



**STATEMENT OF CORPORATE INTENT
2009/10**

Chairman's Introduction

The World's economies hit serious trouble in the last half of 2008 as a virus spread from sub prime credit failures to eventually affect world wide credit and equity markets, consumer demand and employment. It seems that Australia will not be immune from the fallout and, despite being the star performer among the States over recent years, Western Australia is also predicted to slow down. It is therefore reasonable to expect that all sectors of Fremantle Ports' business will need reassessment. Exports and imports are forecast to slow, impacting on current record container growth.

It is not possible to estimate at this early stage what the final effects will be, or how long a quieter business cycle might be experienced. What is certain however is that we must continue to offer the best possible cargo handling services, promptly, efficiently and cost effectively to our customers as they battle these changed conditions.

Fremantle Ports can and will make a positive contribution to these national difficulties, remaining a cost effective, profitable and reliable essential service provider to the people of Western Australia. All existing assets will be driven hard to extract maximum productivity.

Plans for expansion and new facilities to accommodate future growth retain their importance, even though allowance will be made for possible changes in the rate of growth. The Fremantle Harbour deepening project is driven by ship design, which since the early 90s has seen larger wider deeper vessels arriving at our container ports.

It is imperative that the Port of Fremantle keeps pace with these developments to ensure that we remain an effective and economic facility for all users. As an added bonus, dredge spoil from the berth deepening work will create new land, which will have a value considerably greater than the cost of dredging, creating a double benefit.

Governments, both State and Federal, have identified essential infrastructure as a worthy target for public expenditure and a means of stimulating the economy during the forecast of quieter times. The Outer Harbour development was a necessity on previous growth forecasts, a great deal of work was done on that, the approvals process is well advanced and ready to proceed once the funds are available.

Fremantle Ports is well placed to make a positive contribution to these national difficulties and remain a profitable and reliable essential service provider to the people of Western Australia.

A handwritten signature in black ink, appearing to read 'Alan Birchmore', with a stylized flourish at the end.

Alan Birchmore
CHAIRMAN

INTRODUCTION

This is the thirteenth Statement of Corporate Intent prepared by the Fremantle Port Authority, trading as Fremantle Ports, and is submitted under the provisions of the Port Authorities Act 1999 (the Act).

The Act sets out a clear role for Port Authorities in facilitating trade in a commercially responsible manner and establishes clear lines of accountability with the State Government. The Act requires that each Port Authority is to submit a Statement of Corporate Intent to the Minister for approval each year by a date determined by the Minister in agreement with the Treasurer. This Statement of Corporate Intent outlines Fremantle Ports' intended key achievements over the 2009/10 financial year.

Major Works 2009/10

Fremantle Ports' Mission is to facilitate trade in a sustainable way and its Vision is to be valued by its customers and the community for its leadership and excellence. Fremantle Ports' focus for the future is to work with customers and stakeholders to ensure the successful progression of major projects and planned developments needed to achieve its Mission and Vision

Works related to the deepening of the Inner Harbour in response to the global trend to larger, deeper-draft vessels in the container trade are in progress and it is expected that the first stage will be completed in 2009/10. The deepening also involves an upgrade in infrastructure and facilities to handle the larger vessels.

In order to increase transport efficiencies and facilitate continuing growth in the container trade, a greater share of the transport task is being progressively moved to rail. Strategies to increase the rail share of the freight task will be continued in 2009/10.

At the western end of Victoria Quay the key elements of the Fremantle Waterfront Master Plan endorsed by the Western Australian Planning Commission will continue to be implemented. The Plan provides for the development of a Commercial Precinct on Victoria Quay with improved connectivity with the Fremantle CBD.

In the Outer Harbour, the bulk trades continue to grow and capital expenditure is planned to provide for improvements to existing facilities. The approvals process will also be progressed for the Kwinana Quay development to handle growth in the container and break-bulk trades beyond the capacity of the Inner Harbour.

Fremantle Ports recognises its responsibilities to the community and the environment to ensure the ongoing sustainability of the Port and will continue to engage stakeholders in its plans for the future.

Services and Facilities

Fremantle Ports provides services and facilities for shipping in the Inner Harbour at Fremantle and the Outer Harbour at Kwinana. The Inner Harbour handles container trade, break bulk cargo, livestock exports and motor vehicle imports and also accommodates cruise ships and visiting naval vessels. The Outer Harbour handles bulk cargoes including grain, petroleum, alumina, cement clinker, caustic soda, iron ore, coal, fertilisers and sulphur.

The Port of Fremantle is a mixture of facilities and services managed by Fremantle Ports and private operators. Fremantle Ports provides and maintains shipping channels, navigation aids, cargo wharves at common user areas and leased terminals, the Overseas Passenger Terminal, road and rail transport infrastructure within the port area, moles and seawalls and other port infrastructure such as storage sheds, water, power and public amenities.

Three of the jetties in the Outer Harbour are operated by private companies, generally under Special Agreement Acts with the State. They are the Alcoa, BP and CBH jetties. The Kwinana Bulk Jetty and the Kwinana Bulk Terminal are operated by Fremantle Ports.

Services provided directly by Fremantle Ports include ship scheduling, berthing allocations, port communications, mooring (in the Inner Harbour and at some facilities in the Outer Harbour), bulk stevedoring at the Kwinana Bulk Berths, emergency response, hazardous cargo services and quarantine and waste disposal services. Pilotage is provided under a contract arrangement with the Fremantle Pilot Company. Pilot transport over water is provided by Fremantle Ports.

Services provided by the private sector include container and general stevedoring, towage, line boats, ships' bunkering and ships' provisioning. Towage is carried out under non-exclusive licence agreements which expire on 1 June 2013. The two container stevedoring companies, Dubai Ports World and Patrick, operate under long-term leases with Fremantle Ports and their performance is monitored under the terms of the lease agreements.

Fremantle Ports manages tenanted properties in the port area for port related purposes, including container parks.

Fremantle Ports also cooperates with Commonwealth Government agencies responsible for customs, quarantine, maritime safety and security.

The Port of Fremantle makes a major contribution to the Western Australian economy. Total trade handled through the Inner Harbour and Outer Harbour is currently valued at \$26.1 billion per annum.

Scope of the Business

Under the Port Authorities Act, Fremantle Ports has exclusive control of the Port of Fremantle subject to any direction given by the Minister. It has a duty to act on commercial principles and has the powers to perform its functions under the Act, including the power to hold, dispose of and develop port land, carry out port works, provide port services, enter into business arrangements, issue licences and charge for its services.

Vision, Mission and Values

Fremantle Ports' Vision is *"To be valued by our customers and the community for our leadership and excellence"*.

Fremantle Ports' Mission is *"To facilitate trade in a sustainable way."*

Fremantle Ports sees its People, Customers, Environment, Community and Success as important. In recognising this, the values agreed by Fremantle Ports' staff are:

- *Respect and Integrity*
- *Safety and Wellbeing*
- *Responsiveness and Delivery*
- *Continuous Improvement and Innovation*
- *Sustainability*

GOALS AND MAJOR PLANNED ACHIEVEMENTS

Fremantle Ports aims to facilitate trade by being competitive and responsive to its customers and to look forward by enhancing capability for the future. Its objectives and major planned achievements for 2009/10 are as follows:

Objective 1: Service delivery

- *Providing exceptional services that exceed customer expectations.*

Adding Value to Customers

Fremantle Ports works closely with customers and joint service providers to monitor customer satisfaction, identify improvement opportunities and provide for future needs. In the Inner Harbour the main challenge for 2009/10 will be planning and providing for the service requirements of the larger deep draft vessels post harbour deepening, including pilotage, towage and new generation container handling equipment. In the Outer Harbour further work will be carried out with bulk importers and exporters to identify value adding opportunities and improve operational performance.

Infrastructure Development

Investment in port infrastructure and facilities is important to sustain economic growth. Investment is formulated by analysing future trade levels and asset requirements based on customer needs. The investment is required to:

- meet specific identified trade opportunities;
- meet statutory requirements (e.g. environmental, occupational health and safety);
- meet growth in trade and demand for services;
- improve the level of service provision consistent with identified needs;
- replace existing assets or upgrade assets to improve operating efficiency and productivity; and

- provide support facilities to improve efficiency.

The major works planned for 2009/10 in the Inner Harbour include the deepening of the Inner Harbour and approach channel to handle vessels of up to 13.5 metres draft. Funding has also been provided for the upgrade, strengthening, underpinning and stabilisation of various berths and facilities on North Quay to enable the Harbour to handle the larger vessels.

Funds have been provided for the construction of the Rous Head seawall to enable further reclamation for uses associated with on-going trade growth. This will accommodate placement of dredged material from the deepening of the Harbour.

Infrastructure Maintenance

Fremantle Ports' assets include dredged shipping channels, navigation aids, marine structures, wharf and jetty structures, land improvements, buildings and utility services, mechanical equipment and mobile and floating equipment. Priorities for 2009/10 include repairs to marine structures, upgrading navigation aids, replacing electricity distribution infrastructure and repairing loading/unloading equipment for the bulk business.

Maintenance dredging is an ongoing requirement and plans are based on hydrographic surveys carried out for commercial berths and approach channels within the port limits. Whilst a final dredging plan will not be developed until new hydrographic data can be reviewed closer to the time, it is anticipated that maintenance dredging and/or sweep barring will be required during 2009/10 in the vicinity of North Quay and J Berth in the Inner Harbour; and KBB2, the oil refinery jetty and Alcoa in the Outer Harbour.

Maritime Security

Fremantle Ports will continue to work with industry to deliver efficient and effective security outcomes consistent with the Maritime Transport and Offshore Facilities Security Act and Regulations and the International Ship and Port Facility Security (ISPS) Code.

Fremantle Ports is an approved Issuing Body under the Maritime Transport and Offshore Facilities Security Regulations 2003 for the purpose of receiving, processing and printing the Maritime Security Identification Card (MSIC). The single Access/MSIC issued by Fremantle Ports is capable of being programed for use in any Western Australian port. Fremantle Ports will continue these services in 2009/10.

Traffic Management

Fremantle Ports will continue its program to monitor and respond to traffic matters in the Inner Harbour. The CCTV coverage of traffic corridors has been extended and further work is planned for 2009/10 to increase coverage and improve traffic flows.

Objective 2: Capability for the future

- *Ensuring sound planning for all aspects of our business including resources, services and infrastructure.*

Port Planning – Inner Harbour

Port planning for the Inner Harbour continues to take a long term perspective to ensure the ultimate sustainable capacity of the Inner Harbour can be achieved through adopting the triple bottom line approach to planning and development.

Fremantle Ports finalised the Inner Harbour Port Development Plan in 2000. The Plan is a strategic document setting the framework for future port development over the next 30 years. Since 2000 the plan has provided a basis for making coordinated land-use and transport decisions.

The various elements of the plan are being progressively implemented, including the upgrading of the North Quay berths. Over recent years trade growth rates have been consistently higher than predicted and this has resulted in the need to bring forward some elements of planning such as the upgrading of the North Quay berths. Deepening of the Inner Harbour and its approach channel is also essential to allow for future access to the port for larger deeper draft vessels. Dredged material will be used to reclaim further land at Rous Head for port uses. Other priorities include improving the efficiency and capacity of the common user areas to provide for the requirements of break-bulk cargo trade such as imported motor vehicle imports.

Fremantle Ports will continue to work with State and local government authorities on land use planning issues and the development of Planning Policies for port areas. Six Planning Policies have been implemented to date, related to the Inner Harbour Waters, North Quay, East Victoria Quay, Rous Head, Kwinana Bulk Terminal and Jetty, and the Outer Harbour Waters.

To facilitate implementation of the Port Development Plan, two complementary studies will continue to be progressed - the Rous Head Planning Study and Inner Harbour Port Development Strategy, both of which have a long term view on land use strategies and transport planning.

A study will also be progressed to examine in more detail the merits of considering the possible movement of containers from the Inner Harbour to port facilities in Kwinana.

Deepening of the Inner Harbour

Deepening of the Inner Harbour is a strategic investment to maintain compatibility with other national container ports and to ensure global shipping lines can continue to call at Fremantle. The need to deepen the Inner Harbour results from a global trend towards replacing older container vessels with new larger capacity vessels. These vessels are now entering the Australian trade and this has resulted in the need for the deepening of some Australian ports including the Port of Melbourne and Flinders Port in South Australia and now Fremantle.

At Fremantle, the average size of container vessels calling at Fremantle has increased by more than two thirds since 1992/93 in line with the global trend and even larger vessels with drafts of up to 13.5 metres are expected over the next few years.

The deepening the Inner Harbour and associated channels will be progressed in two stages. The first stage commenced in 2008/09 and is scheduled to be completed in

late 2010 – this stage involves strengthening existing berths, deepening the access channels and the Inner Harbour to accommodate 13.5 metres draft vessels and completing the reclamation at Rous Head. The second stage of deepening will provide for vessels of 14.0 metres draft and is planned to be carried out to meet expected shipping needs beyond 2015.

The dredge spoil from the deepening will be used to create an estimated 30 ha of additional land at Rous Head that will be developed for port related uses to cater for future trade needs.

Port Planning – Outer Harbour

Further port development is needed in the Outer Harbour to handle growth in containerised and general cargo trade beyond the capacity of the Fremantle Inner Harbour. Planning work undertaken to date has included the application of Strategic Assessment Guidelines for the assessment of four options in the Kwinana/Naval Base area to determine the optimum option. Current work involves seeking the necessary approvals for the two options selected by State Cabinet to progress to the statutory approval phase. The target is to obtain approvals in the first half of 2009/10.

It is also proposed to review long term port development plans for the Outer Harbour to confirm the capacity of existing and proposed developments to cater for future trade growth.

Other significant port planning issues for the Outer Harbour are:

- determination of future land requirements for port and transport related uses in the Kwinana area and the Hope Valley/ Wattleup redevelopment area;
- the further development of facilities and infrastructure at the Kwinana Bulk Terminal to cater for customer needs; and
- ensuring that long term key road and rail freight access requirements are provided for in planning schemes;

Objective 3: Trade and Business Growth

- *Promoting and facilitating trade and business growth opportunities*

Trade Forecasts

Prior to the world economic downturn, the Port of Fremantle experienced strong and sustained trade growth. The container trade is currently four times the level it was in 1992/93 and total trade volumes through the port also increased by 43% over that period.

As a result of the global economic downturn, however, is evident that lower trade levels are expected in container trade, steel imports, motor vehicle imports, scrap exports, heavy industrial and mining machinery imports and break bulk trades. The budget for 2009/10 has been adjusted to reflect the decline in trade growth and only modest growth rates are expected in future years.

. Industry forecasts suggest that total trade in the port, measured in mass tonnes, are expected to rise by 4.3% in 2008/2009, due mainly to new exports by Griffin Coal, increased grain exports and higher petroleum product imports. In 2009/2010,

however, a lower growth of 0.3% is forecast which includes negative growth of 4.5% in the container trade, reductions in Inner Harbour break-bulk trades and the closure of the HIs melt plant.

Road and Rail Transport

The development land transport linkages in the Inner Harbour's reflects the need to respond to economic needs and community impacts. Previous reliance on road transport for haulage of virtually all container freight to and from the Inner Harbour resulted in increasing congestion problems at and around the wharves, leading in turn to reduced transport efficiency. With the construction of the new Rail Loop to North Quay and government funding to encourage the use of rail, however, the volumes transported by rail have been growing. The target is to increase the rail share of the container transport task to 30% by 2012.

A number of studies have also been undertaken over several years to develop a broader response to transport issues and findings from this work will assist in guiding developments in both rail and road transport to the Inner Harbour.

Extensive planning work has also been undertaken with respect to the planned new Kwinana Quay port development and road and rail alignment options are still being investigated. Work has also been undertaken on identifying and evaluating alternative sites for a new intermodal terminal development in the Kwinana area. This facility will ultimately be necessary to provide for growing interstate trade but will also be serve the new Kwinana Quay port development.

Fremantle Waterfront Master Plan

Fremantle Ports is progressing key elements of the Fremantle Waterfront Masterplan at the western end of Victoria Quay, including a commercial development. The Masterplan has been endorsed by the Western Australian Planning Commission.

Development approval for the new Commercial Precinct has also been obtained and the first stage of the development will be progressed in 2009/10. Works on a new common use ferry terminal in B Shed will also be progressed during the year. Planning for the development of the remainder of the Fremantle Waterfront area is also being progressed with community and stakeholder input.

(4) Support services

Our Objective

- *Ensuring appropriate and cost effective resources, processes and systems to support service delivery.*

Information Technology

Fremantle Ports has a technology infrastructure that supports the integration of business processes to achieve its strategic goals. Corporate information systems primarily provide information required to support administrative, operational and business processes. Key projects planned for 2009/10 include:

- Further development of the Port Management Information System;
- Enhancements to the intranet and internet infrastructure and software applications; Updating the suite of Microsoft platform software used for server and desktop operating systems;
- Planned upgrades of Personal Computer and server hardware;
- Enhancements to the Common User Berths Access system.
- Critical changes to the Voyager dangerous cargo system aimed at increasing the electronic submission of dangerous goods manifests by shipping companies to the Authority;
- Integration and development of other business systems.

Knowledge Management

Fremantle Ports recognises the strategic importance of corporate knowledge in sustaining business success. Key initiatives have been prioritized for action in the Knowledge Management Plan which will continue to be implemented to increase awareness and competency in knowledge management practices.

Employee Development

Fremantle Ports will continue to provide a coordinated approach to employee development strategies and arrangements to ensure that staff have the appropriate skills and understanding to be empowered to contribute to achievement of organisational objectives. A comprehensive Work Force Plan will continue to be implemented in 2009/10 to ensure workforce sustainability and address future requirements. Key elements of the Plan include a review of corporate and operational training policies and programs, review of work loads, role-out of values and work place behaviour training, on-going leadership development and strategies to promote work / life balance.

Objective 5: Business Excellence and Sustainability

- *Ensuring business sustainability through our excellent performance in all areas, innovation, business improvement and community and stakeholder engagement.*

Port Pricing

In accordance with the requirements of the Port Authorities' Financial Policy, Fremantle Ports is required to achieve a long term rate of return of between 5% and 8%. However, in view of the current global economic crisis and despite the expenditure adjustments made and the price increases that have been necessary a rate of return in this range will not be achievable in 2009/10 and a reduced rate of return of 3.5% is expected.

An average price increase of 3.3% on the rates and charges for ships (excluding Pilotage) and non containerised cargo has been budgeted for 2009/10. The need to increase prices is a result of lower trade projections, growing business costs, including substantially increased maintenance costs, and a significant increase in the replacement value of assets. For containers, a price increase of 3% has been budgeted. In addition, a port improvement fee of up to \$9.50 per full TEU is to be

introduced in 2009/10 to fund the deepening of the Inner Harbour which is scheduled to be completed in 2009/10.

Fremantle Ports focuses on ensuring that prices remain competitive with those of other Australian capital city ports. Pricing strategies will continue to be reviewed and new targets set each year in the context of changing competitive conditions, trade levels, projected operating results and the need to fund significant infrastructure projects.

Sustainability

Fremantle Ports' approach to strategic planning is driven by sustainability. Sustainability principles have been developed based on the use of best practice systems to add value for customers and stakeholders and to protect people and the environment.

Fremantle Ports' Environmental, Safety and Quality Management Systems have been certified to meet the rigorous standards ISO 14001, AS/NZS 4801, and ISO9001. The organisation first achieved certification of its Environmental Management System (EMS) in January 2001. Regular surveillance audits are conducted by the independent certifying body, SAI Global, to ensure the systems continue to be maintained and effective.

In accordance with the requirements of the Port Authorities Act 1999, the Marine Safety and Environment Plan was reviewed and resubmitted for approval in 2008.

In keeping with its commitment to sustainability, Fremantle Ports will continue to implement an extensive program of community consultation. The Inner and Outer Harbour Community Liaison Groups established by Fremantle Ports continue to meet quarterly. Fremantle Ports will continue to consult with local authorities in the port area on a regular basis, with industry bodies and with relevant State and Federal Government agencies. The community sponsorship program will also be continued.

Business Excellence Australia

Fremantle Ports has adopted the Business Excellence Australia Framework as its overarching strategy for innovation and continuous improvement. Following a Bronze level Award in April 2003, Fremantle Ports was recognised at the Gold level in the Australian Business Excellence Awards process in June 2007. This was the first time a Western Australian organisation had been recognised at that level in the 18 year history of the Awards, and the first in Australia since 2001. In addition to the Gold Award, Fremantle Ports was awarded the Australian Business Excellence Medal as the highest scoring participant in the 2007 awards, and the People Award for excellence in this category. Fremantle Ports will continue to apply the Framework as part of its normal business practices.

OPERATING BUDGET FORECASTS

Fremantle Ports' Operating Budget for 2009/10 is prepared in accordance with Australian Accounting Standards and shows an after tax profit of \$10.1 million.

OPERATING BUDGETS 2009/10 and 2008/09

	2009/10	2008/09
	\$M	\$M
Total Revenue	132.2	119.0
Total Expenditure	116.9	104.6
Operating Profit before Income Tax	15.3	14.4
Income Tax Expense	5.2	4.7
Operating Profit after Tax	10.1	9.7
Ordinary Dividend	4.9	8.9

Shipping and cargo volumes, on which 2009/10 revenue estimates are determined, are based on consultation with major customers.

CAPITAL WORKS PROGRAM

Fremantle Ports' capital works program for 2009/10 provides for expenditure of \$221.6 million on approved capital projects. Major expenditure includes:

- North Quay - berth upgrades (Western & Eastern stages)
- Seawall - construction (Rous Head Extension – 2nd stage)
- Kwinana Bulk Terminal - infrastructure & equipment replacement & upgrade
- Inner Harbour deepening

It is planned to finance the capital works program through a combination of borrowings and internal funds, and for a small proportion to be financed through equity injection or third party contributions. These funding arrangements comply with approved Net Debt limits.

DIVIDEND POLICY

In accordance with the Port Authorities' Financial Policy, Fremantle Ports is obliged to pay dividends to the State on profits derived after tax and significant items.

Dividends have been budgeted in accordance with Australian Accounting Standards and Government's dividend requirements.

RATE OF RETURN

Government's Financial Policy includes requirements relating to Rate of Return targeting and reporting. Under the policy, WA Ports are required to calculate a rate of return based on the deprival value of non-current assets (excluding gifted assets), with a formal valuation to be carried out every three years. The policy requires WA ports to achieve a long-term average target range of between 5% and 8% on total assets. In view of the current global economic downturn with trade growth less than anticipated, a targeted rate of return of 3.5% has been adopted in the budget for 2009/10.

FINANCIAL AND ACCOUNTING POLICIES

These budgets and financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the financial reporting provisions of the Port Authorities Act 1999.

The financial statements have been prepared on an accrual accounting basis and in accordance with the historical cost convention.

INFORMATION TO BE REPORTED TO THE MINISTER

Fremantle Ports is obliged to provide financial information to the Department of Treasury and Finance under the Government Financial Responsibility Act 2000.

Fremantle Ports will provide the Minister Transport with the information necessary to allow adequate assessment of Fremantle Ports' performance during the year. This will include an Annual Report, half-yearly budget forecasts and a half-yearly report including financial information and comments on performance as considered relevant.

The Annual Report for 2009/10 will comply with the requirements of the Port Authorities Act 1999 and will include the following information:

- a report on the major operations and activities of Fremantle Ports during the year;
- a review and assessment of performance against the Statement of Corporate Intent targets;
- financial statements; and
- other information required by the legislation to be included in the Annual Report such as the particulars of any direction given by the Minister.

PROVISION OF FINANCIAL INFORMATION

Relevant annual information will be provided to enable Treasury to meet its budgetary responsibilities. Such information will include forecasts of dividend and tax equivalent payments plus financial information for the budget year and the subsequent four out-years.

Quarterly financial information required for whole of government reporting under the Treasury Information Management System will also be provided.

KEY PERFORMANCE TARGETS

The performance targets shown in Table 1 are used by Fremantle Ports to monitor service delivery, to identify and respond to emerging trends in trade development, measure our capability for the future, monitor the financial performance of our operations and ensure business excellence and sustainability.

Fremantle Ports will continue to undertake customer surveys to monitor levels of customer satisfaction for services provided by Fremantle Ports and by the private sector. Recent surveys have shown a customer satisfaction rate of 88% for Fremantle Ports and 76% for the private sector. Customer satisfaction levels are expected to remain within or above the target range of 80-90% in 2008/09.

Community satisfaction surveys will be carried out to monitor levels of community satisfaction with Fremantle Ports. Surveys carried out in 2008 showed that 66% of respondents in the Inner Harbour and 60% in the Outer Harbour were either quite satisfied or very satisfied with the performance of Fremantle Ports overall.

In relation to safety, Fremantle Ports has set a target of a 20% reduction in its Lost Time Injury Frequency Rates for the next few years. In terms of the environment, we plan to retain our ISO 14001 accreditation to ensure that we continue to maintain a high standard of environmental performance.

Fremantle Ports has budgeted for a 3.5% rate of return on assets for 2009/2010, with provisions for payments to the State Government in the form of dividends, income tax equivalent payments, land tax and local government rate equivalent payments.

Table 1. PERFORMANCE TARGETS

Performance Targets /Forecasts	2009/10 Budget / target ¹	2008/09 Budget / target	2007/08 Actual
□ SERVICE DELIVERY			
Berthing Delays			
<i>Inner Harbour - Container vessels</i>			
Unavailability of services ²			
<i>percentage of total vessels</i>	< 1	< 1	0.2
<i>affected</i>			
<i>average hours per delay</i>	<5	<5	6.1
<i>Kwinana Bulk Terminal</i>			
Unavailability of services			
<i>percentage of total vessels</i>	<1	<1	0
<i>affected</i>			
<i>average hours per delay</i>	<5	<5	0
<i>Kwinana Bulk Jetty</i>			
Unavailability of services			
<i>percentage of total vessels</i>	<2	<2	0
<i>affected</i>			
<i>average hours per delay</i>	<5	<5	0
Crane Rates - containers per net crane hour	28	28	28
Customer Satisfaction with Fremantle Ports' services (%)	80-90	80-90	88
Customer Satisfaction with other Port services (%)	80-90	80-90	76
□ CAPABILITY FOR THE FUTURE			
Berthing Delays			
<i>Inner Harbour - Container vessels</i>			
Unavailability of berths			
<i>percentage of total vessels</i>	<12	<12	10
<i>affected</i> ³			
<i>average hours per delay</i> ³	<20	<20	18
<i>Kwinana Bulk Terminal</i>			
Unavailability of berths			
<i>percentage of total vessels</i>	<25	<25	44
<i>affected</i> ³			
<i>average hours per delay</i> ³	<80	<80	75
<i>Kwinana Bulk Jetty</i>			
Unavailability of berths			
<i>percentage of total vessels</i>	<25	<25	18
<i>affected</i> ³			
<i>average hours per delay</i> ³	<50	<50	75
□ TRADE AND BUSINESS GROWTH			
Total Port Trade - Annual growth rate (%) ⁷	0.3	2-3	4.1
Container Trade - Annual growth rate (%) ⁷	-4.5	4-6	14.7
Market share ⁴ (%)	10	10	10

Performance Targets /Forecasts	2009/10 Budget/ target¹	2008/09 Budget/ target	2007/08 Actual
Number of Ship Visits ^{5,7}	1,765	1,818	1,725
□ BUSINESS EXCELLENCE AND SUSTAINABILITY			
Profit after tax (\$M) ^{5,7}	10.1	9.7	17.9
Rate of return on assets ^{6,7} (%)	3.5	5.8	8.2
Community Satisfaction - Inner Harbour (%)	70-80	70-80	66
- Outer Harbour (%)	70-80	70-80	60

1. Expected outcome based on year to date figures and forecasts provided by major customers.
2. Services include pilotage, towage and mooring.
3. Figures include vessels that arrive ahead of schedule.
4. Number of containers through Fremantle as a percentage of Australian capital city ports (excluding Hobart).
5. Includes commercial, non-trading and fishing vessels.
6. Figures represent the rate of return on assets using deprival valuation methodology.