



SOUTHERN PORTS
ALBANY BUNBURY ESPERANCE

ANNUAL REPORT 2024

ACKNOWLEDGEMENT OF COUNTRY

Southern Ports acknowledges the Whadjuk, Wardandi, Menang and Wudjari people as the Traditional Custodians of the lands and waters on which we operate and their continuing connection to land, waters and community. We pay our respects to Elders past and present, and extend that respect to all Aboriginal communities.

STATEMENT OF COMPLIANCE

for the year ended 30 June 2024

To the Hon David Michael MLA

Minister for Ports; Mines and Petroleum; Road Safety;
Minister Assisting the Minister for Transport

In accordance with the provisions of the *Government Trading Enterprises Act 2023*, *Financial Management Act 2006* and other relevant legislation, I hereby submit for your information and presentation to the Parliament of Western Australia the annual report of Southern Ports Authority for the year ended 30 June 2024.



Ian Shepherd
Chair
Board of Directors



STRONG REGIONAL PORTS, STRONG REGIONS

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ABOUT US

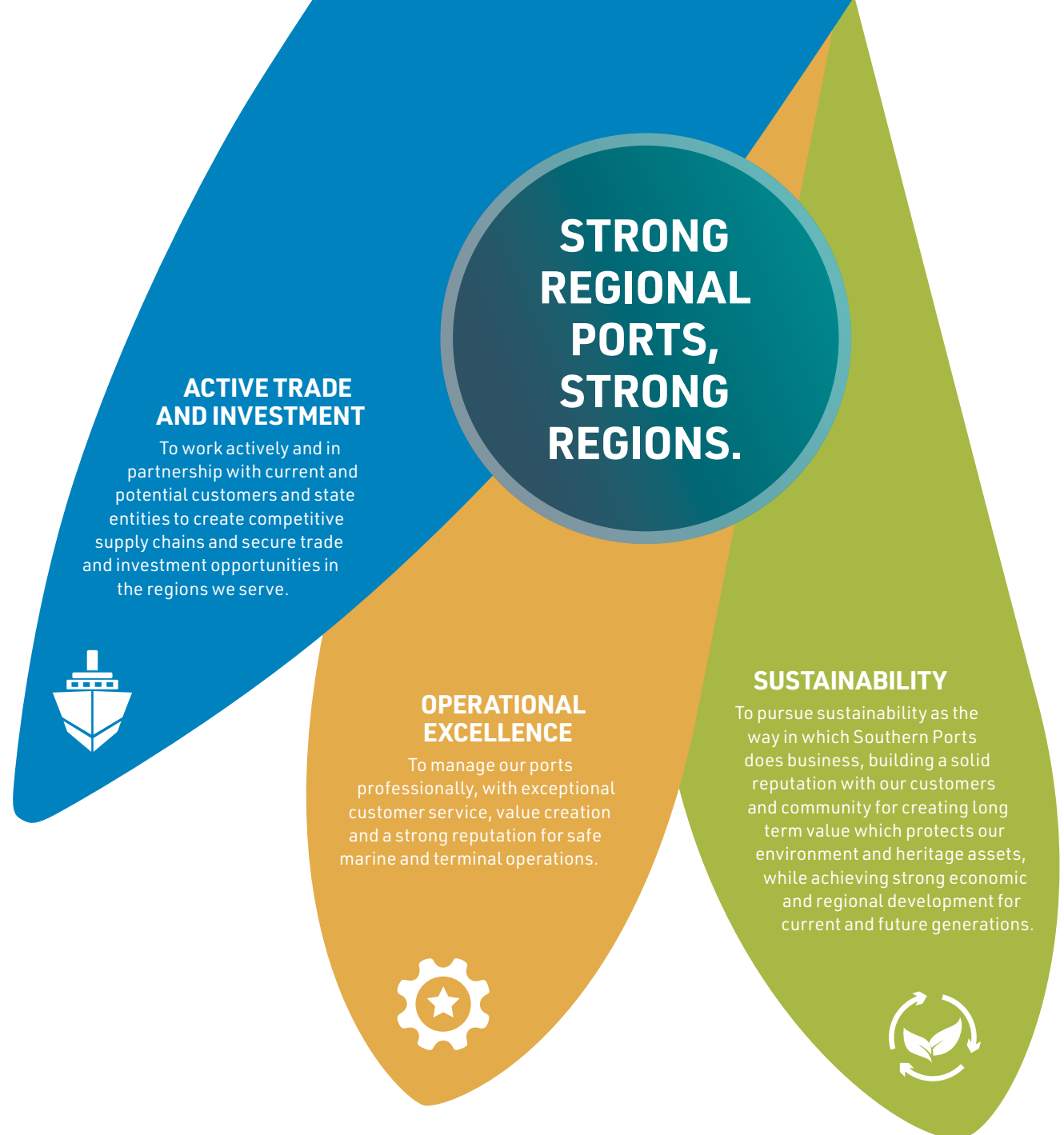
Southern Ports is a State Government-owned port authority in regional Western Australia.

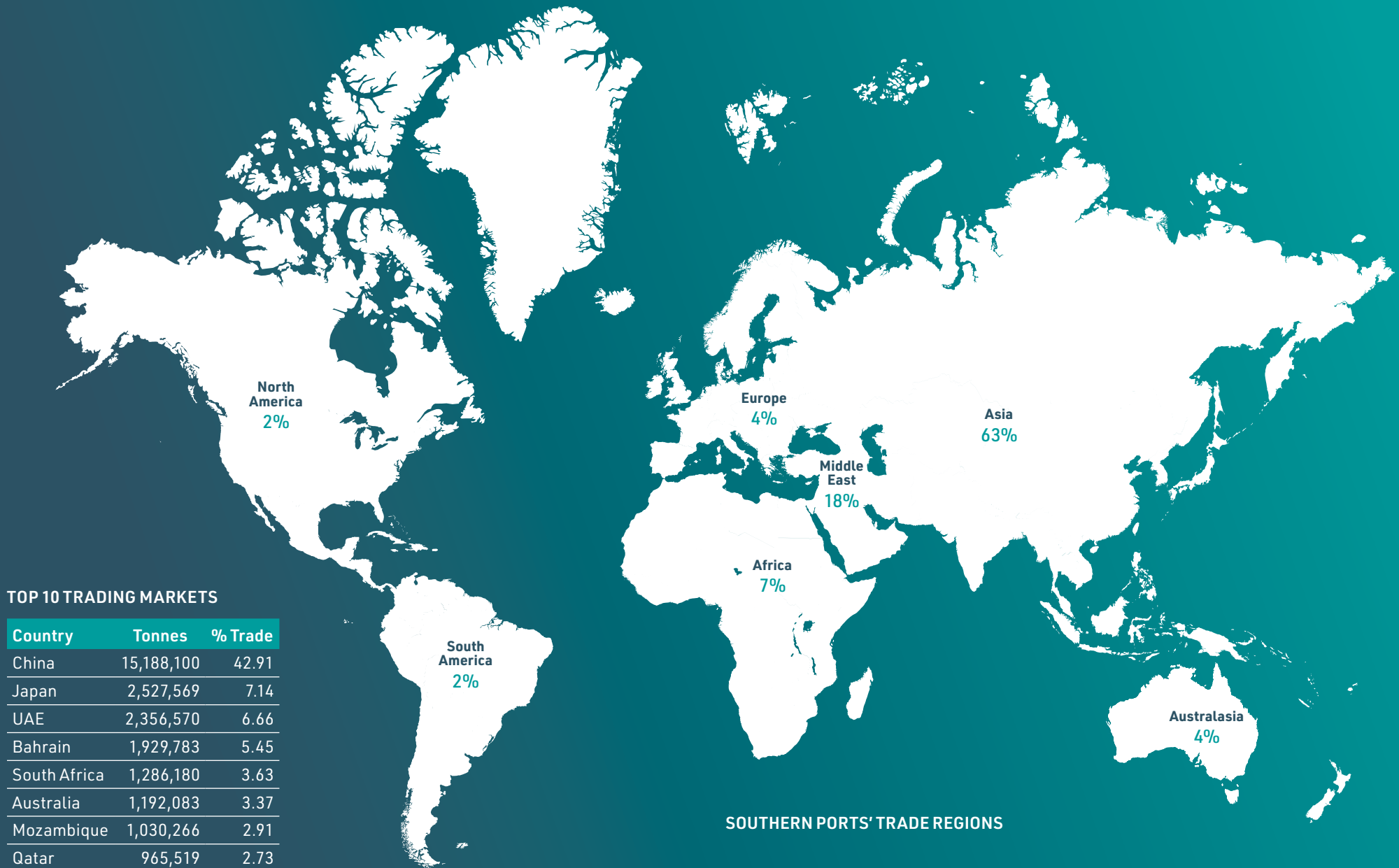
We provide essential services and infrastructure that underpins the state's economic growth and prosperity through the management of Western Australia's three southern regional ports at Albany, Bunbury and Esperance.

As a gateway for trade and tourism, our ports collectively handle more than 35 million tonnes of cargo a year across bulk commodities and containers, while also welcoming cruise ships and specialty vessels to our regions.

Our trade facilitation is enabled by our commitment to our people and infrastructure portfolio which covers more than 9,500 assets at a replacement cost of approximately \$1.6 billion.

Together our ports have a rich history of more than 350 years of operation and hold deep connections with our regional communities. Fostering and extending these connections is essential in creating a sustainable future for generations to come and underpins our vision of 'strong regional ports, strong regions'.





SOUTHERN PORTS' TRADE REGIONS

TOP 10 TRADING MARKETS

Country	Tonnes	% Trade
China	15,188,100	42.91
Japan	2,527,569	7.14
UAE	2,356,570	6.66
Bahrain	1,929,783	5.45
South Africa	1,286,180	3.63
Australia	1,192,083	3.37
Mozambique	1,030,266	2.91
Qatar	965,519	2.73
Philippines	907,754	2.56
South Korea	829,650	2.34

OUR PORTS



-  **5.2mt trade**
-  **158 vessel visits**
-  **34 people**



-  **17mt trade**
-  **431 vessel visits**
-  **85 people**

PORT OF ALBANY

The Port of Albany is located on Menang Country, 400 kilometres south of Perth, within the Great Southern region of Western Australia. The gateway port offers four berths, leases for port-related industries, and access to port infrastructure and facilities.

Adjacent to the city of Albany, the Port encompasses 12,514 hectares inclusive of the waters of Princess Royal Harbour and King George Sound. As Western Australia's oldest port, it is historically significant to the region and state.

Key commodities include grain, woodchips, silica sands, fertiliser and fuel.

The Port is also a premier cruise ship destination with significant heritage and tourism opportunities, and has a strong environmental and sustainability focus.

MAXIMUM BULK VESSEL

Class Panamax
LOA 230m
Beam 32.26m

MASTER PLAN



PORT OF BUNBURY

Located on Wardandi Country, 175 kilometres south of Perth in the waters of Koombana Bay, our Port of Bunbury is a gateway port with seven active berths. It provides leases for port-related industries and access to port infrastructure and facilities.

The diverse commodities traded through the port extend to alumina (its highest traded commodity), grain, spodumene, caustic soda, woodchips, mineral and silica sands, copper concentrate, coal, fertiliser and fuel. The Port also welcomes cruise vessels and assets for break bulk and project cargo.

Optimally located in the South West region and with a large landholding of 470 hectares, the Port is also primed for growth.

The Port of Bunbury is ISO 14001 certified.

MAXIMUM BULK VESSEL

Class Panamax
LOA 230m
Beam 36.5m

MASTER PLAN





PORT OF ESPERANCE

The Port of Esperance is located on Wudjari Country, approximately 720 kilometres east-southeast of Perth in the Goldfields-Esperance region and within the waters of Esperance Bay.

Our Port of Esperance is a gateway port offering full port and terminal services with three berths and a landholding of 75 hectares.

The Port is the only deep-sea port in southern Western Australia.

The second-largest employer in the region, the Port has a diverse trade profile with iron ore, grain, spodumene, fuel, sulphur, woodchips, fertiliser, copper concentrate, nickel as well as containers, cruise ships and specialty vessels.



13.2mt trade



212 vessel visits



159 people

MAXIMUM BULK VESSEL

Class Newcastlemax
LOA 300m
Beam 50m

MASTER PLAN



**SOUTHERN PORTS
SUPPLY CHAIN NETWORK**

2023-24 SNAPSHOT

TOTAL TRADE



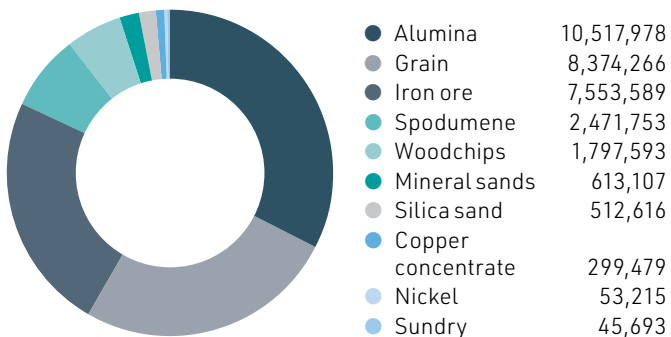
TOTAL EXPORTS



HIGHEST EXPORT COMMODITIES + REVENUE YIELD



EXPORTS (TONNES)



TOTAL VISITS



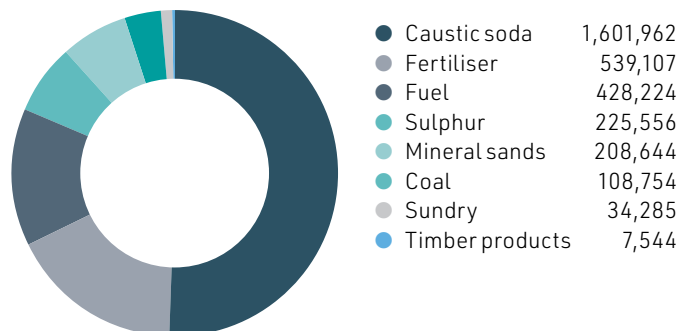
TOTAL IMPORTS



HIGHEST IMPORT COMMODITIES + REVENUE YIELD



IMPORTS (TONNES)



FINANCIAL

\$192.15m
total revenue

\$37.67m
profit before tax

\$21.53m
profit after tax

5.3%
return on assets

9 new customer
agreements



COMMUNITY AND CUSTOMERS

74

record high stakeholder
satisfaction score

\$305k

invested in 133
community projects

\$30k

supported 25,000
regional meals

18

peppercorn and
community leases



PEOPLE

344

employees

81%

regional workforce

\$494k

training investment

2,121

training events

3.9

Lost Time Injury
Frequency Rate



NATIONAL PORT OF THE YEAR

+ 5 industry awards

OPERATIONS

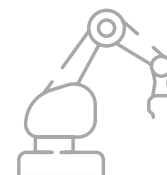
2

new port
operating systems



29

completed projects



\$32.53m
capital investment

\$47.37m

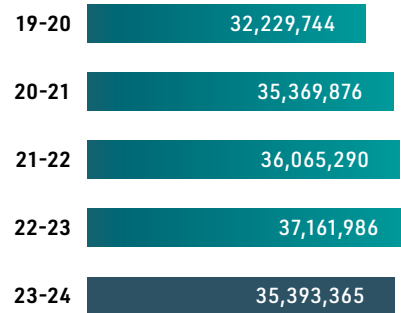
total maintenance spend



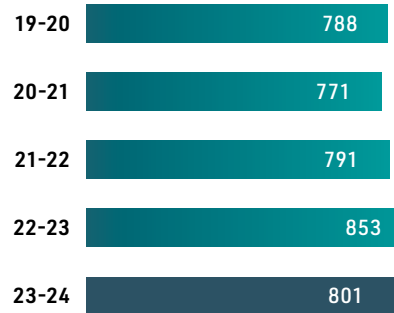


KEY BUSINESS RESULTS

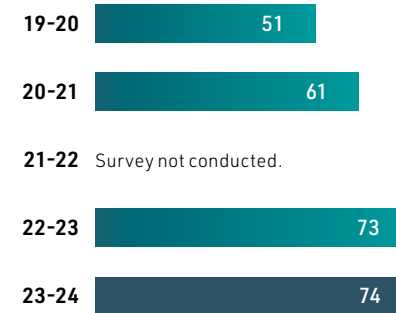
TOTAL TRADE (TONNES)



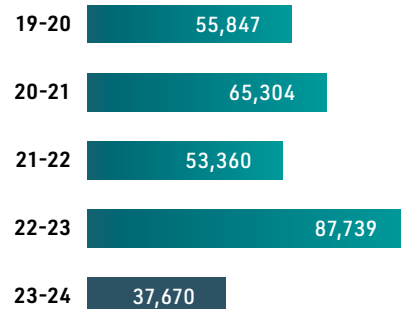
TOTAL SHIP VISITS (NUMBER OF VESSELS)



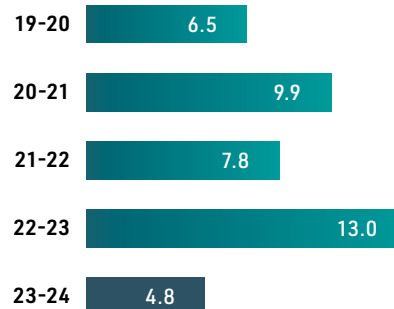
STAKEHOLDER SATISFACTION (REPUTATION INDEX)



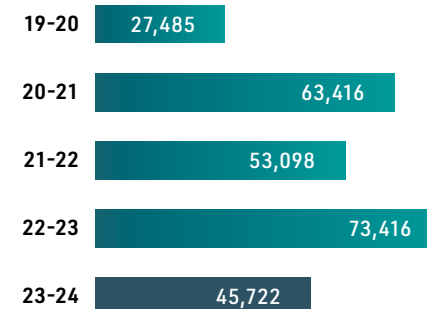
OPERATING PROFIT BEFORE TAX (\$'000)



ECONOMIC RATE OF RETURN (%)



CONTRIBUTIONS TO GOVERNMENT* (\$'000)



* including NTER, payroll tax, land tax, emergency services levy, local government rates and dividends (paid and retained).

FROM OUR CHAIR AND CEO



It has been a positive year for Southern Ports, marked by growth, innovation, and an unwavering commitment to our vision of strong regional ports, strong regions.

Southern Ports achieved another record-breaking year on the trade front, realising nine commodity trade records and moving more than 35 million tonnes of product through our three ports. Particularly pleasing was our growing role in supporting global energy transition, with a record 2.47 million tonnes of spodumene exports and the addition of two new customers trading the critical mineral through our ports.

Our support for the state's burgeoning renewables sector also extended to the facilitation of record break bulk and project cargo imports, including onshore wind farm components and essential infrastructure for Western Australian lithium producers.

This financial year, the business achieved a net profit of \$21.53 million, lower than the previous year and reflective of commodity prices and reduced throughput in the final quarter of 2023-24, most notably in grain, nickel, and sulphur.

Mindful of our need to adapt to these market pressures and fluctuations, we actively sought to extend and diversify our commodity and customer base over the period, with good success. We negotiated nine new customer agreements including with Gold Valley Iron Ore and Commodity Ag as second exporters of iron ore and grain at Esperance and Albany respectively.

Considerable steps towards full digitisation were also made this year, with the completion of the build of our business-wide Enterprise Resource Planning system and the launch of our new terminal and marine operating systems. Both have already created significant efficiencies across our business, streamlining operations and enhancing our competitiveness and resilience in a dynamic global market.

Our \$32.5 million investment in capital projects also bolstered our operational capabilities to enable trade growth, with 29 completed projects delivering new and renewed assets across our sites.

Significant strides to embed our award-winning asset management system has also positioned us for success on our pathway to ISO certification in the new year.

Our most important asset, however, is our people.

Improved safety protocols and practices and a continued commitment to safety training right across the business ensured all our people returned home safely at the end of each day. These initiatives will drive improvement in our lost time injury frequency rate, which was 3.9 this period.

Southern Ports was proud to foster a more diverse workforce and adopt initiatives to drive further improvement in this area. We published our first Equal Opportunity, Diversity and Inclusion Plan, became the first port authority member of CEOs for Gender Equity, and formalised our bespoke Women in Leadership program – all underpinned by a gender-equal executive leadership team.

Beyond our port gates, our commitment to strengthening the communities we serve was steadfast – investing more than \$300,000 in community organisations and working closely with local partners to foster mutually successful programs and outcomes.

On the horizon

Despite the inevitable ebbs and flows in port trade, the year ahead will present its challenges. With the cessation of iron ore trade from the Yilgarn hub and the halt in production at the Ravensthorpe nickel mine, we must navigate our operations with care as we pursue new opportunities and flex to support emerging markets.

Whilst dry bulk commodities will remain the primary trade facilitated through Southern Ports sites, an increasing energy transition trade demand is emerging to meet State and Federal net zero goals. The energy transition task has significant onshore and offshore opportunities which will require investment in port facilities backed by agile and capable management. Opportunities that we are ready for and capable of providing.

Given the challenges and prospects that lie ahead, a new strategic plan will be delivered in 2025 to set our future direction, backed by a refreshed brand identity and employee value proposition to support our workforce.

Our investment in our assets will remain a focus as we maintain ageing infrastructure and deliver new projects to benefit our customers and the community.

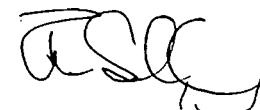
Leading our future

Our year's achievements reflect the collective commitment of our people and port communities. Our team was immensely proud to be recognised as Australia's Port of the Year, which is testament to the drive of our people and our commitment to innovation, quality, and excellence in every aspect of our operations.

Looking ahead, there is a great deal of optimism and plenty to be done as we continue to invest in our infrastructure, leverage technology and innovation, and enhance our sustainability practices. Our aim is to ensure that our ports remain vital gateways for trade, driving economic growth and prosperity for our regions.

As the new year commences, we thank the Minister for Ports Hon David Michael for his ongoing support and our Board of Directors for its vision and stewardship. We extend a warm welcome to new Director David Welch and acknowledge outgoing Board Director John Barratt for four years of dedicated service to the Southern Ports Board.

Finally, thank you to the members of our Executive Leadership Team for their drive and professionalism throughout the year, including Brian Granville and Iain Robinson for their service.



IAN SHEPHERD
Chair



KEITH WILKS
Chief Executive Officer

OPERATING ENVIRONMENT

Legislative framework

Southern Ports is a Government Trading Enterprise which operates under the *Government Trading Enterprises Act 2023* (WA), in conjunction with the *Port Authorities Act 1999* (WA) as the Establishing Act (the Act).

Our Board of Directors is the governing body as detailed in the Act. Members of the Board are appointed by the Minister for Ports and are tasked with determining the policies and controlling the affairs of Southern Ports.

Our Executive Leadership Team reports to the Board of Directors and is accountable to the Minister for Ports.

The State and Federal statutes, and their associated regulations, which applied to our operations in 2023-24, included:

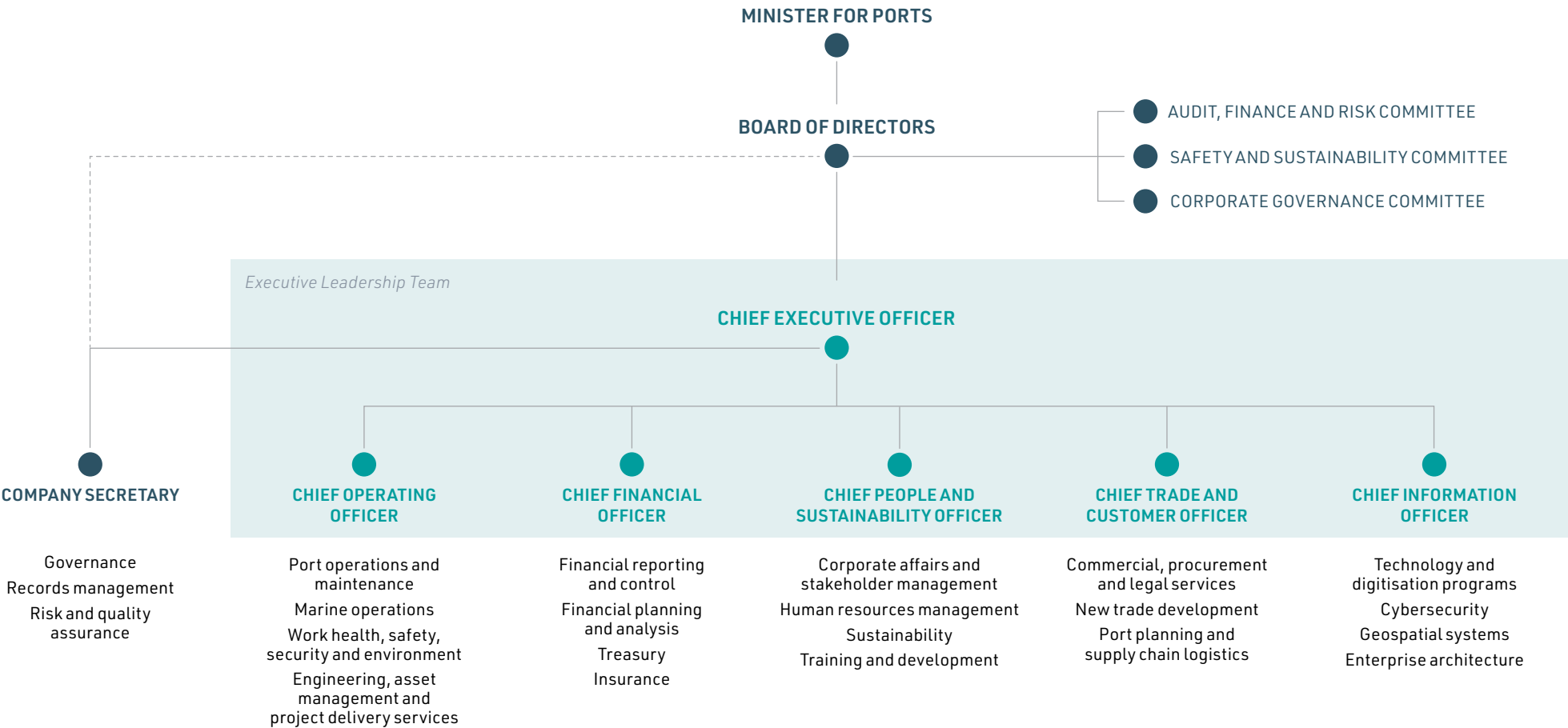
<i>Aboriginal Heritage Act 1972</i> (WA)	<i>Minimum Conditions of Employment Act 1993</i> (WA)
<i>Australian Maritime Safety Authority Act 1990</i> (Cth)	<i>Modern Slavery Act 2018</i> (Cth)
<i>Biosecurity Act 2015</i> (Cth)	<i>Navigation Act 2012</i> (Cth)
<i>Commercial Tenancy (Retail Shops) Agreements Act 1985</i> (WA)	<i>Planning and Development Act 2005</i> (WA)
<i>Competition and Consumer Act 2010</i> (Cth)	<i>Port Authorities Act 1999</i> (WA)
<i>Contaminated Sites Act 2003</i> (Cth)	<i>Procurement Act 2020</i> (WA)
<i>Corporations Act 2001</i> (WA)	<i>Public Interest Disclosure Act 2003</i> (WA)
<i>Corruption, Crime and Misconduct Act 2003</i> (WA)	<i>Public Sector Management Act 1994</i> (WA)
<i>Customs Act 1901</i> (Cth)	<i>Salaries and Allowances Act 1975</i> (WA)
<i>Dangerous Goods Safety Act 2004</i> (WA)	<i>State Records Act 2000</i> (WA)
<i>Disability Services Act 1993</i> (WA)	<i>Statutory Corporations (Liability of Directors) Act 1996</i> (WA)
<i>Equal Opportunity Act 1984</i> (WA)	<i>Workers' Compensation and Injury Management Act 1981</i> (WA)
<i>Emergency Management Act 2005</i> (WA)	<i>Work Health and Safety Act 2020</i> (WA)
<i>Environmental Protection Act 1986</i> (WA)	
<i>Environmental Protection and Biodiversity Conservation Act 1999</i> (Cth)	
<i>Fair Trading Act 2010</i> (WA)	
<i>Fair Work Act 2009</i> (Cth)	
<i>Freedom of Information Act 1992</i> (WA)	
<i>Financial Management Act 2006</i> (WA)	
<i>Heritage Act 2018</i> (WA)	
<i>Industrial Relations Act 1979</i> (WA)	
<i>Maritime Transport and Offshore Facilities Security Act 2003</i> (Cth)	

Operating conditions

To manage our ports, we undertake strict environmental compliance and reporting.

Southern Ports complies with all statutory commitments including those under Licences L5099/1074/14 (Port of Esperance) and L6744/1996/12 (Port of Bunbury) and other approvals.

ORGANISATIONAL STRUCTURE





BOARD OF DIRECTORS



IAN SHEPHERD

Chair

ASSOC CIVIC ENGINEERING, GRAD DIP BUSINESS, HARVARD ADVANCED MANAGEMENT PROGRAM, HON FELLOW IE AUST, MAICD

Appointed: 1 February 2020, term ends 30 June 2026

Special responsibilities: Corporate Governance Committee Chair

Ian is an experienced CEO and director, bringing varied and direct experiences in governance, business, finance, leadership, risk and public relations to the role as Chair of Southern Ports.

Ian spent 17 years as a director, and eight years as CEO/ Managing Director of GHD Group Pty Ltd, an infrastructure services company operating across all facets of planning, project management and engineering. This experience cemented Ian's strong commercial and strategic capabilities in relation to company growth and transformational changes. Ian is a member of the Department of Transport's Steering Committee for the proposed Westport project. Ian was also a Director of Perth Children's Hospital Foundation and the past Chair of the Curtin University School of Civil and Mechanical Engineering Advisory Board.



GAYE McMATH

Deputy Chair

BCOMM, MBA, AMP HBS, FAICD, FCPA

Appointed: 1 July 2018, term ends 31 December 2025

Special responsibilities: Audit, Finance and Risk Committee Chair and member of the Corporate Governance Committee

Gaye has extensive business experience in a broad range of industries including mining, resources, energy, infrastructure, property, engineering services, financial services, treasury, higher education, aged care, culture and arts. Gaye's executive experience includes 23 years of finance and commercial roles with BHP, 12 years as CFO/ COO with The University of Western Australia and three years as CFO at Murdoch University. Gaye served as Deputy Chair of Commissioners for three years at the City of Perth.

Gaye has over 25 years of board experience on a broad range of listed companies, Government Trading Enterprises and not-for-profit community organisations. Other current boards include BG&E Group Limited, Dementia Australia and Edith Cowan University.



JANE CUTLER

BE (HONS), MENVSCI, MBA, FAICD, FICHEME

Appointed: 1 February 2020, term ends 31 December 2024

Special responsibilities: Safety and Sustainability Committee Chair

Jane has a diverse range of experience in the resources, oil and gas, financial services, maritime, environment and technology industries. Her executive experience includes senior executive roles in public companies in the oil and gas sector, and as CEO of industry regulator National Offshore Petroleum Safety and Environmental Management Authority.

Jane has over 30 years of board experience, including with the Australian Maritime Safety Authority, ChemCentre, President of the WA Division of the Australian Institute of Company Directors, President of Institution of Chemical Engineers, and as a local government councillor.



WIEBKE EBELING

MSC (HONS), PHD NEUROSCIENCE, MAICD

Appointed: 13 July 2020, term ends 31 December 2024

Special responsibilities: Member of the Safety and Sustainability Committee

Wiebke has a strong research, education, and communication background in various science areas, including biocybernetics, neuroscience, astrophysics, marine observing, and ocean engineering. She leads an innovation hub at The University of Western Australia Albany Campus as manager of Marine Energy Research Australia and its headquarters at the Great Southern Marine Research Facility.

Wiebke is a recognised role model in STEM and sustainability and a community leader in the Great Southern region, and is also involved in volunteer organisations as an Executive Member of the Great Southern Science Council and the Albany Family & Domestic Violence Action Group.



ROBYN FENECH

BED SOC SCI, GAICD

Appointed: 1 July 2021, term ends 31 December 2025

Special responsibilities: Member of the Audit, Finance and Risk Committee

Robyn has an extensive background in regional economic development, tourism, agriculture and infrastructure planning. In addition to Robyn's experience managing tourism associations and working in business development within the water industry, Robyn has managed and owned a consultancy practice for over 20 years, which has built skills in strategic planning, governance, and industry and community consultation.

Robyn has been involved in strategy development and delivery within the South West region for many years, and was previously the Chair of the Bunbury Development Committee.



HON BEN MORTON

BA, GAICD

Appointed: 1 January 2023, term ends 31 December 2024

Special responsibilities: Member of the Safety and Sustainability Committee

Ben is a former elected member of Federal Parliament, representing the Western Australian electorate of Tangney. He served as a Minister in the Australian Government between 2019 and 2022, including as Minister Assisting the Prime Minister and Cabinet, Minister for the Public Service, and Special Minister of State.

Before entering Federal Parliament, Ben worked for Western Australian builder and building supply company BGC, and was State Director of the Liberal Party of Western Australia between 2008 and 2015.

Ben is a Commissioner of the Insurance Commission of Western Australia, a Director of the Harry Perkins Institute of Medical Research and is a graduate of the Australian Institute of Company Directors.



DAVID WELCH

BCOM (HONS)

Appointed: 1 January 2024, term ends 31 December 2025

Special responsibilities: Member of the Audit, Finance and Risk Committee

David is an experienced and well credentialed senior executive with a successful track record in the planning, development and operation of logistics and infrastructure supply chains for commodities markets, including; coal, iron ore, grain and industrial products sectors.

For a decade, he held senior executive positions within Aurizon Holdings Limited, including VP Iron Ore, VP Market Development and EVP Strategy and Business Development. He has had direct responsibility for strategy, business transformation and performance, commercial negotiations, stakeholder engagement, major projects, joint venture management, merger and acquisition and business development.

David was previously the managing director of The Millennium Group from 1998 to 2006 and was a marketing manager of CSBP Limited (part of the Wesfarmers conglomerate) in the development of mining reagent and agriculture products from 1989 to 1994.



JOHN BARRATT

BBUS (ACCOUNTING), WACAE, FCPA, MAICD

Appointed: 1 January 2019, term ended 31 December 2023

Special responsibilities: Member of the Audit, Finance and Risk Committee

John brought over 23 years' experience in senior management to the role at Southern Ports, including significant experience as a Chief Financial Officer.

John had a particular focus on external statutory reporting and risk management, and had extensive knowledge of port financial management, operations and contract management. John's board experience included directorships with the Bunbury Water Corporation (now Aqwest) and the Collie Miners Credit Union, and as a volunteer member of the City of Bunbury Audit Committee.

EXECUTIVE LEADERSHIP TEAM



KEITH WILKS

Chief Executive Officer

BCOMM, DIPSCAPP

With almost three decades' experience in the port and maritime sectors, including many years at sea, Keith brings valuable operational experience in leading complex port operations, backed by proven strategic and leadership skills.

Keith was appointed Chief Executive Officer in 2023. He was formerly Southern Ports' Chief Operating Officer for more than three years and has also held a range of senior and advisory roles at the Port of Newcastle, Port Authority of New South Wales and Svitzer.

Keith holds a Bachelor of Commerce, Master Mariner certification, and a Diploma of Applied Science (Nautical Science) from the Australian Maritime College.



ROBERT ALEXANDER

Chief Operating Officer

BENVSC (HONS), MBA, GAICD

Robert was appointed Chief Operating Officer in November 2023.

As Southern Ports' former General Manager Port Development and with a career spanning almost two decades, Robert also has extensive experience in environmental management, advanced asset management, engineering service delivery and new capital investment infrastructure projects.

He holds a Bachelor of Environmental Science with Honours and a Master of Business Administration, and is also a graduate of the Australian Institute of Company Directors.



ADITYA ASTHANA

Chief Financial Officer

BBUS, CPA

Appointed as Chief Financial Officer in March 2024, Adi joins Southern Ports after holding several leadership roles for large complex and geographically dispersed organisations such as Orica, Qantas and First Graphene Limited.

With more than 20 years' international experience in finance and commercial management across Australia, Europe and Asia, Adi's skills extend to strategic planning, business turnaround, major projects, capital raising, working capital management, mergers and acquisitions and risk management.

He holds a Bachelor of Business in Accounting and Finance and is a Certified Practising Accountant.



MONICA BIRKNER

Chief People and Sustainability Officer

BBSC, MBA, GAICD

Monica is a skilled corporate and business services professional with extensive public sector experience.

Joining Southern Ports in 2020 after more than two decades in senior roles with the Northern Territory Government, Monica has high level skills in human resources, organisational design, governance, leadership, change management and strategic planning, backed by a strong understanding of policy and legislation.

She holds a Bachelor of Behavioural Science, a Diploma of Project Management, and a Master of Business Administration. She is also a graduate of the Australian Institute of Company Directors.

Monica received a high commendation in the Women in Shipping category of the 2023 Australian Shipping and Maritime Industry Awards for her commitment and contribution to Southern Ports and the wider sector.



AMBER SMITH

Chief Information Officer

BA (HONS), ADVDIP MGT

Amber's extensive experience in the critical infrastructure and finance sectors spans two decades at the highest levels, including senior leadership roles at Australian Gas Infrastructure Group and the ASX-listed BNK Banking Corporation.

Her skills extend to strategic planning and delivery, technology integration and innovation, operations management, risk management, project management, financial performance optimisation, and people development.

She holds a Bachelor of Business Studies with Honours, an Advanced Diploma of Management, and relevant qualifications in change management, cyber security, enterprise architecture, project management and leadership. She is also a graduate of the London Business School Development Program.



VIRGINIA WILSON

Chief Trade and Customer Officer

BSC, MBA, GAICD

Virginia has extensive experience in developing and executing operational, supply chain, procurement, and commodity trading strategies across her 25-year career.

Prior to joining Southern Ports in January 2023, she worked in the United States, Singapore and nationally for Fortescue, BHP, Woodside and Caltex to lead global operations; commodity marketing, pricing and sales strategies; and governance and risk management.

She holds a Bachelor of Science, Master of Business and Technology, and is also a graduate of the Australian Institute of Company Directors.

COMPANY SECRETARY



PETA TRIGWELL

Company Secretary

CPA, FGIA, MAICD, AMIAA

Peta commenced as Company Secretary in 2011 with the former Bunbury Port Authority and has more than 20 years' experience servicing boards.

As a Certified Practising Accountant, a Fellow of the Governance Institute of Australia, and an active member of the Australian Institute of Company Directors and Internal Auditors Australia, Peta provides leadership in governance and integrity for the Board and Executive, as well as the broader organisation.



PERFORMANCE AGAINST TARGETS

GOVERNMENT GOAL	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	2023-24 TARGET	2023-24 RESULT
WA jobs plan	Active trade and investment	Total trade ('000 tonnes)	36,520	35,393
	Active trade and investment	Total vessel visits	784	801
	Operational excellence	Customer satisfaction score	70+	74
	Operational excellence	Lost Time Injury Frequency Rate (LTIFR)	Nil or 10% reduction on prior reporting period (3.1)	3.9
	Sustainability	Employee engagement (%)	-	64
	Sustainability	Employee enablement (%)	-	64
Strong and sustainable finances	Sustainability	Return on assets (%)	9.3	5.3
	Sustainability	Economic rate of return (%)	6.2	4.8
	Sustainability	Debt to equity ratio	0.08	0.08
	Sustainability	EBITDA ('000s)	\$62,196	\$45,480
Growing our communities	Operational excellence	Number of reportable environmental incidents	Nil or 10% reduction on prior reporting period	0



STRATEGIC PILLAR:

ACTIVE TRADE AND INVESTMENT

TRADE

A combined 35 million tonnes of trade was facilitated by Southern Ports in 2023-24 across more than 16 commodities.

Despite the modest (five per cent) decrease in trade, it was another record-breaking year for Southern Ports with nine trade records broken across our three ports at Albany, Bunbury and Esperance.

As the global market for spodumene develops, we are proud that our ports continue to be international leaders in facilitating trade within the critical battery and minerals sector. A record 2.47 million tonnes of spodumene was exported from our ports, comprising more than 1.43 million tonnes from the Port of Bunbury and 1.04 million tonnes from the Port of Esperance – the latter topping the one-million-tonne-threshold for the first time.

Fertiliser was a highlight this year, as imports surged to a record 0.54 million tonnes, up from 0.39 million tonnes in the previous year. We provided crucial support to the agriculture sector through our capacity to provide additional short term import support, and in June, welcomed some of the largest single shipments of fertiliser we have seen with 31,000 tonnes from the Brave Eagle in Albany and 50,000 tonnes from the African Inspiration in Esperance.

Alumina continued to be Southern Ports' highest traded commodity at 10.52 million tonnes.

Our ports also demonstrated great ability to adapt to unique trade opportunities by supporting projects key to growing our regions, in particular, the enablement of a clean energy future. This capability saw us import close to 27,000 tonnes of break bulk cargo through our Port of Bunbury, much of which was made up of components for the Albemarle's Kemerton Lithium Plant expansion and Enel Group's Flat Rock Wind Farm Project.

A drier than usual growing season reduced grain yields on last year's record-breaking season – a total of 8.37 million tonnes was exported across all three ports.

At 7.55 million tonnes iron ore output was consistent with last year's result as Mineral Resources Limited's Yilgarn operation approaches end of mine life of its existing haematite deposits.

The impact of current commodity price pressures and fluctuations impacted our nickel and sulphur results for the period after First Quantum Minerals' Ravensthorpe operations went into care and maintenance in May.



MILESTONE SHIPMENT

Southern Ports' partnership with Australian Bluegum Plantations (ABP) reached a milestone in November, when the exporter's 300th shipment departed the Port of Albany's woodchip terminal.

High-value Eucalyptus woodchips were loaded onto the Southern Treasure, which set sail for Hokuetsu Corporation's paper mill in Japan.

The voyage highlighted the importance of our Port of Albany's role in providing economic stimulus and job creation for the Great Southern region, with 12 million tonnes of woodchips exported by ABP since the terminal began operating in 2005.

Port of Albany

- A total of 5.24 million tonnes of trade was facilitated through the Port of Albany, marking the second-largest volume year on record, just below last year's previous high.
- Fertiliser imports reached new heights, setting a new record for Southern Ports, while grain exports remained strong.

Port of Bunbury

- Our Port of Bunbury achieved 16.99 million tonnes of trade, showcasing its diverse trade portfolio of more than 15 commodities.
- A notable achievement was the record-breaking volume of caustic soda, essential for alumina production, which reached 1.60 million tonnes.

Port of Esperance

- Our Port of Esperance handled 13.17 million tonnes of trade, breaking records in fertiliser and spodumene exports.
- A total of 3.47 million tonnes of grain marked the year as the second-largest grain year on record, just behind last year's record result.

DIVERSIFYING TRADE

We continued to work with customers and supply networks to facilitate trade of all kinds. In September 9,500 tonnes of old railway sleepers that originally spanned from Kalgoorlie to Esperance were exported from our Port of Esperance to Korea as part of a metal recycling project for Sims Metal.

The final shipment of scrap metal was part of a five-year project that resulted in 20,000 tonnes headed for offshore recycling into low grade structure steel.





CRUISE OPERATIONS

The commencement of this year's cruise season in southern WA coincided with the launch of Tourism WA's 10-year Western Australian Cruise Tourism Strategic Plan 2023-2033 which highlighted the ports at Albany, Bunbury and Esperance as three of the 11 cruise destinations across the state.

More than 15,000 people docked at our Port of Albany this period across 11 visiting cruise ships, with an additional 600 people visiting our Port of Esperance, providing a welcome boost to these regional economies.

The longer than usual season finished with a winter visit to the Great Southern by the Pacific Explorer in June.



CONSOLIDATED TRADE RESULTS

Total trade (tonnes)

	2024	2023	2022	2021	2020
Total imports	3,154,076	3,153,756	3,206,395	2,938,133	2,652,209
Total exports	32,239,289	34,008,230	32,858,894	32,431,743	29,577,535
Total trade	35,393,365	37,161,986	36,065,290	35,369,876	32,229,744

Total exports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Alumina	10,517,978	10,771,827	11,120,952	11,417,470	11,173,137
Copper concentrate	299,479	313,540	313,793	237,645	229,066
Grain	8,374,266	9,370,489	6,860,199	5,480,372	5,238,337
Iron ore	7,553,589	7,605,099	8,585,478	10,186,370	7,378,420
Mineral sands	613,107	771,893	860,594	984,603	955,909
Nickel	53,215	147,637	135,846	143,318	119,323
Fuel	0	0	3,207	0	0
Silica sand	512,616	488,932	652,054	423,059	636,839
Spodumene	2,471,753	2,405,155	1,874,669	1,423,477	1,227,089
Sundry	45,693	39,398	47,927	83,850	122,953
Timber products	0	0	15,183	45,005	76,843
Woodchips	1,797,593	2,094,260	2,388,992	2,006,574	2,419,619
Total exports	32,239,289	34,008,230	32,858,894	32,431,743	29,577,535

Total imports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Caustic soda	1,601,962	1,433,817	1,501,373	1,458,088	1,312,148
Coal	108,754	350,227	100,577	81,968	101,356
Fertiliser	539,107	385,356	381,886	377,091	292,555
Mineral sands	208,644	236,083	422,164	293,104	352,762
Fuel	428,224	424,401	445,042	393,384	370,052
Sulphur	225,556	295,382	316,848	269,908	176,228
Sundry	34,285	28,490	24,653	52,484	47,108
Timber products	7,544	0	13,853	12,107	0
Total imports	3,154,076	3,153,756	3,206,395	2,938,133	2,652,209

Shipping

	2024	2023	2022	2021	2020
Trade vessels	785	823	784	762	764
Other vessels	16	30	7	9	24
Number of vessels	801	853	791	771	788
Gross registered tonnage	28,725,227	30,301,143	28,517,648	27,070,480	26,357,535





PORT OF ALBANY TRADE RESULTS

Total trade (tonnes)

	2024	2023	2022	2021	2020
Total imports	266,112	180,985	206,992	203,015	176,663
Total exports	4,969,502	5,323,580	4,218,044	3,693,398	3,818,777
TOTAL TRADE	5,235,614	5,504,565	4,425,035	3,896,413	3,995,440

Total exports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Grain	3,769,905	4,070,756	3,059,537	2,676,202	2,619,382
Silica sand	244,265	256,131	191,690	146,360	199,458
Timber products	0	0	15,183	45,005	38,305
Woodchips	955,332	996,693	951,633	825,831	961,632
TOTAL EXPORTS	4,969,502	5,323,580	4,218,044	3,693,398	3,818,777

Total imports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Fertiliser	254,941	160,799	174,209	166,965	134,346
Fuel	11,171	20,186	32,782	36,050	42,317
TOTAL IMPORTS	266,112	180,985	206,992	203,015	176,663



Shipping

	2024	2023	2022	2021	2020
Trade vessels	144	144	125	127	131
Other vessels	14	20	1	4	20
NUMBER OF VESSELS	158	164	126	131	151
Gross registered tonnage	5,451,154	5,675,244	4,352,879	3,744,532	4,599,502

Berth capacity utilisation

	2024	2023	COMMENT
Berth 1	3%	9%	Vessels moved to Berth 2
Berth 2	19%	19%	Steady trade
Berth 3	70%	81%	Reduced grain and woodchip throughput
Berth 6	16%	17%	Steady trade



PORT OF BUNBURY TRADE RESULTS

Total trade (tonnes)

	2024	2023	2022	2021	2020
Total imports	1,973,077	2,048,008	2,085,136	1,887,560	1,800,798
Total exports	15,016,348	16,013,069	15,860,693	15,230,011	15,013,147
TOTAL TRADE	16,989,425	18,061,077	17,945,829	17,117,571	16,813,945

Total exports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Alumina	10,517,978	10,771,827	11,120,952	11,417,470	11,173,137
Copper concentrate	260,311	285,600	271,416	194,568	184,916
Grain	1,131,337	1,541,464	829,497	552,521	370,561
Mineral sands	613,107	771,893	860,520	984,573	955,909
Fuel	0	0	3,207	0	0
Silica sand	268,351	232,801	460,364	276,699	437,381
Spodumene	1,433,657	1,498,264	1,170,770	720,748	643,169
Sundry	36,146	39,398	34,552	28,066	31,054
Timber products	0	0	0	0	38,539
Woodchips	755,461	871,822	1,109,416	1,055,366	1,178,481
TOTAL EXPORTS	15,016,348	16,013,069	15,860,693	15,230,011	15,013,147



Total imports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Caustic soda	1,601,962	1,433,817	1,501,373	1,458,088	1,312,148
Coal	108,753	350,227	100,577	81,968	101,356
Fertiliser	11,917	0	25,885	22,754	20,177
Mineral sands	208,644	236,083	422,164	293,104	352,762
Fuel	7,694	10,941	7,903	10,921	6,870
Sundry	26,563	16,940	13,381	8,618	7,485
Timber products	7,544	0	13,853	12,107	0
TOTAL IMPORTS	1,973,077	2,048,008	2,085,136	1,887,560	1,800,798

Shipping

	2024	2023	2022	2021	2020
Trade vessels	431	457	459	439	440
Other vessels	0	8	6	5	3
NUMBER OF VESSELS	431	465	465	444	443
Gross registered tonnage	13,850,781	14,642,659	14,837,074	13,481,101	13,137,838

Berth capacity utilisation

	2024	2023	COMMENT
Berth 1	5%	27%	Decrease in non-cargo vessels
Berth 2	1%	6%	Decrease in non-cargo vessels
Berth 3	70%	77%	Reduced grain throughput
Berth 4	74%	78%	Reduced throughput
Berth 5	53%	73%	Reduced throughput
Berth 6	72%	72%	Steady trade
Berth 8	59%	69%	Reduced throughput



PORT OF ESPERANCE TRADE RESULTS

Total trade (tonnes)

	2024	2023	2022	2021	2020
Total imports	914,886	924,763	914,268	847,558	674,748
Total exports	12,253,440	12,671,581	12,780,158	13,508,334	10,745,612
TOTAL TRADE	13,168,326	13,596,344	13,694,426	14,355,892	11,420,360

Total exports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Copper concentrate	39,168	27,940	42,377	43,077	44,150
Grain	3,473,024	3,758,269	2,971,164	2,251,649	2,248,394
Iron ore	7,553,589	7,605,099	8,585,478	10,186,370	7,378,420
Nickel	53,215	147,637	135,846	143,318	119,323
Spodumene	1,038,096	906,891	703,899	702,729	583,920
Sundry	9,548	0	13,451	55,814	91,899
Woodchips	86,800	225,745	327,943	125,377	279,506
TOTAL EXPORTS	12,253,440	12,671,581	12,780,158	13,508,334	10,745,612

Total imports (tonnes)

COMMODITY	2024	2023	2022	2021	2020
Fertiliser	272,249	224,557	181,791	187,372	138,033
Fuel	409,360	393,274	404,357	346,413	320,864
Sulphur	225,556	295,382	316,848	269,908	176,228
Sundry	7,721	11,550	11,272	43,865	39,623
TOTAL IMPORTS	914,886	924,763	914,268	847,558	674,748



Total Twenty-foot Equivalent Units (TEUs)

	2024	2023	2022	2021	2020
TEUs in	2,574	5,041	5,048	5,558	4,169
TEUs out	3,432	5,325	5,530	4,470	4,285
TOTAL TEUs	6,006	10,366	10,578	10,028	8,454

Shipping

	2024	2023	2022	2021	2020
Trade vessels	210	222	200	196	192
Other vessels	2	2	0	0	1
NUMBER OF VESSELS	212	224	200	196	193
Gross registered tonnage	9,423,292	9,983,240	9,327,695	9,844,847	8,595,410

Berth capacity utilisation

	2024	2023	COMMENT
Berth 1	50%	60%	Decreased grain throughput
Berth 2	43%	46%	Reduced throughput
Berth 3	53%	48%	Increased spodumene throughput

Trade development

In 2023-24 we demonstrated resilience amidst dynamic global trade conditions as we successfully:

- negotiated a new iron ore agreement with Gold Valley Iron Ore to become a second iron ore exporter at the Port of Esperance, with the miner to trade up to 1.5 million tonnes per annum from 2024-25.
- negotiated two new agreements with two new lithium exporters at our Port of Bunbury.
- negotiated an additional six new customer agreements, including with Synergy, Sims Metal and Commodity Ag.
- renewed nine existing agreements with long-term customers including Nutrien Ag Solutions, Allkem, Tronox and Doral.
- worked with proponents on several proposals for potential new trade at each of our ports.
- renewed and established agreements with port service providers, including a new agreement with Mackenzie Marine and Towage for an additional 10 years to increase operational excellence and support trade facilitation at our Port of Esperance.



SUPPORTING AUSTRALIA'S ENERGY TRANSITION

Our Port of Bunbury is primed to support the delivery of WA's critical minerals and energy transition, already working to facilitate trade in all shapes and sizes.

A collaborative partnership with lithium processor Albemarle saw more than 23,700 tonnes of steel modules and equipment imported across seven shipments for the Kemerton Expansion Project. The first shipment of the break bulk cargo arrived from China in July, comprised of 251 modules weighing around 2,000 tonnes – equal to six Boeing 747 jet planes – with the final shipment received the following April.

Trade outlook

We continued to diversify trade and adapt to new opportunities given prices of some of Western Australia's main export commodities have fallen significantly from their peak values over the past few years.

Significant infrastructure capacity will be available across the Port of Esperance's iron ore circuit after major exporter Mineral Resources announced the cessation of haematite production from its Yilgarn hub from January 2025 due to end of mine life.

As woodchip exporters and their plantations decrease, the opportunity for biomass exports is expected to increase as the aviation industry begins to explore biomass energy.

After a dry winter, grain growers are hoping spring rain will bring a boost in yields, however the record crops from the past two years are unlikely to be realised in the coming season.

Whilst dry bulk commodities will remain the primary trade facilitated through Southern Ports sites, an increasing energy transition trade demand is emerging to meet State and Federal net zero goals. The energy transition task has significant opportunities which will require supporting port facilities to enable construction and maintenance supply chains.

The Port of Bunbury has the capability to service future renewables and windfarm needs in the future.

Break bulk is only one component of this transition with the global demand for battery and critical minerals continuing as electric vehicles surge.

Nickel challenges are expected to intensify. Although Australia is advocating globally for green mining standards, the immediate appetite for cheap Indonesia nickel will continue to see Western Australian nickel miners reduce operations.

Short term spodumene prices dropped to more than 80 per cent lower than its peak almost 18 months prior. As prices are set to stabilise through 2025 the opportunity for onshore processing is the import of raw materials to support onshore production.





PORT PLANNING AND ASSETS

Our aim is to provide essential port services and infrastructure that underpins the state's economic growth and prosperity – and to achieve this we continued to develop our ports through strategic asset management and planning.

Port planning

Planning for the Bunbury Port Optimisation Plan commenced to provide the next stage of detail for proposed port infrastructure expansions required to accommodate growth in both bulk commodities as well as the significant project cargoes associated with future energy transition demands.

Early planning work also progressed on the development of:

- a business case to replace the end-of-life general purpose berths at the Port of Albany.
- construction of upgraded tug and pilot boat facilities at the Port of Esperance.
- revitalisation and restoration of the heritage-listed pilot station precinct at our Port of Albany.

STRATEGIC PILLAR:

OPERATIONAL EXCELLENCE

Asset management

This year reinforced our endeavour to become the first port authority to meet the ISO 55000 asset management certification, with significant steps forward:

- Southern Ports' inaugural Strategic Asset Management Plan was published to deliver the strategic direction for our assets and asset management system.
- We completed the integration of a structured asset hierarchy and optimised the maintenance management process, through the addition of digital asset class management plans and asset life cycle budgeting. This supports our asset management system and creates value for the business.
- A comprehensive training package and pathway was made available to our people to ensure they can become industry leaders in asset management, with two employees achieving certification to become Certified Asset Management Assessors.
- In June, our interactive Asset Management System Manual launched and is accessible to everyone in our business.

Consolidation of port-focused maintenance teams into a unified organisation-wide model also increased our focus on asset management this period. The objective of the new structure was to ensure maintenance processes are standardised and aligned to Southern Ports' overall asset management strategy.



PLANNING EXCELLENCE

Southern Ports' hat-trick of master plans was recognised as WA's best strategic planning project at the Planning Excellence Awards hosted by Planning Institute of Australia (WA) in November.

The 30-year Master Plans, which launched in 2023, took out the hotly-contested state category, before becoming a national finalist.

Port investment

We significantly progressed our largest-ever capital works program, investing \$32.63m in asset renewal, new infrastructure and operational technology improvements during the period, with more than 80 per cent of projects complete at year's end.

Contracting market and inflationary pressures on materials were a significant challenge for project delivery in 2024, however more than 100,000 onsite contractor labour hours were delivered, and supported the growth of local and state-wide businesses.

Customs House access
Upgrade works to make walkway more accessible completed in September.



Administration offices refurbishment
Detailed design for office refurbishment completed to meet building compliance and sustainability targets.



Tug marina fire main extension

New hydrants and hose reels installed to boost firefighting capabilities.

Berth 1 and 2 spill plates

Replacement of spill plates to prevent imported material from entering port waters.



Berth 1 and 2 refurbishment works

Concrete deck and pile repairs and timber fending works commenced by specialist contractor Fulton Hogan.

- Commenced
- Completed



BERTH 3 SOFFIT REPAIRS (STAGE 1)

A total of 24.5m² of soffit renewal was completed across targeted areas to remove failing concrete. Works included hydro demolition, corroded reinforcement replacement, and grout installation. The project removed potential hazards and addressed weight and operational restrictions imposed on the berth due to the asset's condition.

NEW PILOT LAUNCH

In November, Southern Ports' \$3.6 million cutting-edge pilot boat Wardan arrived in Bunbury after an almost 2,000 nautical mile trip from Mornington in Victoria. The first new vessel to join our fleet in over a decade, Wardan was christened in March. The name 'Wardan', meaning sea water off Wardandi country, was chosen after more than 800 entries were received through a community competition.



Berth 2 crossover remediation

Concrete works to remediate east end of Berth 2 hardstand for heavy vehicle access.



Berth 3 pile wrapping

Repair piles for any damage, clean and install suitable wrapping and jacketing to prevent corrosion.



Berth 5 Cathodic Protection System

Replacement of 40-year-old cathodic protection system to prevent corrosion, with remote monitoring accessible.



Sheds 5A and 5B column remedial works

Columns remediated with concrete and welding repairs, and protective coating to improve structure and longevity.



Berth 5 and 8 road upgrades

Bitumen resurfacing at Bunge Berth 5 terminal and Berth 8 exit.





Berth 8 upgrades

Conveyor widening, energy chain replacement, shiploader equaliser bar, and upgrades to electrical infrastructure and fire protection system.



Commenced



Completed



PORT OF BUNBURY



Leschenault Homestead refurbishments

Increased electrical capacity and facilities for personnel within heritage guidelines.



Conveyor CV04 cladding

Replacement of external cladding on south end to increase protection of conveyor.



TURKEY POINT ACCESS ROAD AND BRIDGE

Stage 1 construction of the \$34 million public project was completed in June and included formation of the embankment, early preparation work for the bridge and installation of the drainage system.

The project will increase safety by separating port-related traffic from public traffic accessing Turkey Point.

PORT ROAD UPGRADES

Stage 1 upgrades to Hughes Road have included installation of 9,100m² of road pavement, 160m of new drainage, 1.5km of kerbing, 450m of new safety barriers and 920 tonnes of asphalt.

The 40-year-old stretch of road is the sole heavy access route for up to six million tonnes of trade trucked into and out of the Port of Esperance each year including grain, spodumene and fertiliser.

The works have also delivered a new truck laydown area, which was configured to improve the flow of truck movements along the road.



Shed 3 recladding

Cladding replaced on the 20-year-old shed due to corrosion, including roof sheeting and purlins.



Shed 4 column repairs

Structural and painting repairs completed in early 2024.



Berth 3 rail crossing improvements

Existing surface of rail crossing repaired with a layer of asphalt.



CV26 conveyor gallery replacement

Upgrade conveyor infrastructure via a \$2.4 million contract to Aboriginal company First Nation Engineering. The conveyor has a vital role in the Port's iron ore circuit.



Berth 1 and 2 pile wrapping

Repair tubular piles for any damage, clean and install suitable wrapping and jacketing to prevent corrosion.



Berth 2 hardstand renewal

Resurface the hardstand with the addition of drainage and new stormwater treatment system.



Commenced



Completed



Tug storm moorings

Supply and install second storm mooring to cater for additional tug.



CONTAINER CRANE REFURBISHMENTS

More than 32,500 work hours were completed on site for priority repairs of the Berth 2 container crane. The complex project involves 22 design and construction work packages to restore critical access ways and prolong the life of the asset.

This period 38 platforms, 29 stairways and 8 ladders were replaced. Several corroded areas were also refurbished with a robust coating system to protect against harsh environmental conditions.



DIGITISATION

To reflect the organisation's strategic focus on technology and digitisation, a new governance structure and skills were added in key areas of enterprise architecture, cybersecurity, operational technology, and geospatial information systems.

Over the past year, our advancement towards a technology-enabled port has reduced barriers and created efficiency in our operations to maximise current and future trade.

Two major projects within our \$29 million digital program were delivered this period:

- CommTrac was launched at our Port of Esperance in November and our Port of Bunbury in June. The program optimises our terminal operations and ensures we can effectively plan, track and manage cargo at our ports to meet the expanding needs of our customers.
- Launched in February, our Port Management Information System provides benefits to our marine operations, specifically managing visiting vessels across all three of our ports. This includes reviewing and approving vessel applications, booking vessel visits, assigning anchorages and berths and a range of other functions. More than 380 vessels were booked this period using the system, by 50 shipping agents from 16 agencies.

Our geospatial information system continued to evolve this period, with the development of a mobile application and the input of third-party data to streamline commercial leasing, planning and operational processes.

We also bolstered our cyber security capability to ensure our systems remain robust. Scenario planning and two simulations involving a cyber threat were completed during the year to test our systems and our capacity to respond.

A technology service desk was also launched in June, to better support the workforce and the organisation's day-to-day digital operating requirements.

ALL SYSTEMS GO

Our Enterprise Resource Planning (ERP) system build was completed to improve procurement, finance and maintenance capability ahead of a 'go live' target of 1 July 2024. Targeted training across several functional areas was delivered to more than 300 people across four sites.

Three site-based maintenance systems transitioned into a single mobile-friendly system and process to better inform our asset management system, in preparation for the launch of the D365. This included the integration of SPM Assets software and asset registers for planned maintenance as well as the Failure Mode and Effects Analysis (FMEA) tool.



WORK HEALTH AND SAFETY



The safety of our people, contractors and communities remained a key focus in 2023-24.

Over the period we recorded a lost time injury rate of 3.9, higher than the target of 3.1, after three minor lost time injuries occurred. All employees were fully supported and returned to work in less than 13 weeks. The total recordable injury frequency rate inclusive of our contractors improved to 10.4, a 28 per cent improvement than 14.5 in 2022-23.

As an organisation, we're committed to the Zero Incident Process (ZIP) safety program with 82 per cent of people trained. This culture continues to be embedded to improve our work safety, particularly through the 'I see it, I manage it' ethos, with 478 audits and inspections and 999 hazard reports resulting in 1,671 improvements this year.

Building on our safety culture, 76 per cent of safety leadership interactions identified positive conditions and 24 per cent of interactions resulted in agreed work improvements.

In addition, testing of a new significant risk management program towards the end of the period demonstrated success, with 57 control verifications completed on significant risk activities resulting in additional risk reduction opportunities identified and actioned. This program will roll out in 2024-25.



SAFETY PERFORMANCE

3.9
lost time injury rate

10.4
total recordable injury frequency rate*

82%
personnel ZIP trained

478
inspections and audits

999
hazard observations

1,671
work safety improvements

*Calculated by the combined number of Lost Time Injuries and Medical Treatment Injuries and Restricted Work Injuries divided by the number of worked hours, per one million hours.

Occupational safety, health and injury management

MEASURES	2021-22 Actual	2022-23 Actual	2023-24 Target	2023-24 Actual	Comments
Number of fatalities	0	0	0	0	Target achieved. Zero fatalities.
Lost time injury and disease incidence rate	0.81	0.70	0 or 10% reduction	0.88	Target not achieved. This measure was impacted by one additional LTI occurring in FY24.
Lost time injury and disease severity rate	0	0	0 or 10% reduction	0	Target achieved. Zero LTISR. Each recorded LTI was relatively minor in severity i.e. less than 60 days lost.
% of injured workers returned to work within 13 weeks	100	100	Greater than or equal to 80% return to work within 13 weeks	100	Target achieved. 100% returned within 13 weeks.
% of injured workers returned to work within 26 weeks	100	100	Greater than or equal to 80% return to work within 26 weeks	100	Target achieved. 100% returned within 26 weeks.
% of managers trained in OSH and injury management responsibilities including refresher training within three years	99	98	≥ 80%	99	Target achieved – 99% achieved.

Safety culture

Significant work was undertaken across Southern Ports to invest in our safety culture and to increase efficiencies in safety management across our ports.

Results from our safety culture survey were received in July and showed improvements in safety leadership from previous years and steady results in the areas of organisational safety, team safety, safety communication and contractor safety.

Safety improvement plans were subsequently developed with several initiatives implemented that include:

- establishment of a Work Health Safety steering committee;
- aligned contractor management framework and procedures across all ports;
- development of a new Field Leadership engagement campaign (ahead of implementation in 2024-25);
- increased responsibilities and opportunity for Health Safety Representatives in inspections and audits;
- development of new critical controls verification process with risk reduction activities already realised;
- commencement of an engineering-out risk process; and
- funding announced for employee-led safety improvements.



HOT FIRE TRAINING

In August, Southern Ports welcomed 12 Esperance Volunteer Fire and Rescue Service members to our Port of Esperance for a 'hot fire' training session with our Emergency Response Team.

The controlled simulated training involved watching the development stages of a fire, different extinguishment methods and for some new members, their very first experience within a heated structural environment.

Response capabilities

Emergency preparedness is vital for our operations to ensure we have the capability to respond to any scenario with limited impacts to our people, environment and operations.

Multiple scenario planning and response exercises throughout the year required the stand up of our local Incident Management Teams (IMT), with our Crisis Management Team (CMT) engaged for the Annual Emergency Exercise to test our organisational-wide response.

Southern Ports played a vital role in a WA State Maritime Environmental Emergency Response (MEER) cross-agency desktop exercise hosted by the Department of Transport in May. For the first time it focused on the post incident short-term recovery response. Findings from the exercise will guide the state's marine emergency recovery plans.

The Southern Ports' emergency training facility at the Port of Esperance, which is the only authorised hot fire training facility within DFES' Great Southern zone, was also well used by local fire and rescue services throughout the year.

Security

Southern Ports worked closely with Department of Home Affairs and Australian Border Force to manage our Maritime Security Zones which are critical to the protection of Western Australian borders.

These measures were strengthened with additional CCTV capability, increased patrols, a significant increase in signage and awareness campaigns with Crime Stoppers and Australian Border Force's Operation Jardena.

CRACKDOWN ON REGIONAL COASTLINES

Southern Ports partnered with Ports Australia, Crime Stoppers and Australian Border Force during the year to increase reporting of suspicious activity amongst the community and increase security.

The campaign contributed to a 10.5 per cent increase in drug-specific information reports to Crime Stoppers across the country, with 41,326 reports from WA.

Our security team has continued to work closely with Crime Stoppers to follow up any tip-offs reported within our security zones.



Asbestos remediation

Remediation commenced across a number of our sites to remove asbestos to improve staff and public safety, with remediation plans for several additional sites also underway.

Southern Ports continued to achieve the relevant targets of the National Strategic Plan for Asbestos Awareness and Management (NSPAAM) 2019-2023 and engaged in the ANSP 2024-2030 consulting period:

- management of asbestos containing materials continued through ongoing review of the Port Asbestos registers, inspection of port lands and assets, routine monitoring and assessment of asbestos containing materials (ACM), and actions to remove or manage in-situ ACM through maintenance based on assessed risk;
- where new sources of potential asbestos containing material were identified, all materials were tested to determine the appropriate treatment and removal activities across the ports in Albany, Bunbury and Esperance;
- engagement commenced with leaseholders at each Port to ascertain levels of compliance with regulations. Work included sharing information, request for registers and plans from leaseholders and engagement with leaseholders who have been identified as requiring assistance to manage asbestos in their areas; and
- no asbestos compliance and enforcement actions were initiated during the period.



STRATEGIC PILLAR:

SUSTAINABILITY

ENVIRONMENT

Situated within unique environmental settings, nestled between township communities and sensitive terrestrial and coastal marine environments, each of our ports play an important role to protect and regenerate the environment.

EMISSIONS

During the period, we strengthened our data collection capabilities to capture fuel, gas, electricity and other information to analyse our greenhouse gas emissions. This occurred through the upgrade of EnviroSys software, rollout of devices into the field, improvement in our processes and upskilling of our teams.

An energy assessment and high level concept study for solar powered systems was also completed at the Port of Esperance with a detailed feasibility and investment case on rooftop solar photovoltaics and a battery energy storage system to be completed next year.

As part of our pathway to emissions reduction, a series of workshops involving 32 participants across our organisation was completed to identify potential new decarbonisation initiatives.

These initiatives will build on those already adopted during the year, which included the sale of 98 head of cattle (steers) at the Port of Bunbury – reducing Southern Ports' greenhouse gas emissions by an estimated 1.7 per cent or 102 tCO₂-e (tonnes of carbon dioxide equivalent).

COLLABORATION KEY TO CLEAN FUTURE

Southern Ports worked with several stakeholders throughout the year to support the development of future emissions reduction guidelines and climate change planning at a national, state and regional level. This included:

- active membership of the Ports Australia Climate and Decarbonisation Subcommittee;
- participation in the Department of Water and Environmental Regulation's Climate Risk Capability Initiative;
- our contribution to the Greenhouse Gas Emissions Inventory Guidance for Ports to provide clarity around emissions inventories and baselines for the Australian Ports industry; and
- provision of feedback on the WA Climate Change Bill.



Horizon Power electric vehicle charger launch in Esperance (L-R) Southern Ports' Catherine Field and Tony Leeson with Shire of Esperance Councillor Connor Davies, Minister for Energy Hon. Bill Johnston MLA and Local Member Hon. Shelley Payne MLC.

AIR

Improved monitoring to reduce impact

The management of noise and dust within our ports is critical given our operating environment and our proximity to our communities.

This period, we focused on reviewing and increasing the capability of our monitoring and data collection equipment to better inform us of any impacts and required reduction strategies.

A new noise monitoring system was installed at our Port of Esperance to provide real-time data and improve analysis and response times, also resulting in cost efficiencies.

Our dust monitoring network in Bunbury was also approved following an independent third-party review. In June, a new meteorological station was installed at our Port of Albany to further bolster our dust data collection capabilities.

Significant work was undertaken with port users, particularly those new to our ports, to review moisture levels of products to limit dust emissions during loading processes.





LAND

Repurposing waste

More than 4,100 cubic metres of asphalt and concrete removed from the Berth 2 hardstand during its renewal, along with additional stockpiles of bitumen were repurposed as aggregate underlay for a storage area at the Port of Esperance.

The rare construction-based project resulted in a unique opportunity for Southern Ports to demonstrate that sustainable practices benefit the environment as well as the project budget, saving more than \$800,000 in the process.

Land regeneration

Land surrounding the Port of Albany continued to be regenerated with an additional 1,800 seedlings to complement the marri, peppermint and banksia species previously planted. The Brunswick Road bush regeneration project is designed to enhance the biodiversity and visual amenity of the buffer between the Port and neighbouring community, whilst providing a food source and habitat for local wildlife.

HIGH FLYING FAIRY TERN SEASON

An ongoing partnership between Southern Ports, the Department of Biodiversity, Conservations and Attractions and WA Seabird Conservation's Fairy Tern Conservation Network continued to see positive outcomes at the Port of Bunbury with more than 250 successful nesting pairs in the latest fairy tern breeding season.

This was the largest colony recorded at the Outer Harbour site which is considered to be one of the most important breeding areas on the lower west coast of Australia.



Photo courtesy Christine Taylor, Parks and Wildlife Service



WATERS

Stormwater innovation

A unique opportunity was seized to implement a pioneering stormwater treatment system as part of a Berth 2 hardstand renewal project at the Port of Esperance, to remove dissolved contaminants from stormwater before it enters the ocean.

Results collected from water samples taken since January this year demonstrate ammonia levels in rainfall runoff from the berth have been reduced by more than 90 per cent.

The Port of Esperance is one of the first ports to demonstrate the effectiveness of the treatment system in removing both particulate and dissolved contamination.

The introduction of the system will support future growth in fertiliser imports.

Marine health and quality

In addition to annual monitoring and surveillance programs to determine marine health and biosecurity risks across our ports, significant work was undertaken to develop our Marine Environmental Quality Plans across our ports.

During the year, stakeholder feedback was sought in the plans, with baselines now identified.

The plan assists both the management of the marine environment as well as development approvals for our ports.

PEOPLE

Building strong and sustainable regional ports starts with our people.

An organisational restructure was announced in September to shape and deliver our ambitious strategic plan and support our growth trajectory.

We bolstered our workforce capacity and capability during the period, directly employing 344 people as at 30 June 2024, with 81 per cent of these roles regionally based at Albany, Bunbury and Esperance.

Celebrating our people

A number of our people were celebrated for their skills, service and contributions to the sector and community during the year.

In October, Southern Ports was recognised in the Department of Fire and Emergency Services' (DFES) 2023 Volunteer Employer Recognition Awards after being nominated by a local DFES representative for its commitment to its Emergency Response Team at the Port of Esperance. The awards acknowledge the important role employers and self-employed volunteers play in the delivery of emergency services across WA, where more than 95 per cent of emergency services personnel are volunteers.

Southern Ports Chief People and Sustainability Officer Monica Birkner and Marine Pilot Callum MacAdie were both highly commended in their respective categories at the 2023 Australian Shipping and Maritime Industry Awards in November.



Employee relations

OPERATIONAL AGREEMENTS

The following Enterprise Agreements were operational during the period.

AGREEMENT	COMMENCEMENT	EXPIRY
SPA Esperance Shift Superintendents Agreement	14 November 2022	31 December 2024
SPA Marine Pilots Port of Bunbury and Port of Esperance Agreement	15 December 2022	30 June 2025

NEGOTIATED AGREEMENTS

One Enterprise Agreement was approved by the Fair Work Commission and took effect during the year.

AGREEMENT	APPROVAL DATE	EXPIRY
SPA Esperance Administration Agreement	13 November 2023	13 November 2024

CURRENTLY UNDER NEGOTIATION

Four Enterprise Agreements that reached their nominal expiry date and three new Enterprise Agreements are currently under negotiation.

AGREEMENT	EXPIRY
SPA Port of Albany Maintenance and Operations Agreement	August 2022
SPA Marine Pilots Port of Albany Agreement	June 2023
SPA Port of Esperance Maintenance and Operations Agreement	December 2023
SPA Port of Bunbury Maintenance and Operations Agreement	June 2024
SPA Bunbury Pilot Boat Agreement	New Agreement
SPA Administration and Specialist Agreement	New Agreement
SPA Albany and Administration Agreement	New Agreement

Southern Ports takes a consultative approach to industrial relations, and as such there was no protected industrial action taken in the period. Southern Ports industrial stakeholders include the Australian Maritime Officers Union (AMOU); Construction, Forestry and Maritime Employees Union (CFMEU) and Electrical Trades Union (ETU).

Equality and diversity

Southern Ports has a diverse workforce with a range of opportunities to meet the needs of our employees.

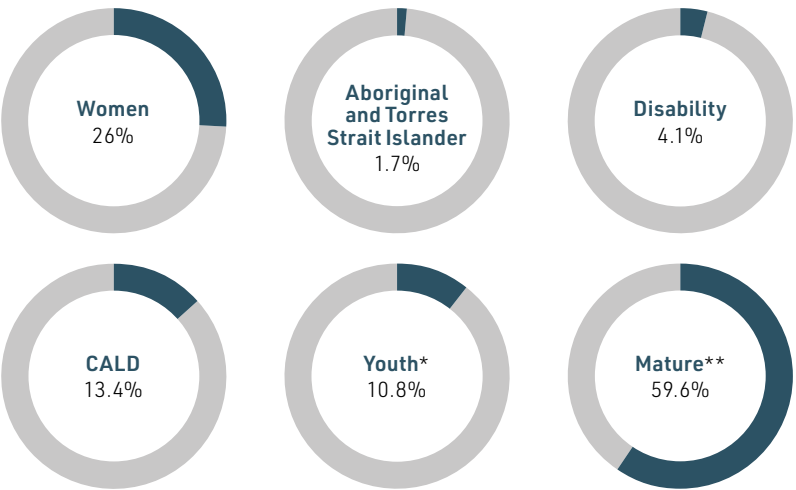
In 2024, we adopted a new two-year Equal Employment Opportunity, Diversity and Inclusion Plan and became the first port authority to be represented at CEOs for Gender Equity.

Our ongoing support for flexible arrangements in the workplace whereby employees can balance work and family commitments continued, with opportunities to purchase additional leave, take parental leave and negotiate part time work arrangements well used.

Our workforce diversity profile has significantly changed in the reporting period, with notable improvements:

- culturally and linguistically diverse (CALD) employees doubled to 13.4 per cent;
- youth representation increased by almost eight per cent; and
- people with disability in our workforce increased by almost three per cent.

WORKFORCE DIVERSITY



* Aged 25 years and under
** >45 years of age



WOMEN IN LEADERSHIP

Fourteen women from a broad range of roles and areas across the business took part in our Women in Leadership program this year, facilitated by the Australian Institute of Management WA.

Our team members participated in the two-day course developing several skills and spoke highly of the training and how it improved their confidence and leadership style.

Health and wellbeing

A focus continued on supporting the health and wellbeing of our people throughout 2024:

- We increased our investment in one-on-one health check-ups and coaching with partner Healthy Business, with 224 people using the service 991 times.
- More than \$50,000 was invested in our staff health and wellbeing benefit, with 176 members of our workforce accessing sporting equipment and health memberships.
- We hosted and participated in a range of team-building events including a 10,000-Step Challenge, Mother's Day Classic and mental health events.
- Onsite pop-up flu vaccination clinics were available in Esperance and Bunbury ahead of the winter period for employees and their families, with local GP and pharmacy services also promoted.
- Free skin check sessions were also provided at each of our ports to identify early signs of melanoma.
- A stretch program was developed to better prepare our team prior to undertaking physical work. The program will be rolled out in 2025.



Continuous learning and development

We invested close to \$500,000 in our workforce to ensure our people have the right skills and knowledge for their roles and for the future needs of our organisation.

All employees are provided the opportunity for learning and development from competency-based qualifications to support operational needs, through to personal development, wellbeing, technical knowledge, leadership skills and accredited and tertiary courses.

Our learning development platform continued to offer fit-for-purpose and accessible training with a catalogue of more than 3,598 courses in LMS modules.

A total of 2,121 training events and courses were undertaken in 2023-24 including but not limited to:

- the continued roll-out of Zero Incident Process (ZIP) safety leadership training to all employees;
- a range of leadership and professional advancement courses including Certificate IV in Leadership and Management, Certified Information System Security Professional, Certificate III in Business, and Diploma of Human Resources Management;
- skills development to deliver training to other employees in asset management; and
- training packages to support our Enterprise Resource Planning adoption and new port operating systems.



TRAINING TITLE	TRAINING EVENTS
Coxswain Grade I and II	2
Verification of Competency (VOC) *	299
Online training courses*	1,573
Tertiary courses	19
ZIP training	18
Professional development courses	45
Compliance-based training	165
Total	2,121

*Includes multiple sessions on different topics, noting employees may have participated in more than one session

Career pathways

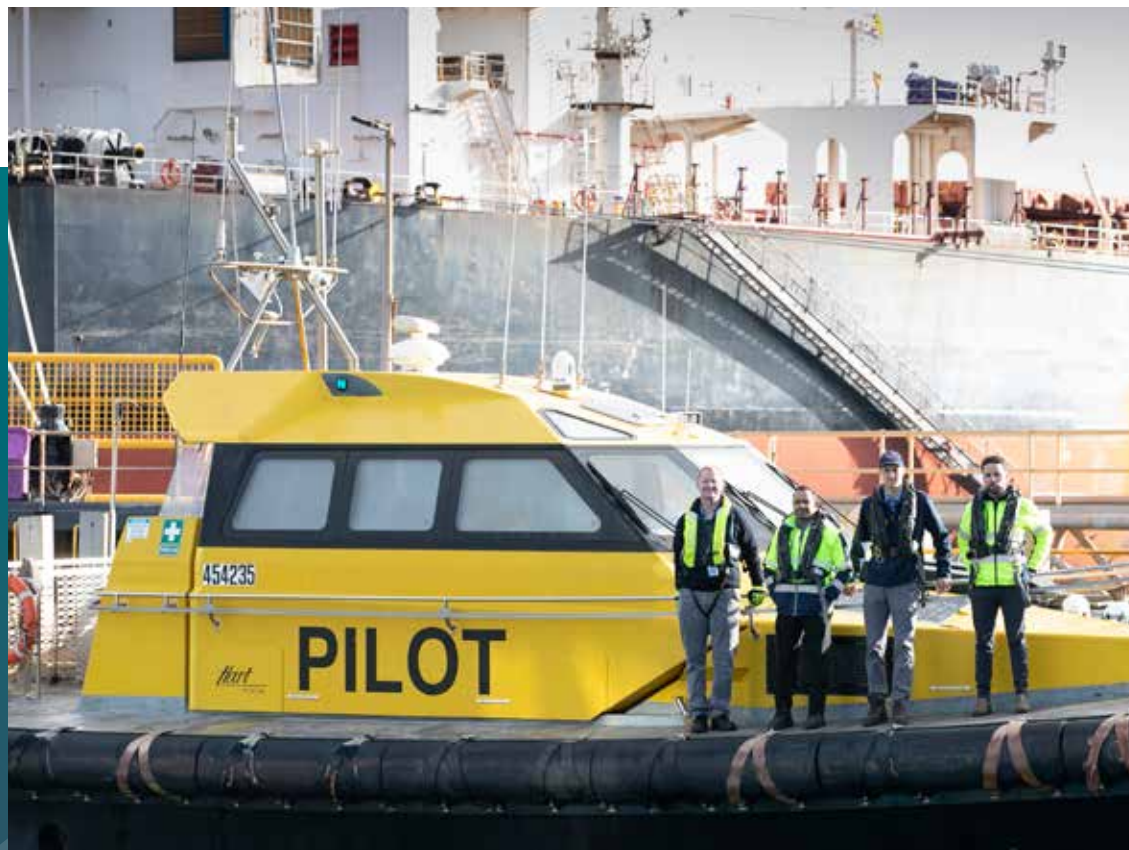
We provided pathways and other opportunities for young members of the community to gain industry experience through our support of:

- seven apprentices;
- three business trainees; and
- three students who completed work experience in safety, electrical and civil maintenance.

As part of the development of apprentices and trainees, we worked in close partnership metropolitan and regional TAFEs and other educational institutions.

To increase awareness of career pathways available at Southern Ports and in the wider maritime and ports industry we attended several career events including Central TAFE Regional Careers Expo in Kalgoorlie.

As part of career development at Southern Ports, succession planning is formalised to identify pathways for employees who wish to advance.



MARINE PILOTS EXPAND HORIZONS

Our experienced marine teams are critical to our port operations and we invested in broadening career pathways for our marine pilots across all ports.

From trainee marine pilots and cross-port experience to continuous simulator skill development and on-the-ground Harbour Master training, our teams at Albany, Bunbury and Esperance are primed for succession.

Marine pilot trainee turned fully-fledged pilot Callum MacAdie is a shining example of one of the individuals who has taken every opportunity available for career development at Southern Ports, recognised with a High Commendation as a Young Achiever at the 2023 Australian Shipping and Maritime Industry Awards.

COMMUNITY AND PARTNERS

Upholding a vision for strong regional ports, strong regions reflects our deeply rooted aspirations to foster and support liveable regions, connect with communities, and drive collaborative regional projects.

Historical and Aboriginal cultural heritage

This year we extended our relationships with local Aboriginal Corporations through:

- cultural walks to learn from Elders on country to increase our cultural awareness;
- support for local Aboriginal families to enjoy recreational activities;
- contracts that employ local Aboriginal people;
- Welcome to Country and smoking ceremonies at key events; and
- the commencement of cultural competency leadership training.

A draft of Southern Ports' Reflect Reconciliation Action Plan was completed to formalise our commitment to reconciliation, with consultation on the Plan to be undertaken in 2025.

We also developed and published our inaugural Aboriginal Cultural Protocols Guidelines in May.

In addition to our work in the Aboriginal cultural heritage environment, we extended our historical cultural heritage through securing funding for the activation and development of our Port of Albany Pilot Station and Cottage precinct.

We continued our investment to maintain the heritage-listed Leschenault Homestead at our Port of Bunbury, by completing work on its outbuildings.



CONNECTING ON COUNTRY

As part of our commitment to reconciliation, we launched cultural competency leadership training – a new training opportunity held at Roelands Village in the south west region to provide our employees with a better understanding of Australian history and Aboriginal cultural insights.

To recognise the history and culture of Aboriginal and Torres Strait Islander peoples, as part of NAIDOC week celebrations in July we partnered with Elders and Aboriginal tour guides across each of our regions to host a series of local cultural walking tours. The tours presented an opportunity for our team to learn more about cultural heritage as well as conservation and preservation of cultural knowledge and traditions.

NEW ERA FOR HERITAGE PROJECT

Engagement with the City of Albany, the Heritage Council of Western Australia, local historians and community groups took place to progress the vision for the historic pilot cottages to bring to life an interpretive museum, café and information centre with new play areas and open spaces.

A significant milestone was achieved in May, when \$8.3 million in State Government funding was committed to breathe new life into this heritage precinct.



Stakeholder and community engagement

Our Port Community Consultative Committees (PCCC) were one of the avenues we continued to connect with our community this year. PCCC members met at least quarterly across our ports at Albany, Bunbury and Esperance to discuss local port operations and community engagement, and to hear from port stakeholders.

Members contributed to and participated in port activities by attending official naming ceremonies and other events and seeing major development projects firsthand, and also enjoyed informative presentations from Bunge, South West Development Commission and The University of Western Australia.

Our Port User Groups also met on a quarterly basis in each region, bringing together port users, customers and other key stakeholders for information sharing, and proactive issue resolution to enable improved port operations and efficiencies.

During the period, we also engaged with the community through:

- a Port Open Day at the Port of Albany;
- a competition to name the new pilot boat at the Port of Bunbury, where we received more than 800 entries with the eight winners experiencing a guided harbour tour;
- a presence at key community events such as the Esperance Christmas pageant and Albany Maritime Festival;
- numerous port tours and delegations visiting our ports; and
- our attendance at the Esperance Agricultural Show, Albany Agricultural Show and Bunbury Show.

Southern Ports partnered with Verian to complete our major community and stakeholder survey. The survey, which commenced in November, comprised close to 480 interactions with stakeholder representatives and community members.

The research provides an evidence-based benchmark of stakeholder satisfaction over time and provides insights to support strategic planning and decision-making.

For the third consecutive year, Southern Ports achieved a record result and was also above the Australian ports norm for the first time.



A SHIPPING GOOD TIME

In April, more than 2,000 people descended through the Port of Albany gates to gain a unique insight into the inner workings of our port. Bringing together the Great Southern community, port users and staff, the free Port Open Day had something for everyone with a treasure hunt, port tours, early premiere of *Voice Prints - Lasting impressions of the Port of Albany* and the chance to get up close to Svitzer's two new tugs.

Community investment

Our investment in our communities reached new levels this year. Our Community Investment Program supported 133 regional groups and projects and we extended our corporate partnership with hunger relief charity Foodbank.



HUNGRY REGIONS RECEIVE SUPPORT

More than 25,000 meals were delivered to families in the South West, Great Southern and Goldfields-Esperance regions as part of Southern Ports' \$30,000 corporate partnership with Foodbank.

Through the partnership, we were able to provide quick and essential support to several households impacted by the devastating Bunbury tornados.



32 community infrastructure and equipment projects

South Bunbury Education Support Centre
A new tricycle funded by Southern Ports at Technology for Ageing and Disability WA has benefited students with disability at South Bunbury Education Support Centre.



8 sustainable projects

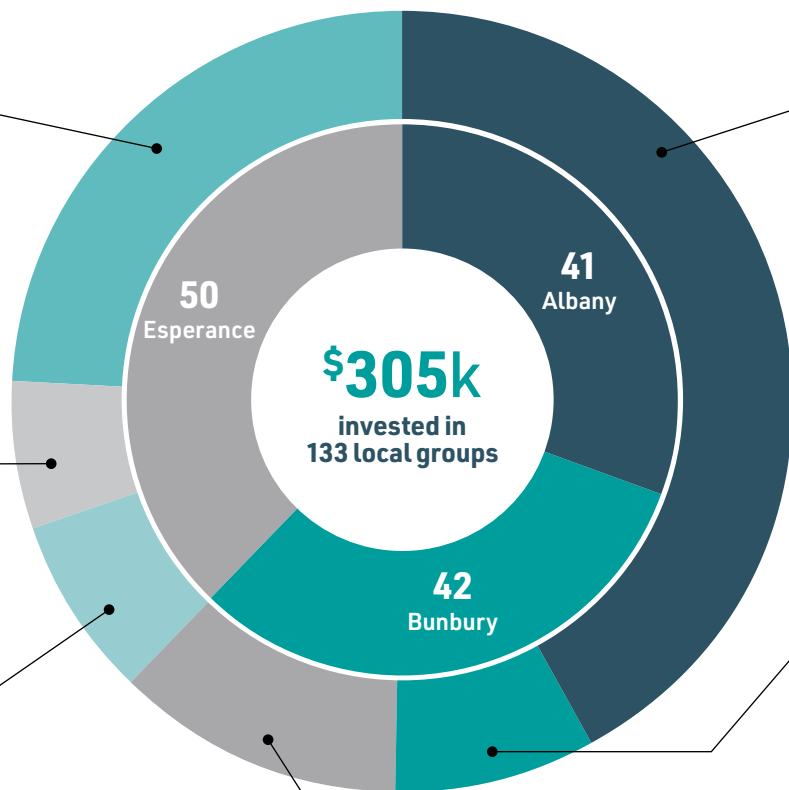
Newton Moore Senior High School
Students from Newton Moore Senior High School began rejuvenating 9,354m² of fire-affected neighbouring wetland thanks to a helping hand from Southern Ports. The wetland, is home to many forms of flora and fauna.



10 indigenous projects and events

Cinesnaps IndigifestOZ Albany
Southern Ports has supported the CinefestOZ across multiple regions since 2021 to provide a platform for students and young creatives access to high profile filmmakers and Indigenous stories.

Photo courtesy Krysta.guille.photography



56 community events

Esperance Parkrun

Hundreds of locals have showed up for the weekly Esperance Foreshore Parkrun since it launched in April. Crowned the 'prettiest' parkrun in Australia by local media, Southern Ports was able to support its establishment with the equipment required to kick-start the event.



11 maritime-related events and projects

Sailability

More than 20 people with disability can continue to learn how to sail and enjoy the water safely thanks to upgrades funded by Southern Ports for Sailability Albany with new lifejackets and communication radios.



Credit: Sailability

16 education-based projects and events

MIYAD Wheels

A critical driving education program for at-risk youth received funding from Southern Ports. Umbrella Group Great Southern removes barriers to employment and confidence behind the wheels, through teaching young people to drive.



Collaboration

We continued to foster our partnership with the School of Biological Sciences at The University of Western Australia through the opportunity to measure fish abundance and diversity in our Port of Albany waters.

We also teamed up with the University of Notre Dame Australia School of Arts and Sciences who was engaged in several archaeology projects focused on unearthing the history of the Port of Albany's heritage listed pilot cottages.



INAUGURAL STEVE LEWIS REGIONAL SCHOLARSHIP

Albany-raised aspiring marine scientist Lahni Davis was awarded the inaugural Southern Ports Steve Lewis Regional Scholarship.

The first year Curtin University student will receive four years of financial support and paid vacation work at Southern Ports.

The scholarship was established to mark the positive impact and long career of Steve Lewis who retired last year after 25 years of leading ports on both sides of the country.

REGIONAL PROSPERITY

Our ports connect our regions to the global marketplace. While providing assets to facilitate trade and tourism, Southern Ports is also focused on building operational capabilities, efficiency, resilience and economic competitiveness – supporting our regions to thrive.

Building regional capacity

Southern Ports' role as a catalyst for regional growth and sustainability was evident over the year, aligning with our mission to not only facilitate trade but also to enrich the communities we serve.

Sustainable aquaculture and harbours

We issued leases for projects including the Albany Aquaculture and Esperance Canopy Blue seaweed farm trial, which promote sustainable marine practices and contribute to regional economic diversification.

We continued to coordinate the Albany Harbours Sustainability Group and published the Albany Harbours Sustainability 10-year Framework.

Extended community capacity

We renewed a long-term peppercorn lease with Leschenault Community Nursery, and a license to the Riding for Disabled Association South West for agistment, both of which empower community-led environmental and social initiatives.

In addition, we provided ongoing support to local organisations, exemplified by leasing equipment storage space to the Albany Surf Life Saving Club during its renovation to ensure continuity of this vital community service.



Urban development

We transferred part of the Bunbury Outer Harbour to the Department of Transport for the next phases of the Transforming Bunbury's Waterfront project, which aims to activate space for the local community. We also continued to have active representation on its steering committee and reference group.

Our global impact

As a port authority we have a significant responsibility to ensure our global supply chains are healthy and strong through our due diligence and care for the people involved.

We published our Modern Slavery statement during the period and improved governance to reduce the risks of modern slavery in our supply chains through refinement of modern slavery questions in our vendor management process and high-level assessment of moderate to high-risk suppliers by country and by industry.

Members of Southern Ports' team coordinated and participated in Port Welfare Committees across each of our ports. The committees, which are focused on providing better outcomes for seafarers, meet regularly to address feedback received by seafarers and to develop initiatives and support mechanisms.

Throughout the year Southern Ports continued to explore ways to strengthen regional and global supply chains.

We engaged in various state supply chain studies that review future demands and opportunities across our ports, such as the Regional Freight Transport Strategy working group, Greenbushes Rail Commissioning Study, and Western Australian Hydrogen and Renewables Port Strategy working group led by Department of Transport.



SUPPORTING OUR SEAFARERS

Southern Ports extended our seafarer support initiatives during the period, donating bikes to Mission to Seafarers in Bunbury and Esperance for seafarer use during onshore leave.

Previously reliant on being driven around by Mission to Seafarers volunteers, the new bikes, helmets and locks give visiting seafarers access to a wider range of activities to enjoy while onshore and to help improve their health and wellbeing.

Industry leadership

Throughout the year we established ourselves as leaders in our industry and regions.

Key representatives of Southern Ports took to the stage across a number of industry and regional events to highlight our operations and major projects, our positive impact on our regions, and future trade development. This included presentations at:

- the Australasian Marine Pilots Institute's Ports and Pilotage Conference;
- the Esperance-Goldfields Major Projects Conference;
- the Subsea Energy Australia and Subsea Innovation Cluster Australia's Winds of Progress series;
- TRANSafe WA Forums; and
- the South West Development Commission's Critical Minerals Industry Luncheon.

To demonstrate our capability and capacity for future growth we also welcomed a number of key representatives from industry, Federal and State Government to tour our ports.

HIGHLIGHTING REGIONAL INFRASTRUCTURE

Around 40 marine transport infrastructure experts from PIANC Australia and New Zealand explored the Port of Bunbury's 482 hectares by land and sea. The visit provided a sense of the scale of emerging opportunities that the South West trade hub will offer and helped the group to better understand the future needs of regional maritime infrastructure.





**DISCLOSURES AND
LEGAL COMPLIANCE**

DIRECTORS' REPORT

Review of operations

The main function of Southern Ports, a Government Trading Entity under the Minister for Ports, is to function as a commercial enterprise to support trade through the ports at Albany, Bunbury and Esperance. We carry out our activities in accordance with the vision of 'Strong Regional Ports, Strong Regions'. Our year-end financial results demonstrate our organisations dedication and effort to achieve this vision.

The following table is a summary of Southern Ports' results for the financial year 2023-24:

	2024 (\$'000)	2023 (\$'000)
Profit before income tax	37,670	87,739
Income tax expense	(16,138)	(26,332)
Profit for the period	21,532	61,407
Other comprehensive income/(loss)	32	(9)
Total comprehensive income for the year	21,564	61,398
Retained earnings at 1 July	244,260	182,862
Changes in accounting policy	-	-
Dividends paid in the financial year	-	-
Retained earnings at 30 June	265,824	244,260

State of affairs

There were no significant changes in the state of affairs of Southern Ports during the financial year under review.

Principal activities

The main activity of Southern Ports throughout the year was providing port services and facilities, with no significant changes to these activities during the reporting period.

Events subsequent to reporting date

Between the period ending 30 June 2024 and the date of this report, no events, transactions, or items of a material and unusual nature have occurred that, in the opinion of the Directors of Southern Ports, would significantly impact the operations, results, or state of affairs in future financial years.

Likely developments and expected results

Southern Ports will continue to collaborate closely with our customers and stakeholders to fulfil our trade facilitation role and meet the needs of our current and future customers.

Environmental regulation

Our operations are regulated under both Commonwealth and State environmental legislation applicable to any Australian commercial entity. Southern Ports must "protect the environment of the port and minimise the impact of port activities on that environment". We operate within communities where we make deliberate decisions to maintain our "social licence" to operate.

For more details on Southern Ports environmental management, please refer to page 52 within this report.

Dividends paid

Southern Ports is required to pay a 75 per cent dividend on after-tax profit, in accordance with State Government Financial Policy. The percentage may be adjusted by the Government from time-to-time. During 2023-24 Southern Ports was not required to submit a dividend payment.

No dividends were recommended and provided for 2023-24, during the reporting period.

Directors

At the time of publication, the Directors of Southern Ports were:

- Ian Shepherd, Chair
- Gaye McMath, Deputy Chair
- Jane Cutler
- Wiebke Ebeling
- Robyn Fenech
- Ben Morton
- David Welch

Chief appointments

Mr Keith Wilks has served as the duly appointed Chief Executive Officer of Southern Ports during the 2023-24 reporting period.

The following staff have been appointed as executive officers by the Board of Southern Ports.

The officers were accountable for their respective functions within Southern Ports during the 2023-24 financial year.

- Robert Alexander
- Monica Birkner
- Aditya Asthana
- Virginia Wilson
- Amber Smith

Person appointed as Chief Financial Officer during reporting period

During the reporting period the following staff performed the function of Chief Financial Officer for the periods as noted:

- Brian Granville as interim Chief Financial Officer from 1 July 2023 to 17 March 2024
- Aditya Asthana from 18 March 2024.

Appointed auditors during the period

The Board approves the appointment of internal auditors and the internal audit plan each financial year. During the reporting period, Moore Australia conducted internal audits until its three-year service agreement ended in August 2023. At its August 2023 meeting, the Southern Ports Board awarded a three-year contract for internal audit services to Ernst & Young.

The partners or directors of the internal audit firms who were involved in the internal audits during the reporting period are listed below:

- Moore Australia - Michelle Shafizadeh, Director; Nick Goosen, Associate Director
- Ernst and Young – Michael Crouch, Director; Bradley Hooper, Partner

Southern Ports is required to have its financial report for the relevant financial year audited by the Auditor General for Western Australia. The Office of Auditor General does not provide indemnity insurance.

Insurance premium to indemnify officers

Southern Ports has obtained through the Insurance Commission of Western Australia, directors and officers liability insurance from 30 June 2023 through to 30 June 2024. The premium of \$141,293.90 was paid during the reporting period and covered both the directors and officers of Southern Ports.

Director details

Southern Ports has seven experienced and skilled directors overseeing the strategy and governance of the organisation. The Board sets the strategic direction and approves the policies to drive the achievement of those strategies. Full details of our Directors' experience and qualifications can be found on page 17 of this report.

Directors' meetings

The Board plans meetings for both the full Board and Board Committees to be held throughout the year. Meetings held were from 1 July 2023 to 30 June 2024. Although special meetings can be convened to address urgent issues, no special meetings were called during the reporting period.

The following table shows the number of Board meetings held during the financial year, the meetings of the Board's Committees, and the attendance of Directors at the meetings based on their membership.

	Board	Audit Finance and Risk Committee	Safety & Sustainability Committee	Corporate Governance Committee
Total meetings held	6	4	5	3
Jane CUTLER	5		5	
Wiebke EBELING	6		5	
Robyn FENECH	6	4		3
Gaye McMATH	6	4		3
Ben MORTON	6		4	
Ian SHEPHERD	6			3
David WELCH*	2	1		
John BARRATT**	3	2		

* D Welch was appointed as Director effective 1 January 2024 and a member of the Audit Finance and Risk Committee effective January 2024.

** J Barratt's term as Director ended 31 December 2023.

Ian Shepherd attended five meetings on behalf of Southern Ports, as a member of the Westport Steering Committee during the reporting period.

Remuneration of directors and executive officers

The Minister determines the remuneration of the Directors of Southern Ports in alignment with the range determined by the Salaries and Allowances Tribunal under the *Salaries and Allowances Act 1975*, section 7D.

The Chief Executive Officer's remuneration is recommended by the Board and approved by the Minister, aligned to the range applicable to Chief Executive Officers, as determined from time-to-time by the Salaries and Allowances Tribunal.

The Board of Southern Ports is guided by the principles applied by the Salaries and Allowances Tribunal when determining the remuneration of executive officers being mindful of economic factors and market conditions as well as the complexity of the role and relativity to the Chief Executive Officer position.

Remuneration policy and performance

In accordance with the Salaries and Allowance Tribunal Determinations, the remuneration of the Chief Executive Officer and executives is a base total remuneration with no performance bonuses included. No bonus payments are made to Southern Ports staff.

Director and executive officer remuneration

In accordance with clause 15(c) of the *Government Trading Enterprises Regulations 2023*, the nature and amount of each major element of remuneration of each Director of Southern Ports and each of the five named executive officers who received the highest remuneration for the reporting period are reported below.

Director	Short-term benefits Board and Committee fees (\$'000)	Post employment superannuation (\$'000)	Total (\$'000)
John BARRATT*	20	2	22
Jane CUTLER	42	5	47
Wiebke EBELING	38	4	42
Robyn FENECH	38	4	42
Gaye McMATH	48	5	53
Ben MORTON	38	4	42
Ian SHEPHERD			
Southern Ports	76	8	84
Westport Steering Committee	1	0	1
David WELCH**	18	2	20

*J Barratt's term as Director ended 31 December 2023.

**D Welch was appointed as Director effective 1 January 2024.

Executive Officer	Salary (\$'000)	Other (\$'000)	Post employment benefits superannuation (\$'000)	Other long term benefits long service leave (\$'000)	Total (\$'000)
Keith WILKS, CEO	380	-	42	6	428
Robert ALEXANDER, COO	318	3	35	6	362
Monica BIRKNER, CPSO	286	9	31	5	331
Brian GRANVILLE, CFO*	202	1	22	2	227
Virginia WILSON, CTCO**	143	2	16	2	163

*Brian Granville was Interim CFO between 1 July 2023 and 15 March 2024.

**Virginia Wilson commenced on 29 January 2024.

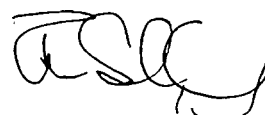
Director's benefits

No Director of Southern Ports received or became entitled to receive any benefit by reason of a contract, with a firm or entity of which the Director is a member or has a substantial interest in (other than a benefit included in the total amount of emoluments received or due by Directors). Remuneration amounts for Directors is at the discretion of the Minister, with the Chair, Deputy Chair and Chair of Committee's receiving varying emolument values.

Rounding of amounts to nearest thousand dollars

Amounts have been rounded to the nearest thousand dollars in the Directors' Report and Financial Statements.

This report is made with a resolution of Directors on 22 August 2024.



Ian Shepherd
Chair
Western Australia



Gaye McMath
Deputy Chair
Western Australia

GOVERNANCE

As a Government Trading Enterprise (GTE), Southern Ports is a statutory corporation operating under the *Government Trading Enterprises Act 2023* in conjunction with the *Port Authorities Act 1999* as the Establishing Act (the Act). We are accountable to the Minister for Ports, the Treasurer, and the GTE Minister to align our strategic goals to deliver the Government's strategic objectives.

Our governing body is the Board of Directors appointed by and reporting to, the Minister for Ports. The Board consists of seven non-executive Directors and the Minister appoints the roles of Chair and Deputy Chair. The Board reports to the Minister regularly against Southern Ports' Strategic Plans and key operational items.

Southern Ports' strategic direction is set by the Board and the Board confirms the goals to be achieved by Management and oversees the achievement of those goals under the control of the Chief Executive Officer.

The management of Southern Ports is led by the Executive Leadership Team, headed by the Chief Executive Officer. The Executive Leadership Team meets weekly and with the inclusion of our ports' Regional Managers monthly, provides expertise across locations and functions to deliver our strategic goals.

The Board has established three committees, being the Audit, Finance and Risk Committee; Corporate Governance Committee; and Safety and Sustainability Committee. These Committees aid to facilitate the oversight role of the Board and to bring additional expertise to the decision making made by the Board. The Committees meet periodically throughout the financial year.

Southern Ports' Board considers the governance structure in line with our internal cultural survey results and with due consideration to our risk profile, at least every two years.

COMPLIANCE

Government policy and other legal requirements

Ministerial directives

No Ministerial directive was received by Southern Ports in the 2023-24 reporting period.

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, Southern Ports incurred the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure for 2023-24 was \$ 68,511.

EXPENDITURE CATEGORY	COMPANY NAME	Amount (\$)	Total (\$)
Advertising agencies	-	-	-
Market research organisations	Verian Group	44,588	44,588
Polling organisations	-	-	-
Direct mail organisations	-	-	-
Media advertising	Business News	3,000	23,923
	Daily Cargo News Pty Ltd	2,850	
	Esperance Weekender	2,831	
	Facebook	1,444	
	Marsh Agencies - A.R.M Marketing Pty Ltd	2,700	
	Mills Wilson - Tudorview Holdings Pty Ltd	1,882	
	Spotify	93	
	West Australian Newspapers	9,123	

Compliance with public sector standards and ethical codes

New staff receive information about the Code as part of their induction, and the Code is also available in offices and on the intranet.

Annual staff performance reviews also include an area for feedback and assessment against the Code.

During 2023-24, we received six reports that may have conflicted with the Southern Ports' Code of Conduct and Ethics.

There were zero breaches of standard claims upheld by Public Sector Commission.

Recordkeeping Plan

In accordance with section 19 of the *State Records Act 2000* and the State Records Commission Standards, Southern Ports has a Recordkeeping Plan that summarises how recorded information is created and managed within the organisation. The Plan must be complied with by our staff.

An internal audit of our recordkeeping system was conducted in 2023 with the report tabled at the Audit, Finance and Risk meeting in August 2023. The findings noted improvements to be achieved through the records refresh project, currently in progress, creating a single source of truth.

Recordkeeping awareness programs are run periodically during the year to remind staff of their obligations under our Recordkeeping Plan to maintain and protect our corporate records.

Our staff induction program addresses the individuals' responsibilities in regard to their compliance with our Recordkeeping Plan.

Freedom of Information

The Western Australian *Freedom of Information Act 1992* (WA) gives members of the community the right to apply for access to documents and information held by public sector agencies, such as Southern Ports.

Information and publications are available via Southern Ports website at southernports.com.au. Publications released during the reporting period were the 2023 Annual Report and Modern Slavery Statement.

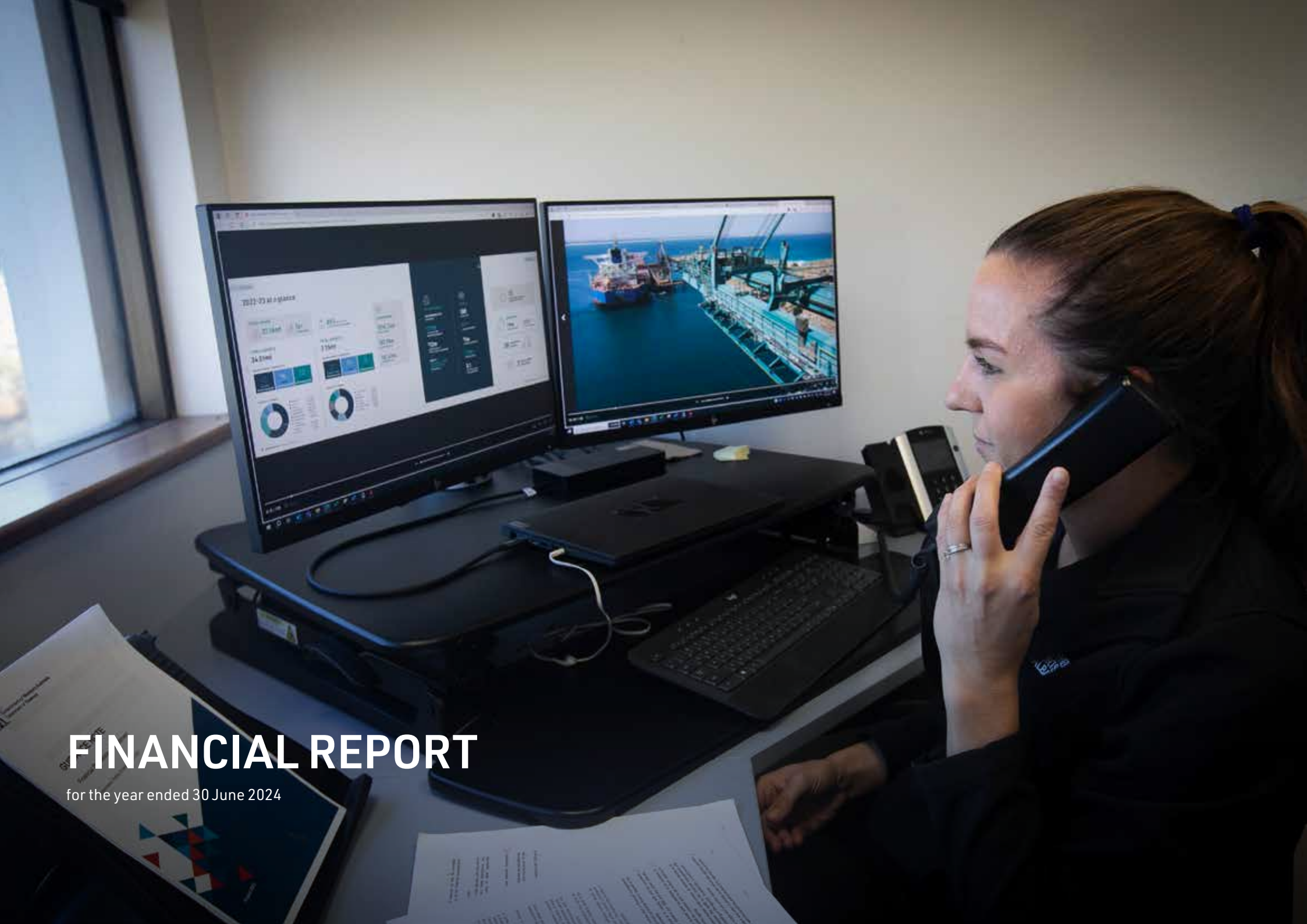
During the reporting period one application for personal or non-personal information was received and processed.

Three third party requests for consultation were received by Southern Ports during the reporting period.

Our Freedom of Information Officer can be contacted by post to:

Freedom of Information Officer
Southern Ports
PO Box 992
BUNBURY WA 6231

or email to FOI@southernports.com.au



FINANCIAL REPORT

for the year ended 30 June 2024

Directors' declaration

In the opinion of the Directors of the Southern Ports Authority:

- a. the financial statements and notes for the period ending 30 June 2024 comply with Australian Accounting Standards, the *Government Trading Enterprises Act 2023*, the *Government Trading Enterprises Regulations 2023* and;
- b. give a true and fair view of the financial position of the Southern Ports Authority as at 30 June 2024 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date; and
- c. there are reasonable grounds to believe that the Southern Ports Authority will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer for the reporting year ended 30 June 2024.

This declaration is signed in accordance with a resolution of the Directors on 22 August 2024.



Ian Shepherd
Chair
Western Australia



Gaye McMath
Deputy Chair
Western Australia

Independent auditor's report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Southern Ports Authority

To the Parliament of Western Australia

Opinion

I have audited the financial report of the Southern Ports Authority (the Authority) which comprises:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

In my opinion, the financial report of the Authority is prepared in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023, and:

- gives a true and fair view of the financial position as at 30 June 2024 and of its performance for the year then ended
- in accordance with Australian Accounting Standards.

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 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 is the information in the Authority's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those

Page 1 of 3

7th Floor Albert Facey House 459 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the directors for the financial report

The directors of the Authority are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023* that gives a true and fair view in accordance with Australian Accounting Standards
- such internal control as the directors determine is necessary to enable the preparation of the financial report that 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
- 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

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. 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 on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.augasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 2024 included in the annual report 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 annual report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to contact the Authority to confirm the information contained in the website version.



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 August 2024

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	2024 (\$'000)	2023 (\$'000)
INCOME			
Revenue	3	181,133	168,456
Other income	4	11,016	46,282
EXPENDITURE			
Employee benefits expense	7	(51,906)	(46,176)
Contracts and services		(57,766)	(41,859)
Utilities		(8,701)	(7,643)
Depreciation	5	(14,463)	(11,829)
Impairment	13	-	(52)
Materials and supplies		(9,773)	(8,262)
Government charges		(6,213)	(5,700)
Finance costs	6	(671)	(488)
Insurance		(1,980)	(1,721)
Other expenses	8	(3,006)	(3,269)
Profit before income tax		37,670	87,739
Income tax expense	9	(16,138)	(26,332)
PROFIT FOR THE YEAR		21,532	61,407
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss:			
Remeasurements of defined benefit liability/(asset)		46	(13)
Tax benefit/(expense) on items that will never be reclassified to profit or loss	9	(14)	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		21,564	61,398

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2024

	Note	2024 (\$'000)	2023 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	11	106,835	138,822
Term deposits	11	41,019	-
Trade and other receivables	12	29,908	24,758
Current tax assets	9	4,508	-
Inventories		4,927	5,234
Total current assets		187,197	168,814
Non-current assets			
Deferred tax assets	9	1,301	3,461
Property, plant and equipment	13	225,427	207,148
Trade and other receivables	12	3,426	4,972
Inventories		1,724	2,469
Right-of-use assets	14	6,121	4,112
Total non-current assets		237,999	222,162
TOTAL ASSETS		425,196	390,976
LIABILITIES			
Current liabilities			
Trade and other payables	16	8,533	6,965
Interest bearing borrowings	17	1,383	1,473
Current tax liabilities	9	-	6,661
Provisions	18	9,726	8,527
Lease liabilities	14	1,701	969
Contract liabilities		347	212
Total current liabilities		21,690	24,807
Non-current liabilities			
Interest bearing borrowings	17	1,949	3,332
Provisions	18	2,232	1,969
Lease liabilities	14	4,620	3,127
Total non-current liabilities		8,801	8,428
TOTAL LIABILITIES		30,491	33,235
NET ASSETS		394,705	357,741
EQUITY			
Reserves	19	14,815	14,815
Contributed equity		114,066	98,666
Retained earnings		265,824	244,260
TOTAL EQUITY		394,705	357,741

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2024

	Note	Contributed Equity (\$'000)	Reserves (\$'000)	Retained Earnings (\$'000)	Total (\$'000)
Balance at 30 June 2022		94,899	14,815	182,862	292,576
Profit for the period		-	-	61,407	61,407
Total other comprehensive income		-	-	(9)	(9)
TOTAL COMPREHENSIVE INCOME		-	-	61,398	61,398
Transaction with owners					
Equity injection	24	3,767	-	-	3,767
Dividends paid	10	-	-	-	-
BALANCE AT 30 JUNE 2023		98,666	14,815	244,260	357,741
Balance at 30 June 2023		98,666	14,815	244,260	357,741
Profit for the period		-	-	21,532	21,532
Total other comprehensive income		-	-	32	32
TOTAL COMPREHENSIVE INCOME				21,564	21,564
Transaction with owners					
Equity injection	24	16,675	-	-	16,675
Distribution to owners	10	(1,275)	-	-	(1,275)
Dividends paid	10	-	-	-	-
BALANCE AT 30 JUNE 2024		114,066	14,815	265,824	394,705

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2024

	Note	2024 (\$'000)	2023 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		200,552	189,009
Cash paid to suppliers and employees		(154,260)	(132,213)
Cash contributions from Government	4	-	10,010
Interest paid		(333)	(416)
Income tax paid		(25,159)	(21,171)
Net cash provided by operating activities	20	20,800	45,219
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		5,991	3,009
Proceeds from sale of property, plant and equipment		-	1,201
Payment received from finance lease		1,453	1,366
Acquisition of property, plant and equipment	13	(32,534)	(19,039)
Transfer to term deposits		(41,019)	-
Net cash used in investing activities		(66,109)	(13,463)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,472)	(1,389)
Repayment of lease liabilities		(1,881)	(799)
Cash contributions from Government	24	16,675	3,767
Net cash provided by financing activities		13,322	1,579
Net (decrease) / increase in cash and cash equivalents		(31,987)	33,335
Cash and cash equivalents at 1 July		138,822	105,487
CASH AND CASH EQUIVALENTS AT 30 JUNE	11	106,835	138,822

The accompanying notes form part of these financial statements.

Note 1

Basis of preparation

(A) STATEMENT OF COMPLIANCE

Southern Ports Authority ("Southern Ports") is a not-for-profit Government Trading Entity controlled by the State of Western Australia, which is the ultimate parent.

Southern Ports prepares general purpose financial statements in accordance with Australian Accounting Standards and Interpretations (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the financial reporting provisions of the *Government Trading Enterprises Act 2023* and *Government Trading Regulations 2023*.

The financial statements were authorised for issue on 22 August 2024 by the Board of Directors of Southern Ports.

(B) PRESENTATION OF THE STATEMENT OF COMPREHENSIVE INCOME

Expenses have been classified by nature as this is considered to provide more relevant and reliable information than classification by function due to the nature of Southern Ports' operations.

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

The Directors have concluded that the financial statements present fairly Southern Ports' financial position, financial performance and cash flows and that it has complied with applicable standards.

(C) BASIS OF MEASUREMENT

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

(D) COMPARATIVE FIGURES

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

(E) 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.

(F) 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.

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included within the following notes:

(a) Note 18 - Employee benefits

For the purpose of measurement, AASB119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employee leave entitlements.

(G) CHANGES IN ACCOUNTING POLICIES ON INITIAL APPLICATION OF ACCOUNTING STANDARDS

Southern Ports has adopted all new and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant. None have a material impact on the financial statements.

Standard	Description	First operative year end	Implication
AASB 2020-1	<i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current	30 June 2025	There is no financial impact
AASB 2022-6	<i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i> This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.	30 June 2025	There is no financial impact

Note 2

Summary of material accounting policies

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

(A) REVENUE RECOGNITION

Revenue is measured based on the fair value of the consideration received or receivable.

Revenue is measured based on the consideration specified in a contract with a customer. Southern Ports recognises revenue when it transfers control over a good or service to a customer. Southern Ports has considered the terms of the contracts and all relevant factors when assessing how much revenue is to be recognised.

Revenue from shipping and cargo services is typically measured over time as Southern Ports satisfies its obligations to its customers.

Rental income is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income where applicable. Non-lease components in contracts for provision of electricity and water involving the transfer of services to the lessee are recognised as revenue.

(B) OTHER INCOME

Government Contributions

Government contributions are recognised at fair value in the period in which Southern Ports obtains control over the funds. Depending on the nature of the contribution, Southern Ports obtains control of the funds either at the time the funds are received, or at the start of the year to which the appropriation applies.

(C) FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds. Interest income is recognised as it accrues.

Finance expenses include interest expenses on borrowings and finance charges payable under finance leases.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss.

(D) INCOME TAX

Southern Ports 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, Southern Ports is required to comply with AASB 112 Income Taxes.

Income tax expense/(benefit) comprises current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(a) Current tax

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.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which Southern Ports expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

(E) TRADE AND LEASE RECEIVABLES

Trade receivables are recognised and carried at the original invoice amounts less an allowance for any uncollectable amounts (i.e. impairment). Debtors are generally settled within 30 days except for property rentals, which are governed by individual lease agreements.

The value of the provision for impairment loss is assessed based on the expected credit losses of trade receivables and is measured at the lifetime expected credit losses at each reporting date. Southern Ports utilises a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtor and economic environment. Bad debts are written off when formally recognised as being irrecoverable. Movement in the allowance for impairment of receivables is disclosed in Note 12.

A finance lease receivable is recognised for leases of property, plant and equipment which effectively transfers to the lessee substantially all of the risks and benefits incidental to legal ownership of the leased asset.

The lease receivable is initially recognised as the amount of the present value of the minimum lease payments receivable at the reporting date plus the present value of an unguaranteed residual value expected to accrue at the end of the lease term.

Note 2 cont'd

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

(F) INVENTORIES

Inventories consist of stores which are measured at the lower of cost, utilising weighted average cost method, and net realisable value. Inventories damaged, obsolete or where there is loss of service potential are written down to their net realisable value.

Inventories classified as current are measured at cost and inventories classified as non-current are measured at net realisable value. An adjustment to non-current inventories resulted in a \$0.689 million decrease (2023: decrease of \$0.198 million) to net realisable value.

(a) Spare parts

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

(b) 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 should be accounted for as inventory and are not capital spares regardless of value or whether they can only be used in connection with a specific piece of PPE.

Capital spares are to be classified as either a separate component asset or attributed to an existing asset.

A component is an identifiable part of an item of PPE with a cost that is significant in relation to the total cost of the asset. Southern Ports considers an asset to be significant, and therefore a component, if it is greater than 5% of the value of the larger asset to which it relates. A component asset is to be 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 to be allocated to and depreciated over the life of the asset to which they relate. Spares held for any maintenance contracts to service assets that are not under the control of Southern Ports, are not considered as capital spares even though the expected useful life, once put into use, is more than a year. Spares not considered as capital spares are accounted for as operating spares.

(c) 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 shall be accounted for as an operating spare and therefore as inventory.

(G) PROPERTY, PLANT AND EQUIPMENT

(a) Recognition and measurement

Items of property, plant and equipment costing more than \$5,000 are measured at cost less accumulated depreciation and accumulated impairment losses. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing \$5,000 or less are immediately expensed to the profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the following:

- Cost of materials and direct labour;
- Any other costs directly attributable to bringing the asset to a working condition for its intended use;
- When Southern Ports has an obligation to remove an asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it was located; and
- Capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as a 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 within "other income" in the profit or loss.

(b) Subsequent costs

Subsequent expenditure is capitalised where it is probable that the future economic benefits associated with the expenditure will flow to Southern Ports and its cost can be measured reliably. Ongoing repairs and maintenance are expensed as incurred.

(c) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less the estimated residual value using the straight-line basis over the estimated useful life. Depreciation is generally recognised in the Statement of profit or loss. Leased assets are depreciated over the shorter of the lease term and the useful life unless it is reasonably certain that Southern Ports will obtain ownership by the end of the lease term. Land is not depreciated.

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

Buildings and improvements	4-50 years
Breakwaters	22-50 years
Inner and outer harbour channels and basins	20-100 years
Navigational aids	10 years
Berths and jetties	10-40 years
Port infrastructure, plant and equipment	3-40 years
Minor plant and equipment	2-20 years
Office furniture and equipment	2-15 years
Motor vehicles	4-10 years

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

(d) Impairment

Property, plant and equipment and infrastructure are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. The recoverable amount is the greater of an asset's fair value less costs to sell and value-in-use.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefit and to evaluate any impairment risk from falling replacement costs.

Impairment losses are recognised in the profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(H) LEASES

At inception of a contract, Southern Ports 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, Southern Ports uses the definition of a lease in AASB 16.

(a) As a lessee

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

Southern Ports 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 on 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 Southern Ports by the end of the lease term or the cost of the right-of-use asset reflects that Southern Ports will exercise a purchase option. In that case the right-of-use asset will be depreciated over the underlying asset, which is determined on the same basis as those of property, plant 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, Southern Ports' incremental borrowing rate. Generally, Southern Ports uses the incremental borrowing rate as the discount rate, which is determined with reference to the interest rates obtained from Western Australia Treasury Corporation.

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 rate, initially measured using the index or rate at commencement date;
- Amounts expected to be payable under a residual value guarantee;
- Exercise price under a purchase option when Southern Ports reasonably certain to exercise; and
- Lease payments in an optional renewal period when Southern Ports reasonably certain to exercise;

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease repayments if there is a change in future lease payments arising from changes in indexes or rates, change in estimated residual guarantees, or changes in assessments for exercising purchase or extension rights, or revisions of in-substance fixed lease payments. Remeasurements to lease liabilities result in adjustment to the relevant right-of-use asset carrying amount.

Southern Ports has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (<AUD\$5,000) and short-term leases (<12 month term). The payments associated with these leases is expensed on a straight-line basis over the lease term.

(b) As a lessor

Payments made under operating leases are recognised in the profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Note 2 cont'd

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(I) FINANCIAL INSTRUMENTS

Southern Ports has the following categories of financial instruments:

- Loans and receivables;
- Term deposits with maturity exceeding 3 months; and
- Financial liabilities measured at amortised cost.

Refer to Note 21 for further information on the classification of financial instruments.

Trade receivables are initially recognised when they originate. All other financial assets and liabilities are initially recognised when Southern Ports becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, (for an item not at fair value through the profit and loss,) transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(a) Financial assets

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVTOCI) – debt investment; FVTOCI – equity investment; or Fair Value Through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless Southern Ports changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, Southern Ports may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, Southern Ports considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, Southern Ports considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit Southern Ports' claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition

Southern Ports derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either: substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- Southern Ports neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Southern Ports enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(b) Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Southern Ports derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Southern Ports also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(c) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, Southern Ports currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(J) PAYABLES

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

(K) BORROWINGS

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

Gains and losses are recognised in the profit or loss when the liabilities are derecognised, as well as through the amortisation process.

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

(L) EMPLOYEE BENEFITS

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Southern Ports has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Other Long-term employee benefits

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

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

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

All annual leave and unconditional long service leave provisions are classified as current liabilities as Southern Ports does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Associated payroll on-costs are included in the determination of other provisions.

(M) EMPLOYEE SUPERANNUATION

The Gold State Superannuation Scheme (GSS Scheme), a defined benefit lump sum scheme, and the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme, are now closed to new members.

Southern Ports 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. Southern Ports also accrues for superannuation benefits to the pension scheme for those members who elected not to transfer from that scheme. Monthly contributions are also made to the Stevedoring Employees Retirement Fund (SERF) to satisfy existing workforce requirements for waterside employees who transferred to Southern Ports during 1992 and for casual staff.

The superannuation liability for existing employees with the pre-transfer service incurred under the Superannuation and Family Benefits Act Scheme who transferred to the GSS Scheme is provided for at reporting date. Southern Ports' total superannuation liability has been actuarially assessed as at 30 June 2024.

Note 2 cont'd

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 become non-contributory members of the GESB Superannuation Scheme (GESB Super), a taxed accumulation fund. Southern Ports makes concurrent contributions to the Government 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.

(a) Defined benefit plan

Southern Ports' net obligation in respect of the 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 balance date on national government bonds that have maturity date approximating to the terms of Southern Ports' obligations. The calculation is performed by a qualified actuary using the actuarial cost method.

The superannuation expense of the defined benefit plan is made up of the following elements:

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

Actuarial gains and losses of the defined benefit plan are recognised immediately in other comprehensive income in the Statement of Profit or Loss and Other Comprehensive Income.

The superannuation expense of the defined contribution plan is recognised as and when the contributions fall due.

(N) DIVIDENDS

Dividends are recognised in the period in which they are declared.

(O) PROVISIONS

A provision is recognised if, as a result of a past event, Southern Ports has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(P) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, cash at bank and at call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by Southern Ports in the management of its short term commitments.

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

(Q) GOODS AND SERVICES TAX

Amounts in the financial statements are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). However, receivables and payables are recognised, and cash flows are included in the Statement of Cash Flows, with the amount of GST included.

(R) EQUITY CONTRIBUTIONS

Government contributions not treated as income are treated as equity contributions. During 2024 Southern Ports received equity contributions related to Royalty for Regions funding and payment for the transfer of assets, treated as distribution to owner in accordance with Treasurer's Instruction 955.

Note 3

Revenue

	2024 (\$'000)	2023 (\$'000)
REVENUE CONSISTS OF THE FOLLOWING ITEMS:		
Revenue from contracts with customers		
Charges on ships	54,466	56,626
Charges on cargo	102,400	91,172
Rentals, leases and other lease recoveries	24,267	20,658
TOTAL REVENUE	181,133	168,456

Note 4

Other income

	2024 (\$'000)	2023 (\$'000)
OTHER INCOME CONSISTS OF THE FOLLOWING ITEMS:		
Government contributions ^(a)	-	10,010
Net gain on sale of property, plant and equipment	-	145
Interest income	6,929	3,524
Fair value of transferred asset ^(b)	-	28,576
Other income	4,087	4,027
TOTAL OTHER INCOME	11,016	46,282

(a) Subsidies paid to the Southern Ports to facilitate the ongoing operation of the Koolyanobbing mine following Mineral Resources Limited's acquisition of this mine from the outgoing Cleveland-Cliffs in 2018. The subsidy arrangement concluded on achieving the export of 30 million tonnes through Port of Esperance during January 2023.

(b) Income realised on transfer of assets. The concessional arrangement with Mineral Resources Limited required the relinquishment for a nominal \$10 consideration certain assets used in the export of iron ore through the Port of Esperance. These assets were brought to account at their fair value based on depreciated replacement cost using industry indices and quantity surveyor estimates. The difference between the nominal consideration and the fair value estimate was recognised as other income.

Note 5

Depreciation

	2024 (\$'000)	2023 (\$'000)
Channels, dredging, breakwaters and navigation aids	2,107	2,127
Buildings and improvements	2,682	1,935
Plant and equipment	3,273	2,846
Berths, jetties and infrastructure	4,650	4,227
Total depreciation property, plant and equipment	12,712	11,135
Depreciation on right-of-use assets	1,751	694
TOTAL DEPRECIATION	14,463	11,829

Note 6

Finance costs

	2024 (\$'000)	2023 (\$'000)
Interest expense ^(a)	410	416
Lease interest expense	261	72
TOTAL FINANCE COSTS	671	488

(a) Interest expense comprises interest expense on special borrowings of \$0.316 million and \$0.094 million unwinding of discount on provision.

Note 7

Employee benefits expense

	2024 (\$'000)	2023 (\$'000)
Wages, salaries and redundancies	45,554	40,818
Superannuation	4,880	4,156
Increase in:		
Accumulated days off	80	122
Annual leave	434	740
Long service leave	434	303
Personal leave	524	37
TOTAL EMPLOYEE BENEFITS	51,906	46,176

Note 8

Other expenses

	2024 (\$'000)	2023 (\$'000)
Movement in expected credit losses (Note 12)	(5)	(155)
Other employee related costs	3,011	3,424
TOTAL OTHER EXPENSES	3,006	3,269

Note 9

Income tax expense

(A) AMOUNTS RECOGNISED IN PROFIT OR LOSS

	2024 (\$'000)	2023 (\$'000)
Current tax expense		
Current income tax expense	14,493	27,499
Adjustment for prior periods	(501)	-
Total current tax expense	13,992	27,499
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	1,644	(1,167)
Adjustments for prior periods	502	-
Total deferred tax (benefit)/expense	2,146	(1,167)
TOTAL INCOME TAX EXPENSE	16,138	26,332

(B) AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2024 (\$'000)	2023 (\$'000)
Deferred tax (benefit) / expense recognised in other comprehensive income	14	(4)

(C) RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX NET PROFIT

	2024 (\$'000)	2023 (\$'000)
Profit for the period	21,532	61,407
Total income tax expense	16,138	26,332
Profit excluding income tax	37,670	87,739
Income tax using the statutory tax rate of 30% (2023:30%)	11,301	26,322
Non-deductible expenses	15	13
De-recognition of previously recorded DTA	4,972	-
Other	(151)	(3)
	16,137	26,332
Under/(over) provision in prior years	1	-
TOTAL INCOME TAX EXPENSE	16,138	26,332

(D) DEFERRED TAX BALANCES

	BALANCES INCLUDED IN STATEMENT OF FINANCIAL POSITION		MOVEMENTS INCLUDED IN STATEMENT OF COMPREHENSIVE INCOME	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
DEFERRED TAX LIABILITIES				
Current finance lease receivable	(1,485)	(1,921)	436	410
Future dredging	(484)	(504)	20	20
Others	(3,581)	(3,001)	(580)	(1,391)
Property plant and equipment	(289)	-	(289)	-
Gross deferred tax liabilities	(5,839)	(5,426)		
DEFERRED TAX ASSETS				
Employee benefits & other provisions	4,165	3,700	465	615
Property plant and equipment	-	2,899	(2,899)	414
Other	2,975	2,288	687	1,103
Gross deferred tax assets	7,140	8,887		
Set-off of deferred tax liabilities				
Pursuant to set-off provisions	(5,839)	(5,426)		
TOTAL NET DEFERRED TAX ASSETS	1,301	3,461		
TOTAL DEFERRED TAX (EXPENSE) / BENEFIT			(2,160)	1,171

(E) CURRENT TAX ASSETS

The current tax asset of \$4.508 million (2023: Current tax liability \$6.661 million) represents the amount of income taxes receivable in respect of current and prior financial periods.

Note 10

Transactions with owners

(A) DIVIDENDS

	2024 (\$'000)	2023 (\$'000)
Final dividends in respect of the previous financial year	-	-
Interim dividends in respect of the current financial year	-	-
TOTAL DIVIDENDS PAID	-	-

In accordance with the Government Financial Policy, the Government may direct Southern Ports to pay dividends. The 2024 financial year dividend payout ratio had been set at 75% (2023: 75%) of net profit after tax. In the course of 2022-23 and 2023-24 Cabinet approved retention of the dividend payment for strategic infrastructure priorities. No dividends were paid in respect of the years ended 30 June 2023 and 30 June 2024.

(B) DISTRIBUTION TO OWNERS

	2024 (\$'000)	2023 (\$'000)
Distribution to owners ^(a)	1,275	-
TOTAL DISTRIBUTION TO OWNERS	1,275	-

(a) Assets vested in and managed by Southern Ports were excised and transferred to Department of Transport control under the Transforming Bunbury Waterfront project during the year ended 30 June 2024.

Note 11

Cash at bank

(A) CASH AND CASH EQUIVALENTS

	2024 (\$'000)	2023 (\$'000)
Unrestricted cash and cash equivalents	13,579	31,088
Restricted cash and cash equivalents	93,256	107,734
TOTAL CASH AND CASH EQUIVALENTS IN STATEMENT OF CASH FLOWS	106,835	138,822

(B) TERM DEPOSITS

	2024 (\$'000)	2023 (\$'000)
Restricted deposits ^{(a) (b)}	41,019	-
TOTAL TERM DEPOSITS	41,019	-

(a) Retained dividends \$122.9 million and Royalty for Regions funding \$11.3 million are held in restricted cash, cash equivalents and term deposits. Full year 2022 and 2023 dividend, and interim 2024 dividend were retained by Southern Ports totaling \$131.9 million (2023: \$108.3 million). These retained funds are to be applied on Expenditure Review Committee (ERC) approved new or existing capital related expenditure. The unexpended balance of these retained dividends of \$122.9 million (2023: \$107.7 million) are held as restricted under cash equivalents and term deposits to be applied for expenditure on Government approved infrastructure. A total of \$9.0 million of the retained dividend has been expended to 2024 (2023: \$0.6 million) with a further \$115.4 million approved to be spent over 2025 to 2028.

(b) Term deposits with original maturity term exceeding 3 months.

Note 12

Trade and other receivables

	2024 (\$'000)	2023 (\$'000)
CURRENT		
Trade receivables		
Trade receivables	22,351	18,815
Less: allowance for expected credit loss of trade receivables	(227)	(232)
	22,124	18,583
Other debtors		
Accrued revenue	2,256	1,435
Finance lease receivable	1,524	1,431
Prepayments	4,004	3,309
TOTAL TRADE AND OTHER RECEIVABLES	29,908	24,758
NON-CURRENT		
Finance lease receivable	3,426	4,972
TOTAL TRADE AND OTHER RECEIVABLES	3,426	4,972

Reconciliation of changes in expected credit loss of trade receivables

	2024 (\$'000)	2023 (\$'000)
Balance at start of year	232	387
Expected credit loss	(3)	(149)
Amounts written off during the period	(2)	(6)
BALANCE AT END OF YEAR	227	232

Southern Ports does not hold any collateral as security or other credit enhancements relating to receivables.

Southern Ports 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.

At 30 June, the ageing analysis of trade debtors past due but not impaired is as follows:

	Gross 2024 (\$'000)	Gross 2023 (\$'000)
Not more than 3 months	1,470	1,301
More than 3 months but less than 6 months	-	17
More than 6 months but less than 1 year	35	10
More than 1 year	-	11
BALANCE AT END OF YEAR	1,505	1,339

Note 13

Property plant and equipment

	Channels, breakwaters, dredging and navigation aids	Land	Building and improvements	Plant and equipment	Berths, jetties and infrastructure	Works in progress	Total
	2024 (\$'000)	2024 (\$'000)	2024 (\$'000)	2024 (\$'000)	2024 (\$'000)	2024 (\$'000)	2024 (\$'000)
At cost	114,045	23,287	74,885	39,135	184,314	20,191	455,857
Accumulated depreciation	(77,733)	-	(30,338)	(23,797)	(115,012)	-	(246,880)
Accumulated impairment	(11)	-	(646)	(144)	(1,028)	-	(1,829)
Opening balance at 1 July	36,301	23,287	43,901	15,194	68,274	20,191	207,148
Additions	-	-	-	85	-	32,449	32,534
Transfers and other movements at cost ^(a)	24	-	4,087	4,400	15,554	(24,065)	-
Transfers and other movements Acc Depn ^(b)	-	-	-	-	-	-	-
Depreciation for the year	(2,107)	-	(2,682)	(3,355)	(4,568)	-	(12,712)
Impairment ^(b)	-	-	-	-	-	-	-
Disposals	-	(1,225)	(230)	(111)	(680)	-	(2,246)
Accumulated depreciation on disposals	-	-	189	106	542	-	837
Amounts written off ^(c)	-	-	-	-	-	(134)	(134)
Carrying amount at 30 June	34,218	22,062	45,265	16,319	79,122	28,441	225,427
At cost	114,069	22,062	78,742	43,509	199,188	28,441	486,011
Accumulated depreciation	(79,840)	-	(32,831)	(27,046)	(119,038)	-	(258,755)
Accumulated impairment	(11)	-	(646)	(144)	(1,028)	-	(1,829)
Closing balance 30 June	34,218	22,062	45,265	16,319	79,122	28,441	225,427

(a) Transfers and other movements includes capitalisation of Works in Progress amounts and reclassification of items between asset groups following a review to ensure standardisation of asset classes.

(b) There was \$ Nil impairment of assets in the 2024 financial year (2023: \$0.052 million)

(c) Amounts written off include concept costs and discontinued projects in Works in Progress.

Note 14

Right of use assets and leases as lessee

Southern Ports leased commercial office space, transportable buildings, IT equipment, heavy-duty vehicles and light motor vehicles during the year ended 30 June 2024.

IT equipment is leased on varying terms of up to 5 years for laptops, printers and accessories.

Heavy-duty vehicles and light motor vehicles are leased on varying terms of up to 5 years.

Commercial office space is leased in 3 locations. An extension not previously included in the calculation of the lease term was agreed to during 2024 for a term of 30 months.

A transportable building is leased in 1 location with a term of 2 years.

(A) RIGHT OF USE ASSETS

	Motor vehicles (\$'000)	Plant and equipment (\$'000)	Land and buildings (\$'000)	Total (\$'000)
2024				
Opening net carrying amount	2,911	457	744	4,112
Additions during the year	1,255	2,165	340	3,760
Reclassification	(558)	558	-	-
Depreciation charge for the year	(690)	(781)	(280)	(1,751)
Balance at 30 June	2,918	2,399	804	6,121
2023				
Opening net carrying amount	-	234	667	901
Additions during the year	3,183	384	338	3,905
Depreciation charge for the year	(272)	(161)	(261)	(694)
Balance at 30 June	2,911	457	744	4,112

(B) LEASE LIABILITIES

	Motor vehicles (\$'000)	Plant and equipment (\$'000)	Land and buildings (\$'000)	Total (\$'000)
2024				
Opening net carrying amount	2,884	457	755	4,096
Additions during the year	1,255	2,244	340	3,839
Reclassification	(569)	569	-	-
Interest on lease liabilities for the year	127	119	21	267
Lease payments	(721)	(833)	(327)	(1,881)
Balance at 30 June	2,976	2,556	789	6,321
Current	720	688	293	1,701
Non-Current	2,256	1,868	496	4,620
2023				
Opening net carrying amount	-	237	670	907
Additions during the year	3,190	387	340	3,917
Interest on lease liabilities for the year	52	4	15	71
Lease payments	(358)	(171)	(270)	(799)
Balance at 30 June	2,884	457	755	4,096
Current	550	192	227	969
Non-Current	2,334	265	528	3,127

Note 14 cont'd

(C) AMOUNTS RECOGNISED IN PROFIT OR LOSS

	Motor vehicles (\$'000)	Plant and equipment (\$'000)	Land and buildings (\$'000)	Total (\$'000)
2024				
Depreciation expense for right-of-use assets	690	781	280	1,751
Interest on lease liabilities	127	119	21	267
Expenses related to short term leases	50	-	51	101
Expenses relating to variable lease payments not included in lease liabilities	-	-	168	168
TOTAL AMOUNTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME	867	900	520	2,287
2023				
Depreciation expense for right-of-use assets	272	161	261	694
Interest on lease liabilities	52	4	15	71
Expenses related to short term leases	83	-	-	83
Expenses relating to variable lease payments not included in lease liabilities	-	-	125	125
TOTAL AMOUNTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME	407	165	401	973

Note 15

Leases as lessor

Southern Ports leases out its land and certain infrastructure. All leases are classified as operating leases from a lessor perspective with the exception of one arrangement, which Southern Ports has classified as a finance lease. The following tables set out the maturity analysis of lease receivables.

(A) OPERATING LEASE RECEIVABLE

	2024 (\$'000)	2023 (\$'000)
Future minimum rentals receivable for operating leases at reporting date:		
Within 1 year	15,907	14,162
Later than 1 year but not later than 5 years	30,406	35,942
Later than 5 years	52,076	50,692
TOTAL OPERATING LEASES RECEIVABLE	98,389	100,796

(B) FINANCE LEASE RECEIVABLE

	2024 (\$'000)	2023 (\$'000)
Future minimum rentals receivable for finance leases at reporting date:		
Within 1 year	1,824	1,824
Later than 1 year but not later than 5 years	3,648	5,471
Later than 5 years	-	-
TOTAL FINANCE LEASES RECEIVABLE	5,472	7,295
Unearned finance income	522	892
NET INVESTMENT IN THE LEASE	4,950	6,403

Note 16

Trade and other payables

	2024 (\$'000)	2023 (\$'000)
Trade payables	85	1,697
Other payables	4,917	2,735
GST payable	96	170
Accrued wages	938	-
Unexpired income	2,497	2,363
TOTAL TRADE AND OTHER PAYABLES	8,533	6,965

Note 17

Interest bearing borrowings

This note provides information about the contractual terms of Southern Ports' interest-bearing borrowings, which are measured at amortised cost. For more information about Southern Ports' exposure to interest rate risk, see Note 21(B)(a).

	2024 (\$'000)	2023 (\$'000)
CURRENT		
Special current borrowings	1,383	1,473
TOTAL INTEREST BEARING BORROWINGS	1,383	1,473
NON-CURRENT		
Special non-current borrowings	1,949	3,332
TOTAL INTEREST BEARING BORROWINGS	1,949	3,332
FINANCING ARRANGEMENTS		
Southern Ports has access to the following lines of credit:		
Total facilities available – Special borrowings	3,332	4,805
Facilities utilised at reporting date – Special borrowings	3,332	4,805
Facilities not utilised at reporting date – Special borrowings	-	-

(A) SIGNIFICANT TERMS AND CONDITIONS

Special borrowings of \$3.332 million (2023: \$4.805 million) relate to the former Esperance Port Authority. These borrowings are from the WA Treasury Corporation's Portfolio Lending Arrangements (PLA), financed at fixed rates of interest; with any changes in interest rates having no impact on the profitability of Southern Ports.

Note 17 cont'd

(B) BORROWING MATURITY TABLE

The table below sets out the maturity of Southern Ports' borrowings:

	1 year or less (\$'000)	1 to 2 years (\$'000)	2 to 3 years (\$'000)	3 to 4 years (\$'000)	4 to 5 years (\$'000)	Over 5 years (\$'000)	Total (\$'000)
2024							
Interest bearing borrowings:							
Fixed interest rate borrowings	1,383	1,410	539	-	-	-	3,332
BALANCE AT YEAR END	1,383	1,410	539	-	-	-	3,332
Weighted average interest rate:							
Fixed interest rate borrowings	6.42%	6.42%	6.42%	-	-	-	6.42%
2023							
Interest bearing borrowings:							
Fixed interest rate borrowings	1,473	1,385	1,410	537	-	-	4,805
BALANCE AT YEAR END	1,473	1,385	1,410	537	-	-	4,805
Weighted average interest rate:							
Fixed interest rate borrowings	6.30%	6.30%	6.30%	6.30%	-	-	6.30%

(C) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Note	2024 (\$'000)	2023 (\$'000)
SPECIAL BORROWINGS AS AT 1 JULY		4,805	6,194
CHANGES FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,472)	(1,389)
OTHER CHANGES			
Interest expense	6	316	416
Interest paid		(333)	(416)
Decrease in accrued interest		16	-
SPECIAL BORROWINGS AT 30 JUNE		3,332	4,805

Note 18

Provisions

	2024 (\$'000)	2023 (\$'000)
CURRENT		
Employee benefits provision		
Accumulated days off	224	265
Annual leave ^(a)	4,051	3,660
Long service leave ^(b)	3,229	3,079
Superannuation ^(c)	24	29
Sick leave	753	229
Other provisions		
Employment on-costs	1,445	1,265
TOTAL PROVISIONS	9,726	8,527
NON-CURRENT		
Employee benefits provision		
Long service leave ^(b)	938	710
Superannuation ^(c)	407	459
Other provisions		
Employment on-costs	164	124
Decommissioning provision ^(d)	723	676
TOTAL PROVISIONS	2,232	1,969

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

Within 12 months of balance date	2,738	2,272
More than 12 months after balance date	1,313	1,388
	4,051	3,660

(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 balance date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance date	3,229	3,079
More than 12 months after balance date	938	710
	4,167	3,789

(c) Defined benefit superannuation plans

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

Reconciliation of movement in the present value of the unfunded obligations recognised in the Statement of Financial Position

	2024 (\$'000)	2023 (\$'000)
Opening balance	488	488
Benefits paid	(27)	(29)
AMOUNTS RECOGNISED IN PROFIT OR LOSS AND OTHER COMPREHENSIVE IN-COME		
Current service cost		
Interest cost	16	16
Actuarial (gain) / loss	(46)	13
PRESENT VALUE OF UNFUNDED OBLIGATIONS AT END OF YEAR	431	488

(d) Provision has been recognised for the removal and restitution costs of infrastructure.

Movement in provisions

	2024 (\$'000)	2023 (\$'000)
Employee benefits provision:		
Opening carrying amount	8,431	7,457
Additional provisions made during the period	5,596	4,756
Amounts used during the period	(4,401)	(3,782)
CLOSING CARRYING AMOUNT	9,626	8,431
Other provisions ^(a)		
Opening carrying amount	2,065	1,161
Additional provisions made during the period	978	1,515
Amounts used during the period	(711)	(611)
CLOSING CARRYING AMOUNT	2,332	2,065

(a) The settlement of annual and long service leave liabilities gives rise to the payment of employee on-costs including workers compensation premiums and payroll tax, which is included in other provisions. The provision is measured at the present value of expected future payments.

Note 19

Nature and purpose of reserves

The Asset Revaluation Reserve was used to record historic increments and decrements on the revaluation of non-current assets. The balance relates to valuation of land and plant and equipment. All land and plant and equipment previously revalued are now carried at a deemed cost. This reserve is not available for the effects of decrements in the value of Land, and Plant and Equipment.

Note 20

Notes to the statement of cash flows

(A) RECONCILIATION OF CASH

Cash at the end of the financial year shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2024 (\$'000)	2023 (\$'000)
Cash and cash equivalents (Note 11)	106,835	138,822
TOTAL CASH AND CASH EQUIVALENTS	106,835	138,822
Reconciliation of profit after income tax equivalent to net cash flow provided by/(used in) operating activities		
Profit after income tax equivalents	21,532	61,407
Adjustments for:		
Depreciation expense	14,463	11,829
Impairment	-	52
Interest income	(6,929)	(3,524)
Finance costs	671	488
Net loss / (gain) on sale of property, plant and equipment	135	(145)
Net (gain) on sale and leaseback transaction	-	(350)
Net loss on sale of inventories	19	
Work in progress written off	134	1,810
Fair value of transferred asset	-	(28,576)
Income tax expense	16,138	26,332
Operating profit before changes in working capital	46,163	69,323
(Increase)/decrease in assets:		
Trade and other receivables	(4,149)	(1,665)
Inventories	1,052	(712)
(Decrease)/increase in liabilities:		
Trade and other payables	1,656	(580)
Provisions	1,462	1,865
Decommissioning provision on transferred asset	47	(676)
Contract liabilities	135	(641)
GST liability	(74)	(108)
Cash from operating activities	46,292	66,806
Interest paid	(333)	(416)
Income taxes paid	(25,159)	(21,171)
NET CASH FROM OPERATING ACTIVITIES	20,800	45,219

Note 21

Financial instruments

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

Set out below are the categories and fair values of Southern Ports' financial instruments:

	2024 (\$'000)	2023 (\$'000)
FINANCIAL ASSETS		
Cash and cash equivalents	106,835	138,822
Trade receivables and accrued revenue	29,329	26,421
Term deposits ^(a)	41,019	-
TOTAL FINANCIAL ASSETS	177,183	165,243
FINANCIAL LIABILITIES		
Trade and other payables	(5,940)	(4,432)
Lease liabilities	(6,321)	(4,096)
Interest-bearing borrowings ^(b)	(3,417)	(4,960)
TOTAL FINANCIAL LIABILITIES	(15,678)	(13,488)
NET FINANCIAL INSTRUMENTS	161,505	151,755

(a) Term deposits with original maturity term exceeding 3 months are classified as financial assets measured at amortised cost.

(b) The fair value of the interest-bearing borrowings was provided by the WA Treasury Corporation using a lending curve, based on the various maturing dates for each loan, less a margin.

(B) FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

Southern Ports' principal financial instruments comprise cash and cash equivalents, receivables, term deposits with maturity exceeding 3 months, payables, and interest bearing borrowings. Southern Ports' overall risk management program focuses on managing the risks identified below.

(a) Market risk

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

Southern Ports' exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations, cash and cash equivalents and term deposits.

Southern Ports' borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities.

The risk is managed by WATC through portfolio diversification and variation in maturity dates. Southern Ports' cash and cash equivalents are mainly deposited in the banks which earned variable interest rates.

Term deposits are held with fixed interest rates, typically for a period of three to twelve months.

Southern Ports' 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 market place.

Southern Ports constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions and alternative financing structures.

Cash flow sensitivity analysis for variable rate instruments

At the balance sheet date, if interest rates moved as illustrated in the table below, with all other variables held constant, the effect would be as follows on the profit or loss:

Profit or loss

	Carrying Amount (\$'000)	+0.5% increase (\$'000)	0.25% decrease (\$'000)
2024 FINANCIAL ASSETS			
Cash and cash equivalents	106,835	534	(267)
Term deposits (maturity exceeding 3 months)	41,019	205	(103)
	147,854	739	(370)
2023 FINANCIAL ASSETS			
Cash and cash equivalents	138,822	694	(347)
	138,822	694	(347)

(b) Credit risk

Credit risk arises when there is the possibility of Southern Ports' receivables defaulting on their contractual obligations resulting in financial loss to Southern Ports. Southern Ports measures credit risk on a fair value basis and monitors risk on a regular basis. With respect to credit risk arising from cash and cash equivalents, Southern Ports' exposure to credit risk arises from the counter party, with a maximum exposure equal to the carrying amount of these instruments. The cash and cash equivalents are held with banks and financial institution counterparties, which are rated AA- to AA+, based on Standard & Poor's ratings.

Southern Ports follows stringent credit control and management procedures in reviewing and monitoring debtor accounts and outstanding balances as evidenced by the historical aged debtors' balances. In addition, management of receivable balances includes frequent monitoring thereby minimising Southern Ports' exposure to bad debts. For financial assets that are either past due or impaired, refer to Note 12 'Trade and other receivables'.

Southern Ports' 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.

As at 30 June 2024, one customer represents 24.46% (2023: 26.33%) of outstanding trade receivables, where the balance of debtors is made up of various individual debtors.

Credit risk exposure

The following table details the credit risk exposure on Southern Ports' trade receivables using a provision matrix.

	Total (\$'000)	Current (\$'000)	31-60 days (\$'000)	61-90 days (\$'000)	>91 days (\$'000)
30 June 2024					
Total gross carrying amount	22,351	20,618	1,367	109	257
EXPECTED CREDIT LOSSES	227	-	-	5	222
30 June 2023					
Total gross carrying amount	18,815	17,244	1,304	2	265
EXPECTED CREDIT LOSSES	232	-	5	-	227

(c) Liquidity risk

Southern Ports' objective is to maintain a balance between continuity of funding and flexibility through the use of cash reserves and its borrowing facilities. Southern Ports manages its exposure to liquidity risk by ensuring appropriate procedures are in place to manage cash flows, including monitoring forecast cash flow to ensure sufficient funds are available to meet its commitments.

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

Note 21 cont'd

	Carrying amount (\$'000)	Total (\$'000)	6 months or less (\$'000)	6-12 months (\$'000)	1 to 2 years (\$'000)	2-5 years (\$'000)	More than 5 years (\$'000)
2024							
Trade and other payables	5,940	5,940	5,822	11	79	24	4
Lease liabilities	6,321	6,719	982	898	1,742	3,097	-
Interest-bearing borrowings	3,332	3,614	809	750	1,500	555	-
TOTAL FINANCIAL LIABILITIES	15,593	16,273	7,613	1,659	3,321	3,676	4
2023							
Trade and other payables	4,432	4,432	3,831	111	467	23	-
Lease liabilities	4,096	4,548	608	568	1,001	2,371	-
Interest-bearing borrowings	4,805	5,352	869	869	1,561	2,053	-
TOTAL FINANCIAL LIABILITIES	13,333	14,332	5,308	1,548	3,029	4,447	-

The risk implied from the values shown in the table above reflects a balanced view of cash inflows and outflows. Trade payables, and other financial liabilities mainly originate from the financing of assets used in the ongoing operations such as property, plant and equipment and investments in working capital e.g. inventories and trade receivables. These assets are considered in Southern Ports' overall liquidity risk.

Risk associated with the liability on borrowings is reduced by Southern Ports paying a guarantee charge. This charge guarantees payment to the WATC by the Government for outstanding borrowings in case of default.

Note 22

Capital expenditure and commitments

	2024 (\$'000)	2023 (\$'000)
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	35,199	6,881
TOTAL CAPITAL EXPENDITURE COMMITMENTS	35,199	6,881

Note 23

Auditors' remuneration

	2024 (\$'000)	2023 (\$'000)
Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Audit of the financial statements	161	146
TOTAL REMUNERATION OF AUDITOR	161	146

Note 24

Related parties

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

Related parties of Southern Ports 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).

(A) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Southern Ports has determined that key management personnel include Cabinet Ministers and senior officers of Southern Ports. However, Southern Ports is not obligated to reimburse for the compensation of Ministers and therefore no disclosure is required. The disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*.

Key management personnel compensation comprised the following:

	2024 (\$'000)	2023 (\$'000)
Short-term employee benefits	2,847	2,952
Post-employment benefits	311	305
Other long-term benefits	458	517
Termination benefits	-	140
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	3,616	3,914

Southern Ports had no other related party transactions with key management personnel or their close family members or their controlled or jointly controlled entities.

(B) SIGNIFICANT TRANSACTIONS WITH GOVERNMENT RELATED ENTITIES

Significant transactions include:

- Income contributions from State Government (2024: \$Nil) [2023: \$10.010 million]
- Interest income from State Government (2024: \$1.587 million) [2023: Nil]
- Equity contributions from State Government (2024: \$16.675 million) [2023: \$3.767 million]
- Distribution to State Government (2024: \$1.275 million) [2023: Nil] (Note 10 (B))
- Superannuation contribution payments to GESB (2024: \$2.108 million) [2023: \$2.363 million]
- Defined benefit superannuation payments to GESB (Note 18(c))
- Interest bearing borrowings from WATC (Note 17)
- Auditor's remuneration to the Auditor General (Note 23)

Note 25

Contingent liabilities, contingent considerations and contaminated sites

(A) CONTAMINATED SITES

Under the *Contaminated Sites Act 2003*, Southern Ports is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation's (DWER) Contaminated Sites Branch.

In accordance with the *Contaminated Sites Act 2003*, Department of Water and Environmental Regulation classifies these sites based on the risk to human health, the environment and environment values. Where sites are classified as "*contaminated – remediation required*" or "*possibly contaminated – investigation required*", Southern Ports as the land owner may have a financial liability with respect to investigation or remediation if the polluter cannot be identified or does not have the resources to undertake the required investigation or remediation work.

Southern Ports, as a Government Trading Entity, is not eligible for support from the Contaminated Sites Management Account.

On 30 June 2024, across its three locations, Southern Ports has the following known or suspected contaminated sites:

	Albany	Bunbury	Esperance
Possibly contaminated – investigation required	2	-	2
Contaminated – restricted use	1	2	-
Contaminated – remediation required	-	5	-
Not yet classified by DWER	1	1	-

Southern Ports continues to monitor the sites, undertake site investigations and assessments and determine remediation required.

As further investigation is required to determine proposed actions including the extent of, if any, potential remediation requirements, it is not yet practicable to reliably estimate the potential timing or financial impact. All sites as noted in the table above remain suitable for Southern Ports' purpose.

(B) OTHER CONTINGENT LIABILITIES

In addition to the liabilities included in the financial statements, there is the following contingent liability:

Southern Ports has a contract to load bulk nickel for BHP Billiton Nickel West. BHP Billiton Nickel West does not currently export its bulk nickel from Esperance. The status of the obligation is undetermined and insufficient information is currently available to determine the financial impact.

Note 26

Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of this report anytime, a transaction or event of material or unusual nature likely in the opinion of the Directors of Southern Ports, to affect significantly the operations of Southern Ports, the result of those operations or the state of affairs of Southern Ports, in the future financial years.



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