



**SOUTHERN PORTS**  
ALBANY BUNBURY ESPERANCE

# **STATEMENT OF CORPORATE INTENT**

2021-2022

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### CHAIRMAN'S FOREWORD

*As a Government Trading Entity the Southern Ports Authority's (Southern Ports) primary role is to operate as a commercial enterprise to facilitate trade through the ports of Albany, Bunbury and Esperance, reporting to the Minister for Ports.*

*This Statement of Corporate Intent [SCI] encompasses Southern Ports assessment of its operating environment; government expectations of Southern Ports and how we respond to those expectations; and, the business objectives and approach that we have set to deliver on the expectations of our shareholder.*

*The Southern Ports corporate objectives and strategies are (1) trade facilitation and investment; (2) operational excellence; and (3) sustainability. New ways of thinking, technology application, development of our people, and optimising our assets will all support these three objectives. We recognise our assets are critical in achieving its strategic objectives and managing its business in a challenging and dynamic environment.*

*Southern Ports has set a bold vision "**Strong Regional Ports, Strong Regions**" to put at front and centre of our business the important and crucial synergy that exists between regional ports and the economic and social development of the regions we serve. Southern Ports will continue our pursuit of this Vision, building on our achievements and establish the organisation as an important partner to achieve the States Strategic long-term goals.*

*We have managed the 2020 COVID-19 pandemic in accordance with State Government protocols, and in 2021 we will continue to support the recovery plans. This plan does recognise that the impacts of the pandemic on global travel and trade may be felt for some time, but current experience has shown how resilient our customers are, how capable the port is to manage any situation, and the support of our shareholder in meeting any challenges.*

*Performance indicators have been developed that measure and identify trends and future capabilities within the organisation to enable us to respond proactively to an ever-changing environment*

*Directors and Management of Southern Ports are committed to supporting the continued economic expansion of the southern regions of Western Australia, in co-ordination with other Government agencies and private sector organisations.*

*The trade forecast for 2021-22 is projected to increase marginally from the budget for 2020-21 period, to 35.971 million tonnes.*

*This SCI was approved by the Board of Southern Ports, for endorsement by the Minister for Ports together with the concurrence of the Treasurer.*

## AGENCY INFORMATION

### Context

Southern Ports was created in October 2014 by the amalgamation of the ports of Albany, Bunbury, and Esperance and is custodian of these three port locations. Southern Ports operates under a “gateway” model where the port performs its functions under the *Port Authorities Act 1999* (“the Act”). The gateway approach is underpinned by a strong commitment to sustainability, creating value, and the port taking a wider strategic perspective on how it performs its functions to support regional and State development through competitive supply chains.

Albany and Bunbury Ports function as landlord ports and Esperance Port operates as a hybrid landlord port, with in-house stevedoring. All three ports operate under gateway principles, closely linked to their respective community’s economic and social aspirations.

Southern Ports will continue to:

- Engage closely with Government to deliver our vision of Strong Regional Ports, Strong Regions, understanding that we play an integral role in achieving the States Strategic long-term goals.
- Be an active participant in the whole of government GTE reform process.
- Demonstrate our commitment to support and implement electoral commitments of the government as they pertain to our three ports.
- Maximise the opportunity to create value for our stakeholders.
- Own the underlying seabed and land which comprise port boundaries on behalf of the State.
- Own all common user infrastructure to ensure optimal access to current and future trades through the port.
- Recognise the most effective operation of port infrastructure or provision of port services may reside with external parties, such as stevedoring, towage, pilotage, security etc, as appropriate.
- Focus on things that are best done by ports, such as port planning, supply chain work, and marine safety.
- Play a central role in assisting the private sector to fund port expansion.
- Create synergies in planning logistics and project development by facilitating the free flow of information between government, community and industry.
- Plan beyond port boundaries in considering how government industry and community interests are affected by local national and international supply chain activities.
- Be a conduit between government and industry and the community as necessary to achieve regional development and trade.
- Be a part of the community in which we operate.
- Continue to strengthen our engagement with Aboriginal and Torres Strait Islander peoples through progress and ongoing development of the Reconciliation Action Plan (2019-2020)
- Take overall responsibility for maintaining the port environment.
- Maintain a flexible and nimble organisational structure with clear accountabilities for competent, knowledgeable, thinking personnel.
- Strengthen established processes to continue best practice procurement and to expand our consideration and use of Aboriginal businesses and Regional suppliers to support regional prosperity in accordance with government policies.
- Have strong corporate governance practises that meet or exceed the Integrity Strategy for WA Public Authorities 2020-2023 to embed integrity into all aspects of our work.

## Objectives

The strategic direction of Southern Ports is informed by its vision - Strong Regional Ports, Strong Regions.

Within the scope of the Vision, Southern Ports has set the following key strategic themes for its aspirations for each regional port.

### 1. Trade and Investment

The vision of Strong Regional Ports, Strong Regions is underpinned by trade and investment in the regions we serve.

**Objective:** *To work actively and in partnership with current and potential customers and State entities to create competitive supply chains and secure trade and investment opportunities in the regions we serve.*

**Success is:** *A pipeline of trade opportunities and investment; the ports all have third party accessible capacity to facilitate trade; and all supply chains to the three ports are efficient and support regional development.*

### 2. Operational Excellence

Securing trade and investment in the regions requires Southern Ports to continuously pursue operational excellence in all parts of the organisation.

**Objective:** *To manage our ports professionally, with exceptional customer service, value creation, and with a strong reputation for safe marine and landside operations.*

**Success is:** *Enhanced customer service through a full support model for operations excellence; maintained assets to optimise their useful life, and investment in new assets as necessary to support professional port services; and development plans are in place for all three ports*

### 3. Sustainability (including “future ports”)

Maintaining operational excellence requires Southern Ports to be an organisation that adopts sustainability in all its relevant dimensions as the way in which we operate and make decisions.

**Objective:** *To pursue sustainability as the way in which Southern Ports does business, building a solid reputation with our customers and community for creating long term value which protects our environment and heritage assets, while achieving strong economic and regional development for current and future generations.*

**Success is:** *Sustainability is established as the way Southern Ports operates across all its systems, processes, and decision making; achieved zero emissions across the three ports; and Southern Ports remains competitive in the changing global supply chains.*

### Facilities

Southern Ports comprises 14 Berths, which two are privately owned and operated, across three Ports in Albany, Bunbury and Esperance, catering to meet the requirements of our Port users. Iron ore, woodchips, grain and mineral sands are some of the products moved through our facilities.

Albany Port has four berths with a drafts from 9.8m to 11.7m and Bunbury has seven berths capable of taking drafts from 8.5m to 11.6m. Esperance port is the only deep-water port in the southern part of Australia and can cater for capsized vessels with a draft up to 18.3m.

Land holdings in our regional ports varies, with available land for growth limited at Albany (total port land area 85ha) and Esperance (total port land area 75ha) and land holding in Bunbury (total port land around 482ha) commensurate with current future plans for port expansion. Albany and Bunbury operate as a landlord model and Esperance operates as a hybrid landlord and in-house terminal operations model. Port Master Planning is underway to address our regional Ports growth capability and optimising the lands for future growth, through innovation, with the local community at the forefront of all considerations.

Southern Ports owns storage facilities at each Port location, leasing shed space to Port users with three sheds in Albany; five in Bunbury and six in Esperance. Southern Ports also leases land at each Port where Port users have constructed and operate their own product stockpiling and storage facilities.

Loaders, shore cranes, rail dumpers and conveyors form part of the loading infrastructure maintained and operated by Southern Ports to meet the needs of our Port users.

We own and maintain common user areas and port infrastructure such as shipping channels, seawalls, navigational aids as well as roads, utility services, and public amenities within port areas.

### Services

In all three regional locations, we directly provide services in pilotage, ship scheduling, berthing allocations, port communications, emergency response, hazardous cargo services, the issue of Maritime Security Identification Cards (MSIC), and quarantine and waste disposal services.

At each location, we facilitate private ownership, investment, maintenance, and operations.

The annual SCI evaluates strengths, weaknesses, opportunities, and threats within the context of influencing factors which include changes in trade outlooks, customer demand, trade opportunities and legislation.

### Risk Statement

Southern Ports operating environment is subject to external factors, both global, national, and local, that present significant risk around revenue, with variations to volume and commodity prices having an impact on future revenue in the event of any significant changes.

Southern Ports consider these external factors present context in developing our strategic planning actions which focus on business development, operational excellence, and sustainability. Our strategic framework has been designed to ensure that sustainability is the key to our current and future success.

### COVID-19 Impact and Measures to Be Taken During the Financial Year

Southern Ports operates COVID Safe ports under the three pillars of protecting our staff, protecting our community, and keeping WA trade flowing through our ports. Southern Ports has made modifications to its interactions with arriving international vessels and to the rosters, work locations, distancing, PPE and hygiene of our operations and marine staff. These modifications have built a robust platform to deal with the ongoing business continuity challenges arising from the COVID-19 pandemic. Southern Ports works cooperatively with all Commonwealth and State agencies, critical port service providers and customers to ensure safety of the port supply chains. The level and complexity of these measures will be tempered to meet at least the Commonwealth and State agencies expectations from time to time.

COVID 19 has significantly disrupted the international cruise industry. The Commonwealth banned the entry into Australia of cruise ships until 17 September 2021. It is unknown if and when the cruise industry will recommence operations in Australia. The southern cruise season runs from September to April each year. While many near term bookings have been cancelled there remains strong forward bookings for the 2022-23 season.

During the proceeding months and into FY22 rent relief has been provided where appropriate.

### COVID 19 Recovery Projects

During a period of significant uncertainty amid fears of a health and economic upheaval, in May 2020 Treasury invited Southern Ports to provide a list of 'decision-ready' projects with the objective of providing economic relief and ensuring social stability. Projects were to have local job content, directly relate to the Ports activities and to be able to be mobilised at short notice.

The following projects were endorsed and funded for the FY22 period

Project Title	Description/rationale	Progress
Esperance - additional container hard stand	<ul style="list-style-type: none"> <li>Increased container traffic through Esperance has driven the need to extend current container hardstand on reclaimed land.</li> <li>An investment in supply chain logistics, with the immediate benefit of freeing up berth space</li> </ul>	<ul style="list-style-type: none"> <li>On track for completion FY22</li> </ul>
Esperance – Berth 2 hardstand and stormwater system	<ul style="list-style-type: none"> <li>The shift from bulk to mineral concentrate containers resulted in significant deterioration of the existing Berth 2 hardstand affecting the safety of operations and damage to plant. Continual maintenance is required on the hardstand and the drainage is no longer effective due to settlement which exacerbates damage to the pavement due to water ingress.</li> <li>The project allows for more efficient and safer operations and delivers required environmental performance through the installation of a wastewater nickel capture system.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed – Project approval was not received until October 2020 &amp; critical parts (sourced from overseas) delayed due to disruptions in international transport. Completion due FY22</li> <li>Project to be presented to ERC to attain approval for budget increase.</li> </ul>
Esperance – demolition of Berth 2 Shiploader circuit	<ul style="list-style-type: none"> <li>The Berth 2 shiploader circuit is an aged, dilapidated out loading circuit which is to be removed to improve the operability of Berth 2 and remove any pending safety risks associated with the existing elevated structures. The structures are interlinked with existing operational import and export circuits adding to the engineering complexity of the project.</li> <li>Demolition of the historical nickel loading circuit allows optimisation of available land on Berth 2 when in full trade.</li> </ul>	<ul style="list-style-type: none"> <li>On track for completion FY22</li> </ul>
Esperance – Sealing internal Port roads	<ul style="list-style-type: none"> <li>High priority project that will deliver dust control mitigations for the Port and broader community.</li> <li>Reduces impact of heavy machinery and the requirement for ongoing operational and recurrent funding through reduced road maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed – Project approval was not received until October 2021 delaying detailed design work. Works delayed avoiding construction through wet months. Completion due FY22</li> </ul>
Bunbury – Berth 8 substation replacement	<ul style="list-style-type: none"> <li>Upgrade to aged electrical substation asset.</li> <li>The Bunbury Port Berth 8 Substation Replacement project will provide upgrades to the electrical substation asset at Berth 8 for fire prevention and fire suppression systems. The required upgrades were identified through a recent audit of the asset.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed – Project approval not received until October 2020. Completion due FY23</li> </ul>

Bunbury – Required Berth 8 Fire system	<ul style="list-style-type: none"> <li>▪ Mandatory upgrade of the fire system (sprinklers, deluge, spray, and automated activation) at Berth 8.</li> <li>▪ Project and investment required to deliver safety and compliance obligations.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delayed – Project approval not received until October 2021. Completion due FY22</li> </ul>
Inner Harbour Access Bridge	<ul style="list-style-type: none"> <li>▪ An alternative access route to the northern berths in Port of Bunbury’s inner harbour, and Turkey Point and Vittoria Bay, which are areas frequently used by the public.</li> <li>▪ Address safety and operational issues at the Port.</li> </ul>	<ul style="list-style-type: none"> <li>▪ EPA approvals being sort. Completion due FY23</li> </ul>
Bunbury - Secondary Road Hopper	<ul style="list-style-type: none"> <li>▪ Project funding secured to increase trade throughput capacity via berth 8</li> </ul>	<ul style="list-style-type: none"> <li>▪ Due for completion in FY23.</li> <li>▪ Project to be presented to ERC to attain approval for scope change to an automated deluge system to reduce washdown cycle time between products.</li> </ul>

### Southern Ports Strategic Initiatives

The following undertakings by Southern Ports during the 2021-22 financial year will assist to align Southern Ports as a gateway port and create the optimum value for all stakeholders.

### ENVIRONMENTAL and SUSTAINABILITY

Under the Ports Authorities Act 1999, one of Southern Ports’ functions is to “protect the environment of the port and minimise the impact of port activities on that environment”. Our operations are subject to regulation under both Commonwealth and State environmental legislation applicable to any Australian commercial entity.

Beyond compliance Southern Ports operations and employees are integrated with the regional communities in which the ports are located. In line with our mission to strengthen our regional communities through sustainable development and our vision of Strong Regional Ports, Strong Regions our environmental performance is viewed as a pillar to sustainable ports.

The Southern Ports Sustainability Plan is being developed in line with the Strategic Direction 2022-2026 and includes a review of Southern Ports policies and initiatives in the key areas of Planet, People, Community and Social Responsibility.

### ACCOUNTABILITY

#### Reporting Requirements

The Minister for Ports will be provided with the information necessary to allow adequate assessment of our performance during the year, inclusive of an Annual Report, half yearly reports with financial information and comments on performance as considered relevant. The Annual Report for FY22 will comply with the requirements of the Act and will include the following information:

- a report on the major operations and activities during the year;
- a review and assessment of performance against the SCI targets;
- consolidated financial statements; and
- other information required by the legislation to be included in the Annual Report such as the particulars of any direction given by the Minister.

Reporting will be in accordance with the Act, with budgets being developed to meet Treasury budgetary requirements.

#### Performance Measurement

The Rate of Return is calculated based on the Deprival Valuation Method. To the extent possible, we have incorporated the principles of the *Western Australian Port Authority – Rate of Return Calculation Methodology and Asset Valuation Policy* (dated 21 June 2018) (the Policy) into the Rate of Return

### Asset Base value.

A Roll-Forward approach is used to annually update the Asset Base valuation for inflation. Additions, disposals, depreciation, impairment, and redundancies are incorporated into the Asset Base valuation as appropriate.

Southern Ports will endeavour to achieve a Government long term average target Rate of Return of between 7-12%, with the forecast for the 2021-22 financial year (5-year average) estimated to be 6.5%.

Southern Ports has developed Key Performance Indicators that are reported quarterly to the Board. Appendix 1 depicts those KPI's for the 2021-22 period.

### TRADE OUTLOOK FY22

The total number of commercial vessels estimated to visit the Southern Ports for the 2021-22 period is 782 with an estimated total throughput of 35.791 million tonnes, a forecast 3.3% increase from the 2020-21 period. The 2021-22 period is forecasted to deliver a full year of 11 million tonnes of iron ore exports as well as a full year of sulphur imports.

### OPERATING BUDGET

The budgeted after-tax profit for the FY22 period is \$31.072 million. The operating budget was prepared in accordance with Australian Accounting Standards.

Salaries and wages expense are a significant component of our expenditure. We will endeavour to meet the guidelines contained in the Western Australian Government Public Sector Wages Policy Statement 2019 or any subsequent update for future salaries and wage agreements.

	\$'000
<b>Total Revenue</b>	156,214
<b>Total Expenditure</b>	111,826
<b>Operating Profit before Income Tax</b>	44,388
<b>Income Tax Equivalent Expense</b>	13,316
<b>Operating Profit After Tax</b>	31,072
<b>Ordinary Dividend based on Prior Year Forecast Profit</b>	0

### Capital Asset Investment Program

Southern Ports 2021-22 Asset Investment Program of \$29.25 million includes:

- \$12.2 million across the three ports for the replacement of plant and equipment, improvements to port infrastructure and other civil works.
- \$2.6 million to continue the design and construction of a new access road and bridge to Turkey Point at the Port of Bunbury. The expenditure aims to address safety and operational issues at the port as a result of providing a single access to the northern berths in Bunbury Port's Inner Harbour, and Turkey Point and Vittoria Bay, which are areas frequently used by the public.
- \$2.5 million on a new power connection at the Port of Esperance. Southern Ports has signed a new 20-year agreement with Horizon Power to supply electricity at the Port of Esperance. This agreement will result in savings of approximately \$43 million over the life of the agreement compared to the current arrangements. In order to receive power from this new station, Southern Ports needs to modify existing and install new infrastructure.
- \$1.9 million to finalise the upgrades to shed 4 at the Port of Esperance which will improve trade facilitation and export opportunities.
- \$2.4 million to finalise the capacity upgrades at the Port of Bunbury's Berth 8 that will enhance port operations and improve Berth 8 efficiency.

- \$6.0 million in 2021-22 at the Port of Esperance for the sealing of internal port roads and construction of additional container hardstands.

### FINANCES

#### Borrowings

	<b>\$,000</b>
<b>Balance of borrowings as at 1st July 2021</b>	7,505
<b>Principal payments made in FY22 (interest \$427k)</b>	1,310
<b>Balance of borrowings as at 30th June 2022</b>	6,195

The former Esperance Port Authority were authorised special borrowings in FY16, of \$41.607 million from the WA Treasury Corporation's Portfolio Lending Arrangements. This loan was financed at a fixed interest rate; therefore changes in interest rates will not impact the Authority's financial position. These borrowings will be fully paid in FY27.

As at the 1st of July 2021, the current balance owing will be \$7.505 million. Throughout FY22, total payments of \$1.737 million will be made, of which \$1.310 million will be principal and \$0.427 million will be interest, leaving a balance \$6.195 million as at the 30th June 2022. No additional borrowings will be sought during the FY22 period.

#### Accounting

Budgeted financial statements have been prepared consistent with the recognition and measurement requirements of the Australian Accounting Standards Board in compliance with the financial reporting provisions of the Act.

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

Tax equivalent payments will be made in accordance with the Treasurer's Directions and rulings recognising the State's tax equivalent regimes and in accordance with the National Taxation Equivalent Regime.

#### Pricing

Prices will be set to promote competitive outcomes and provide for the future growth prospects of the organisation. Services will be provided based on recovering costs and contributing to the target Rate of Return, based on the organisation's Weighted Average Cost of Capital.

Dependent on value, contracted services will be tendered on a regular or as needs basis and assessed using relevant performance criteria to ensure a competitive and reliable service is provided to the organisation and its customers.

Services and activities will be priced using the following principles:

- Fairness and equity when charging for services provided to customers.
- Consideration of the target Rate of Return on assets.
- Consideration of pricing mechanisms to return additional funds for specific projects or net debt efficiency targets
- Monitoring publicly available prices charged by competitors on like for like basis where possible.
- Monitoring prices charged by contracted service providers.
- Diversifying the revenue base where possible.

## Payments to and from Government

### Dividend Policy

A final dividend to Government will be recommended in accordance with the current policy established by the ERC, of 75 per cent of after-tax net profits based on the consolidated full year performance of the organisation.

Southern Ports will retain its forecast 2021-22 dividend payment of \$58.3 million to instead contribute to funding future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements of The Authority as part of future Budgets.

### Community Service Obligations

In August 2018 the (then) Minister for Transport issued a Ministerial Direction to give effect to a Government Support Package. This enabled the continued exports from Cliffs Asia Pacific Iron Ore Pty Ltd (Cliffs) tenements, which were purchased by Mineral Resources Limited (MRL). Southern Ports entered into a number of arrangements with MRL, which will expire at the earlier of five years or the date at which MRL exports 30 million tonnes through the port. MRL commenced exports from Esperance port in December 2018.

Southern Ports and the Department of Treasury (Treasury) have agreed to the mechanisms for enacting the Government Support Package, which is via an Operating Subsidy Protocol (OSP). The OSP is intended to be in place until the earlier of five years from the date of when MRL first brought ore to the port, the date on which MRL exports 30 million tonnes or the date on which the parties agree that Southern Ports is fully-compensated as per the terms of the OSP.

In addition to the MRL arrangement, Southern Ports also receives a quarterly subsidy to reimburse loan facility commitments for a mineral concentrate circuit constructed in 2009 in the Port of Esperance.

Southern Ports currently undertakes community support programmes in the form of providing various community organisations with access to premises and port land at reduced rates. As a result, the CSO is provided through foregone revenue rather than as an expenditure item as noted in the following list:

<b>ALBANY</b>	<b>CSO Value FY22</b>
Mission to Seafarers	
Discovery Bay Tourism Experience	
Princess Royal Sailing Club	
Stella Maris	
Albany Light Opera	
City of Albany (Perth Dive Wreck)	
City of Albany (Emu Point)	
City of Albany (Shark Barrier)	
<b>TOTAL FOREGONE REVENUE - ALBANY</b>	<b>\$ 99,405</b>

### **BUNBURY**

Sea Rescue Incorporated
Department of Water
South West Water Based Activity
Western Tourist Radio
Leschenault Catchment Council

Riding for The Disabled Association	
City of Bunbury Beach Viewing Platform and Carpark	
<b>TOTAL FOREGONE REVENUE – BUNBURY</b>	<b>\$ 140,091</b>
<b>ESPERANCE</b>	
Esperance Bay Yacht Club	
Adventureland Park	
Department of Transport (Shark Monitoring Buoys)	
<b>SUB-TOTAL FOREGONE REVENUE – ESPERANCE</b>	<b>\$ 140,574</b>
<b>TOTAL FOREGONE REVENUE SOUTHERN PORTS FY22</b>	<b>\$ 380,070</b>

**APPENDIX 1 KEY PERFORMANCE INDICATORS 2021-22**

GOVERNMENT GOAL	SPA STRATEGIC THEME	KPI	FY22 TARGET
Strong and sustainable finances: <b>FINANCIALLY SUSTAINABLE</b>	Sustainability	Return on Assets (%)	10.2% (Range of 10-12%)
	Sustainability	EBITDA	\$55,129
	Sustainability	Economic Rate of Return (%)	6.2 % (Range of 6-12%)
	Sustainability	Debit to Equity Ratio	0.12
WA Jobs Plan: <b>STRONG REGIONAL JOBS</b>	Trade & Investment	Total Port Trade ('000 Tonnes)	35,791
	Trade & Investment	Total Number Vessel Visits	782
	Operational Excellence	Customer Satisfaction Score (%)	>65
	Operational Excellence	Loss Time Injury Frequency Rate (LTIFR)	Zero or 10% reduction from prior reporting year
	Sustainability	Employee Satisfaction Score (%)	<30%
Growing our communities <b>ENVIRONMENTAL COMPLIANCE</b>	Operational Excellence	Number Reportable Environmental Incidents	Zero or reduction from prior reporting year

**APPENDIX 2 STATEMENT OF CAPITAL INVESTMENT**

Asset Investment Program (Approved and Cabinet Approved adjustments)

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-21 \$'000	2020-21 Estimated Expenditure \$'000	2021-22 Budget Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000
<b>WORKS IN PROGRESS</b>							
<b>COVID-19 Response</b>							
Port of Bunbury							
Berth 8 Substation Replacement.....	1,500	72	72	200	1,228	-	-
Inner Harbour Access Bridge .....	15,500	126	126	2,624	12,750	-	-
Required Berth 8 Fire System .....	500	80	80	420	-	-	-
Port of Esperance							
Additional Container Hardstand.....	2,000	360	360	1,640	-	-	-
Berth 2 Hardstand and Stormwater System.....	3,200	155	155	3,045	-	-	-
Sealing Internal Port Roads.....	1,500	179	179	1,321	-	-	-
<b>Other Works in Progress</b>							
Port of Bunbury							
Berth 8 Capacity Upgrade .....	8,882	6,522	2,703	2,360	-	-	-
Tuart Pilot Launch Re-engine.....	550	320	320	230	-	-	-
Port of Esperance							
Trade Facilitation Upgrade - Shed 4.....	3,168	1,303	486	1,865	-	-	-
<b>COMPLETED WORKS</b>							
Port of Esperance							
Shed 1 Upgrades.....	3,055	3,055	535	-	-	-	-
Minor Works							
2020-21 Program.....	7,567	7,567	7,567	-	-	-	-
<b>NEW WORKS</b>							
<b>COVID-19 Response</b>							
Port of Bunbury							
Secondary Road Hopper.....	1,000	-	-	200	800	-	-
<b>Other New Works</b>							
Minor Works							
2021-22 Program.....	12,238	-	-	12,238	-	-	-
2022-23 Program.....	10,045	-	-	-	10,045	-	-
2023-24 Program.....	9,000	-	-	-	-	9,000	-
2024-25 Program.....	9,000	-	-	-	-	-	9,000
Port of Esperance							
Esperance IO Shed 3 Recladding .....	14,580	-	-	625	13,955	-	-
Esperance Port Power Connection .....	2,479	-	-	2,479	-	-	-
<b>Total Cost of Asset Investment Program .....</b>	<b>105,764</b>	<b>19,739</b>	<b>12,583</b>	<b>29,247</b>	<b>38,778</b>	<b>9,000</b>	<b>9,000</b>
<b>FUNDED BY</b>							
Drawdowns from Royalties for Regions Fund.....							
			-	2,750	12,750	-	-
Internal Funds and Balances .....							
			12,583	26,497	26,028	9,000	9,000
<b>Total Funding .....</b>			<b>12,583</b>	<b>29,247</b>	<b>38,778</b>	<b>9,000</b>	<b>9,000</b>

## APPENDIX 3 APPROVED FINANCIAL PARAMETERS

### SOUTHERN PORTS AUTHORITY APPROVED FINANCIAL PARAMETERS 2021-22

The following financial values are budgeted for the financial period ending 30 June 2022 (\$000's):

Total Revenue	\$156,214
Total Expenses	\$111,826
Profit/(Loss) Before Tax	\$ 44,388
Notional Income Tax	\$ 13,316
Profit/(Loss) After Tax	\$ 31,072
Dividends	\$ 0
Asset Investment Program	\$ 29,247

Southern Ports will retain its forecast 2021-22 dividend payments of \$58.3 million to instead contribute to funding future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements of Southern Ports as part of future Budgets.

**Note:**

To the extent that the financial parameters within the 2021-22 SCI contain unapproved capital expenditure, net debt, and net flows to and from government, Government approval will be obtained prior to any commitments and/or actions being undertaken which will affect approved parameters. Government approval will also be sought prior to commencing new projects not included within the State Government's approved financial parameters.