



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 live, work and play. 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 2025

Hon Stephen Dawson MLC

Minister for Regional Development; Ports;
Science and Innovation; Medical Research; Kimberley.

In accordance with section 63 of *Financial Management Act 2006*, I hereby submit for your information and presentation to the Parliament, the Annual Report of Southern Ports Authority for the financial year ended 30 June 2025.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and the *Government Trading Enterprises Act 2023*.

The financial statements comply with the Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.

A handwritten signature in white ink, appearing to read 'Ian Shepherd'.

Ian Shepherd

Chair
Board of Directors

21 August 2025

Working with the power of the ocean to move our world forward

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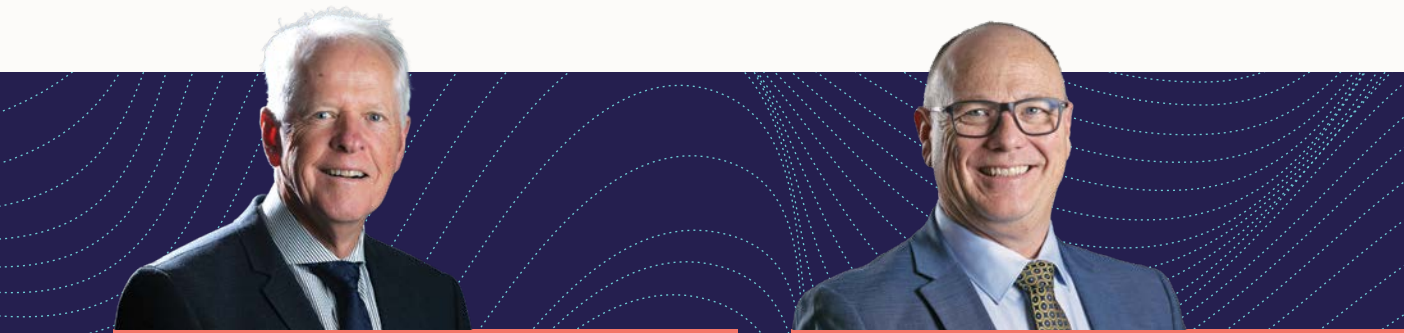
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From our Chair and CEO



Following a period of sustained growth, the 2024-25 year was one of stabilisation, consolidation and achievement for Southern Ports. We built on our foundations, embraced change and delivered positive results that will create enduring value for our regions and the state.

With revenue of \$206.1 million and a net profit of \$33.15 million, we were pleased to deliver strong financial outcomes and a solid return on assets.

In total, we set 13 trade records and facilitated a combined 30 million tonnes of trade across our three ports.

While alumina, grain, iron ore and spodumene remained the mainstay of our operations, new commodities continued to emerge across the year, strengthening our trade mix and extending the diversification that sets us apart.

This included successive records for breakbulk at our Port of Bunbury, again showcasing its capability to manage the large-scale renewables and project cargo that is essential for the region's growth ambitions and the state's transition to clean energy. This also contributed to a six per cent increase in the Port's throughput compared to last year.

Our commitment to excellence saw Southern Ports become only the fifth port globally to achieve international accreditation for its asset management system, earning national recognition and awards for best practice. Later in the year, we also secured ISO accreditation for our safety and environmental systems.

Safety performance remained a key focus and we achieved one of our best results on record with a Lost Time Injury Frequency Rate of 1.3, reflecting the maturity of our safety culture and the success of the new safety programs and systems we have adopted.

Despite our strong results, the year was not without its challenges. Southern Ports was impacted by disruptions resulting from the closure of operations by several customers including in iron ore, spodumene, sulphur, nickel and woodchips, which had a significant impact on our trade volumes.

Our response was not to stand still – it was to adapt and to become more resilient, more agile and more focused on strengthening our business through continuous improvement.

We created new opportunities and greater flexibility in our operations. At Esperance, our iron ore circuit was used by two customers for the first time, and we welcomed trade in sulphur, feldspar and sugar – the latter not seen through our ports in decades.

We also invested an unprecedented \$59 million in capital works across 152 projects – 60 of which were completed during the year. From berth upgrades to the modernisation of critical infrastructure, these projects improve service and efficiency for our customers. More than 16,000 maintenance activities were also completed during the year to ensure our infrastructure remains reliable, well-maintained and ready to meet the demands of new trade opportunities.

But our value also extends beyond trade. This year we progressed major infrastructure projects that will benefit our communities, including the \$34 million Turkey Point road and bridge at Bunbury, Hughes Road upgrades at Esperance, and the revitalisation of Albany's historic pilot station precinct.

We also supported more than 120 community projects, contributed to regional initiatives that address food insecurity, and maintained more than 20 community leases for community partners. We are immensely proud of these efforts and the very tangible social and economic benefits they bring to our communities.

In March, we launched our new Strategic Direction to guide our activities and deliver on our vision of *strong regional ports, strong regions*. It sets out a clear and sustainable plan focused on driving trade, empowering our people, strengthening communities and embracing innovation – not just for today’s needs, but for the future.

We extend our thanks to our Executive Leadership Team for their commitment and professionalism in driving our year’s successes, and to our people for their dedication and focus on delivering high-quality outcomes for our customers and communities.

With more than 300 employees – most of whom live and work regionally – Southern Ports remains a regional organisation at heart. Our people are the ‘engine room’ of our ports and our results are testament to their efforts.

We also take this opportunity to acknowledge the Hon David Michael MLA for his contribution to the sector in his time as Minister for Ports and welcome the Hon Stephen Dawson MLC to the portfolio. We look forward to working with Minister Dawson to continue strengthening Western Australia’s southern regional port network and the communities we support.

The year ahead brings both opportunity and responsibility. We will continue to invest in sustainable infrastructure, explore and adopt new technologies, and work alongside our stakeholders to ensure our ports remain competitive, adaptable and ready to meet the demands of a changing world to create lasting value for our regions and the State.



IAN SHEPHERD
Chair



KEITH WILKS
Chief Executive Officer

Highlights

TOTAL TRADE



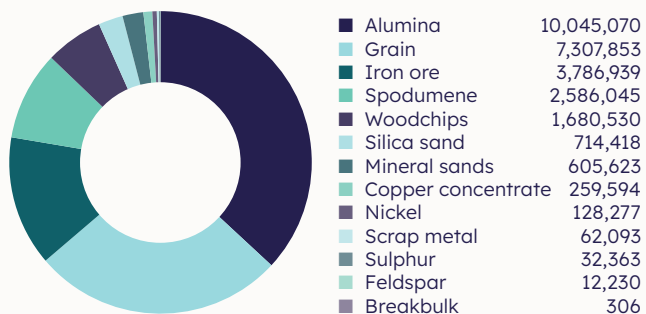
TOTAL EXPORTS



HIGHEST EXPORT COMMODITIES BY REVENUE YIELD



EXPORTS (TONNES)



TOTAL VISITS

746
including
21 cruise ships



TOTAL IMPORTS



HIGHEST IMPORT COMMODITIES BY REVENUE YIELD



IMPORTS (TONNES)



FINANCIAL

\$206.12m
total revenue

\$47.79m
profit before tax

\$33.15m
profit after tax

7.4%
return on assets



COMMUNITY AND CUSTOMERS

\$329k

invested in 121
community projects

\$25k

supporting 21,760
Foodbank meals

20

active peppercorn
and community leases

58

customers

22

new trade and
customer agreements



PEOPLE

312

people

79%

regionally located

\$687k

training investment

1.3

Lost Time Injury
Frequency Rate

\$220k

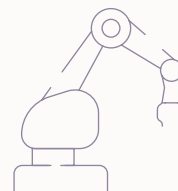
for employee
health and wellbeing

VALUE-ADDING EXCELLENCE

3 ISO
certifications



7 industry
awards



Record capital investment

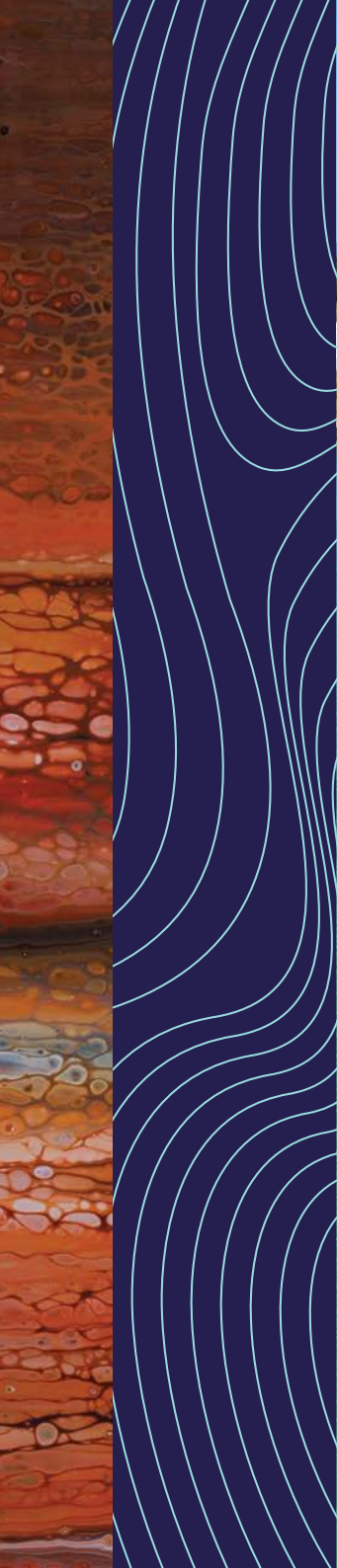
\$59m invested in 152 projects
(of which 60 projects were completed)



8,700
assets maintained
across 14 asset classes

16,000
maintenance
requests completed





Key business results

TOTAL TRADE (TONNES)

20-21	35,369,906
21-22	36,065,365
22-23	37,161,986
23-24	35,393,365
24-25	30,180,650

TOTAL SHIP VISITS (NUMBER OF VESSELS)

20-21	771
21-22	791
22-23	853
23-24	801
24-25	746

LOST TIME INJURY FREQUENCY RATE

20-21	7.9
21-22	4.6
22-23	3.1*
23-24	3.9*
24-25	1.3*

* contractors included.

OPERATING PROFIT BEFORE TAX (\$'000)

20-21	65,304
21-22	53,360
22-23	87,739
23-24	37,670
24-25	47,790

ECONOMIC RATE OF RETURN (%)

20-21	9.9
21-22	7.8
22-23	13.0
23-24	4.8
24-25	0.9

CONTRIBUTIONS TO GOVERNMENT* (\$'000)

20-21	63,416
21-22	53,098
22-23	73,416
23-24	45,722
24-25	32,923

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



About Southern Ports

Southern Ports is a Western Australian Government owned port authority working across four sites at Albany, Bunbury, Esperance and Perth.

We underpin the state's economic growth and play a pivotal role in facilitating more than 30 million tonnes of trade each year. While we predominantly operate bulk export ports, our role in facilitating critical imports including project cargo and supporting cruise tourism is ever increasing.

We work with our customers and port users to find solutions, connecting regional industries to global markets.

Our trade facilitation is enabled by our commitment to our people and our internationally recognised asset management system, which covers our diverse infrastructure portfolio of 8,700 assets.

Beyond trade, Southern Ports is an integral part of our communities – building capacity and creating prosperity for our regions to deliver on our vision of *strong regional ports, strong regions*.

OUR STRATEGIC DIRECTION

This year marked the introduction of a bold new strategic direction for our business. Launched in March, it provides a clear framework to realise our vision of *strong regional ports, strong regions* – driving trade, empowering our people, strengthening our communities and embracing innovation to meet the evolving needs of our regions and to deliver value to the state.

OUR VISION: STRONG REGIONAL PORTS, STRONG REGIONS

STRATEGIC PILLARS	Proactive trade facilitation To drive trade facilitation, working collaboratively with customers and partners. 1	High performance organisation To build an agile, future-focused culture that values workplace safety, equity, diversity and inclusivity; enhances employee experience and engagement; and engages best-in-class systems and processes. 2	Enduring value To create enduring value for our communities and positively impact our regions through trust, engagement and the protection of heritage and the environment. 3	Connection and future focus To forge opportunities for connection and drive business excellence through innovation, technology, and forward-thinking strategies. 4
	 FLEXIBLE CAPACITY We invest in flexible capacity to support current and new trade while leveraging our organisational strength to fund the growth of our assets. CUSTOMER FOCUS We maintain a customer-focused approach that is responsive and balanced with commercial and risk imperatives to facilitate trade. TRADE ENABLEMENT We actively seek new trade opportunities beyond our current footprint and invest responsibly to diversify our services and stimulate new trade.	 SAFETY AND WELLBEING We cultivate mutual care and respect, where we prioritise the safety and wellbeing of our people and foster an environment where individuals contribute to the organisation's wellbeing. WORKFORCE EMPOWERMENT We ensure our workforce is equipped with the knowledge, skills, and mindset to thrive. VALUE-ADDING EXCELLENCE We optimise our operations and services and implement efficient systems and processes to deliver value to our people and stakeholders.	 ENRICHED REGIONS We develop the economic capability and resilience of our communities by facilitating trade through local employment, training, and business opportunities. TRUSTED COMMUNITY PARTNER We strive to be a valued and trusted community partner through social investment, reconciliation and community development initiatives. CUSTODIANSHIP We safeguard the health of our assets by maximising their lifecycle, preventing degradation, and preserving their value for future generations.	 TECHNOLOGY-ENABLED PORTS We drive transformation through efficient, technology-enabled ports, leveraging near real-time data to enhance decision-making. SOLUTIONS-FOCUSED We anticipate the evolving needs of our customers and communities and deliver innovative solutions supported by advanced technologies. ENERGY TRANSITION We advance Western Australia's energy transition by playing our role in the global clean energy trade and adopting leading sustainable technologies and practices within our operations.

Our ports



PORT OF ALBANY

The Port of Albany is located on Menang Boodjar, 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 a landholding of 84 hectares surrounded by 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 and fertiliser.

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



4.9mt trade



152 vessel visits



37 people

MAXIMUM BULK VESSEL

Class Panamax
LOA 230m
Beam 32.3m

MASTER PLAN



PORT OF BUNBURY

Located on Wardandi Boodjar, 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, grain, spodumene, caustic soda, woodchips, mineral and silica sands, copper concentrate, coal, fertiliser and fuel. The Port also welcomes cruise vessels and has laydown capacity for breakbulk 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.



17.1mt trade



423 vessel visits



86 people

MAXIMUM BULK VESSEL

Class Panamax
LOA 230m
Beam 36.5m

MASTER PLAN





PORT OF ESPERANCE

The Port of Esperance is located on Wudjari Boodjar, 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 and nickel, as well as containers and cruise ships.



8.2mt trade



171 vessel visits



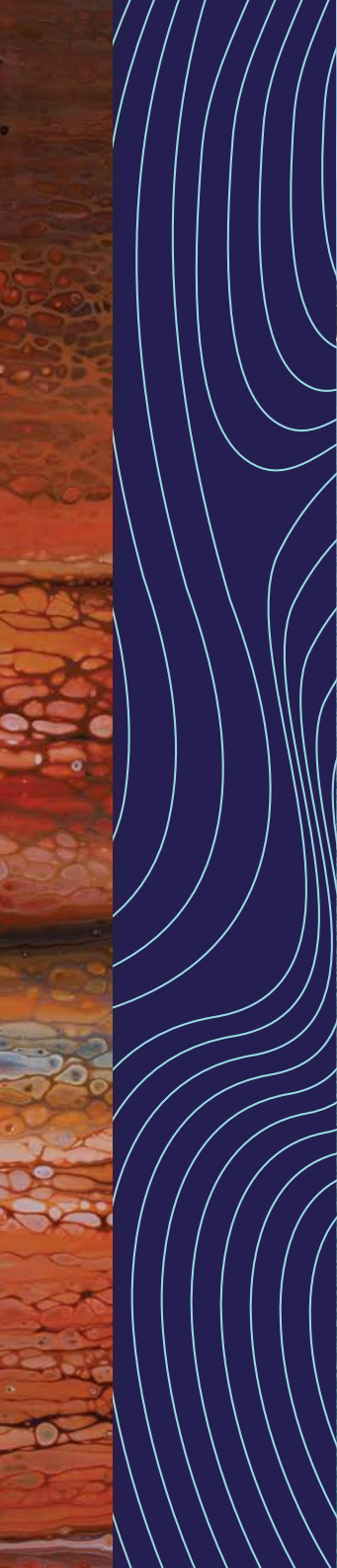
125 people

MAXIMUM BULK VESSEL

Class Newcastlemax
LOA 300m
Beam 50m

MASTER PLAN







Operating environment

Legislative framework

Southern Ports was established on 1 October 2014 as a Government Trading Enterprise which operates under the *Government Trading Enterprise 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 Hon Stephen Dawson MLC 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 2024-25 included:

Aboriginal Heritage Act 1972 (WA)
Biosecurity Act 2015 (Cth)
Commercial Tenancy (Retail Shops) Agreements Act 1985 (WA)
Competition and Consumer Act 2010 (Cth)
Contaminated Sites Act 2003 (Cth)
Corporations Act 2001 (WA)
Corruption, Crime and Misconduct Act 2003 (WA)
Customs Act 1901 (Cth)
Dangerous Goods Safety Act 2004 (WA)
Disability Services Act 1993 (WA)
Equal Opportunity Act 1984 (WA)

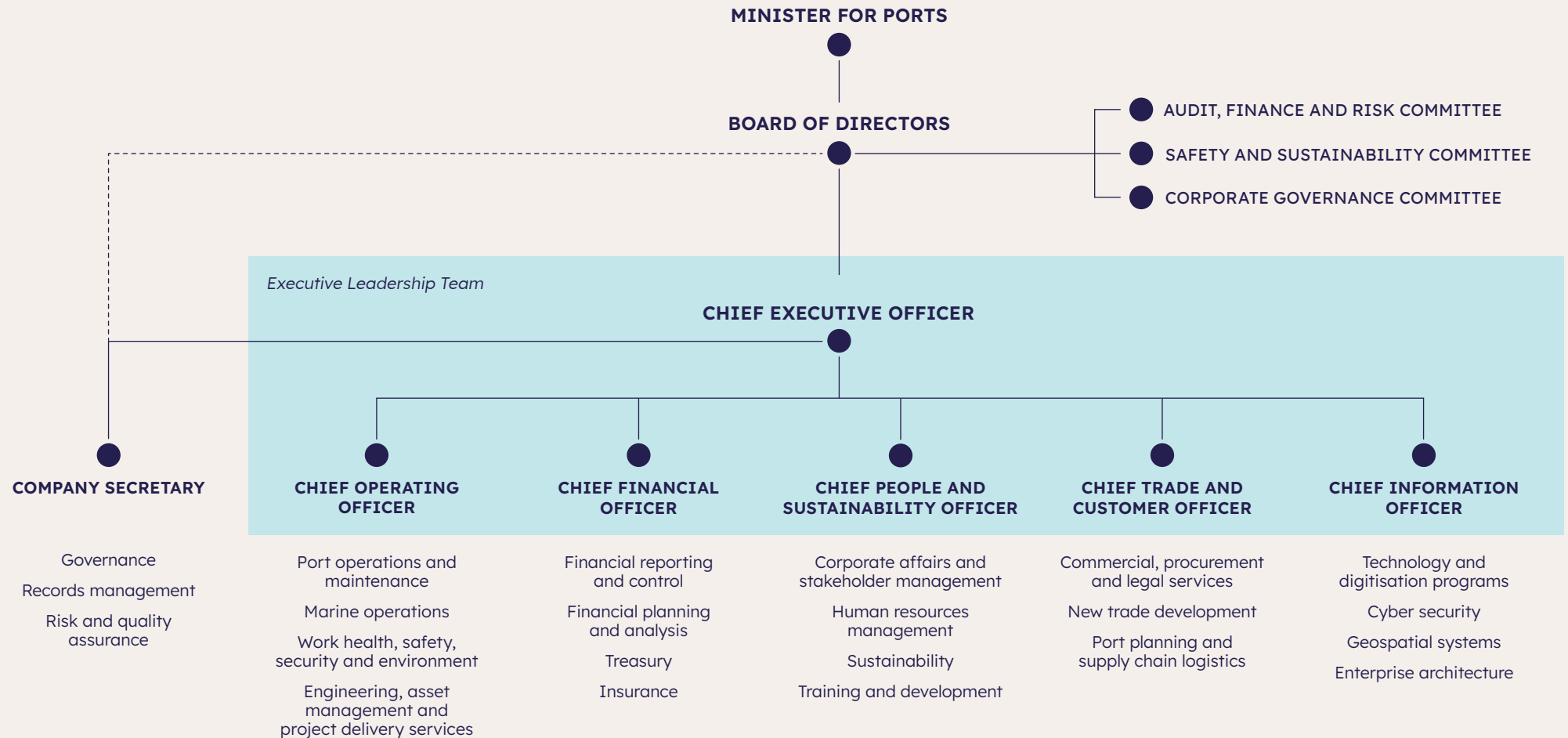
Emergency Management Act 2005 (WA)
Environmental Protection Act 1986 (WA)
Environmental Protection and Biodiversity Conservation Act 1999 (Cth)
Fair Trading Act 2010 (WA)
Fair Work Act 2009 (Cth)
Freedom of Information Act 1992 (WA)
Financial Management Act 2006 (WA)
Heritage Act 2018 (WA)
Industrial Relations Act 1979 (WA)
Maritime Transport and Offshore Facilities Security Act 2003 (Cth)
Minimum Conditions of Employment Act 1993 (WA)
Modern Slavery Act 2018 (Cth)
Navigation Act 2012 (Cth)
Planning and Development Act 2005 (WA)
Port Authorities Act 1999 (WA)
Privacy and Responsible Information Sharing Act 2024 (WA)
Procurement Act 2020 (WA)
Public Interest Disclosure Act 2003 (WA)
Public Sector Management Act 1994 (WA)
Salaries and Allowances Act 1975 (WA)
State Records Act 2000 (WA)
Statutory Corporations (Liability of Directors) Act 1996 (WA)
Workers' Compensation and Injury Management Act 1981 (WA)
Work Health and Safety Act 2023 (WA)

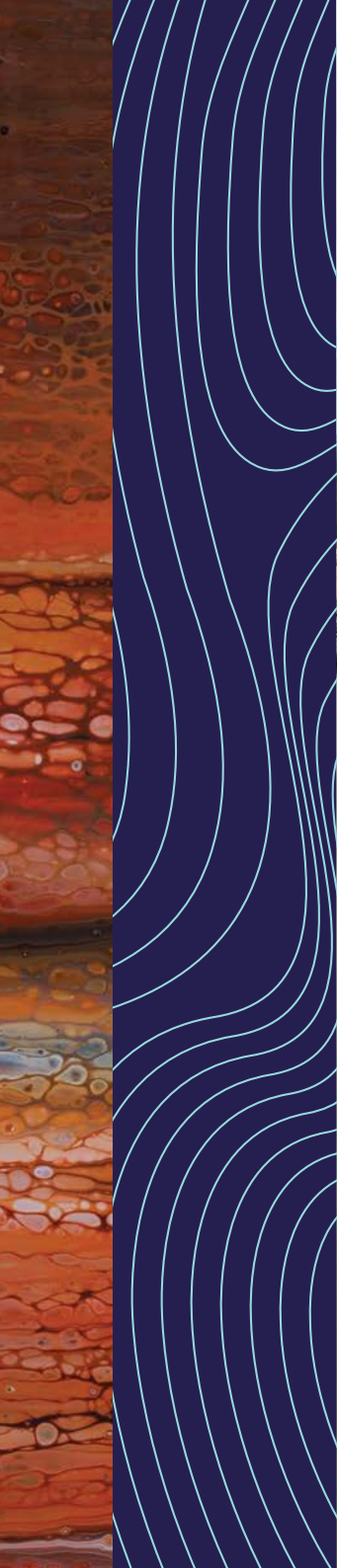
Operating conditions

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 2026

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 30 June 2026

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. Based at The University of Western Australia – Albany Campus, she leads the innovation hub ‘Marine Energy Research Australia’ and its headquarters at the Great Southern Marine Research Facility. She recently added a second portfolio to her work at UWA Albany, as the Project Manager to develop a Regional Health Strategy.

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 and Corporate Governance 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 2027

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 Chair of the Harry Perkins Institute of Medical Research, Chair of the Perth Bears Rugby League Club, Commissioner of the Insurance Commission of Western Australia, Director of Celebrate WA 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.

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.

Executive Leadership Team



KEITH WILKS
Chief Executive Officer
BCOMM, DIPSCAPP

With 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 is a Director of Ports Australia, and 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 a graduate of the Australian Institute of Company Directors.



ADITYA ASTHANA
Chief Financial Officer
BBUS, CPA

Appointed as Chief Financial Officer in March 2024, Aditya joined 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, Aditya'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.



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 2024, 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 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	2024-25 TARGET*	2024-25 RESULT
WA jobs plan	Proactive trade facilitation	Total trade ('000 tonnes)	31,264	30,186
	Proactive trade facilitation	Total vessel visits	743	746
	Proactive trade facilitation	Customer satisfaction score	>65	..#
	High performance organisation	Lost Time Injury Frequency Rate (LTIFR)	Nil or 10% reduction on prior reporting period (3.9)	1.3
	High performance organisation	Employee engagement (%)	>65	..#
	High performance organisation	Employee enablement (%)	>65	..#
Strong and sustainable finances	High performance organisation	Return on assets (%)	1.2	7.4
	Enduring value	Economic rate of return** (%)	0.4	0.9
	Enduring value	Debt to equity ratio	0.08	0.10
	High performance organisation	EBITDA ('000s)	\$28,980	\$55,837
Investing in WA's future	Enduring value	Number of reportable environmental incidents	Nil or 10% reduction on prior reporting period	0

*As approved in Mid-Year Review.

#Not completed this period – undertaken every two years.

**Adjusted to exclude the one-off accounting treatment for the recognition of non-current assets.



STRATEGIC PILLAR

Proactive trade facilitation

Southern Ports drives trade facilitation, working collaboratively with customers and partners to connect regional industries to global markets.

TRADE OVERVIEW

Southern Ports facilitated more than 30 million tonnes of trade in 2025, a 15 per cent decrease on the previous year resulting from several customers' operations going into care and maintenance or closing indefinitely, including Mineral Resources' iron ore operations at Koolyanobbing.

Diversification continued to be a strong driver in Southern Ports' trade strategy this year, with our ports facilitating trade in bulk commodities, breakbulk and project cargo, and cruise operations. We also welcomed several new trade and commodity types through our ports as we further developed our expansive trade profile, including sugar and feldspar.

As a solutions provider, Southern Ports continued to work closely with customers to find ways to connect their products to world markets – including the first export of sulphur in eight years delivered through innovative thinking and the ability to secure the equipment required for a successful outcome.

The majority of Southern Ports infrastructure is dedicated to facilitating bulk commodity trades, connecting agriculture, mining and forestry industries to global destinations.

In 2025 bulk commodity imports and exports accounted for 99.7 per cent of Southern Ports' trade profile across Albany, Bunbury and Esperance.

These comprised 40 different commodities including, but not limited to, alumina (33.3 per cent), grain (24.2 per cent), iron ore (12.5 per cent), caustic soda (5.7 per cent), and mineral sands (2.2 per cent).

Grain exports were higher than expected following a significant turnaround mid-season after a dry start, ultimately reaching the third-largest export volume on record (7.3 million tonnes).

Increasing demand for fertiliser due to favourable rainfall conditions resulted in record imports (up 11 per cent on the previous year) traded through Albany and Esperance ports, the latter supported by fixed infrastructure previously used for sulphur imports.

Silica sand exports achieved a record high (714,000 tonnes) following a new customer, Heidelberg Materials, joining the Port of Bunbury in January 2025.

The Port of Bunbury further solidified its status as the world's largest lithium export port as it reached record volumes of spodumene exports (1.8 million tonnes).



A deal worth its weight in gold

Southern Ports and Gold Valley struck a trade partnership that saw an historic shipment from the Port of Esperance in October, marking the first time the Port had two iron ore customers concurrently using its iron ore circuit.

Consistent shipments across the year resulted in a total of 1.4 million tonnes of iron ore from the Wiluna West mine in the Northern Goldfields exported out of Esperance.

Southern Ports' partnership with Gold Valley was further strengthened with the export of 93,000 tonnes of iron concentrate to China from the Port of Bunbury in May.

There was a notable drop in several bulk export commodities including iron ore and copper concentrate (50 per cent and 13 per cent reductions respectively) and imports of sulphur and mineral sands (100 per cent and 76 per cent reductions).

Nickel exports rose by 141 per cent in 2025, despite First Quantum Minerals (FQM) ceasing operations amid global price pressure. The increase was driven not by production growth, but by IGO's Nova mine redirecting all concentrate to export following the closure of the Kalgoorlie Nickel Smelter, which had previously processed part of its output. With no domestic processing option, IGO became the sole nickel exporter through Esperance, using rotating container technology.

FQM's cessation of operations also marked the end of containerised nickel trade through the Port of Esperance.

Breakbulk and project cargo

Southern Ports imported more than 30,000 tonnes of breakbulk this period – up 14 per cent on the previous year, delivering successive record highs. There was also a notable increase in diversity of project cargo this period, including 800 batteries and inverters imported by Synergy through our Port of Bunbury.

While typically seen as an import, we saw the first export in five years of project cargo which consisted of locally manufactured materials – a capability that is crucial to future requirements with the uplift of local manufacturing in the regions expected with the Advanced Manufacturing and Technology Hub.



Exporting all shapes and sizes

More than 305 tonnes or 1,836 cubic metres of locally manufactured conveyor components were loaded onto the *Floragracht* as part of a four-day operation with AAW Logistics, which marked the first breakbulk export from the Port of Bunbury in five years.

The cargo that included conveyor shuttles and belt feeders were manufactured by Picton-based RCR Mining Technologies and form an important link in operations at the Batu Hijau copper and gold mine in Indonesia.

The largest components carefully manoeuvred onto the *Floragracht* weighed 43 tonnes and measured almost 20 metres long and over five metres wide.

Vessel diversity

Southern Ports welcomed a record number of non-trade vessels through its ports, with 45 research, supply, cruise, navy and semisubmersible vessels such as the Helix Q7000 entering our waters.

Our ports at Albany, Bunbury and Esperance are uniquely designed and geographically positioned to lend themselves to vessel requests for refuelling or to undertake maintenance and shift changeovers.



Cruise operations

Southern Ports experienced another popular cruise season when 22,000 tourists visited the state's southern regions across 21 cruise visits to Albany, Bunbury and Esperance.

Sixty per cent of the cruise vessel arrivals were maiden visits – the first time the vessel has called into our ports.

The Great Southern has become a premier cruise destination in recent years and once again sustained the highest number of visitors across the south of the state with 20,000 people stepping foot on Menang Country in the seven-month long season.



TRADE RESULTS

Total trade (tonnes)

	2025	2024	2023	2022	2021
Total exports	27,221,340	32,239,290	34,008,230	32,858,970	32,431,773
Total imports	2,958,802	3,154,075	3,153,756	3,206,395	2,938,133
TOTAL TRADE	30,180,142	35,393,365	37,161,986	36,065,365	35,369,906

Total exports (tonnes)

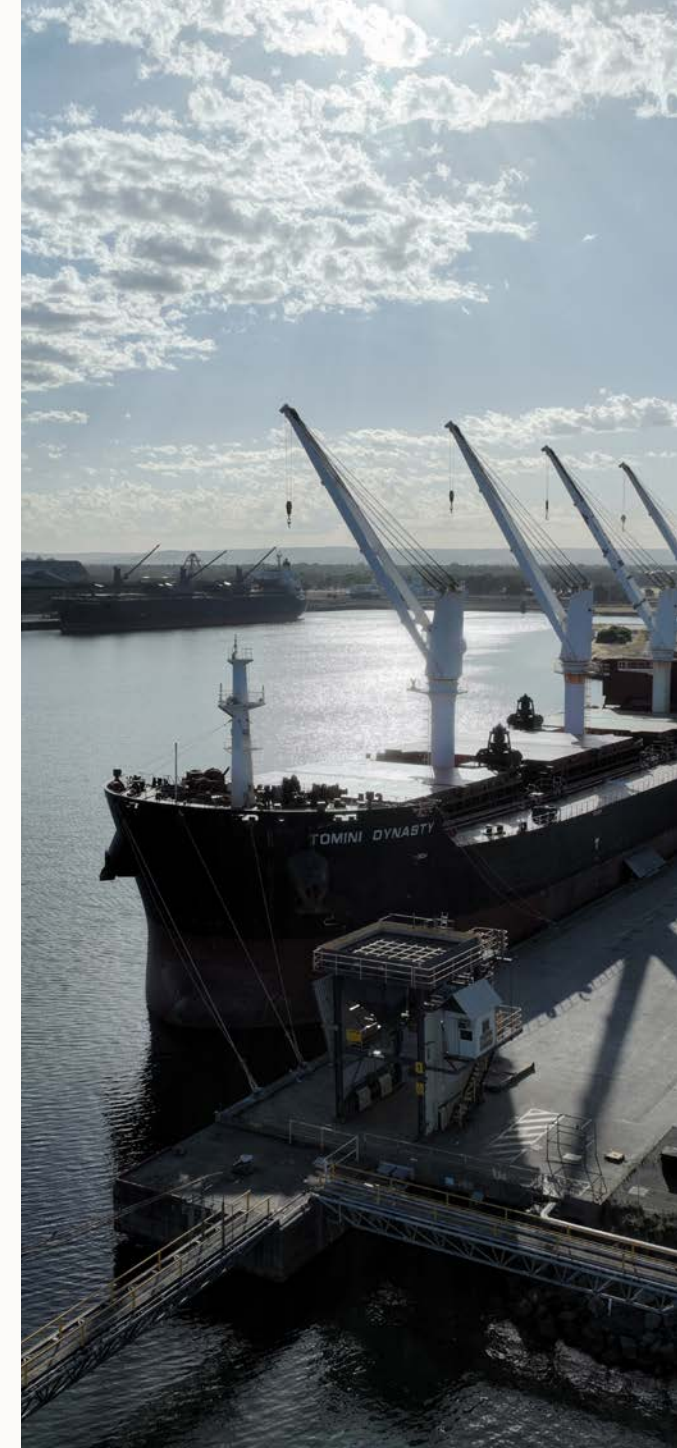
COMMODITY	2025	2024	2023	2022	2021
Alumina	10,045,070	10,517,978	10,771,827	11,120,952	11,417,470
Grain	7,307,853	8,374,266	9,370,489	6,860,199	5,480,372
Iron ore	3,786,939	7,553,589	7,605,099	8,585,478	10,186,370
Spodumene	2,586,045	2,471,753	2,405,155	1,874,669	1,423,477
Woodchips	1,680,530	1,797,593	2,094,260	2,388,992	2,006,574
Silica sand	714,418	512,616	488,932	652,054	423,059
Mineral sands	605,623	613,107	771,893	860,594	984,603
Copper concentrate	259,594	299,479	313,540	313,793	237,645
Nickel	128,277	53,215	147,637	135,846	143,318
Scrap metal	62,093	45,694	39,398	34,552	28,066
Sulphur	32,363	0	0	0	0
Feldspar	12,230	0	0	0	0
Breakbulk	306	0	0	0	0
Fuel	0	0	0	3,207	0
Sundry	0	0	0	13,451	55,814
Timber products	0	0	0	15,183	45,005
TOTAL EXPORTS	27,221,340	32,239,290	34,008,230	32,858,970	32,431,773

Total imports (tonnes)

COMMODITY	2025	2024	2023	2022	2021
Caustic soda	1,707,155	1,601,962	1,433,817	1,501,373	1,458,088
Fertiliser	600,438	539,107	385,356	381,886	377,091
Fuel	349,478	428,224	424,401	445,042	393,384
Coal	184,587	108,754	350,227	100,577	81,968
Mineral sands	50,914	208,644	236,083	422,164	293,104
Breakbulk	30,250	26,563	11,305	13,381	10,076
Sugar	22,652	0	0	0	0
Timber products	13,328	7,544	5,635	13,853	12,107
Sulphur	0	225,556	295,382	316,848	269,908
Sundry	0	7,721	11,550	11,272	42,408
TOTAL IMPORTS	2,958,802	3,154,075	3,153,756	3,206,395	2,938,133

Shipping

	2025	2024	2023	2022	2021
Trade vessels	700	785	823	784	762
Other vessels	46	16	30	7	9
NUMBER OF VESSELS	746	801	853	791	771
Gross registered tonnage	25,144,637	28,725,227	30,301,143	28,517,648	27,070,480



Port of Albany

Total trade (tonnes)

	2025	2024	2023	2022	2021
Total exports	4,576,538	4,969,502	5,323,580	4,218,044	3,693,398
Total imports	282,030	266,112	180,985	206,992	203,015
TOTAL TRADE	4,858,568	5,235,614	5,504,565	4,425,035	3,896,413

Total exports (tonnes)

COMMODITY	2025	2024	2023	2022	2021
Grain	3,614,737	3,769,905	4,070,756	3,059,537	2,676,202
Woodchips	795,023	955,332	996,693	951,633	825,831
Silica sand	166,778	244,265	256,131	191,690	146,360
Timber products	0	0	0	15,183	45,005
TOTAL EXPORTS	4,576,538	4,969,502	5,323,580	4,218,044	3,693,398

Total imports (tonnes)

COMMODITY	2025	2024	2023	2022	2021
Fertiliser	282,030	254,941	160,799	174,209	166,965
Fuel	0	11,171	20,186	32,782	36,050
TOTAL IMPORTS	282,030	266,112	180,985	206,992	203,015



Shipping

	2025	2024	2023	2022	2021
Trade vessels	128	144	144	125	127
Other vessels	24	14	20	1	4
NUMBER OF VESSELS	152	158	164	126	131
Gross registered tonnage	5,222,675	5,451,154	5,675,244	4,352,879	3,744,532

Berth capacity utilisation

	2025	2024	COMMENT
Berth 1	8%	3%	Vessels moved from Berth 2
Berth 2	21%	19%	Steady trade
Berth 3	67%	70%	Reduced grain throughput
Berth 6	14%	16%	Reduced woodchip throughput

Port of Bunbury

Total trade (tonnes)

	2025	2024	2023	2022	2021
Total exports	15,064,795	15,016,348	16,013,069	15,860,693	15,230,011
Total imports	2,029,856	1,973,077	2,048,008	2,085,136	1,887,560
TOTAL TRADE	17,094,652	16,989,425	18,061,077	17,945,829	17,117,571

Total exports (tonnes)

COMMODITY	2025	2024	2023	2022	2021
Alumina	10,045,070	10,517,978	10,771,827	11,120,952	11,417,470
Spodumene	1,815,312	1,433,657	1,498,264	1,170,770	720,748
Grain	972,551	1,131,337	1,541,464	829,497	552,521
Woodchips	784,067	755,461	871,822	1,109,416	1,055,366
Mineral sands	605,623	613,107	771,893	860,520	984,573
Silica sand	547,640	268,351	232,801	460,364	276,699
Copper concentrate	232,134	260,311	285,600	271,416	194,568
Scrap metal	62,093	36,146	39,398	34,552	28,066
Breakbulk	306	0	0	0	0
Fuel	0	0	0	3,207	0
TOTAL EXPORTS	15,064,795	15,016,348	16,013,069	15,860,693	15,230,011

Total imports (tonnes)

COMMODITY	2025	2024	2023	2022	2021
Caustic soda	1,707,155	1,601,962	1,433,817	1,501,373	1,458,088
Coal	184,587	108,753	350,227	100,577	81,968
Mineral sands	50,914	208,644	236,083	422,164	293,104
Breakbulk	30,250	26,563	11,305	13,381	8,618
Sugar	22,652	0	0	0	0
Fertiliser	13,671	11,917	0	25,885	22,754
Timber products	13,328	7,544	5,635	13,853	12,107
Fuel	7,299	7,694	10,941	7,903	10,921
TOTAL IMPORTS	2,029,856	1,973,077	2,048,008	2,085,136	1,887,560

Shipping

	2025	2024	2023	2022	2021
Trade vessels	418	431	457	459	439
Other vessels	5	0	8	6	5
NUMBER OF VESSELS	423	431	465	465	444
Gross registered tonnage	13,832,659	13,850,781	14,642,659	14,837,074	13,481,101

Berth capacity utilisation

	2025	2024	COMMENT
Berth 1	7%	5%	Increase in non-cargo vessels
Berth 2	1%	1%	Steady trade
Berth 3	61%	70%	Reduced grain throughput
Berth 4	69%	74%	Reduced throughput
Berth 5	60%	53%	New silica sand trade
Berth 6	71%	72%	Steady trade
Berth 8	74%	59%	Increased spodumene throughput



Port of Esperance

Total trade (tonnes)

	2025	2024	2023	2022	2021
Total exports	7,580,007	12,253,440	12,671,581	12,780,158	13,508,334
Total imports	646,916	914,886	924,763	914,268	847,558
TOTAL TRADE	8,226,922	13,168,326	13,596,344	13,694,426	14,355,892

Total exports (tonnes)

COMMODITY	2025	2024	2023	2022	2021
Iron ore	3,786,939	7,553,589	7,605,099	8,585,478	10,186,370
Grain	2,720,565	3,473,024	3,758,269	2,971,164	2,251,649
Spodumene	770,733	1,038,096	906,891	703,899	702,729
Nickel	128,277	53,215	147,637	135,846	143,318
Woodchips	101,440	86,800	225,745	327,943	125,377
Sulphur	32,363	0	0	0	0
Copper concentrate	27,460	39,168	27,940	42,377	43,077
Feldspar	12,230	0	0	0	0
Sundry	0	9,548	0	13,451	55,814
TOTAL EXPORTS	7,580,007	12,253,440	12,671,581	12,780,158	13,508,334

Total imports (tonnes)

COMMODITY	2025	2024	2023	2022	2021
Fuel	342,179	409,360	393,274	404,357	346,413
Fertiliser	304,737	272,249	224,557	181,791	187,372
Breakbulk	0	0	0	0	1,458
Sulphur	0	225,556	295,382	316,848	269,908
Sundry	0	7,721	11,550	11,272	42,408
TOTAL IMPORTS	646,916	914,886	924,763	914,268	847,558

Total Twenty-foot Equivalent Units (TEUs)

	2025	2024	2023	2022	2021
TEUs in	0	2,574	5,041	5,048	5,558
TEUs out	0	3,432	5,325	5,530	4,470
TOTAL TEUs	0	6,006	10,366	10,578	10,028

Shipping

	2025	2024	2023	2022	2021
Trade vessels	154	210	222	200	196
Other vessels	17	2	2	0	0
NUMBER OF VESSELS	171	212	224	200	196
Gross registered tonnage	6,089,303	9,423,292	9,983,240	9,327,695	9,844,847

Berth capacity utilisation

	2025	2024	COMMENT
Berth 1	42%	50%	Reduced grain throughput
Berth 2	39%	43%	Reduced sulphur throughput and containers
Berth 3	30%	53%	Reduced iron ore throughput



Trade development

Southern Ports maintained a significant focus on proactive trade facilitation, which resulted in our new trade agreements more than doubling on the previous year.

In total, 22 new agreements were signed:

- eight new commodities and customers were welcomed into our ports, including sugar imports, feldspar and breakbulk exports, and new customers trading iron concentrate, silica sand and scrap metal;
- six agreements to ensure compliance and operational requirements were met including historical site management; and
- eight agreements were formalised with existing and sub-licensed users for the continuation of existing trade.

A further six renewals of current agreements were re-signed for port customers to continue trading and operating through our ports.

Several commercial licenses were negotiated to provide access to a diverse range of vessels such as Helix Q7000 and The University of Western Australia's Monitoring Buoy, while leases to provide land for a diverse array of projects and businesses such as the City of Albany's Surf Reef rock storage and Westerberg Aluminium Boats were also negotiated.

As the closest regional port to the metropolitan area, the Port of Bunbury saw significant growth in interest from trade partners looking for the capability and flexibility to facilitate their products efficiently.



Sweetening our trade

Southern Ports' capability to facilitate diverse trade expanded further in 2025 with two new commodities added to its remit.

The sweetest of them all was from Sugar Australia.

Our Port of Bunbury began importing sugar for the first time in two decades with more than 22,650 tonnes of sugar unloaded from Sugar Australia's *MV Pioneer*, the world's only specialised food grade bulk refined sugar vessel across three visits.

Sugar Australia is Australia's largest sugar refiner and supplies crystal sugars and liquid sugar to industrial food and beverage customers, as well as consumer crystal sugar, treacle and golden syrup under its retail brand CSR.

Sugar Australia Chief Operating Officer Paul Gregory said improved onboard bulk filling equipment enabled the company to expand *MV Pioneer*'s service to valued WA customers.

"The Port of Bunbury was selected for its location, flexibility and capacity to support the unloading of a high-volume cargo vessel, with a capacity of over 20,000 tonnes."

Trade outlook

Southern Ports maintains a diverse trade profile, facilitating the movement of 40 different commodities across our ports, with the bulk of these exports being alumina, grain, iron ore and spodumene.

The outlook for alumina, Southern Ports' highest traded commodity, remains stable, although fluctuations in alumina exports and associated caustic soda imports may occur due to local mining or processing adjustments.

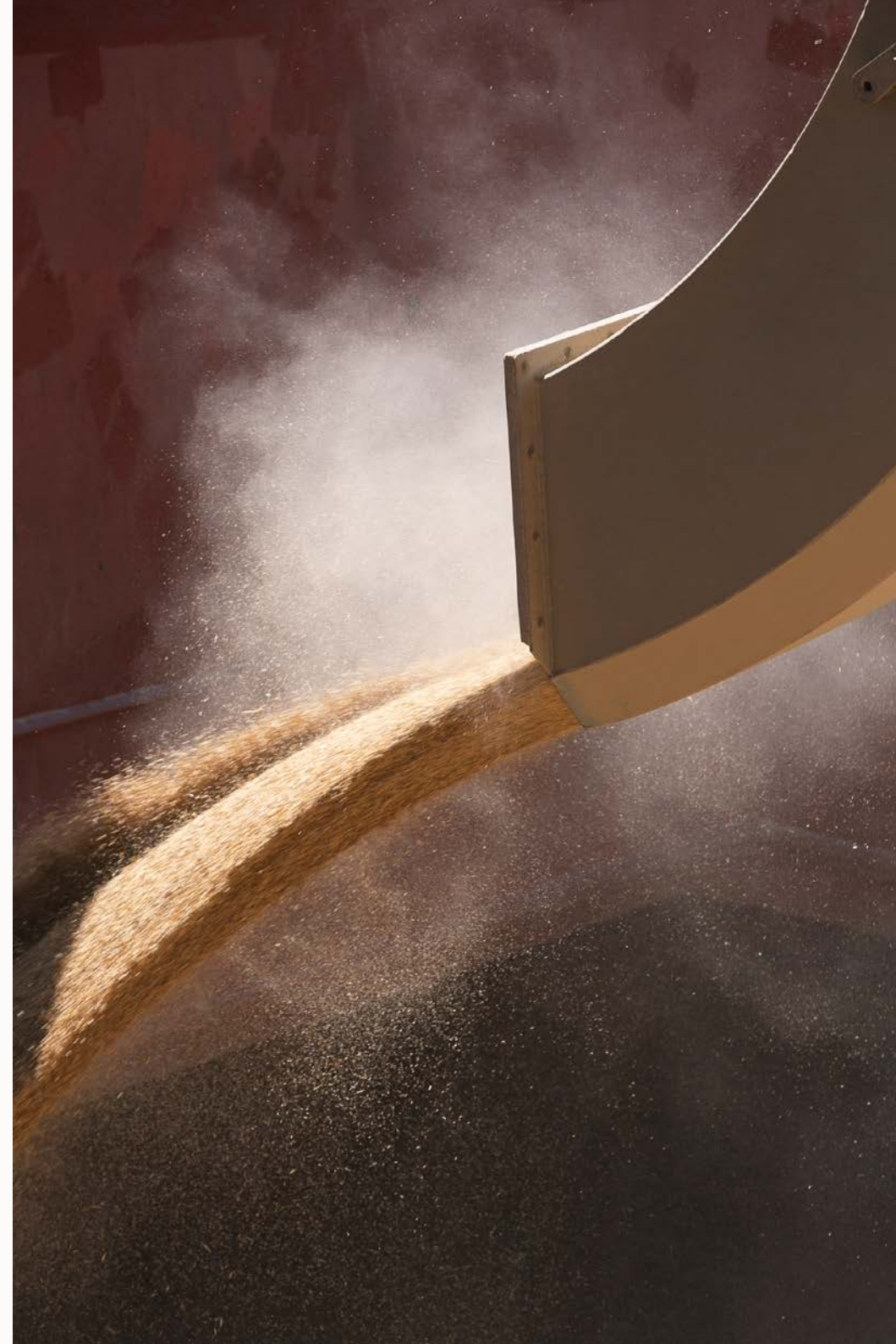
Grain supply is expected to remain strong, though will continue to be heavily influenced by weather conditions and supply chain resilience. Increased land availability resulting from livestock reductions may contribute to higher grain production and export growth in future years.

Significant capacity remains across the Port of Esperance for iron ore exports following the cessation of Yilgarn hub haematite production from exporter Mineral Resources in January 2025.

Although iron ore exports through the Port of Esperance are sensitive to global price movements, the Port's established supply chain and ability to accommodate Capesize vessels continues to provide a strategic advantage for mines within the catchment. This is particularly important over the longer term, given the area's substantial magnetite resources – a key input for low-carbon steel production.

The spodumene market is experiencing a period of significant price volatility and weakening, which has been felt by several Australian spodumene producers which have either suspended or are planning to suspend operations, including Mineral Resources' Bald Hill operation and Arcadium Lithium's Mount Cattlin mine. Despite the downturn, Australia remains a major supplier of lithium and the Port of Bunbury the largest lithium export port globally.

Breakbulk and project cargo imports, particularly at our Port of Bunbury, are expected to increase as demand for renewable energy infrastructure increases and domestic manufacturing capabilities are realised, including those resulting from the future development of the South West's Advanced Manufacturing and Technology Hub.





STRATEGIC PILLAR

High performance organisation

Southern Ports strives to build an agile, future-focused culture that values workplace safety, equity, diversity and inclusivity; enhances employee experience and engagement; and engages best-in-class systems and processes.

OUR PEOPLE

At Southern Ports we believe in putting people first – above innovation, above achievement, above ambition comes the safety and wellbeing of our team, our customers and our communities.

At 30 June 2025, our team consisted of 312 people, with 79 per cent of those based in the South West, Goldfields-Esperance and Great Southern regions. Forty per cent of Southern Ports' workforce is based in Esperance.

Close to a third of our people have been employed at Southern Ports for more than six years.

In July, Southern Ports responded to labour impacts following announcements from both First Quantum Minerals and Mineral Resources that would reduce trade through our Port of Esperance. The consultation with our workforce and the Maritime Union of Australia was open and positive with good suggestions shared.

An expression of interest process for voluntary redundancies and flexible working arrangements was conducted with 36 people taking up the opportunity for a redundancy.

Southern Ports also adapted its approach to operations through a change in model and cost structure of its iron ore operations, and through improved labour forecasting, allocations and rostering (including filling temporary labour requirements of other ports from Esperance).

Our culture

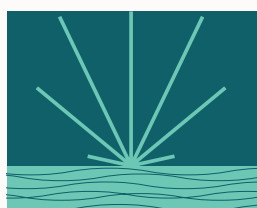
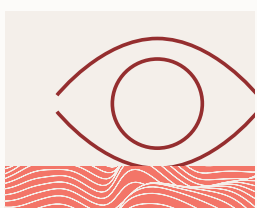
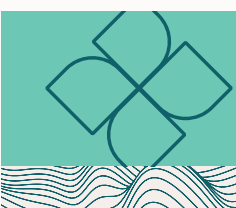
Southern Ports further developed its organisational culture this year, with the launch of new values (below) in March. The values were developed by our workforce following an extensive period of research and development and are being brought to life and embedded through a series of activations and initiatives.



Workforce engagement

Southern Ports launched its new strategic direction, brand, values and employee value proposition to staff in March.

Immersive learning activations generated engagement and activity to increase our teams' understanding and encouraged cross site and cross team collaboration.

 Put people first. Above innovation, above achievement, above ambition comes the safety and wellbeing of our team, our customers and our communities.	 Believe in better. We set the bar high, then go about raising it again every day. We are driven and determined, constantly striving for excellence.	 Embrace curiosity. Curiosity is a powerful tool. It leads us to look at things through new eyes. To explore new possibilities. To discover better ways of doing things for our customers and our communities.	 Find your voice. We don't judge failure. For it is only through failure that we learn to excel. So go ahead. Stand up. Speak up.	 Be greater together. We are collaborators. Champions of inclusivity. When we work together as one we can make great things happen. Together we are stronger.
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Health and wellbeing

With a strong belief in better and a drive for continuous improvement, Southern Ports undertook a refresh of its Health and Wellbeing program in 2025.

The refreshed program was informed by a survey completed by more than a third of the workforce and led to a host of new benefits:

- to increase physical and financial wellbeing – new corporate partnerships with fitness centres across all regions and with Westpac to offer financial advice and discounted rates to our staff.

- to make health and wellbeing initiatives more accessible – the development of a dedicated Health and Wellbeing Hub for staff.

Delivery of our annual Health and Wellbeing program benefits resulted in:

- 176 staff skin checks completed with more than 40 per cent of participants referred to local doctors for further assessment, and six per cent receiving a skin cancer diagnosis or provided with preventative care.
- 76 per cent of staff taking up the \$299 Health and Wellbeing reimbursement, a 36 per cent increase on the year prior and a \$70,000 investment.

- 94 people vaccinated against the flu through onsite clinics hosted across our sites or at external pharmacies.
- more than 1,000 coaching sessions and one-on-one health check-ups with our partner Healthy Business, covering nutrition, fitness, injury management, mental health and lifestyle support.

In total, Southern Ports invested \$220,000 in its employees through the Health and Wellbeing program over the year.

Wellbeing Week

To celebrate the launch of the new-look Health and Wellbeing program, Southern Ports hosted a week-long activation with the opportunity for staff to engage in a range of physical, psychological, financial and social health-based activities including cooking demonstrations, yoga, alpaca therapy, sound meditation and more.



Employee relations

NEGOTIATED AGREEMENTS

Four Enterprise Agreements were approved by the Fair Work Commission and took effect during the year. This included a new Enterprise Agreement negotiated for 130 staff in administration and specialist roles across the business which delivered improved benefits and greater equity for employees.

AGREEMENT	APPROVAL DATE	EXPIRY
SPA Bunbury Pilot Boat Agreement	23 January 2025	30 June 2027
SPA Administration and Specialist Agreement	31 January 2025	31 December 2027
SPA Marine Pilots Port of Albany Agreement	24 February 2025	30 June 2027
SPA Esperance Shift Superintendents Agreement	1 May 2025	31 December 2027

UNDER NEGOTIATION

Four Enterprise Agreements are under negotiation including one which consolidates three separate maintenance and operations agreements.

AGREEMENT	EXPIRY
SPA Marine Pilots Port of Bunbury and Port of Esperance Agreement	30 June 2025
SPA Esperance Administration Agreement	31 December 2024
SPA Albany Administration Agreement	New Agreement
SPA Maintenance and Operations Agreement*	New Agreement

*A consolidated agreement that will bring together three separate maintenance and operations agreements across Albany, Bunbury and Esperance for the first time.

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 Maritime Union of Australia (MUA), a division of Construction, Forestry and Maritime Employees Union (CFMEU); Australian Maritime Officers Union (AMOU); and Electrical Trades Union (ETU).





Diversity, equity and inclusion

Southern Ports continued to strengthen its commitment to diversity, equity and inclusion in 2025, demonstrating progress across several key workforce indicators.

Female workforce representation increased to 28.5 per cent, up from 26 per cent the previous year – a result significantly higher than the global maritime industry average of just two per cent, reflecting our sustained efforts to foster a more inclusive workplace. The period also saw a slight uplift in women holding leadership roles.

WORKFORCE DIVERSITY



* Culturally and linguistically diverse

** Aged 25 years and under

*** >45 years of age

Aboriginal representation rose to 2.5 per cent, up from 1.7 per cent in 2024 and closer to the 3.7 per cent WA Government target, marking a positive step forward in Aboriginal employment outcomes.

Employees identifying as having a disability slightly lowered to 3.8 per cent, while a notable decrease was reported in the proportion of our young employees under 25, which fell from 10.8 per cent to 2.8 per cent, and mature-aged employees (aged 45 and over), which declined to 56.9 per cent from 59.6 per cent the previous period. The proportion of employees from culturally and linguistically diverse (CALD) backgrounds also reduced slightly to 10.2 per cent, down from 13.4 per cent in the previous reporting period.

These shifts highlight opportunities to strengthen engagement and long-term workforce planning.

Importantly, response rates to diversity measures improved across the board, demonstrating increasing employee confidence and participation. Response rates rose for Aboriginal identity (from 80.1 to 82.4 per cent), people with disability (94.2 to 95.1 per cent) and employees from CALD backgrounds (76.5 to 80.4 per cent).

These results underline our continued focus on developing a workplace that reflects the diverse communities we serve and where all individuals are welcomed, valued and supported.



Women in leadership

Southern Ports continued its commitment to developing its women in leadership as another 27 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, two cohorts of women participated in the two-day course this period to further build confidence and leadership skills. Since its inception in 2023, 41 women have completed the program.

During the period, several past program participants further developed in their careers at Southern Ports through uptake of new opportunities and managerial roles.

Continuous learning and development

Training and development of our people are key to a high performing organisation. This year we invested close to \$687,000 in our workforce to ensure we have the right skills and knowledge for current and future roles in our organisation.

Southern Ports' learning and development platform was audited throughout the year to standardise compliance training for operational roles. The platform continued to offer fit-for-purpose and accessible training with a catalogue of more than 3,800 courses.

A total of 7,344 training events was undertaken during the year, the majority of which were completed online. These events included:

- organisation-wide Respect at Work training which followed the launch of Southern Ports' new Respect at Work Procedure;
- a range of self-paced online courses including cyber security, biosecurity awareness, fatigue management, asset management and others; and
- several leadership and professional advancement courses including Certificate IV Training and Assessment, Certificate IV Leadership and Management, Diploma of Human Resources and Graduate Diploma of Asset Management.



Celebrating success

We were pleased to celebrate one of our Business Administration Trainees, Emma Sticken, when she was awarded the Esperance Campus Student of the Year award from South Regional TAFE, as well as a Certificate of Excellence for Business and Management.

Emma has thrived since joining Southern Ports to undertake her traineeship in 2024.

"I love that I'm able to take part in personal and professional development opportunities within such a short time of being with Southern Ports, and I can imagine there will be many more."

From scholarship to seagrass

Following the award of the inaugural Steve Lewis Regional Scholarship in 2024, we welcomed Curtin University student Lahni Davis into our team for her first of four placements over the summer period.

Studying a degree in Advanced Science, Lahni commenced a four-year research project with us to monitor the seagrass within Albany's Princess Royal Harbour.

The research will benefit from the work of O2 Marine, the consultants engaged by Southern Ports to undertake a benthic primary producer (seagrass) habitat data survey of Princess Royal Harbour. This was completed during May and captured approximately 18 kilometres of towed underwater footage.



Career pathways

Southern Ports provides development pathways for current staff and also career entry opportunities for young people, including those within our regional communities.

This year, we supported:

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

We continue to work in close partnership with metropolitan and regional TAFEs and other educational institutions as part of our career pathways development, which also extended to our participation in several career events including the Central TAFE Regional Careers Expo in Kalgoorlie and The Big Meet in Perth, and hosting Career Tasters for interested students.

Now in its second year, our Steve Lewis Regional Scholarship supports a student to complete their undergraduate degree at Curtin University in the field of Business and Law or Science and Engineering. Applications and judging for the 2025 recipient was undertaken this period, with the scholarship expected to be awarded in July 2025.

Over the past year, there has been significant workplace development opportunities for staff with more than 20 people taking on new and higher duties within the organisation, as well as succession planning undertaken to identify pathways for employees with the capacity to advance.

In addition, Southern Ports is ensuring fit-for-purpose infrastructure to provide learning opportunities for apprentices, particularly in Esperance where a new electrical workshop commenced construction. The new workshop has been designed with the intention to provide increased skill development for electrical and maintenance teams.



WORK HEALTH AND SAFETY

The safety of our team, customers and community always comes first.

Safety culture transformation

Our drive for continuous improvement in our safety culture was reflected in a number of highlights over the past year:

- In December, we implemented our new work health and safety online tool, ecoPortal, which has already resulted in a significant increase (25 per cent) in worker engagement and participation in identifying and mitigating risk.
- Launched in August, a new Field Leadership Engagement Program comprising:
 - proactive leadership interactions – with leaders observing activities and engaging with workers on observed hazards and exposures. A total of 1,181 leadership interactions was completed during the period.

1,181

leadership interactions



20 stop work actions

- new Critical Control Verifications (CCVs) – to provide a checklist to assist with the identification of critical controls for significant risks, and to verify that controls are in place and are working in the field. A total of 285 CCVs was completed during the period (a 400 per cent increase).
- reinforced Stop Work Authority – to empower our people to take personal responsibility to make decisions about work safety. Twenty stop works were issued during the period.
- Development of a dedicated online Work Health, Safety, Environment and Security Hub to provide our people with easy access to a range of resources and materials.
- Prioritising safety culture through our new corporate value – ‘put people first’.
- Achievement of ISO 45001:2018 certification for our Health and Safety system, reflecting the continued cultural shift and proactive approach to health and safety.
- Recognition at the 2024 Australian Shipping and Maritime Awards in November with a high commendation for our safety initiatives and outcomes.

285

Critical Control Verifications



ISO 45001:2018 certification



Field leadership engagement

The Field Leadership and Critical Control Verification program (developed in 2024 and introduced in 2025) is a critical part of Southern Ports’ safety culture transformation.

The Field Leadership Engagement Program has a strong framework to guide leaders on what to do, when to do it, how to engage workers, what to look for and how to follow up.

Senior leaders (from the Board down) have been conducting Critical Control Verifications at all sites, not only interacting with employees, but with contractors and port users, setting a high standard for our entire port community.

Work health, safety and injury management

MEASURES	2023 ACTUAL	2024 ACTUAL	2025 TARGET	2025 ACTUAL	COMMENTS
Number of fatalities	0	0	0	0	Target achieved. Zero fatalities.
Lost time injury and disease incidence rate	0.70	0.88	0 or 10% reduction	0.31	Target achieved.
Lost time injury and disease severity rate	0	0	0 or 10% reduction	100	Target not achieved. A total of one (1) lost time injury with that injury resulting in more than 60 days lost.
Percentage of injured workers returned to work within 13 weeks	100	100	Greater than or equal to 80% return to work within 13 weeks	0	Target not achieved. A total of one (1) lost time injury, with that injury resulting in 13.14 weeks lost.
Percentage 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.
Percentage of managers trained in work health and safety injury management responsibilities including refresher training within three years	98	99	≥ 80	100	Target achieved. 100% achieved.

Southern Ports is committed to providing a safe and healthy workplace, supported by strong systems that help to prevent injury and harm. This commitment extends to our injury management practices, which are tailored to meet the individual needs of our employees to ensure they receive appropriate support during recovery.

In 2025, the number of workers' compensation claims remained low, reflecting our proactive approach to safety and early intervention. A total of three workers' compensation claims were lodged with our insurer RiskCover during the period.

Southern Ports undertook close to 500 verifications of competency across our workforce this year (a 64 per cent increase on the previous period) to ensure that our people were equipped with the right skills and knowledge to undertake their role safely. In addition, more than 80 external contractors undertook skills verification directly through Southern Ports.

Maritime security identification card transition

In 2025, the Secretary of the Department of Home Affairs authorised the transfer of Maritime Security Identification Card (MSIC) issuing body responsibilities from Southern Ports to Veritas Engineering Pty Ltd, a Commonwealth-authorised MSIC Issuing Body. From April 2025, Southern Ports no longer issued MSICs.



OUR ASSETS

Our port infrastructure and how we manage it is critical to building a high performing organisation.

Asset management

This year, Southern Ports became only the fifth port globally to achieve ISO 55001:2014 and be recognised for its world-class asset management system following a comprehensive business-wide audit.

The system delivered a series of benefits this year:

- Ensuring better value for money from our asset investment with the ability to make data-backed decisions on when to invest in preventative maintenance, when to invest in upgrades and how to make assets more effective. This resulted in close to 60 per cent of all maintenance undertaken over the year being preventative in nature.
- Reducing overall operating risk including the ability to undertake key asset inspections that feed data back into the system. Twenty-seven inspections took place on key assets, with targeted management strategies developed.
- Increasing the understanding of our assets to drive operational efficiency and continuous improvement opportunities.
- Improving the quality of data on assets to support business case development for new funding requirements.

With a 'believe in better' mindset, a raft of refinements were also made to the accredited asset management system during the period:

- integration of the asset management system manual with asset condition data in digital asset class management plans;
- development of a new planned maintenance optimisation tool which is integrated with the asset management system manual;
- development of a structured, comprehensive and consistent asset inspection regime to feed quality data back into the system;
- establishment of a new role, Asset Inspections Lead, embedded into the business; and
- the asset management process to drive increased inspections and continually feed the required data into the system.



ISO on show

ISO certification has established Southern Ports as an industry leader across Australia. Key members of Southern Ports' Asset Management team undertook an industry roadshow sharing insights and learnings of our world-class system with other ports, resources companies, local government authorities and other asset-rich organisations.

Southern Ports had a key presence at Mainstream and Asset Management Council's AMPEAK conferences.

Southern Ports' was also recognised through two awards of excellence from the Asset Management Council and Institute of Public Works Engineering Australasia (WA) for our work.

Port investment

Southern Ports progressed its largest-ever capital works program during the year, with a record spend of \$59 million across 152 projects. An additional \$40 million was invested in maintenance projects.

This ambitious asset renewal and development program resulted in improvements in key supply chain networks including roads and critical infrastructure required for trade facilitation, increased efficiency for operational technology, and the delivery of circuit systems connecting storage to vessel loading infrastructure.

ASSET INVESTMENT SNAPSHOT



60 projects
completed
across major and sustaining
capital works projects



\$59m
invested across
152 projects

16,615



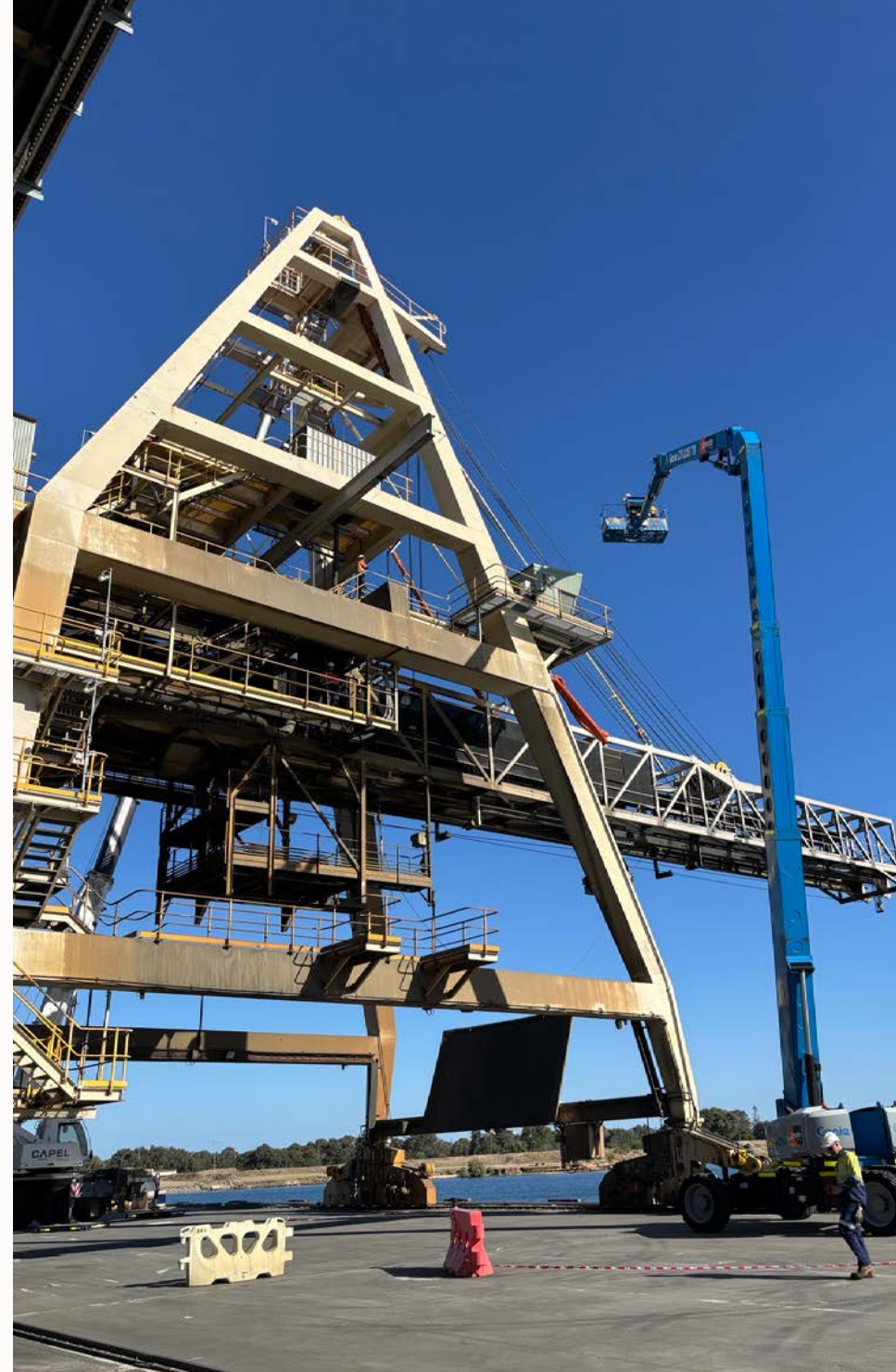
work orders completed

- 9,835 preventative
- 6,060 corrective
- 720 emergency

7 maintenance
shut downs



- 1,373 labour hours
- 92% compliance on all shuts
- 567 work orders completed as part of our shuts
- \$5.1 million in maintenance work completed as part of our shuts



PORT OF ALBANY CAPITAL INVESTMENT



Precinct entry statement

Uplift in visual amenities at the Port entrance off Princess Royal Drive.



Tug marina fire main extension

Extension of pipeline for fire mains.



Commenced



Completed



Berth 2 shiploader grillage

Modifications to grillage and ramps providing mobile shiploader capabilities for out loading commodities over Berth 2.



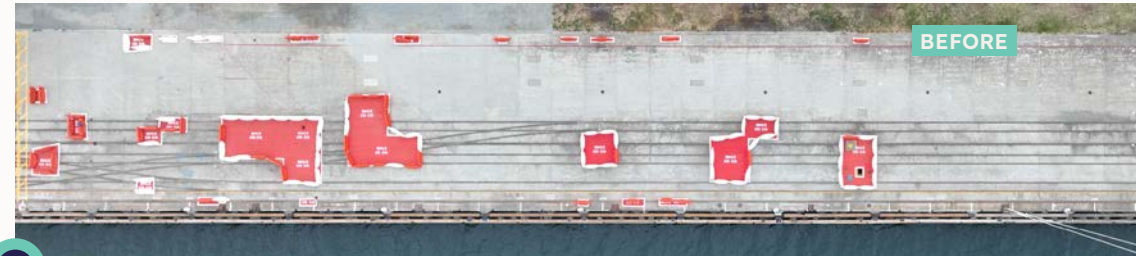
Pilot Station precinct development

Detailed design and maintenance works for the historic area to create a new community asset.



General Purpose Berth

Progression of 15 per cent engineering designs of options to inform studies to develop a business case.



BEFORE



Berth 1 and 2 improvements

Berth refurbishment works were undertaken on Berth 1 and 2 at our Port of Albany to improve the condition of the berths and improve the Port's operational capacity.

The works program comprised of concrete deck repairs, concrete pile repairs and timber fendering works and was completed in May 2025.

All 'no go' zones on Berth 2 were removed and remediated and daily operations significantly improved.



AFTER

PORT OF BUNBURY CAPITAL INVESTMENT



Berth 8 shutdown

The largest ever maintenance shutdown of Berth 8, in duration and investment, was undertaken in March.

The 21-day shut enabled critical maintenance works to ensure long-term, sustainable operations including:

- shiploader sheave beam and transformer replacement;
- sill beam repairs;
- fire system upgrades;
- structural remediation of CV04 and CV05 conveyors; and
- routine corrective maintenance on outload circuit and associated infrastructure.

The multi-user, multi-commodity Berth 8 facility is one of the most highly used assets at the Port of Bunbury, of significance to both Southern Ports and the broader regional economy.



Berth 2 crossover remediation

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



Transformer replacement

Replacement of an ageing transformer at the Outer Harbour.



Berth 3 trestle piles repairs

Installation of 18 new steel collars to reinforce and extend the life of the asset.



Ring main unit

Additional ring main unit installed for more reliable power distribution.



Electrical infrastructure upgrades

Replacement of a substation, transformers, low voltage switchboards, small distribution boards, high voltage ring main units, a conveyor cable tray and a new underground high voltage cable installation.



Bunge site sealing and Berth 5 road

Remediation of road infrastructure, enabling continued and uninterrupted access for port users.



Commenced

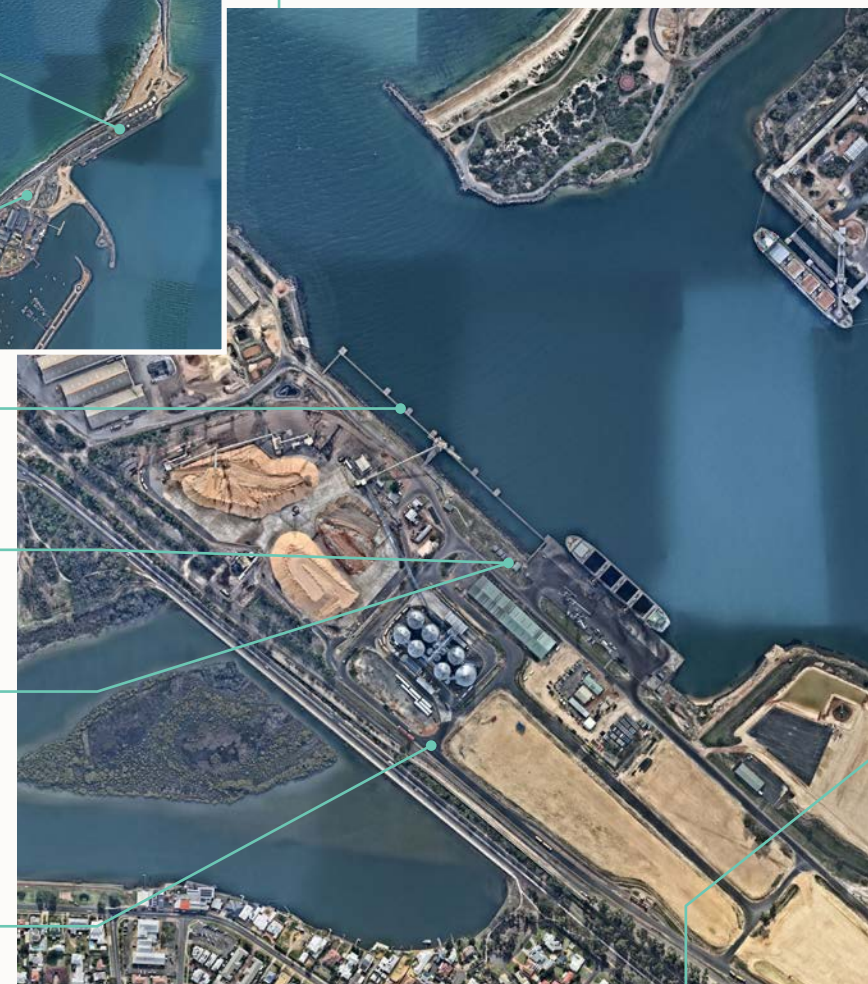


Completed



Breakwater and navigational aid renewal

More than 7,000 tonnes of granite core material and granite rock armour for the breakwater and a new channel lead marker were installed.



Operational technology upgrades

Increased connectivity between devices to support smart systems through upgrade of process control systems and networks.

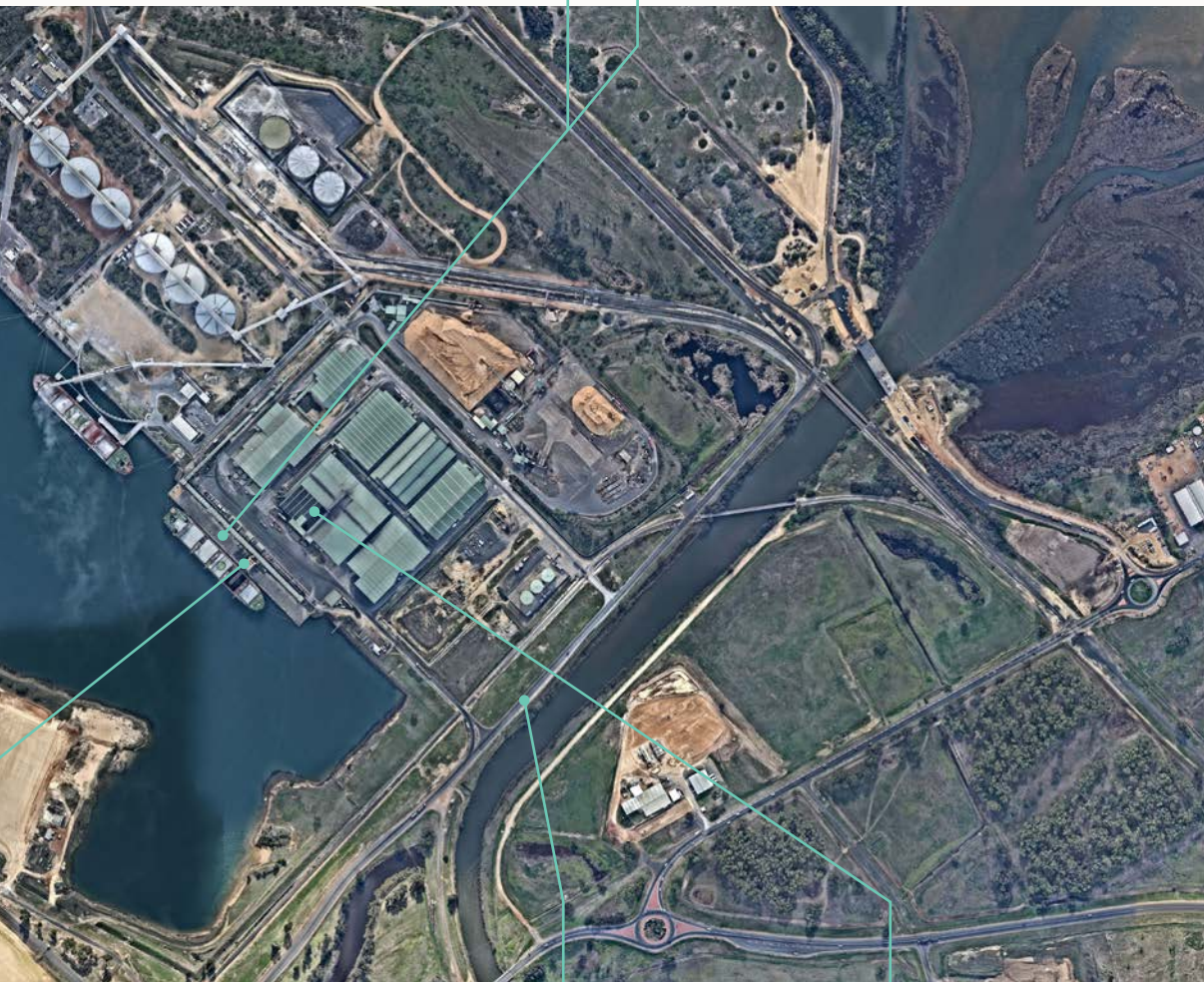
Berth 8 upgrades

Repairs to the sill beam, conveyor widening, guarding and cladding, cathodic protection and electrical realignment.



Berth 8 upgrades

A significant amount of work conducted at Berth 8 across several projects including a second stage of fire ring main upgrades, substation fire protection, sheave beam, conveyor energy chain renewal, and speed increases and dust captures.



Workshop gantry shed

Weather-tight upgrades to enclose the shed with steel cladding.



Leschenault Drive street lighting

Installation of street lighting to improve the safety and security of port boundaries.



Shed 8-3 recladding

Detailed design completed with replacement of structural girts, purlins and sheeting of shed underway.



Turkey Point Access Road and Bridge

Significant progress was made on the \$34 million Turkey Point Access Road and Bridge this period.

A new roundabout was established on Estuary Drive, along with a road and bridge over the Preston River, creating a new access route to Turkey Point, a recreational landmark for locals. Offset works to revegetate degraded areas of saltmarsh were also commenced during the period.

The project, which is funded under Royalties for Regions, will open in August 2025. When complete, it will increase safety by separating port-related traffic from public traffic accessing Turkey Point, while also positioning the port for future growth.

PORT OF ESPERANCE CAPITAL INVESTMENT



CV26 gallery replacement

A vital link in our Port of Esperance iron ore circuit was upgraded in a \$2.8 million project which involved replacing four gallery sections in the conveyor known as CV26, which links the Port's rail line to its storage sheds.

First Nation Engineering, an Aboriginal company engaged by Southern Ports for the first time, was contracted to manufacture, transport and install the four replacement gallery sections.

After being transported to Esperance, the like-for-like replacements were moved into place by cranes with minimal interruption during a shutdown window.



Port road upgrades (Stage 2)

Hughes Road upgrades including drainage, installation of new exits and roundabout to help traffic flow.



Motor control centre 8 and 9 – smoke and fire detection

Installation of smoke and fire detection in motor control centre.



Shed 4 ramps

Old steel shed ramps to be replaced as they reach end of life, ensuring safety and trade continuity.



Shed 4 cladding repairs

Corrosion repairs to eaves and roof of Shed 4.



Transfer tower stairway relocations

Relocation of stairways to eliminate operational risk and improve safety.



CV40 trestle legs

Planning undertaken for replacement and corrosion repairs to the trestle legs.



Sulphur grab

Replacement of almost 20 year old crane grab to ensure reduction in spillage and trade continuity.



Berth 2 crane rail remediation

Removal of concrete and replacement of rails on the container crane.



Commenced



Completed

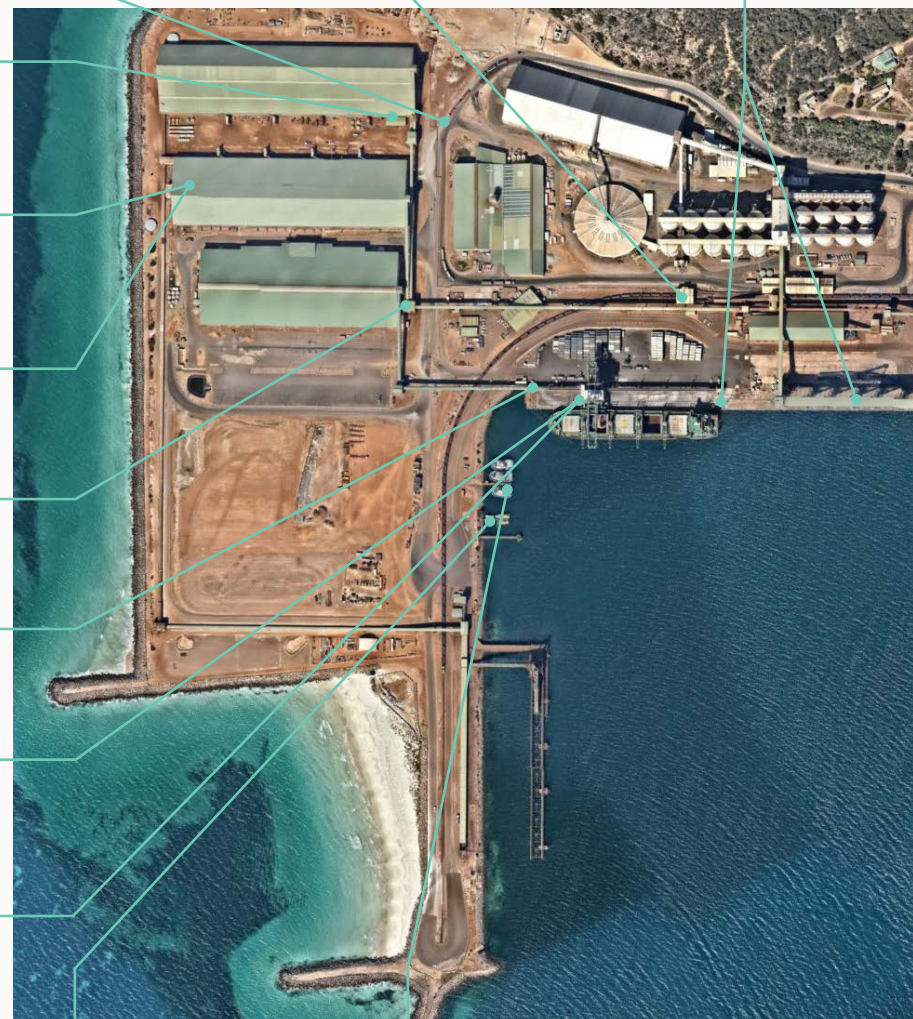
Iron ore circuit dust and spillage reduction

Feeder skirt upgrades to improve design and limit spillage.



Berth pile wrapping (Stage 2)

Refurbishing and installing new pile wraps to 300 piles across Berths 1 and 2.



Kwillina pilot boat electrical upgrades

Critical upgrade to vessel navigation and electrical systems.

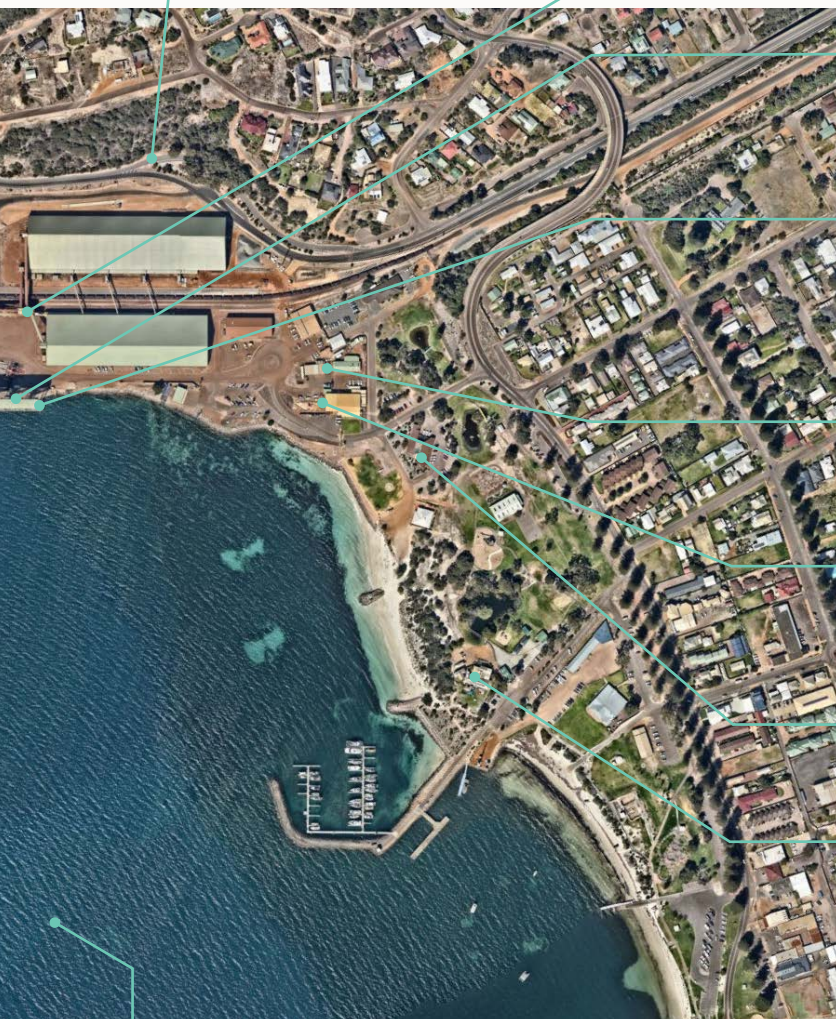


Tug pen and pilot jetty upgrade

Detailed engineering design and environmental assessments progressed for the replacement facilities.

✓ **Port road upgrades (Stage 1)**
Completion of road and drainage upgrade of the first kilometre of Hughes Road.

✓ **Transfer tower stairwell realignment**
Relocation of stairways to eliminate operational risk and improve safety.



⚙️ **Berth 1 soffit repairs**
Removal and replacement of a section of the concrete berth with soffit remediation.

✓ **Metocean sensors**
Installation of additional metocean sensors to improve data availability and safer marine operations.

✓ **Wash bay roof**
Safety improvement to protect mechanical staff from adverse weather conditions.

⚙️ **Electrical workshop**
New and relocated electrical workshop constructed to provide safe and modern facilities.

⚙️ **Operations centre**
Concept design works.

✓ **Taylor Street Quarters upgrades**
Kitchen and cool room floor replacement including drainage, electrical and plumbing.

✓ **Tug storm moorings**
Installation of two storm tug moorings in Esperance Bay.

✓ **Sector light replacement**
Installation of port entry light to improve operational efficiency and safe entry.



Operational technology

Operational technology upgrades across our three ports commenced following a \$13.6 million contract award to Accenture in October.

The multi-year project will involve the replacement of aging components as well as significant upgrades to process control systems integral to the function of port infrastructure including conveyors, ship loaders and rotary car dumpers.

The project will positively impact operations in Albany, Bunbury and Esperance by improving performance, enhancing security and furthering digital integration of our assets into broader smart systems.



STRATEGIC PILLAR

Enduring value

Southern Ports creates enduring value for our communities and positively impacts our regions through trust, engagement and the protection of heritage and the environment.

ENVIRONMENT

As guardians of expansive natural assets, our environmental responsibility is paramount.

This year, Southern Ports achieved ISO 14001:2015 certification for our environmental management system across all ports. The international certification demonstrates the rigour of our environmental management programs and provides assurance of our commitment to be responsible custodians of our ports and their environs.



Air

Measuring and reducing our impacts

Southern Ports has more than 20 dust and noise monitors located around our three ports to ensure we mitigate the impacts of our operations on our surrounding communities.

Dust monitoring results are reported to the Department of Water and Environmental Regulation as required. No exceedances of reportable dust levels were recorded throughout the year that were attributable to Southern Ports' activities.

We responded to five dust and 12 noise concerns from the community, with all investigated and closed out.

Land

Creating safe spaces for community to enjoy

Southern Ports substantially completed remediation works at several public parkland areas across our port sites, including at Mass Rocks at the Port of Albany. These works were to remove historic asbestos contamination and to ensure these spaces can be enjoyed by the community.

Adventureland Park at the Port of Esperance was also assessed as sufficiently remediated and no longer requiring investigation for contamination.

To date more than 3,500 seedlings have been planted across a buffer zone on Brunswick Road along the edge of the Port of Albany, which continued to be regenerated during the year. The project also offered an immersive learning experience for South Regional TAFE students who attended the site as part of their Maintaining Natural Ecosystems course to undertake planting and learn about weed management.

Trialing new products and ways of loading

We worked with the Department of Water and Environmental Regulation and used its trial shipment regulations to test the effectiveness of environmental controls applied to new trade products and loading methods, including feldspar at Esperance and washed silica sand at Bunbury.

New loading practices were also negotiated to include export of sulphur from Shed 5 via rotating container technology and fertiliser import into Shed 5 using the pre-existing sulphur circuit at the Port of Esperance.

These trials and processes have resulted in increased diversification of trade through our ports, while carefully managing our pristine natural environments.

Waters

Ensuring a healthy habitat

We facilitated the Department of Primary Industries and Regional Development Aquatic Pest Biosecurity's introduced marine species survey of the Albany Harbours.

The survey, which was undertaken in March, was the first comprehensive introduced marine species survey to occur in the region since 2008.

Survey techniques included scuba diving, shoreline assessments, remotely operated vehicle surveillance and a range of netting and trapping.

Once available, the survey results will complement the ongoing State-Wide Array Surveillance Program implemented annually across our ports.

In Bunbury, Southern Ports' ongoing monitoring partnership with Murdoch University continued, with results demonstrating there was no year-on-year deterioration in marine and water sediment quality related to port-controlled operations. There were no environmental exceedances of seawater metal levels.



Ground water extraction

Our application to renew the Port of Bunbury's ground water extraction licence for Berth 5 and Berth 8 was granted in September, retaining the full annual water allocation of 51,000 kilolitres which is important for washdown and dust management.

Excellence for stormwater treatment

Significant improvements in stormwater quality from the berth entering harbour waters were recorded as the performance of our innovative stormwater treatment system built into our Berth 2 at our Port of Esperance continued to be validated.

It has been successful in removing particulate and dissolved contaminants from the stormwater across the berth and has continued to garner attention across the state, recognised for excellence in water projects, and environment and sustainability, at the Institute of Public Works Engineering Australasia WA Awards.

HISTORICAL AND ABORIGINAL CULTURAL HERITAGE

In 2025 we strengthened our relationships with local Aboriginal Corporations and partners through:

- consultation on our draft Reflect Reconciliation Action Plan;
- engagement of Aboriginal artists in each of our regions as part of our Reconciliation Action Plan;
- working with local heritage monitors on capital projects;
- engagement of local Aboriginal businesses and contracts that employ local Aboriginal people;
- Welcome to Country and smoking ceremonies at key events, including a specialised welcome at the commencement of the cruise season;
- a new art project, to be delivered in partnership with Tourism WA, as a permanent cultural welcome for cruise arrivals at the Port of Albany;
- cultural walks for staff to learn from Elders and Aboriginal tour guides on country; and
- participation in key community events that increase opportunities for our staff to improve their cultural awareness.



A warm welcome

A special Welcome to Country greeted passengers disembarking the *Crown Princess*, marking the start of the cruise season at the Port of Albany in November.

Performances by the Mooditch Nop Dance Group, led by traditional owner Lindsay Dean, welcomed 3,000 passengers as they made their way from the ship to awaiting buses to explore the Great Southern region.

Heritage precinct renewal

Our work to activate and develop our Port of Albany Pilot Station and Cottage precinct extended our historical and cultural heritage investment this year.

In December, H+H Architects was awarded the detailed design contract for the \$8.3 million project with early concepts for the precinct showing an interpretive centre, playground, parking and open space.

Once complete, the Royalties for Regions funded project will showcase the history of the site and the Port of Albany within a vibrant community precinct.



Archaeological dig

Southern Ports partnered with the University of Notre Dame Australia's Archaeology department to undertake an archaeological investigation of the Pilot Station precinct using a ground penetrating radar and field excavation pits.

Around 30 students and teaching staff were involved in uncovering the site's rich history, including artefacts such as old stone laid footings, a hob nail boot and a children's porcelain figurine. All items were accessioned and treated for preservation.



COMMUNITY AND PARTNERS

Community engagement

Southern Ports' three Port Community Consultative Committees offered valuable insights over the past year on key development projects, trade activities and community initiatives. Twelve meetings were held with 36 representatives across our regions.

We attended a range of community events to further develop two-way engagement channels with new audiences, including:

- participation at agricultural shows in each of our regions, including Newdegate Machinery Field Days and the Brunswick Show for the first time;
- presentations and meetings with regional groups including Leschenault Catchment Council;
- a presence at regional community events including Edge of the Bay and the Esperance Christmas Pageant;
- hosting port tours and delegations at our ports;
- online community activations to broaden awareness and understanding of our ports, their role and our future plans; and
- awareness and education campaigns related to key capital and maintenance projects.

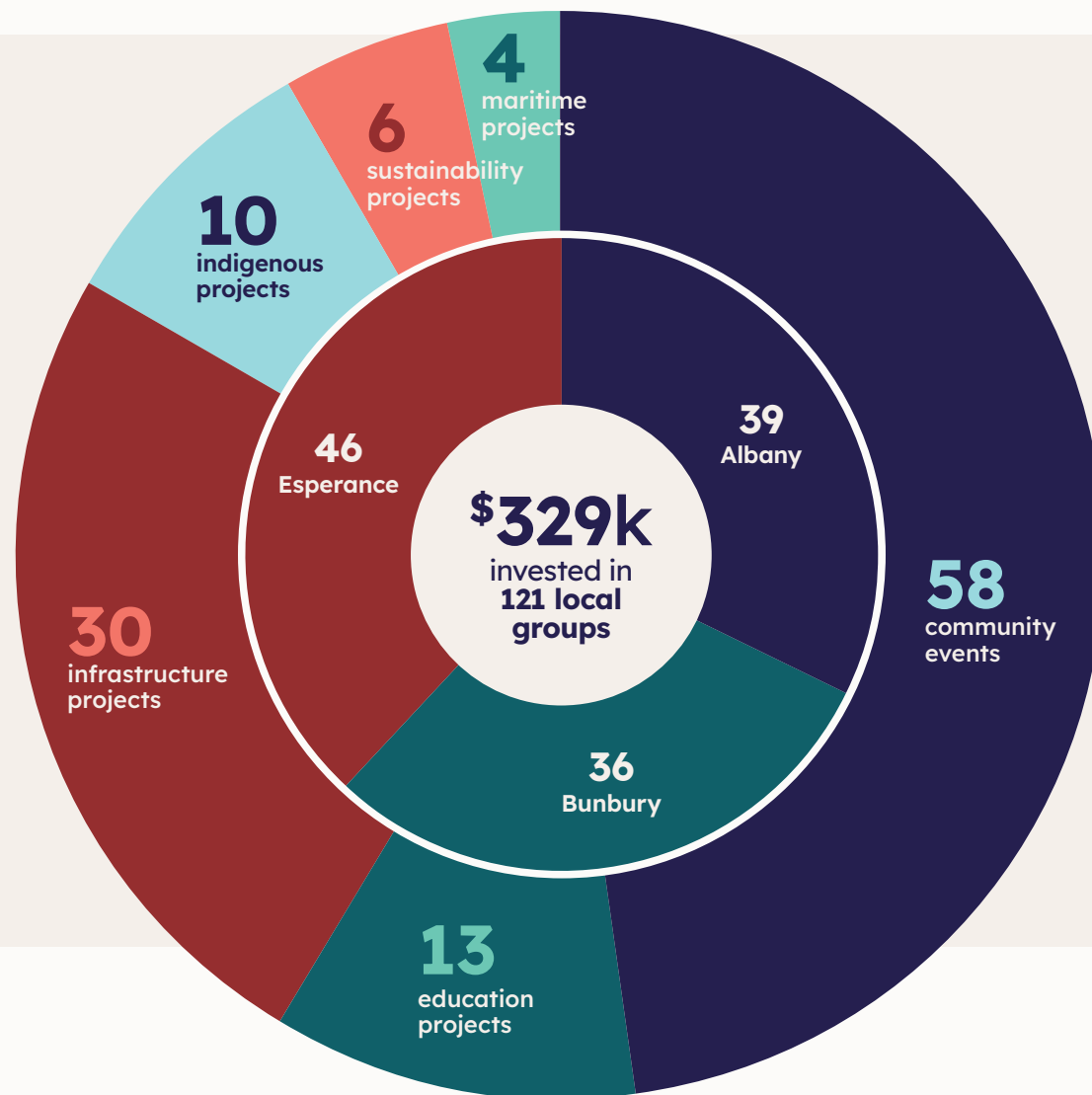
Community investment

This year, we invested \$329,000 in 121 groups and projects across the South West, Great Southern and Goldfields-Esperance.



Manea College crab monitoring

We supported 20 Manea College students to monitor the population and health of Blue Swimmer crabs in Koombana Bay and the Leschenault Estuary.



Lockyer Community Kindy

We provided the Albany-based community kindergarten with funds to purchase new outdoor play equipment, which has been a huge boost to the group which relies on fundraising.



Young Hearts youth therapy

The Young Hearts outreach program, which provides free counselling for youth impacted by family and domestic violence, received an uplift in its children's therapy room with new cupboards and shelving for art therapy, musical instruments, games and toys.

Indigenous surfing and cultural program

We supported an all-inclusive surfing program run by Surfing WA that helps Aboriginal students between 12 and 18 years of age in Esperance learn healthy habits and how to surf, while bringing them back to their local cultural area.





Banking food for those in need

Southern Ports showed its support for Foodbank with \$25,000 in funding providing 21,760 meals for regional families in need.

The partnership was embraced by staff throughout the year with our teams getting involved in a Christmas food drive and donating almost 100 kilograms of food, and Southern Ports also committing to match donations raised for Foodbank through the Tour of Albany cycling event, which resulted in an additional 20,035 meals provided over the year.



Stakeholder engagement

A key focus of the year was strengthening industry connections across our regions. To achieve this, we:

- welcomed several State and Federal ministers and other government representatives across our ports;
- hosted stakeholder functions in each region, including partnering with the Bunbury Geographe Chamber of Commerce and Industry to co-host a joint industry event;
- held regular Port User Group meetings offering customers, port users and contractors an update on our operations;
- welcomed more than 15 industry and heritage groups who took up the opportunity for a tour through our ports;
- shared insights about our operations, the maritime industry and economic impact on regional and state economies at key regional industry conferences such as Converge, Innovative Industries of the Future, YUWA Aboriginal Conference and TRANSafe road safety forums;
- attended regional Development Commission and Chamber of Commerce member briefings; and
- raised awareness of maritime careers at Manea Student Performance Review Day and Esperance Community and Employment Expo.

REGIONAL PROSPERITY

Building regional capacity

We take pride in supporting local research, sustainability initiatives and community development across our regions.

We provided licences for The University of Western Australia's M4 wave energy demonstration unit and monitoring buoys, Middleton Beach shark barrier and monitoring buoy, seabed leases for Jaycees Community Foundation, Esperance Bay Yacht Club, and land leases for Mission to Seafarers, Stella Maris, Leschenault Community Nursery and Shire of Esperance's Adventureland Park.

We also continued our support of the development of Transforming Bunbury's Waterfront project overseen by South West Development Commission, working in partnership with Department of Transport, Development WA and the City of Bunbury.



Making waves

Southern Ports facilitated the development of the Southern Ocean Surf Reef through provision of port land and access for the City of Albany and Heron Construction.

Close to 70,000 tonnes of rock was stored and transported through the Port of Albany to the Binalup construction site located 140 metres offshore at Surfers Beach.

The project aims to create a consistent surfable wave central to Albany, delivering benefits for tourism, recreation and economic development.

Industry leadership

Throughout the year we undertook several opportunities to highlight and recognise the importance of our ports and regions to the state's economy.

We participated in and shared insights at key events including the WA Major Projects Conference, Goldfields-Esperance Major Projects Conference, WA Geospatial Conference, and the South West Asset Reliability and Maintenance Forum.

Southern Ports was proud to sponsor the Australian Institute of Company Directors' 2024 Regional Director Award for Excellence, which was awarded to Yvonne Messina in August.

Southern Ports Chief Executive Officer Keith Wilks was also appointed as a Ports Australia Director in November where he has been able to advocate and bring a unique perspective for WA's southern regional ports.



Innovative industries of the future

The inaugural Innovative Industries of the Future conference brought together more than 600 industry, government and community leaders from across Australia and internationally to the South West to delve into opportunities that the renewable energies, critical minerals and advanced manufacturing sectors will create.

Southern Ports was proud to be a sponsor and Chief Executive Officer Keith Wilks contributed to the discussion on how competitive Australia can be as a global producer and exporter of renewables and hydrogen, and the role ports play in this future success.

OUR GLOBAL IMPACT

Seafarer welfare

Southern Ports' commitment to seafarer welfare was highly commended at the 2024 DCN Australian Shipping and Maritime Industry Awards in November.

Seafarers play a vital role in the maritime industry and global trade network.

As an organisation that puts people first, we believe that every seafarer deserves to feel safe, valued and respected in their place of work, and we are committed to taking an active stance in advocating for improved seafarer welfare.

We contribute to Port Welfare Committees at each port, which bring together Mission to Seafarers, Stella Maris, Australian Maritime Safety Authority, port customers, contractors, shipping agents and the International Transport Workers Federation.

Southern Ports has a long history of supporting seafarer welfare through the provision of Wi-Fi boxes. This year, two new boxes were purchased in Albany.

We also supported a volunteer drive for Mission to Seafarers in Esperance, and provided buses and bicycle fleets to the Mission and Stella Maris to enable transport for visiting seafarers.



Celebrating seafarers

Southern Ports helped to shine a light on seafarer welfare and showed appreciation for the hardworking profession by celebrating Day of the Seafarer with our port communities. We hosted lunches with visiting seafarers at each of our ports, delivered seafarer care packs and raised awareness of the plight of seafarers within our communities and wider networks.





Fuel capture system

For the first time, Southern Ports' full land-based fleet of diesel-based fixed and mobile plant equipment and vehicles was captured in its SmartFill fuel data capture system across all ports.

The system logs diesel use data, which contributes to Southern Ports' emissions profile and assists in the maintenance of fuel stocks.

More than 85 pieces of equipment are tracked and recorded including trucks, forklifts, generators and pumps.

Emissions

From September to November, Southern Ports was one of a select group of government agencies who participated in the Emissions Reporting Early Adopters Group hosted by the Department of Water and Environmental Regulation.

This group assisted in the early phase of planning for an Emissions Reporting Framework (ERF) – the system to track, understand and report tonnes of tCO₂-e.

Configuration of the ERF software that will capture emissions scope, source, location and intensity was commenced this period. Now involving more than 100 government entities and agencies, the software configuration commenced in February and is now 50 per cent complete, with the remaining half expected to be completed in the next reporting period.

This year, Southern Ports also worked to develop a strategic emissions reduction roadmap that will inform an operational level Emission Reduction Plan 2026-2030 ahead of submission to government in late 2026.

We also completed the development of an emissions model to aid in modelling future emissions reduction projects.



STRATEGIC PILLAR

Connection and future focus

Southern Ports forges opportunities for connection, and drives business excellence through innovation, technology and forward-thinking strategies.

DIGITISATION

Technology enabled-ports

This year, Southern Ports continued to take significant steps in becoming fully digitised and developing technology-enabled ports. Our achievements this period include:

- the launch and integration of our Enterprise Resource Planning software, Dynamics 365, which improved the way we undertake our procurement, finance and maintenance workflows;
- further integration of our asset management system with our manual and asset condition data supported in digital asset class management plans as well as the integration of a planned maintenance optimisation tool;

- the launch of our new safety, security and environment management and compliance system, ecoPortal;
- the launch of our new online travel booking system;
- the launch of our new online expense management system;
- enhancements to our intranet and SharePoint platforms;
- adoption of the Gallagher security and access system across all ports;
- embedding our new vendor management system, Felix, with substantial completion of supplier onboarding, uptake of e-tendering and contractor management;
- commencing our \$17 million operational technology upgrades;
- rolling out mobile field devices for our operations and maintenance teams; and
- development of a comprehensive three-year IT Network Strategy and Roadmap to increase security, resilience and performance of our network.

Cyber security

To strengthen our cyber security, a new three-year strategy was launched with a focus on governance, assurance and operational security. The strategy aligns with State Government's Cyber Security Policy, ACSC Essential 8, *Privacy and Responsible Information Sharing Act 2024* (PRIS) and the National Institute of Standards and Technology Cyber Security Framework.

As part of this uplift, we also progressed through a 'proof of concept trial' our capability in data classification and information protection, enhancing visibility and control over personally identifiable and sensitive information. This work supports compliance with PRIS and other regulatory obligations, while enabling improved data lifecycle management, risk mitigation, and more proactive security across the enterprise.

Geospatial information system development

Continued development and improvements to Southern Ports' geospatial information systems (GIS) realised significant benefits across vessel management and asset mapping, both for our workforce and contractors. Achievements included:

- a new vessel arrival dashboard, with timely and accurate automatic identification system (AIS) data providing improved forecasting accuracy, enabling more effective resource allocation and planning.
- a new tool, Geotechnical Viewer, providing Southern Ports' workforce with easy access to historical geotechnical survey data at their fingertips to enhance accuracy and speed of decision-making.



Using real-time data to improve decision making

A partnership with Before You Dig Australia was launched in August, providing easier identification and transparency for contractors on key assets are located across Southern Ports' sites.

Contractors can now contact Before You Dig Australia to determine whether our assets (such as our fuel pipelines) are within their working area.



Harnessing the power of the ocean

In November, the 42-tonne M4 Wave Energy Converter was deployed into the King George Sound in Albany for a six-month period.

Prior to deployment we worked closely with The University of Western Australia's Marine Energy Research Australia to facilitate a licence for the project.

In a world-first, the fully open-source project shared performance data gathered from ocean wave power generation with scientists, developers and the community over the six-month period.

The project serves as a critical testbed for wave energy technology and demonstrates Albany's potential as a global leader in clean ocean energy.

ENERGY TRANSITION

Enabling WA's energy transition

Southern Ports has a key role to play in facilitating the state's transition to clean energy. In 2025, this was demonstrated through:

- the import of record breakbulk cargo, including 800 batteries and inverters at our Port of Bunbury for Synergy's Collie Battery Energy Storage System – one of the largest grid-scale battery projects in Australia, providing 500 Megawatts (MW) or 2,000 Megawatt hours (MWh) of power when fully charged;
- record spodumene exports through the Port of Bunbury which remains the largest lithium export port globally;
- our support for The University of Western Australia's M4 Wave Energy trial.

Energy management

Southern Ports uses energy from both the South-West Interconnected System (SWIS) grid and the Esperance grid.

We worked with Horizon Power to track our energy demand on the Esperance grid.

An internal Electricity Working Group was also established to track energy demand and use across our business.

PORT PLANNING

Southern Ports continued its future focused mindset, bringing to life its master plans across its three ports:

- We secured \$11 million to extend planning work on the Port of Albany's new general purpose berth business case, initial engineering and environmental studies.
- In line with the Bunbury Port Optimisation Plan, we completed studies that consider how to best accommodate large breakbulk equipment that may be required to support future energy transition.
- We worked closely with customers on their development plans including:
 - ABH heavy vehicle site access upgrade at the Port of Albany; and
 - CBH's upgrades of inload infrastructure at the Port of Esperance.

During the year, Southern Ports received 17 development applications. Twelve applications were approved, allowing the proponents to progress their developments within our port boundaries, and one was withdrawn.



CBH Grid upgrades

Following a development approval process through Southern Ports, CBH upgraded its Grids 5 and 6 at the Port of Esperance to increase grain throughput involving upgrades to chute, elevators, conveyor belts, motors and gearbox components. In addition, upgrades to external equipment lighting also took place and weather protection to allow continued dumping in a broader range of weather conditions.



Directors' report

Review of operations

As a Government Trading Enterprise, Southern Ports' purpose "is to advance the public benefit through the performance of its functions." The functions of a port authority are set out in the *Government Trading Enterprises Act 2023* and *Port Authorities Act 1999* as its enabling legislation. The primary purpose of a port authority can be characterised as the facilitation of trade within and through its ports in a commercial, efficient and safe manner to maximise the economic benefit and growth of the State.

The following table is a summary of Southern Ports' results for the financial year 2024-25:

	2025 \$'000	2024 \$'000
Profit before income tax	47,790	37,670
Income tax expense	(14,645)	(16,138)
Profit for the period	33,145	21,532
Other comprehensive income/(loss)	7	32
Total comprehensive income for the year	33,152	21,564
Retained earnings at 1 July	265,824	244,260
Changes in accounting policy	-	-
Dividends paid in the financial year	(11,294)	-
Retained earnings at 30 June	287,682	265,824

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 is to provide 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 2025 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 work together with our customers and stakeholders to enhance our trade facilitation role and meet their current and future needs.

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 60 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. Total dividends paid by Southern Ports during 2024-25 totalled \$11.294 million.

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

The Board has previously appointed the following as Executive Officers and in 2024-25 they have administered their respective functions within Southern Ports:

- Keith Wilks – Chief Executive Officer
- Robert Alexander – Chief Operating Officer
- Monica Birkner – Chief People and Sustainability Officer
- Aditya Asthana – Chief Financial Officer
- Virginia Wilson – Chief Trade and Customer Officer
- Amber Smith – Chief Information Officer

Auditors

The Office of the Auditor General is the auditor of Southern Ports' financial report for the 2024-25 period including auditor Liang Wong as Assistant Director.

Internal auditors for the period were Ernst & Young with Michael Crouch as Director and Bradley Hooper as Partner.

Directors and officer indemnity

During the reporting period, a Directors and Officers Liability Insurance Policy was maintained to ensure that Directors and Officers had adequate coverage. The Policy indemnifies Directors and Officers of Southern Ports from losses arising from a claim or claims made against them, jointly or severally during the period of insurance by reason of any wrongful act (as defined in the policy) in their capacity as a Director or Officer of Southern Ports. The premium of \$146,243 was paid during the reporting period.

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 19 on this report.

Directors' meetings

During the period from 1 July 2024 to 30 June 2025 five Board meetings were held. Although special meetings can be convened to address urgent issues, no special meetings were called during the reporting period.

The table below indicates the attendance of Directors at the Board and Committee meetings based on their membership.

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

*Note: The June 2025 Board meeting was rescheduled to 3 July 2025 to cater to Director availability.

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

Remuneration of Directors and Executive Officers

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

Remuneration of Executive Officers is designed to attract and retain high performing individuals. The Chief Executive Officer's remuneration, in alignment with the determination by the Salaries and Allowances Tribunal, is recommended by the Board to the Minister for endorsement.

The total remuneration of executives consists of base salary and superannuation, plus short-term and long-term leave benefits. Southern Ports does not provide any allowances such as vehicles, and does not provide bonus payments.

The following tables indicate the remuneration received by members of the Board and the Executive Officers of Southern Ports during the reporting period.

Director	Short-term benefits Board and Committee fees (\$'000)	Post employment superannuation (\$'000)	Total (\$'000)
Jane CUTLER	43	5	48
Wiebke EBELING	39	4	43
Robyn FENECH	41	4	45
Gaye McMATH	51	6	57
Ben MORTON	39	4	43
Ian SHEPHERD			
Southern Ports	78	9	87
Westport Steering Committee	1	0	1
David WELCH	39	4	43

Executive Officer	Salary (\$'000)	Other (\$'000)	Post employment benefits superannuation (\$'000)	Other long-term benefits long service leave (\$'000)	Total (\$'000)
Keith WILKS	396	-	46	7	449
Virginia WILSON	345	2	40	6	393
Robert ALEXANDER	347	-	40	6	393
Aditya ASTHANA	325	1	37	8	371
Monica BIRKNER	315	6	35	5	361

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 Committees 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 21 August 2025.



Ian Shepherd
Chair
Western Australia



Robyn Fenech
Director
Western Australia

Governance

Governance framework

The Minister responsible for Southern Ports, is the Hon Stephen Dawson MLC, Minister for Regional Development; Ports; Science and Innovation; Medical Research; Kimberley. The Board of Directors of Southern Ports is appointed by, and reports to, the Minister for Ports.

The Board of Directors is the governing body of Southern Ports. The *Government Trading Enterprises Act 2023*, in conjunction with the *Port Authorities Act 1999* (together the Act) empowers the Board to determine the policies for Southern Ports and to determine the respective functions and operations to be performed by Southern Ports.

Strong corporate governance is fundamentally at the core of our culture, business practices and ethics. Our governance practices form a framework to support the expected high standards of corporate behaviour and risk management.

Our strategic direction is set by the Board. The Board endorses the objectives to be achieved by management and oversees the achievement of those objectives under the control of the Chief Executive Officer.

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

Southern Ports' Corporate Governance Manual outlines how the Board governs Southern Ports and the interface with management. The Manual provides guidance on effective, efficient, and ethical governance performance, as well as governance improvement.

The Board has established three committees, being the Audit, Finance and Risk Committee; Corporate Governance Committee; and Safety and Sustainability Committee. These Committees aim 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.

The Audit, Finance and Risk Committee has a mandate to review, report on and, if required, make recommendations to the Board, Executive or management on policies and matters relating to the organisations operating and capital budget, internal audit activity, internal controls, Southern Ports risk appetite and risk management framework and all legal compliance requirements.

The directive of the Corporate Governance Committee, subject to the powers and duties of the Board, is to review, report on and, if required, make recommendations to the Board, Executive or management on matters relating to corporate governance, Board structure, composition and assessment, Chief Executive Officer appointment and assessment, and other matters as directed by the Board from time to time. Policies within the mandate of the Corporate Governance Committee are endorsed to the Board for approval and relevant procedures and practices are monitored.

The Safety and Sustainability Committee will make recommendations to the Board, Executive or management on matters relating to the health and safety, environment, people, community, and sustainability of Southern Ports' operations and oversee practices relevant to the role of the Committee.

Internal audit

The purpose of internal audits is to provide independent, objective assurance to the Board and management, which adds value to Southern Ports operations, and improves risk management, controls and governance processes.

The internal audit function within Southern Ports is overseen by the Board's Audit, Finance and Risk Committee. The Board endorsed the appointment of Ernst & Young as the internal auditor and endorses the internal audit plan each financial year.

Areas audited during this reporting period included:

- risk management
- payroll
- workforce planning and protection
- business resilience
- data privacy
- financial controls
- expense management

The resulting recommendations, which were provided to the Audit, Finance and Risk Committee and to the ELT, have added improvements to Southern Ports' governance and internal controls.

Risk management

Southern Ports maintains risk management practices that are reflective of, and guide, our strategic direction and economic, social and environmental sustainability. Risk management improves performance, encourages innovation, and supports the achievement of strategic objectives, while adding and protecting value within Southern Ports.

Our Risk Management Framework identifies the components that provide the foundations and arrangements for designing, implementing, evaluating, integrating and continually improving risk management within Southern Ports while achieving the Board's required standard in risk management performance.

An internal audit was undertaken on our Framework document during 2024-25 with minor amendments being recommended. In updating the Framework, management took the opportunity to align the document with ISO 31000:2018, in-keeping with our drive for a high performing organisation.

The Board's Audit, Finance and Risk Committee is responsible for the oversight and governance of Southern Ports' risk management.



Compliance

Financial management

The Act contains provisions substantially based upon Corporations Law in relation to financial administration and audit. The provisions of the *Financial Management Act 2006* are limited to the application of the audit process only.

Ministerial directives

Southern Ports did not receive a Ministerial directive or direction during the reporting period.

Compliance with Code of Conduct and Ethics

New employees receive information about the Code of Conduct and Ethics (Code) as part of their induction. The Code is also available in offices and on the intranet.

The Code was reviewed during the reporting period with minor amendments.

During the period, we received six reports that may have conflicted with our Code.

Contracts with Directors, Executive and management

At the date of reporting no Directors, Executive or management or firms of which Directors, Executive or management are members or entities in which Directors, Executive or management have substantial interest had any interest in the existing or proposed contracts with Southern Ports other than normal contracts of employment service.

Gifts and benefits

Included in the Code is the clear requirement for declaration of any gift or benefit received by a Director or employee of Southern Ports.

A Gifts and Benefits Procedure, which sets out requirements for responding to offers of gifts, benefits or hospitality, has been implemented and a Gifts and Benefits Register is in use and regularly reviewed by Executive.

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 2024-25 was \$72,375.

EXPENDITURE CATEGORY	COMPANY NAME	Amount (\$)	Total (\$)
Advertising agencies	-	-	-
Market research organisations	-	-	-
Polling organisations	-	-	-
Direct mail organisations	-	-	-
Media advertising	Business News	35,000	72,375
	Esperance Weekender	3,605	
	Facebook	6,175	
	Marsh Agencies – A.R.M Marketing Pty Ltd	2,970	
	Seven Network	1,500	
	Southern Cross Austereo	3,889	
	Sports Entertainment Network Pty Ltd	3,000	
	Spotify	600	
	West Australian Newspapers	15,636	

Recordkeeping Plan

Southern Ports is committed to the management of a robust records and information management framework, focusing on continuous improvement and best practice standards. As part of the framework Southern Ports has an approved record keeping plan consistent with the *State Records Act 2000* and the relevant State Records Commission standards.

The Southern Ports Recordkeeping Plan was revised during 2021 and approved by the State Records Commission in November 2021. We will be reviewing our plan again in the next reporting period to incorporate the many improvements implemented as a result of our Records Refresh Project.

Our Records Refresh Project was initiated in July with consultation to understand the business needs and the way in which we worked. This has resulted in the development and implementation of a recordkeeping system based on a SharePoint interface with Content Manager. The project has optimised the use of every-day tools used by staff to capture records in a secured environment, with considered access controls, and search capability. Work will continue next period to facilitate the migration of all records into our new system.

As a result of these changes in ways of working, a revised recordkeeping educational program reflecting the self-service system has been developed for implementation early in the next reporting period. Participation in the program will be mandatory for all Southern Ports staff and refresher training will be provided every two years.

Information Management updates are provided ad hoc annually to strengthen awareness across our organisation of our responsibility in the management of our information artefacts.

In our drive towards best practice, Southern Ports progressed work on a new controlled document management system this period. The system will enhance our documents lifecycle management and will be implemented in the next reporting period.

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 on the Southern Ports website at southernports.com.au. Publications released during the reporting period were the 2024 Annual Report and Modern Slavery Statement.

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

During the reporting period there were no applications for personal or non-personal information.

One third party request was received for consultation on applications made to other government agencies during the period.



Financial report

for the year ended 30 June 2025

Directors' declaration

In the opinion of the Directors of Southern Ports Authority:

- a. the financial statements and notes for the period ending 30 June 2025
 - i. comply with Australian Accounting Standards, the *Government Trading Enterprises Act 2023*, including section 176, the *Government Trading Enterprises Regulations 2023* and the *Corporations Regulations 2001*; and
 - ii. give a true and fair view of the financial position of the Southern Ports Authority as at 30 June 2025 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
- b. 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; and
- c. the Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer for the reporting year ended 30 June 2025.

This declaration is signed in accordance with a resolution of the Directors on 21 August 2025.



Ian Shepherd
Chair
Western Australia



Robyn Fenech
Director
Western Australia

Independent auditor's report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

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 2025, the statement of profit or loss and other 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 2025 and of its performance for the year then ended
- is 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 2025, 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 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.auasb.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 Southern Ports Authority for the year ended 30 June 2025 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.



Steven Hoar
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 August 2025

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 (\$'000)	2024 (\$'000)
INCOME			
Revenue	3	169,577	181,133
Other income	4	36,546	11,016
EXPENDITURE			
Employee benefits expense	7	(67,299)	(51,906)
Contracts and services		(45,169)	(57,766)
Utilities		(8,657)	(8,701)
Depreciation	5	(15,056)	(14,463)
Impairment	13	(1,128)	-
Materials and supplies		(7,670)	(9,773)
Government charges		(7,354)	(6,213)
Finance costs	6	(573)	(671)
Insurance		(2,068)	(1,980)
Other expenses	8	(3,359)	(3,006)
Profit before income tax		47,790	37,670
Income tax expense	9	(14,645)	(16,138)
PROFIT FOR THE YEAR		33,145	21,532
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss:			
Remeasurements of defined benefit liability		10	46
Tax on items that will never be reclassified to profit or loss	9	(3)	(14)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		33,152	21,564

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2025

	Note	2025 (\$'000)	2024 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	11	139,590	106,835
Term deposits	11	-	41,019
Trade and other receivables	12	23,544	29,908
Current tax asset	9	4,577	4,508
Inventories		5,647	4,927
Total current assets		173,358	187,197
Non-current assets			
Deferred tax assets	9	-	1,301
Property, plant and equipment	13	294,874	225,427
Trade and other receivables	12	-	3,426
Inventories		482	1,724
Right-of-use assets	14	5,217	6,121
Total non-current assets		300,573	237,999
TOTAL ASSETS		473,931	425,196
LIABILITIES			
Current liabilities			
Trade and other payables	16	15,554	8,533
Interest bearing borrowings	17	1,410	1,383
Provisions	18	10,279	9,726
Lease liabilities	14	1,866	1,701
Contract liabilities		-	347
Total current liabilities		29,109	21,690
Non-current liabilities			
Interest bearing borrowings	17	539	1,949
Provisions	18	3,224	2,232
Lease Liabilities	14	3,731	4,620
Deferred tax liabilities	9	5,071	-
Total non-current liabilities		12,565	8,801
TOTAL LIABILITIES		41,674	30,491
NET ASSETS		432,257	394,705
EQUITY			
Reserves	19	14,815	14,815
Contributed equity		129,760	114,066
Retained earnings		287,682	265,824
TOTAL EQUITY		432,257	394,705

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2025

	Note	Contributed Equity (\$'000)	Reserves (\$'000)	Retained Earnings (\$'000)	Total (\$'000)
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
Transactions with owners					
Equity injection	24	16,675	-	-	16,675
Distribution to owner	10	(1,275)	-	-	(1,275)
BALANCE AT 30 JUNE 2024		114,066	14,815	265,824	394,705
Balance at 30 June 2024		114,066	14,815	265,824	394,705
Profit for the period		-	-	33,145	33,145
Total other comprehensive income		-	-	7	7
TOTAL COMPREHENSIVE INCOME		-	-	33,152	33,152
Transactions with owners					
Equity injection	24	15,694	-	-	15,694
Dividends paid	10	-	-	(11,294)	(11,294)
BALANCE AT 30 JUNE 2025		129,760	14,815	287,682	432,257

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2025

	Note	2025 (\$'000)	2024 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		194,330	200,552
Cash paid to suppliers and employees		(148,302)	(154,260)
Interest paid		(240)	(333)
Income tax paid		(8,341)	(25,159)
Net cash provided by operating activities	20	37,447	20,800
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		6,813	5,991
Payments received from finance lease		4,833	1,453
Acquisition of property, plant and equipment	13	(59,305)	(32,534)
Transfer from / (to) term deposits		42,034	(41,019)
Net cash used in investing activities		(5,625)	(66,109)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,383)	(1,472)
Repayment of lease liabilities		(2,084)	(1,881)
Cash contributions from Government	24	15,694	16,675
Dividends paid	10	(11,294)	-
Net cash provided by financing activities		933	13,322
Net increase / (decrease) in cash and cash equivalents		32,755	(31,987)
Cash and cash equivalents at 1 July		106,835	138,822
CASH AND CASH EQUIVALENTS AT 30 JUNE	11	139,590	106,835

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 21 August 2025 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:

(i) Note 13 – Determination of fair value

Southern Ports has made use of an independent valuation expert to assess fair value of assets which have been recognised by Southern Ports during the period in accordance with AASB 13 Fair Value Measurement of assets. Southern Ports has adopted a depreciated replacement cost approach which incorporates adjustments for physical, technological and economic obsolescence.

(ii) 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.

(H) ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards have been issued but are not mandatory for the year ended 30 June 2025. Southern Ports did not early adopt these standards. The assessment of the impact of these new standards and interpretations is set out below:

Standard	Description	First operative year end	Implication
AASB 2024-2	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i> This Standard amends AASB 9 Financial Instruments to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements.	30 June 2027	There is no financial impact
AASB 2024-3	<i>Amendments to Australian Accounting Standards – Annual Improvements Volume 11</i> This Standard amends AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107 as a consequence of the issuance of Annual Improvements to IFRS Standards – Volume 11 by the International Accounting Standards Board in July 2024.	30 June 2027	Southern Ports has not assessed the impact of this Standard
AASB 18	<i>Presentation and Disclosure in Financial Statements [for not-for-profit entities]</i> AASB 18 replaces AASB 101 Presentation of Financial Statements. It will not change the recognition and measurement of items in the financial statements but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.	30 June 2029	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 and Finance (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.

Note 2 (continued)**(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 allowance 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.

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.

Finance leases are derecognised when the contractual rights to the cash flows from the financial asset expire in accordance with AASB 9.

(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 \$0.934 million decrease (2024: decrease of \$0.689 million) to net realisable value.

(i) 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”.

(ii) 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.

(iii) 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.

(i) 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.

(ii) 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.

(iii) 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.

Note 2 (continued)**(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.

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:

- Cash and cash equivalents
- 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.

Note 2 (continued)**(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.

(d) 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 2025.

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 2025 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 8.

Note 3

Revenue

	2025 (\$'000)	2024 (\$'000)
REVENUE CONSISTS OF THE FOLLOWING ITEMS:		
Revenue from contracts with customers		
Charges on ships	55,607	54,466
Charges on cargo	88,321	102,400
Rentals, leases and other lease recoveries	25,649	24,267
TOTAL REVENUE	169,577	181,133

Note 4

Other income

	2025 (\$'000)	2024 (\$'000)
OTHER INCOME CONSISTS OF THE FOLLOWING ITEMS:		
Government contributions ^(a)	719	-
Interest income	7,582	6,929
Fair value of recognised asset ^(b)	25,102	-
Other income	3,143	4,087
TOTAL OTHER INCOME	36,546	11,016

(a) Subsidies paid to Southern Ports to facilitate Lithium trade for 2 customers through Port of Bunbury.

(b) Income realised on recognition of assets, with \$25.065m recognised upon termination of Finance Lease arrangement with FQM. These assets were brought to account on 16 June 2025 at their fair value based on depreciated replacement cost using an independent valuation.

Note 5

Depreciation

	2025 (\$'000)	2024 (\$'000)
Channels, dredging, breakwaters and navigation aids	1,975	2,107
Buildings and improvements	3,173	2,682
Plant and equipment	2,053	3,273
Berths, jetties and infrastructure	5,855	4,650
Total depreciation property, plant & equipment	13,056	12,712
Depreciation on right-of-use assets	2,000	1,751
TOTAL DEPRECIATION	15,056	14,463

Note 6

Finance costs

	2025 (\$'000)	2024 (\$'000)
Interest expense ^(a)	283	410
Lease interest expense	290	261
TOTAL FINANCE COSTS	573	671

(a) Interest expense comprises interest expense on special borrowings of \$0.249 million (2024: \$0.316 million) and \$0.034 million (2024: \$0.094 million) unwinding of discount on provision.

Note 7

Employee benefits expense

	2025 (\$'000)	2024 (\$'000)
Wages, salaries and redundancies ^(a)	59,672	45,554
Superannuation	6,096	4,880
Increase / (decrease) in:		
Accumulated days off	78	80
Annual leave	588	434
Long service leave	1,423	434
Personal leave	(558)	524
TOTAL EMPLOYEE BENEFITS	67,299	51,906

(a) Includes restructuring costs due to loss of trade \$6.9 million (2024: Nil) and enterprise agreement negotiated one-off payments \$4.2 million (2024: Nil) for year ended 30 June 2025.

Note 8

Other expenses

	2025 (\$'000)	2024 (\$'000)
Movement in expected credit losses for the year (Note 12)	(47)	(5)
Other employee related costs	3,188	3,011
Net loss on disposal of property, plant and equipment	102	-
Loss on derecognition of financial asset	116	-
TOTAL OTHER EXPENSES	3,359	3,006

Note 9

Income tax expense

(A) AMOUNTS RECOGNISED IN PROFIT OR LOSS

	2025 (\$'000)	2024 (\$'000)
Current tax expense		
Current income tax expense	8,714	14,493
Adjustment for prior periods	(438)	(501)
Total current tax expense	8,276	13,992
Deferred tax expense		
Origination and reversal of temporary differences	5,930	1,644
Adjustments for prior periods	439	502
Total deferred tax expense	6,369	2,146
TOTAL INCOME TAX EXPENSE	14,645	16,138

(B) AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2025 (\$'000)	2024 (\$'000)
Deferred tax expense recognised in other comprehensive income	3	14

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

	2025 (\$'000)	2024 (\$'000)
Profit for the period	33,145	21,532
Total income tax expense	14,645	16,138
Profit excluding income tax	47,790	37,670
Income tax using the statutory tax rate of 30% (2024:30%)	14,337	11,301
Non-deductible expenses	190	15
De-recognition of previously recorded DTA	65	4,972
Other	52	(151)
	14,644	16,137
Under / (over) provision in prior years	1	1
TOTAL INCOME TAX EXPENSE	14,645	16,138

(D) DEFERRED TAX BALANCES

	BALANCES INCLUDED IN STATEMENT OF FINANCIAL POSITION		MOVEMENTS INCLUDED IN STATEMENT OF COMPREHENSIVE INCOME	
	2025 (\$'000)	2024 (\$'000)	2025 (\$'000)	2024 (\$'000)
DEFERRED TAX LIABILITIES				
Finance lease receivable	-	(1,485)	1,485	436
Future dredging	(464)	(484)	20	20
Others	(3,462)	(3,581)	119	(580)
Property, plant & equipment	(8,418)	(289)	(8,129)	(289)
Gross deferred tax liabilities	12,344	(5,839)		
DEFERRED TAX ASSETS				
Employee benefits & other provisions	5,007	4,165	842	465
Property, plant & equipment	-	-	-	(2,899)
Other	2,266	2,975	(709)	687
Gross deferred tax assets	7,273	7,140		
Set-off of deferred tax assets/liabilities				
Pursuant to set-off provisions	(12,344)	(5,839)		
TOTAL NET DEFERRED TAX (LIABILITIES) / ASSETS	(5,071)	1,301		
TOTAL DEFERRED TAX EXPENSE			(6,372)	(2,160)

(E) CURRENT TAX ASSETS

The current tax asset of \$4.577 million (2024: \$4.508 million) represents the amount of income taxes receivable in respect of current and prior financial periods.

Note 10

Transactions with owners

(A) DIVIDENDS

	2025 (\$'000)	2024 (\$'000)
Final dividends in respect of the previous financial year	4,037	-
Interim dividends in respect of the current financial year	7,259	-
TOTAL DIVIDENDS PAID	11,296	-

In accordance with the Government Financial Policy (Government Trading Enterprises Act), the Government may direct Southern Ports to pay dividends. The 2025 financial year dividend payout ratio had been set at 75% (2024: 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 year ended 30 June 2023 and no interim dividends were paid in respect of the year ended 30 June 2024.

(B) DISTRIBUTION TO OWNERS

	2025 (\$'000)	2024 (\$'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

	2025 (\$'000)	2024 (\$'000)
Unrestricted cash and cash equivalents	47,590	13,579
Restricted cash and cash equivalents ^(a)	92,000	93,256
TOTAL CASH AND CASH EQUIVALENTS IN STATEMENT OF CASH FLOWS	139,590	106,835

(B) TERM DEPOSITS

	2025 (\$'000)	2024 (\$'000)
Restricted deposits ^{(a) (b)}	-	41,019
TOTAL TERM DEPOSITS	-	41,019

(a) Retained dividends \$88.3 million and Royalty for Regions funding \$3.7 million are held in restricted cash, cash equivalents and short term deposits. Full year 2022 and 2023 dividend, and interim 2024 dividend were retained by Southern Ports totaling \$131.9 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 \$88.3 million (2024: \$122.9 million) are held as restricted under cash equivalents and short term deposits to be applied for expenditure on Government approved infrastructure. A total of \$43.7 million of the retained dividend has been expended to 2025 (2024: \$9 million) with a further \$88.3 million approved to be spent over 2026 to 2028.

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

Note 12

Trade and other receivables

	2025 (\$'000)	2024 (\$'000)
CURRENT		
Trade receivables		
Trade receivables	18,924	22,351
Less: allowance for expected credit loss of trade receivables	(180)	(227)
	18,744	22,124
Other debtors		
Accrued revenue	2,814	2,256
Finance lease receivable ^(a)	-	1,524
Prepayments	1,986	4,004
TOTAL TRADE AND OTHER RECEIVABLES	23,544	29,908
NON-CURRENT		
Finance lease receivable ^(a)	-	3,426
TOTAL TRADE AND OTHER RECEIVABLES	-	3,426

(a) During the year, the FQM lease arrangement was terminated resulting in the de-recognition of finance lease receivable.

Reconciliation of changes in expected credit loss of trade receivables

	2025 (\$'000)	2024 (\$'000)
Balance at start of year	227	232
Expected credit loss	149	(3)
Amounts written off during the period	(196)	(2)
BALANCE AT END OF YEAR	180	227

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 2025 (\$'000)	Gross 2024 (\$'000)
Not more than 3 months	774	1,470
More than 3 months but less than 6 months	127	-
More than 6 months but less than 1 year	29	35
More than 1 year	-	-
BALANCE AT END OF YEAR	930	1,505

Note 13

Property plant and equipment

	Channels, breakwaters, dredging and navigation aids 2025 (\$'000)	Land 2025 (\$'000)	Building and improvements 2025 (\$'000)	Plant and equipment 2025 (\$'000)	Berths, jetties and infrastructure 2025 (\$'000)	Works in progress 2025 (\$'000)	Total 2025 (\$'000)
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)
Opening balance at 1 July	34,218	22,062	45,265	16,319	79,122	28,441	225,427
Additions	241	-	-	601	6	58,457	59,305
Additions from recognition of assets ^(a)	-	-	18,540	-	6,562	-	25,102
Transfers and other movements at cost ^(b)	5,000	136	11,988	(12,008)	17,687	(25,024)	(2,221)
Transfers and other movements Acc Depn ^(b)	(1,575)	-	(5,498)	6,908	2,386	-	2,221
Depreciation for the year	(1,975)	-	(3,173)	(2,053)	(5,855)	-	(13,056)
Impairment ^(c)	-	-	(62)	(120)	(946)	-	(1,128)
Cost of disposals	-	-	(1,715)	-	(179)	-	(1,894)
Accumulated depreciation on disposals	-	-	1,715	-	77	-	1,792
Amounts written off ^(d)	-	-	-	-	-	(674)	(674)
Carrying amount at 30 June	35,909	22,198	67,060	9,647	98,860	61,200	294,874
At cost	119,310	22,198	107,555	32,102	223,264	61,200	565,629
Accumulated depreciation	(83,390)	-	(39,787)	(22,191)	(122,430)	-	(267,798)
Accumulated impairment	(11)	-	(708)	(264)	(1,974)	-	(2,957)
Closing balance 30 June	35,909	22,198	67,060	9,647	98,860	61,200	294,874

(a) \$25.065m relates to assets transferred on termination of FQM Finance Lease Arrangement. An independent valuer has valued the assets at fair value based on depreciated replacement cost using industry indices market sources and quantity surveyor estimates. Estimated replacement cost is then depreciated based on useful life adjusted for remaining useful life.

(b) Transfers and other movements includes capitalisation of Works in Progress amounts, reclassification of items between asset groups following a review to ensure standardisation of asset classes and reconciliation of cost and accumulated depreciation values upon migration to ERP (noting no change in Written Down Value).

(c) There was \$1.128m impairment of assets in the 2025 financial year (2024: Nil), including \$0.946m in relation to infrastructure assets at Port of Albany.

(d) 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, with duration of the leases shown below, during the year ended 30 June 2025.

- 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.
- 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)
2025				
Opening net carrying amount	2,918	2,399	804	6,121
Additions and adjustments during the year	1,084	9	3	1,096
Depreciation charge for the year	(903)	(781)	(316)	(2,000)
Balance at 30 June	3,099	1,627	491	5,217
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

(B) LEASE LIABILITIES

	Motor vehicles (\$'000)	Plant and equipment (\$'000)	Land and buildings (\$'000)	Total (\$'000)
2025				
Opening net carrying amount	2,976	2,556	789	6,321
Additions and adjustments during the year	1,084	(19)	5	1,070
Interest on lease liabilities for the year	153	113	24	290
Lease payments	(992)	(782)	(310)	(2,084)
Balance at 30 June	3,221	1,868	508	5,597
Current	971	619	276	1,866
Non-Current	2,250	1,249	232	3,731
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

(C) AMOUNTS RECOGNISED IN PROFIT OR LOSS

	Motor vehicles (\$'000)	Plant and equipment (\$'000)	Land and buildings (\$'000)	Total (\$'000)
2025				
Depreciation expense for right-of-use assets	903	781	316	2,000
Interest on lease liabilities	153	113	24	290
Expenses relating to short-term leases	-	403	15	418
Expenses relating to leases of low-value assets	-	82	3	85
Expenses relating to variable lease payments not included in lease liabilities	-	-	106	106
TOTAL AMOUNTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME	1,056	1,379	464	2,899
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

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 had classified as a finance lease. The finance lease agreement was terminated in June 2025 and accordingly the finance lease receivable was derecognised. The following tables set out the maturity analysis of lease receivables.

(A) OPERATING LEASE RECEIVABLE

	2025 (\$'000)	2024 (\$'000)
Future minimum rentals receivable for operating leases at reporting date:		
Within 1 year	11,602	15,907
Later than 1 year but not later than 5 years	25,743	30,406
Later than 5 years	58,231	52,076
TOTAL OPERATING LEASES RECEIVABLE	95,576	98,389

(B) FINANCE LEASE RECEIVABLE

	2025 (\$'000)	2024 (\$'000)
Future minimum rentals receivable for finance leases at reporting date:		
Within 1 year	-	1,824
Later than 1 year but not later than 5 years	-	3,648
Later than 5 years	-	-
TOTAL FINANCE LEASES RECEIVABLE	-	5,472
Unearned finance income	-	522
NET INVESTMENT IN THE LEASE ^(a)	-	4,950

(a) During the year, the FQM lease arrangement was terminated resulting in the de-recognition of finance lease receivable and recognition of Property, Plant and Equipment of \$25 million as set out in Note 13.

Note 16

Trade and other payables

	2025 (\$'000)	2024 (\$'000)
Trade payables	3,469	85
Other payables	5,795	4,917
GST payable	106	96
Accrued wages ^(a)	5,028	938
Prepaid income	1,156	2,497
TOTAL TRADE AND OTHER PAYABLES	15,554	8,533

(a) Includes remuneration of \$2.9 million (2024: Nil) of back payment amounts expected to be paid in relation to negotiated Enterprise Agreement.

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).

	2025 (\$'000)	2024 (\$'000)
CURRENT		
Special current borrowings	1,410	1,383
TOTAL INTEREST BEARING BORROWINGS	1,410	1,383
NON-CURRENT		
Special non-current borrowings	539	1,949
TOTAL INTEREST BEARING BORROWINGS	539	1,949

FINANCING ARRANGEMENTS

Southern Ports has access to the following lines of credit:

Total facilities available – Special borrowings	1,949	3,332
Facilities utilised at reporting date – Special borrowings	1,949	3,332
Facilities not utilised at reporting date – Special borrowings	-	-

(A) SIGNIFICANT TERMS AND CONDITIONS

Special borrowings of \$1.949 million (2024: \$3.332 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

(B) BORROWING MATURITY TABLE

The table below sets out the maturity of Southern Port's 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)
2025							
Interest bearing borrowings:							
Fixed interest rate borrowings	1,410	539	-	-	-	-	1,949
BALANCE AT YEAR END	1,410	539	-	-	-	-	1,949
Weighted average interest rate:							
Fixed interest rate borrowings	6.48%	6.48%	-	-	-	-	6.48%
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%

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

	Note	2025 (\$'000)	2024 (\$'000)
SPECIAL BORROWINGS AS AT 1 JULY		3,332	4,805
CHANGES FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,383)	(1,472)
OTHER CHANGES			
Interest expense	6	249	316
Interest paid		(240)	(333)
Movement in accrued interest		(9)	16
SPECIAL BORROWINGS AT 30 JUNE		1,949	3,332

Note 18

Provisions

	2025 (\$'000)	2024 (\$'000)
CURRENT		
Employee benefits provision		
Accumulated days off	296	224
Annual leave ^(a)	4,557	4,051
Long service leave ^(b)	3,606	3,229
Defined benefit superannuation plans ^(c)	28	24
Sick leave	192	753
Other provisions		
Employment on-costs (includes superannuation and payroll tax)	1,600	1,445
TOTAL CURRENT PROVISIONS	10,279	9,726
NON-CURRENT		
Employee benefits provision		
Long service leave ^(b)	1,758	938
Defined benefit superannuation plans ^(c)	384	407
Other provisions		
Employment on-costs (includes superannuation and payroll tax)	325	164
Decommissioning provision ^(d)	757	723
TOTAL NON-CURRENT PROVISIONS	3,224	2,232
(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	3,151	2,738
More than 12 months after balance date	1,406	1,313
	4,557	4,051
(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	3,606	3,229
More than 12 months after balance date	1,758	938
	5,364	4,167

(c) 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

	2025 (\$'000)	2024 (\$'000)
Opening balance	431	488
Benefits paid	(27)	(27)
AMOUNTS RECOGNISED IN PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Current service cost		
Interest cost	18	16
Actuarial gain	(10)	(46)
PRESENT VALUE OF UNFUNDED OBLIGATIONS AT END OF YEAR	412	431

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

Movement in provisions

	2025 (\$'000)	2024 (\$'000)
Employee benefits provision:		
Opening carrying amount	9,626	8,431
Additional provisions made during the period	6,879	5,596
Amounts used during the period	(5,684)	(4,401)
CLOSING CARRYING AMOUNT	10,821	9,626
Other provisions ^(a)		
Opening carrying amount	2,332	2,065
Additional provisions made during the period	1,402	978
Amounts used during the period	(1,052)	(711)
CLOSING CARRYING AMOUNT	2,682	2,332

(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:

	2025 (\$'000)	2024 (\$'000)
Cash and cash equivalents (Note 11)	139,590	106,835
TOTAL CASH AND CASH EQUIVALENTS	139,590	106,835
Reconciliation of profit after income tax equivalent to net cash flow provided by/(used in) operating activities		
Profit after income tax equivalents	33,145	21,532
Adjustments for:		
Depreciation expense	15,056	14,463
Impairment	1,128	-
Interest income	(7,582)	(6,929)
Finance costs	573	671
Net loss on sale of property, plant and equipment	102	135
Loss on derecognition of financial asset	116	-
Net loss on sale of inventories	-	19
Work in progress written off	674	134
Fair value of transferred asset	(25,102)	-
Income tax expense	14,645	16,138
Operating profit before changes in working capital	32,755	46,163
(Increase)/decrease in assets:		
Trade and other receivables	4,577	(4,149)
Inventories	519	1,052
(Decrease)/increase in liabilities:		
Trade and other payables	7,003	1,656
Provisions	1,511	1,462
Decommissioning provision on transferred asset	-	47
Contract liabilities	(347)	135
GST liability	10	(74)
Cash from operating activities	46,028	46,292
Interest paid	(240)	(333)
Income taxes paid	(8,341)	(25,159)
NET CASH FROM OPERATING ACTIVITIES	37,447	20,800

Note 21

Financial instruments

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2025 (\$'000)	2024 (\$'000)
FINANCIAL ASSETS		
Cash and cash equivalents	139,590	106,835
Trade receivables and accrued revenue	21,558	29,329
Term deposits ^(a)	-	41,019
TOTAL FINANCIAL ASSETS	161,148	177,183
FINANCIAL LIABILITIES		
Trade and other payables	(14,292)	(5,940)
Lease liabilities	(5,597)	(6,321)
Interest-bearing borrowings ^(b)	(1,999)	(3,417)
TOTAL FINANCIAL LIABILITIES	(21,888)	(15,678)
NET FINANCIAL INSTRUMENTS	139,260	161,505

(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, lease liabilities 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)
2025 FINANCIAL ASSETS			
Cash and cash equivalents	139,590	698	(349)
	139,590	698	(349)
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)

(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 2025, one customer represents 19.82% (2024: 26.46%) 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 Port's trade receivables using a provision matrix.

	Total (\$'000)	Current (\$'000)	31-60 days (\$'000)	61-90 days (\$'000)	>91 days (\$'000)
30 June 2025					
Total gross carrying amount	18,924	17,481	685	444	314
EXPECTED CREDIT LOSSES	180	-	2	22	156
30 June 2024					
Total gross carrying amount	22,351	20,618	1,367	109	257
EXPECTED CREDIT LOSSES	227	-	-	5	222

(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 (continued)

	Carrying amount (\$'000)	Total (\$'000)	6 months or less (\$'000)	6-12 months (\$'000)	1-2 years (\$'000)	2-5 years (\$'000)	More than 5 years (\$'000)
2025							
Trade and other payables	14,292	14,292	13,459	735	95	3	-
Lease liabilities	5,597	6,075	1,048	1,013	1,671	2,343	-
Interest-bearing borrowings	1,949	2,033	750	750	533	-	-
TOTAL FINANCIAL LIABILITIES	21,838	22,400	15,257	2,498	2,299	2,346	-
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

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

	2025 (\$'000)	2024 (\$'000)
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	49,441	35,199
TOTAL CAPITAL EXPENDITURE COMMITMENTS	49,441	35,199

Note 23

Auditors' remuneration

	2025 (\$'000)	2024 (\$'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	175	161
TOTAL REMUNERATION OF AUDITOR	175	161

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:

	2025 (\$'000)	2024 (\$'000)
Short-term employee benefits	3,144	2,847
Post-employment benefits	347	311
Other long-term benefits	380	458
Termination benefits	-	-
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	3,871	3,616

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 (2025: \$0.719) [2024: \$Nil]
- Interest income from State Government (2025: \$2.787 million) [2024: \$1.587 million]
- Equity contributions from State Government (2025: \$15.694 million) [2024: \$16.675 million]
- Distribution to State Government (2025: Nil) [2024: \$1.275 million] (Note 10 (B))
- Superannuation contribution payments to GESB (2025: \$2.520 million) [2024: \$2.108 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 & 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 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. While some sites are classified as “*Contaminated – remediation required*,” they remain suitable for industrial port use.

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

On 30 June 2025, 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.

(B) OTHER CONTINGENT LIABILITIES

There are no contingent liabilities to report in addition to the liabilities included in the financial statements.

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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