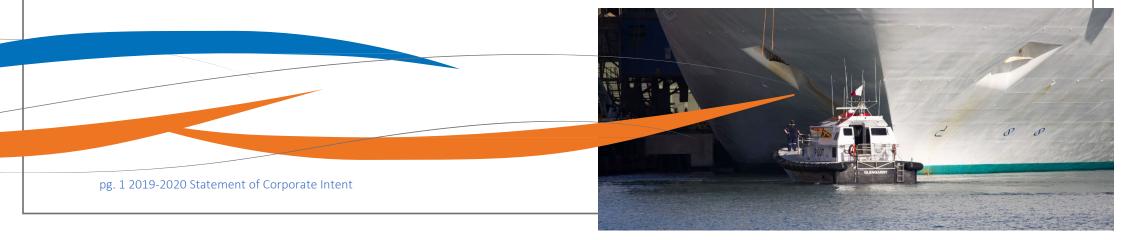


STATEMENT OF CORPORATE INTENT

2019-2020



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1 EXECUTIVE SUMMARY

Mid West Ports are strategically located and contributes significantly to the current and future development of the Region. Mid West Ports Authority (MWPA) plays an essential role in planning, facilitating trade and striving to future proof the Mid West Region for current and future generations.

The Geraldton Port Authority was established in 1969 and on 1 July 2014 was renamed Mid West Ports Authority, as part of the Western Australia's Ports Reform. MWPA is a Government Trading Enterprise (GTE) and operates under the *Port Authorities Act 1999* and associated regulations.

The Port of Geraldton is the gateway to trade and tourism for the Mid West Region and is key to economic stabilisation and growth. The long-term viability of the region is therefore dependent on the ability for MWPA to attract trade and tourism.

MWPA has seen a reduction in iron ore trade with Mt Gibson Iron mine coming to the end of the mine life. The grain harvest of the Mid West has had an exceptional year, which has led to Grain exports in the order of 3.3 Million tonnes 2018/2019, which is significantly higher than the average throughput of 2 Million tonnes pa.

New business inquiries are continuing to strengthen with a number of new miners emerging. MWPA is continuing to focus on not only business development activities, but also operational efficiency and asset optimisation to provide additional value to our customers and key stakeholders.

MWPA's total 2019/20 revenue is forecast to be \$75.1M resulting in a total profit before tax of \$19.8M. MWPA have assumed that the divided ratio is maintained at 100% for the period which is a forecast after tax dividend payment to Government of \$14.1M.

In addition to MWPA's ongoing commitment to the established Port of Geraldton, MWPA continues to intensify efforts to expand across the geographical boundaries of responsibility, within the sphere of influence of the Mid West Region. This includes future vesting of sea bed at Useless Loop (Shark Bay Resources) and Cape Cuvier (Dampier Salt) and for MWPA to assume Harbour Master and marine safety functions. The overall intent is to use our expertise and experience to add value to the State and provide proponents with a level of certainty that enables the Mid West Region to continue to fulfil its role as an agricultural and mineral resource gateway to Regional Western Australia.

MWPA's principal strategy of "Pathing the Way" - Sustainable Supply Chain Enablers spans not only our organisation, but also the needs of customers, community and key stakeholders. This means MWPA has a role as a supply chain enabler, to provide efficient port operations, understand and optimise the supply chain, enabling infrastructure and development constraints, to meet the changing needs of MWPA customers, community and key stakeholders. This approach is designed to enable MWPA to identify opportunities that lead to better outcomes for our customers, community and the State.

The focus of 2019/20 will be based around **"Foundation Setting and Stabilisation"**, with the following five Strategic Objectives being pursued:

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

These strategic objectives will be realised through enabling strategies around Systems, Innovation and Technology together with developing the Workforce, Culture and Organisational Capacity. This has resulted in 26 Strategic Goals that have been identified to deliver the Strategic Objectives.

This 2019/20 Statement of Corporate Intent (SCI) considers the future of the Port of Geraldton (including Oakajee), Useless Loop and Cape Cuvier. MWPA is well placed to respond to additional areas of responsibility within the Mid West Region, as defined by Tranche 2 of Western Australia's Ports Reform.

Accordingly, the Plan and the associated financial information will alter in response to decisions by Government on how best to continue to accommodate export expansion and regional development in the Mid West over the next 10-15 years. Thus, the SCI should be read in that context.

2 AGENCY INFORMATION

2.1 PURPOSE

2.1.1 Trade Facilitation

MWPA's port facility at Geraldton is the principal gateway for Western Australia's diverse Mid West region. The port facilitates trade by actively managing relations with new and prospective customers and most importantly by the provision of reliable infrastructure and efficient port services.

The *Port Authorities Act 1999* (the Act) confers exclusive control of the Port to MWPA, subject to any direction by the Minister for Ports. The Act provides MWPA's Board with the powers necessary to perform its functions which include the responsibility to:

- a) to facilitate trade within and through the port and plan for future growth and development of the port;
- b) to 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) to control business and other activities in the port or in connection with the operation of the port;
- d) to be responsible for the safe and efficient operation of the port;
- e) to be responsible for maintaining port property;
 - (fa) to be responsible for port security; and
- f) to protect the environment of the port and minimise the impact of port operations on that environment.

MWPA is required to deliver its functions in accordance with its Strategic Development Plan (SDP) and Statement of Corporate Intent (SCI), 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.

Compliance with other Legislation

MWPA will comply with all relevant legislation, including the Environmental Protection Act in going about its business. MWPA is committed to continuing to improve its compliance systems and being seen as a model for similar agencies.

As a corporatised entity MWPA is not specifically required to comply with legislation such as the *Financial Administration and Audit Act 1985*, or parts of the *Public Sector Management Act 1994*. However, in these instances, MWPA is committed to the intent of such legislation and models its internal policies to reflect prudent management practices.

Legislative Reform Due Diligence

The *Ports Legislation Amendment Act 2014* was enacted on 20 May 2014. This legislation amalgamated seven of the eight state ports into four regional port authorities. On 1 July 2014, Geraldton Port Authority was renamed Mid West Ports Authority.

Tranche 2 of the legislative reform, currently awaiting ratification, will result in the Department of Transport's (DoT) responsibility for trading ports governed under the *Shipping and pilotage Act 1967* (SA) to be transferred to the regional Port Authorities.

The transfer of the Ports will occur progressively thereafter, subject to due diligence (particularly in relation to native title), consultation with port operators and minor amendments to relevant State Agreements.

MWPA continues to prepare for the assumption of statutory marine safety responsibility for the ports of Cape Cuvier and Useless Loop, anticipated to occur in 2020.

The State's objectives in delivering the reform are to ensure a coordinated approach to marine safety, better planning and coordination of port development, economies of scale and provide opportunities for better resourcing of smaller regional ports.

2.1.2 **Provision of Port Services**

The Port of Geraldton is one of WA's most diverse operations, catering for the export of grain, minerals and livestock, and imports of fuel, fertiliser and general cargo, whilst also welcoming cruise ships, oil rig tenders and other exhibition craft. MWPA plays an essential service for the Regional Australia and Australia's economy, through providing inter-modal facilities that connects the regions to national and international markets.

MWPA is responsible for the efficient, safe, and effective operation of the Port of Geraldton (soon to include Useless Loop and Cape Cuvier), planning for the future, the maintenance of facilities, while operating in balance with the environment. The Port of Geraldton has recovered export tonnages, shipping movements and are experiencing heightened enquiries relating to potential new and growth of existing trades. The recent increase in market price of bulk commodities, has led to increased interest in export opportunities within the Mid West Region.

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

As part of the Tranche 2 Ports Reform, in 2020 MWPA will have an expanded role, with the provision of Harbour Master and marine safety services at the privately-operated ports of Cape Cuvier and Useless Loop.

During 2019/20, MWPA will commence a renewed effort to develop higher levels of operational efficiency, trade and tourism facilitation, master planning and strategic land management, and expand the boundaries of the port to embrace the opportunities arising along the Mid West Coastline.

The Board and management are focused on developing the port toward a longterm future (2050) which contemplates a region which may not be as dependent upon iron ore, however, it is also recognised that these products will still dominate the region over the next 10-20 years. The SCI considers the actions required for 2019-2020 but does so as steps toward a much wider assessment of what will be required for the community and the region over a much longer timeframe.

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

2.1.2.1 Port Assets Used to Facilitate Trade

The Port of Geraldton has Seven (7) commercial berths and associated marine assets including the harbour basin and channel.

The Berth 4 and 5 shiploaders are owned, operated and maintained by MWPA. The stevedoring service is currently provided by Qube Bulk for a period of three years from 1 January 2018. The Berth 4 shiploader has a design capacity of approximately 1,800 tonnes per hour and the Berth 5 shiploader a loading capacity of 5,000 tonnes per hour of iron ore.

MWPA also owns and manages the existing bottom dump iron ore train unloading infrastructure. This infrastructure was recently upgraded to create a faster more efficient linkage between the train unloader and Mount Gibson's Berth 5 storage facility. When delivering product to this facility the upgraded train unloader has a design receival rate of 3,000 tonnes per hour. However, when delivering to the existing storage facilities at Berth 4 the discharge rate is 1,800 tonnes per hour.

In addition to the traditional trade in grain, mineral sand, livestock, fertiliser and fuels, the Port of Geraldton regularly welcomes cruise ships, oil rig tenders, the navy and many different exhibition craft.

MWPA manages Geraldton's Fishing Boat Harbour (FBH). This involves leasing pens to vessel owners, maintaining the pens and surrounding walkways, jetties and berths and provision of power and water to each pen. The FBH comprises approximately 160 boat pens and a significant landholding with sites leased principally to businesses that support the local fishing and mining industry. The harbour also supports several tourist-based operations.

Geraldton supports WA's cruise-ship 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. The growth of the cruise-ship tourism industry in Geraldton is largely reliant on the general West Australian cruise ship market (which appears to be driven by demand for cruise visits to Exmouth and Broome) and the development and promotion of tourist activities in Geraldton by local operators supported by the Greater City of Geraldton's Cruise Working Group who aim to promote overnight stays allowing for day trips to nearby attractions.

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2.1.2.2 Strategic Port Land

There is 82 hectares of land within the Port of Geraldton boundary and an additional 6.3 hectares made up of leases external to this boundary. 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 55 separate commercial leases.

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

Included in the port owned land is the land reserved for the future development of a deep-water port at Oakajee. There are no fixed assets located within the Oakajee Port land. This landholding consists of approximately 177.4 hectares of undeveloped coastal landscapes.

2.1.2.3 Marine Safety

MWPA operates a Vessel Traffic Service for its gazetted Port of Geraldton waters and approaches. All shipping movements in port waters are controlled by and subject to the directions of the Harbour Master. MWPA's ship scheduling service communicates assigned anchorages and scheduled shipping movements.

Activities undertaken by Geraldton's Vessel Traffic Service includes:

- 1. Collecting and monitoring information on vessel traffic movements within the port waters area;
- 2. Receiving and communicating information on predicted vessel movements, hazards to navigation, discrepancies in aids to navigation and any other information which is likely to be of relevance to port users;
- 3. Providing pertinent information to port users on request; and
- 4. Ensuring, as far as reasonably practicable, that the quantity and quality of the information provided to port users is appropriate to assisting vessels in their shipboard navigational decision making.

MWPA provides pilotage which is compulsory for vessels over 35 meters LOA and those over 150 Gross Registered Tonnage. The pilot transfer operates within environmental limits for pilot transfer which requires offshore wind to be less than

30 knots, total wave conditions to be less than 3 metres and the sea state to be less than 2 metres by day and 1.5 meters by night.

MWPA Marine Operations utilise a Berthing Priority Code to establish the procedure for determining the order of access to the berth. It is essentially a first come first served system based on order of arrival with MWPA reserving the right to overrule that order in the interests of wider port efficiency.

MWPA's Shipping Scheduler books all services e.g. tugs, pilots and moorers for inbound and outbound shipping movements. Arriving vessels awaiting pilotage are allocated an anchorage position that will be advised via their shipping agent.

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

2.1.2.4 Ship Loading Services (Landside Operations)

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

- BHF Berth 5 Ship loading Circuit, dedicated to iron ore exports;
- BHF Train Unloading Circuit, dedicated to receival of iron ore; and
- BHF Berth 4 Circuit, a multi-user facility servicing MWPA's minerals sands, talc and heavy metal concentrates customers.

These circuits comprise of over 1,100 sub assets falling under the following main categories:

- Conveyors
- Towers
- Shiploaders
- Unloaders (Train/Truck)
- Materials Handling Equipment
- Feeders
- Dust Collectors
- Critical Spares

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Ship loading infrastructure forming the Berth 3 Circuit is operated and maintained by Co-Operative Bulk Handling (CBH) and is dedicated to the loading of grain. In addition to the traditional trade in iron ore, grain, mineral sand, livestock, fertiliser and fuels, the port has welcomed and accommodated cruise ships, oil rig tenders and other support vessels.

MWPA also owns and managers environmental licences for commodities exported through the Port of Geraldton.

1.1.1.1 Rail Safety

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

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

MWPA currently holds accreditation as a Rail Terminal Manager and Limited Rail Operator which facilitates maintenance activities within the rail terminal.

2.1.2.5 Fishing Boat Harbour

MWPA operates the Fishing Boat Harbour on a zero-economic return basis. The port has incorporated increased pen rates into the strategic plan financials so that the future rate of return on port assets is not adversely affected by the financial performance of the Fishing Boat Harbour. The first increase under this revised charging regime took effect from 1 January 2018.

The primary users of boat pens in the Fishing Boat Harbour participate in the West Coast Rock Lobster (Managed) Fishery. It is the first fishery in the world to be certified as sustainable for a fourth time.

The fishery operates under the *Fish Resources Management Act 1994*, the *Fish Resources Management Regulations 1995*, The *West Coast Rock Lobster Management Plan 1993*, as well as the West Coast Rock Lobster Managed Fishery

The West Coast Rock Lobster Fishery operates under a quota system based on entitlement to use pots held by licensed fishers and the relevant share of the total allowable catch set for the various zones, where the fishers are licensed to operate. For each commercial fishing season, the total allowable catch across all zones is set annually. The quota can vary from time to time, depending on factors like the success of puerulus settlement.

Pens unused by commercial vessels are available for lease to non-commercial vessels.

1.1.1.2 Port Security

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

1.1.1.3 Federal Agencies

The following federal agencies undertake operations at Geraldton Port:

- Australian Quarantine & Inspection Service Requirements (AQIS); and
- Australian Customs Service Requirements (ACS).

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

2.1.2.6 Oakajee Port

MWPA has been a strong supporter of the State Government's efforts to establish a viable port operation at Oakajee. However, in recent years the project developments have pushed the prospects for this project further out and this has been further influenced by lower iron ore prices and consequential impacts on mining proponents. MWPA continues to monitor developments and stands ready to support the project should interest be renewed. A comprehensive port master plan has been developed along with an operating model and draft agreements which collectively positions the State for effective future reengagement with proponents on this project.

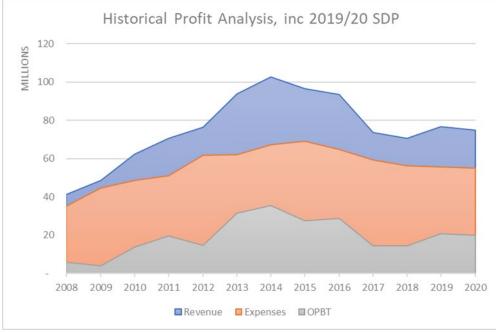
2.1.2.7 Useless Loop and Cape Cuvier

There is considerable on-going work to transfer the marine services provided by the Department of Transport at the ports of Cape Cuvier and Useless Loop. These ports are both single user ports operating under the guidance of State Agreements. The marine safety function at these ports is planned to transfer from delivery by the Department of Transport, under the *Shipping and Pilotage Act 1967*, to delivery by the Authority under the *Port Authorities Act 1999*. This change is presenting several administrative and legal challenges, that have been identified and documented by the Mid West Ports Amalgamation Working Group.

MWPA continues to work closely with both the Departments of Transport and Job, Tourism, Science and Innovation (JTSI) to find solutions to these challenges and to address other outstanding actions and remains hopeful that the responsibilities will transfer in a timely way.

2.2 OPERATING ENVIRONMENT

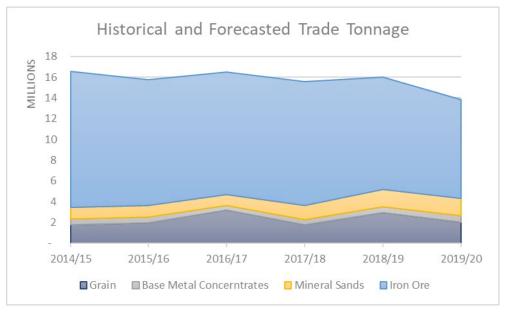
2.2.1 Historical Performance



MWPA's revenue for 2019/20 is expected to be \$75.1M, which is a 7% increase on 2018/19 due to a preferential pricing contract ceasing in 2019, and tonnage replaced at MWPA's standard rates. Costs of \$55.3M reflects a 4% increase from the previous year's SCI budget due to focussed maintenance programmes and restructure of the organsiation. Profits before tax are 14% higher than the previous year's SCI budget.

2.2.2 Trade forecast

MWPA's 2019/20 trade budget sees a decrease of 8% over 2018/19 as a result of a significant customer exiting the Port.



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2.2.3 Significant Global Trends

The global landscape for Ports is changing fast. The information age and integration of BIG data, increased competition, increased customer and community expectations (efficiency, transparency and values), increased environmental awareness and protection, interconnected systems and logistics chains are changing our industry.

THE FUTURE

Our Markets and Key Drivers



2.3 STRATEGY

MWPA's new Vision and Purpose clearly states our aspirations for our Ports to enable growth and development of our region. We will lead, collaborate and be enablers to ensure we deliver on our aspirations.

2.3.1 Key Strategic Risks and Opportunities

MWPA plays an essential service for Regional Australia and Australia's economy, through providing inter-modal facilities that connects the regions to national and international markets.

The recent increase in market price of bulk commodities, has led to increased interest in export opportunities within the Mid West Region.

As part of the Tranche 2 Ports Reform in 2020 MWPA will have an expanded need for harbour master role and marine safety services at the privately-operated ports of Cape Cuvier and Useless Loop.

There is also the opportunity to develop the Fishing Boat Harbour to support local industries, tourism, diversifying revenue streams and to demonstrate MWPA's leadership as a supply chain enabler across the Region.

CHALLENGES

- Financial sustainability and performance;
- Historical low level of investment in critical infrastructure and availability of capital;
- Assets at their end of serviceable life, limited asset management planning and asset location and ownership not well documented;
- Surge impacting Port operations;
- Availability of land and third-party infrastructure;
- Growth and scenarios diversification across core services;
- Legacy organisational cultural divergence;
- Historical commercial agreements constraining the future;
- Capital and Maintenance Dredging permits;
- Volatility in commodity prices and fluctuations in supply and demand;
- International Free Trade Agreements;
- Environmental licencing, community and regulator confidence;

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- Risk management centred around quality system and not the understanding and management of risks; and
- Management and delivery of projects, procurement, budgeting and Port pricing improvements.

OPPORTUNITIES

- Port efficiency, innovation and operational improvements;
- Strategically located;
- Customer-focused operational model including strong materiality frameworks – multi-user model; community connections; brand and profile of the Port;
- Focus on developing a culture of high performance and embedding values of MWPA across the organisation;
- Sophisticated performance management and measurement frameworks for key decision making;
- Existing Port capacity to increase throughput and number of vessels;
- Long term focus of the port (including investment) to realise real value for Regional Australia;
- Integrating Useless Loop and Cape Cuvier to existing governance model and operations;
- Opening up of Abrolhos Islands and the Cruise vessel market; and
- Review Exmouth with a business plan to identify if it is a commercial opportunity to come under MWPA control.
- 2.3.2 Our Vision

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

The Vision recognises the key role and potential of the Mid West Region, and the strategic importance of its geographical location to commodity origins and proximity to Asian Markets. All our planning, operations, decision making and influence, are directed towards sustainable operations, trade and regional development.

2.3.3 Our Purpose

"To provide a sustainable gateway for trade and tourism"

The purpose reflects why MWPA exists and the importance to our region and the functions under the *Port Authorities Act 1999*.

2.3.4 Our Values

Our Values continue to define how the Board, management and employees behave, communicate and conduct themselves.

- ACCOUNTABILITY
- CARING
- COURAGE
- COLLABORATION
- INTEGRITY

2.3.5 Strategic Priorities

The 2019/20 priorities will be centred around **'Foundation Setting and Stabilisation'**, with the following five Enterprise Objectives being pursued:

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

These Enterprise Objectives are externally focused and will be realised through enabling strategies around Systems, Innovation and Technology together with developing the Workforce, Culture and Organisational Capacity. This has resulted in 26 Strategic Goals that have been identified to deliver the Strategic Objectives. Objective 1: Facilitate, Protect and Grow Efficient Trade and Tourism

Support Regional Australia through the provision of efficient trade and tourism services, by:

- Improving Revenue Growth;
- Improving Underlying Profit;
- Improving Long Term Business Value; and
- Increase Regional Economic Contribution.

Objective 2: Supply Chain Enabled

Work strongly to coordinate the production, transportation, storage and movement of goods required to meet our existing and future customer's needs, by:

- Facilitate Strong Strategic Partnerships; and
- Transparent Service Offering and Clear Roles as Supply Chain Enablers.

Objective 3: Development Strategies Realised

Future proof MWPA cone of influence, by:

- Planning and provide a gateway for Trade and Tourism; and
- Providing Quality Infrastructure.

Objective 4: Engaged Customers, Community and Stakeholders

Continue to build and strengthen long term positive relationships with Customers, Community and Stakeholders, by:

- Running a Safe, Efficient and Cost Effective Service Offering;
- Being engaged, Easy to do business with and deliver on our Promise; and
- Shaping Government Policy and Legislative Reform.

Objective 5: Operate in BALANCE with the Environment

MWPA strive to find a balance between social, economic and environmental sustainability to improve that whole Port environmental outcomes, by:

- Improving Whole of Port Environmental Outcomes;
- Increasing Environmental Advocacy and Transparency; and
- Providing Quality Management.

Enabler 1: Systems Innovation and Technology

MWPA nurture a culture of continuous improvement and innovation. Striving to make sure that we lead the way with business improvement, technology, creating and capturing organisational knowledge and the formation of new and improved systems. Our commitment to technology and innovation will enhance the Port stakeholder experience and provide improvement in what is a highly competitive market, by:

- Embedding Enterprise Wide Risk Management;
- Facilitating and Enhancing Port Assets to Retain Trade and Enable Growth;
- Optimising Asset Management and Productivity;
- Improving Operational Efficiencies and Optimise Service Offering;
- Embedding Enterprise Wide Project Management;
- Creating a Single Source of Truth (Quality Data, Knowledge Insight and Internal Transparency); and
- Providing Technology Solutions that Enhance Business Objectives, Processes and Outcomes.

Enabler 2: Workforce and Culture

Contribute positively to the culture in our workplaces, assist our staff to contribute positively to the workplace and build a workforce for the future, by:

- Embedding Advance Safety Leadership;
- Build Leadership Capability;
- Build the Workforce of the Future;
- Build Workforce Culture and Employee Engagement; and
- Champion Difference, Diversity and Inclusion.

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Strategic Priorities

2019-2020 Foundation Setting and Stabilisation

2020-2022 SubstantialVisible Progress and Building Credibility

2022-2024 Gaining Momentum "the Resilient Port"

ENTERPRISE PRIORITIES

OBJECTIVE I Facilitate, Protect & Grow Efficient Trade & Tourism

A Efficient operations

- B Trade and Tourism Protection and Growth (inc. new starters)
- C. Safety, Security and Emergency Management Leadership
- D. Proactively Expand and Integrate Service Offering - Chase rather than wait
- E. Support Regional Tourism By Facilitating the Cruise Industry

Supply Chain Enabled A. Key Supply Chains

OBJECTIVE 2

Understood, Optimised and Protected

- B. New Supply Chains Identified and Realised
- C. Navigable Depths Maintained (inc. Maintenance Dredging) and Expanded Based on Customer Needs and Economic Drivers

- OBJECTIVE 3 Development Strategies Realised
- A. Identify and Implement Efficiencies to Future Proof Port Operating Model
- B. Development Strategies Identified (Master Plan) and Scoped (inc. Capital Dredging Strategy)
- C. Enabling Infrastructure Pipeline Determined and Funded
- D. Integration of Asset Management Plans (AMPs) with

Business Plans

Investment Options

and Partnership for Port Growth

E. Identify Capital

OBJECTIVE 4 Engaged Customers, Community & Stakeholders

- A Build High Trusted Relationships and Partnerships
- B Customer, Community and Key Stakeholder Engagement Process Established and Implemented
- C Advocacy and Transparency
- Push the Positives and Promote Port

OBJECTIVE 5 Operate in BALANCE with the Environment

- A. Expand Environmental Licences to Suit Customer Needs
- B. Develop and Implement a Sustainability Strategy
- C. Environmental Leadership Panel Established and Engaged (Influencing and Monitoring
- D. Hold Customers Accountable

Outcomes)

ENABLER I Systems, Innovationand Technology

- A. Implement Innovation and Technology Improvements Enabling Port
- Efficiency and Operational Improvements
- B. Enable Strategic Risk Management, Supporting Systems and Processes
- C. Configure and Implement an Integrated
 - Geographic Information System
- D. Close the Loop - Continuous Improvement

ENABLER 2 Workforce and Culture

ENABLING STRATEGIES

MID WEST

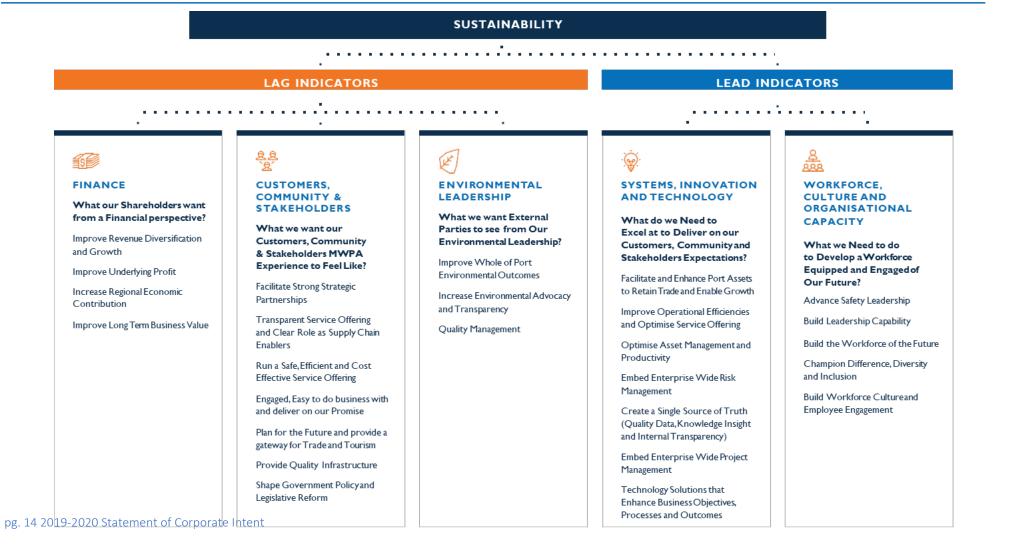
- A. Future Proof Our Workforce (Apprentices and Traineeships)
- B. Develop Drivers of Change (People), to Focus Beyond Business as Usual
- C. Build Organisational Capability
- D. Lead the Way in Safety

2.3.6 Balance Scorecard

A balance scorecard has been used to bring MWPA's strategy to life, with sustainability being at the centre of everything we do. The score card comprises five focus areas detailed in Figure 1. There are 3 Lag indicators 1) Finance; 2) Customers, Community and Stakeholders; and 3) Environmental Leadership. In addition, there are 2 Lead indicators 1) Systems, Innovation and Technology; 2) Workforce, Culture and Organisational Capacity.

MWPA have adopted a series of Goals supported by Lead and Lag indicators that will be used to measure and keep track of organisational performance (Refer to Accountability Section)

Figure 1: How we are going to bring our Strategy to life



3 ACCOUNTABILITY

3.1 REPORTING REQUIREMENTS

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

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

Annual Report

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

Half Yearly Report

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

Quarterly Report

• Financial results submitted to the Department of Treasury.

Environmental Management Plan (EMP)

- The role and responsibility of the Port Authority;
- Identify the environmental risks associated with the Port activities;
- Provide how best these risks can be managed or mitigated by the Port Authority with minimal impact to the surrounding port environment;
- Underline the Port Authority's environment objectives and targets for the current financial year and subsequent years;

- Provide a framework for ensuring environmental performance is continuously and systematically monitored and where necessary changes are made to improve performance; and
- Provide an overview of now the EMP facilitates or ensures compliance and meets the requirement under the Environment Protection Act 1986.

Other information to be supplied

MWPA also supplies information to other agencies and will continue to provide that is required by statue or by policy direction. MWPA will also provide other information that might be requested that does not create additional costs to MWPA and is not commercially sensitive.

3.2 PERFORMANCE MEASUREMENTS

Major Planned achievements:

3.2.1 Business Development

MWPA has been actively increasing its business development activities and there are some projects (both iron ore and non-iron ore) which are in advanced stages of development and poses a real opportunity for MWPA.

3.2.2 Port Master Plan

MWPA's Port Master Plan is currently in progress, with the next round of consultation with stakeholders planned for January through to May 2019, after which the technical document will be finalised. The public documents will then be prepared for the final round of consultation with all stakeholders.

3.2.3 Asset Maintenance/Investments

MWPA asset investment proposals are prioritised through a process which takes into consideration the 10-year strategic outlook, financial implications, service delivery requirements and other asset management decision criteria.

MWPA's service delivery objective is:

To provide safe, efficient, reliable & sustainable gateways for trade and tourism, that contribute to the economic growth of Regional Australia and that optimise the

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service potential of our assets in a manner which is consistent with State Government strategic objectives.

To ensure this service delivery objective can be achieved, MWPA has to ensure that its asset condition is monitored and appropriate risk assessments are conducted. This will feed into future maintenance or replacement programs as appropriate.

3.2.4 2018/19 Major Achievements

The 2018/19 safety culture target, Lost Time Injury Frequeny Rate (LTIFR) has reduced from the prior year, down to 5.5 from 13.8 (2016/17 baseline). MWPA has seen this as an opportunity for improvement with the 2019/20 target aim to be managed and reduced to 0.

2018/19 has been a busy year for MWPA with trade forecast on track to exceed 2018/19 target of 15.4M tonnes, and to exceed the revenue targets of \$70.4M. With a tight watch on operational expenditure, as at March 2019 MWPA's year to date profit after tax at \$13.4M has exceeded the budgeted profit after tax of \$12.1M.

A major restructure of the port services and operations staffing was undertaken during the latter part of 2018/19. This restructure has resulted in changed roles and responsibilities which will enable MWPA to achieve the aggressive objectives set for 2019/20.

3.2.5 2019/20 Balanced Scorecard

STRATEGY OBJECTIVES	GOALS	BALANCED SCORECARD	METRIC	UNIT	2016/17 Baseline	2018/19 Target	2019/20 Target	OWNER
	Improve Revenue Diversification and		Return of Assets (Growth)	%	7.1%	8.6%	10%	
Objective I	Growth		No product >50% of throughput (Diversity)	%			< 70%	
Facilitate, Protect &	Improve Underlying Profit	FINANCE	Profit Margin After Tax	%	9.9M	>6.53M	16%	GM Trade & Corporate
Grow Efficient	Improve Long Term Business Value	Lag Indicators	Cost Base Improvement Point	%			5%	Services
Trade & Tourism	Increase Regional Economic Contribution		Number Cruise vessels Calls	Number			10	
Objective 2 Supply Chain	Facilitate Strong Strategic Partnerships		Community Satisfaction Score	%	N/A	70%	>70%	GM Sustainability, Culture & People
Enabled	Transparent Service Offering & Clear Role as Supply Chain Enablers		Port of Geraldton Supply Chain Mapped	Date			Dec-19	GM Operations
Objective 3	Plan for the Future and provide a gateway for Trade and tourism		Implement Port of Geraldton Master Plan	Date			Sep-19	GM Strategy & Asset
Development Strategies Realised	Provide Quality Infrastructure	CUSTOMER,	Projects and Commitments are Delivered to Agreed Scope, Time and Budget Expectations.	%	100%	100%	100%	Development
	Run a Safe, Efficient and Cost Effective	COMMUNITY & STAKEHOLDERS Lag Indicators	Availability of Berth 4 and 5 Ship-loading Infrastructure when Required by Customers.	%	99.2	≥98%	Greater than 98%	GM Operations
Ojective 4	Service Offering		Availability of MWPA Train Unloading Infrastructure when Required by Customers.	%			Greater than 98%	Groperations
Engaged Customers,	Engaged, Easy to do business with and		Improved Customer Satisfaction Score (including FBH)	%	N/A	>75%	>70% target 95%	GM Trade & Corporate Services
Community & Stakeholders	deliver on our Promise		Community Projects Completed	%			100%	GM Sustainability, Culture & People
	Shape Government Policy and Legislative Reform		Engagement Targets to be Identified in Port of Geraldton Master Plan.	Date			Dec-19	GM Strategy & Asset Development
Objective 5	Improve Whole of Port Environmental Outcomes	ENVIROMENTAL	Sustainability Strategy Developed and Implemented	Date			Dec-19	
Operate in BALANCE with the Environment	Increase Environmental Advocacy and Transparency	LEADERSHIP Lag Indicators	Number of Complaints	Number			20% reduction	GM Sustainability, Culture & People
	Quality Management		Number of Major Non-conformances at Annual Safety, Environmental or Quality Audits	Number	Zero	Zero	Zero	

STRATEGY ENABLERS	GOALS	BALANCED SCORECARD	METRIC	UNIT	2016/17 Baseline	2018/19 Target	2019/20 Target	OWNER
	Embed Enterprise Wide Risk Management		Number of Emergency Response Drills	Number			One desktop and one practical exercise per annum	GM Operations
	Facilitate and Enhance Port Assets to Retain Trade and Enable Growth		Asset Management Plans Completed for All Asset Classes that are Critical to Service Delivery.	%			100%	GM Strategy & Asset
	Optimise Asset Management and Productivity		Asset Management Health Assessment Score	Number			80% annually	Development
Enabler I	Improve Operational Efficiencies and Optimise Service Offering	SYSTEM,	Options Identified to Improve Effectiveness of Shore Tension Units	Date			Dec-19	GM Operations
Systems, Innovation and Technology	Embed Enterprise Wide Project Management	INNOVATION & TECHNOLOGY Lead Indicators	Compliance with Project Management Framework	%			100% compliance by	GM Strategy & Asset Development
	Create a Single Source of Truth (Quality Data, Knowledge Insight and Internal Transparency)		Standardise and Simplify Business & Operations Processes	%			# of Procedures # Contracts # Staff trained # Improvement Projects	GM Trade & Corporate Services
	Technology Solutions that Enhance Business Objectives, Processes and Outcomes		Integrated Seamless Systems ("Pane of Glass" Access) Mobile & Wireless Technology Simple Business Reporting and Analysis	Number			Current 5% Target 100%	
	Adverse Sefety Leedenship		Loss Time Injury Frequency Rate (LTIFR)	Rate	I 3.8	0	0	
	Advance Safety Leadership		Total Recordable Injury Frequency Rate	Rate			<15	
	Build Leadership Capability	WORKFORCE,	Leadership Impact Survey (LSI)	Rate			100% Leadership Team Complete 2019	
Enabler 2		CULTURE &	Organisational Culture Inventory (OCI)	Rate			>75%	
Workforce and Culture	Build the Workforce of the Future	ORGANISATIONAL CAPACITY Lead Indicators	Learning and Development Strategy	Number			20 % Increase in New Apprenticeships in Workforce	GM Sustainability, Culture & People
	Build Workforce Culture and Employee Engagement Champion Difference, Diversity and Inclusion		Employee Engagement Survey	%	54%	>75%	>75%	

LAG INDICATORS - BALANCESCORECARD

Finance

GOAL	METRIC	TARGET	ΙΝΙΤΙ ΑΤΙVΕ
Improve Revenue	Return of Assets (Growth)	10.00%	 Build Working Capital Reserves and/or Secure Funds for Strategic Programs, Reinvestment in Capital Assets without Compromising ROR to Government
Diversification and Growth	No product >50% of throughput (Diversity)	< 70%	 Proactively Identify Opportunities to Expand Current Customer's Business or New Business
Improve Underlying Profit	Profit Margin After Tax	16%	Understand Operational Cost Base and Options for Improving Efficiencies
Improve Long Term Business Value	Cost Base Improvement Point	5%	 Benchmark Port Services and Pricing with similar Operating Ports Develop and Implement Port Pricing Strategy, based on Port Pricing Review and Areas of Operational Efficiencies
Increase Regional Economic Contribution	Number Cruise vessels Calls	10	Continue to Support Cruise Coordinator Position and Initiatives

LAG INDICATORS - BALANCE SCORE SCORECARD

Stakeholders & Stakeholders

GOAL	METRIC	TARGET	ΙΝΙΤΙ ΑΤΙVΕ	
Facilitate Strong Strategic Partnerships	Community Satisfaction Score	>70%	 Implement Community, Customer and Stakeholder Engagement Strategy Port Educational Program developed and implementation commenced 	
Transparent Service Offering & Clear Role as Supply Chain Enablers	Port of Geraldton Supply Chain Mapped	Dec 2019	Map the Ports Supply Chain and Customer Needs	
Run a Safe, Efficient and Cost	Availability of Berth 4 and 5 Ship-loading Infrastructure when Required by Customers.	Greater than 98%	Identify and Monitor Operational Performance Benchmarks	
Effective Service Offering	Availability of MWPA Train Unloading Infrastructure when Required by Customers.	Greater than 98%	Rail Efficiency Optimisation Assessment	
Engaged, Easy to do business with and deliver on our P romise	Improved Customer Satisfaction Score (including FBH)	>70% target 95 %	 Develop and Implement a CRM Improve Response Times to Complaints Collaborative Approach to Customers Compare Port Services to Actual and Identify Opportunities Establisha Fishing Boat Harbour (FBH) Focus Group to more effectively manage the FBH. 	
	Community Projects Completed	100%	Annual community plans published to Community	
Plan for the Future and provide a gateway for Trade and tourism	Implement Port of Geraldton Master Plan	Sep 2019	 Develop and Implement a Plan to Protect and Grow Service Corridors to and from the Intermodal Port Develop a Port Land Acquisition and Optimisation Strategy 	
Provide Quality Infrastructure	Projects and Commitments are Delivered to Agreed Scope, Time and Budget Expectations.	80%	 Implement rigid Change Management Protocols Lead Delivery of the "Commitments to Fishing Boat Harbour Pen Holders" Project Administration Office Solution Sustaining Capital Replacement Projects Maintenance Projects New Enabling Infrastructure Capital Projects 	
Shape Government Policy and Legislative Reform	Engagement Targets to be Identified in Port of Geraldton Master Plan.	Dec 2019	Proactively Influence the Rectification of Bottle Necks Constraining the Supply Chain (Current and Future)	

LAG INDICATORS - BALANCE SCORE SCORECARD

Environmental Leadership

GOAL	METRIC	TARGET	ΙΝΙΤΙ ΑΤΙVΕ
Improve Whole of Port Environmental Outcomes	Sustainability Strategy Developed and Implemented	• Sustainability Strategy to include: Operations Optimisation, Wate Renewable and Clean Energy; Low Carbon Monitoring and Was	
Increase Environmental Advocacy and Transparency	Number of Complaints	20% reduction	Environmental Data Publicly Available of Website, Valued and Used
Quality Management	Number of Major Non-conformances at Annual Safety, Environmental or Quality Audits	Zero	Develop and Implement Continuous and Business Improvement Program

LEAD INDICATORS - BALANCE SCORE SCORECARD

Systems, Innovation and Technology

GOAL	METRIC	TARGET	ΙΝΙΤΙΑΤΙVΕ
Embed Enterprise Wide Risk Management	Number of Emergency Response Drills	One desktop and one practical exercise per annum	One desktop and One Practical Emergency Response Exercise/Drill Per Annum
Facilitate and Enhance PortAssets to Retain Trade and Enable Growth	Asset Management Plans Completed for All Asset Classes that are Critical to Service Delivery.	100%	 Formalised Asset Condition Assessment Process Developed and Embedded Strategic Asset Management Plans (30 year Horizon) Completed for all Critical and High Importance MWPA Assets Develop and maintain Asset Life Cycle Cost Model Develop Fleet Management Strategy Facilitate Finance Team to Integrate Asset Management Plans into Enterprise Business plans
Optimise Asset Management and Productivity	Asset Management Health Assessment Score	80% annually	Develop Modules Applicable to Asset Management within IFS Stage 2
Improve Operational Efficiencies and Optimise Service Offering	Options Identified to Improve Effectiveness of Shore Tension Units	Dec 2019	Review the Application and Use of Shore Tension Units and Identify Opportunities to Use them More Effectively
Embed Enterprise Wide Project Management	Compliance with Project Management Framework	l 00% compliance by June 2020	 Implement MWPA Project Management Framework Across All Projects Define and Implement Project Assurance Program Develop Project Master List and Enhance, Implement & Maintain Project Register of Active Projects. One Page Monthly Project Status Reports for All Projects >\$100K
Create a Single Source of Truth (Quality Data,Knowledge Insight and Internal Transparency)	Standardise and Simplify Business & Operations Processes	# of procedures # Contracts # Staff trained # Improvement Projects	 Rationalise Internal Management System (300 Procedures) Improved Procurement (preferred suppliers etc) Continuous Improvement Program Initiated for All Staff Build Systems that Retain Corporate Knowledge
Technology Solutions that Enhance Business Objectives, Processes and Outcomes	Integrated Seamless Systems ("Pane of Glass" Access)Mobile & Wireless TechnologySimple Business Reporting and Analysis	Current 5% Target I 00%	 IFS Stage 2 and Stage 3 (Inc. CRM OR New) Implement Alternative Technologies (Navaids, Automation, Drone, Robotics) Implement Records Management System that Retains Corporate Knowledge "Is there an App for that"

LEAD INDICATORS - BALANCE SCORE SCORECARD

& Workforce, Culture and Organisational Capacity

GOAL	METRIC	TARGET	ΙΝΙΤΙ ΑΤΙVΕ
Advance Safety Leadership	Loss Time Injury Frequency Rate (LTIFR)	0	 Develop and Implement Wholistic Health and Wellbeing Program Develop a RTW Process that is Inclusive of all Business Units to Ensure Effective RTW Options.
	Total Recordable Injury Frequency rate	<15	 Improve Near Miss, Risk and Incident Reporting OHS and Injury Management Training for All Supervisory Staff
Build Leadership Capability	Leadership Impact Survey (LSI)	100% Leadership Team Complete 2019	 Undertake LSI survey of All Managers and Capability Assessment and Prepare Employee Development Plans Organisation Wide Skills Audit Completed to Identify Skill Gaps
	Organisational Culture Inventory (OCI)	>75%	 Implement Employee Engagement Plan Implementation of Workforce Plan and Extension to Next 10 years
Build the Workforce of the Future	Learning and Development Strategy	20 % Increase in New Apprenticeships in Workforce	 Learning and Development Strategy Innovative New Apprenticeships and Alternative Training Pathways Benchmark Performance of Positions
Build Workforce Culture and Employee Engagement			Implement Employee Engagement Plan
Champion Difference, Diversity and Inclusion	Employee Engagement Survey	>75%	 Develop and Implement a Diversity and Inclusion Plan Focus Groups Beyond Business as Usual Champions of Change Innovation Hub

4.1 OPERATING BUDGET

MWPA aims to minimise the financial impact on the customers of the port and the facilitation of trade, while at the same time ensuring it can properly meet its statutory responsibilities and act in accordance with prudent commercial principles. The table below presents the Financial Performance for MWPA for the current and previous years.

Income Statement	2018/19	2019/20
\$000	Forecast	Budget
Total Income	76,740	75,087
Total Expenditure	55,823	55,260
Operating Profit before Income Tax	20,917	19,827
Income Tax Expense	6,275	5,949
Operating Profit after Income Tax	14,642	13,878
Dividend Expense	12,996	14,071

MWPA has a targeted efficiency dividend of \$1.336M for the 2019/20 financial year, which will be delivered through increased revenue. MWPA is on track to deliver approximately \$2M above the 2018/19 efficiency dividend of \$1.137M.

4.2 RATE OF RETURN

MWPA's forecasted rate of return on deprival value can be seen in the table below:

	2018/19	2019/20
\$000	Forecast	Budget
Net Profit After tax	14,643	13,880
Opening DV	140,979	146,806
Additional Capex	12,612	8,900
Less Depn	6,785	7,195
Closing WDDV	146,806	148,511
Return on Assets - DV	10%	9%

4.3 CAPITAL EXPENDITURE AND BORROWINGS

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

MWPA has an ongoing project, budgeted to be funded through borrowings. The project is expected to be completed by the end of the 2018/19 financial year. MWPA has approval to fund this project through borrowings and has drawn down on the facility but is currently evaluating whether some work can be financed through internal balances, rather than borrowings.

MWPA's current and future borrowings are outlined below:

Borrowings	2018/19	2019/20
\$000	Forecast	Budget
Current balances	1,978	2,705
Non-current balances	15,270	13,274
Total borrowings	17,248	15,978

MWPA's capital works program for 2019/20 includes expenditure of \$8.9M on approved and sought capital projects. Major expenditure includes:

- Improving fire fighting capability around the port;
- Backup power supply;
- Electrical upgrades;
- Replacement of beacons; and
- Replacement of security access system.

MWPA expects to fund these projects through internal balances only.

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4.4 POLICY STATEMENT

4.4.1 **Pricing Policy**

MWPA has fully established "user pays" principles which ensure that there is no unintended cross-subsidisation of fees and charges amongst users. Even greenfields developments are initially funded from lease revenue, and then moved across to user pays principles as each proponent or activity is identified. The port's approach has ensured a much clearer rationale for any increase in charges and port users have shown that they appreciate the certainty of application that comes from this clear "user pays" principle.

Pricing of services provided by the MWPA, are designed to facilitate trade within the Port while ensuring that costs are recovered and MWPA meets its required annual return on assets target. The Board of MWPA is conscious of the need to keep port dues to the minimum level necessary to effectively provide for current and future services and asset replacement. However, the Board also recognises that revenue must keep pace with the growth and development needs of the port, as well as being able to provide for new capital infrastructure. MWPA need to continue to invest to keep pace with export activity and regional development, and hence correct pricing of services is essential.

The Board has determined that there must be increases in port dues and other charges during the life of this plan, arising directly from the application of "user pays" in the costing of services and to support the ongoing planning and development of the port to facilitate future trade. MWPA must continue to increase its revenue base to support provision of additional cargo berths, and the planning and development of other infrastructure and services.

Land lease charges provides supplementary income to the port over the five years of this plan and enables the port to fund development opportunities without impacting upon charges for existing port users. MWPA will continue to seek commercial rents for all its properties and to develop further industrial land to support industry.

The Board will continue to monitor charging annually and will adjust pricing policy as necessary to achieve the strategic and operational objectives of the MWPA.

The Department of Treasury has forecast the 2019-20 movement in the CPI at 1.75 per cent. MWPA has applied a general 1.0 per cent increase for 2019-20 across all but one of its port fees and charges. For further details refer to section 4.5 Pricing.

4.4.2 Investment Policy

MWPA's investment policy aims to maximise the return on investments whilst minimising the authority's exposure to risk. The Board of MWPA determines the extent and nature of investment policy.

Funds are invested predominately in term deposits with recognised financial institutions. As far as practicable MWPA targets a minimum cash flow requirement, to maximise the amount of retained earnings that can be invested.

Internal funds are placed in approved investments until required to meet new capital initiatives or to provide working capital through periods of heightened development activity in the Port.

4.4.3 Purchasing Policy

The Board of MWPA has long endorsed a buy local policy for all procurement needs and MWPA is committed to providing opportunities to support businesses within the Mid West Region. MWPA has implemented the WAIPS policy effective from 1 October 2018 and the Government's Indigenous Procurement Policy, effective 1 July 2018.

4.4.4 Financial and Accounting Policies

Under the provisions of the Port Authorities Act 1999, reporting requirements are in line with those applicable under Corporations Act. Accounting policies and accounting treatments are contained in the Annual Reports of MWPA. MWPA has adopted the applicable accounting standards as issued by the Australian Accounting Standards Board (AASB), in accordance with Government guidelines.

4.4.5 Asset Valuation Methodology

MWPA has adopted the Deprival Valuation method, for the purpose of calculating the rate of return on assets. Assets are valued at cost.

4.4.6 Asset Management Policy

MWPA will ensure that the whole of life management of assets is undertaken in alignment with AS ISO 55000:2014, industry best practice standards and in accordance with the Strategic Asset Management Framework (SAMF). MWPA's SAMF sets out the strategies, processes and systems to ensure that assets are created, operated, maintained and disposed of in a manner which:

- Meets the Port's level of service commitments to our customers and stakeholders;
- Supports the implementation of the Port's corporate strategy; and
- Aligns with MWPA's vision, goals and values.

4.4.7 Diversity and Inclusion Policy

MWPA developed and implemented a Diversity and Inclusion Policy in March 2018. This policy outlines that MWPA is committed to the following diversity and inclusion principles:

- The elimination of all forms of discrimination, harassment and bullying from the workplace.
- Recruitment, promotion and remuneration is consistently based on merit, performance and capabilities.
- Learning, development opportunities and career progression are offered equitably across the organisation.
- The special needs of staff are accommodated by implementing flexible and adaptive working practices.
- Workplace diversity and inclusivity is monitored, reported and celebrated.

4.4.8 Salary and Wage Policy

MWPA has three Enterprise Agreements that were agreed to before the implementation of the Salary and Wages Policy and voted on and subsequently approved in November 2017. One agreement was further subject to an Interest Based Bargaining process to address validity issues resulting from insourcing of the Bulk Handling Facility in July 2017, this was finalized with the same wage rates as previously approved in 2017. For all other staff not currently under these existing Enterprise Agreements, MWPA is applying the State Government's current Salary and Wages Policy of limiting annual wage increases to a maximum of \$1,000 per annum.

Following a strategy reset, an organisational restructure implementation commenced in 2018 and continues into 2019. This process involved a review of Business units and positions and aligned this to the new structure. Four positions were made redundant, changed or new positions developed. In this process no employee received a pay rise, for an existing position.

4.5 PRICING

4.5.1 Statement of Tariffs

Effective from 1 July 2019, MWPA has applied a general 1.0 per cent increase across all but one of its port fees and charges. This is within the Department of Treasury forecast 2019-20 CPI of 1.75 per cent.

The only exception is a 36.0 per cent increase in the Rail Terminal Access Charge from \$547 to \$744 per train entry. This is based on the expected probability that a current customer, Mt Gibson Iron will cease its mining operations and replacement trade requiring this service is not currently identified.

Charges	2018/19	2019/20	
Rail Terminal Access Charge	547.00	744.00	
Standard TU	1.72	1.73	
Standard Wharfage	1.96	1.98	
Standard Ship Charge	3.11	3.14	
B4 shiploading	4.52	4.56	
B5 shiploading	5.08	5.13	

4.6 DIVIDEND POLICY

Dividends are paid to Government at the level of 100% percent of after tax profits. The Board will recommend a level of dividend to the Minister annually, or the Minister may determine in consultation with the Board (under Section 84 of the Act) a different dividend payment.

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

4.7 COMMUNITY SERVICE OBLIGATION

MWPA have committed to the following community service initiatives;

- Sand by-passing program, MWPA has a Memorandum of Understanding with the City of Greater Geraldton, which outlines the commitment to supply sand to the northern beaches. This commitment is ongoing and has an estimated annual cost of \$200,000;
- To assist with the establishment of a marine servicing precinct at Geraldton's Fishing Boat Harbour, a peppercorn lease was offered to a consortium proposing a 200 tonne boat lifting operation. This lease arrangement continues until the lifting service achieves a profit, after which a commercial rental will be payable. Estimated value of this concession is \$106,203; and
- MWPA has set up a community consultation group in Geraldton, which will ensure improved communication between the community and MWPA.

5 CONTACT INFORMATION

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Mid West Ports Authority

Draft Financial Parameters

Financial Year (2019/20)

	\$'000
Total Revenue	\$75,087
Total Expenses	\$55,260
Profit/(Loss) Before Tax	\$19,827
Notional Income Tax	\$ 5,949
Profit/(Loss) After Tax	\$13,878
Dividends	\$14,071
Asset Investment Program	\$ 8,900

Mid West Ports Authority

Part 9 Transport

Asset Investment Program

1. Funding has been allocated across the forward estimates of \$3.6 million for an improved port-wide firefighting system and \$23.4 million for minor works projects, which will be applied to the upgrading of the Authority's services and civil infrastructure, security, environmental systems, computer systems and equipment replacement.

	Estimated Estimated	2018-19	2019-20	2020-21	2021-22	2022-23	
	Total Cost	Expenditure Estima to 30-6-19 Expend	Estimated	Budget	Forward	Forward	Forward
			\$'000	Estimate	Estimate	Estimate	Estimate
COMPLETED WORKS					0		
Comprehensive Rehabilitation Works to Berth 3 Extension and Berth 4 Structures	7,906	7,906	6,372	-		-	-
Information Technology Software Upgrade	2,500	2,500	117	-	-	-	-
Miscellaneous Works			-0				
2018-19 Program	6,123	6,123	6,123	-	-	-	-
NEW WORKS							
Miscellaneous Works							
2019-20 Program	6,900	<u> </u>	-	6,900	-	-	-
2020-21 Program	5,500	-	-	-	5,500	-	-
2021-22 Program	5,500	-	-	-	-	5,500	-
2022-23 Program	5,500	-	-	-	-	-	5,500
Port-wide Firefighting System	3,600	-	-	2,000	1,600	-	-
Total Cost of Asset Investment Program	43,529	16,529	12,612	8,900	7,100	5,500	5,500
FUNDED BY							
Capital Appropriation			-	-	-	-	-
Borrowings			6,662	398	294	-	-
Internal Funds and Balances			5,950	8,502	6,806	5,500	5,500
Total Funding			12,612	8,900	7,100	5,500	5,500