

2020/21

# Annual Report

## Vision

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

## Purpose

To provide a sustainable gateway for trade and tourism.

## Values

Accountability  
Caring  
Courage  
Collaboration  
Integrity



Image: Public art piece "Horizon" on Beresford Foreshore, Geraldton.

# Contents

1.1	Acknowledgement of Country	04		
1.2	About this Report	05		
1.3	2020/21 Highlights	06		
1.4	Chair & CEO Report (combined)	08		
1.5	Ports WA Metrics Table	13		
	<b>2.0 Overview</b>		<b>14</b>	
2.1	Port Overview	15		
2.2	Organisational Chart	19		
2.3	Board of Directors	21		
2.4	Executive Leadership Team	24		
	<b>3.0 Performance</b>		<b>26</b>	
3.1	Goals & Objectives	28		
3.2	Major Achievements	30		
3.3	2020/21 Key Projects	32		
3.4	Operating Summary	38		
3.5	2020/21 Trade Data	39		
3.6	Safety	44		
3.7	Stakeholders	46		
	<b>4.0 Governance</b>		<b>54</b>	
	<b>5.0 Annual Financial Statements</b>		<b>58</b>	
5.1	Directors' Report	59		
5.2	Statement of Comprehensive Income	65		
5.3	Statement of Financial Position	66		
5.4	Statement of Changes in Equity	67		
5.5	Statement of Cashflows	68		
5.6	Notes to the Financial Statements	69		
5.7	Directors' Declaration	95		
5.8	Independent Auditors Report	96		



1.1

# Acknowledgement of Country

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

## 1.2

# About this Report



## Statement Of Compliance

For the year ended 30 June 2021

### To the HON Rita Saffioti BBus MLA

Minister for Transport; Planning; Ports

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 2021.

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.

### Noel Hart

#### Chair

Mid West Ports Authority

The aim of this report is to inform MWPA customers, community and other stakeholders about the organisation, its strategy, performance and governance for the 2020/21 financial year.

An online version of this report is available at: [www.midwestports.com.au](http://www.midwestports.com.au)

For any inquiries please contact us at: [mail@midwestports.com.au](mailto:mail@midwestports.com.au)

## 1.3

# 2020/21 Highlights

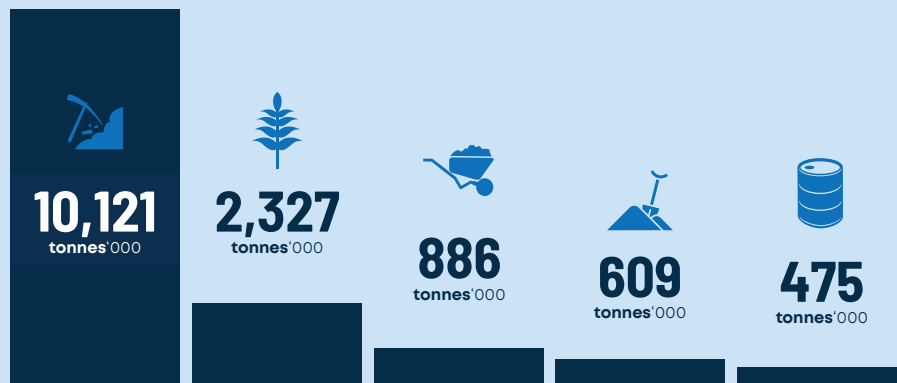
## Throughput

# 15,074

Total Trade Throughput  
tonnes'000

 **14,418** tonnes'000  
Total Trade Exports

 **656** tonnes'000  
Total Trade Imports



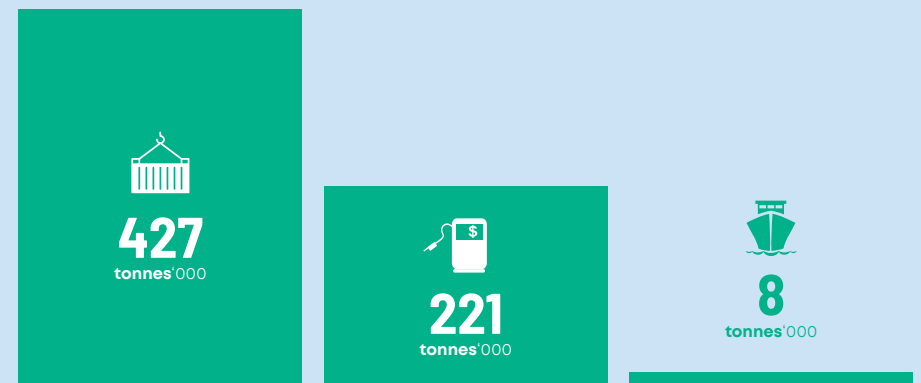
Iron Ore

Grain

Mineral Sands

Non-Mineral  
Sands

Concentrates



Bulk Imports

Petroleum

General Cargo

## Ships & Trade



# 351

Ship visits



# \$75.8M

in revenue



# 831

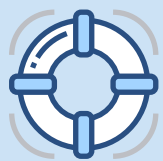
Safe vessel movements



# \$18.7M

of payments to the State Government

## Safety



# 12.5

Total Recordable Injury Frequency Rate (TRIFR)



# 8.3

Lost Time Injury Frequency Rate (LTIFR)



# \$11.4M

Direct local spend



# \$1.4M

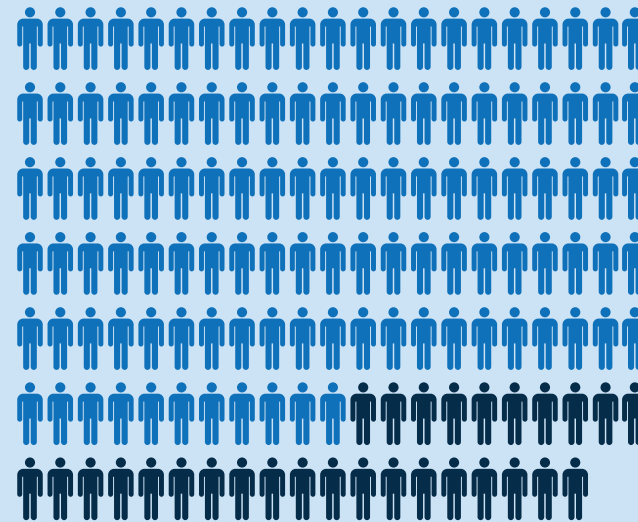
Sub contract local spend



# 361

Training sessions attended

## People



# 116

Male Staff\*

# 29

Female Staff\*

\*excludes casual employees

## 1.4

# Combined Chair & CEO Report

### Summary of the year

To realise Mid West Ports Authority's (MWPA's) vision of being BOLD supply chain enablers for the sustainable long-term future of regional Australia, MWPA remains committed to achieving a balance between safe and efficient port operations, improving economic performance, working sustainably with the environment, and investing in the community in which we operate.

2020/21 has demonstrated MWPA's capability when achieving this balance. This was displayed with a strong financial performance, considerable new trade, delivery of major infrastructure projects, successful management of numerous emergency situations, and improved stakeholder and community consultation, whilst continuing to maintain safe and efficient day-to-day operations.

MWPA's first priority is always to the health, wellbeing and safety of its people – employees, stakeholders, as well as the greater Mid West community. With international vessels arriving on its doorstep every day, the ongoing risk of Covid-19 is in the forefront of its minds as we continue to ensure that effective measures are in place.

Ongoing engagement with government authorities, port users and service providers has seen port operations continue throughout the pandemic with

little impact on the provision of landside and marine operations. MWPA thanks its stakeholders for their understanding and ongoing support as it continues to manage this ever-present risk.

### Performance

MWPA trade volume for 2020/21 was 15.074 million tonnes, slightly up on the previous year by 0.123 million tonnes. Several new customers were welcomed to the port in 2020/21 and we are excited to see that trend continue in the coming year. This new trade is across a range of products including iron ore, sands and fertiliser, reinforcing MWPA's ability to meet the needs of a diversified range of boutique clientele.

As a Government Trading Enterprise (GTE), MWPA needs to deliver financial returns from its activities. In 2020/21 we delivered a profit before income tax of \$23.3 million and dividend return to the State of \$11.6 million.

These results demonstrate MWPA's contribution towards the State economy and its value to all Western Australians.

2021/22 is shaping up to be an exciting year for MWPA with numerous projects in the region due to commence production, construction, or likely to gain final investment decision. The accumulation of this new and increased trade looks to have a significant impact on throughput in the near-term and as such MWPA is positioning itself to be prepared for a possible '23 by 23'

- 23 million tonnes per annum by 2023. This in itself is an enormous feat by any standards given it represents a 53% increase in trade.

MWPA recognise that its employees are central to delivering this objective and as a result, in 2020/21 has embarked on a Business Improvement Program to further engage and enhance its internal capabilities.

### Community

MWPA continued to focus on engaging with the local Mid West community, proactively communicating and offering ongoing conversation opportunities about its role, purpose, services, strategy, performance and issues. Using a range of communication channels, MWPA's reach into the community is on the rise.

During the last financial year MWPA awarded \$105,606 through its Community Grants Program to organisations and programs that align with the values, with an aim to support community events and initiatives which benefit the social, environmental and economic prospects in the region.

The annual Community Grants Program advances an important link between the Port and the community, supporting groups who often work with small budgets to develop new and exciting projects that ultimately benefit the Mid West.





*Image: Damaged vessel MV Barkly Pearl being loaded on to heavy lift vessel MV Falcon.*



Image: Svitzer Australia tug boats assisting in piloting a vessel in to port.



In addition, employees led the fundraising of \$11,000 for Men's Shed Geraldton. The Men's Shed movement is one of the most powerful tools in addressing health and wellbeing in a community through the provision of a safe and friendly environment. The Geraldton Men's Shed members are also active volunteers in the local community and it was a pleasure to support their organisation this year.

### Emergency management and response

2020/21 could be defined as "the year where MWPA tested its emergency management response", with the Port being presented with several emergency situations which were all very successfully navigated.

During the year the Port responded to and successfully managed the international arrival of a positive Covid-19 case, the 8 week detainment of the damaged livestock carrier MV Barkly Pearl, an oil leak from a ship within the harbour, and Cyclone Seroja.

It is a credit to MWPA's employees that all four of these emergency incidents were handled so professionally and in successful collaboration with a multitude of stakeholders including; Department of Transport – WA, Department of Health, Department of Agriculture (Biosecurity), WA Police, Australian Maritime Safety Association (AMSA) and the Department of Primary Industries & Regional Development (DPIRD), among others.

### Acknowledgements

After two and a half years CEO, Dr Rochelle Macdonald resigned in January 2021 with her final day in mid-April. Rochelle was instrumental in driving a strategy reset for the Port, implementing considerable technological solutions and ensuring that MWPA is an outward looking organisation. All of these advancements have played a significant role in setting the organisation up for the future. MWPA takes this opportunity to thank Rochelle and wish her all the best at her new role in private industry in Queensland.

Finally, MWPA also extends its sincere thanks to Hon. Alannah MacTiernan MLC for her support and guidance since assuming the Ports portfolio through until March 2021 and welcome incoming Minister Hon. Rita Saffioti BBus MLA, Minister for Transport; Planning; Ports, back to the Ports portfolio and look forward to continuing a successful and fruitful relationship with her.

In 2021/22, in collaboration with its stakeholders, MWPA remains committed to delivering value to the Mid West and Western Australian communities.



**Noel Hart**  
Chair



**Damian Tully**  
Acting CEO



*Image: Manoeuvring a vessel on to Berth 3 in a full commercial harbour.*

## 1.5

# Ports WA Metrics Table

KEY PERFORMANCE INDICATOR	2020/21 TARGETS	2020/21 ACTUALS
Return on assets (%)	10	10.3
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	24,346	30,584
Economic Rate of Return (%)	10.2	12.7
Debt to Equity Ratio	0.06	0.05
Total Port Trade ('000 Tonnes)	14,003	15,074
Total Number Vessel Visits	377	351
Customer Satisfaction Score (%)	>70	81
Loss Time Injury Frequency Rate (LTIFR)	0	8.32
Number Reportable Environmental Incidents	<10	9
Employee Satisfaction Score (%)	>75%	73.5%

Section 2.0

# OVERVIEW

## 2.1

# Port Overview

Mid West Port Authority's (MWPA) vision is to be bold supply chain enablers for the sustainable long-term future through the provision of an essential trade service for regional Australia and Australia's economy by providing facilities that connect the regions to national and international markets.

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

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, it collaborates closely with its customers 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.

As a Government Trading Enterprise (GTE) MWPA 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, minerals, fertiliser, and bulk cargo while welcoming cruise ships, oil rig tenders and other expedition craft.

## Port Assets Used To Facilitate Trade

MWPA operates 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 bunkering, and other assorted vessels.
- Berth 3 ship loading infrastructure is owned, operated and maintained by Co-Operative Bulk Handling (CBH) for the export of grain. CBH also owns and operates a train unloader within the Rail Terminal. Berth 3 is also accessed for cruise ship visits and import of minerals (self-discharge vessels).
- Berths 4 and 5 circuit and shiploaders are owned, operated and maintained by MWPA. These berths are primarily utilised for the export of iron ore, industrial minerals, mineral concentrates and sand.
- Berth 6 is accessed for fertiliser, minerals and fuel imports, cruise ship visits, livestock and mineral exports, and break bulk cargo.

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

MWPA is responsible for the 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 149 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.



Image: Point Moore with the Geraldton Fishing Boat Harbour in the background.

### Land Asset

There is a total of 83 hectares of land within the Geraldton Port boundary and an additional 6.9 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 51 separate commercial leases, which along with various licences, generating 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.

### Customers

While some of MWPA's existing customers saw a downturn in trade in 2020/21 due to the effects of COVID-19, several other customers benefited from a positive environment of solid demand and strong prices.



Image: MWPA Pilot Vessel 'Glengarry' returning after a successful Marine Pilot transfer.

During 2020/21, MWPA's customer base grew with the development and commissioning of three new iron ore mines underpinned by record iron ore prices. Trade was also diversified with the commencement of shipping from a new construction sands operation in the Mid West region.

There were also several significant developments in the Mid West that will underpin future trade. Two additional iron ore mines were approved for development in 2020/21 with construction commencing during the year. The first shipments from these mines are expected in early 2021/22. Several other iron ore projects are also under development, with longer timeframes.

Construction activity continued at two new sulphate of potash projects during 2020/21. Commissioning of these projects is expected in early 2021/22, with first bulk shipments from Geraldton expected in mid-2021/22. A Final Investment Decision on a third sulphate of potash project is expected in 2021/22 that could result in additional export shipments in 2023/24.

During 2020/21, a Final Investment Decision was also approved for a \$339 million mineral sands project. Construction commenced late in 2020/21, with first shipments expected in 2022/23. Several other base metal, lithium, sand and fertiliser projects were also advanced in 2020/21, with a number of Final Investment Decisions expected to be reached in 2021/22, and shipments expected in 2023 and beyond.

Overall, the significant number of new projects under development in the Mid West region will underpin MWPA's target of '23 by 23' (23 million tonnes per annum by 2023).

### Suppliers

MWPA recognises that the local procurement of goods and services is key to developing the region in which it operates. With this in mind, the Port's procurement activity is focused on the continued development of local suppliers to improve local capability.

The current Procurement Strategy is well placed to incorporate further local opportunities to aid in the growth 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 enhancements to the Port's Enterprise Resource Planning (ERP) and longer-term contracts has commenced and will continue to be an area of considerable focus for MWPA. The Port is keen to establish supplier relationships with those local companies who continue to deliver value and who can partner with MWPA to deliver on its business strategies.





Berth  
**1**

Berth  
**2**

Berth  
**3**

Berth  
**4**

Berth  
**5**

Berth  
**6**

Berth  
**7**

Fishing  
Boat  
Harbour

## Community

MWPA continues to value and invest in its community presence and connections. 2020/21 saw the continuation of community service initiatives including:

- Sponsorship of \$205,606 toward community events and initiatives making a positive contribution to the community aligning with MWPA's organisational values. This amount includes a \$100,000 per annum (for three years) towards the 'Shore Leave Festival';
- Increased levels of community consultation through various committees, information sessions, social media, port tours, student career days and newsletters; and
- Beach Nourishment Program; MWPA has a MOU with the City of Greater Geraldton. In 2020/21 MWPA delivered 15,458m<sup>3</sup> of sand, at a cost of \$259,823, from Pages Beach as nourishment to stabilise erosion at the northern beaches of Geraldton.

## Security

Maintaining a secure port is essential to ensuring that MWPA 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 Port users and customers to ensure that the Port remains safe and secure.

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 Card (MSIC). MWPA is a recognised MSIC Issuing Body. With the impending introduction of an online MSIC application a streamlined and flexible process will be introduced 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 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 2021, this restriction is in place until 17 September 2021.



Image: Cruise ship 'Sun Princess' entering port in 2019.

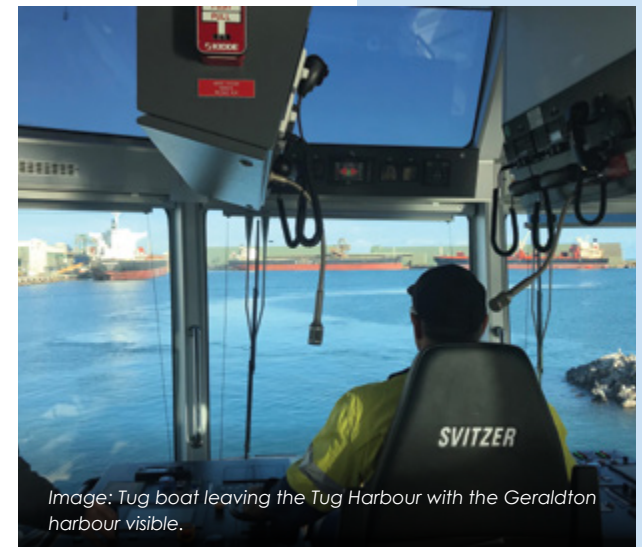
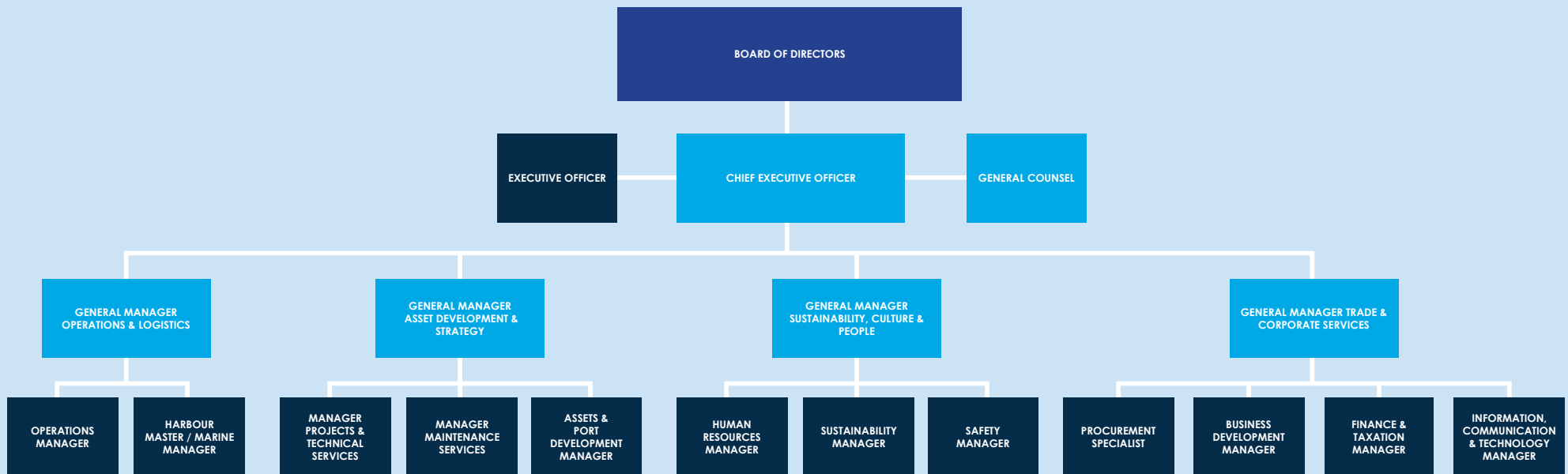


Image: Tug boat leaving the Tug Harbour with the Geraldton harbour visible.

2.2

# Organisational Chart

Mid West Ports Authority (MWPA) is governed by the Board of Directors appointed by the Minister.



**Legend**





*Image: Point Moore Lighthouse at sunset.*

## 2.3

# Board of Directors

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 the State of Western Australia, as well as its employees, customers and the community. The Board is collectively responsible for operations, 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.



## Noel Hart | Chair

**MBA, Master Mariner Class 1**

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.

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



## Dr Sue van Leeuwen | Deputy Chair\*

**DBA, MBA**

Dr van Leeuwen was been Deputy Chair from February 2018 until July 2020. She is an accomplished consultant, community leader and board member with over 25 years' experience.

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

She 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.

**\*(Until 13 July 2020)**



### **Susan Barrera | Deputy Chair\***

**MBA, B Ed, BSc (Hons)**

Ms Barrera was appointed to the Board as a Non-Executive Director in July 2018 and promoted to Deputy Chair in July 2020. She is a consultant for the Nexus Network and specialises in management of change in public sector agencies.

Ms Barrera has been previous Chair of the Strategy & Risk, Finance & Audit and Governance, Culture & People 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. She is Chair of the Construction industry Long Service Leave Payments Board and Chair of the South Regional TAFE Governing Council.

**\*(From 13 July 2020)**



### **Kate Watson | Non-Executive Director**

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.

Ms Watson 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 | Non-Executive Director\***

Ms Dalton was appointed to the Board as a Non-Executive Director in August 2019 and retired in March 2021 after being elected to Parliament. She was a Lecturer in Hospitality, Tourism and Events at Central Regional TAFE located in Geraldton and a Board member of the Leaning Tree Steiner School.

Ms Dalton 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.

**\*(Until 29 March 2021)**

**Peter Creek | Non-Executive Director****CA**

Mr Creek was appointed to the Board as a Non-Executive Director in January 2020 and is the Chair of the Finance & Audit subcommittee.

He is a former Fellow Chartered Accountant and retired partner of Horizon Accountants.

Mr Creek 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).

**Robert Willes | Non-Executive Director\***

Mr Willes was appointed to the Board as a Non-Executive Director in July 2020 and is Chair of the Governance, Culture & People subcommittee and a member of the Finance & Audit subcommittee.

Mr Willes has over 30 years of extensive international experience in the oil and gas and energy industries, covering senior commercial and leadership positions with BP in exploration & production, gas & power and mergers & acquisitions as well as ASX board roles.

He is also a Non-Executive Director and Chair of the Audit and Risk Committee of Buru Energy Limited, and former Managing Director of Challenger Energy Limited.

Mr Willes is a graduate of the Australian Institute of Company Directors and holds an honours degree in Geography from Durham University (UK).

**\*(Commenced 13 July 2020)**

## 2.4

# Executive Leadership Team



**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.

Dr Macdonald 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, Masters 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.

\* (Until 16 April 2021)



**Damian Tully**  
General Manager, Operations And Logistics  
Acting CEO\*

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

Mr Tully oversees the safe, efficient and reliable operation of both marine and landside operations within the port. He is also responsible for ensuring that the port remains secure and that MWPA is ready to respond to emergencies in a timely and effective manner.

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 Work, Health & Safety. Damian is a graduate of the AICD Company Directors Course and is an Associate Fellow of the Nautical Institute.

\* (From 9 April 2021)



**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.

Ms Pigdon 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 MWPA operations.

She has a Masters Degree in Business Administration, a Bachelor of Business, and is 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.



## The MWPA Executive brings a diverse range of skills, backgrounds and experience to the team.

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



### **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.

Mr Duplex is responsible for the development and maintenance of MWPA critical assets and infrastructure.

He holds a range of academic achievements including a Masters of Business Administration, a Graduate Diploma of Management, a Graduate Diploma in Municipal Engineering and a Bachelor of 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.

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

She has a Bachelor of Arts, majoring in Sociology from Deakin University, a Masters of Business Administration, completed Cambridge University's Sustainability Leadership and is a graduate of the Australian Institute of Company Director's 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 projects and infrastructure development.

Ms De Soyza'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.

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

Section 3.0

# PERFORMANCE






Image: Svitzer North assisting with the positioning of MV Ocean Alignment on to Berth 7.

## 3.1

# Goals & Objectives

This Balance Scorecard was developed prior to the Covid-19 global pandemic, which has impacted on the organisations ability to deliver on the outcomes MWPA strives for.

	STRATEGY OBJECTIVES	GOALS	METRIC	2020/21 TARGET	
 <p><b>State Goal</b> Enhancing global competitiveness through continued economic diversification.</p>	<p><b>Objective 1</b> Facilitate, Protect &amp; Grow Efficient Trade &amp; Tourism</p>	Improve Revenue Diversification and Growth	Return of Assets.	Achieved	
			No product >50% of throughput (Diversity). (2020/21 Progressive Target <70%).	Achieved	
			Review Exmouth with a business plan to identify if it is a commercial opportunity.	Deferred	
			Develop Continuous Improvement Program.	Achieved	
			Map End to End Processes to identify Opportunities for Improvement.	Delivery in Progress	
		Improve Underlying Profit	Profit Margin After Tax.	Achieved	
			Improve Long Term Business Value	Cost Base Improvement Point.	Not Achieved
				Proof of Concept - Multi User Port Facilities.	Achieved
			Increase Regional Economic Contribution	Number Cruise Vessel Calls.	Achieved
				Develop a Cruise Geraldton Strategy.	Achieved
 <p><b>State Goal</b> Building strong &amp; resilient regions through economic expansion and inter-regional collaboration.</p>	<p><b>Objective 2</b> Enabling Supply Chain</p>	Facilitate Strong Strategic Partnerships	Stakeholder & Community Survey Action Plan Implemented.	Delivery in Progress	
			Develop Strategic Agreements between Suppliers, Local, State and Federal Government Agencies.	Delivery in Progress	
			Maintenance Dredge Strategy.	Achieved	
			Development Plan prepared for Fishing Boat Harbour.	Delivery in Progress	
			Port Development Strategy (4 locations + inland port).	Deferred	
			Realignment of Ian Bogle Road.	Deferred	
		Facilitate transfer of Useless Loop & Cape Cuvier (Tranche 2)	Implementation Plan developed and implemented, transfer subject to other government agency priorities.	Deferred	
		Transparent Service Offering & Clear Role as Supply Chain Enablers	Deliver 2020/21 Projects.	Delivery in Progress	
			Rollout of Continuous Improvement Training to all staff across organisation.	Delivery in Progress	

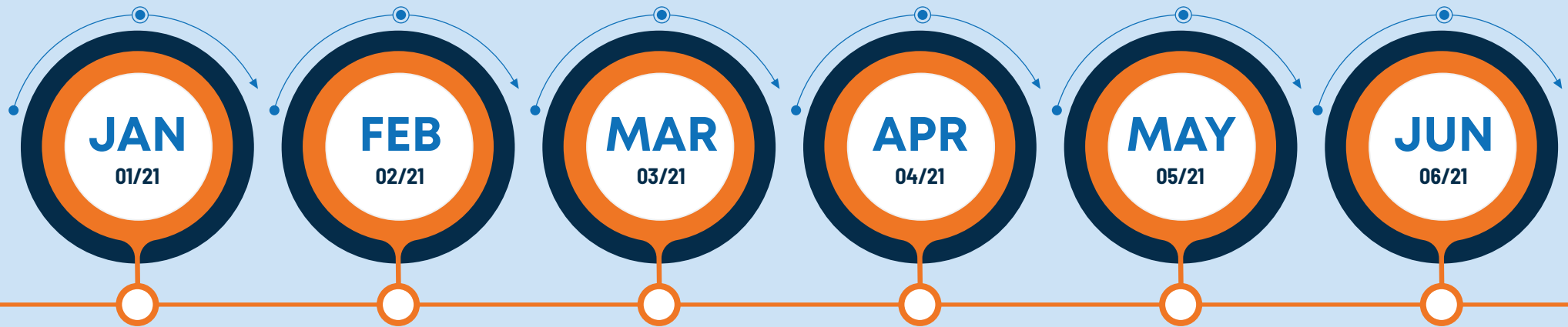
	STRATEGY OBJECTIVES	GOALS	METRIC	2020/21 TARGET
 <p><b>State Goal</b> Enhance conservation of the environment by sustainable development and efficient resource use.</p>	<b>Objective 3</b> Realising Development Strategies	Plan for the future and provide a gateway for trade and tourism	Geraldton Narngulu Infrastructure Corridor (GNIC) Concept Design & Feasibility Study commenced.	Achieved
			Inundation Study to inform Future Port Development.	Achieved
			Asset Management Plan for all Asset Classes.	Achieved
			Capital Dredge Study.	Delivery in Progress
		Provide Quality Infrastructure	Projects & commitments are delivered to agreed scope, time & Budget expectations.	Delivery in Progress
			Upgrade Gate 1 Security Infrastructure.	Deferred
			Replacement of Navigation Beacon Tops and Refurbish Pylons.	Delivery in Progress
			Wharf 4 Deck Refurbishment and Rail Replacement Project.	Delivery in Progress
			Phase 1 Mooring Optimisation, including Shore Tension Units & Bollard Upgrades.	Achieved
 <p><b>State Goal</b> Enhancing sustainable communities by investment in infrastructure and social capital.</p>	<b>Objective 4</b> Engaged Customers, Community & Stakeholders	Run a Safe, Efficient and Cost Effective Service Offering	Availability of Berth 4 and 5 Ship-loading Infrastructure when required by customers.	Achieved
			Availability of MWPA Train Unloading Infrastructure when required by customers.	Achieved
			Fire Fighting detailed design completed.	Achieved
			Develop Marine Terrace Traffic Controls.	Deferred
		Engaged, Easy to do business with and deliver on our Promise	Stakeholder & Community Survey Action Plan Implemented.	Delivery in Progress
			Community Projects completed.	Achieved
			Develop Customer Survey Action Plan.	Achieved
		Shape Government Policy and Legislative Reform	Ready for implementation of the GTE Reform.	Achieved
			Prepare a Stakeholder Map that highlights Stakeholders of Influence.	Delivery in Progress
 <p><b>State Goal</b> Achieving efficiencies and synergy through infrastructure planning &amp; coordination in pursuit of economic growth.</p>	<b>Objective 5</b> Operate in BALANCE with the Environment	Improve Whole of Port Environmental Outcomes	Compliance with Environmental License, Legislation and Best Practice.	Achieved
			Obtain Works Approval for the increase Annual and Daily Throughput Licence Limits.	Delivery in Progress
			Amend First Point of Entry Determination to facilitate Growth of Cruise and Import.	Deferred
			Develop Biosecurity Laydown Area.	Deferred
		Increase Environmental Advocacy and Transparency	Number of Environmental Complaints.	Achieved
			Finalise Sustainability Strategy and Implementation Plan.	Delivery in Progress
			Develop Organisational Sustainability Reporting Metrics.	Deferred

## 3.2

# Major Achievements



- Fishing Boat Harbour and Tug Harbour Seabed Levelling Trial delivered.
- Minister Endorsed the MWPA Geraldton Port Master Plan.
- First shipment of construction sand for Australasian Sands International (new customer and new trade).
- Champion Bay Seagrass Health Survey commenced.
- Development Application Form published for external lodgement.
- Safe Management of COVID-19 Positive Seafarer on MV Key Integrity.
- Port Access and Services Agreement signed with GWR Group (new customer).
- Port Access and Services Agreement signed with Strandline Resources (new customer).
- Awarded Office of Auditor General Best-Practice Agency (7th year running).
- Safe and Successful Management of Vessel with Damaged Hull, MV Barkly Pearl (03/11/20-06/01/21).
- Successful Drag Plough Operation to Increase Berth Pocket Depths.
- Buildings Strategy developed.
- The first of three new tugs arrived at the Port of Geraldton.
- Development of the Daily Works GIS Solution delivered.
- Asset Class Asset Management Plans completed.
- Port Access and Services Agreement signed with Fenix Resources (new customer).
- MWPA Geraldton Port Groundwater Monitoring Plan delivered.
- Beneficial Use Assessment for Dredge Material completed.
- Winner of IPAA WA "Best Practice in Collaboration Across Government Agencies" award for the State-Wide Array Surveillance Program (SWASP) a marine pest detection and monitoring program with State Port Authorities and DPIRD.
- MGI shipped their 50 millionth tonne from Geraldton Port.



- Awarded Wharf 4 Upgrade and Rail Replacement Project.
- Key Stakeholder Consultation Commenced for 2021 Maintenance Dredge Project.
- The second of three new tugs arrived at the Port of Geraldton.
- \$105,606 of annual Community Grants Program recipients announced.
- Damaged livestock carrier Barkly Pearl safely and successfully departed Geraldton Port waters.

- GWR Group Ltd first shipment of iron ore.
- First shipment of Iron Ore for Kimberley Metals Group.
- First shipment of Iron Ore for Fenix Resources Ltd.
- MWCCI Business After Hours held with co-hosts Geraldton Fisherman's Coop and Svitzer.
- Successful handling of oil spill on Berth 5 in collaboration with the Department of Transport.
- West End Detailed Site Investigation submitted to Department of Water and Environmental Regulation.

- Australasian Sands Pty Ltd reached 500,000T milestone since commencing operations in July 2020.
- The final of three new tugs, arrived at the Port of Geraldton.
- Licence amendment for increase to Daily Throughput issued by DWER, including additional products (MSC, Construction Sands and Fertiliser).
- MWPA Development Guidelines published.

- Champion Bay Seagrass Health Survey delivered.
- Cyclone Seroja preparation, response & community support.
- Navigational Beacon Refurbishment project commenced.

- First shipment of gas pipes for \$460M 'Goldfields Pipeline'.
- Strandline Resources Ltd approved a Final Investment Decision for the Coburn Mineral Sands project, triggering the commencement of a Port Services Agreement signed in late 2020.
- Port Service Agreement executed with Abra Mining Limited, pending a Final Investment Decision for the Abra lead mine.
- Cooperation Agreement executed with Strike Energy for 1.4Mtpa 'Project Haber' urea fertiliser project (new customer).

- Port Development Strategy, Marketing Version delivered.
- Capital Dredge Study completed.
- Large vessels (235 m x 43m) at Berth 7- A successful reduction in trial parameters leading to these vessel sizes being rolled in to routine vessel operations.
- Navigational Beacon Refurbishment partially completed with 12 of the 17 beacons refurbished.
- Pilot eMpx (Electronic Master/ Pilot exchange software) developed, acquired and in use.
- Galena Mining Limited approved a Final Investment Decision for the Abra Base Metals Project.

## 3.3

# 2020/21 Key Projects

## Wharf 4 Strengthening & Rail Replacement

Constructed in 1965, Wharf 4 is MWPA's busy multi-user bulk minerals facility which reached the end of its design life in 2015.

Over time numerous improvements and additions have been made to the wharf to accommodate larger vessels and infrastructure capabilities.

To improve safety, MWPA imposed load restrictions associated with the use of Wharf 4 in 2016 in response to the deteriorating condition and capacity of the wharf deck slab and shiploader rails, thereby reducing revenue and operational efficiency.

The refurbishment will greatly enhance the structural capacity, eliminating all existing load restrictions and allow for larger mooring capacities.

To increase the deck's load carrying capacity, the existing non-structural topping slab will be removed and replaced with a thickened reinforced concrete slab. The deck strengthening works are to focus on the original part of the Wharf 4 structure while the rail replacement will be over the entire wharf (including the newer Wharf 4 extension).

Strengthening of the wharf will be by encasing the existing deck in new concrete, from above and

below. MWPA has taken this opportunity to increase mooring capacity by installing new higher capacity mooring bollards and Quick Release Hooks with remote operation and line load monitoring capability.

Works are being funded through the State Recovery Fund and MWPA engaged Fortec Australia as the main contractor to undertake the works. Fortec has engaged a significant number of local subcontractor and suppliers to assist in project delivery.

Work scheduling is very challenging given that the works are being undertaken in an operational environment with below deck activities exposed to tides. To meet the programme, the project team are staging the works, identifying opportunities for using existing shutdowns, extending shutdowns, and taking advantage of shipping movements.

Innovative construction techniques are being used for this technically challenging and bespoke project.

Work required on the underside of the deck is being completed on a scaffolding platform which is installed below water level. To reduce manual handling, workers transport the steel in by floating barges and when a section is complete, the scaffolding platforms are disconnected and floated to the new location.

Works commenced in March 2021 and Practical Completion is scheduled for January 2022.



Image: Location of Wharf 4.



Image: Wharf 4 works in progress.



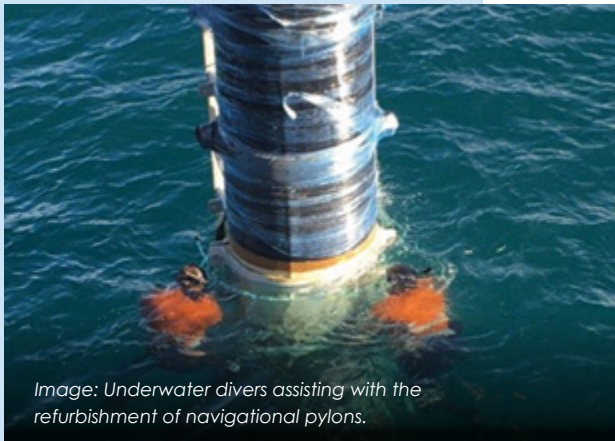


Image: Underwater divers assisting with the refurbishment of navigational pylons.

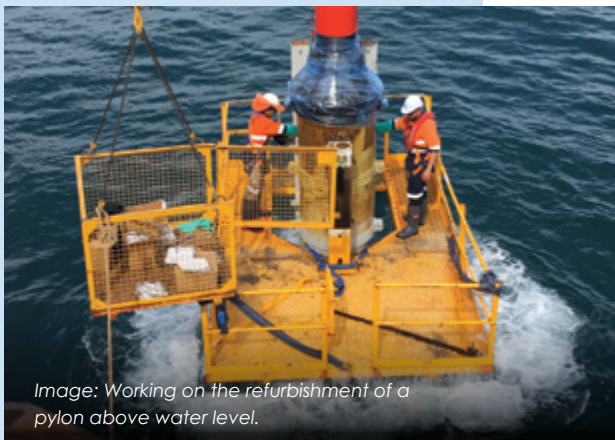


Image: Working on the refurbishment of a pylon above water level.

## Navigation Beacon Refurbishment

MWPA's main shipping channel into Geraldton Port is approximately 4.8km long and 180 - 220m wide. In 2003, twenty one (21) navigation beacons were installed to mark the main shipping channel and assist in the safe transit of vessels into port.

Navigation beacons are considered critical infrastructure for safe port operations. The beacons provide visual references for the pilots and are of particular importance when transiting through the bend in the channel on approach to Geraldton Harbour. The beacons have been strategically located in such a manner that allow the pilots to line up one set of beacons for initial positioning and then a subsequent set, providing a safe passage through this area.

In 2021, MWPA embarked on a Navigation Beacon Refurbishment Project to address the deteriorating condition of the beacons including signs of wear, corrosion and paint degradation. In addition, some beacon ladders and platforms had sustained damage due to a recreational vessel collision (Beacon 2) and high seas. This maintenance program is their first major maintenance upgrade.

The project aimed to replace sixteen fixed navigation beacon tops, completely replace beacon 2 and complete other associated maintenance repairs as identified.

In April 2021, jack up barge 'Margaret' and her support vessels 'Anne-Marie' and 'Marie-Pierre' were mobilised to Geraldton from Onslow and Fremantle respectively.

The refurbishment of the navigation beacons was programmed to coincide with the Beacon 2 Replacement works to take advantage and maximise utilisation of the specialist equipment that was to be mobilised for both works.

Unfortunately, due to excessive inclement weather (including a cyclone) and associated stand-by costs, a decision was made to demobilise the contractor in early June before completing the full scope of the project. Planning is now underway for alternate methods to complete maintenance on the remaining outer channel beacons.



*Image: Australian Sealions regularly rest and recuperate on rocks within port waters, demonstrating MWPA's ability to operate in balance with the environment in which it operates.*

## Environmental Impact Assessment And Technical Studies To Prepare For Maintenance Dredging

Mid West Port Authority commissioned a series of baseline studies to better understand the current state of the marine environment and to inform a detailed environmental impact assessment for the proposed 2021 maintenance dredging activities.

### Understanding Benthic Communities And Habitats

To protect the biological diversity and understand the health of ecological systems within port waters, MWPA sought to build on its benthic habitat (seabed) mapping work to assess current seagrass condition with historical data to understand:

- Long term trends in seagrass coverage;
- Seagrass health (density, height, biomass, and percent cover); and
- Provide a baseline for monitoring and quantifying seagrass changes over time.

This mapping was completed in 2019.

### Understanding Marine Environmental Quality

Mid West Port Authority recognises the importance of maintaining a healthy marine environment for the community to enjoy and to ensure the ongoing success of local tourism, commercial fishing, aquaculture industries and to support healthy marine life. MWPA

is committed to maintaining the quality of water, sediments and biota within port waters.

The survival and growth of seagrasses depend on several factors, including suitable substrate and sediments for roots and rhizomes to establish, appropriate water quality, and enough sunlight at the seabed. To ensure marine environmental values are understood and protected during maintenance dredge activities, MWPA completed studies on:

- Sediment Characterisation
- Water Quality and Seabed Light Climate

This baseline data is important to better understand the current environmental quality of Champion Bay.

### Understanding Coastal Processes

To better understand the coastal environment in which the Port is located and the geophysical processes that help to shape it (e.g. wind, wave, currents and sediment transport) MWPA commissioned several studies that looked at the interaction between the Port's fixed infrastructure and the natural morphology. Understanding how coastal processes may be impacted and altered over time helps MWPA plan for future development and specific activities such as maintenance dredging.

A Coastal Processes Study was undertaken to gain a greater understanding of the coastal processes affecting the beaches to the north and south of the Port of Geraldton, and at the Geraldton and Oakajee Port sites.

The main purpose of this study is to feed into the development of a sediment transport simulation model.

### Dredging Operations Hydrodynamic Modelling

A conceptual model of the marine system was custom-built using wind, wave, currents and tides to predict the oceanographic behaviour. Using this model, dredging operations can be simulated and sediment fate determined.

These baseline studies will inform planning of future projects such as maintenance dredging, as well as trade and development projects.



## Emergency response and management

### 1. Covid-19 positive seafarer on board vessel MV Key Integrity – October 2020

On 14 October 2020, the vessel MV Key Integrity, which was bound for the Port of Geraldton from an international port, reported that one of its crew members was displaying Covid-19 symptoms.

MWPA consulted with the Department of Health, Department of Agriculture (Biosecurity) and Australian Border Force and planned for the vessel to berth at the Port of Geraldton on 17 October 2020.

Training was provided to all frontline maritime workers on the proper donning and doffing of PPE prior to bringing the ship in to port. Once the vessel was alongside, nurses from the Department of Health conducted a Covid test, with the test returning a positive result. Following further consultation with the Department of Health, Australian Maritime Safety Authority and Fremantle Ports, a decision was made to sail the vessel from Geraldton to Fremantle on 18 October 2020 for further management.

The Covid affected vessel was well managed and there were no impacts to trade during the handling of this incident.



*Image: Damaged vessel MV Barkly Pearl loaded on heavy lift vessel MV Falcon ready for transport.*

## **2. Port of Refuge for damaged vessel MV Barkly Pearl - November 2020- January 2021**

On 02 November 2020, the Australian Maritime Safety Authority issued a direction notice to the MWPA Harbour Master to provide a Port of Refuge to the damaged livestock carrier MV Barkly Pearl.

The vessel was brought alongside at the Port of Geraldton on 03 November 2020 to conduct damage assessment. The inspection revealed extensive damage to one side of the ship.

Due to a scarcity of specialised ship repair facilities in Geraldton, and the delays in gaining consensus on a repair plan between multiple agencies (vessel's Flag State and Classification Society) and stakeholders, the vessel repairs were stalled. To minimise impacts on trade, the vessel was shifted between berths as required. In addition, the vessel and its crew, who had arrived from an international port, had to be managed in accordance with MWPA's Covid-19 protocols.

Through the persistent efforts of MWPA and collaboration with multiple agencies such as Australian Maritime Safety Authority and the Department of Primary Industries & Regional Development, a decision was made to transfer the vessel onto a heavy lift vessel. MV Barkly Pearl departed the Port of Geraldton on 06 January 2021 with the vessel being transferred on to MV Falcon at the Abrolhos Islands, and departed Australian waters after safety assessments later in the month.

## **3. Oil leak in the vicinity of vessel MV Ya Tai 2 - February 2021**

On 11 February 2021, an oil spill was observed in the vicinity of the vessel MV Ya Tai 2 which was alongside at the Port of Geraldton. All cargo operations were suspended and MWPA responders mounted a first strike response to contain the oil spill through deploying oil spill booms. Notifications were made to multiple agencies including the Department of Transport (DoT), who mobilised a team of responders and oil spill equipment from Fremantle to Geraldton the same day.

MWPA assumed the Incident Controller responsibilities and the incident was classed as a Level 2 incident. MWPA and DoT personnel worked collaboratively, concluding the clean-up operations by 14 February 2021. Investigations on the source of leak were carried out and oil samples were collected for laboratory analysis. Once a determination was made that there was no further risk of an oil spill, permissions were granted to the vessel to recommence cargo operations. The vessel departed the Port of Geraldton on 17 February 2021.

The timeliness of the first strike response and the minimisation of impacts to port operations from the oil spill is testament to the high degree of operational readiness at MWPA to deal with such contingencies.

## **4. Cyclone Seroja impacting Geraldton - April 2021**

Cyclone Seroja was forecasted to approach Geraldton on 11 April 2021 from the north and make landfall.

MWPA took a very cautious approach given the unpredictability of tropical cyclones. Preparations were made both on waterside and landside to minimise the impacts.

On the waterside, the Port of Geraldton was closed for shipping, the commercial harbour and the anchorages were cleared of all ships, and notifications sent out to secure all vessels in the Fishing Boat Harbour by 10 April 2021. On the landside, all berth equipment, ship loaders etc. were secured. MWPA staff and contractors were advised on actions and expectations during the different stages of DFES cyclone alerts - Blue, Yellow and Red.

Cyclone Seroja made landfall to the north of Geraldton on the evening of 11 April 2021. Post cyclone, inspections were carried out landside and waterside on 12 April 2021. Hydrographic surveys were conducted for port waters as a risk mitigation measure. The inspections revealed minimal damage to port infrastructure and preparations were made to recommence operations. Once the hydrographic survey results were received and electricity restored in the region, shipping recommenced at the Port of Geraldton on 15 April 2021.

## 3.4

# Operating Summary

## Trade Summary

For 2020/21, trade volumes shipped through the Port of Geraldton totalled 15.074 million tonnes, slightly above the 14.95 million tonnes reported in the previous year. While the overall level of trade in 2020/21 was similar to 2019/20, the customer and product mix was quite different, leading to an increase in overall revenue and profitability for MWPA.

The Port's main trade was the export of magnetite and hematite iron ore which at ~10.1 million tonnes was 642,000 tonnes (6%) lower than the ~10.8 million tonnes reported in 2019/20. This reduction largely reflected a major customer closing their operations at the end of mine life, the full impact of which was partially offset by the establishment of three new smaller iron ore exporters during the year. With iron ore exports falling but overall trade remaining constant, iron ore as a percentage of total Port trade fell from 72% to 67%.

After a weak grain harvest in 2019/20, the Mid West region reported an improved harvest in 2020/21. Grain exports of 2.3 million tonnes were up 185,000 tonnes (9%) over 2019/20. As a consequence, grain exports as a percentage of total Port trade increased from 14.4% to 15.4%.

Offsetting the decline in iron ore exports was the commencement of a new export trade for construction sands to the Asian market. Shipments commenced in early 2020/21, and a total of 609,000 tonnes were shipped during the year, co-sharing MWPA's Berth 5 iron ore shiploader. This new trade accounted for 4.2% of total port trade in 2020/21 to become the 3rd largest export commodity.

Trade in high value, specialty industrial minerals was one area that was impacted by Covid-19 in 2020/21. Minerals like garnet, talc and mineral sands have historically been important contributors to Geraldton's trade and total shipments of these high value minerals increased slightly from 1.15 million tonnes to 1.17 million tonnes, an increase of 21,000 tonnes (2%).

Exports of zinc, copper, nickel and precious metals concentrates also fell slightly, falling from 558,000 tonnes in 2019/20 to 475,000 tonnes in 2020/21, a net reduction of 83,000 tonnes (14.9%). Part of this reduction was attributable to three nickel concentrate shipments in 2019/20 which were not repeated in 2020/21 as the concentrate was processed domestically rather than being exported.

In other major trade commodities, imports of fuel increased from 205,000 tonnes in 2019/20 to 221,000 tonnes in 2020/21, reflecting the increased level of economic activity in the Mid West during the year, and especially a switch from rail to road transport for some of the new iron ore projects.

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

2020/21 was a particularly difficult year for Mid West lobster fishermen already impacted by Covid-19. A reduction in demand from the industry's primary market in late 2020 saw both volumes and prices fall well below historical levels.

Finally, MWPA was pleased to be able to support the development of significant Mid West infrastructure with the receipt of the first of four shipments of gas pipes for the \$460 million 'Northern Goldfields Interconnect' to connect the Perth Basin gas fields to the Goldfields Gas Pipeline.

3.5

# 2020/21 Trade Data



**Europe**



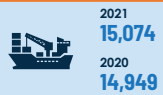
**China**



**NE Asia**



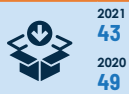
**Total volume of trade '000**



**Total shipments**



**Import shipments**



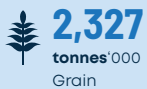
**Export shipments**



**Other shipments**



**Total volume of each product '000**



**Nth America**



**Middle East**



**SE Asia**



**Aust & NZ**



"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.



Image: Pipes being unloaded on to Berth 6.





## Trade Update

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

During the year, MWPA signed formal Port Access and Service Agreements (PSA) with several companies that took Final Investment Decisions to proceed with the development of major mining projects:

- Fenix Resources Limited (ASX:FEX) approved the development of their 1.25 million tonne per annum 'Iron Ridge' hematite iron ore project in September 2020. Shipments commenced in February 2021.
- GWR Limited (ASX:GWR) approved the development of their 1.00 million tonne per annum 'C4' hematite iron ore project in October 2020. Shipments commenced in February 2021.
- Kimberley Metals Group (Private) approved the development of the 1.50 million tonne per annum 'Blue Hills' hematite iron ore project in mid-2020. Shipments commenced in February 2021.
- Mt Gibson Iron Limited (ASX:MGX) approved the development of their 1.50 million tonne per annum 'Shine' hematite iron ore project in October 2020. Shipments are expected to commence in August 2021.
- Fe Limited (ASX:FEL) approved the development of their 1.50 million tonne per annum 'GWR' hematite iron ore project in June 2021. Shipments are expected to commence in August 2021.
- Strandline Resources Limited (ASX:STA), approved the development of their 240,000 tonne per annum 'Coburn' mineral sands project in May 2021. Shipments are expected to commence in late 2022.
- Abra Mining Limited, a subsidiary of Galena Mining Limited (ASX:G1A) approved the development of the 125,000 tonne per annum Abra lead-silver project in June 2021. Shipments are expected to commence in early 2023.

Aside from the executed PSA's, MWPA continues to work closely with several new mining projects that could see the exports in magnetite and hematite iron ore, garnet and base metal concentrates grow in the near future.

In addition, work continues with several potential customers who could expand the range of new minerals exported through the Port to include silica sand, vanadium, spodumene, sulphate of potash and urea.

Work also continues with several potential producers of renewable energy who are looking to produce green hydrogen, or green ammonia, in the Mid West region that could be exported to Asian markets. The Mid West has been identified as a preferred location for renewable hydrogen/ammonia due in part, to its superior solar and wind resources and existing Port infrastructure. Aside from the export of hydrogen or ammonium, the Port is likely to facilitate the development of these projects by receiving shipments of wind turbines and other break bulk infrastructure required by these projects.

In the fishing sector, work also continues with a select group of potential customers who are looking to develop boat building and fish processing facilities within the Geraldton Port precinct to support the existing fishing industry.



Image: Sunset from Bluff Point with vessels at anchor.

## Environmental Management

### Environmental Monitoring

In accordance with the MWPA Environmental Management Plan and as required under the *Environmental Protection Act 1986* (Part V Licence), MWPA routinely and actively monitors and reports on its environmental performance.

MWPA is committed to the prevention, reduction and control of emissions and discharges to the environment. The following monitoring programs are undertaken each year.

**Air** - Air quality monitoring is conducted around the Ports boundary using a network of Tapered Element Oscillating Microbalance (TEOM) monitors and High Volume Air Samplers. Real-time emissions are displayed via Envirosuite, allowing 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 MWPA to assess any port-related environmental impacts and guide appropriate management actions.

**Biosecurity** - The Port continues to support 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.

### Species In The Spotlight - Osprey

As part of workforce environmental awareness, the Sustainability team showcase species that frequent the Port of Geraldton, promoting management strategies for protecting the wildlife of the Mid West coastline. One such species is *Pandion cristatus* – the Eastern Osprey.



Under the *Environmental Protection and Biodiversity Conservation Act 1999* and the *Biodiversity Conservation Act 2016*, the Eastern Osprey is considered a 'migratory bird protected under an international agreement'.

Osprey are faithful to the same nest year after year. The nest is made from sticks, seaweed or even fishing industry debris such as rope, and may be huge after years of tending. Both birds collect nesting materials, but it is usually the female who places the materials in the nest.

One man-made nesting platform was established in the Port on Berth 2 over 20 years ago. The platform has been an active breeding and nesting location for

resident osprey, successfully raising young each year. Other man-made platforms in the Geraldton surrounds are located at Point Moore, Separation Point and Greys Beach.

The Port identifies Osprey conservation measures and drives initiatives as such: protection of established nesting platform, improving the workforce understanding of threats to osprey, monitoring the health of the osprey frequenting the Port, reporting sick and injured bird species to DBCA (Parks and Wildlife) and seeking opportunities to educate Port users, community members, and tourism operations that utilise the Fishing Boat Harbour.

The ongoing presence of Osprey taking refuge amongst the operations is a testament to MWPA's ability to work in balance with the environment.

## 3.6

# Safety

MWPA's first priority is always the wellbeing and safety of its employees, stakeholders and the community. The MWPA Executive and Board keep high safety expectations with the belief that all injuries and occupational illnesses can be prevented and promote that all Port users play a critical role in the success of safety process, ensuring MWPA remains a safe workplace.

Ports operate in a high risk environment and MWPA acknowledges that a continued and sustained focus

on safety must be maintained, regardless of the challenges presented. In 2020/21 the Port experienced two Lost Time Injuries (LTIs) and a Medical Treated Injury (MTI) sustained, resulting in a 12 month rolling Total Recordable Injury Frequency Rate (TRIFR) of 12.39 and an Lost Time Injury Frequency Rate (LTIFR) of 8.32. MWPA is embedding a safety culture which centres around continuous improvement.

MWPA ensures employees are competent in their work through ongoing training and assessment. In addition,

MWPA is working towards the implementation of the new WHS legislation, working in conjunction with other WA Ports. Continual revision of workplace processes and auditing to better understand and continually improve the workplace.

## Covid-19

MWPA used its maturing safety systems together with the broad skill sets and experience within the organisation to adapt and respond to the pandemic. MWPA developed response plans that safely addressed the interaction

## Safety Statistics

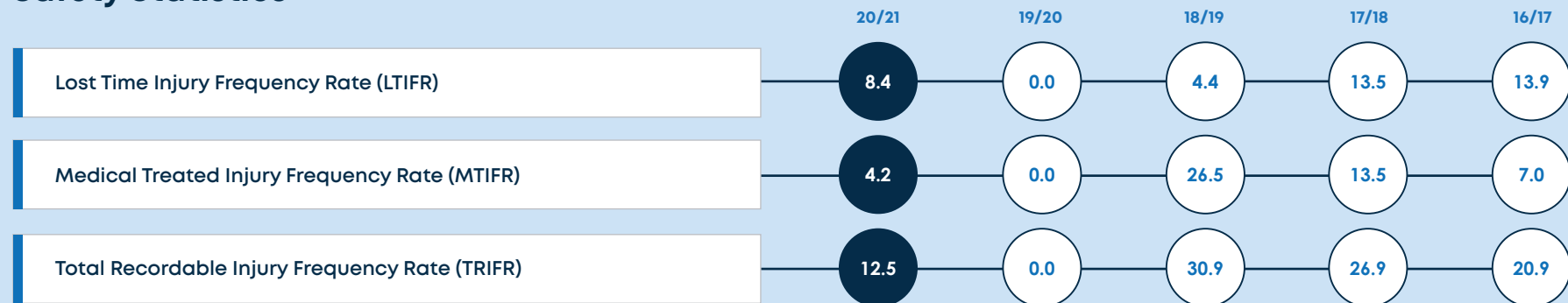


Image: Mooring team at work.

with vessels arriving from foreign ports, improved health and hygiene practices for its workforce and managed the safe interaction between the port and communities. MWPA's first consideration in responding to Covid-19 was, and continues to be, its people.

#### **Contractor management**

MWPA implemented additional requirements and checks and balances for procuring, engaging and managing contractors. These contractor safety requirements have been successfully rolled out for the Wharf 4 Strengthening & Rail Replacement project and will shape the way MWPA procures and engages contractors for future projects.

#### **Opportunities**

Opportunity for improvement exists on several fronts; firstly the establishment and implementation of additional controls and enhanced systems to reduce high risk/ high consequence safety incidents, which will be a key focus for the Port moving forward. Secondly, continuing to work with its employees in driving a stronger, more positive safe-to-speak-up culture, underpinned by an enhanced operating discipline, ensuring improved health, safety and wellbeing outcomes for all port users.



## 3.7

# Stakeholders

## Connecting with Stakeholders

MWPA recognises the fundamental importance of listening to and engaging with its stakeholders, creating opportunity for open conversation, acknowledging and addressing issues and concerns, and ensuring it continue to collaborate on a mutually beneficial solution.

The Port is extremely proud to be a part of the Mid West community and are committed to engaging with and supporting the community in its pursuits.

In the last 12 months MWPA have concentrated on extending its reach in to the community and as a result has seen a significant increase in port tours, attendance at school career days, committed to being a major sponsor of the new local festival 'Shore Leave' and consulted widely on the planned 2021 Maintenance Dredging Project.

The MWPA Stakeholder Engagement Committee which has representatives from the community, port users, business and interest groups, and government agencies, meets quarterly and promotes open dialogue around port operations.

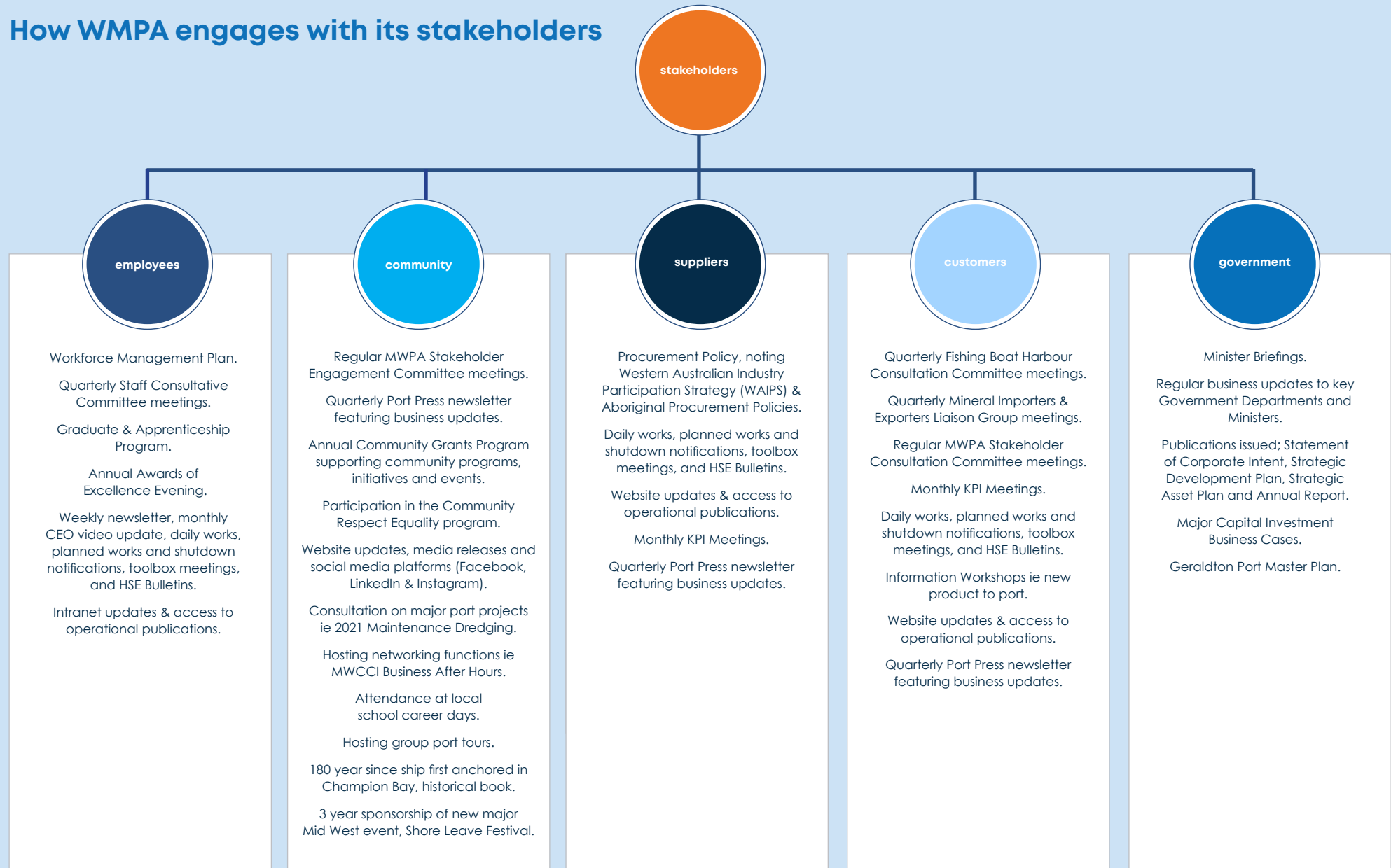
MWPA values feedback from information sharing on strategic planning, new emerging projects, community initiatives and concerns, the reporting and resolution of community complaints, environmental and safety matters, responding to feedback, and any community initiatives and/or events with its stakeholders. Meeting minutes are published on the MWPA website.

The Port also meets quarterly with its users of the Fishing Boat Harbour through the FBH Consultation Committee, and commercial harbour through the Mineral Importers Exporters Liaison Group.



Image: Employees on port.

## How WMPA engages with its stakeholders



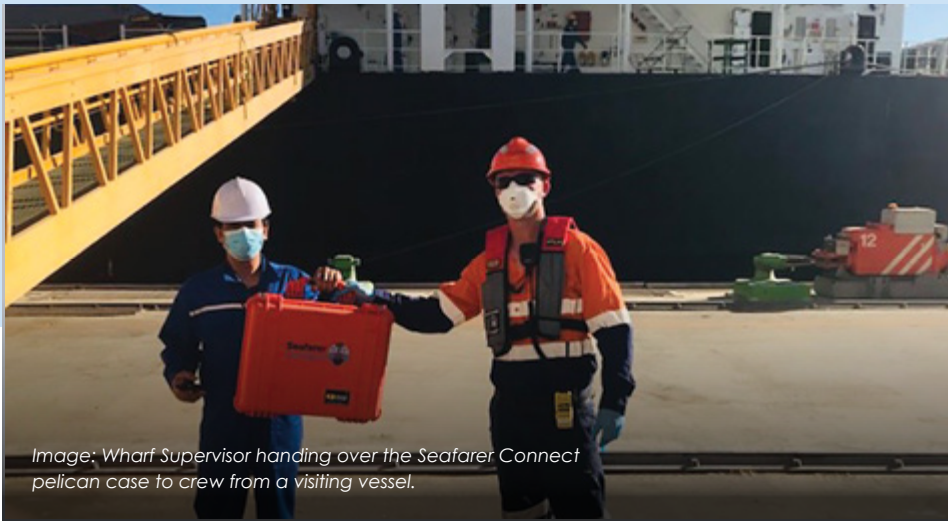


Image: Wharf Supervisor handing over the Seafarer Connect pelican case to crew from a visiting vessel.



Image: Max Royce (left) and Harley Royce (right) collecting donated poles.

## Community

### Seafarers Connect

Many of the 5000 seafarers who visit Geraldton Port each year are now keeping connected to friends and family thanks to free WIFI provided by Seafarers Connect and MWPA.

The mental health benefits for crew being able to make contact with loved ones, who are often at sea for many months at a time, cannot be overstated. While isolation, homesickness and mental health issues are ever present for seafarers COVID has made these challenges harder.

Due to quarantine restrictions, seafarers are unable to disembark their vessel to access phone or SIM cards and with no connectivity aboard, aside from prohibitively expensive satellite communications, contacting home is a major issue.

Under this new initiative, MWPA's Wharf Supervisors hand the ship's master a pelican case containing a WIFI kit specially developed by the Sydney Telstra Business Technology Centre to get seafarers online through their phones, tablets and computers.

Seafarers working at Geraldton Port can now keep in contact with their loved ones, addressing this critical mental health matter. A simple solution which is providing considerable benefit to port stakeholders.

### 180 Year Acknowledgement

In 2020, MWPA recognised 180 years since the first ship had anchored in Champion Bay. In acknowledgement of this milestone MWPA developed and printed a pictorial history book 'The Port of Geraldton Story So Far', and launched a complimentary video and polo shirts based on this book at the February 2021 Mid West Chamber of Commerce, Business After Hours.

### Poles for Hope

MWPA was approached by Hope Community to assist in the development of life skills and knowledge through woodwork.

Hope Community supports people affected by alcohol and other drugs, mental ill-health, youth justice issues and socio-economic disadvantage. Providing a caring and supportive environment, Hope Community works with participants to build confidence and self-awareness through a variety of work programs, with one of these programs being woodwork.

A local volunteer, Mr Max Royce shares his life skills and knowledge in woodwork with participants and reached out to MWPA requesting the donation of timber. The Port has unsuccessfully attempted to sell timber which without a purpose, is taking up space in MWPA storage yard. Gifting 24 timber poles to Hope Community not





Image: Acting CEO, Damian Tully with Geraldton Toy Library President Kiara Jones.



Image: CEO Rochelle Macdonald and Men's Shed representatives President, Peter Bowden (left) and Vice President, Brent Dean (right).

only frees up valuable storage space for the Port, but offers the opportunity to support a valued initiative in the community which also aligns with its values.

### Shine on Port

In November 2020, MWPA's two female General Managers presented to two groups of SHINE students on port. SHINE Inspire Achieve Belong works with at risk female school students to build confidence, respect and communication skills. It is a multi-faceted life skills program aligned to curriculum and delivered in collaboration with individual school priorities.

Vickie Williams, General Manager Sustainability, Culture and People and Sandra Pigdon, General Manager Trade and Corporate Services shared stories and insights on how they came to their current leadership roles at

the Port, providing inspiration and empowerment to young girls in the community.

### Community Grants Program

Although the role of MWPA is to facilitate industry and trade growth in the Mid West, it also understands the connection of the Port to the people of WA, and as part of supporting the local region it invests in the community through a range of partnerships and events.

MWPA supports the local community through its annual Community Grants Program. The 2020/21 program supported twenty one Mid West community groups, clubs and organisations who benefitted from \$105,606 in funding.

MWPA grants recognise the contribution these community groups make to improving the social, environmental, and economic prospects of the region.

Many of these groups work with small budgets and MWPA's grants program can provide the opportunity to get new and exciting projects off the ground that ultimately benefit the Mid West community.

Over the past year, these grants have created several opportunities and developments for the region, with some of those including:

- Geraldton Little Athletics Club installing a new race timing system;
- Installation of a water tank mural at Chapman Valley School;
- Safe water play classes at Geraldton Toy Library;
- Travel and ability for Geraldton women to participate in the Rural, Regional and Remote Women's Network of Western Australia;



Image: Pages Beach.



Image: Pages Beach.

- Support of seafarers to Geraldton; and
- The support of eight local sporting organisations.

Each year, staff conduct internal fundraising activities and then donate monies raised to a local NFP. This year Men's Shed Geraldton was chosen and were gifted an \$11,000 cheque to assist in the continuing support of local men in the Mid West.

MWPA have also committed \$100,000 each year over the next three years, to activate the Shore Leave Festival, celebrating the food, culture and history of the region and attract visitors to the area.

The establishment of these annual grants and partnerships allows MWPA to provide values-aligned support to the region and build meaningful long-term relationships.

### Beach Nourishment

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 the MOU, MWPA has provided support to the City of Greater Geraldton (CGG) with nourishment sand at Drummond Cove to assist with their beach restoration works.

In addition, MWPA will also continue to minimise the migration of sand and accretion into the Fishing Boat Harbour (FBH) channel. The relocation of this sand has a dual benefit of providing additional supply to the CGG's Beresford foreshore at Kempton Street, while maintaining clear passage for the FBH.

BEACH	SAND VOLUME REPLENISHED	OBLIGATION
Drummonds Cove	4,746 m <sup>3</sup>	Supplement to MOU
Foreshore North	6,649 m <sup>3</sup>	MOU Obligation
Kempton Street	4,063 m <sup>3</sup>	MOU Obligation

The total volume of sand handled under the program in 2020/21 was 15,458m<sup>3</sup>.

## Employees

### Inclusion & diversity

- 23 employees declared born outside of Australia.
- 2 employees identified as Aboriginal.
- 1 employee declared to be living with a disability.

### Gender balance

- 29 Females.
- 116 Males.

### People And culture

The annual Values and Excellence Awards recognises and rewards MWPA staff that 'uphold and live the MWPA's Values'. For the first time there was the ability to nominate an entire team for their contribution to MWPA with the Information Communications & Technology Team taking home the honours for their support during some challenging times. This year saw Peter Nikkula, Aimee Meehan and Erin Luscombe receive the awards selected by the MWPA Board while Brendan Moir, Eliza McCaskie and Julie Higgins 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 - 2
- 10 Years - 4
- 20 Years - 0
- 30 Years - 0
- 40 Years - 1

### Business improvement program

During 2020/21, MWPA commenced an 18 month port wide business improvement program named by the staff as TEAM (Together Everyone Achieves More). The program has involved all staff and will look at opportunities for improvement across the entire organisation ensuring the port is in the best possible position to enable trade and growth into the future. The program topics include; 8 Wastes, Process Optimisation, Visual Management, 5S, Standard Work, Problem Solving and Project Scoping.

### Leadership development

To help facilitate the TEAM program, Leadership Team members, Supervisors and emerging leaders have participated in a number of workshops to build and improve skills and knowledge in the following subjects: Conflict Management and Negotiation, Having Difficult Conversations, Coaching and Mentoring, Change Leadership, High Performing Teams, Emotional Intelligence, and Leadership Fundamentals.

### Flexible working

The Port continues to provide flexible working arrangements for staff returning from Maternity Leave.

To provide flexibility and agility to the workforce, working remotely has continued to play a role after it was successfully implemented in 2020.

### Employee development

We continue to place a strong focus on workforce development and encourage MWPA staff to undertake training and development opportunities. Over the past 12 months, employees attended 361 training sessions. The training sessions consisted of a mixture of compliance, full courses, soft skills and culture improvement.

Some of the training highlights included:

- LEAD: Learn, Evolve, Aspire, Develop;
- STCW95 - Certificate of Safety Training;
- High Voltage Safety Operations (HVSO);
- HVSO Refresher;
- Provide First Aid;
- Electrical Nominee;
- Safety Health Representative;
- Bridge Resource Management (BRM);
- Mental Health First Aid;
- Australian Institute of Company Directors (AICD) Course;
- Webinar: Rising from Setbacks;
- Business Sustainability Management Online;
- Cert IV Leadership and Management;
- Surface Ventilation Technician; and
- Surface Ventilation Officer.



## Bob Woodman revisits 40 years at Geraldton Port

When Bob Woodman started at Geraldton Port 40 years ago, he would arrive for the workday wearing shorts and a singlet. This was normal practice for the team of 15 who worked on the wharves in 1980.

While celebrating his 40 year anniversary in March 2021, Bob said he had seen many changes over his time. "I previously worked as a caterpillar mechanic at WesTrac before being recruited as the Port's first and only mechanic," he said. "I was brought in to assemble a big container crane that had been delivered in pieces... it was just as Berth 5 and the channel widening and deepening were completed. We only had about 15 of us working on the wharves, along with the Stevedores, and about 5 in admin. It was definitely a different world."

Bob has taken on many roles at Geraldton Port, from having manufactured the Fishing Boat Harbour Pens, to loading and unloading ships and finishing his days at MWPA as a Mooring Specialist.

His advice for the next generation of workers is to learn and develop a good work ethic. "I'm old fashioned with the way I work. In my early days when we set out to drive piles, the following day we'd try and outdo the number we reached the day before," he said. "We worked hard and we were happy. Developing a work ethic early on is really the best advice I can give. I'm pretty lucky with the crew I worked with. They are young guys who are fantastic and put in a lot of effort."

From all of us at MWPA, we congratulate Bob on this incredible milestone and wish him a long and enjoyable retirement.



*Image: Geraldton Port, taken from the eastern breakwater 'The Esplanade'*

## Section 4.0

# GOVERNANCE

## 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.

## 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.

## 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.

## 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, 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.

## 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.

## 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.

## 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.

## 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 a Record Keeping Plan - a requirement under the *State Records Act* - that sets the framework for management of its corporate information.

## Complaint Handling Process

Complaints 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.

## Internal Audits

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

## Corporate Delegations Policy And Manual

MWPA has 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, consistent with the *Port Authorities Act 1999 (WA)*, the 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.





*Image: Board of Directors, left to right, Kate Watson, Robert Willes, Noel Hart (Chair), Peter Creek and Susan Barrera (Deputy Chair)*

## Section 5.0

# ANNUAL FINANCIAL STATEMENTS

## 5.1

# 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
K Watson	Non-Executive Director	Appointed February 2018
S Barrera	Non-Executive Director	Appointed July 2018, appointed Deputy Chair 13 July 2020
N Hart	Chair & Non-Executive Director	Appointed July 2019, appointed Chair 01 February 2020
P Creek	Non-Executive Director	Appointed February 2020
R Willes	Non-Executive Director	Appointed July 2020

Directors who resigned or whose terms expired during the financial year were:

BOARD MEMBER	TITLE	APPOINTMENT
Dr S van Leeuwen	Deputy Chair & Non-Executive Director	Appointed January 2016, Term expired 13 July 2020
L Dalton	Non-Executive Director	Appointed August 2019, Resigned 29 March 2021

## 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	3	3	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
N Hart	10	10	3	3	4
K Watson	10	10	0	3	3
S Barrera	10	10	3	3	4
P Creek	10	10	0	0	3
R Willes (appointed 13 July 2020)	10	10	2	3	0
Dr S van Leeuwen (expired 13 July 2020)	0	0	0	0	0
L Dalton (resigned 29 March 2021)	6	5	2	0	0

The chairs of the board and subcommittees are:

- Board of Directors – N Hart
- Finance & Audit Committee – P Creek
- Strategy & Risk Committee – K Watson
- Governance, Culture & People Committee – R Willes

### 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
- (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.

In order to meet these objectives, the following goals were set for the 2020/21 financial year:

### Objectives

For the 2020/21 financial year the Authority had five Strategic Objectives;

#### Strategic Objectives

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

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
Enabling Supply Chain	Facilitate Strong Strategic Partnerships	Transparent Service Offering & Clear Role as Supply Chain Enablers		
Realising Development Strategies	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		

#### 4. Dividends

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

Dividends of \$11,626,513 were declared and paid in December 2020 as a final dividend for the 2019/20 year. There was no interim dividend declared or paid to the WA State Government for 2020/21.

#### 5. Operating and Financial Review

##### Review of operations

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

	2021	2020
Total trade (tonnes)	15,073,661	14,949,510
	\$'000	\$'000
Revenue from cargo	31,814	24,120
Revenue from ships	37,926	37,118
Revenue from ship services	8	10
Other revenue and income	6,089	6,509
Total revenue and income	75,837	67,757
Less expenditure	(52,517)	(50,695)
Operating profit before tax	23,320	17,062
Income tax on operating profit	(6,997)	(5,311)
<b>Operating profit after tax</b>	<b>16,323</b>	<b>11,751</b>

##### Commentary on operating results

The operations of Geraldton Port for 2020/21 delivered a revenue stream of \$75.8M, which is \$8.1M above the previous financial year. Whilst there was a modest increase in throughput year on year, the major impact was an increase in the number of new customers and new commodities. Costs for the year were \$1.8M higher than 2019/20 due mainly to increased Operations activities, environmental programs, software licencing, insurance and state government charges. Operating Profit Before Tax was 37% higher than 2019/20 which is a significant achievement for the Port.

##### 6. Significant Changes 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 2020/21.

##### 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 identified which are expected to impact on the results of the operations. Please refer to Note 13 of the Directors Report in regard to the impact of COVID-19.

## 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, and each of the three named officers who received the highest remuneration are set out below.

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.

	SHORT TERM BENEFITS (1)	POST EMPLOYMENT BENEFITS (2)	OTHER BENEFITS (3)	LONG TERM BENEFITS (4)	TOTAL
	\$	\$	\$		\$
K, Watson	37,064	3,521	Nil	Nil	40,585
S, Barrera	41,519	3,944	Nil	Nil	45,463
N, Hart	67,127	6,377	Nil	Nil	73,504
P, Creek	34,834	3,309	Nil	Nil	38,143
R, Willes	34,722	3,299	Nil	Nil	38,021
S, Van Leeuwen	2,660	253	Nil	Nil	2,913
L, Dalton	20,120	1,888	Nil	Nil	22,008

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
	\$	\$	\$		\$
S, Nicholson	300,480	28,996	22,385	9,273	361,134
R, Pead	261,956	24,800	23,000	9,273	319,029
S, Beevers	248,259	23,585	23,000	8,922	303,766

- 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

## 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 is 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 conditions pertaining to its activities within the prescribed premises boundary.

Under the Commonwealth Biosecurity Act 2015 all biosecurity entry points must be granted a 'Biosecurity Determination' by the Department of Agriculture, Water and the Environment. The Port of Geraldton is deemed a first point of entry for international commercial vessels and therefore the Authority holds and maintains the Biosecurity Determination as the owner of the Port of Geraldton.

### 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.

### 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 (IMS) 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.

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 the Authority positioned to continue to strengthen, mature and grow our safety culture.

### 13. COVID-19 Impact

The Authority continues to be impacted by COVID-19 through the introduction of new and changes to government directions and implementing new and reviewing existing procedures. These procedures related to access to the Port of staff, vessels and crew sailing from international locations, contractors and customers. MWPA continues to enable flexible working arrangements including 'working from home' for those staff who could do so and the identification of critical roles has enabled flexibility in rostering arrangements to ensure operations could continue. Our Incident Management Team continues to meet regularly to ensure the provision of up to date information and practices remains current. 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:



**N Hart**

Chair  
19 August 2021



**S Barrera**

Deputy Chair  
19 August 2021



## 5.2

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021	NOTE	2021	2020
		\$'000	\$'000
<b>Income</b>			
Revenue	2	74,802	66,416
Other income	3	1,035	1,341
<b>Expenditure</b>			
Depreciation and amortisation	4	(6,676)	(6,255)
Marine		(4,493)	(4,424)
Port operations		(15,468)	(14,930)
General administration		(12,462)	(10,680)
Asset maintenance		(8,646)	(9,681)
Environmental		(1,196)	(378)
Port utilities		(1,007)	(932)
Safety and security		(1,093)	(1,889)
Finance	7	(328)	(380)
Other	8	(1,148)	(1,146)
<b>Profit before income tax</b>		<b>23,320</b>	<b>17,062</b>
Income tax expense	9	(6,997)	(5,311)
<b>Profit for the year</b>		<b>16,323</b>	<b>11,751</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Change in Defined Benefit Cost	18	260	(179)
Income tax	9	(78)	54
<b>Total other comprehensive income</b>		<b>182</b>	<b>(125)</b>
<b>Total comprehensive income</b>		<b>16,505</b>	<b>11,626</b>

The accompanying notes form part of the financial statements.

## 5.3

# Statement of Financial Position

As at 30 June 2021	NOTE	2021	2020
		\$'000	\$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	41,483	42,186
Trade and other receivables	12	12,741	7,650
Inventory		1,378	1,392
<b>Total current assets</b>		<b>55,602</b>	<b>51,228</b>
<b>Non-current assets</b>			
Deferred tax assets	9	2,212	2,064
Property, plant and equipment	14	127,973	126,110
Right of Use Asset	15	354	529
<b>Total non-current assets</b>		<b>130,539</b>	<b>128,703</b>
<b>TOTAL ASSETS</b>		<b>186,141</b>	<b>179,931</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	5,390	4,368
Lease Liabilities	15	177	221
Interest bearing borrowings	17	1,238	1,421
Current tax payable	9	1,888	532
Provisions	18	4,681	4,168
Other Liabilities	19	633	141
<b>Total current liabilities</b>		<b>14,007</b>	<b>10,851</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	17	6,820	8,058
Lease Liabilities	15	181	309
Provisions	18	4,106	4,564
<b>Total non-current liabilities</b>		<b>11,107</b>	<b>12,931</b>
<b>TOTAL LIABILITIES</b>		<b>25,114</b>	<b>23,782</b>
<b>NET ASSETS</b>		<b>161,027</b>	<b>156,149</b>
<b>Equity</b>			
Contributed equity	20	76,857	76,857
Retained earnings	20	84,170	79,292
<b>TOTAL EQUITY</b>		<b>161,027</b>	<b>156,149</b>

The accompanying notes form part of the financial statements.

## 5.4

# Statement of Changes in Equity

For the year ended 30 June 2021	NOTE	CONTRIBUTED EQUITY	RETAINED EARNINGS	TOTAL EQUITY
		\$'000	\$'000	\$'000
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
<b>Total comprehensive income for the year:</b>				
Profit for the year		-	11,751	11,751
Other comprehensive income		-	(125)	(125)
Total comprehensive income		-	11,626	11,626
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid	10	-	(4,124)	(4,124)
<b>Balance as at 30 June 2020</b>		<b>76,857</b>	<b>79,292</b>	<b>156,149</b>
Balance as at 1 July 2020		76,857	79,292	156,149
<b>Total comprehensive income for the year:</b>				
Profit for the year		-	16,323	16,323
Other comprehensive income		-	182	182
Total comprehensive income		-	16,505	16,505
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid	10	-	(11,627)	(11,627)
<b>Balance as at 30 June 2021</b>		<b>76,857</b>	<b>84,170</b>	<b>161,027</b>

The accompanying notes form part of the financial statements.

## 5.5

# Statement of Cashflows

For the year ended 30 June 2021	NOTE	2021	2020
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		83,219	76,799
Cash paid to suppliers and employees		(56,375)	(55,463)
Cash generated from operations		<b>26,845</b>	21,336
Interest paid		(322)	(397)
Interest received		148	545
Income taxes paid		(5,864)	(5,843)
<b>Net cash from operating activities</b>	21	<b>20,806</b>	15,641
<b>Cash flows used in investing activities</b>			
Proceeds from sale of property, plant & equipment		-	-
Acquisition of property, plant & equipment		(8,194)	(4,517)
<b>Net cash used in investing activities</b>		<b>(8,194)</b>	(4,517)
<b>Cash flows used in financing activities</b>			
Repayment of borrowings		(1,421)	(1,431)
Right of use lease liability payments		(269)	(210)
Dividends paid	10	(11,627)	(4,124)
<b>Net cash used in financing activities</b>		<b>(13,316)</b>	(5,765)
Net increase/(decrease) in cash and cash equivalents		(703)	5,359
Cash and cash equivalents at the beginning of the year		42,186	36,827
<b>Cash and cash equivalents at 30 June</b>	11	<b>41,483</b>	42,186

The accompanying notes form part of the financial statements.

## 5.6

# 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 19 August 2021 by the Board of Directors of Mid West Ports Authority.

### (b) Presentation of the Statement of Comprehensive Income

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

Under 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.

The Authority believes that the allocation is more relevant to the understanding of the financial performance of the Authority.

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.

### (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 18.

### 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 capitalised construction projects are discussed in note 14.

### 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 12).

### (f) New accounting standards and interpretations

#### i. AASB 1059 Service Concession Arrangements: Grantors

This standard applies to arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services. The Authority did not have any such service concession arrangements.

#### Future impact of Australian Accounting Standards not yet operative:

#### ii. AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current.

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

This standard is applicable to reporting periods beginning on or after 1 January 2023.

The Authority is in the process of assessing the impact of this standard.

#### iii. AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

This Standard amends: (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the Conceptual Framework for Financial Reporting; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value.

This standard is applicable to reporting periods beginning on or after 1 January 2022.

The Authority is in the process of assessing the impact of this standard.

#### iv. AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.

This standard is applicable to reporting periods beginning on or after 1 January 2022.

The Authority is in the process of assessing the impact of this standard.

#### v. AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting

policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

This standard is applicable to reporting periods beginning on or after 1 January 2023.

The Authority is in the process of assessing the impact of this standard.

### (g) 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.

### (h) Comparative information

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

## 2. Revenue

	2021	2020
	\$'000	\$'000
Rendering of services		
Charges on cargo	<b>31,814</b>	24,120
Charges on ships	<b>37,926</b>	37,118
Shipping services	<b>8</b>	10
Rentals and leases	<b>5,054</b>	5,168
Total revenue	<b>74,802</b>	66,416

### (a) 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 30 days.

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

### (b) 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.

### 3. Other Income

	2021	2020
	\$'000	\$'000
Interest	149	473
Cost recovery and sale of electricity and water	491	441
Net profit/(loss) on sale of property, plant and equipment	(17)	(1)
Miscellaneous revenue	412	428
	<b>1,035</b>	1,341

Other Income comprises of the following.

#### (a) Interest income

Interest is derived from a major Australian banking institution utilising a combination of short term investments and cash management facilities. It is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income, using the effective interest method.

#### (b) Cost recovery and sale of electricity and water

Income derived from the recovery of electricity and water charges to leaseholders of the Authority's land.

#### (c) Miscellaneous Revenue

Consist of income from plant hire & storage, stevedoring licence revenue and cost recoveries.

### 4. Depreciation and Amortisation Expense

DEPRECIATION	2021	2020
	\$'000	\$'000
Channels and breakwaters	2,323	2,322
Buildings and improvements	119	116
Berths, jetties and infrastructure	842	721
Plant and equipment	3,166	2,901
Right of Use Asset	226	195
Total depreciation	<b>6,676</b>	6,255

Depreciation is recognised in the Statement of Profit or Loss and Other Comprehensive Income 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

At each reporting date a review of the useful lives and residual values for all material assets is conducted and an assessment made whether changes are required.



## 5. Employee Benefits Expense

	2021	2020
	\$'000	\$'000
Wages and salaries (a)	17,316	16,797
Superannuation - defined benefit plans (see note 18)	25	41
Superannuation	1,773	1,730
Long service leave (b)	314	372
Annual leave (b)	1,612	1,508
	<b>21,040</b>	20,448

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 8 'Other expenses'. The employment on-costs liability is included at note 18 'Provisions'.

## 6. 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 (\$)	2021	2020
	\$'000	\$'000
290,001 - 300,000	-	1
270,001 - 280,000	-	-
260,001 - 270,000	-	-
250,001 - 260,000	-	-
240,001 - 250,000	1	4
230,001 - 240,000	-	-
220,001 - 230,000	4	-
190,001 - 200,000	-	1
160,001 - 170,000	1	-
90,001 - 100,000	-	-
60,001 - 70,000	1	1
40,001 - 50,000	1	3
30,001 - 40,000	3	2
20,001 - 30,000	1	1
10,001 - 20,000	-	1
1 - 10,000	2	2
	<b>1,797</b>	1,776
Short-term employee benefits	1,797	1,776
Post-employment benefits	153	165
Other long-term benefits	32	35
Termination benefits	-	-
<b>Total Compensation of Key Management Personnel</b>	<b>1,982</b>	1,976

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.

## 7. Finance Costs

	2021	2020
	\$'000	\$'000
Interest - WATC	314	370
Interest - Right of Use Liability	14	10
<b>Finance costs</b>	<b>328</b>	<b>380</b>

Finance expenses comprise interest expense on borrowings and finance charges payable under finance leases. All borrowing costs are recognised in the Statement of Comprehensive Income 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.

## 8. Other Expenses

	2021	2020
	\$'000	\$'000
Doubtful debts expense (a)	2	-
Employee on-costs (b)	1,146	1,146
	<b>1,148</b>	<b>1,146</b>

a. Includes any provision for doubtful debts and write offs during the year.

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 18 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employee on-costs.

## 9. Income Tax Expense

### Recognised in the income statement

	2021	2020
	\$'000	\$'000
Current tax expense		
Current income tax charge	7,218	4,911
Adjustment for prior periods	4	55
	<b>7,222</b>	<b>4,966</b>
Deferred tax income		
Origination and reversal of temporary differences	(222)	208
Adjustment for prior periods	(4)	137
Total income tax expense	<b>(226)</b>	<b>345</b>
	<b>6,997</b>	<b>5,311</b>

### Numerical reconciliation between tax expense and pre-tax net profit

	2021	2020
	\$'000	\$'000
Profit for the year	16,323	11,751
Total income tax expense	6,997	5,311
Profit excluding income tax	<b>23,320</b>	<b>17,062</b>
Income tax using the statutory tax rate of 30% (2020: 30%)	6,996	5,119
Non-deductible expenses	1	1
	<b>6,997</b>	<b>5,120</b>
(Over)/under provision in prior years	-	191
Income tax expense	<b>6,997</b>	<b>5,311</b>
Recognised in other comprehensive income	<b>78</b>	<b>(54)</b>

**Deferred income tax**

	2021	2020	2021	2020	2021	2020
	Balance sheet	Balance sheet	Income statement	Income statement	Mvmt to equity	Mvmt to equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax liabilities</b>						
Accelerated depreciation for tax purposes	<b>296</b>	440	<b>144</b>	334	-	-
Others	<b>350</b>	358	<b>8</b>	49	-	162
Gross deferred tax liabilities	<b>646</b>	798	<b>152</b>	383	-	162
<b>Deferred tax assets</b>						
Employee benefits	<b>1,334</b>	1,426	<b>(14)</b>	(10)	<b>78</b>	(54)
Others	<b>1,524</b>	1,436	<b>88</b>	(28)	-	(162)
Gross deferred tax assets	<b>2,858</b>	2,862	<b>74</b>	(38)	<b>78</b>	(216)
Set-off of deferred tax liabilities pursuant to set-off provisions	<b>(646)</b>	(798)	<b>152</b>	383	-	162
Net deferred tax assets	<b>2,212</b>	2,064	-	-	-	-
Deferred tax (benefit)/expense			<b>226</b>	345	<b>78</b>	(54)

The current tax payable of \$1.8 million (2020: \$0.5 million) represents the amount of income taxes payable in respect of current and prior financial periods.

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 the Statement of Comprehensive Income 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.

**10. Dividends**

	2021	2020
	\$'000	\$'000
Final dividends in respect of the previous financial year (i)	<b>11,627</b>	4,124
Interim dividends in respect of the current financial year	-	-
	<b>11,627</b>	<b>4,124</b>

(i) A final dividend of \$11.6 million (2020: \$4.1 million) was declared and paid in respect of the financial results for the year ended 30 June 2020.

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

## 11. Cash and Cash Equivalents

	2021	2020
	\$'000	\$'000
Bank balances	<b>41,483</b>	35,519
Term deposits which matures in less than 3 months at inception	-	6,667
<b>Cash and cash equivalents in the statements of cash flows</b>	<b>41,483</b>	<b>42,186</b>

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.

The Authority's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 22.

## 12. Trade and Other Receivables

	2021	2020
	\$'000	\$'000
<b>Trade Receivables</b>		
Receivables	<b>8,905</b>	5,881
Allowance for impairment of receivables	-	-
<b>Total Trade Receivables</b>	<b>8,905</b>	<b>5,881</b>
<b>Other Receivables</b>		
Accrued revenue	<b>1,034</b>	573
GST receivable	<b>480</b>	289
Other debtors	<b>1,828</b>	471
Prepayments	<b>494</b>	436
<b>Total Trade and Other Receivables</b>	<b>12,741</b>	<b>7,650</b>

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 41% (2020: 49%) of the Authority's total revenue.

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

	2021	2020
	\$'000	\$'000
Not more than 3 months	10,435	5,367
More than 3 months but less than 6 months	299	379
More than 6 months but less than 1 year	-	62
	<b>10,733</b>	<b>5,808</b>

	2021	2020
	\$'000	\$'000
More than 1 year	-	73
	<b>-</b>	<b>73</b>

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.

### 13. Inventory

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 the 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 14.

### 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 inventory.

## 14. Property, Plant &amp; Equipment

	CHANNELS AND BREAKWATERS	LAND	BUILDINGS	PLANT AND EQUIPMENT	BERTHS, JETTIES AND INFRASTRUCTURE	WORK IN PROGRESS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost or deemed cost</b>							
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)
<b>Balance at 30 June 2020</b>	<b>98,210</b>	<b>7,459</b>	<b>3,428</b>	<b>72,128</b>	<b>107,493</b>	<b>5,836</b>	<b>294,554</b>
Additions	-	1,055	122	372	21	6,760	8,330
Transfer from work in progress	-	-	227	5,256	-	(5,483)	-
Transfer to Inventory (a)	-	-	-	-	-	-	-
Disposal	-	-	(10)	(13)	(19)	-	(42)
<b>Balance at 30 June 2021</b>	<b>98,210</b>	<b>8,514</b>	<b>3,767</b>	<b>77,742</b>	<b>107,495</b>	<b>7,113</b>	<b>302,842</b>

	CHANNELS AND BREAKWATERS	LAND	BUILDINGS	PLANT AND EQUIPMENT	BERTHS, JETTIES AND INFRASTRUCTURE	WORK IN PROGRESS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Accumulated depreciation and impairment</b>							
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
Impairment loss	-	-	-	-	-	-	-
Transfer to Inventory	-	-	-	-	-	-	-
Disposal	-	-	-	(3)	-	-	(3)
Balance at 30 June 2020	<b>40,947</b>	-	<b>1,526</b>	<b>34,807</b>	<b>89,719</b>	<b>1,445</b>	<b>168,444</b>
Depreciation for the year	2,323	-	119	3,166	842	-	6,450
Impairment loss	-	-	-	-	-	-	-
Transfer to Inventory	-	-	-	-	-	-	-
Disposal	-	-	(10)	(12)	(3)	-	(25)
Balance at 30 June 2021	<b>43,270</b>	-	<b>1,635</b>	<b>37,961</b>	<b>90,558</b>	<b>1,445</b>	<b>174,869</b>
<b>Carrying amounts</b>							
At 30 June 2020	<b>57,263</b>	<b>7,459</b>	<b>1,902</b>	<b>37,321</b>	<b>17,774</b>	<b>4,391</b>	<b>126,110</b>
At 30 June 2021	<b>54,940</b>	<b>8,514</b>	<b>2,132</b>	<b>39,782</b>	<b>16,937</b>	<b>5,668</b>	<b>127,973</b>

(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.

### (a) 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 the Statement of Comprehensive Income. 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.

### (b) 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 the Statement of Comprehensive Income as incurred.

### (c) 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 is accounted

for as inventory. (Refer note 13). 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.

### (d) 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, value in use is based on the assets depreciated replacement cost.

## 15. Right of Use Assets and Lease Liability

The Authority leases buildings, equipment and vehicles that are applicable to this standard and are classified below:

RIGHT OF USE ASSETS	2021	2020
	\$'000	\$'000
Buildings	142	157
Plant & Equipment	212	372
	<b>354</b>	<b>529</b>



LEASE LIABILITIES	2021	2020
	\$'000	\$'000
<b>Current</b>		
Buildings	58	42
Plant & Equipment	119	179
	<b>177</b>	<b>221</b>
<b>Non-Current</b>		
Buildings	98	124
Plant & Equipment	83	185
	<b>181</b>	<b>309</b>

ASSETS PLEDGED AS SECURITY	2021	2020
	\$'000	\$'000
Assets pledged as security		
The carrying amounts of non-current assets are pledged as security are:		
Right of Use Asset - vehicles	164	290
<b>Total Assets pledged as security</b>	<b>164</b>	<b>290</b>

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

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.

a. As a lessee

At commencement or on modification of a contract that contains a lease component, the Authority allocates 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 the Statement of Profit or Loss and Other Comprehensive Income if the varying value of the right-of-use asset has been reduced to zero.

The Authority presents right-of-use assets 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.

#### b. 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.

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
<b>Maturity profile</b>						
Lease liability	178	109	63	8	-	358
	<b>178</b>	<b>109</b>	<b>63</b>	<b>8</b>	<b>-</b>	<b>358</b>

#### 16. Trade and Other Payables

CURRENT	2021	2020
	\$'000	\$'000
Trade payables	<b>2,634</b>	2,548
Other payables	<b>70</b>	184
GST payable	<b>854</b>	525
Accrued expenses	<b>1,815</b>	1,086
Other accrued interest	<b>17</b>	25
	<b>5,390</b>	<b>4,368</b>

Trade and other payables are recognised at the 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.

The Authority's exposure to liquidity risk related to trade and other payables is disclosed in note 22.

## 17. Interest Bearing Borrowings

	2021	2020
	\$'000	\$'000
<b>Current liabilities</b>		
Direct borrowings	1,238	1,421
<b>Non-current liabilities</b>		
Direct borrowings	6,820	8,058
	<b>8,058</b>	<b>9,479</b>
<b>Financing arrangements</b>		
The Authority has access to the following lines of credit from the WATC:		
Total facilities available:		
Direct and special borrowings	8,100	15,500
	<b>8,100</b>	<b>15,500</b>
Facilities utilised at reporting date:		
Direct borrowings	8,058	9,479
	<b>8,058</b>	<b>9,479</b>
Facilities not utilised at reporting date:		
Direct borrowings	42	6,021
	<b>42</b>	<b>6,021</b>

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 22.

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.

### 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 2021 was \$8.7 million (2020: \$10.4million).

### 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.

2021	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
<b>Interest bearing borrowings</b>								
Direct borrowings	-	1,238	677	623	709	696	4,115	8,058
	-	<b>1,238</b>	<b>677</b>	<b>623</b>	<b>709</b>	<b>696</b>	<b>4,115</b>	<b>8,058</b>
<b>Weighted average interest rate</b>								
Direct borrowings		3.02%	3.04%	3.04%	3.04%	3.04%	3.14%	

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
<b>Interest bearing borrowings</b>								
Direct borrowings	-	1,421	1,238	677	623	709	4,811	9,479
	-	<b>1,421</b>	<b>1,238</b>	<b>677</b>	<b>623</b>	<b>709</b>	<b>4,811</b>	<b>9,479</b>
<b>Weighted average interest rate</b>								
Direct borrowings		2.91%	3.01%	3.04%	3.04%	3.04%	3.10%	

## 18. Provisions

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Sick leave	1,217	1,219
Annual leave (a)	2,548	2,186
Long service leave (b)	768	615
Superannuation (c)	148	148
	<b>4,681</b>	4,168
<b>Non-current</b>		
Long service leave (b)	1,036	1,106
Superannuation (c)	2,495	2,883
Provision for site remediation costs	575	575
	<b>4,106</b>	4,564

- a. Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after year end. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2021	2020
	\$'000	\$'000
Within 12 months of balance sheet date	2,548	2,186
More than 12 months after balance sheet date	-	-
	<b>2,548</b>	2,186

- 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 year end.

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

	2021	2020
	\$'000	\$'000
Within 12 months of balance sheet date	768	615
More than 12 months after balance sheet date	1,036	1,106
	<b>1,804</b>	1,721

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 reliable, 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 year end 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.

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 8 'Other expenses'.

The liability for annual and long service leave expected to be settled within 12 months after year end 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 year end 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 year end.

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 year end on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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 Benefit.

	2021	2020
	\$'000	\$'000
Present value of unfunded obligations	<b>2,643</b>	3,031
	<b>2,643</b>	3,031

Reconciliation of movement in the present value of the unfunded obligations recognised in the balance sheet:

Opening balance		
Defined benefit cost	<b>3,031</b>	2,957
Remeasurements	<b>25</b>	40
Benefits paid (including expenses and taxes)	<b>(260)</b>	179
	<b>(153)</b>	(145)
	<b>2,643</b>	3,031

	2021	2020
	\$'000	\$'000
<b>Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income:</b>		
Interest cost	<b>25</b>	40
Other comprehensive income		
Actuarial losses/(gains)	<b>(260)</b>	179
	<b>(235)</b>	219
<b>Historic summary:</b>		
Defined benefit plan obligation	<b>2,643</b>	3,031
Plan assets	-	-
	<b>2,643</b>	<b>3,031</b>

	2021	2020
	\$'000	\$'000
<b>Principal actuarial assumptions:</b>		
Discount rate	<b>1.50%</b>	0.85%
Expected future salary increases	<b>2.0% for 2021/22 2.0% for 2022/23 and then 3.0% pa</b>	2.0% for 2019/20 2.0% for 2021/22 and then 3.5% pa
Expected future pension increases	<b>1.75% for 2021/22 1.75% for 2022/23 and then 2.0% pa</b>	2.00%
Anticipated return on plan assets	<b>0.00%</b>	0.00%

### Expected contributions

Employer contributions are made to meet the cost of retirement benefit obligations as they fall due.

### Movements in provisions

Reconciliation for the carrying amounts of the Defined Benefit Superannuation provision is set out below:

	2021	2020
	\$'000	\$'000
<b>Retirement benefit obligations</b>		
Carrying amount at 1 July	<b>3,031</b>	2,957
Provisions made during the year	<b>(235)</b>	219
Amounts utilised in the year	<b>(153)</b>	(145)
Carrying amount at 30 June	<b>2,643</b>	3,031

### Sensitivity Analysis

The defined benefit obligation as at 30 June 2021 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	1.50% pa	1.00% pa	2.00% pa	1.50% pa	1.50% pa
Pensions increase rate	2.00% pa	2.00% pa	2.00% pa	1.50% pa	2.50% pa
Defined benefit obligation (A\$'000s)	2,643	2,815	2,488	2,493	2,807

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.

### Maturity profile of defined benefit obligation

The weighted average duration of the Authority's defined benefit obligation is 12.5 years.

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 2021.

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 GSS 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.



## 19. Other Liabilities

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Prepaid rental income	633	141

## 20. Equity

	NOTE	2021	2020
		\$'000	\$'000
<b>Contributed equity</b>			
Balance at start of the year as previously reported		76,857	76,857
Balance at end of year		76,857	76,857
<b>Retained earnings</b>			
Balance at start of year		79,292	71,795
Adjustment to equity due to AASB 16		-	(5)
Adjusted balance as at beginning of the year		79,292	71,790
Profit for the year		16,323	11,751
Other comprehensive income		182	(125)
Dividends paid	10	(11,627)	(4,124)
Balance at end of year		84,170	79,292

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

## 21. Reconciliation of Cashflows From Operating Activities

	NOTE	2021	2020
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Profit for the year		16,323	11,751
Adjustments for:			
Depreciation	4	6,676	6,255
Finance costs	7	328	380
Interest revenue	3	(149)	(473)
Net (profit) / loss on sale of property, plant and equipment	3	17	1
Income tax expense	9	6,997	5,311
<b>Operating profit before changes in working capital and provisions</b>		30,192	23,225
Change in trade and other receivables		(5,092)	(1,010)
Change in Inventory		(37)	(415)
Change in trade and other payables		1,520	(1,197)
Change in provisions and employee benefits		261	733
		(3,348)	(1,889)
Interest paid		(322)	(397)
Interest received		148	545
Income taxes paid		(5,864)	(5,843)
<b>Net cash from operating activities</b>		20,806	15,641

## 22. 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.

Initial recognition and measurement is at 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.

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.

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 Authority'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 2021	CARRYING AMOUNT	+0.50% CHANGE PROFIT	-0.25% CHANGE PROFIT
	\$'000	\$'000	\$'000
<b>Financial Assets</b>			
Cash and cash equivalents	41,483	207	(104)
<b>Financial Liabilities</b>			
Interest bearing borrowings			
Variable rate	-	-	-
<b>Total (Decrease)/Increase</b>		207	(104)

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

### 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 monitors credit 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.

	2021	2020
	\$'000	\$'000
<b>Financial assets at amortised cost</b>		
- Trade receivables	8,905	5,881
- Accrued Revenue	2,862	1,044
- Other Debtors	1,828	471
<b>Cash and cash equivalents</b>	41,483	42,186
	<b>55,078</b>	<b>49,582</b>

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 12 '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
<b>2021</b>						
Trade and other payables	4,536	4,536	-	-	-	-
Interest bearing borrowings	8,058	858	652	919	2,609	4,563
	<b>12,594</b>	<b>5,394</b>	<b>652</b>	<b>919</b>	<b>2,609</b>	<b>4,563</b>
<b>2020</b>						
Trade and other payables	3,843	3,843	-	-	-	-
Interest bearing borrowings	9,479	873	862	1,510	2,664	5,428
	<b>13,322</b>	<b>4,716</b>	<b>862</b>	<b>1,510</b>	<b>2,664</b>	<b>5,428</b>

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	2021	2020
		\$'000	\$'000
<b>Financial assets</b>			
Cash and cash equivalents	11	<b>41,483</b>	42,186
Financial assets measured at amortised cost:			
Trade and other receivables (a)	12	<b>11,767</b>	6,925
<b>Financial liabilities</b>			
Financial liabilities measured at amortised cost:			
Trade and other payables (a)	16	<b>4,536</b>	3,843
Interest bearing borrowings	17	<b>8,058</b>	9,479

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 \$8,712,608 (2020: \$10,378,016).

## 23. 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:

	2021	2020
	\$'000	\$'000
Within 1 year	<b>8,315</b>	1,457
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>8,315</b>	1,457

### (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:

	2021	2020
	\$'000	\$'000
Within 1 year	<b>19</b>	70
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>19</b>	70
Representing:		
Cancellable operating leases	<b>19</b>	70
	<b>19</b>	70

Leases payable are in respect of 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 receivables not recognised

	2021	2020
	\$'000	\$'000
Future minimum rentals receivable for operating leases at reporting date:		
Within 1 year	<b>4,036</b>	4,064
Later than 1 year and not later than 5 years	<b>7,528</b>	8,177
Later than 5 years	<b>9,098</b>	9,278
	<b>20,661</b>	21,519

Operating leases receivable are in respect of property rentals.

### 24. Remuneration of Auditor

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

	2021	2020
	\$'000	\$'000
Auditing the accounts and financial statements	<b>70</b>	70

### 25. Related Party Transactions

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

N Hart	Dr S van Leeuwen
S Barrera	K Watson
L Dalton	P Creek
R Willes	

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

The Authority has been notified that a current State Government of Western Australia Minister has declared a related party has provided consulting services to the Authority valued at \$92,446 of which \$74,570 was outstanding at the end of the year.

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

	2021	2020
	\$'000	\$'000
Dividends	11,627	4,124
Interest paid (WATC)	322	397
Loan paid (WATC)	1,421	1,431
Loan drawdown (WATC)	-	-
Superannuation (GESB)	153	145
	<b>13,522</b>	<b>6,097</b>

### 26. Contingent Assets and Liabilities

Under the Contaminated Sites Act 2003 (WA), the Authority must report known and/or suspected contamination to the Department of Water and Environmental Regulation (DWER). DWER has assessed certain sites as "possibly contaminated – investigation required" and as per Accounting Policy Guideline 1 (APG1), the Authority must disclose a contingent liability. The sites identified are not the source of the contamination and as such, the Authority is not expected to remediate the sites.

There are no other known contingent assets, nor contingent liabilities at the date of preparing this report.

### 27. 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.

## 5.7

# Directors' Declaration

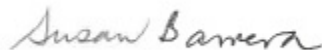
In the opinion of the Directors of Mid West Ports Authority (the "Authority"):

- 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 2021 and of its performance, for the financial year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations except as noted in Note 1(b)) 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:



**N Hart**  
Chair  
19 August 2021



**S Barrera**  
Deputy Chair  
19 August 2021



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2021

Mid West Ports Authority

To the Parliament of Western Australia

#### Opinion

I have audited the financial report of the Mid West Ports Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2021, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, the financial report of the Authority are prepared 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 2021 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 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 Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

#### Other Information

The directors are responsible for the other information. The other information comprises the information in the Authority's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

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



## Responsibilities 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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

My objectives are to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](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 the Authority for the year ended 30 June 2021 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.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
26 August 2021

## Contact Us

298 Marine Terrace, Geraldton  
Western Australia 6530  
PO Box 1856, Geraldton  
Western Australia 6531

**Telephone:** +61 8 9964 0520

**Internet:** [midwestports.com.au](http://midwestports.com.au)

**Email:** [mail@midwestports.com.au](mailto:mail@midwestports.com.au)

