

2023/24

# Statement of Corporate Intent



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# 1 Acknowledgement of Country

Mid West Ports Authority acknowledges and respects the Wilunyu, Nhanagardi and Naaguja peoples of this land and waters we stand on. Elders past and present, the youth and Yamatji people of the Mid West region who hold the stories and hopes for the future leaders.

## 2 Agency Information

This Statement of Corporate Intent (SCI) has been prepared by the Mid West Ports Authority (MWPA) and is submitted under the provisions of the *Port Authorities Act 1999* (the Act).

MWPA is responsible for the efficient, safe, and effective operation of Western Australia's most diverse port, the Port of Geraldton, planning for its future, and the maintenance of its facilities, while operating in balance with the environment.

MWPA also supports the region's largest fishing industry, providing berthing facilities, maintenance, waste disposal and security to the commercial Fishing Boat Harbour (FBH). Opportunity exists to further develop the FBH to support local industries, tourism, and to demonstrate MWPA leadership as a supply chain enabler across the region.

This plan incorporates all the requirements necessary for the MWPA to fulfill its obligations under Part 5, Division 2, of the *Port Authorities Act 1999*.

### 2.1 PORT SERVICES

The Port of Geraldton is one of WA's most diverse operations, catering for the export of grain, minerals, sands and livestock, and imports of fuel, fertiliser and general cargo, whilst also welcoming cruise ships. MWPA plays an essential service for Regional Australia and Australia's economy, through providing facilities and services that connect the regions to national and international markets.

### 2.2 SUSTAINABILITY

MWPA is embedding sustainability into its business planning through the Statement of Corporate Intent (SCI) and SOE with a balanced scorecard aligned to its sustainability pillars; People, Planet and Prosperity.

Sustainability metrics are being established across the business and will be reported annually in the MWPA Annual Report.

MWPA has completed its first Global Real Estate Sustainability Benchmark (GRESB) infrastructure assessment, regarding Environmental, Social and Governance (ESG) Performance and sustainability best practice. This assessment will assist MWPA to identify areas of risk, opportunity and impact within the business to enable it to improve and benchmark its performance against peers, and also identify new opportunities. A plan is now being developed to address risks and develop opportunities from this assessment together with the development of a GHG Emissions reduction plan.

### 2.3 PORT ASSETS

MWPA operates with seven commercial berths and associated marine assets including the harbour basin and channel. These assets are critical to the delivery of port services.

Berths 1 through to 6 are owned, operated and maintained by MWPA.

Berth 1/2 is accessed by naval vessels, fuel bunkering, and other assorted vessels.

Berth 3 ship loading infrastructure is owned, operated and maintained by Co-operative Bulk Handling (CBH) for the export of grain. CBH also owns and operates a train unloader within the Rail Terminal. Berth 3 is also accessed for cruise ship visits and the import of minerals (self-discharge vessels).

Berths 4 and 5 circuit and ship loaders are owned, operated and maintained by MWPA. These berths are primarily utilised for the export of iron ore, industrial minerals, mineral concentrates and sand.

Berth 6 is accessed for fertiliser, minerals and fuel imports; cruise ship visit; livestock and mineral exports; and break bulk cargo.

Berth 7 berth and ship loading infrastructure is owned, operated and maintained by Karara Mining in the export of iron ore. Karara Mining also owns, manages and maintains their dual wagon rail tipper.

MWPA is responsible for the operations of the Rail Terminal, maintenance of three of the four rail tracks within the port and the bottom dump iron ore train unloading infrastructure.

### 2.4 ENVIRONMENTAL LICENCES

MWPA owns and manages environmental licences for commodities exported and imported through the Port of Geraldton.

### 2.5 PORT LAND

MWPA has a total of 83 hectares of land vested within the Port of Geraldton boundary and an additional 6.9 hectares made up of leases external to this boundary. MWPA is responsible for land use planning and controls and acts as a landlord by leasing or licensing to the private sector. The private sector primarily owns and manages the assets on these lease sites. There are currently 52 separate commercial leases, along with licences that generate revenue for MWPA.

MWPA owns and maintains the infrastructure used to supply utilities within the Geraldton Port boundary. These utilities include power, water, sewerage, and communications. In addition, it is responsible for all roads and walkways.

Included in the port-owned land is the land reserved for the future development of a deep-water port at Oakajee. There are no fixed assets located within the Oakajee port land. This landholding consists of approximately 180.1 hectares of undeveloped coastal landscapes.



## 2.6 MARINE SAFETY

MWPA manages safe and efficient shipping operations at its gazetted Port of Geraldton waters and approaches. All shipping movements in port waters are controlled by and subject to the directions of the Harbour Master. MWPA's ship scheduling service communicates assigned anchorages and scheduled shipping movements.

MWPA provides pilotage which is compulsory for vessels over 35 meters in length overall.

The navigation aids required at the Geraldton Port are installed and fully operational for day and night time operations. Vessels with a draft exceeding 10 meters are subject to an assessment of draught through the Dynamic Under Keel Clearance (DUKC) program. The DUKC system is designed to provide certainty about sailing draughts.

## 2.7 SHIP LOADING SERVICES (LANDSIDE OPERATIONS)

MWPA owns and manages the operation and reliability of a bulk materials handling facility consisting of three main circuits, namely:

- BHF Berth 4 Ship Loading Circuit, a multi-user facility servicing mineral sands, talc and metal concentrates customers;
- BHF Berth 5 Ship Loading Circuit, a multi-user facility servicing iron ore customers; and
- BHF Train Unloading Circuit, dedicated to the receipt of iron ore.

The port-operated and maintained portion of the circuits encompasses:

- 18 conveyors (~ 1.6km);
- 2 ship loaders;
- 10 transfer towers and 1 take up tower;
- 1 train unloader and 1 truck unloader;
- 18 dust collectors; and
- Various mobile materials handling equipment, chutes, and attachments.

A complex system of structural, mechanical, electrical, and electronic sub-assets fall under the equipment items listed above.

Ship loading infrastructure forming the Berth 3 Circuit is operated and maintained by Co-Operative Bulk Handling (CBH) and is dedicated to the loading of grain.

MWPA also holds and manages environmental licenses for commodities exported through the Port of Geraldton.

## 2.8 GERALDTON FISHING BOAT HARBOUR

The Geraldton Fishing Boat Harbour (FBH) has sat to the west of the commercial shipping harbour since 1963. Historically, the FBH has principally supported the Western Australian fishing and aquaculture

industries, and their supporting trades. In more recent years with the increase in tourism, the harbour has welcomed several tour operators and recreational vessels.

The FBH has a working wharf for loading and provisions for fuel, power, water, sewage, security and communications. Fresh seafood sales and several retail outlets sit within close proximity.

MWPA manage 26 leases landside, which include a licensed vessel fuel facility and a boat building and maintenance precinct. Marine operations include the management of 148 permanent and short-term boat pens to accommodate vessels with a draft of up to 3.5m and of a maximum LOA of 34 metres.

## **2.9 RAIL SAFETY**

MWPA manages its rail terminal and rail terminal operations in accordance with its accredited Rail Safety Management System. The Port is an accredited Rail Infrastructure Manager and 'limited' Above Rail Operator. The Office of the National Rail Safety Regulator (ONRSR) has oversight of the accreditation through formal audits and inspections.

In addition, the ONRSR requires MWPA to manage the rail terminal within the port in accordance with a comprehensive rail terminal safety management system that complies with the regulator's documented standards.

## **2.10 PORT SECURITY**

MWPA manages the implementation of MWPA's Port Security Plan and maintains its compliance with section 42 of the *Maritime Transport and Offshore Facilities Security Act (2003)*.

## **2.11 FEDERAL AGENCIES**

The following federal agencies undertake operations at MWPA:

- Department of Agriculture, Fisheries and Forestry (DAFF); and
- Australian Border Force (ABF).

MWPA provides support to these agencies which includes CCTV installation & management, and access facilitation.

## **2.12 OAKAJEE PORT**

The October 2022 announcement by the Hydrogen Industry Minister, identified the Oakajee Strategic Industrial Area (SIA) as a strategic hydrogen precinct with land allocated to six proponents through the JTSI run EOI process. This paves the way for Oakajee to transition from a greenfield site into a multi-product renewables precinct. A further announcement by the WA State Government has allocated \$5.5 million to planning works and studies for the Mid West Hydrogen Hub, focussing on power and water supply studies, land planning works, cultural heritage works common user infrastructure feasibility studies, and a joint MWPA - Port of Rotterdam export hydrogen export study.

As a key stakeholder MWPA is committed to supporting lead agency, JTSI, in master planning and project planning activities as the government and private sector work towards bringing the long-awaited Oakajee Port and Oakajee SIA to fruition.

### **2.13 USELESS LOOP AND CAPE CUVIER**

There is ongoing work to transfer the marine services provided by the Department of Transport at the ports of Cape Cuvier and Useless Loop. These ports are both single-user ports operating under the guidance of State Agreements. The marine safety function at these ports is planned to transfer from delivery by the Department of Transport, under the *Shipping and Pilotage Act 1967*, to delivery by the Authority under the *Port Authorities Act 1999*.

MWPA continues to work closely with both the Departments of Transport and JTSI to find solutions to these challenges to allow the transfer of responsibilities subject to legislative changes.

### **2.14 ENVIRONMENT**

MWPA works to achieve growth and development whilst operating in balance with the environment and community expectations. Environmental monitoring and management programs continue to be reviewed to ensure that port operations are compliant with regulatory requirements.

MWPA works with all port leaseholders and exporters to ensure continual improvement in minimising emissions to air, land, and the marine environment. Future port development plans are assessed by environmental professionals to ensure responsible environmental design, and environmental impact during construction is minimised.

MWPA continues to take a custodian role for the marine environment of Champion Bay and is developing existing monitoring programs for seagrasses and benthic community habitats to ensure these environments remain in good health.

### **2.15 ACCOUNTING POLICIES**

MWPA is a not-for-profit entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards Board (AASB) (including Australian Interpretations), adapted by the AASB and the financial reporting provisions of the *Port Authorities Act 1999*. Exceptions are disclosed in our Annual Report note 1(b).

The basis of preparation of the SCI is consistent with the accounting policies as noted in the recent Annual Financial Statements included in the Annual Report (2022).



## 3 Ports WA KPI's

Metric	Target 2023/24
Return on Assets	20.4%
Earnings Before Interest, Tax, Depreciation & Amortisation	\$76.4M
Total Port Trade	21.3Mt
Total Number of Vessel Visits	535
Economic Rate of Return	9.0%
Debt to Equity Ratio including Dividends	0.18
Debt to Equity Ratio excluding Dividends	0.16
Loss Time Injury Frequency Rate (LTIFR)	0
Employee Satisfaction Score	>80%
Customer Satisfaction Score- Main Harbour	>80%
Customer Satisfaction Score- FBH	>80%
Number of Reportable Incidents	<10
Annual Global Real Estate Sustainability Benchmark Assessment	2 Stars

## 4 Risks Management

MWPA has a risk management framework which aligns with AS/NZS ISO 31000 Risk Management – Guidelines. This risk management framework summarises how MWPA addresses the risk management principles defined in the standard.

The purpose of MWPA's risk management framework is to assist integration of risk management into all aspects of its business. This framework defines and documents the systematic risk management processes MWPA use to effectively identify, analyse and monitor all relevant risks.

## 5 Accountability

### 5.1 REPORTING

The *Port Authorities Act 1999* defines the reporting requirements for MWPA. These include a six-monthly report, and Annual Report to the Minister for Ports, and in addition to these requirements, MWPA is also regulated by the *Government Financial Responsibility Act 2000* which provides for mid-year review estimates, and provision of quarterly whole-of government data.

The reports will provide the following information in enough detail to assess MWPA's performance:

**5.1.1 Annual Report**

- A report on the major operations and activities of MWPA during the year under review;
- A review and assessment of performance against targets;
- Financial statements; and
- Any other information required by Legislation to be included in the Annual Report.

**5.1.2 Half Yearly Report**

- A review of MWPA trade and financial performance for the Half Year;
- Financial Statements; and
- Progress against Goals as outlined in the SCI.

**5.1.3 Quarterly Report**

- Financial results submitted to the Department of Treasury.

**5.1.4 Strategic Development Plan (Statement of Expectations)**

- MWPA's medium to long term objectives (including economic and financial objectives) and operational targets and how those objectives and targets will be achieved; and
- An environmental management plan for MWPA.

**5.1.5 Environmental Management Plan (EMP)**

- The role and responsibility of the Port Authority;
- Identify the environmental risks associated with the Port activities;
- Provide how best these risks can be managed or mitigated by the Port Authority with minimal impact to the surrounding port environment;
- Underline the Port Authority's environmental objectives and targets for the current financial year and subsequent years;
- Provide a framework for ensuring environmental performance is continuously and systematically monitored and where necessary changes are made to improve performance; and
- Provide an overview of how the EMP facilitates or ensures compliance and meets the requirement under the *Environment Protection Act 1986*.

**5.1.6 Strategic Asset Plan (SAP)**

- Summarise and communicate MWPA's asset-related demand drivers, demand projections, service delivery objectives, and service delivery model over the next 10 years;
- Underpins MWPA's strategic asset planning, asset investment and whole-of-life asset management; and
- Identifies MWPA's highest priority investment proposals for which applications for concept approval and business cases may be developed.

MWPA also supplies information to other agencies and will continue to provide what is required by statute or by policy direction.

## 5.2 PERFORMANCE MEASUREMENTS

The following projects have been identified as major deliverables for the 2023/24 Year.

- Deliver 23% (by value) of PMaxP;
- Deliver 70% (by value) of Port Wide Fire Fighting Project;
- Commence Implementation of a Land Assembly and Land Use Strategy (including Main Harbour & Fishing Boat Harbour);
- Revision of the 2011 Port of Oakajee Master Plan (Port Concept Layout);
- Development of a Net Zero Plan; and
- Submit Environmental Licence Amendments to encompass PMaxP.

CAPEX FUNDING (\$'000)	2023/24
Minor Capital Works	11,274
<b>Works in Progress</b>	
Port-wide Firefighting System	12,372
Geraldton Port Maximisation Project	49,746
Eastern Breakwater Ferry Jetty	3,354
<b>New Works</b>	
FBH Boat Building Precinct	8,551
Waste Water Treatment Solution	1,775
Replacement of SF6 Gas Ring Main Unit Substations	4,882
<b>Total Capital Spend</b>	<b>91,954</b>

# 6 Finances

## 6.1 ACCOUNTING

MWPA aims to minimise the financial impact on port customers, while at the same time ensuring it can properly meet its statutory responsibilities and act in accordance with prudent commercial principles. The table below presents Financial Performance for MWPA for 2022/23 and 2023/24:

Income Statement	2022/23	2023/24
\$M	FORECAST	BUDGET
Total Income	102.7	141.1
Total Expenditure	65.8	77.3
Operating Profit before Income Tax	36.9	63.8
Income Tax Expense	11.1	19.1
Operating Profit after Income Tax	25.8	44.7
Dividend Expense	-	30.0

## 6.2 BORROWINGS

MWPA makes use of borrowings from time to time as required for the purchase or construction of major assets. Funds are borrowed from the Western Australian Treasury Corporation (WATC).

# 7 Payments to Government

## 7.1 DIVIDEND POLICY

MWPA will pay dividends to Government at the level of 75% of after-tax profits. The Board will recommend a level of dividend to the Minister annually, or the Minister may determine in consultation with the Board (under Section 84 of the Act) a different dividend payment.

Special dividends may also be requested by government from time to time and these will be assessed by the Board as they arise.

## 7.2 COMMUNITY SERVICE OBLIGATIONS

MWPA have committed to the following community service initiatives:

- Northern Beaches Stabilisation Plan, MWPA has a Memorandum of Understanding with the City of Greater Geraldton, which outlines the commitment to supply sand to the northern beaches. This commitment is ongoing and has an estimated annual cost of around \$120,000.
- We continue to engage with our stakeholders through the MWPA Stakeholder Engagement Committee in Geraldton, which will ensure improved communication between the community and MWPA. Meetings are held quarterly.