

Port of Burnie



# STATEMENT OF CORPORATE INTENT 2020-2021

# 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 2020-2021 financial year.

This Performance Statement has been agreed between



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Mr Stephen Bradford

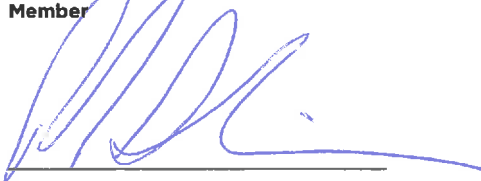
**Chairman**  
**Tasmanian Ports Corporation Pty Ltd**  
**On behalf of the Board**



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Michael Ferguson MP

**Minister for Infrastructure**  
**Portfolio Minister**  
**Member**



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Peter Gutwein MP

**Treasurer**  
**Member**



# STATEMENT OF CORPORATE INTENT

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

It includes the performance agreement detailing the key financial and non-financial targets for TasPorts for 2020-21, as agreed between the TasPorts Board and the Shareholding Ministers. The Statement of Corporate Intent has been prepared in accordance with the Members' Statement of Expectations for TasPorts.

## OVERVIEW

Tasmanian Ports Corporation Pty Ltd (TasPorts) is a state-owned company responsible for eleven Tasmanian ports and the Devonport Airport. We run a diverse range of operations across the state with the purpose of facilitating trade for the benefit of Tasmania, through the commercial provision of infrastructure and services.

TasPorts maintains essential port

infrastructure throughout Tasmania, including berths, channels, wharves, landside assets and key navigational aids. We deliver pilotage services, towage, slipway and refuelling facilities, supply of floating plant and equipment for marine engineering projects, construction and coastal haulage. We maintain community-use waterfront assets in Sullivans Cove, Stanley, Inspection Head and Strahan.

We own and operate a forestry export terminal in Burnie. Through our subsidiary company, Bass Island Line (BIL), we operate the King Island shipping service, and through our joint venture with Qube Ports we operate the log export terminal Southern Export Terminals (SET) in Hobart.

# STATEMENT OF CORPORATE INTENT

## Strategic Direction

### OPERATING MODEL

Through TasPorts' network of 11 sea ports and one airport, 99% of Tasmania's freight and approximately 900,000 people transit each year. We are Tasmania's gateway to mainland Australia and the world. TasPorts is a strong indicator of the health of the Tasmanian economy and a key influencer of the state's growth in terms of economic prosperity.

TasPorts enables trade for the benefit of all Tasmanians. In line with TasPorts' Port Master Plan, a coordinated, state-wide vision for the future of Tasmania's ports, TasPorts has committed to a number of once-in-a-generation infrastructure projects at key ports around the state. Furthermore, TasPorts is developing a Master Plan for Devonport Airport, to provide a logical and staged approach to further development for this key regional airport.

TasPorts' commitment to freight and logistics solutions is demonstrated through the delivery and ongoing operation of critical freight operations across Tasmania. We continue to invest in marine and landside assets and infrastructure across the state. Further, TasPorts continues to invest in technological solutions that enable continuous improvement of service provisions, to deliver the best possible outcomes to our customers and stakeholders. We are committed to strengthening relations with our customers across all sectors to ensure sustained growth in response to evolving customer and market needs.

Guiding all business activities is TasPorts' commitment to safety, security and environment. This commitment is encapsulated through the company's five-year Safety, Environment and Sustainability Strategy.

As a key pillar of the strategy, TasPorts is currently developing a Sustainability Strategy aligned to the United Nations Sustainable Development Goals and the World Ports Sustainability Program.

TasPorts is equally committed, under a Deed of Agreement with Marine and Safety Tasmania (MAST), to the ongoing delivery of specific Marine and Safety functions, including pilotage, navigation, communications and response to certain marine pollutions.

TasPorts pursues growth opportunities that are in line with its corporate intentions and vision to proudly connect people, products and solutions for the benefit of all Tasmanians. Our diversified business portfolio enables us to continue to respond to changes in customer and market demand. By doing so we can ensure growth is commercially sustainable.

As TasPorts' success can only be delivered by our people, we continue to commit to uniting our organisation through the implementation of our People and Culture Strategy so as to build a workplace culture of excellence, trust, empowerment and safety.

Since mid-2017, TasPorts has provided a safe and reliable shipping service for the King Island community. Bass Island Line is a vital lifeline for the King Island economy, and TasPorts continues to work closely with the community.

In January 2017, SET was established as a joint venture between TasPorts and Qube Ports. Since establishment, SET has experienced an increase in log exports and has recently commenced an expansion of its terminal area.

# 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 2020-21.

## RETURNS TO THE TASMANIAN GOVERNMENT

	20/21
Dividends paid (\$m)	4.6
Guaranteed fees (\$m)	0.2
Tax equivalent paid (\$m)	1.2

## FINANCIAL TARGETS

	20/21
Operating profit before interest, tax & depreciation (\$m)	19.9
Operating profit after tax (\$m)	2.0
Capital expenditure (\$m)	18.9
Planned capital investment expended (% of budget)	100%
Asset maintenance (\$m)	10.0
Planned maintenance investment expended (% of budget)	100%
Return on assets (%)	0.6
Return on equity (%)	0.8
Debt to equity (%)	11.7

## NON-FINANCIAL PERFORMANCE MEASURES

	20/21
Reportable environmental incidents (%)	↓ 10%
Total recordable injury frequency rate	7.5
Operating costs to revenue (%)	70%
Positive workplace culture (%)	↑ 5%
L&D investment per employee (\$000s)	0.9

# 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).

## 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.

## 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.

## POSITIVE WORKPLACE CULTURE

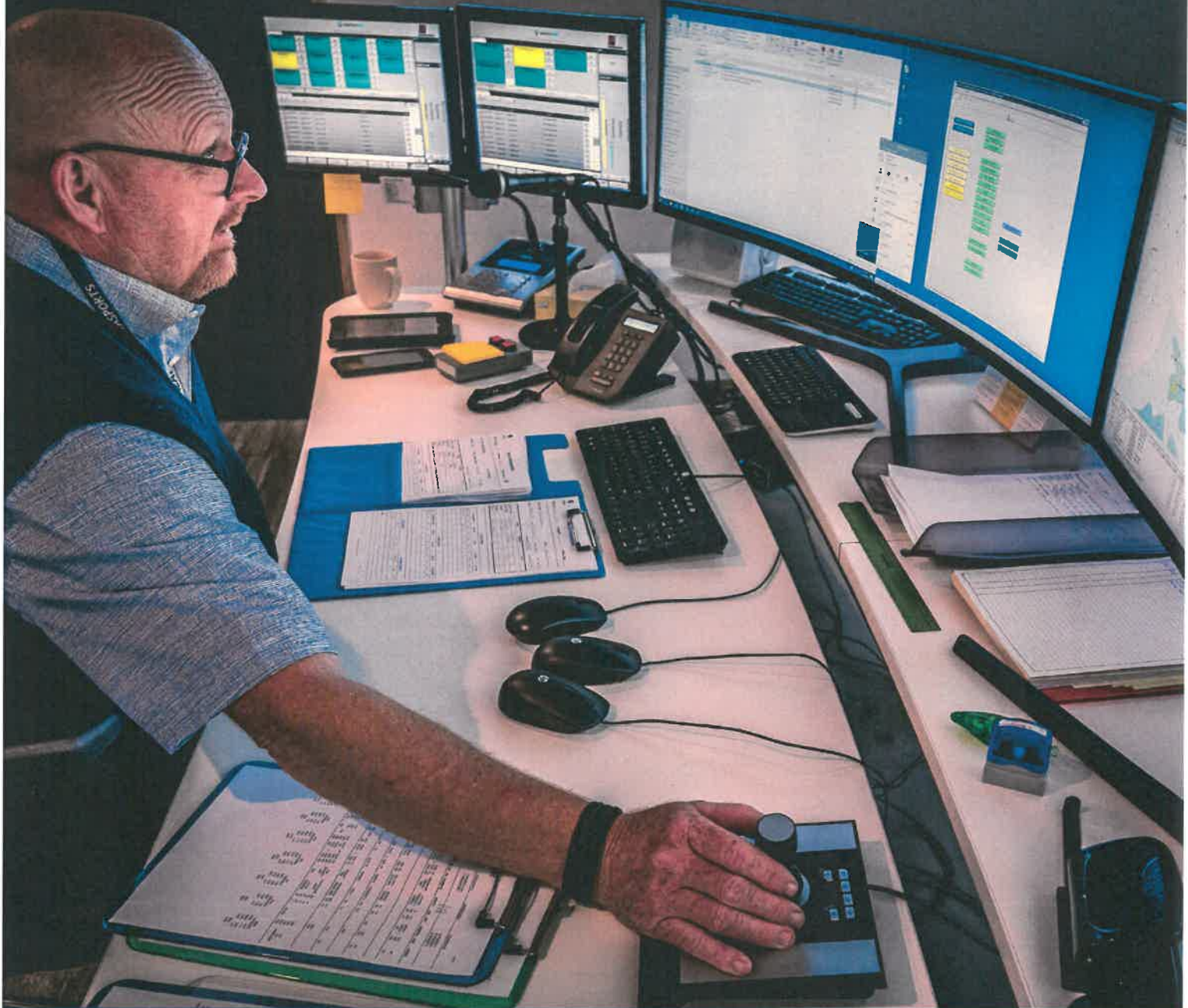
Percentage increase in constructive styles of Organisational Culture Inventory® results.

## LEARNING AND DEVELOPMENT INVESTMENT PER EMPLOYEE

Training and conference expenses divided by head count.



Port of Bell Bay



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