





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 2023–2024 financial year.

This Performance Statement has been agreed between:



Stephen Bradford

Chairman
Tasmanian Ports Corporation Pty Ltd
On behalf of the Board



Michael Ferguson MP

Minister for Infrastructure
Portfolio Minister
Member



Felix Ellis MP

Minister for Resources
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 2023–24, 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.

ABOUT US

Tasmanian Ports Corporation Pty Ltd (TasPorts) is a state-owned company, responsible for eleven Tasmanian ports and the Devonport Airport.

TasPorts was established pursuant to the Tasmanian Ports Corporation Act 2005 (the Act) and is 100% owned by the Tasmanian Government.

The Act states that TasPorts' principal objectives are to:

- facilitate trade for the benefit of Tasmania; and
- operate its activities in accordance with sound commercial practice.

Marine and Safety Tasmania (MAST) and the Crown engage TasPorts, under a Deed of Agreement, to perform specific functions within primary and secondary port areas.

Through its wholly-owned subsidiary, **Bass Island Line Pty Ltd**, TasPorts is committed to providing a safe, dedicated and commercially sustainable shipping service for King Island.

Southern Export Terminals Pty Ltd is a joint venture operation between TasPorts and Qube Ports. The open-access facility manages all bulk log storage and exports from the Port of Hobart

VISION

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.

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

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

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

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

TASMANIA RELIES ALMOST WHOLLY ON SHIPPING, PORT INFRASTRUCTURE AND OPERATIONS TO SUSTAIN ITS COMMUNITIES AND ECONOMY.

As Tasmania's port authority, TasPorts is investing in the State's multi-port system for the benefit of all Tasmanians, now and into the future.

Improved profitability in recent years reflects the organisation's focus upon delivering on its principal objectives of facilitating trade for the benefit of Tasmania and operating in accordance with sound commercial practice.

Reflective of this, profit after tax has improved considerably with a consolidated net profit of \$12.7 million reported for FY22 (consolidated net loss of \$2.2 million for FY21).

Freight volumes are steadily increasing across Tasmania's multiport system with almost 15 million tonnes of freight transiting during FY22 (almost 3% increase from FY21). Steady growth is expected in the coming years.

Vessel visits also continue to increase with TasPorts safely managing 2,550 vessel visits in FY22, an 11% increase on FY21 figures. Visits are forecast to further grow, in part due to cruise returning to Tasmania from October 2022. Approximately 150 cruise ship visits occurred the 2022-23 season with similar numbers expected for 2023-24.

TasPorts continues to actively support regional dispersal and facilitates cruise ship calls to ports around the State. During 2022-23, approximately 50% of cruise vessel visits were to ports other than Hobart.

Pleasingly, these results support and validate TasPorts' commitment to growth as laid out in the Port Master Plan.

Looking forward, a comprehensive review of the regulatory framework for port marine safety and environmental services in Tasmania is currently underway and is due to be completed during 2023-24.

TasPorts also looks forward to the opportunity to work with the Economic Regulator to demonstrate that Bass Island Line shipping service is being delivered within a sound pricing policy framework.

TasPorts' people continue to be passionate about the work they do in providing vital port, marine and aviation operations, and services for Tasmania.

TasPorts remains committed to delivering a program of work focused on continuous performance and cultural improvement including the completion of an operating model review in 2022-23 as a critical first step in preparing TasPorts for the future. Moving forward, work continues to further integrate TasPorts' systems and processes under a '1TasPorts' banner.

Alongside this, a new three-year People and Culture Roadmap was developed and endorsed and will commence during 2023-24 to guide the organisation as it works towards an evolved future-state.

Together this work shows TasPorts commitment to proudly connect people, products and solutions for the benefit of all Tasmanians, now and into the future.

GROWTH STRATEGY

Through the provision of greater capacity and capability at Tasmania's primary ports, TasPorts' Port Master Plan is ensuring a network of fit-for-purpose infrastructure to facilitate future growth and demand.

At the Port of Devonport, Project QuayLink sees an investment of more than \$240 million future-proofing Devonport as a tourism and freight gateway for the next 50 years. Incorporating leading edge port technology and sustainability initiatives, major works are now underway with the project due for completion in 2026.

TasPorts' Macquarie Wharf Redevelopment at the Port of Hobart aims to position the capital city as the international gateway to the Southern Ocean, whilst enabling growth in well-established key trade areas over a 30-year horizon. With the finalisation of commercial and government funding arrangements, this \$260 million project is set to commence in 2023-24.

TasPorts' Renewables Energy Hub initiative at the Port of Bell Bay supports the Tasmanian Government's Renewable Hydrogen Action Plan through the establishment of infrastructure that will enable multiple hydrogen proponents to establish production within Tasmania.

At the Port of Burnie, TasPorts' Burnie Gateway initiative will lay the foundation for growth in Tasmanian mineral exports to global markets, enabling capacity for larger vessels to berth and ensuring fit-for-purpose infrastructure. The initiative will also enable growth for industries such as forestry and containerised goods.

Through the Devonport Airport Master Plan, released in November 2022, TasPorts has delivered a clear vision, to position the Devonport Airport precinct as the key tourism and business gateway to Tasmania's North-West and the Cradle Coast region.

The following Performance Agreement sets out the key financial and non-financial targets for TasPorts* for 2024–27.

RETURNS TO THE TASMANIAN GOVERNMENT	23/24	24/25	25/26	26/27
Dividends paid (\$m)	10.4	11.4	5.8	8.0
Guarantee fees paid (\$m)	0.8	2.0	2.7	3.2
Tax equivalent paid (\$m)	3.0	5.7	1.2	0.5
Payroll tax paid (\$m)	3.0	3.1	3.2	3.3
Total (\$m)	17.2	22.2	12.9	15.1
FINANCIAL TARGETS	23/24	24/25	25/26	26/27
EBITDA (\$m)	45.5	51.3	57.5	64.5
Operating profit after tax (\$m)	13.7	7.6	9.3	7.5
Capital expenditure (\$m)	142.3	80.8	84.6	49.3
Asset maintenance (\$m)	13.1	13.5	13.8	14.1
Return on assets (%)	7.2%	7.4%	7.5%	8.2%
Gearing ratio (%)	42%	50%	54%	56%
Operating costs to revenue (%)	60%	58%	57%	55%
INFRASTRUCTURE TARGETS	23/24	24/25	25/26	26/27
Devonport East (Project QuayLink) (% Complete)	48%	80%	100%	-
Port of Hobart Macquarie Wharf Redevelopment (%) +	10%	10-40%	40-80%	100%
Burnie Gateway Stage 1 (%) +	-	0-15%	15-60%	60-100%
NON-FINANCIAL PERFORMANCE MEASURES	23/24	24/25	25/26	26/27
Reportable environmental incidents	< 4	< 4	< 4	< 4
Lost time injury frequency rate	< 2	< 2	< 2	< 2
Total recordable injury frequency rate	< 5	< 5	< 5	< 5
Positive workplace culture (%) ^	+5%	n/a	+5%	n/a
L&D investment per employee (\$000s)	2.0	2.1	2.2	2.3
Suppliers paid within 14 days (%)	> 95%	> 95%	> 95%	> 95%
BUSINESS CASE COMPLETION	23/24	24/25	25/26	26/27
Burnie Gateway (%)	-	100%	-	-
Port of Bell Bay Renewables Hub (%)	-	100%	-	-

* Excluding the financial effects of Bass Island Lines and Southern Export Terminals.

+ Dependent on business case development and commercial arrangements being secured.

^ Positive workplace culture survey and assessment obtained every second year.



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

EBITDA divided by total assets.

GEARING RATIO

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

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

LOST TIME INJURY FREQUENCY RATE

The amount or number of lost time injuries, being injuries that occurred in the workplace, resulting in an employee's inability to work.

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.

