

STATEMENT OF CORPORATE INTENT



Directors Statement of Corporate Intent and Agreement of Shareholding Ministers.

The Board of the Tasmanian Ports Corporation Pty Ltd (TasPorts) agrees to provide the Shareholding Ministers with financial and other information, as set out in the Statement of Corporate Intent.

In signing this Statement of Corporate Intent, the Board of TasPorts commits to the targets for the 2021-2022 financial year.

This Performance Statement has been agreed between:

Mr Stephen Bradford
Chairman
Tasmanian Ports
Corporation Pty Ltd
On behalf of the Board

Michael Ferguson MP
Minister for Infrastructure
and Transport
Portfolio Minister
Member

Peter Gutwein MP
Premier of Tasmania
Treasurer
Member

This Statement of Corporate Intent is a high-level summary of the Tasmanian Ports Corporation Pty Ltd (TasPorts) Corporate Plan.

It includes the performance agreement detailing the key financial and non-financial targets for TasPorts for 2021–22, as agreed between the TasPorts Board and the Shareholding Ministers. It also details financial and non-financial estimates for the following three years.

The Statement of Corporate Intent has been prepared in accordance with the Members' Statement of Expectations for TasPorts.

OUR OPERATING ENVIRONMENT

TasPorts has a proud history of facilitating trade for the benefit of all Tasmanians.

On 1 January 2006, the organisation was established through the *Tasmanian Ports Corporation Act 2005*, enabling the amalgamation of the port authorities of Hobart, Devonport, Burnie and Launceston.

In the 15 years since, more than 200 million tonnes of freight has transited through our ports, and the company returned more than \$37 million to the Tasmanian economy through dividends paid.

Through our wholly owned subsidiary, the Bass Island Line Pty Ltd (BIL) shipping service, TasPorts is committed to supporting the King Island community and its economy.

At the Port of Hobart, is Southern Export Terminals (SET). This joint venture operation between TasPorts and Qube Ports, is an open-access facility managing bulk log storage and export activities.

Today, TasPorts is a vertically integrated organisation. Across Tasmania, our team of 300+ work collaboratively to provide vital port, marine and aviation operations and services.

MULTI-PORT SYSTEM

Through the provision of strategically located primary, community and cargo ports and vertically integrated services, we support and enable the geographic spread of Tasmania's industries and communities.

Tasmania's multi-port system includes:

- five major ports, located at Bell Bay, Burnie, Devonport, Hobart and Port Latta;
- five community ports, located at Currie, Strahan, Stanley, Whitemark Harbour and Inspection Head;
- two cargo ports, located at Grassy on King Island, and Lady Barron on Flinders Island; and
- the Devonport Airport.



OVERVIEW & STRATEGIC DIRECTION

IMPACT OF COVID-19

TasPorts has responded with strength and resilience to the many challenges posed by COVID-19. The focus of the company has been unwavering in its commitment to keeping Tasmania's multi-port system in a safe environment, ensuring the continual movement of critical freight into and out of the state.

Key business areas primarily impacted were the commercial property portfolio, and tourism interfacing divisions including the cruise ship sector and the Devonport Airport.

The improved financial performance of recent years has underpinned the company well to manage the initial impact of COVID-19.

FREIGHT & TRADE

Freight movements remain relatively robust, with 14.1 million tonnes transiting through TasPorts' multi-port system in 2019-20, and 14.6 million forecast for 2020-21.

Key commodities include general cargo and consumer commodities, forestry products, bulk minerals, and essential fuel and gas supplies.

TasPorts also facilitates the critical movement of Antarctic supplies, commercial and emergency aviation, and the transit of passengers and vehicles.

OUR PORT MASTER PLAN

Looking forward, TasPorts' Port Master Plan delivers a coordinated vision for the future of Tasmania's ports. The Plan gives our stakeholders and community the confidence that we are actively future-proofing the state's multi-port system.

Through the provision of greater capacity and capability at Tasmania's primary ports, these initiatives will ensure a network of fit-for-purpose infrastructure to facilitate future growth and demand.

Priority Initiatives under the plan include:

- Devonport East Redevelopment: The Port of Devonport remains an integral part of TasPorts Port Master Plan, and the requirement to ensure fit-for-purpose infrastructure to meet future demand remains a high-order priority for the company.

- Burnie Export Gateway: Following industry engagement during the last two years, TasPorts has evolved its planning for the Port of Burnie, culminating in the development of the Burnie Export Gateway. This initiative will lay the foundation for exponential growth in Tasmanian mineral exports to global markets over a 30-year horizon.
- Macquarie Wharf Redevelopment: As a key component of the Port Master Plan, significant opportunity has been identified to enable growth in tourism, trade and Antarctic sectors at the Port of Hobart.

In February 2021, Infrastructure Australia included two of these initiatives, at Hobart and Burnie, in their Priority List 2021, thus recognising them to be nationally significant.

Inclusion of these initiatives in the Priority List follows more than five years of hard work across the organisation, including the release of TasPorts Port Master Plan in 2018.

OUR CULTURE

TasPorts continues to invest significant effort in shaping its culture. The shift to a more constructive, positive culture was supported with the launch of a set of new workplace values in 2020, developed through an inclusive and in-depth engagement process. The new values are: Proud, Care, Together, Share and Trust.

OUR VISION

Our vision is to proudly connect people, products and solutions for the benefit of all Tasmanians.

CORPORATE INTENTIONS



We facilitate freight and logistics solutions, to benefit the community and create value for customers.

Our role is not limited to the provision of services and infrastructure. We have a broader responsibility to drive continuous improvement within the Tasmanian supply chain, enhancing outcomes for our customers and community.

We enable industry partners and communities through reliable infrastructure, responsive to user demand.

We take a partnership approach to infrastructure to ensure the current and prospective needs of customers drive our asset management. We maximise commercial outcomes, through the considered alignment of supply and demand.

We uphold maritime and environmental standards, through established safety and sustainability practices.

We work alongside government agencies and authorities to uphold the regulation of marine and environmental outcomes in Tasmania. Through advocacy and compliance, we promote social and economic growth that is safe and sustainable for our environment.

We are geared towards growth, with forward thinking and a commercial approach.

We welcome the opportunity to contribute to Tasmania's economic growth and prosperity. Grounded by commercial disciplines, we seek a fresh approach as we look to the future.

We will bring our organisation together, by investing in our people and the future we share.

The success of TasPorts can only be delivered by our people. We will remain focused on individual growth, as the key to unlocking organisational growth. To achieve our aspirations, we will enhance the capability and experience of our people.

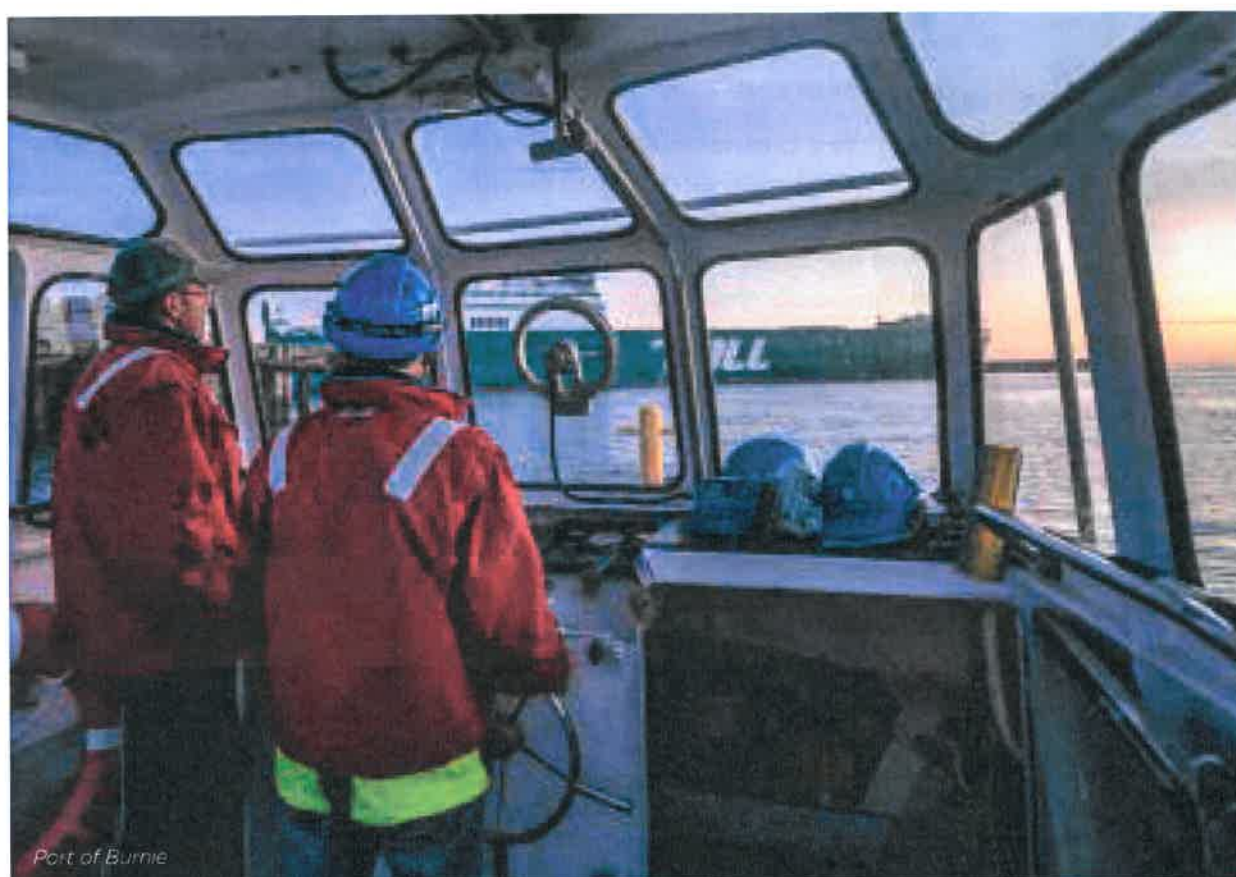
PERFORMANCE AGREEMENT

The following Performance Agreement sets out the key financial and non-financial targets for 2021–25.

RETURNS TO THE TASMANIAN GOVERNMENT	21/22	22/23	23/24	24/25
Dividends paid (\$m)	-	5.1	7.6	6.6
Guaranteed fees (\$m)	0.2	0.2	0.2	0.3
Tax equivalent paid (\$m)	-	-	3.3	7.3
Payroll tax paid (\$m)	2.3	2.3	2.3	2.4

FINANCIAL TARGETS	21/22	22/23	23/24	24/25
Operating profit before interest, tax & depreciation (\$m)	29.4	34.5	33.6	48.6
Operating profit after tax (\$m)	8.2	10.9	9.7	19.7
Capital expenditure (\$m)	66.8	51.7	46.7	86.4
Asset maintenance (\$m)	11.0	13.7	21.9	14.2
Return on assets (%)	2.2%	2.6%	2.1%	3.7%
Return on equity (%)	3.3%	4.2%	3.6%	7.0%
Debt to equity (%)	24.4%	30.5%	34.4%	42.6%
Operating costs to revenue (%)	65%	61%	58%	56%

NON-FINANCIAL PERFORMANCE MEASURES	21/22	22/23	23/24	24/25
Reportable environmental incidents (%)	▼10%	▼10%	▼10%	▼10%
Total recordable injury frequency rate	5.0	2.5	-	-
Positive workplace culture (%)	▲5%	n/a	▲5%	n/a
L&D investment per employee (\$000s)	1.6	1.7	1.7	1.7
Suppliers paid within 14 days (%)	> 95%	> 95%	> 95%	> 95%



DEFINITIONS



CAPITAL EXPENDITURE

Expenditure on plant and equipment, marine fleet, and infrastructure.

ASSET MAINTENANCE

Total maintenance of all land and marine infrastructure, and other assets.

RETURN ON ASSETS

Operating profit after tax divided by total assets.

RETURN ON EQUITY

Operating profit after tax divided by total equity.

DEBT TO EQUITY

External debt divided by (total equity + external debt).

OPERATING COSTS TO REVENUE

Operating costs excluding maintenance expenses and fuel acquired for resale divided by total revenue less revenue from fuel acquired for resale.

REPORTABLE ENVIRONMENTAL INCIDENTS

Percentage reduction in the number of reportable environmental incidents (such as oil/chemical spill, injury/death of endangered/protected species, illegal dumping of a controlled waste) notified to the appropriate external authority (such as EPA, AMSA etc.) by TasPorts.

TOTAL RECORDABLE INJURY FREQUENCY RATE

Fatalities, lost time injuries, return-to-work injuries and medically treated injuries, per million hours worked.

POSITIVE WORKPLACE CULTURE

Percentage increase in constructive styles of Organisational Culture Inventory® results.

LEARNING AND DEVELOPMENT INVESTMENT PER EMPLOYEE

Training and conference expenses divided by head count.

SUPPLIER PAYMENTS

The percentage of supplier invoices paid within 14 days of receiving a compliant invoice.

Tasmanian Ports Corporation Pty Ltd (TasPorts)

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