

2019/2020

ANNUAL REPORT

A year of revitalisation and transformation







**AS A PORT CITY, MID WEST PORTS
AUTHORITY (MWPA) UNDERSTANDS
HOW IMPORTANT OUR COMMUNITY,
STAKEHOLDERS AND EMPLOYEES
ARE TO OUR SUCCESS.**

MWPA is committed to providing a gateway for trade and tourism, aligning our strategic direction with that of economic benefit and prosperity for our community, and building trust and transparency across our operations.

We look to fulfil this commitment safely and reliably while being transparent in providing exceptional service to our customers, value to our stakeholders and employees, all while sustaining our community and the environment into the future.



OUR VISION

To be BOLD supply chain enablers for the sustainable long-term future of regional Australia.

OUR PURPOSE

To provide a sustainable gateway for trade and tourism.

OUR VALUES

Accountability
Caring
Courage
Collaboration
Integrity

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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 Yamaji people of the Mid West region who hold the stories and hopes for the future leaders.



Two of the three Port of Geraldton Tugs, Wajarri and Tarcoola. Wajarri is Australian Aboriginal language north east of Geraldton. It is a strong language group in the Murchison area in the Mid West region.

WELCOME

The aim of this report is to inform our customers, community and other stakeholders about our organisation, its strategy, performance and governance for the 2019/20 financial year.

An online version of this report is available at:

www.midwestports.com.au

For any inquiries please contact us at:

mail@midwestports.com.au



STATEMENT OF COMPLIANCE

For the year ended 30 June 2020

To the **HON Alannah MacTiernan MLC**

**MINISTER FOR REGIONAL DEVELOPMENT, AGRICULTURE AND FOOD, PORTS,
MINISTER ASSISTING THE MINISTER FOR STATE DEVELOPMENT, JOBS AND TRADE.**

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of Mid West Ports Authority for the reporting period ended 30 June 2020.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*, *Port Authorities Act 1999* and other relevant legislation.

A handwritten signature in black ink, appearing to be 'N. Hart'.

Noel Hart

Chair

Mid West Ports Authority

1.1

OUR HIGHLIGHTS



14,950

Total Trade Throughput '000



14,234

Total Trade Exports '000



715

Total Trade Imports '000



10,763

TONNES '000
Iron Ore



2,143

TONNES '000
Grain



507

TONNES '000
Bulk Imports



6

TONNES '000
Livestock



764

TONNES '000
Mineral Sands



205

TONNES '000
Petroleum



558

TONNES '000
Concentrates



3

TONNES '000
General Cargo

Imports

Exports

SHIPS & TRADE



379

Ship visits



849

safe vessel
movements



67,315

in revenue '000



\$9.4m

of dividends to the
State Government

SAFETY



685

Days Lost Time
Injury Free



0

LTIFR down from
4.42 in 2019

PEOPLE & HISTORY



180

years since
HMS Champion
anchored in our bay



100 **29**

Male
Staff*

Female
Staff*



\$12.1m

Locally sourced
procurement



425

Training sessions
attended

CRUISE



11

Cruise Visits



13/02

First cruise
double-header

*excludes casual employees

COMBINED CHAIR & CEO REPORT

“**FOCUSED ON DEVELOPING MID WEST PORTS AUTHORITY INTO AN AGILE, INNOVATIVE AND FINANCIALLY SUSTAINABLE PORT AUTHORITY, THAT CONTRIBUTES POSITIVELY TO THE INDUSTRIES AND COMMUNITIES WE SERVE.**”



Mid West Ports Authority (MWPA) trade volume for 2019/20 was 14.95 million tonnes, slightly down on the previous year by 6% (0.96 million tonnes), primarily attributable to the reduced grain season and some impacts of COVID-19.

Importantly, we have again seen a significant improvement in our safety performance with 685 days injury free (to 30 June 2020) and a reduction in Lost Time Injury Frequency Rate from 4.4 to 0.

As a Government Trading Enterprise (GTE), we are expected under legislation to operate commercially and profitably. In 2019/20 we delivered an operating profit before tax of \$17.1 million, contributing \$9.4 million to the State Government in tax and dividends, clearly demonstrating the value of MWPA to Western Australians.



Our performance results reflect strong business fundamentals and a resilient economy. A Board comprising directors from diverse backgrounds and skills sets, and a capable, technically strong management team, and professional, experienced staff speaks to the quality of our service offering, and the clarity of our strategy.

At MWPA we are committed to developing a resilient and sustainable business for the future, for the direct benefit of Mid West residents and Western Australians. The Board and Management are delivering on this with consistent pursuit of our strategy goals and objectives.

Growing and transforming our business requires continual investment in delivering value to our stakeholders, community and staff.

MWPA plays a key role in the economic stability and development of the region which is reflected in its vision to 'be bold supply chain enablers for the sustainable long-term future of regional Australia'.

In June 2020 MWPA's Geraldton Port Master Plan (PMP) was approved, and launched by the Minister on 16th July 2020. Implementation of some of its projects has commenced.

Following our commitment to increasingly engage with our community and stakeholders, we undertook considerable consultation in the development of the PMP. This resulted in a comprehensive strategic investment guideline for our future which encompasses input from all our internal and external stakeholders, and the community in which we operate.

The PMP considers the future development required to facilitate trade and growth in our Port is undertaken in a coordinated, and sustainable manner which will enable us to operate in balance with the environment, while providing economic benefits for our community and shareholders.

In April 2019, MWPA commenced stage one of its Port Mooring Optimisation Project (PMOP) commissioning a feasibility study into the optimisation of mooring arrangements at the Port. The scope of the study was to develop options and layouts which could improve mooring efficiency and processes at the Port. Stage 1 of the project was delivered in May 2020. A report with recommended various options was presented along with the associated costs. Detailed hydrodynamic modelling was also undertaken as recommended in the report to assess and develop wave thresholds for shore tension unit use. Stage 2, which will involve detailed design of mooring infrastructure is now ready to commence.

Confirming our prioritisation of improving our communications, in early 2020 we invested in a Stakeholder and Community Survey to gauge our reputation and satisfaction levels, in addition to providing a benchmark from which to identify opportunity and develop initiatives for collaboration and consultation.

The results of this survey were extremely pleasing, and also identified opportunities for improvement. Our reputation and satisfaction scores achieved 70% and higher, across all three segments being community, suppliers and customers. Most notable was a significant improvement in our reputation with the community and our Fishing Boat Harbour customers, reflecting our ongoing commitment in this area as we transition to an outwardly facing, increasingly transparent and approachable Port.

MWPA continues work in collaboration with other government departments, expanding its sphere of influence across geographical boundaries with the proposed future vesting of seabed at Useless Loop (Shark Bay Resources) and Cape Cuvier (Dampier Salt). The intent is to provide value to the State through the provision of experience and expertise, and to provide a level of certainty to the proponents which will enable the Mid West region to continue to fulfil its role as an agricultural and mineral resource gateway to regional Western Australia.

2020 headlines have been dominated by the COVID-19 pandemic and its impacts and reverberations have been felt around the world at all levels. MWPA fared reasonably well during the peak of the pandemic in comparison to many in our industry, and is adapting to the changed landscape as we move through the recovery phase.

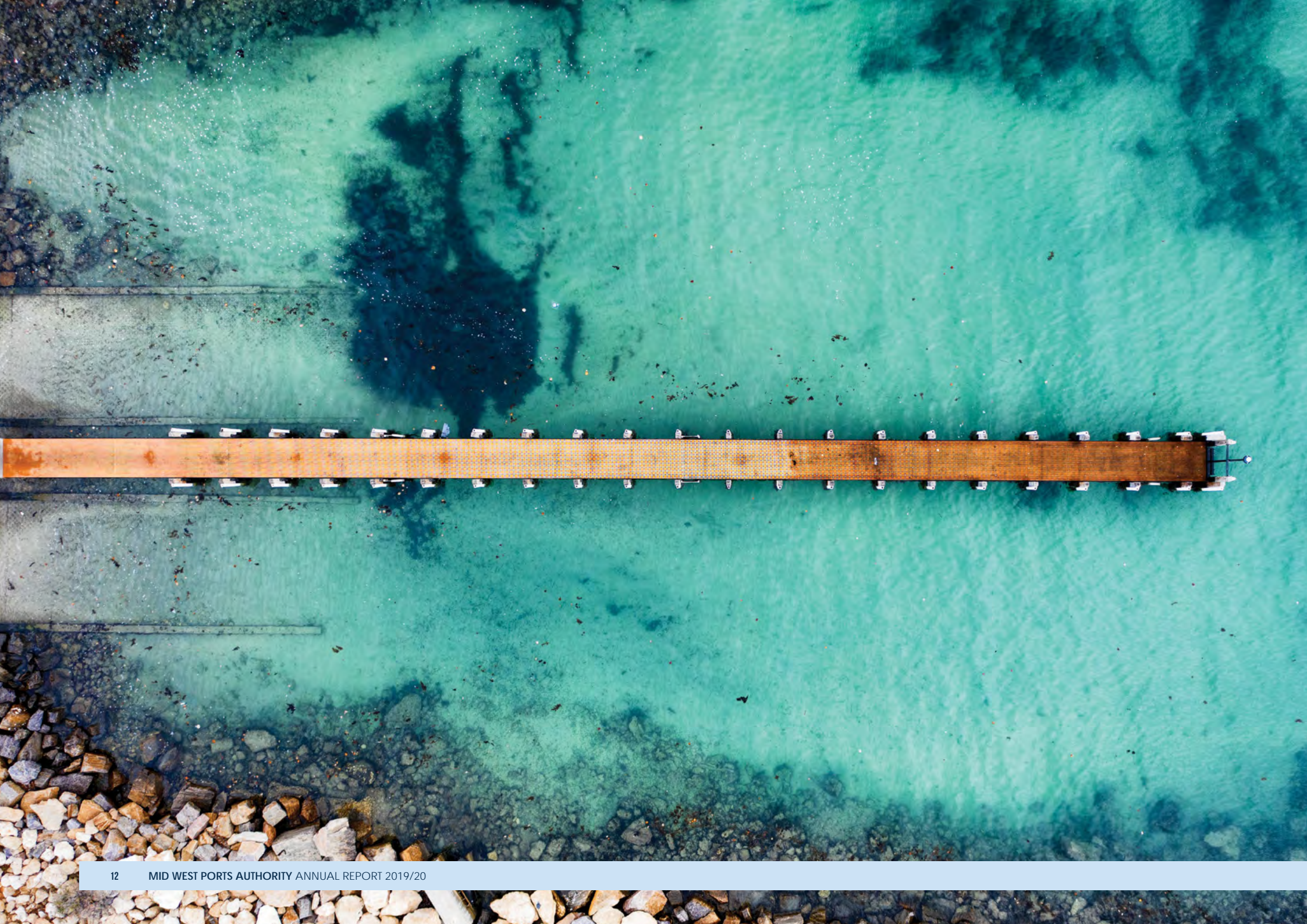
COVID-19 has been an unprecedented event in the modern era and the potential health, social and economic impacts will be unlike anything we have ever seen before. The Port sector has been directly exposed to the impacts of COVID-19. The cruise industry, container and petroleum trades being the hardest hit, with many shipping lines experiencing financial stress. The pandemic has also exposed the fragility of the global supply chains.

We formally recognise the efforts of employees, executive and the Board during the height of COVID-19 in being readily adaptable while continuing to maintain safe operations. Throughout, the leading priority for MWPA has been the health, safety and wellbeing of our staff, stakeholders and community. Providing effective communications of our protocols and operational changes during this time continues to be essential in conveying this priority.

On this advice, MWPA have implemented a Recovery Plan which considers and captures new opportunities. We must, and will evolve to a different, more nimble and sustainable Port Authority, while still being true to our vision, values, purpose, and align with the pillars of our strategic plan.

The Port facilitated the visit of 11 cruise ships to our city in the 8 months up until February 2020, welcoming thousands of people to our region, and providing a significant economic boost for the Mid West. COVID-19 pandemic restrictions led to the cancellation of all cruise visits during the last 4 months of this financial year.

MWPA achieved another cruise milestone this year in hosting a double-header on 13th February 2020 with the Seven Seas Navigator and Vasco Da Gama both berthing on the same day. A significant milestone for



Geraldton and a display of confidence by the cruise industry in Geraldton as a destination.

2019/20 had a strong focus on the importance and awareness of mental health. This focus extended both internally and externally of the organisation with MWPA recognising the impacts this can have on both our organisation and our community.

Through staff led initiatives we fundraised \$11,000 for Headspace Geraldton, a free mental health service for our local youth. The Port also hosted 'Outside the Locker Room' to Geraldton twice during the financial year, a road show initiative bringing awareness and education of mental health. We took this program to our staff, stakeholders, schools and the wider community.

Internally, we implemented a number of initiatives specifically for our staff to assist in the management of their wellbeing during the COVID-19 pandemic including provision of a mental health toolkit, resilience training, access to professional videos on how to deal with stress and anxiety, and ongoing promotion of access to MWPA's Employee Assistance Program.

Investment in our information and technology systems

continues to provide efficiencies across our processes. This commitment is ongoing, recognising the value of integrated technology for our organisation.

2019/20 has seen the business transform as a result of last year's strategy reset and organisational restructure. With a focus on revitalising and transforming the organisation to be a contemporary and strong port which celebrates its successes and benchmarks its opportunities.


We would like to acknowledge and thank the Minister for Ports, Hon Alannah MacTiernan for her assistance and advice to MWPA. This relationship is critically important to the Port and adds exceptional value to our success and the continued positive economic contribution MWPA makes to the State.

We also extend enormous gratitude to our team of staff, who continue to go above and beyond in the delivery of our outcomes, embracement of change, and commitment to improving our business. Your knowledge, collaboration and technical expertise play a vital role in the successful operations of our port in alignment with our strategic plan.

As we move in to 2020/21 we continue our commitment of being BOLD supply chain enablers for the sustainable long-term future of regional Australia, identifying and developing innovation opportunities and facilitating strategic and mutually beneficial partnerships with our stakeholders and the community in which we operate. May it be our most successful year yet.

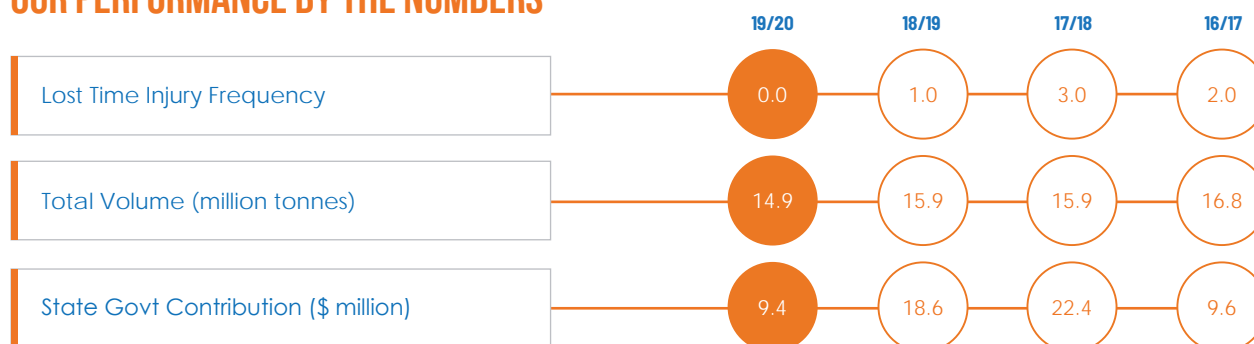


Mr Noel Hart
Chair of the Board



Dr Rochelle Macdonald
Chief Executive Officer

OUR PERFORMANCE BY THE NUMBERS



The significant drop in the State Government Revenue Contribution (between 2018/19 and 2019/20) is a result of a deferral of interim dividends payable to the State Government, in an effort to counteract economic impacts of the COVID-19 pandemic. This interim dividend will be paid in full later in 2020.

1.3

Q&A WITH OUR CEO

The success of MWPA cannot be tied to one person, but rather it belongs to so many; our Board and staff, our customers and suppliers, and our Mid West community. They all play an integral role and by collaborating as a team we are providing value to our customer and our government, facilitating the opportunity to develop, innovate and safely operate as a regional economic driver and supply chain enabler.

Chief Executive Officer, Dr Rochelle Macdonald has been with Mid West Ports Authority for nearly 2 years. Prior to this she has held senior management positions and contracted to the ports industry for most of her career. Rochelle was instrumental in the delivery of the Wheatstone Project in WA's Pilbara region, a venture which is still very close to her heart.

You've come back to Geraldton again, what keeps drawing you back to WA?

I know! Back in Geraldton again, for a bit longer this time and in a position, as opposed to a contractor on a project. I've worked in nearly every state of Australia, but it is WA I keep returning to with its abundance of opportunity and fabulous lifestyle. My first job was in

WA's Goldfields, and I've worked in Perth, the South West, Pilbara and of course here in Geraldton, so while I may not have been born here, I have strong roots in Western Australia, particularly regional WA.

Coming back to WA to take up this position has been a really exciting move for me. Recognising the potential in the Mid West region and the realisation that I could bring a lot of value through my skillset and experience, but also my love of building resilient communities.

Where do you believe the greatest opportunities lie for the Mid West region?

The Mid West is such a rich region, with so much to offer all of us that live here. The lifestyle alone is enough reason, but the great thing is there is still so much opportunity here yet to be realised.

Ports play a key role in the economic development of a region, the Mid West is no different. By acting as bold supply chain enablers and improving our efficiencies, we can help realise the opportunities available here.

There are several marginal mining prospects in the Mid West that we are talking to, developing these relationships, assisting the state government to see value in, and prioritise regional infrastructure projects which will unlock our area. By facilitating and coming together of like-minded business who aren't competitors, but who could develop efficiencies off each others projects. The Port acts as the connection point between mining, logistics and export to enable the viability of these projects. That's where I see opportunity for the Mid West and in particular, Geraldton.



“
**WE NEED TO BE FUTURE PROOFING
OUR ASSETS FOR THE BENEFIT OF
THE REGION AS A WHOLE AND WE
NEED TO BE CONTINUING TO BUILD
ON OUR COMMUNITY RELATIONSHIPS
AND CONNECTIONS.**”

What does this mean for MWPA then?

It means we still have a lot of work to do! The last 12 months has seen us begin to implement our new strategic direction and develop the Geraldton Port Master Plan. Two key organisation documents that together outline a pretty clear direction and plan for the future.

We are actively working to increase and diversify our trade, reducing our risk of exposure and ensure we are more sustainable. We need to be future proofing our assets for the benefit of the region as a whole and we are continuing to build on our community relationships and connections. Being that the Port has a city interface, it is more important than ever that we collaborate with the community and business on every opportunity, to ensure we develop and nurture common aspirations for the region.

Ultimately, MWPA's success will result in local innovation, more jobs in the region, increased opportunities for local business, improved regional skill development, and greater economic security for the Mid West.

COVID-19 has dominated the headlines this year, how have you and the Port had to adapt to continue to be relevant?

COVID-19 certainly threw us a curve ball and has had substantial impact on our operations for nearly half of the financial year.

In times of crisis you recognise how valuable your team around you is, and the MWPA Board and staff



responded remarkably to COVID-19 at every step of the way.

Our leading priority from the outset is always "the health, safety and wellbeing of our staff, stakeholders and community".

We stood up our Crisis Management Team to determine our response, which was unique to this crisis. The team was exceptional in how they developed employee response, but also the protection of our customers, suppliers and the community. It allowed us to continue to operate throughout the crisis and then successfully transition into recovery mode when the time arrived.

COVID-19 has a silver lining for MWPA in highlighting what an amazing team we have here. At different stages of an organisation's journey you require different skill sets. We have really focused on the right skill set to deliver our change agent organisation approach, and this was brought to the forefront and supported by the Board during this crisis.

You've been at MWPA for nearly 2 years now, what motivates and drives you to continue to achieve?

Education is extremely important to me in fulfilling my passion. I believe it is at the forefront of how we can change and develop not only the individual, but also communities. It was a big reason as to why I joined the Central Queensland University (CQU) Board back in May 2018. CQU is the leading university in regional and remote education, including here in Geraldton through Geraldton University Centre where over 80% of their students are enrolled through CQU.

I also recently accepted a position on the WA Marine Science Institute (WAMSI) Board as it feeds my love of science and the marine industry, and fits in beautifully with my role here at the Port and my desire to make informed decisions based on scientific evidence.

I also have a real passion to contribute to and make a difference in regional communities and I love developing people, watching them grow and improve, and believe in themselves. It's what excites me, and then there is analysing data... using spreadsheets. Don't ask!



1.4

PORT OVERVIEW

Mid West Ports Authority's (MWPA) vision of being bold supply chain enablers for the sustainable long-term future is strongly supported by our geographical location. 430km north of Perth, south of the cyclone zone, and with direct access to the WA hinterland, MWPA is ideally situated as the gateway to northern Western Australia.

The Port provides an essential service for regional Australia and Australia's economy by providing inter-modal facilities that connect the regions to national and international markets.

As one of Australia's most diverse ports, MWPA is known as a specialist port catering to boutique operations. Accustomed to modifying operations to suit specific requirements, we collaborate closely with our customer to achieve success.

MWPA recognises the value in its diverse operations and the opportunity this extends to the regions, playing an essential role in planning, facilitating trade, and striving to future-proof growth of the Mid West region for current and future generations.

2020 marks 180 years since the first anchorage of a ship in our bay, HMS Champion. The Geraldton Port Authority was established in 1968, and on 1 July 2014

was renamed Mid West Ports Authority, as part of the Western Australian Ports Reform.

We are a Government Trading Enterprise (GTE) and operate under the *Port Authorities Act 1999* and associated regulations.

As the gateway to trade and tourism for the Mid West and as the key economic stabiliser and growth driver, Mid West Ports Authority facilitates the export of grain, minerals and livestock, and imports fuel, fertiliser, and bulk cargo while welcoming cruise ships, oil rig tenders and other expedition craft.

MWPA is responsible for the efficient, safe, and effective operation of the Port of Geraldton, and planning for the future and maintenance of facilities while operating in balance with the environment.

PORT ASSETS USED TO FACILITATE TRADE

Operating with seven (7) commercial berths and associated marine assets including the harbour basin and channel. These assets are critical to delivery of port services.

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

Berths 1 and 2 are accessed by grey ships, fuel debunkering, and other assorted vessels.

Berth 3 circuit and 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 import of minerals (self-discharge vessels).

Berths 4 and 5 circuit and shiploaders are owned, operated and maintained by MWPA. The stevedoring service is currently contracted to Qube Bulk for a period of three years from 1 January 2018. These berths are primarily utilised for the export of industrial minerals, mineral concentrates and iron ore.

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

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

OPERATING CONTEXT 2020

We adapt to the changing global landscape...



INCREASED ENVIRO
AWARENESS &
PROTECTION



INTEGRATION
OF BIG DATA



INCREASED
COMPETITION



INTERCONNECTED
SYSTEMS AND
LOGISTICS CHAINS

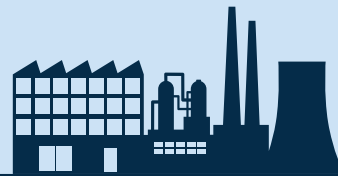


INCREASED COMMUNITY &
CUSTOMER EXPECTATIONS

...to be sustainable,
bold supply chain
enablers...



INFRASTRUCTURE



BUSINESS & INDUSTRY



GOVERNMENT



COMMUNITY

...by offering a
sustainable gateway for
trade & tourism...



PROSPERITY



PLANET



PROSPERITY PARTNERSHIPS



PEOPLE PARTNERSHIPS

...through
practicing
values of...



ACCOUNTABILITY



CARING



COURAGE



COLLABORATION



INTEGRITY

enabled by
people who
genuinely care.



129

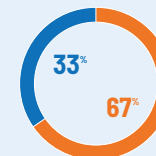
staff employed
by Mid West Ports
Authority

29

Female staff
members*

100

Male staff
members*



67%

Operations,
Engineering
& Assets

33%

Strategy, Corporate
Services, Governance,
Sustainability & Support

*excludes casual employees

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

ENVIRONMENTAL LICENCES

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

GERALDTON FISHING BOAT HARBOUR

MWPA manages Geraldton's Fishing Boat Harbour (FBH) supporting the region's largest fishing industry (primarily Western Rock Lobster) through the provision of berthing facilities, wharf assets (jetties, walkways and toilets), maintenance, waste disposal, utility services and security.

The FBH comprises of 160 boat pens and a significant landholding with sites leased principally to businesses that support the local fishing and mining industry. The harbour also supports tourist based operations.

LAND ASSET

There is a total of 83 hectares of land within the Geraldton Port boundary and an additional 6.1 hectares made up of leases to the south of Marine Terrace. MWPA acts as a landlord by leasing or licencing land to private asset owners who operate and manage their assets on this land. There are currently 59 separate commercial leases, which along with various licences, generate revenue for the Port.

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 200 hectares of undeveloped farmland and constitutes a small portion of the total land requirement for this future proposed development.

TRANCHE 2 PORTS REFORM

As part of the Tranche 2 Ports Reform, MWPA will have an expanded role, with the provision of Harbour Master and marine safety services at the privately-operated Ports of Useless Loop and Cape Cuvier. In November 2019, key leadership team members visited the two locations to gain a deeper understanding of the opportunities and challenges that MWPA will face.

CUSTOMERS

During 2019/20, MWPA's customer base largely remained stable with the same group of core customers as in recent years. However, the composition of trade varied slightly, with a decline in grain exports.

MWPA saw a significant increase in the number of enquiries from potential Port customers, with favourable commodity prices and exchange rates supporting the potential development of new Mid West projects in iron ore, base metals, mineral sands, rare earths, lithium and sulphate of potash. MWPA worked collaboratively with these potential exporters to identify cost effective and environmentally sustainable logistics solutions to assist in the successful development of these projects. The eventual commissioning of these projects in coming years will underpin the future growth of the Port, create local jobs and generate additional royalties for Western Australia.

SUPPLIERS

Local procurement of goods and services remains key to developing the region in which we operate, and considering the impact of COVID-19 the procurement focus has included activities that will aid in sustaining local suppliers in the short term.

The current Procurement Strategy is well placed to incorporate further local opportunities to aid in the recovery of the region and to support its local supply base through the Western Australian Industry Participation Strategy (WAIPS) and Aboriginal Procurement Policies.

The implementation of longer-term contracts will remain a focus for MWPA. The Port is keen to establish strong relationships with local suppliers who continue to deliver value and who can partner with MWPA to deliver on its business strategies.

The implementation of enhancements to the Port's current Enterprise Resource Planning (ERP) platform will provide technological innovation and efficiency gains that will deliver procurement work with suppliers in an honest, open and transparent manner to ensure fair and equitable processes are followed.

COMMUNITY

MWPA continues to invest in building community connections. 2019/20 saw the continuation of community service initiatives including:

- Beach Nourishment Program. MWPA has a MOU with the City of Greater Geraldton. In 2019/20 MWPA delivered 27,610m³ of sand, at a cost of \$328,529, from Pages Beach as nourishment to stabilise erosion at the northern beaches of Geraldton;
- Co-funded with the City of Greater Geraldton the Cruise Officer Position;
- Sponsored \$119,999 community events and initiatives making a positive contribution to the community aligned with MWPA's organisational values; and
- Increased levels of community consultation through our various committees, information sessions, pop-up information kiosk, social media, and newsletters.

SECURITY

Maintaining a secure port is essential to ensuring that our people and port users remain safe. It also ensures that trade can continue unhindered and that infrastructure remains available for the future. MWPA works closely with our Port users and customers to ensure that the Port remains safe and secure. This was highlighted through the COVID-19 crisis where the security access system was utilised to ensure that only those individuals who had pre-screened were able to access the Port. This provided a level of assurance to all Port users during an uncertain time.

Like all security regulated ports throughout Australia, port users must have an operational need to be on the port and possess a Maritime Security Identification (MSIC) Card. MWPA is a recognized MSIC Issuing Body. Further improvements in the next year will see the entire application process move online thereby increasing flexibility for the MSIC applicant.

CRUISE INDUSTRY

MWPA supports WA's cruise tourism industry by acting as a transit port and aims to retain its Tier 2 status and grow its position to become a Tier 1 cruise destination port in time.

The growth of the cruise industry in Geraldton is largely reliant on cruise in Western Australia as a whole, driven by Broome and Exmouth. The development and promotion of local tourist activities and experiences in Geraldton by local operators is crucial in improving the passenger experience. The Cruise Geraldton Steering Committee, an industry and government collaboration of which MWPA is a member, is responsible in overseeing the strategic direction of cruise in Geraldton.

In response to COVID-19, the Federal government imposed restrictions that effectively banned domestic cruise ships (capable of sleeping 100 or more passengers), and all foreign cruise ships from operating within Australian waters, and from entering Australian ports. As at 30 June 2020, this restriction is in place until 17 September 2020.





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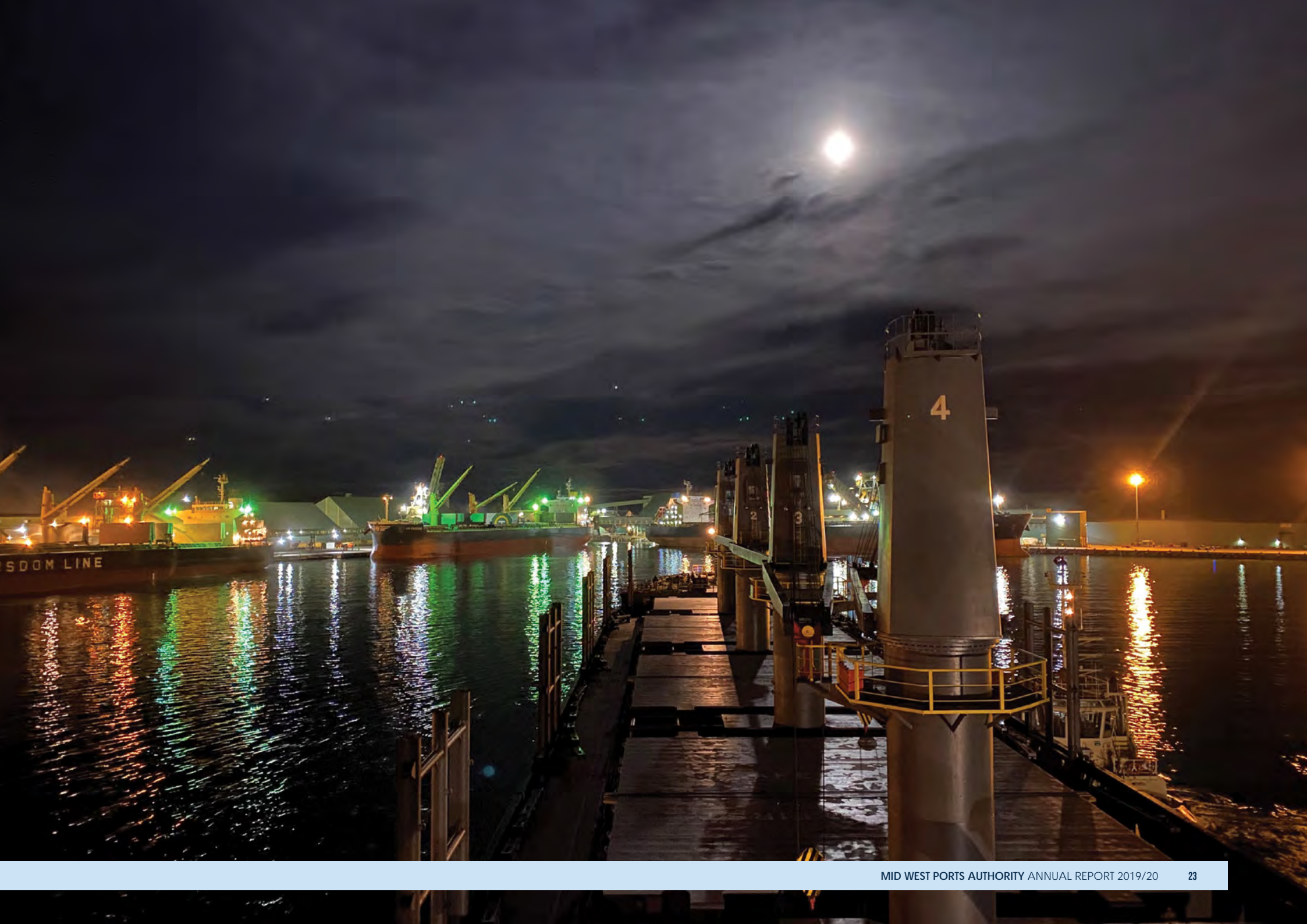
ORGANISATION CHART

Mid West Ports Authority (MWPA) is governed by the Board of Directors appointed by the Minister for Ports. MWPA controls operations at ports throughout the Mid West to facilitate growth and trade for the economic benefit of the State. MWPA is responsible for the safe, secure, efficient and environmentally friendly operation of the ports.

LEGEND

- Minister & MWPA Board
- Executive Team
- Leadership Team





1.5

BOARD OF DIRECTORS



John Elkington

**MSC (MINERAL ECONOMICS)
CHAIR (UNTIL 31 JANUARY 2020)**

Mr Elkington was appointed as a Non-Executive Director and Chair of the MWPA in February 2017. His tenure concluded on 31 January 2020.

John brought extensive knowledge and experience in the mining field to his role on the Board.

Mr Elkington is a Non-Executive Chair and Non-Executive Director of TNG Limited, Executive Consultant with Southern Mining Consultants and Director of a mining financial advisory consultancy.

Mr Elkington has a MSc (Mineral Economics) from the Western Australian School of Mines, Curtin University and is a Fellow of both the Australasian Institute of Mining and Metallurgy, and the Australian Institute of Company Directors.



Noel Hart

**MBA, MASTER MARINER CLASS 1
CHAIR (FROM 1 FEBRUARY 2020)**

Appointed to the Board as a Non-Executive Director in July 2019 and promoted to Chair in January 2020. Mr Hart brings significant maritime and shipping experience to the role, having previously been a General Manager for North West Shelf (LNG) Shipping Service Company, a Director of numerous maritime companies, in addition to holding his Master Mariner Class One.

Mr Hart is formally Commissioner of the Australian Transport Safety Bureau. He is also formally the Chair of Maritime Industry Australia Limited, Australia's peak shipping body. In addition, Mr Hart spent 25 years in senior management of BP Shipping around the World.

Mr Hart has been previous Chair of the Governance, People & Culture subcommittee.



Dr Sue van Leeuwen

**DBA, MBA
DEPUTY CHAIR**

Dr van Leeuwen has been Deputy Chair since February 2018, she is an accomplished consultant, community leader and board member with over 25 years' experience.

Sue has been the previous Chair of the MWPA Governance, Governance & Risk, and Risk subcommittees during her appointment.

Dr van Leeuwen is a Fellow of the Australian Institute of Company Directors, having undertaken Company Directors Diploma and Mastering the Boardroom programs.

Owner of 'Amity Leadership and Consulting' she works in the areas of innovation, strategy, governance and leadership development.

The role of the Board is to "perform the functions, determine the policies and control the affairs of the port authority" as stated in the *WA Port Authorities Act 1999*. In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of State of Western Australia, as well as its employees, customers, and the community.

The Board is collectively responsible for operations and strategy, risk, culture and stakeholder relations of MWPA.

The MWPA Board consists of a Chair and five Directors, all of which are appointed by, and report to the Minister for Ports.



Susan Barrera

MBA, B Ed, BSC (HONS)

Ms Barrera was appointed to the Board as a Non-Executive Director in July 2018. She is a consultant for the Nexus Network and is a part time lecturer at the School of Management and Governance at Murdoch University.

Susan is the current Chair of the Governance, Culture & People subcommittee, and has been previous Chair of the Risk, Strategy & Risk, Finance & Audit subcommittees.

She holds a Foundation of Directorship Certificate from the Australian Institute of Company Directors, a Master of Business Administration, a Bachelor of Education and a Bachelor of Science Hons.



Kate Watson

Ms Watson was appointed to the Board as a Non-Executive Director in February 2018. She is a company director and project manager. Ms Watson brings a wealth of experience in project management and consulting in electrical contracting; HSE; engineering and construction; mining; haulage operations; utilities; and banking and insurance.

Kate is the Chair of the Strategy & Risk subcommittee.

She holds a Higher National Diploma in Computer Science, is a former member of the Australian Computer Society, has a Health, Safety and Environment Certification, and is a graduate of the Australian Institute of Company Directors.



Lara Dalton

Ms Dalton was appointed to the Board as a Non-Executive Director in August 2019. She is a Lecturer in Hospitality, Tourism and Events at Central Regional TAFE located in Geraldton and a Board member of the Leaning Tree Steiner School.

Lara is an active Mid West community member and an experienced Board Member having sat on, and chaired numerous community and government Boards in the Mid West region.



Peter Creek

CA

Mr Creek was appointed to the Board as a Non-Executive Director in January 2020. He is a former Fellow Chartered Accountant and retired partner of Horizon Accountants.

Peter is the Chair of the Finance & Audit subcommittee.

Peter has been a former Board Member on numerous local organisations and continues to be an active member of the Mid West community, investing his considerable financial knowledge and experience in Boards across the region.

He holds a Bachelor of Accounting from the WA Institute of Technology (Curtin University of Technology).

EXECUTIVE LEADERSHIP TEAM

THE MWPA EXECUTIVE BRINGS A DIVERSE RANGE OF SKILLS, BACKGROUNDS AND EXPERIENCE TO THE TEAM.

Responsible for steering MWPA to achieving our Strategic Plan, modelling a high standard of ethical behaviour, and embedding our organisation values into the workforce.

All four General Managers and General Counsel report directly to the Chief Executive Officer, who in turn is governed by the MWPA Board of Directors.



Dr Rochelle Macdonald
CHIEF EXECUTIVE OFFICER

Dr Macdonald is an accomplished strategy and development executive with extensive experience in the resources, energy and transport industries. Rochelle has led strategic planning and organisational change of some of Australia's leading ports, played an integral role in the development of Wheatstone in WA's Pilbara region and as only the fourth female Port CEO in Australian history, is also a strong advocate of equality in the workplace.

She has her PhD, Master in Engineering Management, Bachelor of Science with Honours, and a graduate of the AICD. In 2014 she completed the Program of Leadership Development (accelerated MBA program) at Harvard Business School.



Sandra Pigdon
GENERAL MANAGER,
TRADE AND CORPORATE SERVICES

Ms Pigdon is a senior finance executive with a wealth of experience in the mining and resources sector, having led operational and cultural change through the application of her proactive management style.

Sandra is responsible for delivering financial value for Port customers, ensuring a culture of good governance and controllership, and providing appropriate technology and systems infrastructure to support our operations.

She has a Master's Degree in Business Administration, a Bachelor's Degree in Business, and a graduate of the AICD Company Director's Course. She has also completed the AICD Chair's Mentoring Program and is a Fellow of the CPA Australia.



Geoff Mackin
GENERAL MANAGER, OPERATIONS

With over 20 years' experience at the Geraldton Port, General Manager, Operations, MWPA lost a valuable member of its executive team with his retirement in March 2020.

Having first commenced in the position of Port Services Superintendent in 1999, Geoff rose through the ranks gaining experience and knowledge in all facets of port operations.

He played an integral role in several strategic developments at MWPA, including helping the organisation embrace a forward-thinking and outwardly facing direction.

Geoff's years of local knowledge and understanding of the Port's people, customers and operations assisted MWPA in becoming a proactive and engaged organisation.



Damian Tully
GENERAL MANAGER,
OPERATIONS AND LOGISTICS

Mr Tully is a highly accomplished and experienced maritime industry professional and joined the MWPA team in March 2020.

Damian values continual improvement across an organisation, implementation of quality training and aids, effective leadership, and consistent stakeholder communication.

Damian oversees marine operations, maintenance of the Port infrastructure, and Port security.

He holds a Masters of Business Administration in Maritime Logistics and Management, a Graduate Diploma in Defence Studies, a Bachelor of Arts in Management and an Advanced Diploma in Workplace, Health & Safety.



Peter Duplex
GENERAL MANAGER,
ASSET AND INFRASTRUCTURE

Mr Duplex has been with the Port in various roles since 1998, promoted to General Manager in early 2019. He has assisted and often led the delivery of major projects, Port operations and strategic planning in the engineering space at the Port.

Peter is responsible for the development and maintenance of our critical assets and infrastructure.

He holds a range of academic achievements including a Master's Degree in Business Administration, a Graduate Diploma of Management, a Graduate Diploma in Municipal Engineering and a Bachelor's Degree in Civil Engineering.



Vickie Williams
GENERAL MANAGER,
SUSTAINABILITY, CULTURE & PEOPLE

Ms Williams is an accomplished organisational development and cultural change specialist. Her experience includes communications, public relations, human rights, community development, and learning and development.

Vickie joined MWPA in 2018 and oversees the strategic direction of Human Resources, Community Engagement, Communications, Cruise, Health, Safety, Environment, Sustainability and Quality at the Port of Geraldton.

She has a Bachelor of Arts, majoring in Sociology from Deakin University, a Masters of Business Administration with a focus on Human Resource Management, and is a graduate of the Australian Institute of Company Directors, Directors Course.



Anne DeSoyza
GENERAL COUNSEL




Ms De Soyza is a lawyer with a depth of experience as key adviser to government and in the private sector providing legal and strategic advice on major project and infrastructure developments.

Anne's work has in particular, included advising on regulatory matters, land access, state agreements, stakeholder management and procurement in project planning and development.

She has advised government on intergovernmental agreements and decision-making on project approvals. She has also worked in executive management and leadership positions.

Anne holds a Bachelor of Jurisprudence, Bachelor of Laws and Bachelor of Arts.

GOALS & OBJECTIVES

	MWPA OBJECTIVE	GOAL	MEASURE	INITIATIVE	PERFORMANCE
 <p>STATE GOAL Enhancing global competitiveness through continued economic diversification.</p>	Facilitate, protect & grow efficient trade & tourism	Improve revenue.	10% Return on Assets (Growth).	Build Working Capital Reserves and/or Secure Funds for Strategic Programs. Reinvestment in Capital Assets without Compromising ROA to Government.	Partially Achieved. Working Capital Secured, Reinvested in Capital. 10% ROA Not Achieved.
		Diversification & growth.	No product >50% of throughput (Diversity), target <70%.	Proactively Identify Opportunities to Expand Current Customer's Business or New Business.	Achieved.
		Improve underlying profit.	16% profit margin after tax.	Understand Operational Cost Base and Options for Improving Efficiencies.	Achieved.
		Improve long term business value.	5% cost base improvement point.	Benchmark Port Services and Pricing with Similar Operating Ports.	Partially Achieved. Review Underway.
				Develop and Implement Port Pricing Strategy based on Port Pricing Review and Areas of Operational Efficiencies.	Achieved.
		Increase regional economic contribution.	10 cruise vessel calls.	Continue to Support Cruise Coordinator Position & Initiatives.	Achieved.
 <p>STATE GOAL Building strong & resilient regions through economic expansion and inter-regional collaboration.</p>	Enabling the supply chain	Facilitate Strong Strategic Partnerships.	>70% Community Satisfaction Score.	Implement Community, Customer and Stakeholder Engagement Strategy.	Achieved.
		Transparent Service Offering a Clear Role as Supply Chain Enablers.	Port of Geraldton Supply Chain Mapped by Dec 19.	Port Educational Program Developed and Implementation Commenced.	Achieved.
				Map the Ports Supply Chain and Customer Needs.	Achieved.
 <p>STATE GOAL Enhance conservation of the environment by sustainable development and efficient resource use.</p>	Operate in BALANCE with the environment	Improve whole of Port environmental outcomes.	Sustainability Strategy developed & implemented.	Sustainability Strategy to include: Operations Optimisation; Water Management; Renewable and Clean Energy; Low Carbon Monitoring and Waste Reduction.	Achieved.
		Increase environmental advocacy & transparency.	20% reduction in number of complaints.	Environmental Data Publicly Available on Website, Valued and Used.	Achieved.
		Quality management.	Zero major non-conformances at annual safety, environmental & quality audits.	Develop and Implement Continuous and Business Improvement Program.	Partially Achieved. Implementation to Commence.



STATE GOAL
Enhancing sustainable communities by investment in infrastructure and social capital.

MWPA OBJECTIVE	GOAL	MEASURE	INITIATIVE	PERFORMANCE
Engaged customers, community & stakeholders.	Run a safe, Efficient and Cost Effective Service Offering.	Greater than 98% availability of Berth 4 and 5 Ship-loading Infrastructure when Required by Customers.	Identify and Monitor Operational Performance Benchmarks.	Achieved.
		Greater than 98% availability of MWPA Train Unloading Infrastructure when Required by Customers.	Rail Efficiency Optimisation Assessment.	Achieved.
	Engaged, Easy to do business with and deliver on our Promise.	>70% (target 95%) Improved Customer Satisfaction Score (including FBH).	Develop and Implement a CRM.	Partially Achieved. Investigating Suitable Options.
			Improve Response Times to Complaints.	Achieved.
			Collaborative Approach to Customers.	Achieved.
			Compare Port Services to Actual and Identify Opportunities.	Partially Achieved. Review Underway.
			Establish a Fishing Boat Harbour (FBH) Focus Group to More Effectively Manage the FBH.	Achieved.
		100% Community Projects Completed.	Annual Community Plans Published to Community.	Achieved.
	Shape Government Policy and Legislative Reform.	Engagement Targets to be Identified in Port of Geraldton Master Plan by Dec 19.	Proactively Influence the Rectification of Bottle Necks Constraining the Supply Chain (Current and Future).	Achieved.



STATE GOAL
Achieving efficiencies and synergy through infrastructure planning & coordination in pursuit of economic growth.

Realising development strategies.	Plan for the Future and provide a gateway for Trade and Tourism.	Implement Port of Geraldton Master Plan by Dec 19.	Develop and Implement a Plan to Protect and Grow Service Corridors to and from the Intermodal Port.	Achieved.
			Develop a Port Land Acquisition and Optimisation Strategy.	Achieved.
	Provide Quality Infrastructure.	100% Projects and Commitments are Delivered to Agreed Scope, Time and Budget Expectations.	Implement Rigid Change Management Protocols.	Partially Achieved. Protocols in Trial.
			Lead Delivery of the "Commitments for Fishing Boat Harbour Pen Holders" Project.	Achieved.
			Administration Office Solution.	Partially Achieved. Concept Designs Finalised.
			Sustaining Capital Replacement Projects.	Achieved.
			Maintenance Projects.	Achieved.
			New Enabling Infrastructure Capital Projects.	Achieved.



MWPA ENABLING STRATEGY

Systems, Innovation
& Technology

GOAL	MEASURE	INITIATIVE	PERFORMANCE
Embed Enterprise Wide Risk Management	Emergency Response Drills, 1 desktop & 1 practical exercise per annum.	One Desktop and One Practical Emergency Response Exercise/Drill Per Annum.	Achieved.
Facilitate and Enhance Port Assets to Retain Trade and Enable Growth	100% Asset Management Plans Completed for All Asset Classes that are Critical to Service Delivery.	Formalised Asset Condition Assessment Process Developed and Embedded.	Achieved.
		Strategic Asset Management Plans (30 year Horizon) Completed for all Critical and High Importance MWPA Assets.	Partially Achieved. 91% of Plans Complete for Critical Assets.
		Develop and Maintain Asset Life Cycle Cost Model.	Achieved.
		Develop Fleet Management Strategy.	Partially Achieved. Strategy Commenced.
		Facilitate Finance Team to Integrate Asset Management Plans into Enterprise Business Plans.	Partially Achieved. Commenced.
Optimise Asset Management and Productivity	Asset Management Health Assessment Score 80% annually.	Develop Modules Applicable to Asset Management within IFS Stage 2.	Partially Achieved. In Final Stages.
Improve Operational Efficiencies and Optimise Service Offering	Options Identified to Improve Effectiveness of Shore Tension Units by Dec 19.	Review the Application and Use of Shore Tension Units and Identify Opportunities to use them More Effectively.	Achieved.
Embed Enterprise Wide Project Management	100% Compliance with Project Management Framework by June 2020.	Implement MWPA Project Management Framework Across All Projects.	Partially Achieved. Framework Complete & Implementation Underway.
		Define and Implement Project Assurance Program.	Partially Achieved. Implementation Underway.
		Develop Project Master List and Enhance, Implement and Maintain Project Register of Active Projects.	Achieved.
		One Page Monthly Project Status Reports for All Projects > \$100k.	Achieved.
Create a Single Source of the Truth (Quality, Data, Knowledge Insight and Internal Transparency)	Standardise and Simplify Business and Operations Processes.	Rationalise Internal Management System (300 procedures).	Achieved.
		Improved Procurement (preferred suppliers etc).	Achieved.
		Continuous Improvement Program Initiated for all Staff.	Partially Achieved. Implementation to Commence.
		Build Systems that Retain Corporate Knowledge.	Partially Achieved. Record Keeping Plan Revised and Records Management Tool Partial Upgrade Commenced.
Technology Solutions that Enhance Business Objectives, Processes and Outcomes	100% Integrated Seamless Systems ("Pane of Glass" Access), Mobile and Wireless Technology, Simple Business Reporting and Analysis.	IFS Stage 2 and Stage 3 (Inc. CRM or New).	Partially Achieved. In Final Stages.
		Implement Alternative Technologies (Nav Aids, Automation, Drone, Robotics).	Achieved.
		Implement Records Management System that Retains Corporate Knowledge "is there an App for that".	Achieved.



**MWPA
ENABLING
STRATEGY**
Workforce & Culture

GOAL	MEASURE	INITIATIVE	PERFORMANCE
Advance Safety Leadership	0 Lost Time Injury Frequency Rate (LTIFR).	Develop and Implement Wholistic Health and Wellbeing Program.	Achieved.
		Develop a RTW Process that is Inclusive of all Business Units to Ensure Effective RFW Options.	Achieved.
	<15 Total Recordable Injury Frequency Rate.	Improve Near Miss, Risk and Incident Reporting.	Achieved.
		OHS and Injury Management Training for All Supervisory Staff.	Achieved.
Build Leadership Capacity	Leadership Impact Survey (LSI) 100% complete.	Undertake LSI Survey of All Managers and Capability Assessment and Prepare Employee Development Plans.	Achieved.
		Organisation Wide Skills Audit Completed to Identify Skill Gaps	Partially achieved. Audit commenced.
Build the Workforce of the Future	Organisational Culture Inventory (OCI) >75%.	Learning and Development Strategy.	Achieved.
		Innovative New Apprenticeships and Alternative Training Pathways.	Achieved.
	Learning and Development Strategy, 20% increase in new apprenticeships in workforce.	Benchmark Performance of Positions.	Achieved.
		Implement Employee Engagement Plan.	Achieved.
Build Workforce Culture and Employee Engagement	Employee Engagement Survey >75%.	Implement Employee Engagement Plan.	Achieved.
		Develop and Implement a Diversity and Inclusion Plan.	Achieved.
Champion Difference, Diversity and Inclusion		Focus Groups Beyond Business as Usual.	Achieved.
		Champions of Change.	Achieved.
		Innovation Hub.	Achieved.



An aerial photograph of a port area with several large cargo ships docked at a pier. The water is a vibrant turquoise color. In the background, there's a coastline with some buildings and a beach. A large, semi-transparent blue circular graphic is overlaid on the right side of the image, containing the text.

**“SUSTAINABLE DEVELOPMENT IS DEVELOPMENT
THAT MEETS THE NEEDS OF THE PRESENT
WITHOUT COMPROMISING THE ABILITY OF FUTURE
GENERATIONS TO MEET THEIR OWN NEEDS”**

Bruntland Report, 1987

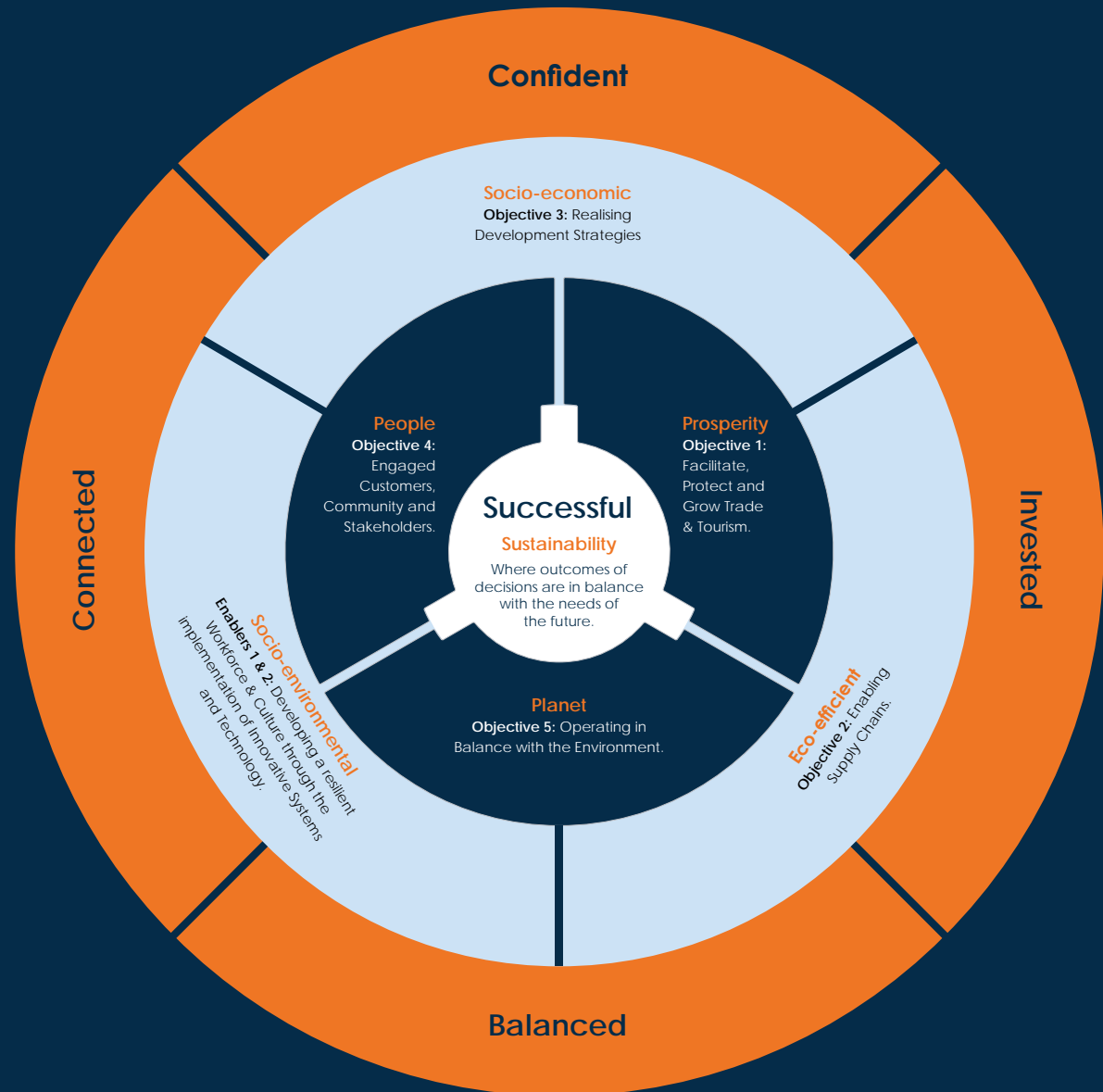
2.0

MWPA SUSTAINABILITY JOURNEY

Aligning and shaping business strategies, objectives and goals with the principles of sustainable development has been fundamental to our achievements outlined in this section.

Sustainability is achieved where outcomes of decisions benefit People, the Planet and Profit equally.

Strategic management of responsible business practices builds confidence both internally and externally, creates investment opportunities, strengthens our connections with our workforce and stakeholders and allows us to balance environmental and community outcomes.



APPROACH AND COMMITMENT TO THE UN GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

Mid West Ports Authority has commenced its journey toward a sustainable future by shaping its 15 Year Strategic Plan in alignment with the United Nations Global Goals for Sustainable Development.

The Sustainable Development Goals aim to address the global challenges that face the planet including those related to poverty, inequality, climate, environmental degradation, prosperity, peace and justice. MWPA has identified 13 of the 17 goals to focus its efforts, these are:

- a. Good health and wellbeing (3);
- b. Quality Education (4);
- c. Gender Equality (5);
- d. Decent Work and Economic Growth (8);
- e. Industry, Innovation and Infrastructure (9);
- f. Reduced inequalities (10);
- g. Sustainable Cities and Communities (11);
- h. Responsible consumption and production (12);
- i. Climate action (13);
- j. Life below water (14);
- k. Life on land (15);
- l. Peace, justice and strong institutions (16); and
- m. Partnerships for the goals (17).

MWPA seeks to achieve sustainable yet profitable use of its assets by focusing its energies around priorities and strategies for success. Objectives have been set and mapped to the one or more of the Global Goals to provide for a strong and sustainable future.

SUSTAINABLE DEVELOPMENT GOALS



3.0

SUCCESSFUL.

MWPA provides an important element in our state and region's logistics chain, providing inter-modal facilities connecting our region to national and international markets.

MWPA is committed to: building strong, strategic partnerships with our stakeholders, community and employees; delivering an outstanding health and safety performance; being conscious of our environmental and social responsibility; delivering value to our customers; and embedding a high performance employee culture.

3.1

CASE STUDY

WINDFARM TURBINES



In November 2019, MWPA welcomed the arrival of the *Danzigergracht*, a Dutch bulk cargo vessel that arrived at Geraldton with a cargo of five wind turbine units destined for the Agnew gold mine. This was the first such shipment at Geraldton since 2016 and reflects the growing importance of renewable energy in the Mid West region.

The arrival of ships with break bulk cargoes from international ports can create a potential pathway for unwanted pests and diseases to enter Australia. Through a 'non-first point of entry' application, the importation of the windfarm components was approved by the Commonwealth Department of Agriculture, Water and the Environment (DAWE).

The cargo included fifteen, 66 metre turbine blades, and 120 other components. The blades were removed direct from the ship to specialised trucks for transportation to the Agnew mine.

To minimise any disruption to the community, the 80 metre long trucks carrying the turbine blades, left the Port at sunrise travelling 630 kilometres to the Agnew mine. The entire movement out of the Port took no more than 30 minutes, which included the pre-start meeting between all personnel involved. This process was repeated Monday, Wednesday and Friday mornings at

a rate of two blades per day over the course of three weeks. In between, the various smaller components including tower sections were trucked out daily.

The delivery of the wind turbines as part of a solar-wind hybrid renewable energy microgrid was the first to be installed at an Australian mine. The ground-breaking 56MW solar, wind and battery project is the largest hybrid microgrid of its kind in Australia and capable of generating over 60 percent of the mine's power via renewable energy.

The logistical success of this project required the close collaboration of MWPA's Safety, Sustainability, Operations and Trade teams with the customer, the vessel, relevant government departments, and specialised transport contractors and crane operators.

The successful management of this project has now paved the way for MWPA to work with future customers and DAWE in designing biosecurity treatment and inspection facilities, and amending the Port's Biosecurity. Determination to facilitate a greater variety of break bulk and general goods cargo.

This project demonstrates MWPA's commitment to its vision to "be bold supply chain enablers for the sustainable long-term future of regional Australia".



2019/20 KEY MILESTONES



JAN

01/20

- Karara Reached 60m Tonne Milestone.
- Integrated Operations Centre Concept Design, Complete.

FEB

02/20

- Grants & Sponsorship Program 2020/21 Opened.
- Sustainability Strategy Endorsed by the Board.
- Coastal Processes Study Stage 1 Completed.
- First Cruise Double Header.
- Noel Hart Appointed as Chair of the Board.
- Peter Creek Commenced as Board Director.

MAR

03/20

- Damian Tully Commenced as General Manager Operations & Logistics.
- Outside the Locker Room, Mental Health Awareness Program Delivered.
- Coastal Processes Study, Stage 2 Commenced.

APR

04/20

- Benthic Habitat Mapping, Complete.
- Berth Remediation Works, Complete.

MAY

05/20

- Stakeholder Survey, Complete.
- Mwpa Diversity & Inclusion Committee, Established.
- Port Mooring Optimisation Project, Stage 1 Complete.

JUN

06/20

- Associated Infrastructure for New Tugs.
- CAMMs Strategy went Live.
- Fire Fighting Detailed Design, Complete.
- Channel Optimisation Strategy, Complete.
- 1st Iluka Mineral Sands Concentrate Shipment.
- Development Application Process Implemented.
- Project Management Framework Rolled Out.

COVID-19



On Thursday 30th January 2020, MWPA stood up their Crisis Management Team (CMT) to discuss the impacts of the rapidly evolving virus COVID-19, on Port operations.

MWPA could not have predicted that in two short months we would be facing an unprecedented global pandemic, our international, state, and regional borders would close, half of MWPA's team would be working remotely, and our daily meetings to consider impacts and risk assess, would extend for up to two hours.

Immediate action was required in unprecedented times. Our approach was simple. The leading priority was always the health, safety and wellbeing of our staff, customers, suppliers and community.

Our Marine Team continues to vet all crew and passengers arriving at the Port of Geraldton to ensure they have not travelled from an international location to the Mid West region within the 14 day incubation period, and we expect this to be ongoing for the foreseeable future.

Being in a remote and relatively isolated region, MWPA implemented additional safety protocol for our Marine Pilots and pilot boat crews to reduce their potential exposure to infection. This included isolating teams, vessel boarding protocol, and emergency procedures specifically related to illness detection.

Where possible and practical, office staff worked remotely and on port staff split in to rotating shifts to reduce the potential for whole of organisational exposure.

Contractors have been required to submit weekly health declarations, Disease Incidence Management and Business Continuity Plans to gain access to the port secure zone. Yet another measure in protecting our staff, stakeholders and community.

As an essential service, the Port continued operations through the crisis, reinforcing MWPA's role as a major economic driver for the Mid West region.

The cray fishing and cruise industries (both valued customers at our port) sustained significant impact. The commercial harbour operations experienced a decline in trade, however we have been one of the less impacted ports, an endorsement to our diverse operations and subsequent resilience.

To counteract this decline in trade, a range of immediate measures aimed at arresting financial impact were implemented, placing the Port in a position of strength approaching the recovery phase.

By mid-May the Board and Executive Team had begun implementation of the MWPA COVID-19 Recovery Plan. The plan outlines the strategy and necessary actions to transition MWPA's pre-COVID-19 business model to a

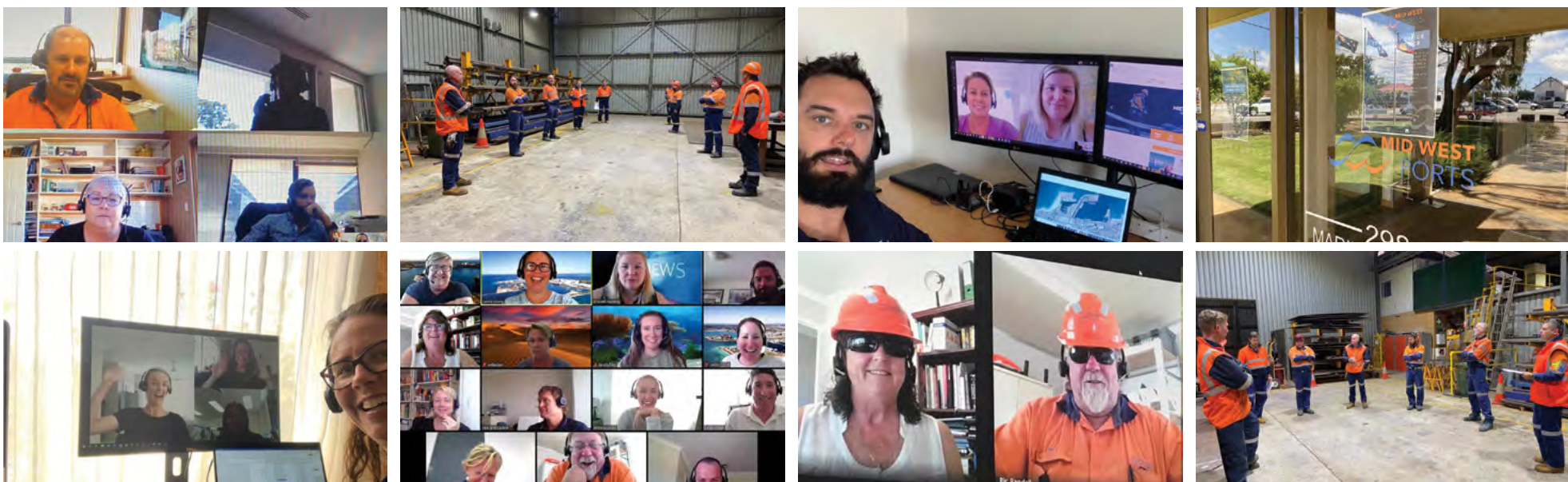
new way of operating in a post-COVID-19 landscape, while remaining true to our values, vision, purpose and the objectives of our Strategic Plan.

The port sector has been directly exposed to the fragility of the global supply chains. It is difficult to predict what the maritime sector might look like with economists believing the full impacts on ports is yet to come.

The recovery process post-COVID-19 is an ongoing and an evolving progression. When we emerge from this crisis, we need to be in a position to operate under a 'new normal'. Our Recovery Plan must position the Port to be sustainable, and capture future opportunities. It must foster change, and become more nimble and responding to the needs of the our customers, community, and suppliers.

WE WILL:

- Emerge from the COVID-19 crisis as a strong, viable Port Authority;
- Identify and act upon efficiencies and continuous improvement strategies that enhance the productivity of our processes and staff;
- Identify new ways to be connected, provide support and an exceptional experience for our customers, shareholders and community;



- Remain a pivotal provider as a gateway to trade and tourism for the long term benefit of our communities;
- Use the principles of social innovation to enhance the experience, drive new collaborations and product development, and lead our communities through recovery;
- Structurally change our cost base to be more financially sustainable, and better positioned to absorb disruptions in our markets;
- Identify and support ways to accelerate recovery in the community, as a member of that community; and

- Develop, leverage and maintain stronger political connections to ensure long-term financial support.

All of us at MWPA take the threat of COVID-19 very seriously.

We're working to protect our staff, industry, port partners and the Mid West community with measures recommend by Australia's health authorities.

Mid West Ports Authority has launched our 'Beyond COVID-19 Recovery Plan' to help us move, seamlessly, into a post-COVID-19 landscape.

It's difficult to predict what a post-COVID-19 maritime sector might look like given fragility of global supply

chains, but we're identifying efficiencies to develop a cost effective, efficient business structure.

Our Recovery Plan will enable us to remain sustainable, and capable of capturing future opportunities under a 'new normal'.

3.4

SAFETY



MWPA's enhanced safety focus and risk based approach, reflects a spirit, method, and ambition that will guide us in everything we do to continue to develop and mature as an employer of choice and ultimately a safe organisation.

March 2020, saw MWPA complete a full year without a recordable injury sustained, reducing our Total Recordable Injury Frequency Rate (TRIFR) from 30.93 in 2018/19, to 0.0 in 2019/20. In a high risk industry and for an organisation with an evolving safety culture, this is an outstanding achievement for all port users.

To continue to strengthen our safety culture and leadership across port, we are educating our people about being mindful of the possibility of what can and could go wrong, and fostering a culture where it is safe to speak up, and report hazards and incidents.

One of the main objectives of our safety initiatives is to continue to strengthen the reporting ethos. We monitor reporting from across all our departmental areas, and we coach and support our leaders to improve the quality of our on port leadership activities with our employees and contractors.

The gradual introduction of CAMMS, a new event management system for recording health, safety, environmental and community events, has also assisted in the practice of reporting. CAMMS has been custom designed to capture, analyse and track events in real time, with a mobile phone device application for reporting proving convenient for all users.



Image: Marine Pilot, Warren Sharpe boarding the pilot boat in full PPE during the COVID-19 pandemic.



4.0

CONFIDENT.

We believe in a planned approach, measured for success. Working as a trusted partner with our stakeholders, we adapt our ideas, vision and considerable technical knowledge to a dynamic and evolving industry. Substantial experience and intellectual capital, together with our collaborative and practical approach, provides a confident economic outlook.

4.1

CASE STUDY

PORT MASTER PLAN

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



17 PARTNERSHIPS FOR THE GOALS



In late 2017, we embarked on a two-year journey to prepare a Port of Geraldton, Port Master Plan (PMP). The PMP is a strategic document that we will use to guide integrated planning and investment decisions. It provides a high-level analysis of potential trade growth and required infrastructure to accommodate this growth over a 30-year planning timeframe, with a focus on projects that could be undertaken in the next 15 years to support regional economic growth and increase Port throughput to up to 50 million tonnes per annum.

The PMP was developed in a three-stage process, which included establishing baseline conditions, creating and assessing a number of draft options, and seeking public feedback on a preferred option.

The public consultation phase of the PMP was formally launched in Geraldton in October 2019 by the Minister for Ports, the Hon Alannah MacTiernan MLC. Over the next eight weeks, MWPA implemented a stakeholder and community engagement program to gather feedback on the draft PMP including:

- Held information sessions for our employees, key stakeholders and the general public in both Geraldton and Perth;
- Presented the draft PMP to the City of Greater Geraldton and Shire of Chapman Valley Councils, and to other organisations upon request;
- Displayed the draft PMP on our website, at our offices, and in the Geraldton Public Library;
- Promoted the draft PMP through print and social media;
- Conducted a flyer drop and door knocks in the suburbs of Point Moore and Beachlands which adjoin the Port; and
- Held a pop-up session in Rocks Laneway in Geraldton to answer community queries.

We received 26 formal submissions on the PMP. These submissions were considered by our Board in February 2020, and changes were made to the PMP to reflect some of the feedback we received from our stakeholders.

The final PMP was endorsed by our Board in February 2020, approved in June and launched by the Minister for Ports in July 2020, we are excited to move into the implementation phase in the coming year.



4.2

FISHING BOAT HARBOUR WORKS 2019/20

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



MWPA is committed to the ongoing improvement of the Fishing Boat Harbour to ensure the safe and reliability of service to all our users. In 2019/20, MWPA continued to invest in the Fishing Boat Harbour infrastructure as outlined below.

Power upgrade to North West Jetty:

In August 2019, MWPA installed new cabling and replaced the distribution sub board, effectively doubling the power supply to the northern pens and long service jetty.

Fishing Boat Harbour Sheet Pile Wall Works:

In October 2019, sheet pile wall works were completed. These works included blasting and painting of the sheet pile walls under the concrete wharf deck, repairs to the corroded infrastructure, replacement of sheet pile wall anodes and replacement of chafer timbers. These works were managed to minimise the interruption of MWPA's busy fuel berth.

Fishing Boat Harbour Hydrographic Surveys:

MWPA undertakes annual hydrographic surveys of the seabed to ensure the safe passage of vessels in the fishing boat harbour. During the 2019/20 surveys, investigation of the survey data identified a significant 300kg boulder sitting approximately 600mm above the seabed which was removed by contract divers.

Fishing Boat Harbour Channel Entrance Sand Management:

MWPA undertook sand management at Lives Beach and FBH channel entrance which resulted in 12,846m³ sand removed. This included 2,365m³ removed via drag plow from the channel entrance, and 10,481m³ via land operations from Lives Beach.



4.3

DEVELOPMENT APPLICATION PROCESS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



This year we have developed and implemented a Development Application (DA) process for assessing new development proposals within the Port, in accordance with the *Port Authorities Act 1999* and *Planning and Development Act 2005*.

MWPA have prepared relevant procedures and forms, established the Port Development Advisory Group (PDAG) and reviewed and are currently updating our Port Development Guidelines to provide clear requirements to developers and our internal Project Managers. Our process broadly includes the steps below.

Since implementation in December 2019, we have approved eight development applications and are continually seeking to refine and streamline our process.

In the coming year we plan to enable electronic lodgement, release a development applications tracker on the Port GIS system, 'SPLASH', and roll out the Clearance to Construct phase to ensure developer compliance with conditions of approval is achieved.

Pre-Lodgement Discussions.

Applicant Submits Development Application (DA).

DA Assessed by Port Development Advisory Group.

Planning Assessment Completed. Decision Provided to Applicant.

Applicant Meets all Development Conditions and Lodges Request to Construct.

Clearance to Construct Issued if all Conditions are Met.



4.4

ASSET MANAGEMENT FRAMEWORK

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



MWPA relies on a large and diverse asset portfolio to deliver services to our customers and stakeholders. During the 2019-20 financial year, MWPA invested significant time and effort into maturing

our Asset Management (AM) Framework, in order to align the business systems necessary for the responsible and sustainable management of our assets, with the internationally accepted ISO 55000 series of asset management standards.

The following service delivery objective applies:

“TO OPTIMISE OUR SERVICE POTENTIAL AND TO SUSTAINABLY CONTRIBUTE TO REGIONAL ECONOMIC GROWTH IN ALIGNMENT WITH THE STATE’S STRATEGIC OBJECTIVES BY PROVIDING SAFE, EFFICIENT AND RELIABLE INFRASTRUCTURE.”

We have established an Asset Management Policy and Strategic Asset Management Plan (SAMP) to ensure the long-term asset planning is undertaken in alignment with MWPA’s corporate objectives and Port Master Plan.

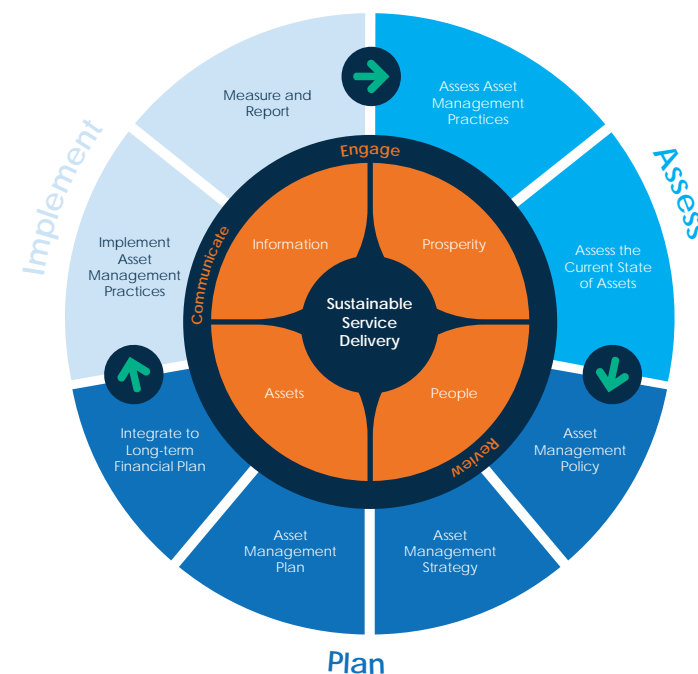
With the objective of evolving our AM culture from a reactive and instinctual one, into an interdependent and proactive AM culture, the main focus this year has been to establish asset class Asset Management Plans (AMPs). The AMPs, together with the configuration of a sophisticated Asset Life Cycle Costing Model, enable us to provide the tactical guidance required to achieve a balance between asset cost, risk, and performance, together with the financial forecasting that informs our asset expenditure requirements into the future.

Throughout this year we have concentrated our efforts on prioritising the most critical asset classes i.e. those assets which are essential to safety, business continuity and essential service delivery. We have established a strong platform from which to mature our AM Framework and AM Systems to ensure:

“The life cycle management of MWPA physical assets aligns with the organisations strategic objectives.”

In the coming year we will continue to develop and embed our AM systems and processes in keeping with our philosophy of continuous improvement, to ensure that we continue to follow asset lifecycle practices to enhance sustainable service delivery at MWPA.

LIFECYCLE OF ASSET MANAGEMENT



ASSET PORTFOLIO



Electrical Infrastructure	17	High Voltage (HV) transformers
	10	Ring Main Units (RMU)
Fleet	2	Pilot Boats
	47	Pieces of Mobile plant
Land	88	Hectares of land
	6.5	Km MSIC & regular fencing
	55	Leases
Pathways & Parking	1.4	Km pedestrian footpaths
	1.1	Hectares of parking
Building & Leases	37	Buildings
	156	Commercial fishing boat pens
Roads	6	Km roads
Berths 1-6	6	Berths with a length of 1140m
BHF - Berth 4 & 5 Cicruits	18	Conveyors
	2	Shiploaders
	1	Train unloader
	1	Truck unloader
Harbour Basin & Channels	5	Km main shipping channel
Marine Rock Structures	6.6	Km breakwaters & rock walls
Rail Corridor	7	Km rail track

INVESTMENT PROPOSALS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



During the past year MWPA received approval for \$10M of major capital development work, complimenting the \$5.5M of new minor capital expenditure.

The major project is the Berth 4 Wharf Deck Strengthening and Shiploader Rail replacement. In addition, The State Government has announced additional funding of \$1.58M Stimulus Funding for the enhancement of the Fishing Boat Harbour. Other approvals include the Port Wide Fire Fighting system (\$3.6M) and the Integrated Operations Center (\$1.8M).

Berth 4 is MWPA's busy multi-user bulk minerals facility. The size of equipment and vessels has increased significantly since the 1965 wharf deck, and 1980s rails for the ship loader were built. They are past their useful service lives, and are rapidly deteriorating. Facility upgrades are required to match current use & purposes (including shore tension unit moorings) and modern design standards.

The Wharf 4 deck strengthening project is the first piece of work flowing out of the Port of Geraldton Master Plan that was completed during the past year. Within the Master Plan the Port Maximisation Plan (PMaxP) proposal estimated the total cost of various works aimed at maximising the Port's throughput over a 15-year period will be \$958 million. The initial 5 year stage of the PMaxP will

require an estimate investment of \$387M which includes approximately \$151M of Government funding, currently not committed.

The PMaxP will contribute directly to the Mid West economy through additional jobs and business opportunities. Included in the PMaxP are Marine, Rail, Land and Road projects aimed at achieving the following key planning objectives:

- Unlocking latent capacity through operational improvements (\$57M);
- Enabling supply chain through transport and services infrastructure (\$51M); and
- Providing sufficient land to support customer needs (\$43M).

MWPA's PMaxP supports the establishment and growth of the tourism and aquaculture industries at the MWPA-operated Fishing Boat Harbour. Solutions such as installing additional larger pen facilities to accommodate larger vessels are included in the plan.

In order to drive the development of finfish aquaculture, from an initial targeted production of 2,000 tpa of yellowtail kingfish up to 10,000 tpa over 10 years, the necessary enabling infrastructure is essential.

Early planning assessment has identified the FBH Northern Reclaim site as being a suitable location to accommodate the associated marine and landside maintenance, and operations facilities into the long term. Under Stage 1 of the PMaxP aquaculture industry infrastructure at the FBH is based on the following. (Financial contributions from Industry into the required aquaculture developments have not been included in the PMaxP government expenditure estimates):

- Approx. 100m breakwater extension requiring approx. 30,000m³ of rock fill;
- The requirement to dredge a basin suitable for larger vessels unable to access the FBH;
- Land reclamation volume of approx. 175,000 m³; and
- Establishment of a wharf and associated infrastructure.


THREE-YEAR MWPA PROJECT LIST:











MWPA has prepared a project list for the first three years of the Port Maximisation Plan (PMaxP) and various other works that will support the MWPA strategic directions.

Other Projects that may develop during the period will be largely focussed to facilitate specific trade proposals that will require business case development which will most likely require private developer funding streams.

The following table summarises these projects which notably includes works aimed at mitigating the impact of surge on operations such as the Port Mooring Optimisation Project (PMOP) and planned development at the Geraldton Fishing Boat Harbour which aims to support the emerging Aquaculture and Tourism industries and facilitate the associated larger vessels. It should be noted that funding for most of these projects is yet to be secured.

	PROJECT NAME
	Repurpose Berths 1 & 2 for breakbulk cargo and oil & gas support (planning for proponent funded development).
	Protect the Fishing Boat Harbour Entrance.
	Relocate and develop the tug pen.
	Port Mooring Optimisation Project.
	Berth deck upgrade program (including Berth 4 Deck strengthening and rail replacement).
	Upgrade Port firefighting system.
	Develop MWPA Integrated Operations Centre (IOC).
	Upgrade security protocols for Port entrance.
	Upgrade Fishing Boat Harbour pen infrastructure.
	Develop consolidated MWPA Maintenance workshop
	Berth pocket deepening and widening

	PROJECT NAME
	Extend Fishing Boat Harbour Reclaim (Northwest Rockwall Spur)
	Develop common user access and materials handling corridor.
	Coastal Protection (Stage 1).
	Protect and where relevant, expand, the Southern Transport Corridor
	Berth 8 – Planning, environmental studies and preliminary design.
	Develop fuel import manifold connection at Berth 5.
	Develop breakbulk / container laydown area.
	Services / utilities upgrades
	Upgrade Berth 4 materials handling system.
	Upgrade truck unloader (Gillam Road).
	Upgrade Berth 5 materials handling system.

	PROJECT NAME
	Reclaim adjacent to north Reg Clarke Road.
	Provide options for aquaculture development (planning for proponent funded development).
	Reclaim and cap 'Duck Pond' area
	Strategic land assembly – Narngulu Inland Port.
	Infill and reclaim existing tug basin
	Fishing Boat Harbour Tourism Support (planning for proponent funded development)
	Pilot renewable hydrogen plant (planning for proponent funded development).
	Strategic land assembly – develop and integrate land for Port storage and related uses.
	Reclaim in northwest Fishing Boat Harbour.
	Develop bio-security laydown zone.

5.0

INVESTED.

For 180 years Geraldton has been open for trade. Our sustained investment in the Ports capability and capacity has played an important role in the economic development of our region and our country. We are focused on creating a highly performing, competitive, logistical option for our customers.

Image: Tim Gourlay (left) and Daniel Grimwood (right) from the Pawsey Supercomputing Centre. Dr Gourlay of Perth Hydro Pty Ltd is a mathematic modeler and was the code developer for the Port Mooring Optimisation Work.



5.1

CASE STUDY

PORT MOORING OPTIMISATION AND USE OF SKA SUPERCOMPUTER



MWPA has initiated a review of how current infrastructure can be supplemented, altered or upgraded to better meet the current and future vessel mooring requirements in the harbour, the Port Mooring Optimisation Project (PMOP).

The scope of work includes:

- Review of current available information to understand how the berths are currently utilised and the limitations that are being experienced;
- Consideration of opportunities for improvements;
- Consideration of improved safety, asset maintenance and operations;
- Consideration of threshold limits, including wind, swell and surge;
- Aligning with MWPA's strategic planning; and
- Future proofing e.g. catering for larger vessels in the future (aligning with PIANC* guidelines).

As part of this programme MWPA received priority access to the Pawsey Supercomputer to perform modelling to better understand water movement and vessel behaviours in the harbour.

The Pawsey Supercomputer had been established to support the proposed Square Kilometre Array (SKA) radio astronomy project located in the Murchison. As hosts of the SKA, the Mid West region has negotiated a standing agreement with Government and the Pawsey Centre to receive priority use on projects which benefit the Mid West.

The MWPA project represents the first time the region has utilised the Pawsey Computer since the agreement for access was reached.

The Pawsey Supercomputing Centre houses three supercomputers; Magnus, Topaz and Zeus. MWPA consultants used Zeus to assist in running data that on a regular computer would take 6 months or more to process. Using Zeus, this was reduced to just 2 days.

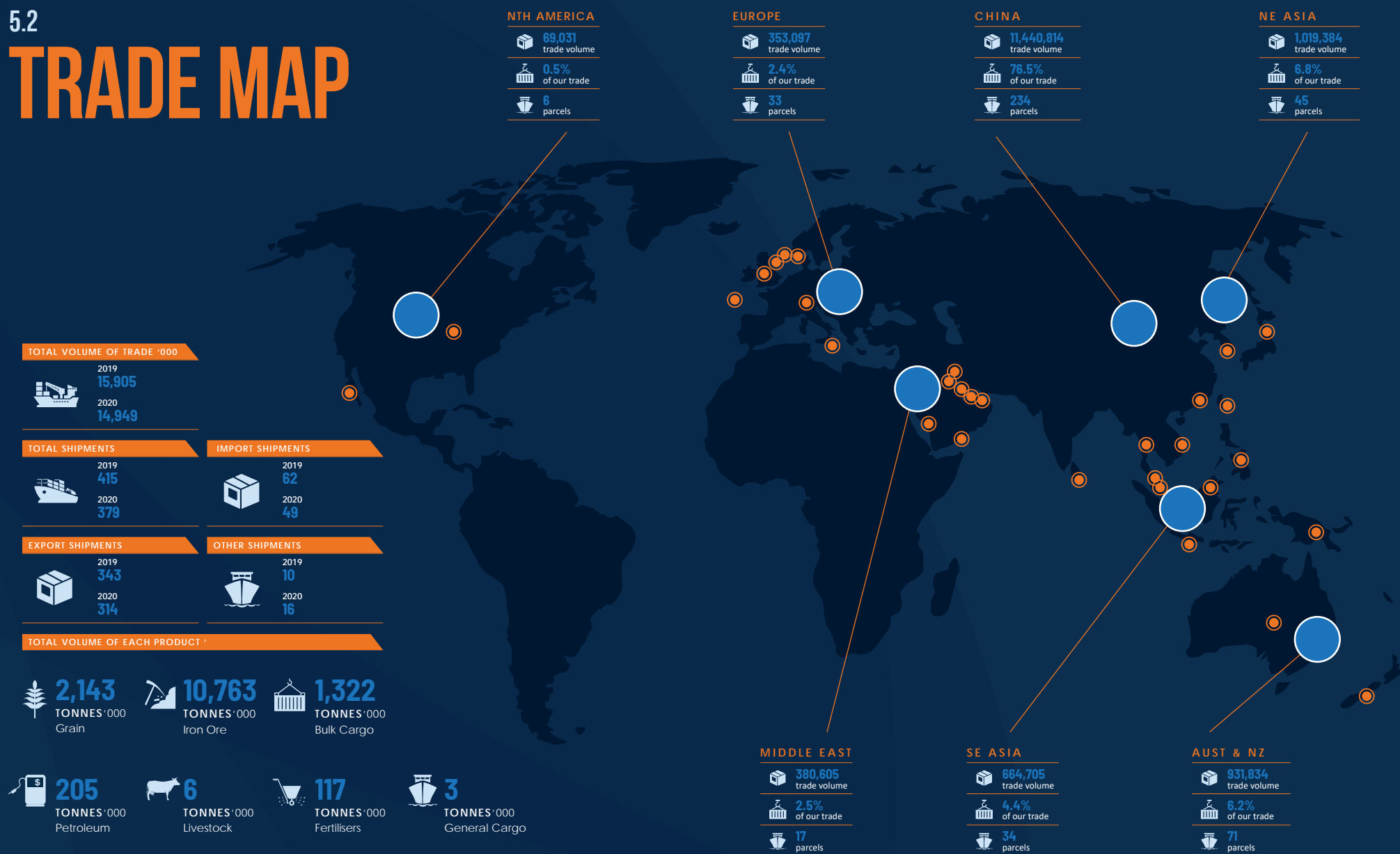
To validate the PMOP project code, the team used measured data of our shore tension units, along with measured wave conditions and compare actual results from predicted results from the code.

This work has significantly improved MWPA's understanding of our mooring and wharf infrastructure capabilities and will assist in determining and prioritising our asset management schedule.

**Permanent International Association of Navigation Congresses (PIANC), the World Association for Waterborne Transport Infrastructure.*

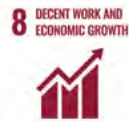
5.2

TRADE MAP



* Other Shipments* includes cruise, nil cargo vessels and/or other i.e. navy vessels.
A single shipment may contain multiple parcels delivered to multiple destinations.

2019/20 TRADE SUMMARY



For 2019/20, trade volumes shipped through the Port of Geraldton totaled, 14.95 million tonnes, 955,000 tonnes (6%) lower than the previous year. While COVID-19 had an impact, the trade through Geraldton proved remarkably resilient to the effects of the virus and most of the downturn was attributable to seasonal effects on the grain harvest rather than the COVID-19 pandemic.

The Port's main trade was the export of magnetite and hematite iron ore which more or less remained constant year on year at ~11 million tonnes per annum. There was however a slight change in the mix of exports, with a minor increase in magnetite offsetting a minor decrease in hematite. With iron ore exports remaining constant but overall trade falling, iron ore as a percentage of total Port trade increased from 69% to 72%.

The most noticeable reduction in trade was associated with grain exports. This reflected the lower than average 2019/20 Mid West harvest, which at 1.4 million tonnes

was significantly less than the record 3.6 million tonnes produced the prior year. Fortunately, the carryover of stock from the 2018/19 harvest into 2019/20 exports smoothed the trade flow and meant that 2019/20 grain shipments of 2.14 million tonnes were only 570,000 tonnes (21%) lower than the previous year. This overall reduction in grain exports largely accounted for the overall decline in trade volume year-on-year. As a consequence, grain exports as a percentage of total Port trade fell from 17% to 14%.

Trade in high value, specialty industrial minerals was one area that was impacted by COVID-19. Minerals like garnet, talc and mineral sands have historically been important contributors to Geraldton's trade. Total trade of high value minerals fell from 1.45 million tonnes to 1.15 million tonnes, a reduction of 300,000 tonnes (21%). This reduction in trade was especially noticeable in the second half of 2019/20.

Offsetting the decline in specialty minerals was an improvement in base metals concentrates. Export of

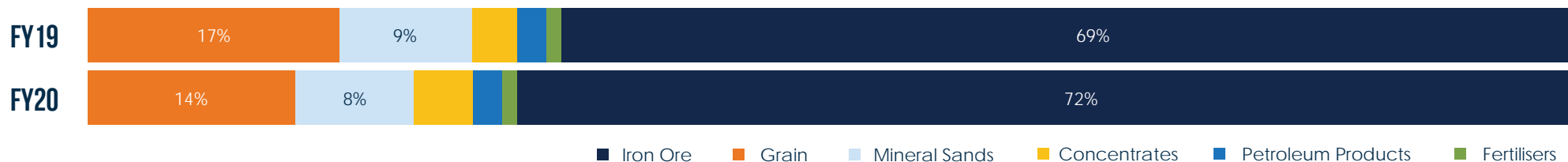
zinc, copper, nickel and precious metals concentrates increased from 457,000 tonnes in 2018/19 to 558,000 tonnes in 2019/20, a gain of 101,000 tonnes (22%). Part of this gain was also attributable to two nickel concentrate shipments totaling 30,000 tonnes, the first such shipments for six years.

In other major trade commodities, imports of fertiliser and fuel imports were largely unchanged from 2018/19 and showed no reduction in demand as a result of COVID-19.

Beyond the significant mineral trade, MWPA continued to support the Mid West fishing industry with the management and operation of a fishing boat harbour in addition to the main commercial harbour.

The effects of COVID-19 in 2019/20 had a significant impact on the Mid West fishing industry, in particular the western rock lobster market which is highly dependent on Chinese consumption. While volumes slowly recovered in the second half of the financial year, prices remained well below historical levels.

GERALDTON PORT TRADE



2019/20 NEW TRADE OPPORTUNITIES

8 DECENT WORK AND ECONOMIC GROWTH



During 2019/20, MWPA continued to work closely with several potential new trade customers and assisted them with the development of import and/or export logistics for their projects.

During the year, MWPA signed or extended formal Cooperation Agreements with the following companies:

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Fenix Resources Limited (ASX:FEX), for their 1.2 million tonne per annum 'Iron Ridge' hematite iron ore project, north-east of Geraldton;

11 SUSTAINABLE CITIES AND COMMUNITIES



- Strandline Resources Limited (ASX:STA), for their 250,000 tonne per annum 'Coburn' mineral sands project, north of Geraldton;
- Australian Potash Limited (ASX:APL), for their 150,000 tonne per annum 'Lake Way' sulphate of potash project, east of Geraldton; and
- Abra Mining Limited, a subsidiary of Galena Mining Limited (ASX:G1A) for their 125,000 tonne per annum Abra lead-silver project north of Geraldton.

Aside from the formal Cooperation Agreements signed, MWPA continued to work closely with approximately 20 potential new projects that could see the Ports exports in magnetite and hematite iron ore, mineral sands, garnet and base metal concentrates grow in the future.

In addition, work continues with several new customers who could expand the range of new minerals traded through the Port, including pelletised iron ore, silica sand, kaolin, and spodumene.

Work also continued with several potential producers of renewable energy who are looking to produce green hydrogen, or green ammonia, in the Geraldton region that could be exported through MWPA to Asian markets. The highlight of this work was BP announcing that it was undertaking a \$4.4million feasibility study, to investigate the construction of a 20,000 tonne per annum renewable ammonia facility at Geraldton. BP noted that Geraldton was selected as the preferred location for the project due, in part, to its vast solar and wind resources and existing Port infrastructure.

In the fishing sector, work also continued with a select group of potential customers who are looking to develop aquaculture industries in the waters off Geraldton, and whose businesses could be facilitated within the Port precinct.







5.5

IT INNOVATIONS AND NEW WAY OF WORKING

3 GOOD HEALTH AND WELL-BEING



Innovation and Technology continues to be a key focus area for the Port with the key objective being to streamline organisation processes, improve efficiencies, and system access.

8 DECENT WORK AND ECONOMIC GROWTH



The upgrade of major systems such as our financial management system (IFS) and the introduction of the CAMMs suite to include business functions such as human resources, safety and sustainability, asset maintenance and operations, provides an integrated solution, and increased transparency across its business functions, aligning the Port operations with its strategy to improve systems, innovation

and technology.

Improved management of assets through data gathering capabilities will see MWPA become significantly more efficient with their process. MWPA will gain an improved understanding of asset use and condition assessments, as well as providing all Port functions visibility of all port based activities.

The transition to a unified communications platform with the commissioning of the NBN provided MWPA

with state-of-the-art video conferencing equipment for all meeting rooms at the Geraldton and Perth offices. This project has significantly improved the organisations ability to collaborate and conduct business across distance.

The ability to transition to a remote workforce in an extremely timely manner as a result of COVID-19 impacts, was a significant highlight for MWPA. In what was a relatively seamless transition, productivity within the Port was not affected, and employees adjusted to the remote working configuration with relative ease. In addition, the MSIC office (port security access) was required to close to the general public as a result of COVID-19. To ensure we were able to continue the provision of this service we developed an online booking tool, streamlining the booking process while ensuring the health and safety of our employees and visitors was considered.

In 2019, a GIS system was commissioned to provide a visual representation of the Port and its assets and infrastructure. This system is continuing to be developed and integrated into port operations. Once successfully established, it will provide detailed information of infrastructure, services and permit locations.

5.6

CRUISE

8 DECENT WORK AND ECONOMIC GROWTH



Off the back of our first overnight cruise call and associated celebrations in December 2018, MWPA has continued to invest heavily in Geraldton and the Mid West region as a valuable cruise destination.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



On Thursday, 13th February 2020, Mid West Ports welcomed our first double-header cruise visit with Seven

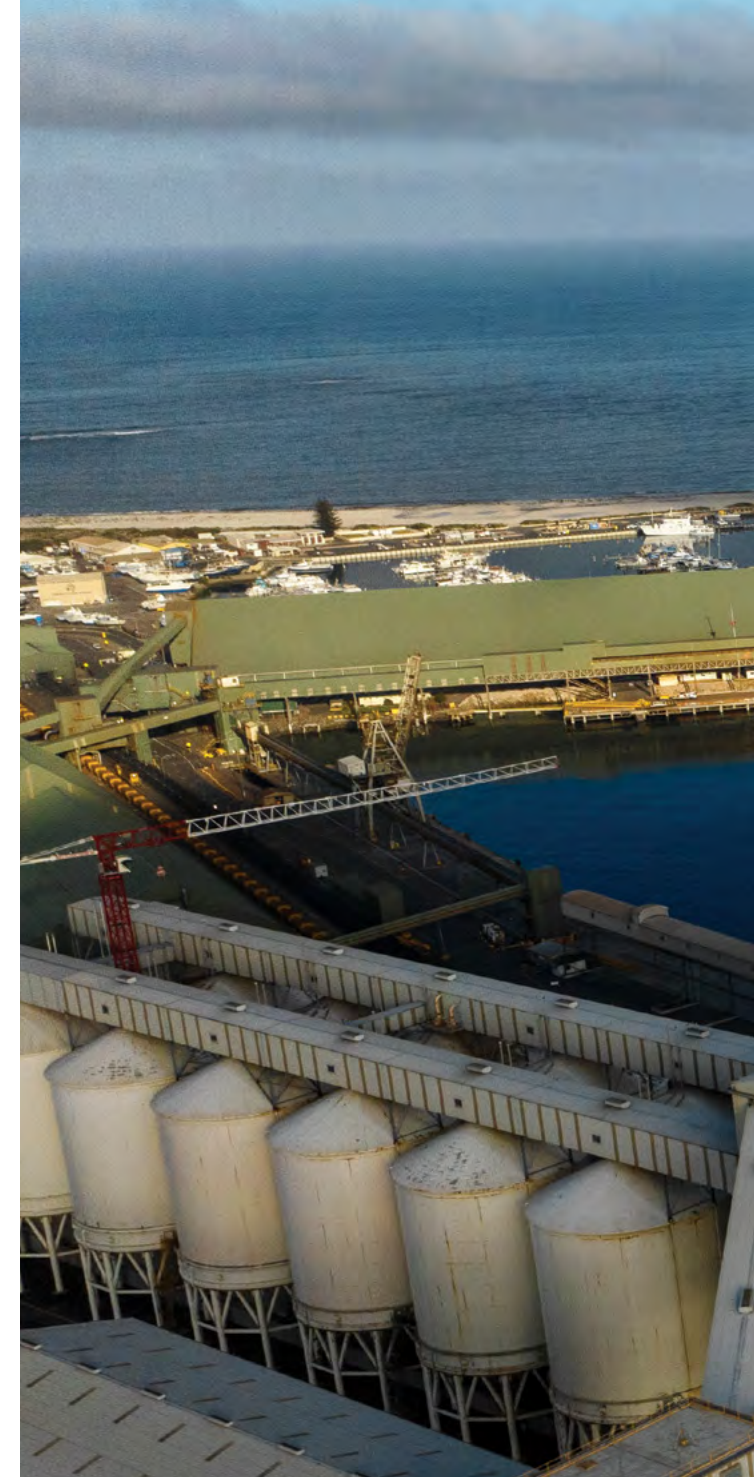
Seas Navigator and Vasco Da Gama carrying 2326 passengers and crew, coming alongside Berths 6 and 3 for the day.

Prior to the impact of COVID-19 on the cruise industry, it was the fastest growing tourism industry in the world.

Geraldton was experiencing a growth phase with cruise companies recognising the value in diversifying their itineraries, coupled with the recognition of the unique tourism product the Mid West has to offer.

MWPA had previously invested in shore tension units (STUs) resulting in 100% of cruise calls to berth in the harbour. The passenger experience is of significant importance in determination of a vessel calling at a destination. Prior to having access to STUs, most cruise vessels would have to anchor in the bay and tender passengers into shore, impacting passengers shore experience.

The world of cruise has changed in 2020 as a result of COVID-19. MWPA will continue to be invested in cruise in the future, recognising the benefits cruise brings to the Mid West economy and region, and our role in facilitating that benefit.





6.0

CONNECTED.

Strong relationships with our stakeholders underpin the ability of our organisation to create value. We are committed to fostering these relationships with our employees, customers, suppliers, government and our community through transparency on our activities and strategic direction, working to maintain our trust and reputation, and dedication to being a fair and caring employer, building a supportive and inclusive work culture.

Image: 2915 white ribbons, representing each police call out in the Mid West Gascoyne region for domestic violence in 2018.



6.1

CASE STUDY

COMMUNITY ENGAGEMENT



MWPA continues to place the highest value on the health, safety and wellbeing of its employees, stakeholders and community and it is with this in mind, the organisation has strategically positioned its community engagement activities in 2019/20 with a focus on mental health.



MWPA believes business and industry has a role to play, and a responsibility to actively pursue the promotion and improved awareness of mental health for our employees, and in our communities.

MWPA is committed to ensuring training, support and a work environment whereby our people thrive and achieve their best in every area of their life. 2019/20 has seen a renewed focus in this direction, with many of our initiatives having a focus on mental health for our staff, stakeholders, and our community.

In late 2018, we were the first local organisation in our region to sign on to the Community Respect and Equality Project, a regional prevention project that facilitates a whole-of-community approach to garnering commitment and action to prevent family violence.

In the last financial year, we have hosted Outside the Locker Room (OTLR) twice in Geraldton. OTLR

provides mental health education and welfare support to communities across Australia. We made their presentations and workshops available to our employees, stakeholders, the community, Mid West business and industry, local schools and sporting clubs during their visits.

In October 2019, we presented Headspace Geraldton, a free mental health service for local youth, an \$11,000 cheque after internal fundraising efforts.

In November 2019, we invited Desert Blue Connect to run a series of workshops discussing family violence, its impacts, recognising when and how to assist, and what resources are available. This was undertaken in conjunction with '16 Days in WA' to stop violence. MWPA staff tied 2915 ribbons to our train corridor fence representing each police call out in the Mid West Gascoyne region for domestic violence in 2018.

During the COVID-19 pandemic, we developed a Mental Health Toolkit, engaged BSS Psychology to run Resilience Training, provided access to videos on managing stress and anxiety, and introduced a custom designed management process for our vulnerable staff. In the community we ran a #kindnessmatters campaign on our social media channels, promoting tolerance and understanding as we moved through such uncertain times.

In 2019/2020 we sponsored the following mental health initiatives:

- Outside the Locker Room mental health education - \$10,000;
- Shine Inspire, Achieve, Belong - \$10,000; and
- International Men's Health - \$1020 to Beyond Blue via Blue Steel donation for the blue boots campaign.

It has been pleasing to witness the development of our staff as a result of the initiatives, education and thought leadership opportunities MWPA has undertaken. To date, nearly 30% of our workforce has voluntarily participated in Mental Health training. Our newly developed Health, Safety and Wellbeing Framework is committed to ensuring training support, and a work environment whereby our people thrive and achieve their best in every area of their life, and staff have implemented initiatives which develop mental health awareness within our organisation, but also influencing and educating our community in this space.

MWPA is committed to the wellbeing and mental health of our employees, stakeholders and in our community through the continued provision of education, understanding and uptake of thought leadership opportunities.

6.2

CONNECTING WITH OUR STAKEHOLDERS



Image: Perth's new Ferry, 'Trisha' built by MWPA stakeholder Dongara Boat Builders, sitting in the Fishing Boat Harbour waiting to be Tami-lifted out and transported by truck to Perth.



Image: employees on port.

11 SUSTAINABLE CITIES AND COMMUNITIES



Listening to our stakeholders, providing opportunity for two-way open dialogue, diagnosing issues and concerns and collaborating on a solution is very important to us. MWPA are moving from historically reactive communications to proactively communicating with our stakeholders, offering an integrated approach and ongoing conversation about our role, purpose, services, strategy, performance and issues.

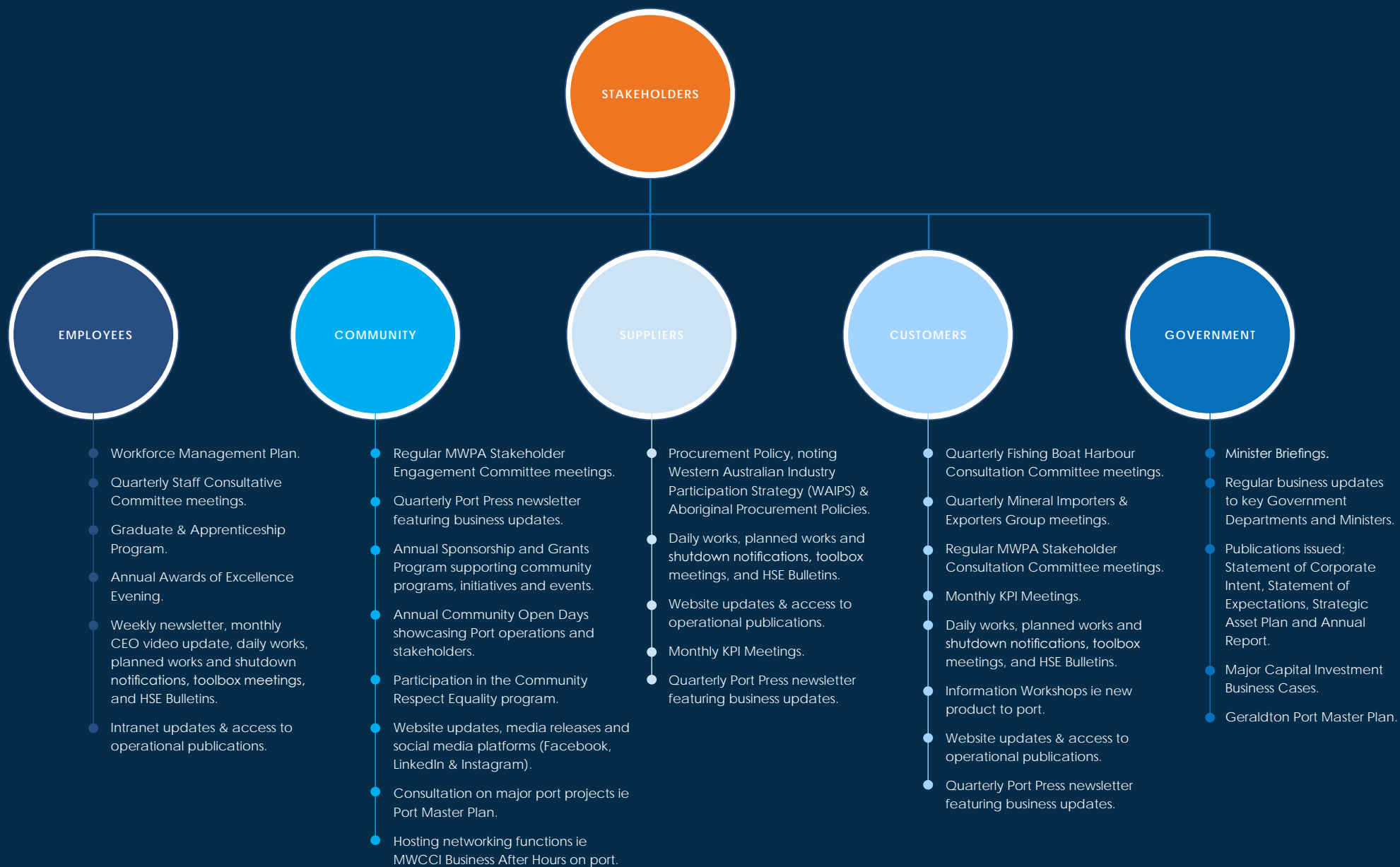
17 PARTNERSHIPS FOR THE GOALS



MWPA values the feedback from and information sharing on issues associated with strategic planning, new emerging projects, community concerns, the reporting and resolution of community complaints, responding to feedback, and any community initiatives and/or events with its stakeholders.

In 2019, MWPA re-established its Stakeholder Engagement Committee to provide a formal forum for discussion between MWPA and representatives of the local community and key stakeholder groups. In 2019/20 the committee came together in August, November, May and June.

MWPA recognise the fundamental importance of maintaining good working relationships, and facilitating these open and transparent communication channels. We have come a long way, but continue to pursue innovation and initiative through the collective intelligence and expertise of our people, reinforcing our commitment to connect with our stakeholders.



6.3

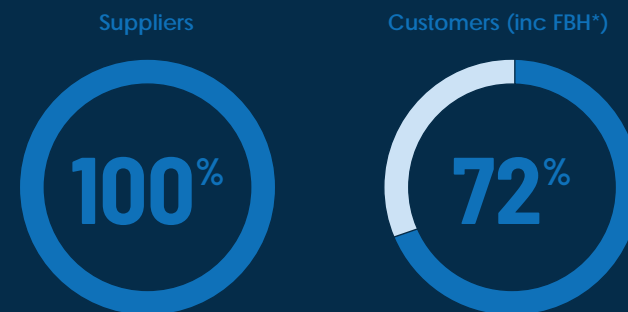
2020 SURVEY RESULTS

In March 2020, MWPA undertook a stakeholder and community survey to measure perceptions of MWPA's reputation, understand the factors driving MWPA's reputation and to identify how MWPA can improve its relationship with its stakeholders.

REPUTATION



SATISFACTION



OPPORTUNITIES



Involve the community in port operations to build awareness and reputation.



Promote MWPA initiatives and programs we implement in the environmental and sustainability space.



Continuous improvement in business practices and processes.



Build open and transparent communications with all our stakeholders.



Improve our value add proposition for port users.

*FBH = Fishing Boat Harbour

6.4

ANNUAL COMMUNITY SPONSORSHIP

17 PARTNERSHIPS FOR THE GOALS



MWPA supported many local organisations, events and initiatives in 2019/20 that contributed to the overall wellbeing and success of our port communities. Through our sponsorship program, we awarded just over \$100,000 to 22 community organisations, events and initiatives that benefited Geraldton and the Mid West region.

As an organisation, we were proud to support the facilitation of educational opportunities within our community by sponsoring the Geraldton Universities Centre's Hollomby Foundation Scholarship Program. This allowed for two scholarships to be awarded to students studying Engineering and Environmental Science locally.

We also sponsored \$10,000 each to Shine Geraldton who support, educate, and empower young women with life skills who are at risk of disengaging from the conventional education system, and Desert Blue Connect who provide holistic services for women and families which include women's health, unplanned pregnancy support, sexual assault services, family violence response, crisis accommodation for women and children and primary prevention.

In addition, we also donated \$10,000 to Outside the Locker Room who raise awareness and education around mental health in the community, and \$10,000 to the Royal Flying Doctors to assist in the continued provision of critical health services in rural and remote Australia.

Our sponsorship also assisted in the running of several community events, initiatives, and sporting clubs, including Latitude Gallery's Flotsam & Jetsam 2020, Festival of Lights and Harmony Day, the MACA Cancer 200: Ride for Research, Mission to Seafarers, Australian Red Cross, the Geraldton Yacht Club competitive season, Geraldton Women's Refuge, Geraldton Boardriders, Ocean Heroes Limited, Variety WA Mid West, Charity Begins at Home, Australian Red Cross, Northern Agricultural Catchments Council, Geraldton Scouts, Geraldton Bowling Club and Geraldton Touch Football.

Separate to our annual sponsorship budget, our team also rallied to raise \$11,000 to support the vital services of Headspace Geraldton by the auction of several unused items on Port. A cheque was presented to the organisation during our annual Business After Hours event.



Image: Dr Macdonald presenting Darby Thompson and Fiona Stewart from Headspace Geraldton with their \$11,000 fundraising cheque.



Image: Pamela Riggs with her winning art piece 'The Laughing Kookaburra' at the Flotsam & Jetsam Opening, with MWPA CEO Dr Rochelle Macdonald who presented the award.

SHINING A LIGHT ON MENTAL HEALTH



The mental health of our staff and Port community continued to be an important mission for MWPA in 2019/20.

MWPA facilitated AFL greats Robert DiPierdomenico and Jake Edwards to visit Geraldton twice over this financial year, as they helped start the conversation on mental health awareness across Western Australia through their 'Outside the Locker Room' (OTLR) initiative.

During their visit in July 2019, the team from OTLR met with our male staff for a private breakfast and candid discussion about men's health, before hosting over 200 high school students for a workshop at the Queens Park Theatre.

Later that evening the pair returned to the stage to share their personal stories with several hundred community members. After finishing a jam-packed day in Geraldton, OTLR received dozens of messages from students and community members reaching out with messages of thanks and support.

Following their resounding success, we welcomed the opportunity to support OTLR as sponsors in 2020 when they toured WA to present the "Stigma Stops Here" program.

As they made their way around Western Australia to help start the conversation on mental health, OTLR stopped in to present.

MWPA went on to facilitate their presentation at four local high schools to help deliver their message in classrooms across Geraldton. During each of these sessions, staff and students alike pledged to stop the stigma on mental health in our community.

The pair also helped our staff recognise International Women's Day during their visit to Port by celebrating the Each for Equal campaign.



Image: OTLR & MWPA staff recognising International Women's Day.



Image: Jake Edwards and Robert DiPierdomenico on port for a breakfast conversation on mental health awareness.



Image: MWPA employees Steve Pratt, Ray Pead and Scott Beaver proudly wearing their blue boots.

6.6 / BLUE BOOTS CAMPAIGN



MWPA set out to raise awareness of International Men's Health in February by raising funds for two very important causes.

By lacing up a new pair of blue boots, each of our staff members made a personal donation to the Men's Shed Geraldton Incorporated, while \$10 from every pair sold going directly to Beyond Blue via the bootmakers Blue Steel.

The eye-catching colour also helped to spark many conversations within our community about the importance of men's health.



Image: Cruise Geraldton Meet and Greet Volunteers after their award announcement.

6.7 / VOLUNTEER CRUISE AWARD



The Cruise Geraldton Meet and Greet Volunteers were awarded the 'Community Group of the Year' during the City of Greater Geraldton Australia Day Awards in January 2020.

In rain, hail or shine, these volunteers are always there with a smile to help welcome our cruise ship passengers to Geraldton and promote tourism in our region.

Volunteers are vital in the delivery of an exceptional passenger experience for our cruise visitors. MWPA also recognises that volunteering provides another connection between our organisation, and our community and its people.



Image: Business After Hours on port as viewed from a Switzer Tug.

6.8 / BUSINESS AFTER HOURS



MWPA teamed up with the Geraldton Fishermen's Co-operative and Switzer Australia to host a record-breaking Mid West Chamber of Commerce & Industry (MWCCI) Business After Hours networking event in October 2019.

As members of the MWCCI, we transformed our maintenance workshop into a pop-up events space and welcomed 201 business and community members "behind the fence" for an evening on Berth 1.

MWPA also took the opportunity to trade in our orange and blue PPE for a splash of pink for the occasion, in honor of Breast Cancer Awareness Month. Through the fundraising initiative, our staff have raised over \$1100 for the second-year running to support the vital services of the National Breast Cancer Foundation.

6.9 / PEOPLE & CULTURE



The annual Evening of Values and Excellence was held on port this year and again recognised and rewarded MWPA staff that 'uphold and live the MWPA's Values'.

This year Shannon Nicholson and Anita Kain received the awards selected by the MWPA Board, while Jimmy Greenlees, Sam Cockerill, Shannan Dunn, Kylie Reynolds, Paula Hopkins and Julie Pilsneniks received awards chosen by the MWPA Executive team.

Employees continued service and commitment to MWPA was also recognised at the event with the following 'Years of Service' awards presented:

- 5 years - 6;
- 10 Years - 2;
- 20 Years - 1; and
- 30 Years - 1.

Staff Survey

During the year MWPA conducted an Organisational Culture Survey that assessed and collected data on MWPA's current and ideal culture. The results and data collected was presented and shared with all employees and provides MWPA opportunities for improvement and to improve culture during organisation and environmental change. The Executive and Leadership Group continue to work together with all staff striving to achieve the ideal culture as determined through the process.

6.10 / LEADERSHIP & DEVELOPMENT



As part of the Organisational Culture Survey the MWPA Leadership team participated in a 'Leadership 360 Degree' review and professional development program that provided the leadership team the support and training to continue to improve the organisational culture and develop their own skills and knowledge while becoming better leaders.



Flexible Working

3 employees working part-time, average FTE 0.6.
Accommodating return to work following maternity leave and parental care needs.

During the peak of the COVID-19 crisis a number of staff worked remotely and on rotating shift to ensure the risk of any possible infection was reduced.

Employee Development

MWPA continue to place a strong focus on workforce development and encourage our staff to undertake training and development opportunities. Over the past 12 months, employees attended 425 training sessions. The training sessions consisted of a mixture of compliance, soft skills and culture improvement.

Some of the training highlights included:

- Leadership/Impact® workshops;
- Supervisors Culture workshops;
- Bullshift workshops;
- Operation of Survival Craft;



- Skid Steer;
- Basic Traffic Management and Traffic Controller;
- Working at Heights;
- Verification of Competencies;
- First Aid;
- Mental Health First Aid;
- Cert IV Training and Assessment full and upgrade;
- Business Case Writing;
- Financial Investment;
- Electrical Responsibilities for Managers;
- High Voltage Switching Operator assessments;
- Resilience Training;
- Global Maritime Distress and Safety System; and
- Diploma of Leadership and Management.

In addition to this, staff have undertaken many internal training sessions learning new programs relevant to MWPA including our ERP and associated systems.

6.11 / DIVERSITY & INCLUSION



- 49 employees declared born outside of Australia.
- 1 employee declared Aboriginal.
- 3 employees declared to be living with a disability.



Gender Balance*

- 29 Females.
- 100 Males.
- 0 Gender neutral.

6.12 / EMPLOYEE HEALTH AND WELLBEING



Mid West Port Authority continues to offer a diverse health and wellness program that supports the positive mental and physical health and wellbeing of all employees. Programs during the year including skin cancer checks, flu vaccinations, mental health first-aid training and first-aid training, ergonomic assessments, and resilience training.

MWPA were also involved in raising money for Beyond Blue and Men's Health by purchasing 'Blue Boots'.

The current employee assistance program is also well utilised by employees and family members, with positive links to overall workplace performance.

excludes casual employees



6.13 / OCCUPATIONAL HEALTH



An innovative Health and Hygiene Management Plan (HHMP) has been developed and replaces the previous Occupational Hygiene Risk Assessment and Surface Ventilation Plan. This

approved and current HHMP is a requirement of the *Mines Safety and Inspection Act 1994 (WA)* and provides MWPA with the clarity and surety that all monitoring activities and reporting completed, comply with legislative requirements.

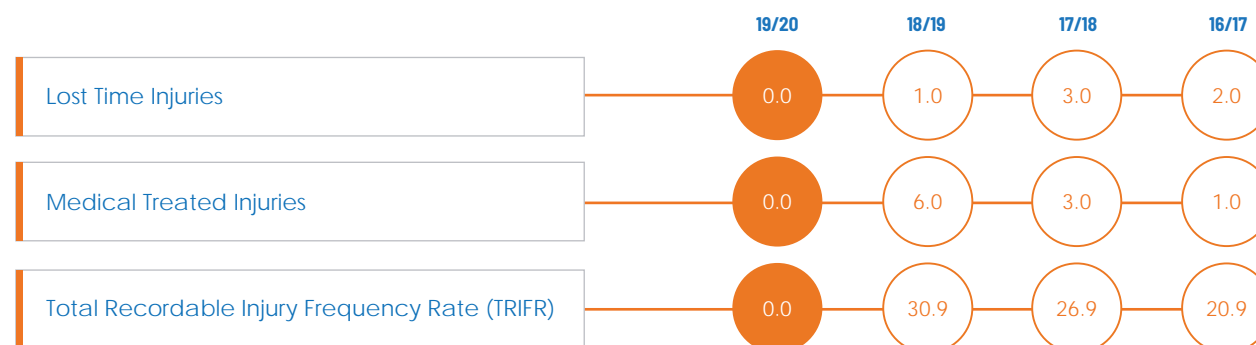
MWPA worked extensively with external consultants to collaborate and produce a document that covers all areas of Occupational Hygiene for staff and stakeholders of the Mid West Ports Authority.

The Safety business unit has progressed with the fit out of a dedicated Occupational Monitoring office on Port, and the purchasing of audiometric Ear-Fit testing equipment which will establish a quantitative measurement of each employees personal noise protection equipment. An updated monitoring schedule has been implemented, which includes a more wide spread biological testing regime incorporating two of our major contractors on site.

The data obtained and reported on this schedule will allow MWPA to make more informed decisions on the performance of our infrastructure, processes and supporting procedures.



SAFETY STATISTICS





7.0

BALANCED.

Conscious of our impact of our operations on the surrounding environment in which we function and live, we continually look to improve our environmental performance. Sustainability and environmental initiatives continue to be pursued.

7.1

CASE STUDY

BENTHIC HABITAT MAPPING



Mid West Port Authority has undertaken a number of studies, with the Benthic Habitat Mapping a baseline study to further understand the current state of the marine environment, and how

natural and human induced impacts, can affect short-term and long-term changes to sensitive marine communities.

In April 2020, a marine survey of the seabed was completed to identify the locations of critical marine communities along the seabed, such as seagrasses, corals, or macroalgae limestone rock shelves. These critical underwater environments provide shelter and food sources for the western rock lobster, crabs, and many other marine species.

Utilising innovative Go-Visions technology provided by Geo Oceans, spatial data on the seafloor structure and the underwater plants living on the seabed are collected to produce a map modelling the distribution of key marine seabed communities within Champion Bay and surrounding areas of Geelvink Channel and Point Moore. It has been some time since a Marine Habitat Map showing the seabed communities in Champion Bay was completed by MWPA.

This Marine Habitat map provides vital information to Mid West Ports Authority for planning of future projects to ensure the safe operation of our navigational infrastructure, including our shipping channels.

Marine seabed habitat maps form part of the environmental studies undertaken in preparation for channel and harbour optimisation works to ensure potential environmental impacts to these sensitive communities can be managed.

In delivering strategic development plans, MWPA aims to achieve best practice in environmental management across all port services and activities, effectively managing environmental risks to minimise impacts to the environment.



In delivering strategic development plans, MWPA aims to achieve best practice in environmental management across all port services and activities, effectively managing environmental risks to minimise impacts to the environment.

Initiatives to further integrate environmental management into business processes and promote continual improvement have been incorporated in the Statement of Corporate Intent.

‘Operating in BALANCE with the Environment’ is a fundamental objective with goals and measures set to drive performance toward:

- Improved whole of Port Environmental Outcomes;
- Increased Environmental Advocacy and Transparency; and
- Quality Integrated Management Systems.

7.2 / ENVIRONMENTAL MANAGEMENT



To ensure excellence in environmental management, MWPA maintains an Environmental Management System which was externally certified to the new ISO14001:2015, and forms part of the Integrated Management System. This system ensures all activities are legally compliant, controlled, subject to pollution and waste minimisation strategies, monitored and subject to continual

improvement. MWPA routinely and actively monitors and reports on water quality, air quality, marine sediments and marine pests amongst other aspects of its environmental footprint.



Air - Air quality monitoring is conducted around the Port boundary using a network of Tapered Element Oscillating Microbalance (TEOM) monitors and High Volume Air Samplers. Real-time emissions are displayed via Envirosuite, this allows proactive action to be taken to address dust levels during operations. All results are compared to the National Environment Protection Measure (Ambient Air Quality).

Water - MWPA undertakes a comprehensive annual Marine Water Quality monitoring program including marine sediment analysis and passive water sampling. This allows us to assess any port-related environmental impacts and guide appropriate management actions.

Land - This year saw the implementation of Type 1 & Type 2 Plastic recycling across the Port. This initiative expands our current waste management program which already included cardboard, paper and waste oil recycling.

Wildlife - MWPA continued the State Wide Array Surveillance Program (SWASP) to detect introduced marine pests within the Geraldton Port, Fishing Boat Harbour and Geraldton Marina. This program is conducted in collaboration with the Department of Primary Industries and Resource Development (DPIRD) and other WA Port Authorities.

7.3 / BIOSECURITY



In accordance with the *Biosecurity Act 2015*, MWPA undertook a rigorous program of auditing and education to ensure the Port was compliant with the Biosecurity Standards for ports resulting in a new *Biosecurity (First Point of Entry—Port of Geraldton) Determination* being issued in June 2019. Biosecurity is recognised as a critical part of the Port’s operations and commitment to the Mid West region and communities. The Port and its staff play a key role in ensuring pests and diseases that could threaten the economy and environment are prevented from entering Australia. MWPA supports

the Department of Primary Industry and Regional Development (DPIRD) in its efforts to detect pests to initiate immediate response to minimised impacts.

MWPA houses a collaborative bee surveillance monitoring program to ensure early detection and eradication of pest bee species or disease.

MWPA continues to collaborate with other WA ports and DPIRD in the state-wide marine pest monitoring program. The program is the largest collaborative monitoring model in the world, where samples of marine growth are collected on settlement arrays with DNA extracted and compared against a reference library of DNA from known marine pest species. If a match is found this would indicate the potential presence of that species. With a network of 11 port locations spanning 11,000km of the Western Australian coastline, the program allows ports and regulators to rapidly identify and respond to a potential marine pest invasion.

7.4 / BEACH NOURISHMENT PROGRAM

13 CLIMATE ACTION



15 LIFE ON LAND



MWPA currently has a Memorandum of Understanding (MOU) with the City Greater Geraldton to supply sand to the town and northern beaches, from Beresford to Chapman River. In addition to this MOU, MWPA targeted sand accretion near the Fishing Boat Harbour entrance, supplying sand to Beresford foreshore at Kempton Street. This had a dual benefit of providing additional sand to the CGG while minimising the risk to the commercial fishing fleet by removing sand, and preventing the migration of sediments into the fishing harbour channel.

BEACH	SAND VOLUME BY-PASSED	OBLIGATION
St Georges	4,711 m ³	MOU Obligation
Foreshore North	22,899 m ³	MOU Obligation
Kempton Road	10,481 m ³	Supplement to MOU

The total volume of sand handled under the program in 2019/20 was 38,091m³.



7.5 / SPECIES IN THE SPOTLIGHT - SEA LIONS

14 LIFE
BELOW WATER



15 LIFE
ON LAND



As part of workforce environmental awareness, the Sustainability team showcase species that frequent the Port of Geraldton, promoting management strategies for protecting the unique wildlife of the Coral Coast. One such species is *Neophoca cinerea* – the Australian Sea Lion.

The Coral Coast provides important breeding grounds, and the Geraldton Port is used regularly as a haul-out site. During the non-breeding season, the Australian Sea Lion uses a variety of habitats within the Port including the rocky terrain created on rock walls and groynes, sandy platforms on reclamation areas, and cave like rock ledges under the Berths within the commercial harbour.

The Port identifies sea lion conservation measures and drive initiatives such as: habitat creation and protection, the collection of marine debris, improving the workforce understanding of the threats to Australian Sea Lion populations, monitoring the health of the population within the Port, reporting sick and injured animals to DBCA (Parks and Wildlife), and seeking opportunities to educate Port users, as well as community members, tourists, and tourism operators who utilise the Fishing Boat Harbour.

The prevalence of sea lions who take refuge amongst our operations is testament to MWPA's ability to work in balance with our environment.



7.6 / SUSTAINABILITY INITIATIVES

11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



The Sustainability team at MWPA has been challenging the workforce to come up with creative ways to address reducing waste in the workplace and this year we have had some great initiatives from the following people:

Dennis Kerley – Collecting Coffee Grinds from the various coffee machines around the Port and recycling them to grow mushrooms.

Damien Healy – Aluminium Can Collection. A new aluminium can collection bin was launched in the FBH in November.

Wayne Stuart – Recycling Boots. With a vast majority of our workforce wearing steel capped boots to work every day, providing a recycling option has been a clever initiative in our environment.

Brooke Harding – Lids 4 Kids collections at each common area to assist with donations toward the reuse of the plastic in building 3D printed prosthetic limbs for children.

Julie Pilsneniks – Book Exchange with employees donating read books and borrowing books donated. A revolving library system encouraging books to be read numerous times.

On March 3rd our workforce participated in Clean Up Australia Day. Groups collected litter surrounding the Port including at the Geraldton Foreshore, Fishing Boat Harbour and Oakajee. Our efforts contributed to keeping our local community tidy and conserving our Environment.



Image: Wharf Supervisor, Damien Healy with the newly installed aluminium can collection point in the FBH

8.0

GOVERNANCE.

8.1 / LEGISLATION



MWPA is constituted and operates under *Western Australia's Port Authorities Act 1999 (The Act)*. The Act prescribes the following as port authority functions:

- a) facilitate trade within and through the Port and plan for future growth and development of the Port;
- b) undertake or arrange for activities that will encourage and facilitate the development of trade and commerce generally for the economic benefit of the State through the use of the Port and related facilities;
- c) control business and other activities in the Port or in connection with the operation of the Port; and
- d) be responsible for the safe and efficient operation of the Port;
- e) be responsible for maintaining Port property;
- fa) be responsible for Port security; and
- f) protect the environment of the port and minimise the impact of Port operations on that environment.

MWPA is required to perform its functions in accordance with its strategic development plan and statement of corporate intent, in compliance with its capital expenditure limits and in a manner that will achieve the financial outcomes as approved by Government.

MWPA must act in accordance with prudent commercial principles and endeavour to make a profit. The Act confers exclusive control of the port to MWPA. The Minister for Ports may give the Board directions in respect of the performance of the functions.

8.2 / GOVERNING BOARD

MWPA is governed by a Board comprising a Chair, Deputy Chair and four Directors, all appointed by the Minister. The Board of a port authority is its governing body and is charged with performing the functions, determine the policies and control the affairs of the port authority.

In appointing Directors, the Minister is guided by relevant governance guidelines published, approved, endorsed or administered by the Minister for Public Sector Management. A member of staff is not eligible to be appointed as a Director. Each Director holds office for a period not exceeding 3 years and is eligible for reappointment. Directors are paid out of the funds of MWPA with remuneration as determined by the Minister.

8.3 / CONFLICTS OF INTERESTS

A Director who has a notifiable interest in a matter involving MWPA, must as soon as possible after the relevant facts have come to the Director's knowledge, disclose the nature of the interest. At the beginning of each Board meeting, Directors are given the opportunity to update their previous disclosures and any changes are recorded in the minutes of the relevant board meeting.

8.4 / REPORTING

MWPA is required to keep the Minister reasonably informed of the operations and its financial performance. It achieves this through formal and informal channels, including quarterly "shareholder meetings" with the Minister, and through its obligation to submit a consolidated half yearly report to the Minister within two months from the end of the reporting period, or such other time as agreed by the Minister. Copies of this report must also be provided to the Treasurer.

MWPA is also required to prepare an annual report on its operations, and this must contain such information

as is required to be included in the report to enable an informed assessment to be made of MWPA's performance. It must also include in this report commentary on any significant issue relating to its performance.

8.5 / FINANCIAL ADMINISTRATION

MWPA must comply with sections 81 & 82 of the *Financial Management Act 2006 (WA)* as if it were a statutory authority with the Board being the accountable authority. The annual financial report must be audited by the Auditor General who must form an opinion about the report's compliance with accounting standards and about whether it represents a true and fair view of the financial position of the organisation.

8.6 / CODES OF CONDUCT

MWPA places the highest emphasis on ethical behaviour in the workplace. As such, the Board has developed a Code of Ethics and Conduct that applies to all Board members and employees. The Code complies with Public Sector Standards and is designed to assist Directors and employees to fully understand their rights, responsibilities and obligations in their respective roles.

The Code of Ethics and Conduct is incorporated into MWPA's comprehensive induction program delivered to all new Directors and staff on commencement and is displayed on noticeboards throughout the worksite. The Code is supported by a suite of human resource procedures designed to ensure that the actions and decisions MWPA makes are made in a transparent, impartial and unbiased way.

A comprehensive review was undertaken of the Code of Ethics and Conduct to ensure it met the Public Sector Commission requirements, this is reviewed by the Board biannually.



Image: Geraldton Port Authority Inaugural Board 1969.

From left to right: Bob Scott, Kevin Critch, Chair Frank Lemmon, Ian Bogle and Alan Dutton.

8.7 / RECORD KEEPING

MWPA is required to comply with the terms of the *State Records Act 2000 (WA)* and maintains a Record Keeping Plan in accordance with the requirements outlined in section 16 of this Act. The Record Keeping Plan is lodged with the State Records Office and is reviewed at least every three years.

8.8 / ENTERPRISE RISK MANAGEMENT

The manner in which organisational records are managed is important for accountability and the retention and retrieval of corporate knowledge. MWPA is also required to comply with the *State Records Act 2000 (WA)*. MWPA has developed a new Record Keeping Plan - a requirement under the State Records Act - that sets the framework for management of its corporate information.

8.9 / INCIDENT REPORTING PROCESS

Incident reports are lodged through the incident management system "CAMMS" and tracked to ensure follow up and feedback is provided to the complainant. Complaints are treated as opportunities to improve Port services.

8.10 / INTERNAL AUDITS

Internal auditing is an independent, objective assurance and review activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

8.11 / CORPORATE DELEGATIONS POLICY AND MANUAL

In 2020 MWPA put in place a Corporate Delegations Framework - consisting of a policy and a manual - that establishes a clear and consistent approach to the delegation of authority for the operational running of the organisation. The manual documents, consistently with the *Port Authorities Act 1999 (WA)*, the existing delegations of authority from the Board to management. The delegations ensure that the most appropriate individuals can act to make decisions on behalf of the organisation within the scope of their roles and responsibilities.



9.0

ANNUAL FINANCIAL STATEMENTS.

The Board of Directors of the Mid West Ports Authority
("the Authority") has pleasure in submitting its report for
the financial year ended 30 June 2020.

9.1

DIRECTORS' REPORT

1. DIRECTORS

The directors of the Authority at any time during or since the end of the financial year are:

BOARD MEMBER	TITLE	APPOINTMENT
Dr Sue van Leeuwen	Deputy Chair & Non-Executive Director	Appointed January 2016, Term expired 13 July 2020
Kate Watson	Non-Executive Director	Appointed February 2018
Susan Barrera	Non-Executive Director	Appointed July 2018, appointed Deputy Chair 13 July 2020
Noel Hart	Chair & Non-Executive Director	Appointed July 2019, appointed Chair 01 February 2020
Lara Dalton	Non-Executive Director	Appointed August 2019
Peter Creek	Non-Executive Director	Appointed February 2020
Robert Willes	Non-Executive Director	Appointed July 2020

Directors whose terms expired during the financial year were:

BOARD MEMBER	TITLE	APPOINTMENT
Angie Paskevicius	Non-Executive Director	Appointed February 2018, Term expired 19 August 2019
John Elkington	Chair & Non-Executive Director	Appointed February 2017, Term expired 31 January 2020

2. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Authority during the financial year are:

Number of meetings held

BOARD MEETINGS	GOVERNANCE COMMITTEE	STRATEGY & RISK COMMITTEE	FINANCE & AUDIT COMMITTEE
10	2	4	4

Number of Meetings Attended by:

	BOARD MEETINGS ELIGIBLE TO ATTEND	BOARD MEETINGS ATTENDED	GOVERNANCE COMMITTEE MEETINGS ATTENDED	STRATEGY & RISK COMMITTEE MEETINGS ATTENDED	FINANCE & AUDIT COMMITTEE MEETINGS ATTENDED
Dr S van Leeuwen	10	9	1	4	3
K Watson	10	10	0	4	0
S Barrera	10	10	1	1	3
N Hart (Chair, appointed 01 February 2020)	10	9	2	2	2
L Dalton (appointed 19 August 2019)	8	7	1	0	0
P Creek (appointed 1 February 2020)	3	3	0	0	1
A Paskevicius (expired 19 August 2019)	2	0	0	1	0
J Elkington (expired 31 January 2020)	6	5	1	3	2

3. PRINCIPAL ACTIVITIES

The principal activities of the Authority during the course of the financial year were:

- (a) Trade Facilitation;
- (b) Managing and administering the Commercial Shipping Harbour;
- (c) Managing and administering the Fishing Boat Harbour;
- (d) Managing the Assets of the Port; and
- (e) Managing the Environment of the Port.

There were no other significant changes in the nature of the activities of the Authority during the year.

Objectives

For the 2019/20 financial year the Authority had five Strategic Objectives and two Enabling Objectives:

Strategic Objectives

- Facilitate, Protect and Grow Trade and Tourism;
- Supply Chain Enabled;
- Development Strategies Realised;
- Engaged Customers, Community and Stakeholders; and
- Operate in Balance with the Environment.

Enabling Objectives

- Systems Innovation and Technology; and
- Workforce and Culture.

In order to meet these objectives, the following goals were set for the 2019/20 financial year:

OBJECTIVES		GOALS				
Facilitate, Protect and Grow Trade and Tourism	Improve Revenue Diversification and Growth	Improve Underlying Profit	Improve Long Term Business Value	Increase Regional Economic Contribution		
Supply Chain Enabled	Facilitate Strong Strategic Partnerships	Transparent Service Offering & Clear Role as Supply Chain Enablers				
Development Strategies Realised	Plan for the Future and provide a gateway for trade and tourism	Provide Quality Infrastructure				
Engaged Customers, Community and Stakeholders	Run a Safe, Efficient and Cost-Effective Service Offering	Engaged, Easy to do business with and deliver on our Promise	Shape Government Policy and Legislative Reform			
Operate in Balance with the Environment	Improve Whole of Port Environmental Outcomes	Increase Environmental Advocacy and Transparency	Quality Management			
Systems Innovation and Technology	Facilitating and Enhancing Port Assets to Retain Trade and Enable Growth	Optimising Asset Management and Productivity	Improving Operational Efficiencies and Optimise Service Offering	Embedding Enterprise Wide Risk & Project Management	Creating a Single Source of Truth	Providing Technology Solutions that Enhance Business Objectives, Processes and Outcomes
Workforce and Culture	Embedding Advance Safety Leadership	Build Leadership Capability	Build the Workforce of the Future	Build Workforce Culture and Employee Engagement	Champion Difference, Diversity and Inclusion	

4. DIVIDENDS

Dividends paid or declared by the Authority since the end of the previous financial year were:

Dividends of \$4,124,355 were declared and paid in December 2019 as a final dividend for the 2018/19 year. There was no interim dividend declared or paid to the WA State Government for 2019/20.

5. OPERATING AND FINANCIAL REVIEW

Review of operations

Comments on the operations and the results of those operations are set out below:

	2020	2019
Total trade (tonnes)	14,949,510	15,905,172
	\$'000	\$'000
Revenue from cargo	24,120	26,638
Revenue from ships	37,118	38,299
Revenue from ship services	10	17
Other revenue and income	6,509	6,513
Total revenue and income	67,757	71,467
Less expenditure	50,695	50,636
Operating profit before tax	17,062	20,831
Income tax on operating profit	(5,311)	(6,167)
Operating profit after tax	11,751	14,664

Commentary on operating results

The results to the end of June showed Operating Profit before Tax of \$17.1M. This is a 18% decrease over the 2018/19 result. Revenue for the year was \$3.3M below the previous year, mainly due to a normalised grain harvest (following an exceptional harvest during 2018/19), lower mineral sands and iron ore trade, partially offset by higher metals concentrate trade. Operating costs were marginally higher than 2018/19.

Strategy and future performance

For the major goals that have been defined, strategies/initiatives/projects to achieve these goals and associated outcomes have been developed and adopted. Action plans and timelines are derived from the strategic plan to ensure the timely achievement of the outcomes.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Authority that occurred during the financial year 2019/20.

7. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Authority, to affect significantly the operations of the

Authority, the results of those operations, or the state of affairs of the Authority, in future financial years.

8. LIKELY DEVELOPMENTS

There are no likely developments which are expected to impact on the results of the operations.

9. DIRECTORS' EMOLUMENTS

In accordance with Section 13(c)(ii) of Schedule 5 of the Port Authorities Act 1999, the nature and amount of each major element of remuneration of each director of the Authority, each of the three named officers who received the highest remuneration are:

(a) The Minister for Ports determines the level of remuneration for Board members. The nature and amount of the emoluments of each Director are set out below.

1. Short Term Benefits

Cash salary, fees, short term compensated absences
Non-monetary benefits

2. Post-Employment Benefits

Superannuation

3. Other Benefits

Allowances, termination Payments

4. Long Term Benefits

Long Service Leave

	SHORT TERM BENEFITS (1)	POST EMPLOYMENT BENEFITS (2)	OTHER BENEFITS (3)	LONG TERM BENEFITS (4)	TOTAL
	\$	\$	\$		\$
Dr S van Leeuwen	40,781	3,874	Nil	Nil	44,655
J Elkington	41,309	3,924	Nil	Nil	45,233
K Watson	34,932	3,319	Nil	Nil	38,251
A Paskevicius	6,112	581	Nil	Nil	6,693
D Utting*	1,438	137	Nil	Nil	1,575
S Barrera	35,030	3,328	Nil	Nil	38,358
N Hart	46,585	4,426	Nil	Nil	51,011
L Dalton	26,101	2,480	Nil	Nil	28,581
P Creek	13,398	1,273	Nil	Nil	14,671

(b) The top three remunerated officers of the Authority are:

	SHORT TERM BENEFITS (1)	POST EMPLOYMENT BENEFITS (2)	OTHER BENEFITS (3)	LONG TERM BENEFITS (4)	TOTAL
	\$	\$	\$		\$
Leon Strydom	118,713	16,442	285,173	2,644	422,973
Rochelle Macdonald	297,556	28,244	21,020	6,908	353,727
Raymond Pead	287,399	27,534	23,020	9,136	347,089

10. ENVIRONMENTAL REGULATION

The Authority's activities are subject to environmental regulation under both Commonwealth and State legislation as applicable to any Australian commercial entity. Specific to Ports, the Authority's activities are also regulated by the Port Authorities Act (1999) which requires Authorities to 'protect the environment of the port and minimise the impact of port activities on that environment'. Through implementing a continually evolving Environmental Management System, the Authority maintains a high standard of performance and are able to advance various environmental initiatives.

To comply with the Environmental Protection Act (1987) the Authority is required to hold an Environmental Licence which allows Category 58 Bulk material loading or unloading activities to occur. The Department of Water and Environmental Regulation administers the licence and monitors the Authority's compliance with the condition pertaining to its activities within the prescribed area.

11. ENVIRONMENTAL MANAGEMENT

To ensure excellence in environmental management, the Authority maintains an Environmental Management System which is externally certified to ISO14001:2015 and forms part of the Integrated Management System. This system ensures all activities are legally compliant, controlled, monitored, prevent pollution, reduce waste and drive continual improvement in performance. The Authority actively monitors and routinely reports on air quality, marine sediments, marine pests and water quality amongst other aspects of its environmental footprint.

These fundamental building blocks, together with the ongoing cultural transformation, promotion of safe work practices, encouragement and awareness regarding incident reporting and proactive management of high risk activities, has positioned the Authority to continue to strengthen and mature our safety culture and continue to grow as an industry leader.

12. SAFETY MANAGEMENT

The Authority recognises safety as its priority across all of its operations. To ensure adequate and safe systems are developed, implemented and monitored the Authority has established an Integrated Management System which has an emphasis

on the development and continual improvement of the Safety Management System (SMS), with the SMS being externally certified to AS/NZS4801:2001. The Authority has established and ingrained core values and company behavioural expectations, with a visible commitment to employee wellbeing, health and safety.

13. COVID-19 IMPACT

The Authority has been impacted by COVID-19 through the introduction of new and changes to, existing procedures. These procedures related to access to the Port of staff, vessels and crew sailing from International locations, contractors and customers. A 14 day quarantine time frame was implemented early in March to manage the risk of the spread of the virus. MWPA introduced mandatory working from home for those staff who could do so, critical roles were identified with rosters amended to ensure operations could continue, daily incident meetings held and provision of additional personal protective equipment and supplies as well as additional cleaning of all facilities and offices was implemented. The trade throughout March to June was impacted with the reduction in principally the Minerals Sands and Talc commodities. MWPA is well along its Recovery Plan, however, remains vigilant to the introduction of the virus.

14. ROUNDING OFF

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

This report is made with a resolution of the directors:



Noel Hart

Chair
31 August 2020



Susan Barrera

Deputy Chair
31 August 2020



9.2

STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2020	2019
		\$'000	\$'000
Income			
Revenue	4	66,416	69,732
Other income	5	1,341	1,735
Expenditure			
Depreciation and amortisation expense	6	(6,255)	(6,553)
Marine expenses		(4,424)	(5,146)
Port operations expenses		(14,930)	(13,937)
General administration		(10,680)	(8,719)
Asset maintenance		(9,681)	(11,804)
Environmental expenses		(378)	(280)
Port utilities		(932)	(804)
Safety and security		(1,889)	(1,781)
Finance costs	9	(380)	(448)
Other expenses	10	(1,146)	(1,164)
Profit before income tax		17,062	20,831
Income tax expense	11	(5,311)	(6,167)
Profit for the year		11,751	14,664
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Change in Defined Benefit Cost	19	(179)	(358)
Income tax	11	54	107
Total other comprehensive income		(125)	(251)
Total comprehensive income		11,626	14,413

The accompanying notes form part of the financial statements.

* The Authority has initially applied AASB 15, AASB 1058 and AASB 16 at 1 July 2019. Under the transition method chosen, comparative information has not been restated.

9.3

STATEMENT OF FINANCIAL POSITION

	NOTE	2020	2019
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	13	42,186	36,827
Trade and other receivables	14	7,650	6,568
Inventory		1,392	699
Total current assets		51,228	44,094
Non-current assets			
Deferred tax assets	11	2,064	2,354
Property, plant and equipment	15	126,110	128,137
Right of Use Asset	16	529	-
Total non-current assets		128,703	130,491
TOTAL ASSETS		179,931	174,585
Liabilities			
Current liabilities			
Trade and other payables	17	4,368	5,571
Lease liabilities	16	221	-
Interest bearing borrowings	18	1,421	1,431
Current tax payable	11	532	1,409
Provisions	19	4,168	3,607
Other liabilities	20	141	118
Total current liabilities		10,851	12,136
Non-current liabilities			
Interest bearing borrowings	18	8,058	9,479
Lease liabilities	16	309	-
Provisions	19	4,564	4,318
Total non-current liabilities		12,931	13,797
TOTAL LIABILITIES		23,782	25,933
NET ASSETS		156,149	148,652
Equity			
Contributed equity	21	76,857	76,857
Retained earnings	21	79,292	71,795
TOTAL EQUITY		156,149	148,652

The accompanying notes form part of the financial statements.

* The Authority has initially applied AASB 15, AASB 1058 and AASB 16 at 1 July 2019. Under the transition method chosen, comparative information has not been restated.

9.4

STATEMENT OF CHANGES IN EQUITY

	NOTE	CONTRIBUTED EQUITY	RETAINED EARNINGS	TOTAL EQUITY
		\$'000	\$'000	\$'000
Balance as at 1 July 2018		76,857	69,798	146,655
Total comprehensive income:				
Profit for the year		-	14,664	14,664
Other comprehensive income		-	(251)	(251)
Total comprehensive income		-	14,413	14,413
Transactions with owners in their capacity as owners:				
Dividends paid	12	-	(12,416)	(12,416)
Balance as at 30 June 2019		76,857	71,795	148,652
Balance as at 1 July 2019		76,857	71,795	148,652
Adjustment to equity due to AASB 16 adoption		-	(5)	(5)
Adjusted balance as at 1 July 2019		76,857	71,790	148,647
Total comprehensive income for the year:				
Profit for the year		-	11,751	11,751
Other comprehensive income		-	(125)	(125)
Total comprehensive income		-	11,626	11,626
Transactions with owners in their capacity as owners:				
Dividends paid	12	-	(4,124)	(4,124)
Balance as at 30 June 2020		76,857	79,292	156,149

The accompanying notes form part of the financial statements.

9.5

STATEMENT OF CASH FLOWS

	NOTE	2020	2019
		\$'000	\$'000
Cash flows from operating activities			
Cash receipts from customers		76,799	81,792
Cash paid to suppliers and employees		(55,463)	(56,565)
Cash generated from operations		21,336	25,227
Interest paid		(397)	(456)
Interest received		545	1,075
Income taxes paid		(5,843)	(3,651)
Net cash from operating activities	23	15,641	22,195
Cash flows used in investing activities			
Proceeds from sale of property, plant & equipment		-	2
Acquisition of property, plant & equipment		(4,517)	(10,737)
Net cash used in investing activities		(4,517)	(10,735)
Cash flows used in financing activities			
Repayment of borrowings		(1,431)	(1,774)
Right of use lease liability payments		(210)	-
Dividends paid	12	(4,124)	(12,416)
Net cash used in financing activities		(5,765)	(14,190)
Net increase/(decrease) in cash and cash equivalents		5,359	(2,730)
Cash and cash equivalents at the beginning of the year		36,827	39,557
Cash and cash equivalents at 30 June	13	42,186	36,827

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

(a) Statement of compliance

The Authority is a not for profit entity that prepares general purpose financial statements in accordance with Australian Accounting Standards (AASB) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the

financial reporting provisions of the Port Authorities Act 1999, exceptions disclosed in note 1 (b).

The financial statements were authorised for issue on 31 August 2020 by the Board of Directors of Mid West Ports Authority.

(b) Presentation of the Statement of Comprehensive Income

The Statement of Comprehensive Income classifies expenses by nature as it is considered to provide more relevant and reliable information than classification by function due to the nature of the Authority's operations.

According to AASB 101 Presentation of Financial Statements, expenses classified by nature are not reallocated among various functions within the entity. However, the Authority

has allocated employee benefits expenses to various line items on the Statement of Comprehensive Income including marine expenses, port operations expenses, general administration, and asset maintenance. This allocation reflects the internal reporting structure of the Authority which allocates labour expenses to significant expense items in the Statement of Comprehensive Income based on the nature of the expenses incurred.

The Authority believes that the allocation is more relevant to the understanding of the financial performance of the Authority and does not result in a function of expense presentation.

The Directors have concluded that the financial statements present fairly the Authority's financial position, financial performance and cash flows and that it has complied with applicable standards and interpretations, except that it has departed from AASB 101, para 99, to achieve a fair presentation.

Total employee benefits expenses are disclosed in note 7 to the financial statements.

(c) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

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

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

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

Defined benefit plans

Various actuarial assumptions are required when determining the Authority's superannuation obligations. These assumptions and the related carrying amounts are discussed in note 19.

Estimating useful life and residual value of key assets

Various assumptions required when determining the assets expected useful life, residual value and depreciation rate on capitalized construction projects are discussed in note 2(f)(iv).

Recoverability of trade and other receivables

Various assumptions are required when determining the Authority's likelihood of collecting outstanding trade receivables, including the Authority's likelihood of success in pursuing uncollected debtors through legal or other means. Additionally, judgement has been applied in considering the likelihood of recovery of prepaid expenditure (note 14).

(f) New accounting standards and interpretations

(i) AASB 16 Leases

The Authority initially applied AASB 16 Leases from 1 July 2019. The Authority applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. The details of the changes in accounting policies are described below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

(a) Definition of a lease

Previously, the Authority determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 Determining whether an Arrangement contains a Lease. The Authority now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2(h).

On transition to AASB 16, the Authority elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Authority applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and AASB Interpretation 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019. The Authority also elected on transition to AASB 16 to apply the practical expedient for low value leases and short term leases of properties, being those that had less than 12 months left in the lease term as at 1 July 2019.

(b) As a lessee

As a lessee, the Authority leases many assets including property, plant and equipment. The Authority previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under AASB 16, the Authority recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Authority allocates the consideration in the contract to each lease component of the basis of its relative stand-alone price.

However, for leases of property, the Authority has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under AASB 117

Previously, the Authority classified property leases as operating leased under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Authority's incremental borrowing rate as at 1 July 2019 (see note 2(h)). Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Authority used a number of practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117. In particular, the Authority:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use assets at the date of initial application; and
- used hindsight when determining the lease term.

(c) As a lessor

The Authority is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor, except for a sub-lease.

(d) Impact on financial statements

On transition to AASB 16, the Authority recognised additional right-of-use assets and lease liabilities. The impact on transition is summarised below.

RIGHT OF USE ASSETS	2020
	\$'000
Buildings	
Balance at 1 July 2019	-
Recognition of right of use assets on initial application of AASB 16	200
Restated balance at 1 July 2019	200
Additions to right of use assets	-
Depreciation	(43)
Balance at 30 June 2020	157
Plant & Equipment	
Balance at 1 July 2019	-
Recognition of right of use assets on initial application of AASB 16	342
Restated balance at 1 July 2019	342
Additions to right of use assets	182
Depreciation	(152)
Balance at 30 June 2020	372

LEASE LIABILITIES	2020
	\$'000
Balance at 1 July 2019	-
Recognition of lease liabilities on initial application of AASB 16	547
Restated balance at 1 July 2019	547
Additions to Lease Liabilities	182
Payments of Lease Liabilities	(210)
Interest	11
Balance at 30 June 2020	530

Amounts recognised in profit or loss

LEASE LIABILITIES	LEASES UNDER AASB 16	OPERATING LEASES UNDER AASB 117
	2020	2019
	\$'000	\$'000
Depreciation of Right of Use Assets	195	-
Interest on lease liabilities	11	-
Expenses relating to variable lease payments not included in lease liabilities	92	-
Short-term leases	123	-
Low-value Leases	-	-
Lease expense	-	587
Gains or losses arising from sale and leaseback transactions	-	-
Total amount recognised in the statement of comprehensive income	421	587

The total cash outflow for leases in 2020 was \$573,354.

When measuring lease liabilities for leases that were classified as operating leases, the Authority discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 2.1%.

MEASUREMENT OF LEASE LIABILITIES		LEASES UNDER AASB 16
		2020
		\$'000
Operating lease commitments disclosed as at 30 June 2019		1,085
Discounted using incremental borrowing rate at 1 July 2019		853
Less:		
- Recognition exemption for leases of low-value assets		183
- Recognition exemption for leases with less than 12 months of lease term at transition		123
Lease liabilities recognised at 1 July 2019		547

(ii) AASB 15 Revenue from Contracts with Customers & AASB1058 Income of Not-for-Profit Entities

AASB 15, effective 1 July 2019, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of transfer of control – at a point in time or over time – requires judgement.

AASB 1058 replaces the income recognition requirements relating to private sector not-for-profit entities, as well as the majority of income recognition requirements relating to public sector not-for-profit entities previously reflected in AASB 1004 Contributions. AASB 1058 is effective for the Authority at 1 July 2019.

Both standards have been adopted on 1 July 2019, applying the modified retrospective approach. Accordingly, the comparative information presented for 30 June 2019 is not restated – i.e. It is presented as previously reported under AASB 118 and related interpretations. The Authority has determined that the adoption of the standard will have no material impact on its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise stated.

(a) Revenue recognition

Policy applicable before 1 July 2019

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

(i) Rendering of services

Revenue from services rendered is recognised in profit and loss in respect of the services provided upon delivery of the service to the customer. Other revenue includes the recovery of water and electricity costs from leasehold tenants based on actual consumption.

(ii) Rental income

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

Policy applicable from 1 July 2019

With the adoption of AASB 15 Revenue and AASB 1058 Income of Not-for-Profit Entities as at 1 July 2019, the Authority reviewed its revenue recognition practices and determined that these standards would not materially impact current revenue recognition practices and amounts recognised in the financial statements.

Revenue is measured at the fair value of consideration received or receivable and is recognised for the major business activities as follows:

(i) Rendering of services

Revenue is measured based on the consideration specified in a contract with a customer.

The Authority recognises revenue when it transfers control over a good or service to a customer.

The Authority has considered the terms of the contracts and all relevant factors when assessing how much revenue is to be recognised. For revenue from shipping and cargo services, revenue is typically measured over time as the Authority satisfies its obligations to its customers. The performance obligations for these charges are satisfied when the services have been provided.

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

Other revenue includes the recovery of water and electricity costs from leasehold tenants based on actual consumption and is recognised after the provision of the utilities to the customer.

Receivables are generally expected to be collected within the Authority's payment terms of 14 days.

The Authority maintain an obligation to refund customers for services invoiced in advance, should the service obligation not be performed.

(i) Rental income

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

Receivables are generally expected to be collected within the Authority's payment terms of 14 days.

The Authority maintains an obligation to refund customers for services invoiced in advance, should the service obligation not be performed.

(b) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings and finance charges payable under finance leases. All borrowing costs are recognised in profit or loss using the effective interest method. The interest

expense component of finance lease payments is also recognised in the income statement using the effective interest rate method.

(c) Income tax

The Authority operates within the national tax equivalent regime ("NTER") whereby an equivalent amount in respect of income tax is payable to the Department of Treasury (WA). 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, the Authority is required to comply with AASB 112 Income Taxes.

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred

tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse; based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Receivables

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Authority has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Lease receivables

Prior to the adoption of AASB 16, a lease receivable is recognised for leases of property, plant and equipment which effectively transfers to the lessee substantially all of the risks and benefits incidental to legal ownership of the leased asset. The lease receivable is initially recognised as the amount of the present value of the minimum lease payments receivable at the reporting date plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

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

(e) Inventories

Inventories consist of spare parts which are measured at the lower of cost and net realisable value.

The Authority holds a variety of operating spare parts to ensure business continuity should plant or equipment require servicing or repairs. The size, nature and value of these items vary. This policy refers to those spares accounted for as inventory as "operating spares" and those accounted for as Property, Plant and Equipment (PPE) as "capital spares". (Refer note 15)

Operating spares

Operating spares are generally smaller in value and have an expected useful economic life that is less than capital spares. They are often consumed in the production process, or in support activities such as maintenance. If a spare does not meet the definition of a capital spare it is accounted for as an operating spare and therefore as inventory.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by

comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss. Crown land vested to the Authority is recognised at fair value on the date of the vesting. Land is not revalued after the recognition date.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Capital spares

Capital spares are spare parts, servicing equipment and stand-by equipment with an expected useful life, once put into use, of greater than one year. Where the expected useful life of the asset, once put into use, is less than one year such items are accounted for as inventory. (Refer note 2 (e)) Capital spares are classified as either a separate component asset or attributed to an existing asset. A component asset is depreciated over the shorter of its useful life and the life of any larger asset to which it relates. Non-component assets classified as capital spares are allocated to and depreciated over the life of the asset to which they relate. Spares not considered as capital spares are accounted for as operating spares.

(iv) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for each class of depreciable assets are as follows:

■ Channels and breakwater	40 years
■ Buildings and improvements	10 to 50 years
■ Plant and equipment	3 to 30 years
■ Berths, jetties and infrastructure	10 to 40 years
■ Leased plant and equipment	20 to 33 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(g) Impairment

The carrying value of the assets are reviewed for impairment when the 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 the cost to sell and value in use. As the Authority is a not-for-profit entity, the value in use is the assets depreciated replacement cost.

(h) Leases

The Authority has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and AASB Interpretation 4. The details of accounting policies under AASB 117 and AASB Interpretation 4 are disclosed separately.

Policy applicable from 1 July 2019

At inception of a contract, the Authority assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Authority uses the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 July 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Authority allocated the consideration in the contract of each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Authority has elected to separate non-lease components and account for the lease and non-lease components as a separate component.

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which

comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site of which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Authority by the end of the lease term or the cost of the right-of-use asset reflects that the Authority will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Authority's incremental borrowing rate. Generally, the Authority uses its incremental borrowing rate as the discount rate.

The Authority determines its incremental borrowing rate by obtaining the applicable interest rates from Western Australian Treasury Corporation and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Authority is reasonably certain to exercise, lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Authority is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee, if the Authority changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the varying value of the right-of-use asset has been reduced to zero.

The Authority presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities as such in the statement of financial position.

Short-term leases and leases of low-value assets

The Authority has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Authority allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(ii) As a lessor

When the Authority acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Authority makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Authority considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Authority is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to

the underlying asset. If a head lease is a short-term lease to which the Authority applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Authority applies AASB 15 to allocate the consideration in the contract.

Maturity analysis of future lease payments are as follows:

	1 YEAR OR LESS	OVER 1-2 YEARS	OVER 2-3 YEARS	OVER 3-4 YEARS	OVER 4-5 YEARS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Maturity profile						
Lease liability	221	151	95	59	4	530
	221	151	95	59	4	530

Policy applicable prior to 1 July 2019

Pre 1 July 2019, lease payments on operating leases were recognised as an expense in the Statement of Comprehensive income.

(i) Financial instruments

In addition to cash, the Authority has the following categories of financial instruments:

- Financial assets at amortised cost; and
- Financial liabilities measured at amortised cost.

Refer to Note 24 for further information on the classification of financial instruments.

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable. Subsequent measurement is not required as the effect of discounting is not material.

(j) Payables

Payables, including trade payables, other payables and accrued expenses, are recognised for amounts to be paid in the future for goods and services received prior to the reporting date. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

(k) Borrowings

All borrowings are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest rate method.

Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised, as well as through the amortisation process.

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

(l) Employee benefits provision

The liability for annual and long service leave expected to be settled within 12 months after the Statement of Financial Position date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the Statement of Financial Position date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the Statement of Financial Position date.

When assessing expected future payments consideration is given to expected future wage and salary levels, including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the Statement of Financial Position date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(m) Employee superannuation

The Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme, and the Superannuation and Family Benefits Act Scheme, a defined benefit pension scheme, are closed to new members since 1995. The Authority 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. The Authority also accrued for superannuation benefits to the pension scheme for those members who elected not to transfer from that scheme.

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

The Authority's total superannuation liability has been actuarially assessed as at 30 June 2020.

Employees who are not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS), an accumulation fund until 15 April 2007. From 16 April 2007, employees who are not members of the Pension, GSS or WSS Schemes became non-contributory members of the GESB Superannuation Scheme (GESB Super), a taxed accumulation fund. The Authority makes concurrent contributions to the Government's Employee Superannuation Board (GESB) on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESB Super Schemes.

From 30 March 2012, existing members of the WSS or GESB and new employees became able to choose their preferred superannuation fund. The Authority makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government Superannuation Guarantee (Administration) Act 1992.

Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

Defined benefit plan nature of benefits

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

Description of the regulatory framework

The Scheme operates under the State Superannuation Act 2000 (Western Australia) and the State Superannuation Regulations 2001 (Western Australia).

Although the scheme is not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the Western Australian government has undertaken (in a Heads of Government Agreement) to operate the scheme in accordance with the spirit of the SIS legislation.

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

As a constitutionally protected scheme, the scheme is not required to pay tax.

Description of risks

There are a number of risks to which the Scheme exposes the Authority. The more significant risks relating to the defined benefits are:

Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

Pensioner Mortality Risk - The risk is that pensioner mortality will be lighter 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.

Market Risk - The risk is that market returns are lower than anticipated, which would increase the cost of providing the defined benefits.

Significant events

There were no plan amendments, curtailments or settlements during the year. The Authority's net obligation in respect of defined benefit pension plan 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.

(n) Dividends

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

(o) Provisions

A provision is recognised if, as a result of a past event, the Authority has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle 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 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.

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.

(p) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, cash at bank, at call deposits and term deposits due between 30 and 90 days. Term deposits due more than 90 days are reclassified as other financial assets.

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

(q) Goods and Services Tax

Revenue, 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 ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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.

(r) Contributed equity

The Authority may receive support from the WA Government (see note 21). The amount received is recognised directly as a credit to contributed equity.

(s) Comparative information

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

3. EXPENSES BY NATURE

Operating expenses are presented on the face of the Statement of Comprehensive Income using a classification based on the nature of expenses (see note 1(b)). Marine expenses include those expenses derived from water based activities; port operations expenses include those expenses related to land based support activities, whilst general administration expenses includes expenditure of an administrative nature.

4. REVENUE

The effect of initially applying AASB 15 on revenue with contracts with customers is described in Note 2 (a). Due to the transition method chosen in applying AASB 15, comparative information has not been restated. Revenue consists of the following items:

	2020	2019
	\$'000	\$'000
Rendering of services		
Charges on cargo	24,120	26,638
Charges on ships	37,118	38,299
Shipping services	10	17
Rentals and leases	5,168	4,778
Total revenue	66,416	69,732

5. OTHER INCOME

RENDERING OF SERVICES	2020	2019
	\$'000	\$'000
Interest	473	1,089
Service fee on sale of electricity and water	441	287
Net profit/(loss) on sale of property, plant and equipment	(1)	2
Miscellaneous revenue	428	357
	1,341	1,735

Interest is derived from a major Australian banking institution utilising a combination of short term investments and cash management facilities.

6. DEPRECIATION AND AMORTISATION EXPENSE

DEPRECIATION	2020	2019
	\$'000	\$'000
Channels and breakwaters	2,322	2,322
Buildings and improvements	116	112
Berths, jetties and infrastructure	721	1,040
Plant and equipment	2,901	3,079
Right of Use Asset	195	-
Total depreciation	6,255	6,553

7. EMPLOYEE BENEFITS EXPENSE

	2020	2019
	\$'000	\$'000
Wages and salaries (a)	16,797	15,614
Superannuation - defined benefit plans (see note 19)	41	68
Superannuation	1,730	1,615
Long service leave (b)	372	482
Annual leave (b)	1,508	1,471
	20,448	18,194

Includes the value of the fringe benefit to the employee plus the fringe benefit tax component

(a) Includes the value of fringe benefit to the employee plus the fringe benefit tax component

(b) Includes a superannuation contribution component

Employment on-costs such as workers' compensation insurance and payroll tax are included at note 10 'Other expenses'. The employment on-costs liability is included at note 19 'Provisions'.

8. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The Authority has determined that key management personnel include Cabinet Ministers, Directors, Chief Executive Officers and General Managers of the Authority. However, the Authority is not obligated to reimburse for the compensation of Ministers and therefore no disclosure is required. The disclosures in relation to the Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation of key management personnel of the Authority for the reporting period is presented within the following bands:

COMPENSATION BAND (\$)	2020	2019
290,001 - 300,000	1	-
240,001 - 250,000	4	1
230,001 - 240,000	-	1
220,001 - 230,000	-	3
190,001 - 200,000	1	-
90,001 - 100,000	-	1
60,001 - 70,000	1	1
40,001 - 50,000	3	1
30,001 - 40,000	2	4
20,001 - 30,000	1	-
10,001 - 20,000	1	-
1 - 10,000	2	-
	\$'000	\$'000
Short-term employee benefits	1,776	1505
Post-employment benefits	165	140
Other long-term benefits	35	27
Termination benefits	-	-
Total Compensation of Key Management Personnel	1,976	1,672

Compensation includes all employee benefits that are defined in AASB 119 'Employee Benefits'. Employee benefits are all forms of consideration paid, payable or provided by the Authority. Compensation includes fees, salaries, superannuation, non-monetary benefits (including motor vehicle benefits, housing and parking) and other benefits (including leave entitlements and redundancy payments). Total compensation is disclosed on an accrual accounting basis, which may not necessarily represent the cash paid to a senior officer in a reporting period.

9. FINANCE COSTS

	2020	2019
	\$'000	\$'000
Interest - WATC	370	448
Interest - Right of Use Liability	10	-
Finance costs	380	448

10. OTHER EXPENSES

	2020	2019
	\$'000	\$'000
Doubtful debts expense (a)	-	(40)
Employee on-costs (b)	1,146	1,204
	1,146	1,164

(a) Prior year's amount represents provision no longer required under AASB 9.

(b) Includes workers' compensation insurance, payroll tax and other employment on-costs.

The on-costs liability associated with the recognition of annual and long service leave liability is included at note 19 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employee on-costs.

11. INCOME TAX EXPENSE

Recognised in the income statement

	2020	2019
	\$'000	\$'000
Current tax expense		
Current income tax charge	4,911	6,433
Adjustment for prior periods	55	(167)
	<u>4,966</u>	<u>6,266</u>
Deferred tax income		
Origination and reversal of temporary differences	208	(184)
Adjustment for prior periods	137	85
Total income tax expense	<u>345</u>	<u>(99)</u>
	<u>5,311</u>	<u>6,167</u>

Numerical reconciliation between tax expense and pre tax net profit

	2020	2019
	\$'000	\$'000
Profit for the year	11,751	14,664
Total income tax expense	5,311	6,167
Profit excluding income tax	<u>17,062</u>	<u>20,831</u>
Income tax using the statutory tax rate of 30% (2019: 30%)	5,119	6,249
Non-deductible expenses	1	1
	<u>5,120</u>	<u>6,250</u>
(Over)/under provision in prior years	191	(83)
Income tax expense	<u>5,311</u>	<u>6,167</u>
Recognised in other comprehensive income	(54)	(107)

Deferred income tax

	2020	2019	2020	2019	2020	2019
	Balance sheet	Balance sheet	Income statement	Income statement	Mvmt to equity	Mvmt to equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities						
Accelerated depreciation for tax purposes	440	106	334	(36)	-	-
Others	358	147	49	(19)	162	-
Gross deferred tax liabilities	798	253	383	(55)	162	-
Deferred tax assets						
Employee benefits	1,426	1,362	(10)	(3)	(54)	(107)
Others	1,436	1,245	(28)	(41)	(162)	-
Gross deferred tax assets	2,862	2,607	(38)	(44)	(216)	(107)
Set-off of deferred tax liabilities pursuant to set-off provisions	(798)	(253)	383	(55)	162	-
Net deferred tax assets	2,064	2,354	-	-	-	-
Deferred tax (benefit)/expense			345	(99)	(54)	(107)

The current tax payable of \$0.5 million (2019: \$1.409 million) represents the amount of income taxes payable in respect of current and prior financial periods.

12. DIVIDENDS

	2020	2019
	\$'000	\$'000
Final dividends in respect of the previous financial year (i)	4,124	2,127
Interim dividends in respect of the current financial year (ii)	-	10,289
	4,124	12,416

i) A final dividend of \$4.1million (2019: \$2.1 million) was declared and paid in respect of the financial results for the year ended 30 June 2019.

ii) No interim dividend was declared nor paid for the year ended 30 June 2020 (2019: \$10.3 million).

13. CASH AND CASH EQUIVALENTS

	2020	2019
	\$'000	\$'000
Bank balances	35,519	8,639
Term deposits which matures in less than 3 months at inception	6,667	28,188
Cash and cash equivalents in the statements of cash flows	42,186	36,827

The Authority's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 24.

14. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$'000	\$'000
Trade Receivables		
Receivables	5,881	4,851
Allowance for impairment of receivables	-	-
Total Trade Receivables	5,881	4,851
Other Receivables		
Accrued revenue	573	839
GST receivable	289	578
Other debtors	471	28
Prepayments	436	272
Total Trade and Other Receivables	7,650	6,568
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of year	-	40
Bad debts written off against provision	-	-
Doubtful debts expense recognised / (derecognised) in the income statement	-	(40)
Balance at end of year	-	-

The Authority does not hold any collateral as security or other credit enhancements relating to receivables. The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Revenue from two customers of the Authority represents approximately 49% (2019: 44%) of the Authority's total revenue.

At 30 June, the ageing analysis of trade & other receivables not impaired is as follows:

	2020	2019
	\$'000	\$'000
Not more than 3 months	6,413	5,704
More than 3 months but less than 6 months	379	8
More than 6 months but less than 1 year	61	6
	6,853	5,718

	2020	2019
	\$'000	\$'000
More than 1 year	72	-
	72	-

15. PROPERTY, PLANT AND EQUIPMENT

	CHANNELS AND BREAKWATERS	LAND	BUILDINGS	PLANT AND EQUIPMENT	BERTHS, JETTIES AND INFRASTRUCTURE	WORK IN PROGRESS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or deemed cost							
Balance at 30 June 2018	98,210	7,459	3,273	68,178	99,204	4,526	280,850
Additions	-	-	-	997	-	9,822	10,819
Transfer from work in progress	-	-	155	1,015	249	(1,419)	-
Transfer to Inventory (a)	-	-	-	(1,110)	-	-	(1,110)
Disposal	-	-	-	(35)	-	-	(35)
Balance at 30 June 2019	98,210	7,459	3,428	69,045	99,453	12,929	290,524
Additions	-	-	-	1,165	-	3,317	4,482
Transfer from work in progress	-	-	-	1,923	8,040	(9,963)	-
Transfer to Inventory (a)	-	-	-	-	-	(447)	(447)
Disposal	-	-	-	(5)	-	-	(5)
Balance at 30 June 2020	98,210	7,459	3,428	72,128	107,493	5,836	294,554

	CHANNELS AND BREAKWATERS	LAND	BUILDINGS	PLANT AND EQUIPMENT	BERTHS, JETTIES AND INFRASTRUCTURE	WORK IN PROGRESS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation and impairment							
Balance at 30 June 2018	36,302	-	1,298	29,442	87,959	1,445	156,446
Depreciation for the year	2,322	-	112	3,079	1,040	-	6,553
Transfer to Inventory (a)	-	-	-	(577)	-	-	(577)
Disposal	-	-	-	(35)	-	-	(35)
Balance at 30 June 2019	38,624	-	1,410	31,909	88,999	1,445	162,387
Depreciation for the year	2,323	-	116	2,901	720	-	6,060
Disposal	-	-	-	(3)	-	-	(3)
Balance at 30 June 2020	40,947	-	1,526	34,807	89,719	1,445	168,444
Carrying amounts							
At 30 June 2019	59,586	7,459	2,018	37,136	10,454	11,484	128,137
At 30 June 2020	57,263	7,459	1,902	37,321	17,774	4,391	126,110

(a) Based on the historical usage and turnover of critical spares, Management have revised their estimate during 2019 and have determined that a number of spare parts are not expected to be used during more than one period. As a result of the change in estimate a number of items have been transferred to Inventory.

16. RIGHT OF USE ASSET AND LEASE LIABILITIES

The Right of Use Assets and Lease Liabilities are a result of applying AASB 16: Leases effective 1 July 2019. The Authority leases buildings, equipment and vehicles that are applicable to this standard and are classified below:

RIGHT OF USE ASSETS	2020	2019
	\$'000	\$'000
Buildings	157	-
Plant & Equipment	372	-
	529	-

LEASE LIABILITIES	2020	2019
	\$'000	\$'000
Current		
Buildings	42	-
Plant & Equipment	179	-
	221	-

Non-Current		
Buildings	124	-
Plant & Equipment	185	-
	309	-

The Authority leases buildings, motor vehicles and equipment, which are subject to AASB 16 Leases. More detailed information is disclosed under section 1(f)(i) and 2(h) Leases.

ASSETS PLEDGED AS SECURITY	2020	2019
	\$'000	\$'000
Assets pledged as security		
The carrying amounts of non-current assets		
are pledged as security are:		
Right of Use Asset - vehicles	290	-
Total Assets pledged as security	290	-

The Authority has secured the Right of Use Assets against the related finance lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

17. TRADE AND OTHER PAYABLES

CURRENT	2020	2019
	\$'000	\$'000
Trade payables	2,548	3,429
Other payables	184	232
GST payable	525	511
Accrued expenses	1,086	1,346
Other accrued interest	25	53
	4,368	5,571

The Authority's exposure to liquidity risk related to trade and other payables is disclosed in note 24(i).

18. INTEREST BEARING BORROWINGS

This note provides information about the contractual terms of the Authority's interest bearing borrowings which are measured at amortised cost. For more information about the Authority's exposure to interest rate and liquidity risk, see note 24.

	2020	2019
	\$'000	\$'000
Current liabilities		
Direct borrowings	1,421	1,431
Non-current liabilities		
Direct borrowings	8,058	9,479
	9,479	10,910
Financing arrangements		
The Authority has access to the following lines of credit from the WATC:		
Total facilities available:		
Direct and special borrowings	15,500	17,200
	15,500	17,200
Facilities utilised at reporting date:		
Direct borrowings	9,479	10,910
	9,479	10,910
Facilities not utilised at reporting date:		
Direct borrowings	6,021	6,290
	6,021	6,290

Significant terms and conditions

The amounts shown for WA Treasury Corporation (WATC) are the principal amounts expected to be repaid as part of the quarterly repayments during the life of the loans. All interest bearing borrowings are unsecured. The fair value of these loans as at 30 June 2020 was \$10.4 million (2019: \$11.6 million).

Interest rate risk exposure

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

2020	VARIABLE INTEREST RATE	FIXED INTEREST RATE						TOTAL
		1 YEAR OR LESS	OVER 1-2 YEARS	OVER 2-3 YEARS	OVER 3-4 YEARS	OVER 4-5 YEARS	MORE THAN 5 YEARS	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest bearing borrowings								
Direct borrowings	-	1,421	1,238	677	623	709	4,811	9,479
	-	1,421	1,238	677	623	709	4,811	9,479
Weighted average interest rate								
Direct borrowings		2.91%	3.01%	3.04%	3.04%	3.04%	3.10%	

2019	VARIABLE INTEREST RATE	FIXED INTEREST RATE						TOTAL
		1 YEAR OR LESS	OVER 1-2 YEARS	OVER 2-3 YEARS	OVER 3-4 YEARS	OVER 4-5 YEARS	MORE THAN 5 YEARS	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest bearing borrowings								
Direct borrowings	-	1,431	1,405	1,254	677	623	5,520	10,910
	-	1,431	1,405	1,254	677	623	5,520	10,910
Weighted average interest rate								
Direct borrowings		2.77%	2.80%	2.94%	3.06%	3.03%	3.03%	

19. PROVISIONS

	2020	2019
	\$'000	\$'000
Current		
Sick leave	1,219	1,109
Annual leave (a)	2,186	1,701
Long service leave (b)	615	652
Superannuation (c)	148	145
	4,168	3,607
Non-current		
Long service leave (b)	1,106	931
Superannuation (c)	2,883	2,812
Provision for site remediation costs	575	575
	4,564	4,318

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after Statement of Financial Position date. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2020	2019
	\$'000	\$'000
Within 12 months of balance sheet date	2,186	1,701
More than 12 months after balance sheet date	-	-
	2,186	1,701

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after Statement of Financial Position date.

Assessments indicate that actual settlement of the liabilities will occur as follows:

	2020	2019
	\$'000	\$'000
Within 12 months of balance sheet date	615	652
More than 12 months after balance sheet date	1,106	931
	1,721	1,583

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax.

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 10 'Other expenses'.

(c) Defined benefit superannuation plans

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

	2020	2019
	\$'000	\$'000
Present value of unfunded obligations	3,031	2,957
	3,031	2,957
Reconciliation of movement in the present value of the unfunded obligations recognised in the balance sheet:		
Opening balance	2,957	2,674
Defined benefit cost	40	68
Remeasurements	179	358
Benefits paid (including expenses and taxes)	(145)	(143)
	3,031	2,957

	2020	2019
	\$'000	\$'000
Amounts recognised in the income statement:		
Interest cost	40	68
Other comprehensive income		
Actuarial losses/(gains)	179	358
	219	426
Historic summary:		
Defined benefit plan obligation	3,031	2,957
Plan assets	-	-
	3,031	2,957
Principal actuarial assumptions:		
Discount rate	0.85%	1.40%
	2.0% for 2019/20	1.5% for 2019/20
Expected future salary increases	2.0% for 2021/22 and then 3.5% pa	1.5% for 2021/22 and then 4.2% pa
Expected future pension increases	2.00%	2.50%
Anticipated return on plan assets	0.00%	0.00%

Expected contributions

Employer contributions are made to meet the cost of retirement benefit obligations as they fall due. For further details regarding the policy in respect of provision for retirement benefit obligations, refer to note 2(l).

Movements in provisions

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

	2020	2019
	\$'000	\$'000
Retirement benefit obligations		
Carrying amount at 1 July	2,957	2,674
Provisions made during the year	219	426
Amounts utilised in the year	(145)	(143)
Carrying amount at 30 June	3,031	2,957

Sensitivity Analysis

The defined benefit obligation as at 30 June 2020 under several scenarios is presented below. Scenario A and B relate to the discount rate sensitivity. Scenario C and D related to expected pension increase rate sensitivity.

- **Scenario A:** 0.5% p.a. lower discount rate assumption
- **Scenario B:** 0.5% p.a. higher discount rate assumption
- **Scenario C:** 0.5% p.a. lower expected pension increase rate assumption
- **Scenario D:** 0.5% p.a. higher expected pension increase rate assumption

	BASE CASE	SCENARIO A	SCENARIO B	SCENARIO C	SCENARIO D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa pension increase rate	+0.5% pa pension increase rate
Discount rate	0.85% pa	0.35% pa	1.35% pa	0.85% pa	0.85% pa
Pensions increase rate	2.00% pa	2.00% pa	2.00% pa	1.50% pa	2.50% pa
Defined benefit obligation (A\$'000s)	3,031	3,245	2,839	2,846	3,235

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

Funding arrangements

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

Expected contributions	\$'000
Financial year ending	30 June 2020
Expected employer contributions	148

Maturity profile of defined benefit obligation

The weighted average duration of the Authority's defined benefit obligation is 13.5 years.

20. OTHER LIABILITIES

	2020	2019
	\$'000	\$'000
Current		
Prepaid rental income	141	118

21. EQUITY

	NOTE	2020	2019
		\$'000	\$'000
Contributed equity			
Balance at start of the year as previously reported		76,857	76,857
Balance at end of year		76,857	76,857
Retained earnings			
Balance at start of year		71,795	69,798
Adjustment to equity due to AASB 16 adoption		(5)	-
Adjusted balance as at 1 July 2019		71,790	69,798
Profit for the period		11,751	14,664
Other comprehensive income		(125)	(251)
Dividends paid	12	(4,124)	(12,416)
Balance at end of year		79,292	71,795

22. NON-CURRENT ASSETS HELD FOR SALE

There are currently no non-current assets held for sale.

23. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES.

	NOTE	2020	2019
		\$'000	\$'000
Cash flows from operating activities			
Profit for the period		11,751	14,664
Adjustments for:			
Depreciation	6	6,255	6,553
Finance costs	9	380	448
Interest revenue	5	(473)	(1,089)
Net (profit) / loss on sale of property, plant and equipment	5	1	(2)
Income tax expense	11	5,311	6,167
Operating profit before changes in working capital and provisions		23,225	26,741
Change in trade and other receivables		(1,010)	773
Change in Inventory		(415)	(166)
Change in trade and other payables		(1,197)	(2,201)
Change in provisions and employee benefits		733	80
		(1,889)	(1,514)
Interest paid		(397)	(456)
Interest received		545	1,075
Income taxes paid		(5,843)	(3,651)
Net cash from operating activities		15,641	22,195

24. FINANCIAL INSTRUMENTS

(i) Financial risk management objectives and policies

The Authority's principal financial instruments comprise cash and cash equivalents, other financial assets, receivables, payables and interest bearing borrowings. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

The Authority uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk and aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the executive management under policies approved by the Board. The executive management identifies, evaluates and manages financial risk in close co-operation with the Port's operating units. The Board provides written policies for the Authority's administration of risk management.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates that will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks.

The Authority's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations, other financial assets and cash and cash equivalents. The Authority's borrowings are all obtained through the Western Australian Treasury

Corporation (WATC) and are at fixed rates with varying maturities or at variable rates. The risk is managed by WATC through portfolio diversification and variation in maturity dates.

Cash and cash equivalents and other financial assets are held in variable or fixed rate short term deposits.

Sensitivity analysis for variable rate instrument

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

The Authority closely monitors 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 following table, with all other variables held constant, the effect would be as follows:

INTEREST RATE RISK 2020	CARRYING AMOUNT	+0.50% CHANGE PROFIT	-0.25% CHANGE PROFIT
	\$'000	\$'000	\$'000
Financial Assets			
Cash and cash equivalents	35,519	178	(89)
Financial Liabilities			
Interest bearing borrowings			
Variable rate	-	-	-
Total (Decrease)/Increase		178	(89)

INTEREST RATE RISK 2019	CARRYING AMOUNT	+0.50% CHANGE PROFIT	-0.25% CHANGE PROFIT
	\$'000	\$'000	\$'000
Financial Assets			
Cash and cash equivalents	8,639	43	(22)
Financial Liabilities			
Interest bearing borrowings			
Variable rate	-	-	-
Total (Decrease)/Increase		43	(22)

Credit Risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority 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, the Authority's 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.

The Authority operates predominantly within the shipping and cargo handling industry and accordingly is exposed to risk 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 show in the table below.

	2020	2019
	\$'000	\$'000
Financial assets at amortised cost		
- Trade receivables	5,881	4,851
- Other receivables	1,044	867
Cash and cash equivalents	42,186	36,827
	49,111	42,545

The Authority 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 the Authority's exposure to bad debts. For financial assets that are either past due or impaired, refer to note 14 'Trade and other receivables'.

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

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as and when they fall due.

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of cash reserves and its borrowing facilities. The Authority 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 available to meet its commitments.

The table below reflects that contractual maturity of financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the Statement of Financial Position date. The table includes both interest and principal cash flows. An adjustment has been made where material.

FINANCIAL LIABILITIES						
	Carrying amount	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Trade and other payables	3,843	3,843	-	-	-	-
Interest bearing borrowings	9,479	873	862	1,510	2,664	5,428
	13,322	4,716	862	1,510	2,664	5,428
2019						
Trade and other payables	5,060	5,060	-	-	-	-
Interest bearing borrowings	10,910	935	882	1,721	3,276	6,339
	15,970	5,995	882	1,721	3,276	6,339

(ii) Categories of financial instruments

Set out below are the carrying amounts of the Authority's financial instruments. With the exception of interest bearing borrowings, the directors consider the carrying amounts of the financial instruments represent their net fair values.

	NOTE	2020	2019
		\$'000	\$'000
Financial assets			
Cash and cash equivalents	13	42,186	36,827
Financial assets measured at amortised cost:			
Trade and other receivables (a)	14	6,925	5,718
Financial liabilities			
Financial liabilities measured at amortised cost:			
Trade and other payables (a)	17	3,843	5,060
Interest bearing borrowings	18	9,479	10,910

(a) The amount of receivables/payables excludes the GST recoverable/payable from/to the Australian Taxation Office (Statutory receivable/payable)

(ii) Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated.

The fair value of interest bearing liabilities is \$10,378,016 (2019: \$11,627,155)

25. COMMITMENTS

(i) Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	NOTE	2020	2019
		\$'000	\$'000
Within 1 year		1,457	2,779
Later than 1 year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>1,457</u>	<u>2,779</u>

(ii) Lease commitments

Lease commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements as liabilities are payable as follows:

	NOTE	2020	2019
		\$'000	\$'000
Within 1 year		70	418
Later than 1 year and not later than 5 years		-	661
Later than 5 years		-	6
		<u>70</u>	<u>1,085</u>

Representing:

Cancellable operating leases	<u>70</u>	<u>1,085</u>
	<u>70</u>	<u>1,085</u>

Leases payable are in respect office rentals that do not fall under AASB 16: Leases. Office rental is not included as the lease is for less than 12 months.

(iii) Operating leases receivable

	2020	2019
	\$'000	\$'000
Future minimum rentals receivable for operating leases at reporting date:		
Within 1 year	4,064	4,035
Later than 1 year and not later than 5 years	8,177	12,049
Later than 5 years	9,278	10,465
	21,519	26,549

Operating leases receivable are in respect of property rentals.

26. REMUNERATION OF AUDITOR

Remuneration payable to the Auditor General in respect to the audit for the current financial year is as follows:

	2020	2019
	\$'000	\$'000
Auditing the accounts and financial statements	70	69

27. RELATED PARTY TRANSACTIONS

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

J Elkington	Dr S van Leeuwen
S Barrera	A Paskevicius
K Watson	N Hart
L Dalton	P Creek

The Authority is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Authority include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, 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).

Significant transactions with related parties

Outside of general citizen type transactions, the Authority had no other related party transaction with key management personnel or their close family members or their controlled or jointly controlled entities.

Significant transactions with Government related entities

	2020	2019
	\$'000	\$'000
Dividends	4,124	12,416
Interest paid (WATC)	397	456
Loan paid (WATC)	1,431	1,774
Superannuation (GESB)	145	143
	6,097	14,789

28. CONTINGENT LIABILITIES

There are no known contingent liabilities at the date of preparing this report.

29. CONTINGENT ASSETS

There are no known contingent assets at the date of preparing this report.

30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

9.7

DIRECTORS' DECLARATION

In the opinion of the directors of Mid West Ports Authority (the "Authority"):

(a) the financial statements and notes are in accordance with the financial reporting provisions of the *Port Authorities Act 1999*, including:

- (i) giving a true and fair view of the Authority's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Port Authorities Act 1999*;

(b) there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.


Signed in accordance with a resolution of the directors:



Noel Hart

Chair

31 August 2020



Susan Barrera

Deputy Chair

31 August 2020



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

MID WEST PORTS AUTHORITY

Opinion

I have audited the financial report of Mid West Ports Authority (the Authority) which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with the 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 am independent of the Mid West Ports Authority in accordance with the Auditor General Act 2006 and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Directors for the Financial Report

The directors of the Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and Schedule 5 of the *Port Authorities Act 1999*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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 Responsibility for the Audit of 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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Mid West Ports Authority for the year ended 30 June 2020 included 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 financial report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
4 September 2020

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