



DRAFT
STATEMENT OF CORPORATE INTENT
2013/14

Chairman's Foreword

The Western Australian economy continues to perform well and the signs are for continued, but perhaps more modest, growth over the short term.

The budget for 2013/14 provides for a rate of return of 8.0% on the value of assets and, in accordance with decisions of the Government in April 2012, provision has been made for payment of an additional 3% efficiency dividend as well as additional contributions through budgetary controls and new trade initiatives.

Key planned investments for 2013/14 include the construction of Stage 2 of the North Quay Rail Terminal to provide for longer trains to assist handling an increasing rail task.

In the Outer Harbour, significant new bulk trades have emerged in recent years and new investment is required to upgrade bulk handling equipment and infrastructure. Opportunities to provide for further capacity for bulk trades in future will continue to be explored, as will opportunities for private sector involvement in the provision of infrastructure investment and services as recommended in the Ports Review .

Provision of services and leasing of the newly created reclamation land in the Rous Head area is well advanced, following the successful completion of the Inner Harbour Deepening project. The 27 hectares site provides for port related industry and will ensure the port is strategically positioned to cater for increased trade and growth into the future.

This Statement of Corporate Intent outlines Fremantle Ports' intended key achievements in 2013/14 and investment strategies required for it to carry out its trade facilitation role while fulfilling its social and environmental responsibilities.

Jim Limerick
CHAIRMAN

INTRODUCTION

This is the seventeenth 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 2013/14 financial year.

In accordance with decisions made by the Government in April 2012, Fremantle Ports will be initiating business strategies in order to meet the 3.0% efficiency dividend requirement and associated increases in Tax Equivalent Payments and Dividends as follows:

<u>Efficiency Dividend 2013/14</u>		<i>\$'000</i>
Business Improvements		2,493
Estimated increase in Tax Equivalent Payments		748
Estimated increase in Dividends (to be paid in 2014/15)		1,134

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. Fremantle Ports' Outer Harbour facilities at the Kwinana Bulk Terminal and Kwinana Bulk Jetty handle bulk cargoes including cement clinker, caustic soda, iron ore, coal, fertilisers and sulphur. In addition the Alcoa, BP and CBH private jetty facilities in the Outer Harbour handle grain, petroleum and alumina, generally under Special Agreement Acts with the State.

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.

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' providedoring. Towage is carried out under non-exclusive Licence Agreements which expire on 1 June 2013. Current and potential licence holders will need to apply for new seven year licences commencing 1st June 2013 and the process to put this in place has commenced.

Fremantle Ports manages tenanted properties in the port area for port related purposes, including container parks and container terminals. 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. The current leases for the two container terminal operators will expire in 2017 and important work will be carried out in 2013/14 to give consideration to arrangements for container stevedoring to apply in future years beyond the current lease terms.

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 in 2011/12 was valued at \$30.1 billion.

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; and*
- *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 2012/13 are as follows:

Objective 1: Service delivery

- *Providing reliable and efficient services that meet 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. The future of the Inner Harbour has now been secured with the deepening of the harbour and approach channels, and the port is now seeing a growing number of larger vessel visits.. The private sector has invested in new generation tugs and container cranes to cater for the larger vessels and the State Government's support for the future Inner Harbour as an operating port has given the private sector the confidence it needs to continue with future investment strategies as the port reaches its capacity.

We will continue to work with customers across all trade areas to identify and implement value adding opportunities. This work will be progressed through a comprehensive customer liaison program involving regular meetings with all major customers as well as industry forums for specific trades.

Our success in this area is measured by the improvements that we achieve and the level of satisfaction recorded by our customers in our annual customer survey. Customer satisfaction with port services continue to be within or exceed the target range of 80-90%.

Infrastructure Development

Fremantle Ports' will continue to work with customers and stakeholders to ensure the successful progression of major projects and planned developments needed to facilitate trade growth into the future.

A Key outcome for 2013/14 will be the extension of the North Quay rail terminal (Stage 2) to provide for increased capacity and greater efficiency of container rail transport operations. A greater share of the transport task is being progressively moved to rail to increase transport efficiencies and facilitate future growth in the container trade. Strategies to increase the rail share of the freight task are being developed in collaboration with the Department of Transport and the private sector.

A further important outcome for the Inner Harbour will be the development of the newly reclaimed land in the Rous Head area to ensure the port is strategically positioned to cater for increased trade and growth into the future. Following the completion of roads and services in 2012/13, development of the lease areas by tenants is expected to be progressed during 2013/14.

At the western end of Victoria Quay work is continuing on the implementation of key elements of the Fremantle Waterfront Master Plan. The focus during the year will be on the Commercial Precinct area, adjacent to the railway station, with the hope of facilitating a new commercial office and retail development by the private sector.

In the Outer Harbour, capital investments are planned at the Kwinana Bulk Terminal to replace and upgrade cargo handling equipment and infrastructure. Opportunities for private sector involvement in this investment will be explored.

Infrastructure Maintenance

Fremantle Ports ensures its assets meet service delivery requirements and are maintained, operated and utilised appropriately. All major asset conditions are monitored in a rolling maintenance program, with detailed analysis of planned and unplanned works. The information is used to identify existing and future maintenance requirements to ensure that asset conditions are aligned with service delivery requirements.

The rolling maintenance program and associated analytical work is designed to:

- implement a perpetual maintenance program based on current financial information with alignment to the budget;
- prioritise asset maintenance based on pre-determined criteria i.e. legislative requirements, health and safety issues, customer requirements and condition reporting;
- identify funding requirements for unbudgeted works, and consider alternatives and prioritise according to outcomes; and
- use data trends compiled in the maintenance program to facilitate decision making with regard to future maintenance and analysis of options to maintain, upgrade, replace or dispose of assets.

The total asset maintenance budget for 2013/14 is \$27.2 million and includes work on cargo handling equipment, interface structures (seawalls, berth repairs etc), cargo handling equipment at the Kwinana Bulk Terminal and Kwinana Bulk Jetty and maintenance and repairs to buildings and improvements.

Maritime Security

Fremantle Ports is an approved Issuing Body under the Maritime Transport and Offshore Facilities Security Regulations for the purpose of receiving, processing and printing the Maritime Security Identification Card (MSIC). Fremantle Ports will continue 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. Security measures are set according to requirements under national “Alert” levels set by the Commonwealth Government.

Traffic Management

A Truck Facility is being constructed in the newly reclaimed Rous Head area, which, along with the corresponding Truck Management System, will improve transport efficiencies and reduce problems with truck queuing. This includes improvement works such as paved areas, traffic signals and new traffic surveillance systems that will help to avoid bottlenecks and improve traffic flows.

Objective 2: Capability for the future

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

Inner Harbour Port Development

The State Government has confirmed the Inner Harbour's future as a working port with an anticipated capacity of 1.2 million TEUs per annum. The Inner Harbour Port Development Plan continues to ensure that it is able meet the demands of growing trades. Important planning work will focus on new investments required in landside logistics (Stage 2 of the rail terminal) and improvements to facilities to cater for the growing break-bulk trades, including decking for motor vehicle imports.

Port Planning – Outer Harbour

The Outer Harbour in Cockburn Sound plays an important role for the State in the import and export of bulk products including grain, petroleum, liquid petroleum gas, alumina, mineral sands, fertilisers, coal and sulphur. More recently, new trade opportunities have emerged for exports of iron ore and increased exports of coal.

Planning will continue in collaboration with the Department of Transport for further port development in the Outer Harbour to handle growth in the bulk commodity trades as well as the container trade and break bulk trades beyond the capacity of the Inner Harbour. .

Significant port planning issues in the Outer Harbour at Kwinana include the following:

- planning for the development of additional container facilities in the Outer Harbour;
- determination of future land requirements for port related uses such as container parks in the Kwinana area and the Hope Valley Wattleup redevelopment area;
- development of an intermodal terminal in the Kwinana region;
- the further development and improvement of facilities and infrastructure at the Kwinana Bulk Terminal to cater for existing and potential customers; and
- ensuring that long term key road and rail freight access requirements are provided for, including the Rowley Road and Anketell Road corridors.

Objective 3: Trade and Business Growth

- *Promoting and facilitating trade and business growth opportunities*

Trade Forecasts

Total Port Trade is expected to grow by 1.1% in 2013/14, including the full year impact of the iron ore trade which commenced in late 2012. The budget for 2013/14 also provides for projected growth of 4.0% in the container trade and 2.3% in the break bulk trades.

Trade over the Kwinana Bulk Terminal and Kwinana Bulk Jetty is projected to increase by 15.7% in 2013/14, mainly due to increased exports of iron ore.

Road and Rail Transport

In the Inner Harbour land transport linkages will be required to enable the port to reach its anticipated capacity while responding to community concerns about heavy vehicle movements and increasing congestion problems in and around the port. A greater role for rail transport is required to relieve pressure on the road system and provide greater choice for importers and exporters

The volume of import and export containers carried by rail has been steadily growing over recent years with the support of the State Government and a long term target share of 30% of the landside container transport market has been set for rail. Planning for initiatives to achieve this goal include the construction of stage 2 of the North Quay Rail Terminal, the development of an inland intermodal terminal and improvements to interface arrangements between rail and key facilities at the Port. The newly reclaimed land in the Rous Head area is partly being used as an opportunity to realign and improve road and rail efficiencies and increase capacity for the future.

Road transport will remain the dominant mode of transport at the Port. It is critical that main transport corridors to the Port are protected from urban encroachment and that road access routes are improved. Strategic initiatives being pursued to increase truck productivity include improving loading performance, reducing truck trips, reducing truck waiting times and extending hours of operation.

Motor Vehicle Decking

In order to facilitate the Port's ongoing commitment to the imported motor vehicle trade, there is a need to provide sufficient stacking area to cater for anticipated future growth and the necessity to handle single shipments up to 6,000 vehicles which are emerging as ship sizes increase.

Land limitations along Victoria Quay prevent expansion of operational space and are likely to cause congestion for the imported motor vehicle trade and limit the growth of this trade segment in the medium term.

Following more recent discussions with the break bulk industry and the motor vehicle trade, it was agreed that the best way to cater for future needs is through the construction of a "car decking" facility on Victoria Quay. Similar facilities currently exist in many overseas ports.

Subject to arriving at a sound business case with users, it is proposed that the development of such a facility will be progressed in 2013/14.

Victoria Quay Waterfront Master Development

Fremantle Ports is continuing to implement key elements of the Fremantle Waterfront Masterplan at the western end of Victoria Quay. The Masterplan aims to ensure that development remain consistent with the operational requirements of an efficient and growing working port.

The capital works program includes further funding for improvements to services and infrastructure to facilitate further private investment and development in the waterfront area on a commercial basis.

Objective 4: Support Services

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

Information & Communication Technology Strategy

Fremantle Ports has 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.

Current and planned key projects include enhancements to the following:

- Bulk Business support systems;
- Safety reporting;
- Outer Harbour Permit to Work processes;
- Human Resource Training modules;
- Maintenance Management System;
- Land Management System
- Organisational hardware and software management systems;
- Contact Relationship Management system; and
- Industry and ports community shared applications.

Employee Development

Strategies will be continued to ensure that Fremantle Ports' employees are appropriately skilled and have the understanding and empowerment to contribute to the achievement of organisational goals. Training and development needs are provided for in a number of co-ordinated programs, including performance management, leadership development, succession planning and staff support programs.

A comprehensive People Plan is in place to ensure workforce sustainability and address future needs. Key elements of the Plan continue to include a strong organisational focus on:

- a constructive high performance team culture;
- a People Performance System;
- development of leaders to ensure alignment with values;

- behaviours and goals to drive high performance culture; and
- ongoing strategies to promote a healthy 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% on the deprival value of assets. A rate of return of 8% has been budgeted for 2013/14. To achieve this, an average price increase in 2013/14 of 5.0% on the rates and charges for ships and cargo has been budgeted.

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 and projected operating results, while taking into account the need to fund significant infrastructure projects and to provide appropriate returns to government.

Safety Management

Fremantle Ports has achieved certification to the international standard AS/NZS 4801 since 2004. In addition, Fremantle Ports has a “*Safety for Life*” strategy which provides for a holistic approach to safety management underpinned by five key areas - leadership, safety behaviours, critical risk standards, safety management systems, and safety competencies.

Safety strategies focus on key risk exposures and their impact. Safety targets include the following targets;

- zero fatalities or disabling injuries;
- zero regulatory safety notices;
- 5% percent improvement in the overall safety survey results per annum;
- 90% planned versus actual safety training;
- 10% annual reduction in the Lost Time Injury Frequency Rate (LTIFR);
- 90% compliance with critical risk standards.;
- 100% participation by organisational leaders in the safety leadership programme; and
- retention of the AS/NZS 4801 certification.

Environmental Management

Fremantle Ports' approach to environmental management is set out in its Marine Safety and Environment Plan. This identifies environmental risks within the port area and the controls that are required to protect the environment. The ISO 14001:2004 Environmental Management System is a key tool used for identifying and managing environmental risks and for driving continual improvement in environmental

performance. Regular surveillance audits are undertaken to ensure the systems continue to be maintained and are effective.

A marine quality monitoring program remains in place to ensure that the general quality of waters in the Inner Harbour and the Outer Harbour remain very good. The ongoing results provide useful background data to establish trends and patterns over time, and also to compare against increasingly regulated marine quality standards and frameworks. The results also contribute to the ongoing monitoring of Cockburn Sound through the Cockburn Sound Management Council.

Preliminary site investigations of all port land areas has been undertaken and six sites have been selected for further assessment to ensure compliance with the Contaminated Sites Act, with three sites being in the Inner Harbour and three in the Outer Harbour. If required, site management plans will be developed with provision for any possible remediation works in future.

Independent audits are undertaken annually to ensure compliance with the environmental licences at the Kwinana Bulk Terminal and Kwinana Bulk Jetty. The audit process includes both an off-site review of documentation and an on-site review and verification of systems and procedures.

Risk Management

Fremantle Ports has a risk management culture where formal risk management is applied through the application of a risk management policy and framework in accordance with Australian Standard AS/NZS ISO 31000.

A corporate risk register is in place where all risks across the organisation are identified, prioritised and managed. Action plans are developed on an ongoing basis to address the priority risks in a systematic way, with particular focus on the highest risk areas.

Risk Management will continue to be incorporated in a formal way in key decision making processes, including major project proposals and approvals.

Business Improvement and Excellence

Fremantle Ports continues to apply the Australian Business Excellence Framework as part of its normal business practices. Current and planned priorities include the following:

- review and update improvement of our Corporate Process Map and flowcharting of the associated processes;
- review and improvement of our most important critical processes (including the project management process whole-of-process audits);
- implementation of priority actions following external assessment against priority categories of the Australian Business Excellence Framework;
- review and improvement of key performance indicators which link to the Strategic Plan and Corporate Scorecard;
- ongoing value chain analysis with strategic customers;
- improvements to the Stakeholder Management Plan and its associated process;
- the review and consolidation of key procedures; and
- simplification of business practices

OPERATING BUDGET

Fremantle Ports' Operating Budget for 2013/14 is prepared in accordance with Australian Accounting Standards and shows an after tax profit of \$23.6 million.

Operating Budgets 2013/14 and 2012/13

	2013/14 \$M	2012/13 \$M
Total Revenue	204.1	188.7
Total Expenditure	169.9	153.0
Operating Profit before Income Tax	34.2	35.7
Income Tax Expense	10.6	11.0
Operating Profit after Tax	23.6	24.7
Ordinary Dividend Based on Prior Year Profit	16.1	10.9

In accordance with decisions made by the Government in April 2012, Fremantle Ports will be initiating business strategies in order to meet the 3.0% efficiency dividend requirement and associated increases in Tax Equivalent Payments and Dividends as follows:

Efficiency Dividend 2013/14

	\$'000
Business Improvements	2,493
Estimated increase in Tax Equivalent Payments	748
Estimated increase in Dividends (to be paid in 2014/15)	1,134

Capital Works Program

Fremantle Ports' capital works program for 2013/14 provides for expenditure of \$94.8 million on approved capital projects. Major expenditure includes:

- Kwinana Bulk Terminal - Infrastructure & equipment replacement & upgrades;
- Kwinana Bulk Terminal - Undercover storage;
- North Quay Rail Terminal extension Stage 2; and
- Victoria Quay motor vehicle decking.

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 income tax.

Dividends have been budgeted in accordance with Australian Accounting Standards and Government's dividend requirements at the rate of 65%.

Rate Of Return

Government's Financial Policy includes requirements relating to Rate of Return targeting and reporting. Under the policy, Western Australian Ports are required to earn 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 Western Australian ports to achieve a long-term average target between the range of 5% and 8% on the total value of assets. A rate of return of 8.0% has been budgeted for 2013/14.

Financial and Accounting Policies

Fremantle Ports' 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 under the Government Financial Responsibility Act 2000.

Fremantle Ports will provide the Minister for Transport with the information necessary to allow adequate assessment of Fremantle Ports' performance during the year. This will include an Annual Report and quarterly reports including financial information and comments on performance as considered relevant.

The Annual Report for 2013/14 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 Strategic 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 operations and ensure business excellence and sustainability.

Shipping services are monitored to ensure that delays due to the unavailability of these services are avoided where possible, with the target being less than one percent of vessels affected.

Fremantle Ports will continue to carry out customer surveys to monitor levels of customer satisfaction for services provided by Fremantle Ports and the private sector. Recent surveys have shown a customer satisfaction rate of 94% for Fremantle Ports and 61% for the private sector. The result for Fremantle Ports is consistent with previous years whilst the private sector is down from 74% in 2011 with Qube General Stevedoring rating lower than the previous year and Patrick Container Stevedoring not improving on 2011 results.

Berthing delays due to berth congestion are also monitored for container vessels and bulk vessels at Fremantle Ports operations in the Outer Harbour. Most “delays” are due to vessels arriving ahead of schedule but ship waiting times are expected to remain within target ranges.

Total port trade is expected to increase by 1.1% in 2013/14, with the container trade growing by 4.0% and break bulk trades by 2.3%. New exports of iron ore at the Kwinana Bulk Terminal will contribute to new trade growth in the Outer Harbour.

The Government’s target share of container trade transported by rail is 30% over the longer term. New investment to extend the North Quay Rail Terminal (Stage 2) and the continuation of incentives to improve the competitiveness of rail will be required to reach this target. The recent trend towards the increasing share for rail has been encouraging.

Safety targets include zero serious injuries resulting in fatalities or disabling injuries and an annual reduction of 10% in the Lost Time Injury Frequency Rate, consistent with State Government policy.

Financial targets include profit after tax and rate of return on assets as provided for in the budget, with the rate of return for 2013/14 being 8.0% on the deprival value of assets.

Community satisfaction surveys will also continue to be carried out in the Inner and Outer Harbours. Surveys carried out in 2012 showed that 59% of respondents in the Inner Harbour and 63% in the Outer Harbour indicated that they were either very satisfied or quite satisfied with Fremantle Ports’ overall performance. Although this was outside the target range of 70%-80%, the survey showed that 30% and 34% respectively were neither satisfied nor dissatisfied.

Table1. **PERFORMANCE TARGETS**

Performance Targets /Forecasts	2013/14 Budget / target ¹	2012/13 Budget / target	2011/12 Actual
○ SERVICE DELIVERY			
Berthing Delays			
Inner Harbour - Container vessels			
Unavailability of services ²			
percentage of total vessels affected	<1	<1	0.1
average hours per delay	<5	<5	3.7
Kwinana Bulk Terminal			
Unavailability of services ²			
percentage of total vessels affected	<1	<1	0
average hours per delay	<5	<5	0
Kwinana Bulk Jetty			
Unavailability of services ²			
percentage of total vessels affected	<2	<2	0
average hours per delay	<5	<5	0
Crane Rates - containers per net crane hour	28	28	27.6
Customer Satisfaction with Fremantle Ports' services (%)	80-90	80-90	94
Customer Satisfaction with other Port services (%)	80-90	80-90	61
Customer Satisfaction - Value for Money, Fremantle Ports and Private Sector %	80-90	80-90	65
○ CAPABILITY FOR THE FUTURE			
Berthing Delays			
Inner Harbour - Container vessels			
Unavailability of berths			
percentage of total vessels affected ³	<12	<12	24
average hours per delay ³	<20	<20	12
Kwinana Bulk Terminal			
Unavailability of berths			
percentage of total vessels affected ³	<40	<25	47
average hours per delay ³	<120	<80	85
Kwinana Bulk Jetty			
Unavailability of berths			
percentage of total vessels affected ³	<25	<25	23
average hours per delay ³	<50	<50	66
○ TRADE AND BUSINESS GROWTH			
Total Port Trade - Annual growth rate (%)	6.5	8.7	7.9
Container Trade - Annual growth rate (%)	4.0	4.0	9.8
Number of Ship Visits ⁴	2,093	2012	2,101

Performance Targets /Forecasts		2013/14 Budget / target ¹	2012/13 Budget / target	2011/12 Actual
Rail Share of Container Trade (%)		15	12	12
○ BUSINESS SUSTAINABILITY				
Fatalities/disabling injuries		0	0	0
Annual reduction in LTIFR ⁵ (%)		10	10	(15) ⁶
Profit after tax (\$M)		23.6	24.7	19.4
Rate of return on assets ⁷ (%)		8.0%	8.0%	7.2%
Community Satisfaction	Inner Harbour (%)	70-80	70-80	59
	Outer Harbour (%)	70-80	70-80	63

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. The targets for 2013/14 have been revised upwards based on simulation modelling to reflect higher berth utilisation at the Kwinana Bulk Terminal.
4. Includes commercial, non-trading and fishing vessels.
5. Lost Time Injury Frequency Rate (LTIFR).
6. Actual LTIFR increased by 15% in 2010/11 compared to 2009/10.
7. Figures represent the rate of return on assets using deprival valuation methodology.

FREMANTLE PORT AUTHORITY
APPROVED FINANCIAL PARAMETERS
2013/14

Income Statement	\$'000
Total Revenue	204,128
Total Expenses	169,910
Profit/(Loss) Before Tax	34,218
Notional Income Tax	10,592
Profit/(Loss) After Tax	23,626
Dividends	16,052
Asset Investment Program	115,130

To the extent that the financial parameters within the 2013/14 SCI contain unapproved capital expenditure, net debt and net flows to/from government, Government approval will be obtained prior to any commitments and/or actions being undertaken which will affect approved parameters. Government approval will also be sought prior to commencing new projects not included within the State Government's approved financial parameters.