excluding naval)



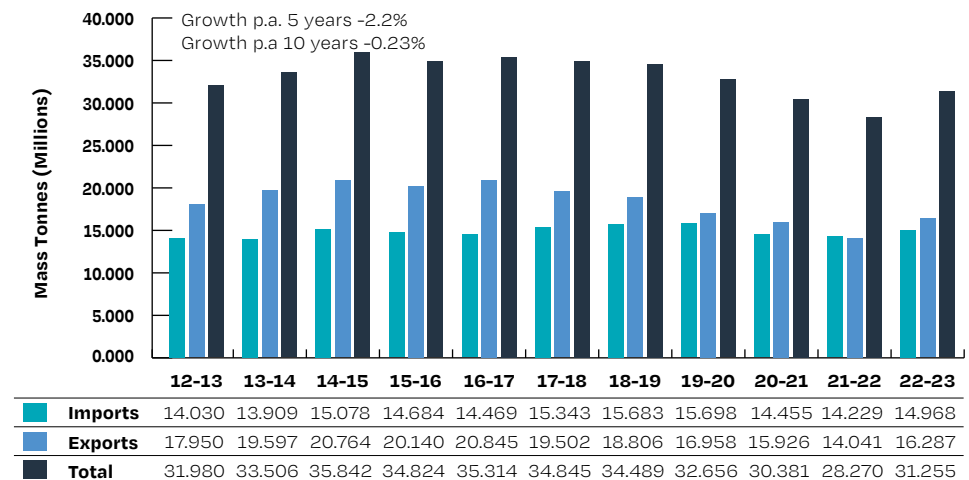
Like Fremantle Ports, our partner services Svitzer towage and Fremantle Pilots work around the clock.

SYNOPSIS OF TRADE 2022-23			
CARGO	Inner Harbour Mass Tonnes	Outer Harbour Mass Tonnes	Port Total Mass Tonnes
Imports			
From intrastate ports	856	330,410	331,266
From intrastate ports	833,145	26,132	859,277
From overseas ports	3,942,352	9,834,811	13,777,163
TOTAL IMPORTS	4,776,352	10,191,353	14,967,706
Exports			
To intrastate ports	482	87,992	88,474
To intrastate ports	174,676	131,228	305,904
To overseas ports	4,392,663	11,500,295	15,892,958
TOTAL EXPORTS	4,567,821	11,719,515	16,287,336
TOTAL PORT TRADE	9,344,173	21,910,868	31,255,042

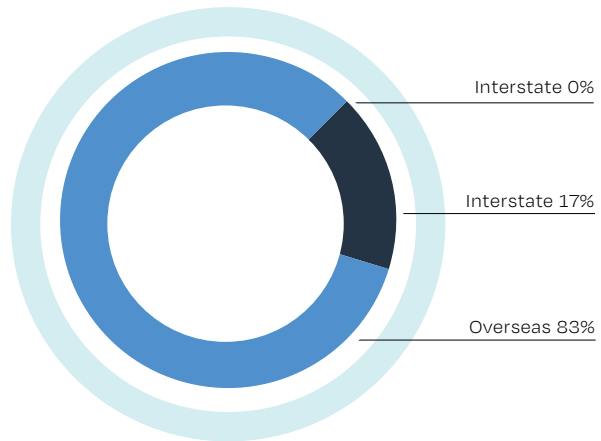
Kwinana Bulk Terminal: Silica sand, gypsum and nutcoke for export.



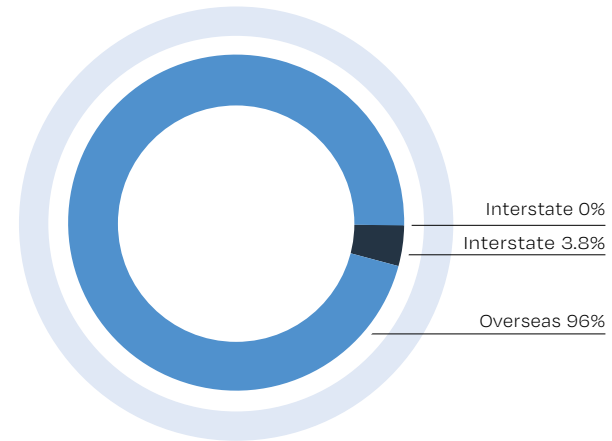
Total port trade
2012-13 to 2022-23



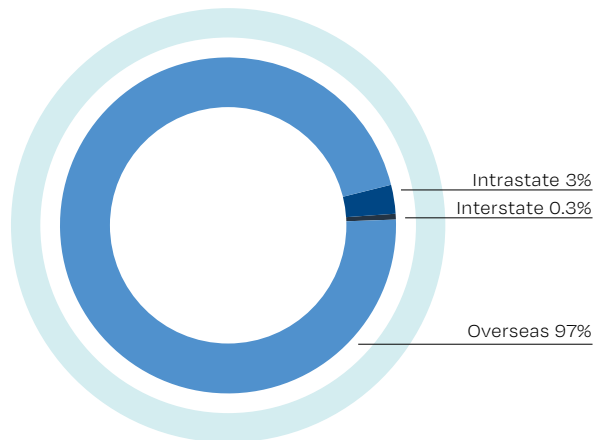
Inner Harbour imports



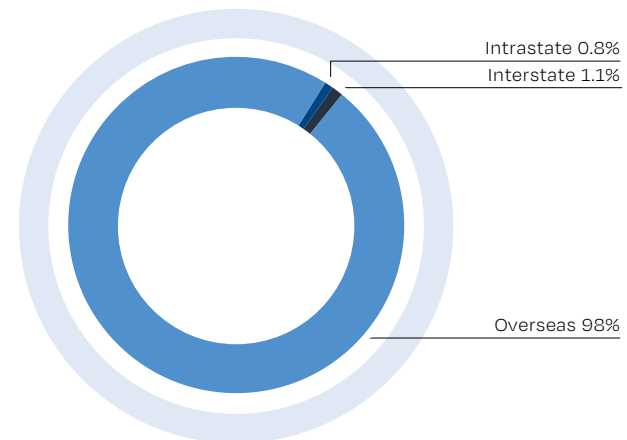
Inner Harbour exports



Outer Harbour imports

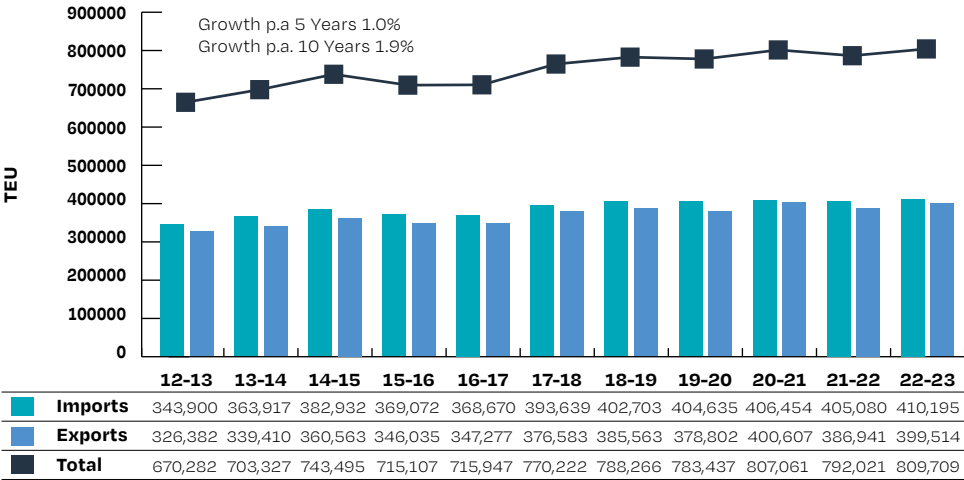


Outer Harbour exports



Total container trade - TEU

2012-13 to 2022-23

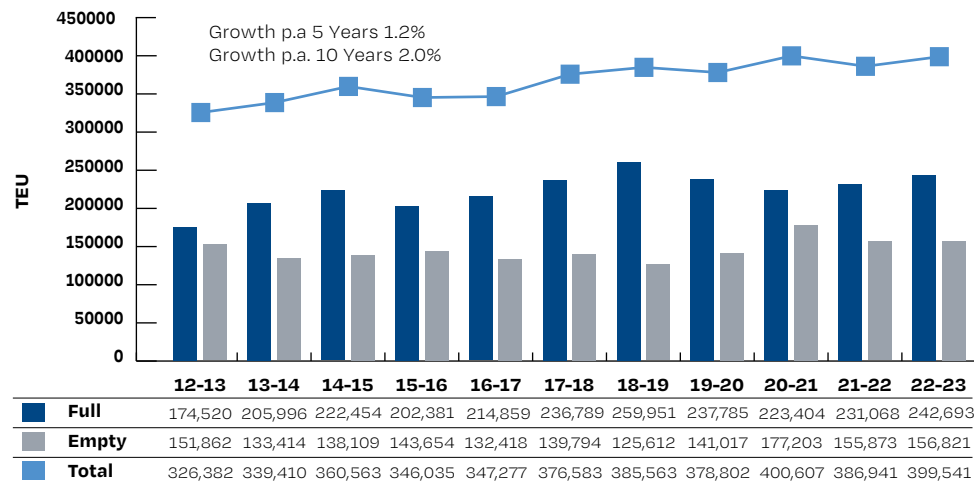


The Operations team monitor all aspects of ship visits.



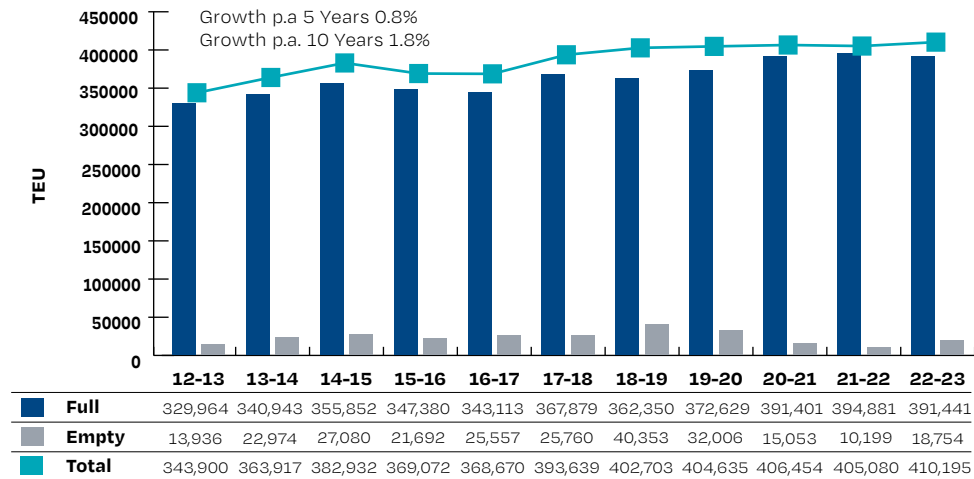
Export container trade - TEU

2012-13 to 2022-23



Import container trade - TEU

2012-13 to 2022-23



PORT OF FREMANTLE CONTAINER TRADE -TEU July 1 2022 to June 30 2023							
COUNTRY	Imports			Exports			Grand Total
	Full	Empty	Total	Full	Empty	Total	
China	150,730	709	151,439	41,540	2,758	44,298	195,737
Singapore ¹	9,167	4,948	14,115	5,426	92,669	98,095	112,210
Malaysia	22,513	471	22,984	21,222	48,376	69,598	92,582
Australia	59,178	11,436	70,614	3,799	7,592	11,391	82,005
Japan	5,984	8	5,992	33,533	10	33,543	39,535
Thailand	28,311	16	28,327	8,585	482	9,067	37,394
Indonesia	9,590	54	9,644	21,775	805	22,580	32,224
South Korea	5,834	84	5,918	25,377	72	25,449	31,367
Vietnam	11,352	4	11,356	16,021	1,089	17,110	28,466
India	9,452	10	9,462	11,167		11,167	20,629
United States	9,868	25	9,893	4,276	3	4,279	14,172
Taiwan	4,126	4	4,130	9,576	55	9,631	13,761
Germany	9,422		9,422	375		375	9,797
New Zealand	4,912	14	4,926	2,992	774	3,766	8,692
United Arab Emirates	2,355		2,355	5,619		5,619	7,974
Italy	6,383	54	6,437	812	22	834	7,271
Netherlands	4,287		4,287	2,550		2,550	6,837
Philippines	697	2	699	6,012		6,012	6,711
Belgium	3,716	16	3,732	1,227	13	1,240	4,972
United Kingdom	3,412		3,412	1,089	4	1,093	4,505
Other Countries	30,152	899	31,051	19,720	2,097	21,817	52,868
Grand Total	391,441	18,754	410,195	242,693	156,821	399,514	809,709

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

MAJOR EXPORTS BY COMMODITY 2022-2023			
COMMODITY	% Tonnes	Mass Tonnes	Principal Trading Partners (% Commodity Total)
Grains	58.9%	9,405,416	China(21.62), Japan(10.29), Saudi Arabia(10.26), Korea(9.25), Philippines(9.04), Thailand(7.92), Vietnam(7.40), Indonesia(5.51), United Arab Emirates(3.94), France(2.53), Netherlands(2.44)
Alumina	14.4%	2,295,307	Bahrain(19.77), Malaysia(14.82), Qatar(13.71), United Arab Emirates(13.71), India(8.23), China(6.59), Indonesia(5.91), Japan(4.34), Egypt(3.99), Netherlands(3.79), Canada(2.70)
Animal Feed	4.6%	740,268	Japan(45.9), Korea(25.8), Taiwan(11.7), Vietnam(2.7), Philippines(2.2), New Zealand(2.2)
Silica Sands	3.9%	616,184	Korea(45.4), China(32.6), United States of America(14.3), Thailand(7.2)
Scrap Metals etc	3.3%	530,887	Vietnam(17.4), Bangladesh(17.1), Indonesia(15.8), Australia(15.1), Malaysia(9.3), India(8.8), Thailand(6.5), United Arab Emirates(3.2)
Waste Paper	1.4%	227,659	Indonesia(59.8), Malaysia(30.9), Vietnam(5.3)
Petroleum, Refined	1.4%	216,515	Australia(40.4), Singapore(35.2), Christmas Island(9.3), China(6.6), Vietnam(3.2)
Other Crude Minerals	1.2%	192,100	Malaysia(62.8), Indonesia(6.4), Korea(6.3), China(4.8), Singapore(3.9), Australia(2.9), Japan(2.8%), New Zealand(2.6%)
Fresh Fruit and Vegetables	1.1%	176,872	United Arab Emirates(21.9), Malaysia(11.5), Singapore(10.7), Saudi Arabia(9.6), China(9.0), Morocco(5.0), Qatar(4.7), Egypt(3.7), Thailand(3.3), India(2.5), Taiwan(2.1), Philippines(2.0), Sri Lanka(2.0)
Non Ferrous Metals	1.0%	152,817	China(26.7), Japan(19.0), Korea(15.8), Thailand(10.2), Netherlands(9.4), United States of America(4.0), Taiwan(3.0)

MAJOR EXPORTS BY COUNTRY 2022-2023			
COUNTRY	% Tonnes	Mass Tonnes	Principal Commodity (% Country Total)
China	17.1%	2,779,006	Grains(73.2), Silica Sand(7.2), Alumina(5.4), Fresh Meat(2.4)
Japan	9.2%	1,504,426	Grains(64.3), Animal Feed(22.6), Alumina(6.6)
South Korea	9.0%	1,464,989	Grains(59.4), Silica sands(19.1), Animal Feed(13.0), Alumina(2.0)
Saudi Arabia	6.1%	992,157	Grains(97.3), Fresh fruits and vegetables(1.7)
Indonesia	5.9%	965,046	Grains(53.7), Waste Paper(14.1), Alumina(14.1), Scrap metals(8.7), Sulphuric acid(2.2)
Philippines	5.6%	920,069	Grains(92.4), Animal Feed(1.8)
Vietnam	5.4%	882,363	Grains(78.9), Scrap Metals(10.5)
Thailand	5.4%	880,155	Grains(84.6), Silica sands(5.1), Scrap metals(3.9)
Malaysia	5.0%	821,431	Alumina(41.4), Other crude minerals(14.7), Empty container(11.8), Waste paper(8.6), Scrap Metals(6.0), Grains(5.9), Fresh fruits and vegetables(2.5)
United Arab Emirates	4.2%	683,196	Grains(54.3), Alumina(32.3), Fresh fruits and vegetables(5.7), Scrap Metals(2.5)

MAJOR IMPORTS BY COMMODITY 2022-2023			
COMMODITY	% Tonnes	Mass Tonnes	Principal Trading Partners (% Commodity Total)
Refined Petroleum	35.87%	5,355,595	Singapore(39.4), Malaysia(20.4), China(13.8), Korea(9.9), India(8.2), Taiwan(2.7), Brunei(2.0)
Fertilisers	7.57%	1,133,279	Saudi Arabia(19.4), United States of America(18.7), China(13.9), Qatar(12.8), Jordan(10.9), Korea(5.1), Malaysia(4.8), Indonesia(3.6), Germany(2.7), United Arab Emirates(2.7)
Clinker	7.17%	1,070,192	Indonesia(68.8), Japan(21.4), Malaysia(6.4), United Arab Emirates(3.3)
Caustic Soda	6.25%	932,905	China(30.8), Saudi Arabia(26.3), Taiwan(13.9), Japan(9.4), Korea(9.3), United States Of America(8.8)
Iron & Steel Products	4.05%	604,671	Australia(30.0), China(20.8), Korea(6.5), Singapore(5.8), India(5.6), Indonesia(4.5), Turkey(4.3), Thailand(3.8), Malaysia(3.4), Vietnam(3.1), Taiwan(2.2)
Sulphur	3.82%	569,896	Canada(99.9), Korea(0.1)
Urea Ammonium Nitrate (Uan)	2.56%	381,776	United States Of America(65.4), Trinidad and Tobago(26.8), West Indies(7.9)
Lime	2.32%	346,791	Thailand(65.8), Malaysia(30.0), Vietnam(4.1)
Manufactures Of Metal	2.08%	310,785	China(63.4), Malaysia(8.8), Australia(4.6), Indonesia(4.1), India(2.4), Singapore(2.4), Vietnam(2.2)
Chemicals And Related Products	1.99%	296,785	China(45.8), Australia(13.2), India(4.9), Singapore(4.8), Thailand(4.4), Malaysia(4.4), Indonesia(3.8), United States Of America(2.8), Korea(2.5)

MAJOR IMPORTS BY COUNTRY 2022-2023

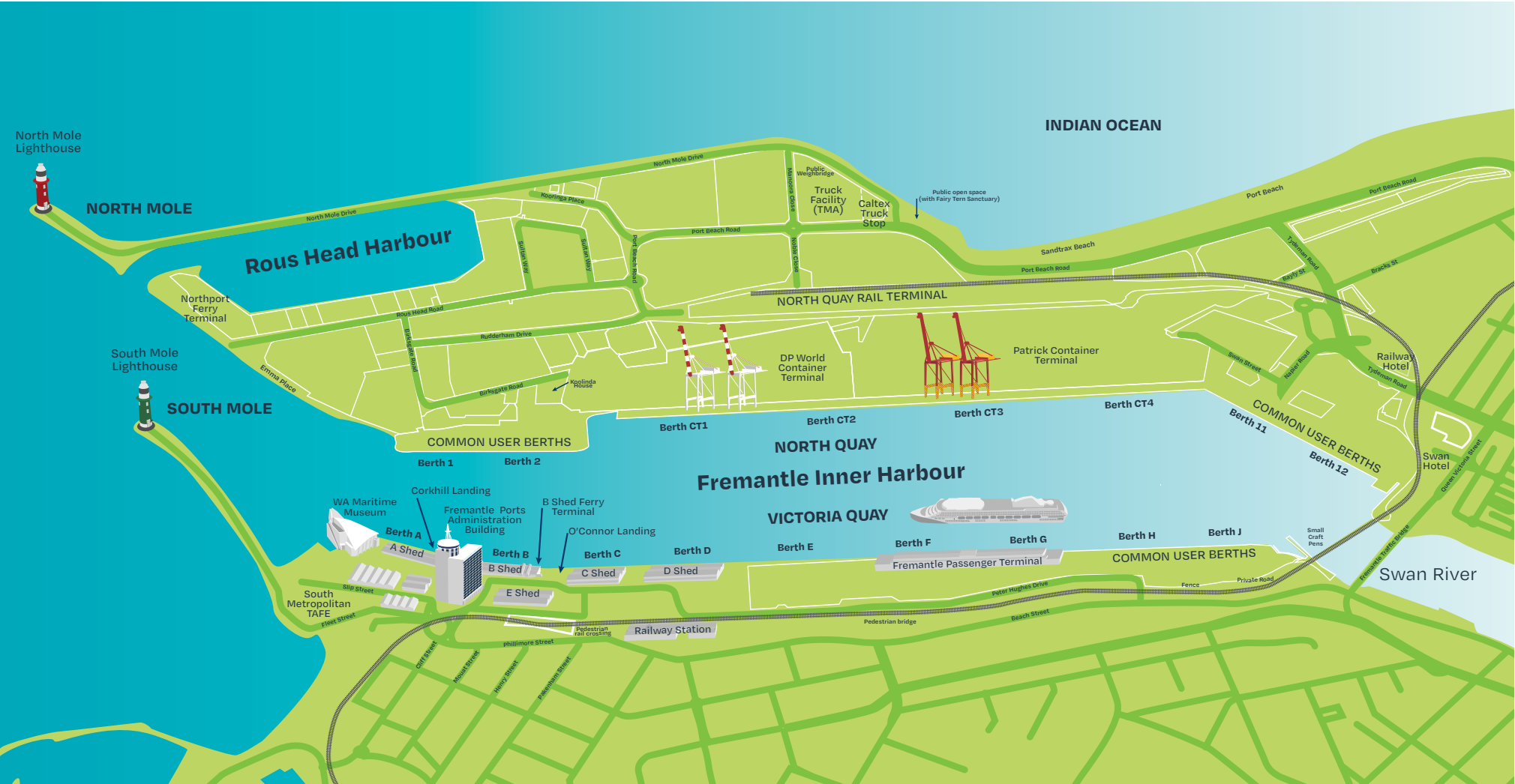
COUNTRY	% Tonnes	Mass Tonnes	Principal Commodity (% Country Total)
China	17.0%	2,537,641	Refined Petroleum(29.2), Caustic Soda(11.3), Manufactures of Metal(7.8), Chemical and related products(5.4), Iron and steel products(4.9), Fertilisers(6.2), Machinery(3.9), Furniture(3.4), Plastic wares(2.7), Bricks, tiles, pavers etc(2.3), Rubber manufactures(2.1)
Singapore	15.8%	2,365,536	Refined Petroleum(29.2), Petroleum Residual products(5.7)
Malaysia	10.2%	1,530,038	Refined Petroleum(71.6), Lime(6.8), Fertilisers(3.5), White Clinker(3.1)
Australia	8.0%	1,190,542	Iron and Steel products(15.3), Ammonia(14.9), Gypsum(10.5), Paper(6.5), Non alcoholic beverages(6.3), Alcoholic beverages(5.5), Refined Petroleum(3.5), Chemicals and related products(3.3), Fabricated construction materials(3.1), Used motor vehicles(2.5)
Indonesia	6.4%	950,613	Cement Clinker(77.4), Ammonia(5.8), Fertilisers(4.3), Iron and steel products(2.9)
Korea	5.3%	793,859	Refined Petroleum(66.8), Caustic Soda(10.9), Fertilisers(7.3), Iron and Steel products(5.0), New Motor vehicles(3.1)
Japan	5.2%	780,965	Slag residue ex steel furnace(37.4), Cement Clinker(29.4), Caustic Soda(11.2), New Motor vehicles(7.8), Industrial and Agricultural Vehicles (4.6), Rubber manufactures(3.8), Industrial and Agricultural Vehicles parts and accessories(2.7)
United States	4.6%	687,821	Urea ammonium nitrate(36.3), Fertilisers(30.8), Caustic soda(11.9), Vehicles(3.8), Industrial and Agricultural Vehicle parts and accessories(2.1)
Canada	3.9%	590,548	Sulphur(96.4)
India	3.7%	557,867	Refined Petroleum(78.7), Iron and Steel products(6.1), Chemicals and related products(2.6)

MAJOR CONTAINER COMMODITIES EXPORTED - TEU			
Commodities	2021-22	2022-23	Variance %
Animal Feed	44,171	46,944	6.3%
Oats	19,828	26,620	34.3%
Waste Paper	18,581	18,910	1.8%
Scrap Metals	16,394	16,103	-1.8%
Fresh Fruit and Vegetables	12,180	10,661	-12.5%
Malt	11,772	10,294	-12.6%
Fresh Meat - Chilled or Frozen	8,625	10,183	18.1%
Other Cereals and Cereal Preparations	8,879	9,215	3.8%
Wheat	3,874	8,606	122.1%
Lupins	2,972	8,156	174.4%
Total	147,276	165,692	12.5%
Percentage of Total Full TEU Exports	67.8%	68.5%	

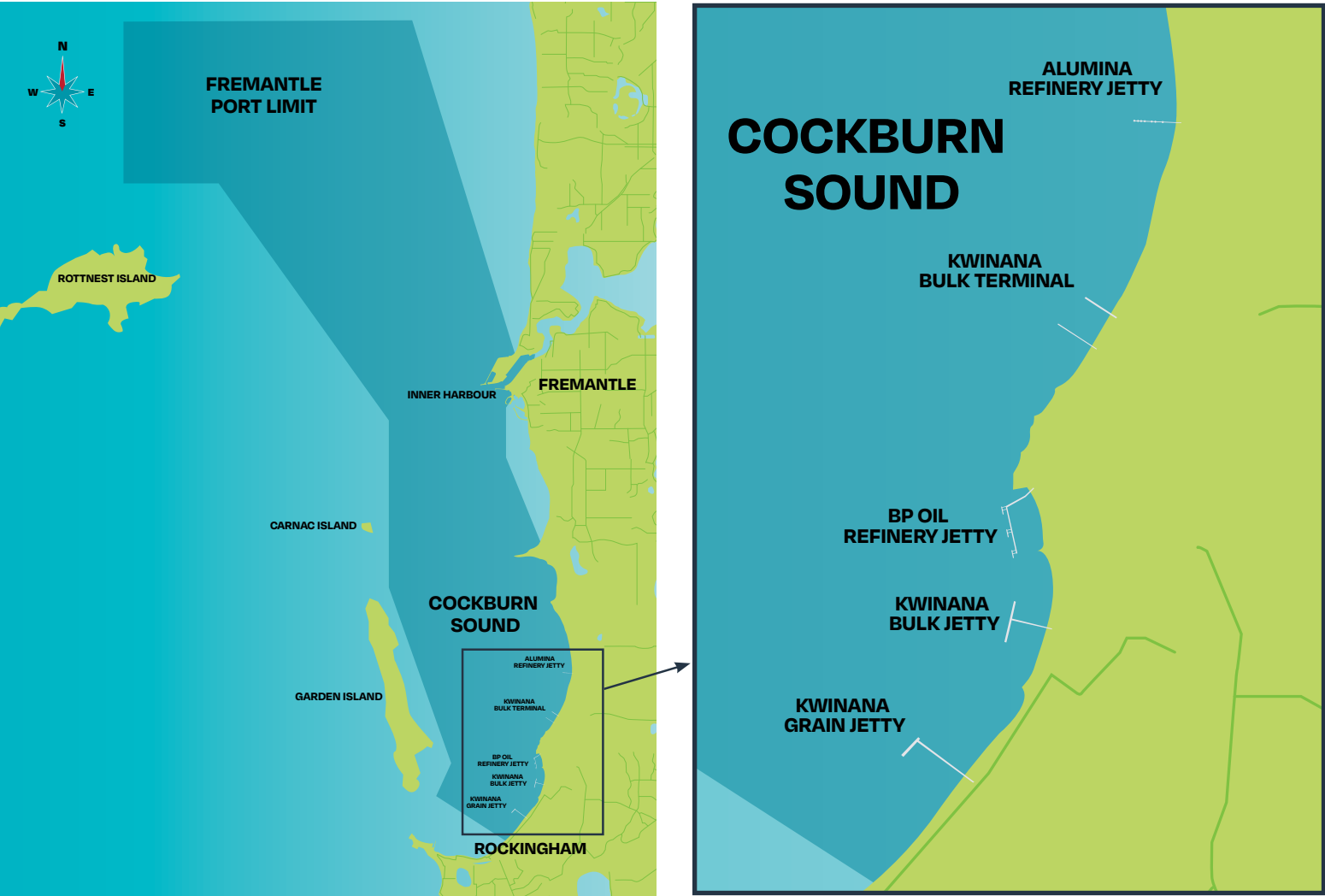
MAJOR CONTAINER COMMODITIES IMPORTED - TEU			
Commodities	2021-22	2022-23	Variance %
Manufactures of Metal	29,579	26,671	-9.8%
Iron and Steel Products	20,632	25,539	23.8%
Machinery - Agricultural, Industrial	23,625	24,184	2.4%
Furniture	27,695	23,895	-13.7%
Paper, Paperboard	21,571	21,577	0.0%
Plastic Wares and Other Manufactures	22,485	20,792	-7.5%
Household Appliances	19,557	19,485	-0.4%
Rubber Manufactures	18,733	17,875	-4.6%
Chemicals and Related Products	16,654	16,436	-1.3%
Lime	13,205	12,601	-4.6%
Total	213,736	209,055	-2.2%
Percentage of Total Full TEU Imports	54.1%	53.4%	

LIVESTOCK EXPORTS 2022-23					
Destination	Sheep	Cattle	Other Livestock	Total Quantity	% of Total
Asia South-East	0	25,359	0	25,359	3.66%
East Asia - China	0	4,464	0	4,464	0.64%
Middle East	620,558	42,329	0	662,887	95.69%
Totals	620,558	72,152	0	692,710	100.0%

Inner Harbour map



Outer Harbour map



Publications, abbreviations and 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 Ports; Local Government; Road Safety; Minister Assisting the Minister for Transport, the Hon David Michael, 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 2022-23.

The report is prepared by Fremantle Ports staff. Previous years' annual reports are lodged with the State Library of Western Australia and past annual reports remain available at 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.

Full container load – a term used in sea freight to describe shipments that consist of a "full container load," or a shipment that only has one consignee in a single container and is not being shared with other shippers. All goods are on one bill of lading.

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

AMC	Australian Marine Complex, located at Henderson
AMSA	Australian Maritime Security Authority
ARC	Audit and Risk Committee of Fremantle Ports' Board
CGR	Corporate Governance and Risk
CUB	Common user berth
DAWR	Commonwealth Department of Agriculture and Water Resources
DPIRD	Department of Primary Industry and Regional Development
DPLH	Department of Planning, Lands and Heritage
EDRMS	Electronic document and records management system
EMS	Environmental management system
FCL	Full container load
GT	Gross tonnes
GTE	Government Trading Enterprise
GMPH	Gross moves per hour
HSE	Health, Safety, Environment
ISO	International Organisation for Standardisation
KBJ	Kwinana Bulk Jetty
KBT	Kwinana Bulk Terminal
LNG	Liquefied natural gas
MCA	Multi-criteria analysis
PCC	Pure car carriers
RORO	Roll-on-roll-off vessels which predominantly carry vehicles and breakbulk cargo
TEU	Twenty-foot equivalent unit container
tph	Tonnes per hour
TRIFR	Total recordable injury frequency rate
UAN	Urea ammonium nitrate
WA	Western Australia

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How are we performing

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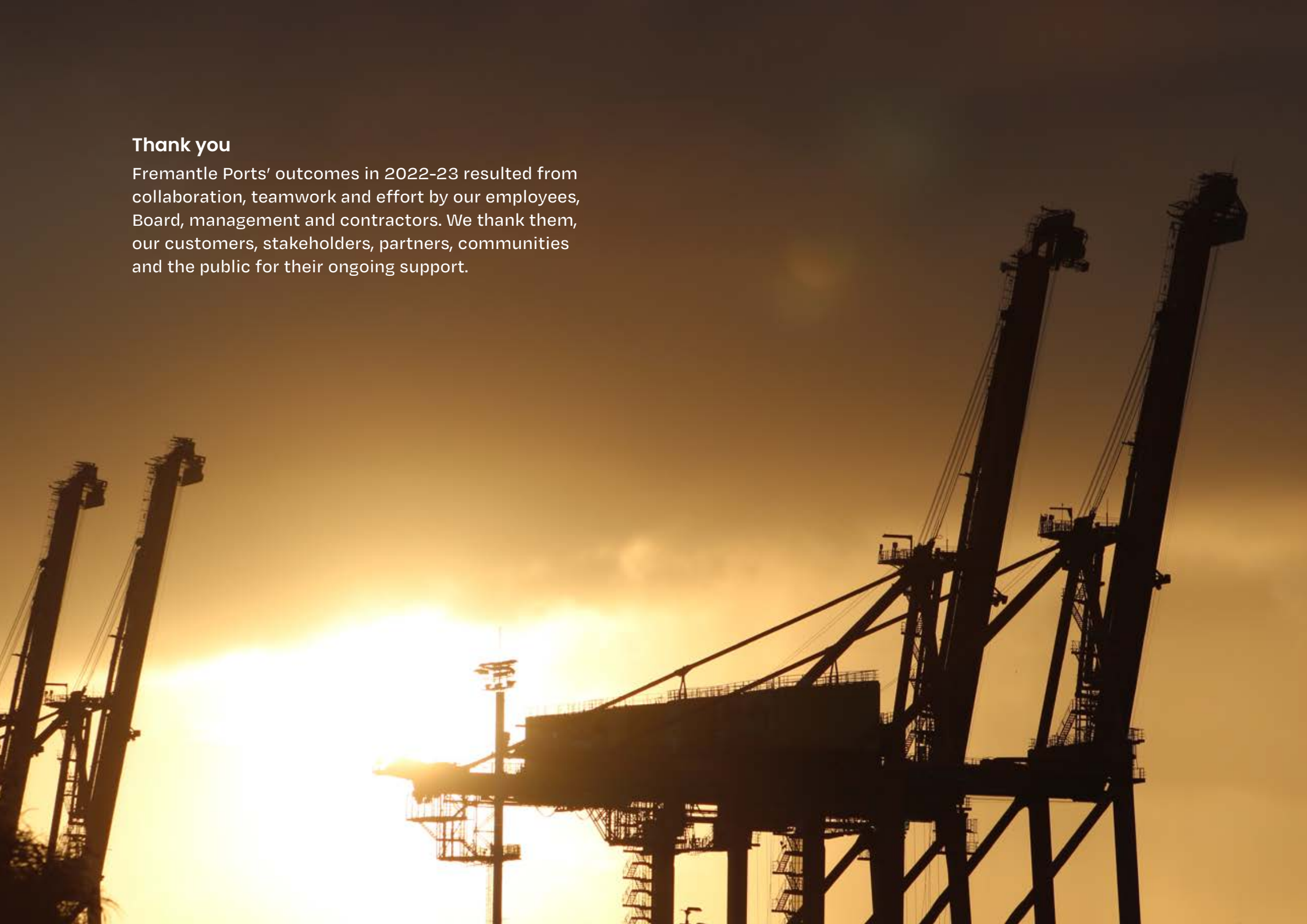
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Thank you

Fremantle Ports' outcomes in 2022-23 resulted from collaboration, teamwork and effort by our employees, Board, management and contractors. We thank them, our customers, stakeholders, partners, communities and the public for their ongoing support.





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