

TASMANIAN PORTS CORPORATION PTY LTD (TASPORTS)

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REGISTERED OFFICE

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PO Box 1060, Launceston 7250

DEVONPORT AIRPORT

Airport Road, Devonport 7307

FLINDERS ISLAND

Lady Barron, Flinders Island 7255

HOBART OFFICE

Level 13, Trafalgar Building
110 Collins Street, Hobart
GPO Box 202, Hobart 7001

KING ISLAND

285 Grassy Harbour Road,
Grassy, King Island PO Box 341,
Currie, King Island 7256

PORT OF BELL BAY

Mobil Road, Bell Bay
Locked Bag 4, George Town 7253

PORT OF BURNIE

Port Road, Burnie PO Box 216, Burnie 7320

PORT OF DEVONPORT

48 Formby Road, Devonport
PO Box 478, Devonport 7310

PORT OF HOBART

Ground Floor, Port Tower Building, Hobart
GPO Box 202, Hobart 7000

PORT OF STANLEY

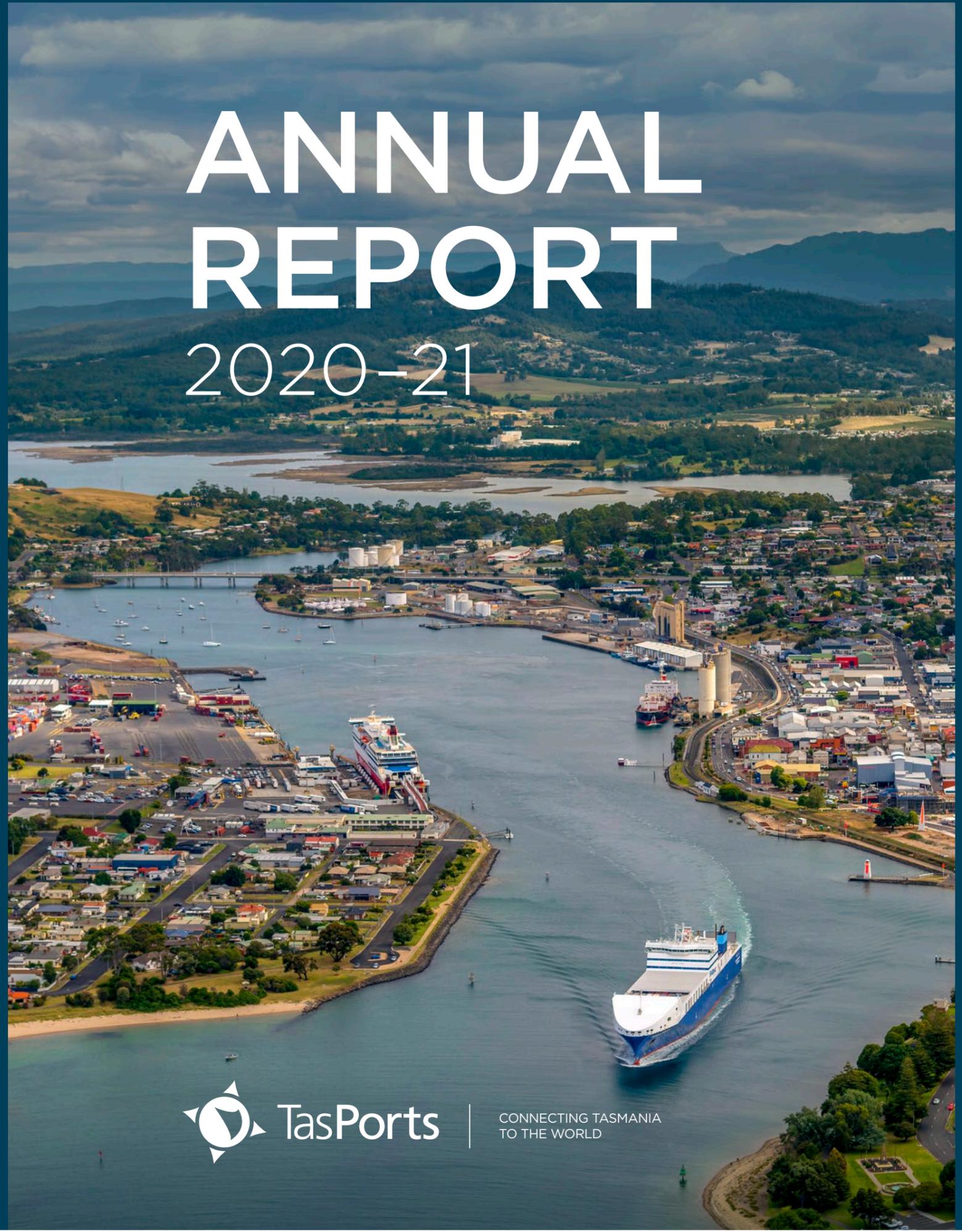
Wharf Road, Stanley 7331

PORT OF STRAHAN

The Esplanade, Strahan 7468

ANNUAL REPORT

2020-21



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Tasmanian Ports Corporation Pty Ltd (TasPorts)
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Telephone: 1300 366 742
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Cover photo: Port of Devonport.
The location of a \$240 million redevelopment,
approved by the Tasmanian Government in June 2021.

FROM THE CHAIRMAN

STEPHEN BRADFORD

The highlight of the year was the decision of the Tasmanian Government via the Shareholding Ministers to approve the \$240 million East Devonport Project. This will be the largest port infrastructure project in Tasmania in a generation.

The Project involves deepening the berth pockets, installing new and stronger piles, extending the quay length, reversing the position of the two tenants, Searoad and TT Line, and provision of landside port facilities. It is designed to use the full capacity of the width of the river and land, such that it facilitates trade and vessel size growth over the next 50 years.

Repayment will not require Government funding, apart from guarantees on our Balance Sheet, as decades old, fixed-term legacy port user agreements will be replaced by a sensible user pays model. Noting record container throughput at the ports of Devonport and Burnie in 2020-21, the legacy agreements meant none of this growth economically benefitted TasPorts, and in turn the State. The new agreements will remedy this.

In line with our commitment under the *Tasmanian Ports Corporation Act 2005*, TasPorts continues to facilitate trade for the benefit of Tasmania and to operate in accordance with sound commercial practice.

In the fifteen years since amalgamation, TasPorts has evolved into a cohesive and resilient organisation, with a strategic vision to future-proof Tasmania's multi-port system.

I am thus pleased to report a steady growth in freight volumes with 14.5 million tonnes transiting through our ports, up 0.4 million tonnes from 2019-20. This is a particularly pleasing result given disruptions and delays in global shipping supply chains and escalating international trade tensions, which have had a material impact on sectors such as forestry.

This freight increase was in the midst of significant financial challenge for the entity through COVID-19 disruption and continued financial sustainability challenges with the Bass Island Line (BIL) service, leading to a consolidated net loss of \$2.2 million (2019-20 \$5.1 million net profit).

Consolidated net loss for 2020-21 comprises a trading profit of \$2.2 million for TasPorts (2019-20 \$8.5 million), a net loss of \$4.4 million for Bass Island Line (2019-20 \$3.3 million loss) and a net loss of \$24k for Southern Export Terminals (2019-20 \$38k profit).

Pleasingly, I can report success in our new policy to pay all suppliers who submit a conforming invoice within 14 days of our receipt. In the eight months to June this was achieved 99% of the time, ahead of our target of 95%+. I also thank our customers who are working with our own 14 day payment terms.

Key business areas that continue to be impacted by COVID-19 include cruise and the Devonport Airport. Predictions for 2021-22 suggest minimal change in these two areas. We expect growth from Spring 2022.

Consistent with our Port Master Plan, our infrastructure focus is now on Hobart and Burnie port developments.

I wish to draw attention to page 7 with regards to the background and settlement with the ACCC. This was a very complicated legal case involving competition law, port pricing, service provision and maritime safety. After 18 months of intense work, a mediated settlement was achieved.

Most importantly, we have ensured TasPorts can continue to carry out our statutory objective of facilitating trade for the benefit of the state, and our regulatory obligations for marine safety and environmental management at Tasmanian ports.

On behalf of the Board, I wish to thank the entire TasPorts workforce for their commitment and perseverance this past year. I also wish to commend CEO Anthony Donald and senior management for their ongoing and admirable leadership. My sincere thanks also to my fellow Directors for their wise counsel.

In addition, I wish to acknowledge the impressive service of Director Dario Tomat whose fixed term expired in June 2021. A warm welcome to newly appointed Director Graham Hooper.

And in closing, I wish to highlight the work of our two shareholder Ministers, the Hon. Minister Michael Ferguson, and our Premier and Treasurer, the Hon. Minister Peter Gutwein, who continue to be highly supportive of our goals and aspirations, for the benefit of all Tasmanians.



Stephen Bradford
Chairman

FROM THE CEO

ANTHONY DONALD

I begin this year's CEO Message with a strong sense of optimism and purpose.

In 2021, TasPorts celebrates 15 years of serving the people of Tasmania. As a unified entity, together we have facilitated more than 223 million tonnes of freight and returned more than \$34 million in dividends to the Tasmanian Government.

This year, I am pleased to note that more than 14.5 million tonnes of freight transited our ports, an increase of 3% from 2019-20. Encouragingly, container volume demand increased 7% as compared to 2019-20 throughput.

State-wide, a record 300,000+ containers were imported, led by record throughputs at the ports of Devonport and Burnie. Key commodities include general cargo and consumer commodities, essential fuel and gas supplies, forestry products and bulk minerals.

Given the indispensable link between maritime trade and our state's economic health, the long-term sustainability of our ports is essential. I am pleased to report on the strong support provided at a state and federal level, for three key initiatives under our Port Master Plan.

Guided by the vision within our Plan, these initiatives at the ports of Burnie, Hobart and Devonport, will together help future-proof Tasmania's multi-port system for the generations to come.

TasPorts' greatest asset will always be our people. It is due to their strength and commitment that we continue to move forward on these critical initiatives across the State.

To ensure we best meet current and future requirements, TasPorts continues our journey towards an increasingly constructive and resilient organisation. One of the most important tasks undertaken this year, has been the continued embedding of our Values across the business. Our Values, combined with our Strategic Intentions, now provide a steady guide as we carry out both strategic and daily tasks.

The past 12 months have presented a myriad of changes and challenges for our island and world. Throughout it all, our resolve has been steadfast in our commitment to keeping Tasmania's multi-port system open and operational. To do so, we continue to adhere to government directives, and have put into place robust protocols for the safety of all.

The flow-on effects of COVID-19, along with fast-paced social, technological, and environmental change continues to re-shape 'business-as-usual'. Such upheaval however has provided a unique opportunity to hone our strengths and to pursue new approaches. I am pleased to report we have faced challenges collaboratively, viewing them as opportunities to test our values, protocols, and systems. And we have not yet found to be lacking.

TasPorts is a proud organisation, with an essential role within the Tasmanian landscape. This is an incredibly exciting phase for our business, and I look forward to working with our Board, Shareholders, our workforce and stakeholders as we set sail for the next 15 years.



Anthony Donald
Chief Executive Officer

ABOUT US

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

We have 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*, with the amalgamation of Tasmania's regional port authorities.

In the 15 years since, more than 223 million tonnes of freight have transited our ports, representing 99% of Tasmania's freight task.

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

These include:

- provision and maintenance of essential port infrastructure, including berths, channels, wharves, landside assets and key navigational aids;
- delivery of essential marine services around the State, including pilotage, towage and vessel traffic services (VTS);
- supply of floating plant and equipment for marine engineering projects, construction and coastal haulage;
- provision of slipway and refuelling facilities;
- maintenance of community-use waterfront assets at Sullivans Cove, Stanley, Inspection Head and Strahan, and on King and Flinders islands;
- provision of more than 300 tenancies incorporating property, marina berthing, casual storage and car parking;
- ownership and operation of the Devonport Airport; and
- ownership and operation of the Burnie Chip Export Terminal (BCET).

Through TasPorts' subsidiary company, Bass Island Line Pty Ltd (BIL), we operate a King Island shipping service, and through a joint venture with Qube Ports at the Port of Hobart, we operate Southern Export Terminals Pty Ltd (SET), for log exports.

OUR CORPORATE INTENTIONS

- **To facilitate freight and logistics solutions, to benefit the community and create value for our customers.**
- **To enable industry partners and communities through reliable infrastructure, responsive to user demand.**
- **To uphold maritime, aviation and environmental standards, through established safety and sustainability methods.**
- **To be geared towards growth, with forward thinking and a commercial approach.**
- **To bring our organisation together, by investing in our people and the future we share.**

OUR VISION

To proudly connect people, products, and solutions for the benefit of all Tasmanians.

OUR VALUES



PROUD

Proud to play our part, we follow through with courage and conviction.



CARE

To show care, we actively engage and listen.



TOGETHER

We don't go it alone, because we're better together.



SHARE

Information empowers, so we share it generously.



TRUST

We trust our people and processes, to deliver with integrity.

FREIGHT & TRADE

Total freight throughput for 2020-21 was 14.5 million tonnes, a 3% increase on 2019-20 volumes.

An increase in container and industrial products sectors during the financial year provided the incremental volumes.

Key commodities transited include forestry products (woodchips and logs), general cargo, community consumables, cement, and essential fuel supplies.

See pages 13-17 for comprehensive 2020-21 freight volumes and statistics.

CONTAINERISED FREIGHT

Containerised freight increased more than 7% on the previous financial year. For 2020-21 more than 594,000 TEUs transited our multi-port network. This is a strong result given the global shipping supply chain continues to experience delays and disruptions, along with significant cost escalations.

Increases in retail trade, agricultural exports and large-scale manufacturing are key to increased demand for containerised freight.

Key transit points for containerised freight within Tasmania are the ports of Devonport, Burnie, Bell Bay and Hobart.

FORESTRY

More than 3.5 million tonnes of forestry products transited through Bell Bay, Burnie and Hobart, a 4% decrease on 2019-20 volumes. Increased volumes exported from the Port of Bell Bay were offset by reduced export volumes at the ports of Burnie and Hobart. Forestry exports were impacted during the year, as a result of escalating international trade tensions.

FUELS

Tasmania's essential fuel and gas supplies transit through all major ports, prior to distribution across the state. During 2020-21, more than one million kilolitres of fuel and gas products were brought into the State. This volume was consistent with fuel import levels from the previous reporting period.

MINING

Mineral export volumes remained robust throughout 2020-21 despite market volatility, finishing at 0.68 million tonnes. This represents a 20% increase compared to the previous reporting period (0.56 million tonnes), with exports of mineral concentrates from the Port of Burnie being the key contributing factor.

CRUISE

Within Tasmanian waters, there has been no cruise-related activity since mid-March 2020. The restriction, enforced under the *Biosecurity Act 2015*, has been extended several times, and remains in place as at September 2021. The only exception to this was the occasional visit by a small domestic expedition vessel, permitted under federal law.

TasPorts continues to work with the cruise sector during this incredibly challenging period.

DEVONPORT AIRPORT

COVID-19 continued to impact airport operations. Commercial passenger flights were suspended for most of 2020. The resumption of flights saw a decrease in airline capacity with QantasLink downsizing service aircraft from 74 seats to 46 seats.

Ongoing ad-hoc lockdown periods in Victoria in early 2021 further impacted passenger numbers and public confidence. Air cargo, emergency and military aircraft have continued to utilise the airport and facilities as required.

223 MILLION TONNES OF FREIGHT TRANSITED SINCE 2006

Total tonnes transited	14,512,790 tonnes
Total TEUs transited	594,581 TEUs
Top three commodities	Woodchips, general cargo & community consumables, cement
Definition TEU	Twenty foot (20') Equivalent Unit (6.1 metres) containerised goods

MAST DEED OF AGREEMENT

Marine and Safety Tasmania (MAST) and the Crown continued to engage TasPorts, under a Deed of Agreement, to perform specific functions within primary and secondary port areas under the *Marine and Safety Authority Act 1997, Marine and Safety (Pilotage and Navigation) Regulations 2017* and *Marine-related incidents (MARPOL Implementation) Act 2020*, including:

- provision of pilotage services;
- regulation enforcement in pilotage areas;
- maintenance of navigation aids;
- maintenance of a communications system;
- provision of emergency response; and
- provision of a response to marine based pollution.

The current Deed of Agreement is due to expire in January 2022. A review of the Deed is being facilitated by the Department of State Growth.

SAFETY

In line with our commitment to upholding maritime, aviation and environmental standards, TasPorts continued to evolve our safety culture.

During 2020-21, TasPorts recorded and safely managed more than 2,300 vessel visits to our ports, through our Vessel Traffic Service (VTS) operations centre.

We provided 1,327 piloted vessel movements and our towage crews completed 1,432 towage jobs.

Further key safety initiatives undertaken during the reporting period include:

- certification of TasPorts VTS as an accredited Vessel Traffic Service Authority. TasPorts is only the sixth organisation in Australia to receive an Instrument of Authority and now accounts for almost 40% of Australia's certified VTS areas;

- introduction of *Beacon*, an intuitive Incident Management and Reporting System; and
- final integration of *PortMate*. TasPorts' contemporary Port Management Information System streamlines a number of internal and external port management processes. Further, it serves as a key tool in improving the overall customer experience for port and marine service users.

ENVIRONMENT & SUSTAINABILITY

Advancement of TasPorts' environmental commitment was demonstrated through the implementation of new initiatives during 2020-21. Driven through the introduction of a new Environmental Management Framework, TasPorts seeks to drive excellence in environmental management, through a port specific approach.

The Framework encompasses:

- development of a Corporate Environmental Management Plan. A three-year improvement plan to achieve set objectives and targets focussed on high-risk gaps and compliance, linking broader strategic context;
- detailed and maintained site-based Risk Registers to identify current controls and gaps for improvement; and
- delivery of Environmental Management Plans for each primary port to embed practical site-specific required changes and improvements, to then be monitored and verified.

In alignment with the Framework, TasPorts also furthered its work towards EcoPort accreditation, a port industry management system standard enabling benchmarking with other ports.

Total recorded vessel visits	2,302
Total piloted vessel movements	1,327
Total towage jobs	1,432
Total vessels in TasPorts fleet	28

65,000+ VESSEL MOVEMENTS SAFELY MANAGED SINCE 2006

ACCC CASE RESOLVED WITH NO PENALTY

In December 2019 the ACCC announced it had instituted Federal Court proceedings against TasPorts.

This was the first case by the ACCC under the 'misuse of market power' law, which was amended in 2017 to introduce an 'effects test'. The 'effects test' was strongly and perceptively opposed by parts of the business community because companies can be penalised for operating in a way that has an anticompetitive effect, regardless of whether that was their intent. Minds can differ about the likely effect of something, and this has made the application of the law somewhat uncertain, creating an opportunity for considerable legal dispute.

TasPorts is a unique port business, unparalleled nationally with the combination of a multi-port system, vertical integration of operational services (including but not limited to towage and pilotage). This is reflective of a long history of lack of interest from the private sector (given the financial challenges of low asset utilisation), together with marine safety and regulatory obligations under delegation from MAST and the Crown. This creates in itself a highly complex arrangement.

With changes to the misuse of market power law, the resulting misaligned legal and regulatory environment might have encouraged the organisation to soften its approach to its delegated marine safety obligations. Despite this, in all aspects of the organisation's focus the priority of protection of human life, environment and marine assets prevailed.

The ACCC's allegations concerned TasPorts' conduct in relation to the entry of Engage Marine into Tasmania. The allegations involved (among other things) pilotage and towage services and marine vessel precinct services. Each breach can carry a maximum penalty of \$10 million. The ACCC settled for no penalties against TasPorts.

The ACCC alleged TasPorts' conduct had an anticompetitive purpose and an anticompetitive effect in responding to the entry of a new competitor. All of the ACCC's allegations of anticompetitive purpose were dismissed by the Court by consent. All of the allegations based on the 'effects test' were also dismissed, except in relation to one issue.

That issue concerned TasPorts' proposal for a tonnage charge at Port Latta. Tonnage charges are paid at other ports around the state for TasPorts' performance of regulatory functions. Tonnage charges are paid by vessels around the world as common practice. However, at Port Latta tonnage charges are a unique legacy issue dating back to the Marine Board of Hobart and Circular Head, before TasPorts was formed in 2006. The unique situation at Port Latta that was inherited by TasPorts led to a weakness in the ability to collect the charges, notwithstanding the uninterrupted performances of

services provided by TasPorts and what TasPorts considers to be a moral obligation for users to pay for those services.

In the late 1990s and early 2000s, prior to the formation of TasPorts, there was a lengthy legal dispute between Goldamere Pty Ltd, which operated at Port Latta and traded as "Australian Bulk Minerals" (ABM), and Hobart Ports Corporation (which the Marine Board of Hobart and Circular Head had become), with ABM refusing to pay the port corporation a charge relating to Port Latta. Hobart Ports Corporation was subsequently amalgamated into TasPorts and ABM became part of Grange Resources.

In 2017, Grange Resources decided not to renew a services contract with TasPorts and TasPorts proposed a tonnage charge for Port Latta after the contract expired. Grange Resources disputed the proposed tonnage charge and never paid it. As a result, TasPorts has been left to provide certain essential marine services to vessels and conduct berth depth assessments at Port Latta without recovering payment for those services at that port over the past few years.

As part of the ACCC settlement, TasPorts agreed to admit that the proposed charge had the 'likely effect' - that is, a real risk or likelihood - of substantially lessening competition. However, given the lack of any anticompetitive purpose or actual anticompetitive effect, the admitted breach did not warrant a financial penalty.

TasPorts has given enforceable undertakings to the ACCC regarding the tonnage charge, access to berth space and port communication systems. These undertakings can be broadly categorised into three areas - matters TasPorts has already addressed; matters we are currently addressing and matters which we would generally undertake as business as usual. We also agreed to contribute \$200,000 to the ACCC's legal costs. TasPorts' conduct in relation to the settlement was reflective of a model litigant approach, where further legal costs were ultimately avoided. The Court acknowledged that the parties had reached an appropriate agreed position that avoided a lengthy trial.

Importantly, the ACCC settlement now provides a path to move towards normalising TasPorts' charges at Port Latta in 2021-22, consistent with other ports around the State.

Throughout this case TasPorts sought to ensure that the maritime safety culture was maintained.

With the case now finalised, there is a strategic priority to drive appropriate and prudent regulatory review and reform, including operating and maritime safety objectives, in the best interests of the State of Tasmania.

The following table provides a summary of the allegations and agreed outcome.

ALLEGED CONDUCT OF TASPOTS WITH THE PURPOSE, EFFECT OR LIKELY EFFECT OF SUBSTANTIALLY LESSENING COMPETITION	OUTCOME
1 Imposed a new charge on Grange Resources in relation to Port Latta	Dismissed on 'effect' and 'purpose' and Agreed contravention in relation to 'likely effect'
2 Proposed to reduce that charge along with Grange Resources agreeing to acquire pilotage services directly from TasPorts, in place of Engage Marine	Dismissed on 'effect', 'purpose' and 'likely effect'
3 Introduced a new charge targeted to apply to Engage Marine's tug boats and requirements regarding the use of temporary berths by Engage Marine	Dismissed on 'effect', 'purpose' and 'likely effect'
4 Failed or refused to provide any pilot training to Engage Marine	Dismissed on 'effect', 'purpose' and 'likely effect'
5 Failed or refused to facilitate the provision of long term tug berthing for Engage Marine	Dismissed on 'effect', 'purpose' and 'likely effect'
6 Refused to include Engage Marine on the Shipping Schedule as a towage service provider	Dismissed on 'effect', 'purpose' and 'likely effect'

INFRASTRUCTURE

PORT MASTER PLAN

TasPorts' Port Master Plan delivers a coordinated vision for the future of Tasmania's multi-port system. Through the provision of greater capacity and capability at Tasmania's primary ports, initiatives under our Plan will ensure a network of fit-for-purpose infrastructure to facilitate future growth and demand.

In February 2021, the Burnie Export Gateway and Macquarie Wharf Redevelopment were included in Infrastructure Australia's Priority List 2021, recognising the national significance of both initiatives.

In acknowledgment of Port of Devonport as a primary trade link for freight and passengers, in June 2021, the Devonport East Redevelopment project received State Government approval.

Also in June, TasPorts announced a signing of an Option Agreement with Fortescue Future Industries, for land and operating access for a proposed 250 megawatt green hydrogen plant at the Port of Bell Bay.

TasPorts continues to work with other proponents as it supports the Government's Tasmanian Renewable Hydrogen Action Plan.

Federal, state and industry recognition of TasPorts initiatives under our Port Master Plan follows more than five years of hard work across the organisation. Together, this work demonstrates TasPorts' steadfast commitment to our aspirations for sustained growth for the benefit of all Tasmanians.

DEVONPORT AIRPORT MASTER PLAN

TasPorts continued to progress work on the Devonport Airport Master Plan 2035. The Plan delivers a clear vision to position the Devonport Airport as the key tourism and business gateway to Tasmania's North-West and the Cradle Coast region. The Plan has now been finalised and will be released following assessment of the post-COVID operating environment.

ASSET & INFRASTRUCTURE MANAGEMENT

Alongside the Port Master Plan, TasPorts continued to invest in assets and infrastructure, to ensure reliability and responsiveness to user demand. Works included \$12 million on remediation and renewal of existing port and marine infrastructure, alongside a further \$23.1 million on new infrastructure.

Through clearly defined asset strategies, progression of the asset management system is focussed on development, consolidation and integration of systems and processes to underpin the growing asset management culture.

SELS POINT FIRE SYSTEM UPGRADE

As a critical link in southern Tasmania's fuel supply chain, TasPorts is investing more than \$8 million to replace the existing fire system at Sels Point fuel transit facility. Through the installation of a contemporary fit-for-purpose system, TasPorts' significant investment will ensure the facility can respond appropriately in the event of a fire.

ASSET AND INFRASTRUCTURE INVESTMENT

Further investment included:

- strengthening of Macquarie Wharf berth 6, to be fit for purpose to berth the AAD vessel *RSV Nuyina*;
- removal of all known asbestos from TasPorts building assets;
- state-wide safety improvements and compliance works to safety access ladders;
- review and upgrade of navigational aids across the southeast of the state; and
- completion of Bird Friendly Lighting Project on Flinders Island.



Total Tasmanian ports operated	12 (11 seaports & 1 airport)
Total managed properties and recreational berthing places	330+
Total marine assets maintained	110+

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

COMMUNITY

PARTNERSHIPS

In 2020-21 TasPorts formalised several partnership agreements with aligned community organisations including the Maritime Museum of Tasmania, Wooden Boat Guild of Tasmania, Sailability and the Derwent Estuary Program.

We welcomed new Berthing Partners to Constitution Dock within the Port of Hobart, including the Maritime Museum of Tasmania's *Westward* vessel, the City of Hobart's *Matilda*, the *May Queen*, and the *Clara* and *Terra Linna* from the Wooden Boat Guild of Tasmania.

Further, TasPorts strengthened our operational support for the Mission to Seafarers charity, through development of a Memorandum of Understanding.

SPONSORSHIP

TasPorts invested \$85,000 through financial support for events and causes across Tasmania. In addition, over \$140,000 of in-kind sponsorship was provided.

TasPorts enabled several events and festivals to run successfully on TasPorts' managed land and port infrastructure, including the Hobart Twilight Market, Dark Mofo and various community events.

In addition, TasPorts continues to support emerging mariners through the Charles Black Memorial Scholarship, with the Australian Maritime College.

COMMUNITY ASSETS

Across the State, TasPorts continues to invest in and maintain community-use waterfront assets at Sullivans Cove, Stanley, Inspection Head and Strahan, and on King and Flinders islands, for the benefit of the Tasmanian community.

In 2020-21, more than \$900,000 was invested in upgrading community assets state-wide.

OUR PEOPLE

TasPorts is a robust organisation, with a proud history connecting Tasmania to the world.

Across the State, our team of almost 300 works collaboratively to provide vital port, marine and aviation operations, and services.

To support and protect our staff and the wider community, TasPorts ensured ongoing access to personal protective equipment (PPE) across all sites, implementation of voluntary temperature testing for front-line employees, and expedited flu vaccinations for all employees.

TasPorts' three-year People and Culture Strategy concluded in 2021. This strategy delivered three broad objectives, being:

- enrich our culture - to work towards the pursuit of a constructive culture, built on excellence, authenticity, support, and trust;
- develop our people - to create an environment where personal and professional development efforts are informed by individual and organisational needs; and
- plan our future - to enhance our strategic agility and sustainability, positioned to respond to changing environments.

Through this work TasPorts updated its vision, redefined its corporate intentions and developed new workplace values.

Our Values, combined with our Strategic Intentions, guide the organisation's strategic and daily operations.

\$34 MILLION RETURNED TO THE TASMANIAN COMMUNITY AS DIVIDENDS SINCE 2006

Total events supported	19
Total formalised partnerships	7
Total berthing partners	4

850+ PEOPLE EMPLOYED WITHIN TASMANIA SINCE 2006

Total workforce	294	Operations	85
Full-time	228	Marine Services	90
Part-time	33	Professional	58
Casual	33	Support	61

BASS ISLAND LINE

TasPorts supports the King Island community and its economy through the Bass Island Line Pty Ltd (BIL) shipping service, a wholly owned subsidiary of TasPorts.

The current operating model which provides a service between Melbourne, King Island and Tasmania has come under significant financial pressure in 2020-21, with insufficient cargo levels leading to low vessel utilisation. Alternate providers have successfully increased market share, and as the community continues to embrace this, the financial sustainability of BIL continues to be severely challenged. The impact of this will be further assessed next year.

In 2020, BIL vessel *John Duigan* experienced two major service outages. Throughout the outages, BIL ensured continuity of service for the King Island community through charter arrangements. It's important to note that these events are currently subject to an insurance claim.

Total vessel sailings	123
Total TEUs shipped	2,500
Total tonnes shipped	34,296
Key commodities	Community consumables & general cargo, fuels, agricultural products

SOUTHERN EXPORT TERMINALS

Southern Export Terminals Pty Ltd (SET) is a joint venture operation between TasPorts and Qube Ports at the Port of Hobart. Operations began in January 2017. This open-access facility manages all bulk log storage and export activities within the Port of Hobart. It provides an ongoing and cost-efficient option for log exports from Southern Tasmania.

The facility is managed in accordance with all regulatory responsibilities and best practice environmental management principles. State-of-the-art technology is used at the site, and all operations are subject to stringent environmental standards, including dust and noise monitoring.

During the reporting period, 135,225 JASm³ of logs were exported through the facility. Forestry exports were impacted statewide resulting from China's suspension of all round log imports amid escalating trade tensions.

To accommodate forecast future growth, TasPorts commenced its SET capacity increase project in April 2020. These works saw the demolition of redundant buildings inside the secure port zone to enable further storage area. Further works commenced in July 2020.

The continuation of Stage 2 yard expansion works will deliver a consolidated area of 20,000m² of yard capacity, enabling the storage of between 35 - 38,000 JASm³ at the terminal.

Total log exports JASm ³	135,225
Vessel visits	7
Definition JASm ³	Japanese Agricultural Standard cubic metre. 1 JASm ³ equates to approximately 1.2 tonnes.

VOLUMES & STATISTICS

COMMODITIES STATEWIDE - 2020-21

TOP 20 COMMODITIES BY TONNAGE

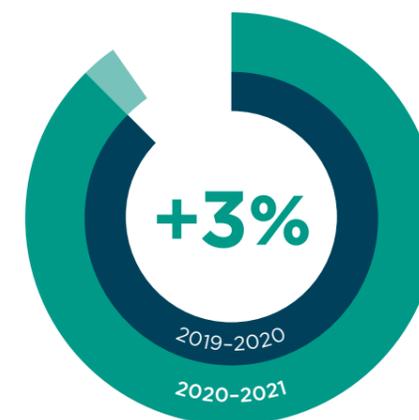
	TONNES ALL IMPORT EXPORT
WOODCHIPS	2,936,698
GENERAL CARGO	2,002,758
CEMENT	1,197,284
ZINC CONCENTRATE	886,087
FOODS - OTHER	611,328
LOGS	604,311
EMPTY	481,549
DIESEL	466,369
ALUMINA	371,336
MET FINES	320,240
UNLEADED FUEL	299,565
FERTILISER	294,872
SULPHURIC ACID	284,056
GRAINS - OTHER	272,418
MAGNETITE	261,609
BEVERAGES	236,362
FE & SI MANGANESE	187,246
PAPER PRODUCTS	171,376
TIMBER PRODUCTS	167,621
ALUMINIUM INGOTS & BLOCK	165,764

TOP 20 COMMODITIES BY TEU

	TEU ALL IMPORT EXPORT
GENERAL CARGO	219,478
EMPTY	151,438
FOODS - OTHER	58,911
BEVERAGES	20,135
PAPER PRODUCTS	15,485
TIMBER PRODUCTS	15,327
GRAINS - OTHER	12,713
DAIRY PRODUCTS	11,278
HAZARDOUS	10,181
ZINC CONCENTRATE	9,191
ALUMINIUM INGOTS & BLOCK	6,903
NEWSPRINT	6,591
SCRAP METAL	6,157
VEGETABLES	5,928
LIVESTOCK - OTHER	5,573
METALS - OTHER	4,972
FERTILISER	4,216
ONIONS	2,742
MEAT	2,521
FRUIT	2,478

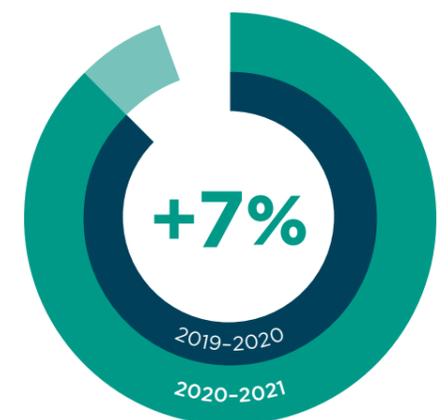
TOTAL TONNES TRANSITED

14.5 million tonnes



TOTAL TEUs TRANSITED

594,581 TEUs



FREIGHT STATISTICS - 2020-2021

TASMANIAN - FREIGHT STATISTICS

YEAR	TONNES						CHANGE FROM FY2006	TEUs			NO. SHIPS	AVG. CARGO PER SHIP
	IMPORT	GROWTH	EXPORT	GROWTH	TOTAL	GROWTH		IMPORT	EXPORT	TOTAL		
05/06*	5,112,865	-	9,681,748	-	14,794,613	-	-	224,621	225,452	450,073	2,187	6,765
06/07	4,985,676	-2.49%	10,209,748	5.5%	15,195,424	2.7%	2.7%	221,446	228,974	450,420	2,046	7,427
07/08	5,517,080	10.66%	10,705,453	4.9%	16,222,533	6.8%	9.7%	246,331	245,154	491,485	2,102	7,718
08/09	5,285,411	-4.20%	9,568,919	-10.6%	14,854,330	-8.4%	0.4%	235,596	238,589	474,185	1,996	7,442
09/10	4,822,976	-8.75%	8,602,367	-10.1%	13,425,343	-9.6%	-9.3%	230,291	230,666	460,957	1,873	7,168
10/11	5,074,191	5.21%	8,463,833	-1.6%	13,538,024	0.8%	-8.5%	233,113	230,233	463,346	1,973	6,862
11/12	4,729,623	-6.79%	6,556,943	-22.5%	11,286,566	-16.6%	-23.7%	229,681	227,144	456,825	1,770	6,377
12/13	4,862,850	2.82%	6,439,284	-1.8%	11,302,134	0.1%	-23.6%	230,879	228,474	459,353	1,794	6,300
13/14	4,980,686	2.42%	7,589,447	17.9%	12,570,134	11.2%	-15.0%	226,828	224,476	451,304	1,774	7,086
14/15	5,127,520	2.95%	7,635,799	0.6%	12,763,319	1.5%	-13.7%	232,513	229,051	461,565	1,844	6,922
15/16	5,364,702	4.63%	8,385,800	9.8%	13,750,502	7.7%	-7.1%	236,215	232,392	468,607	1,915	7,180
16/17	5,094,675	-5.0%	9,157,651	9.2%	14,252,327	3.6%	-3.7%	239,765	235,398	475,163	2,071	6,882
17/18	5,637,839	10.66%	9,587,558	4.7%	15,225,397	6.8%	2.9%	267,429	262,838	530,268	2,215	6,874
18/19	5,752,328	2.0%	9,809,918	2.3%	15,562,246	2.2%	5.2%	272,547	263,736	536,283	2,182	7,132
19/20	5,136,805	-10.7%	8,948,633	-8.8%	14,085,438	-9.5%	-4.8%	276,922	275,190	552,112	2,115	6,660
20/21	5,423,814	5.6%	9,088,976	1.6%	14,512,790	3.0%	-1.9%	301,536	293,044	594,581	2,302	6,304

BURNIE - FREIGHT STATISTICS

YEAR	TONNES						CHANGE FROM FY2006	TEUs			NO. SHIPS	AVG. CARGO PER SHIP
	IMPORT	GROWTH	EXPORT	GROWTH	TOTAL	GROWTH		IMPORT	EXPORT	TOTAL		
05/06*	1,251,495	-	2,899,227	-	4,150,722	-	-	91,475	103,031	194,506	549	7,561
06/07	1,260,495	0.72%	3,016,948	4.1%	4,277,443	3.1%	-	97,659	106,369	204,028	508	8,420
07/08	1,357,817	7.72%	3,099,244	2.7%	4,457,061	4.2%	-	109,970	117,267	227,237	545	8,178
08/09	1,291,547	-4.88%	2,874,827	-7.2%	4,166,374	-6.5%	-	103,475	109,720	213,195	503	8,283
09/10	1,280,401	-0.86%	2,821,438	-1.9%	4,101,839	-1.5%	-	114,205	115,646	229,851	437	9,386
10/11	1,161,080	-9.32%	2,819,162	-0.1%	3,980,242	-3.0%	-	115,142	116,473	231,615	457	8,710
11/12	1,238,958	6.71%	2,505,391	-11.1%	3,744,349	-5.9%	-	121,776	120,508	242,284	440	8,510
12/13	1,264,739	2.08%	2,371,866	-5.3%	3,636,605	-2.9%	-	126,986	126,847	253,833	452	8,046
13/14	1,299,671	2.76%	2,751,950	16.0%	4,051,621	11.4%	-	121,205	120,931	242,136	435	9,314
14/15	1,356,681	4.39%	2,900,399	5.4%	4,257,080	5.1%	-	119,946	119,308	239,254	423	10,064
15/16	1,436,622	5.89%	3,466,489	19.5%	4,903,111	15.2%	-	124,435	123,601	248,036	428	11,456
16/17	1,303,653	-9.3%	4,028,166	16.2%	5,331,819	8.7%	-	120,936	120,430	241,366	443	12,036
17/18	1,380,828	5.92%	4,062,579	0.9%	5,443,407	2.1%	-	121,202	119,283	240,485	470	11,582
18/19	1,335,008	-3.3%	3,933,761	-3.2%	5,268,769	-3.2%	-	117,175	112,740	229,915	483	10,908
19/20	1,364,646	2.22%	3,710,417	-5.7%	5,075,063	-3.7%	-	119,648	118,394	238,042	487	10,421
20/21	1,541,209	12.94%	3,632,420	-2.1%	5,173,630	1.9%	-	136,791	130,635	267,426	431	12,004

BELL BAY - FREIGHT STATISTICS

YEAR	TONNES						CHANGE FROM FY2006	TEUs			NO. SHIPS	AVG. CARGO PER SHIP
	IMPORT	GROWTH	EXPORT	GROWTH	TOTAL	GROWTH		IMPORT	EXPORT	TOTAL		
05/06*	1,512,356	-	3,424,957	-	4,937,313	-	-	42,779	46,211	88,990	403	12,251
06/07	1,417,049	-6.30%	3,829,923	11.8%	5,246,972	6.3%	-	43,443	45,857	89,300	413	12,705
07/08	1,646,474	16.19%	3,866,118	0.9%	5,512,592	5.1%	-	46,372	43,086	89,458	445	12,388
08/09	1,598,558	-2.91%	3,105,760	-19.7%	4,704,318	-14.7%	-	45,339	46,587	91,926	385	12,219
09/10	1,262,014	-21.05%	2,523,076	-18.8%	3,785,090	-19.5%	-	22,246	24,117	46,363	310	12,210
10/11	1,519,945	20.44%	2,514,306	-0.3%	4,034,251	6.6%	-	24,689	23,001	47,690	377	10,701
11/12	1,160,359	-23.66%	1,172,498	-53.4%	2,332,857	-42.2%	-	2,412	3,473	5,885	207	11,270
12/13	1,226,603	5.71%	1,190,124	1.5%	2,416,727	3.6%	-	849	434	1,283	171	14,133
13/14	1,310,605	6.85%	1,920,509	61.4%	3,231,114	33.7%	-	1,643	1,899	3,542	170	19,007
14/15	1,339,906	2.24%	1,907,453	-0.7%	3,247,358	0.5%	-	3,115	3,015	6,130	174	18,663
15/16	1,368,210	2.11%	2,101,772	10.2%	3,469,983	6.9%	-	6,439	6,758	13,197	220	15,773
16/17	1,387,383	1.4%	2,221,682	5.7%	3,609,065	4.0%	-	7,888	7,544	15,432	278	12,982
17/18	1,583,323	14.12%	2,515,114	13.2%	4,098,437	13.6%	-	11,984	11,970	23,954	274	14,958
18/19	1,651,419	4.30%	2,611,357	3.8%	4,262,776	4.0%	-	14,181	12,736	26,917	222	19,202
19/20	1,045,316	-36.70%	2,182,501	-16.4%	3,227,816	-24.3%	-	12,797	13,577	26,374	198	16,302
20/21	1,150,756	10.09%	2,440,540	11.8%	3,591,296	11.3%	-	10,114	10,185	20,299	206	17,433

DEVONPORT - FREIGHT STATISTICS

YEAR	TONNES						CHANGE FROM FY2006	TEUs			NO. SHIPS	AVG. CARGO PER SHIP
	IMPORT	GROWTH	EXPORT	GROWTH	TOTAL	GROWTH		IMPORT	EXPORT	TOTAL		
05/06*	1,297,773	-	1,842,299	-	3,140,072	-	-	90,243	75,854	166,097	968	3,244
06/07	1,317,496	1.52%	1,805,453	-2.0%	3,122,949	-0.5%	-	80,204	76,260	156,464	875	3,569
07/08	1,375,408	4.40%	1,888,480	4.6%	3,263,888	4.5%	-	87,913	83,123	171,036	849	3,844
08/09	1,327,270	-3.50%	1,865,337	-1.2%	3,192,607	-2.2%	-	86,782	82,282	169,064	847	3,769
09/10	1,359,929	2.46%	1,907,112	2.2%	3,267,041	2.3%	-	93,840	90,902	184,742	849	3,848
10/11	1,349,652	-0.76%	1,853,380	-2.8%	3,203,032	-2.0%	-	93,282	90,759	184,041	856	3,742
11/12	1,385,711	2.67%	1,971,614	6.4%	3,357,326	4.8%	-	101,341	99,353	200,695	829	4,050
12/13	1,344,913	-2.94%	2,109,886	7.0%	3,454,799	2.9%	-	98,883	97,244	196,127	826	4,183
13/14	1,413,393	5.09%	2,136,787	1.3%	3,550,181	2.8%	-	100,616	98,529	199,146	827	4,293
14/15	1,458,430	3.19%	2,181,075	2.1%	3,639,505	2.5%	-	105,074	102,814	207,888	845	4,307
15/16	1,462,018	0.25%	2,088,754	-4.2%	3,550,772	-2.4%	-	100,839	97,802	198,641	872	4,072
16/17	1,492,196	2.1%	2,252,860	7.9%	3,745,055	5.5%	-	106,742	102,361	209,103	939	3,988
17/18	1,670,513	11.95%	2,239,784	-0.6%	3,910,297	4.4%	-	126,373	123,886	250,258	978	3,998
18/19	1,706,462	2.2%	2,304,618	2.9%	4,011,080	2.6%	-	137,207	133,447	270,654	950	4,222
19/20	1,708,056	0.09%	2,179,367	-5.4%	3,887,423	-3.1%	-	139,174	137,940	277,114	899	4,324
20/21	1,731,022	1.34%	2,176,067	-0.2%	3,907,089	0.5%	-	147,487	145,095	292,582	867	4,506

* TasPorts commenced operation on 1/1/06. Therefore the previous 6 months relate to figures from the former regional port companies.

FREIGHT STATISTICS - 2020-2021 CONTINUED

HOBART - FREIGHT STATISTICS - FY 2021

YEAR	TONNES						TEUs			NO. SHIPS	AVG. CARGO PER SHIP
	IMPORT	GROWTH	EXPORT	GROWTH	TOTAL	GROWTH	IMPORT	EXPORT	TOTAL		
05/06*	1,051,241	-	1,515,265	-	2,566,506	-	124	356	480	267	9,612
06/07	990,636	-5.77%	1,557,424	2.8%	2,548,060	-0.7%	140	488	628	250	10,192
07/08	1,137,381	14.81%	1,851,611	18.9%	2,988,992	17.3%	2,076	1,678	3,754	263	11,365
08/09	1,068,036	-6.10%	1,722,995	-6.9%	2,791,031	-6.6%	-	-	-	261	10,694
09/10	920,632	-13.80%	1,350,741	-21.6%	2,271,373	-18.6%	-	1	1	277	8,200
10/11	1,043,514	13.35%	1,276,986	-5.5%	2,320,500	2.2%	-	1	1	283	8,200
11/12	910,069	-12.79%	870,332	-31.8%	1,780,401	-23.3%	-	-	-	248	7,179
12/13	995,750	9.41%	719,163	-17.4%	1,714,913	-3.7%	-	-	-	253	6,778
13/14	927,585	-6.85%	744,917	3.6%	1,672,503	-2.5%	-	-	-	224	7,467
14/15	937,410	1.06%	606,200	-18.6%	1,543,610	-7.7%	26	12	38	256	6,030
15/16	1,062,411	13.33%	696,176	14.8%	1,758,588	13.9%	297	229	526	270	6,513
16/17	876,314	-17.5%	613,821	-11.8%	1,490,135	-15.3%	1,033	844	1,877	262	5,688
17/18	963,061	9.90%	734,708	19.7%	1,697,768	13.9%	4,228	4,114	8,341	291	5,834
18/19	1,017,479	5.7%	925,329	25.9%	1,942,808	14.4%	251	1,174	1,425	349	5,567
19/20	976,905	-3.99%	806,462	-12.8%	1,783,367	-8.2%	208	259	467	321	5,556
20/21	910,812	-6.77%	767,426	-4.8%	1,678,239	-5.9%	363	348	711	287	5,848

KING ISLAND - FREIGHT STATISTICS - FY 2021

YEAR	TONNES						TEUs			NO. SHIPS	AVG. CARGO PER SHIP
	IMPORT	GROWTH	EXPORT	GROWTH	TOTAL	GROWTH	IMPORT	EXPORT	TOTAL		
11/12*	34,525	-	37,108	-	71,633	-	4,152	3,809	7,961	46	1,557
12/13	30,845	-10.66%	48,245	30.0%	79,090	10.4%	4,161	3,949	8,110	92	860
13/14	29,432	-4.58%	35,283	-26.9%	64,715	-18.2%	3,364	3,116	6,480	118	548
14/15	35,093	19.23%	40,673	15.3%	75,766	17.1%	4,352	3,903	8,255	146	519
15/16	35,440	0.99%	32,608	-19.8%	68,049	-10.2%	4,205	4,002	8,207	125	544
16/17	35,129	-0.88%	41,123	26.1%	76,253	12.1%	3,166	4,219	7,385	149	512
17/18	40,114	14.19%	35,374	-14.0%	75,489	-1.0%	3,643	3,586	7,229	202	374
18/19	41,960	4.60%	34,852	-1.5%	76,812	1.8%	3,733	3,639	7,372	178	432
19/20	41,882	-0.19%	69,886	100.5%	111,768	45.5%	5,096	5,020	10,116	210	532
20/21	38,990	-6.91%	43,353	-38.0%	82,344	-26.3%	4,054	4,056	8,110	229	360

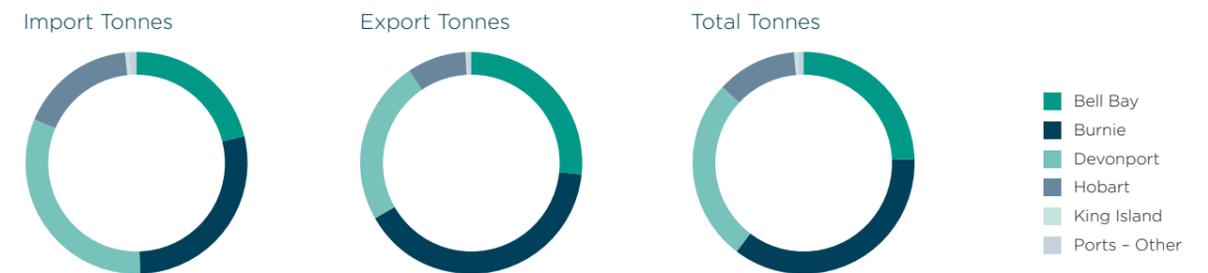
* The business conducted by King Island Ports Corporation Pty Ltd was transferred into Tasmanian Ports Corporation Pty Ltd 1/07/2011.

FREIGHT VOLUMES - 2020-2021

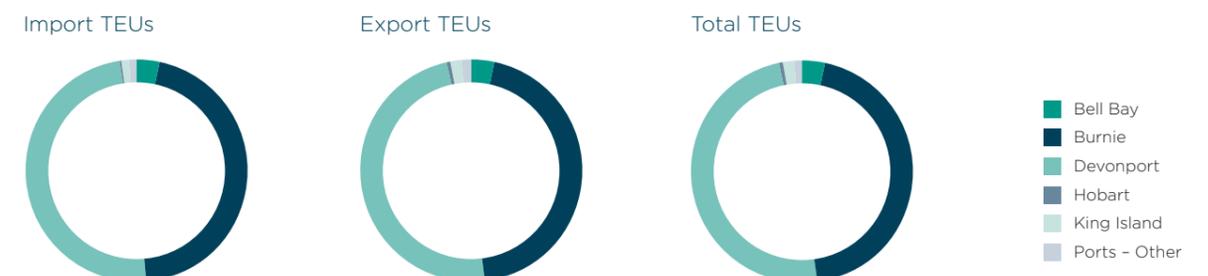
BY TONNAGE	IMPORT TONNES		EXPORT TONNES		TOTAL TONNES	
	TONNES	% OF IMPORT TONNES	TONNES	% OF EXPORT TONNES	TONNES	% OF TOTAL TONNES
BELL BAY	1,150,756	21.2%	2,440,540	26.9%	3,591,296	24.7%
BURNIE	1,541,209	28.4%	3,632,420	40.0%	5,173,630	35.6%
DEVONPORT	1,731,022	31.9%	2,176,067	23.9%	3,907,089	26.9%
HOBART	910,812	16.8%	767,426	8.4%	1,678,239	11.6%
KING ISLAND	38,990	0.7%	43,353	0.5%	82,344	0.6%
PORTS - OTHER	51,024	0.9%	29,169	0.3%	80,193	0.6%
TOTAL	5,423,814	100.0%	9,088,976	100.0%	14,512,790	100.0%

BY TEUs	INWARD TEUs		OUTWARD TEUs		TOTAL TEUs	
	TEUs	% OF INWARD TEUs	TEUs	% OF OUTWARD TEUs	TEUs	% OF TOTAL TEUs
BELL BAY	10,114	3.4%	10,185	3.5%	20,299	3.4%
BURNIE	136,791	45.4%	130,635	44.6%	267,426	45.0%
DEVONPORT	147,487	48.9%	145,095	49.5%	292,582	49.2%
HOBART	363	0.1%	348	0.1%	711	0.1%
KING ISLAND	4,054	1.3%	4,056	1.4%	8,110	1.4%
PORTS - OTHER	2,728	0.9%	2,725	0.9%	5,454	0.9%
TOTAL	301,536	100.0%	293,044	100.0%	594,581	100.0%

BY TONNAGE



BY TEUs



BOARD OF DIRECTORS

**Stephen Bradford
Chairman**

Stephen has had a portfolio of Non-Executive Director roles. He is also Senior Advisor to Flagstaff Partners on infrastructure assets.

Previously Stephen was the CEO of Port of Melbourne Corporation, 2004-13. During this time, he oversaw the approval and completion of the channel deepening project and instigated Webb Dock capacity expansion. Prior to this, he was the CEO of Great Southern Railway and Managing Director of Serco Australia Transport.

**Allison Clark
Director**

Allison is an experienced collaborator and change maker, with over 20 years' experience in strategy and innovation using a customer-centred design approach.

She has a strong history of exploring risk and opportunity across industry sectors including food and beverage, agribusiness, waste management, and renewable energy, and was the 2018 AgriFutures Tasmania Rural Woman of the Year. Allison is a founding contributor of the Tasmanian Food Cluster and Circular Economy Network Tasmania. She is also a Director of The Hobart Clinic and member of the Waste and Resource Recovery Ministerial Advisory Group.

**Dario Tomat
Director (to June 2021)**

Dario is a professional engineer with more than 40 years' experience in the building, electricity, manufacturing and asset management areas. Dario is a Director at Whetstone Pty Ltd, responsible for project delivery, quality assurance, and occupational health and safety.

Dario holds Bachelor's Degrees in Engineering and Business, and has a Masters of Business Administration. He is a Fellow of the Australian Institute of Company Directors and Engineers Australia, and is a Registered Professional Engineer.

Dario is currently Chair of the Brain Injury Association of Tasmania, and was Chair of the Human Resources & Remuneration Committee for the TasPorts Board until his fixed term expired in June 2021.

**Graham Hooper
Director (appointed June 2021)**

Graham is an independent infrastructure consultant, with 40 years' experience in port and transport infrastructure worldwide.

He is currently a Non-Executive Director on the Board of the Port of Brisbane group of companies and was formerly a founding Board member of Building Queensland and Global Vice-Chairman of the Washington Program of the International Roads Federation. Graham had a distinguished 26-year career with AECOM and held a number of senior positions including Global Managing Director for AECOM's Transportation Infrastructure business and Global Leader of Ports.

Graham is a Fellow of the Institute of Engineers Australia and holds a Diploma from the Australian Institute of Company Directors.

BOARD OF DIRECTORS CONTINUED

**Sally Darke
Director**

Sally is currently Chairperson of the Tasmanian Community Fund and Non-Executive Director of TasWater. She is also a past Chairperson of Scotch Oakburn College, past Chairperson, Director and Advisor to the Board of B&E (Bank of Us) and has had 10 years as a Director in the advisory practice of KPMG.

Sally has more than 25 years' experience in strategic human resources, corporate governance and strategic planning in the financial, infrastructure, education, sporting and community sectors with an emphasis on regulated industries.

**Tracy Matthews
Director**

Tracy is a Fellow of the Australian Institute of Company Directors and of Chartered Accountants Australia and New Zealand. She has broad sector and industry experience and core skills in the areas of accounting, governance, audit and risk, business and strategic planning.

Tracy is currently a Non-Executive Director of the Public Trustee Tasmania, Chair of Housing Connect and Past Commodore of the Royal Yacht Club of Tasmania. Previous directorships include Tasmanian Building and Construction Industry Training Board, Metro Tasmania, Tasplan Super, Colony 47, and the Printing Authority of Tasmania.

**Rebecca Cuthill
Intern Director**

Rebecca has over 20 years' experience in the communication, fundraising and social justice fields, having worked nationally and internationally for the United Nations, SBS TV, and the BBC. She is a passionate advocate for education, humanitarian causes and wider issues of justice.

Rebecca is currently Associate Director of Philanthropy at the University of Tasmania and is a Director at Scotch Oakburn College. She is also a committee member of the Fundraising Institute of Australia (Tasmania branch), and a trustee of a private philanthropic fund.

LEADERSHIP TEAM

Anthony Donald
Chief Executive Officer

As the company's most senior executive, Anthony has overall responsibility for all major corporate and operational decisions, as well as strategic direction, policy, culture and company resources.

Anthony joined TasPorts in early 2016 as Chief Operating Officer, and was appointed as Chief Executive Officer in June 2019. He has extensive experience in the maritime sector, as well as in transport and logistics.

Stephen Casey
Chief Operating Officer

Stephen provides executive leadership for the entire terminals and logistics portfolio. This includes infrastructure, operations, property, supply chain and marine operations. His team ensures optimal asset lifecycle management, all aspects of project delivery and commercial returns from key infrastructure.

Stephen also provides oversight of Devonport Airport's operations, Bass Island Line Shipping and Southern Export Terminals (SET).

Geoff Duggan
Chief Financial Officer

Geoff leads our corporate services team and ensures the efficient operation of financial management, corporate and financial planning, information technology, as well as legal and governance of the company.

Geoff maintains an optimised financial position of the company and leads TasPorts' corporate planning functions.

Kate Dean
Executive General Manager, Corporate Affairs, Compliance, Safety and Sustainability

Kate commenced at TasPorts in July 2019. She provides oversight and leadership for the Corporate Affairs, Compliance, Safety and Sustainability teams.

Under Kate's guidance, her teams manage the TasPorts brand, government relations, safety, and risk in an organisational context.

Phil Hoggett
Executive General Manager Commercial and Trade

Phil joined the TasPorts executive team in February 2019 to lead the commercial and trade team for the business.

Phil's role incorporates commercial negotiations, maximising customer satisfaction and progressing stakeholder relationships.

Angie Somann-Crawford
General Counsel and Company Secretary

Angie is TasPorts Company Secretary and General Counsel.

In her role, Angie is responsible for TasPorts' legal services and ensuring compliance with all corporate governance and statutory requirements.

PARENT PERFORMANCE AGAINST STATEMENT OF CORPORATE INTENT

FINANCIAL RETURNS TO GOVERNMENT	FULL YEAR BUDGET	FULL YEAR ACTUAL	COMMENT
Dividends Paid (\$m)	4.6	4.6	
Guarantee Fees Paid (\$m)	0.2	0.2	
Tax Equivalent Paid (\$m)	1.2	1.4	The higher tax payments were a result of a higher than budgeted tax instalment rate. Other Government returns were consistent with budget.
TOTAL	6.0	6.2	

The above returns are on a cash basis. Dividends are calculated at 90% of after tax profits.

FINANCIAL TARGETS	FULL YEAR BUDGET	FULL YEAR ACTUAL	COMMENT
Operating Profit before Interest, Tax and Depreciation (\$m)	19.8	20.5	The slightly higher operating profit was a result of lower than budget operating costs.
Operating Profit after Tax (\$m)	2.1	2.2	
Operating costs to revenue %	70.7	69.9	
L&D investment per employee (\$'000's)	0.8	0.9	The lower capital expenditure was a result of planned delays with the capital expenditure program whilst infrastructure maintenance was consistent with budget.
Capital expenditure (\$m)	18.9	16.2	
"Planned capital investment expended % (% of budget)"	100.0	85.7	
Asset Maintenance (\$m)	10.1	10.1	
"Planned maintenance investment expended (% of budget)"	100.0	100.0	
Return on Assets (%)	0.7	0.7	
Return on Equity (%)	0.9	0.9	
Gearing (%)	11.9	9.7	The lower gearing ratio was the result of a \$5.6 million loan that was budgeted to be refinanced being repaid.

NON-FINANCIAL TARGETS	FULL YEAR BUDGET	FULL YEAR ACTUAL	COMMENT
Reportable environmental incidents	5.0	2.0	There were two environment incidents during the year in relation to dust and waste management.
Total recordable injury frequency rate	7.5	6.4	Proactive safety management awareness, culture and training resulted in a lower injury frequency rate
Positive workplace culture	> 5%	> 5%	An OCI survey was completed in August 2020.

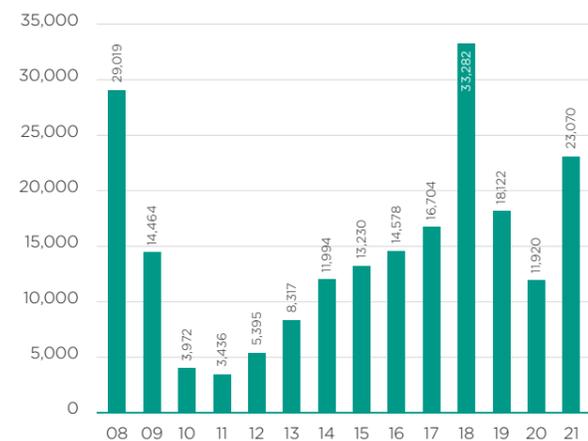
The analysis excludes the results of Bass Island Line and Southern Export Terminals.

2020-21 FINANCIAL STATISTICS

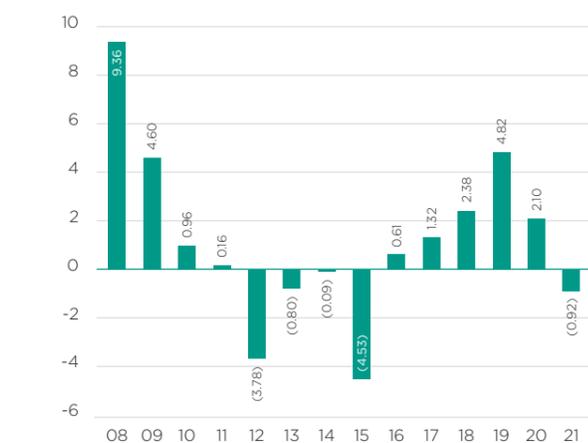
REVENUE (\$'000)



CAPITAL EXPENDITURE (\$'000)



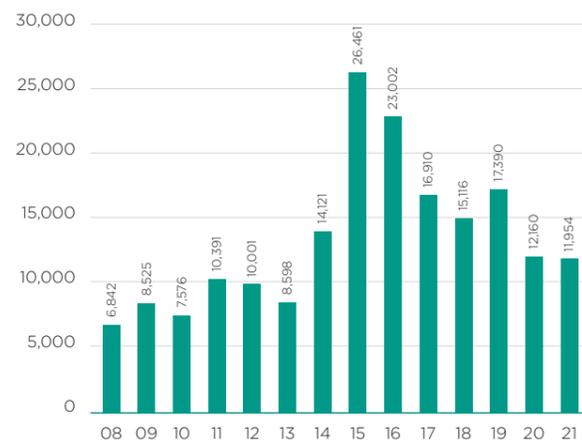
RETURN ON EQUITY (\$'000)



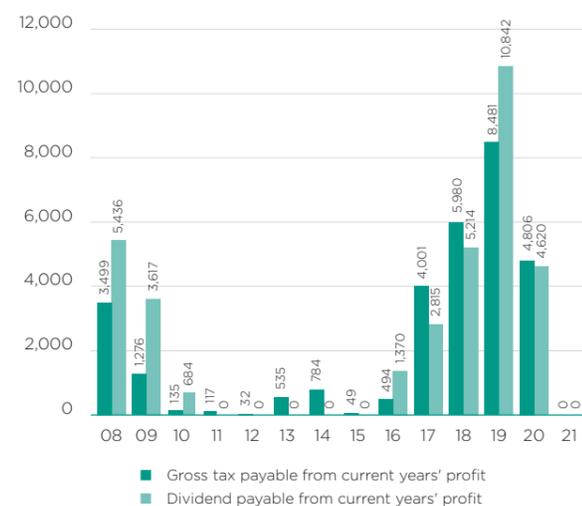
NET PROFIT AFTER TAX (\$'000)



MAINTENANCE (\$'000)



RETURNS TO GOVERNMENT (\$'000)



CORPORATE GOVERNANCE DISCLOSURES

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

The Shareholder Ministers are the Minister responsible for Infrastructure and the Minister responsible for administering the *Government Business Enterprise Act 1995*.

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.

Shareholder expectations in relation to TasPorts' objectives, performance, reporting, financial and other matters are documented in the Shareholders' Statement of Expectations.

In October 2008, the Shareholders issued a Governance Framework Guide for Tasmanian Government Businesses and State Owned Companies. The Guide referenced the eight core principles underlining good corporate governance as recommended by the ASX Corporate Governance Council for listed companies.

While noting that the principles were not mandated, the Shareholder Ministers expressed an expectation that the core principles, where relevant, would be adopted by the Boards of Government Businesses and State Owned Companies.

In addition to the Corporate Governance Principles referred to above and noted under the headings below, the Department of Treasury and Finance has issued a Governance Framework and Guidelines in relation to:

- Board appointments;
- appointing the Chief Executive Officer as a member of the Board;
- Director induction, education and training;
- assessing Board performance;
- Director and Executive remuneration;
- overseas travel;
- reporting;
- corporate planning;
- capital investment; and
- subsidiary companies and joint ventures.

TasPorts has adopted applicable practices in compliance with the Governance Framework and Guidelines. TasPorts' position on the eight core principles outlined in the Governance Framework Guide is as follows.

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT BY THE BOARD

The Board operates under a formal Charter and Code of Conduct that details its duties and responsibilities. The primary roles of the Board are to:

- set the strategic direction of TasPorts;
- ensure appropriate processes are in place for risk assessment and management;
- ensure accountability to the Shareholders; and
- appoint and review the performance of the Chief Executive Officer.

CORPORATE GOVERNANCE DISCLOSURES CONTINUED

The Charter also addresses the relationship between the Board and management. The CEO is responsible for the general administration and management of TasPorts comprising:

- conducting day-to-day business in accordance with relevant legislation, the Constitution, the Shareholders' Statement of Expectations and policies endorsed by the Board;
- advising the Board, on a regular basis, on operational and financial performance; and
- immediately advising the Board of any material matter likely to seriously impact TasPorts.

A delegations policy details limits of delegated authority to management and reserved functions for the Board.

In order to assist the Board perform its duties, an Audit and Risk Management Committee and a Human Resources and Remuneration Committee have been established. Each Committee operates under its own Charter, which is reviewed regularly.

Performance management processes have been established for all staff, including management. The process involves assessment of capabilities and performance against determined key performance indicators. The assessment process also addresses development and training requirements. The Board and its Committees are also subject to regular performance evaluations.

STRUCTURE THE BOARD TO ADD VALUE

The composition of, and appointments to, the Board are prescribed by the Act. The Act requires the Board to consist of Directors who have the skills and experience necessary to enable TasPorts to achieve its objectives. Directors are encouraged to undertake ongoing education relevant to their role as Director. The Chairman and all other Directors are independent Non-Executive Directors.

The Board has adopted the process recommended in the Guidelines for the selection and appointment of new Directors to the Board, and for the reappointment of Directors whose terms are up for renewal. The selection process for new appointments requires the establishment of a cross-government committee, including an independent representative and the process for reappointments involves a performance evaluation.

New appointments undertake a comprehensive induction program, including briefings from the Chief Executive Officer and senior management.

PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

TasPorts has adopted a set of values and a Code of Conduct in relation to its internal and external dealings. The Board, via the Company Secretary, maintains a register of declarations of interests which is updated regularly.

TasPorts' policies address the issue of conflict of interest and include procedures for dealing with conflicts of interest, should they arise.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer provide written undertakings to the Board providing assurances that TasPorts' financial reports present a true and fair view, and are in accordance with relevant accounting standards.

The Board has established an Audit and Risk Committee. The internal audit function is provided by an external resource and this appointment is reviewed every three years.

TasPorts' external auditor is the Auditor-General of Tasmania. The Auditor-General or his representatives attend meetings of the Audit and Risk Management Committee from time to time.

MAKE TIMELY AND BALANCED DISCLOSURE

TasPorts is not a company listed on the Australian Stock Exchange (ASX) and therefore is not subject to the ASX Listing Rules which include continuous disclosure requirements to the ASX. TasPorts reports to its Shareholders in accordance with statutory obligations, Shareholder directions and obligations provided in TasPorts' Constitution.

The Chairman and Chief Executive Officer regularly meet with Shareholders to provide briefings on key issues and developments.

CORPORATE GOVERNANCE DISCLOSURES CONTINUED

RESPECT THE RIGHTS OF SHAREHOLDERS

TasPorts complies with formal reporting obligations under its Constitution, applicable legislation and the Guidelines, and also provides regular briefings to its Shareholders. TasPorts recognises its relationship with the wider community as it strives to meet its objective of facilitating trade for the benefit of Tasmania.

RECOGNITION AND MANAGEMENT OF RISK

TasPorts manages its operational, financial and compliance risks in accordance with a Risk Management Framework. The framework and supporting policies have been prepared in accordance with relevant standards, and are approved by the Audit and Risk Management Committee.

A formal risk assessment process to document the organisational strategic risk profile has been undertaken, and this profile is subject to annual review.

TasPorts has established a fraud risk register and policy, which is regularly reviewed by management and reported to the Audit and Risk Management Committee.

PUBLIC INTEREST DISCLOSURES ACT

As required under the *Public Interest Disclosures Act 2002*, TasPorts has developed a system for reporting disclosures of improper conduct, corrupt conduct, or detrimental action by TasPorts, its officers or employees. The procedures are available at www.tasports.com.au or by contacting the Public Interest Disclosure Officer, TasPorts, GPO Box 202, Hobart, Tasmania 7001.

No reports were made in 2020-21 under this regime.

RIGHT TO INFORMATION ACT

TasPorts is committed to complying with the *Right to Information Act 2009*. Details about the Act and the company's obligations under it are available at www.tasports.com.au or by contacting the Right to Information Officer, TasPorts, GPO Box 202, Hobart, Tasmania, 7001.

During 2020-21, no formal applications for assessed disclosure were received.

PERSONAL INFORMATION PROTECTION ACT

TasPorts is subject to the *Personal Information Protection Act 2004* which prescribes personal information protection principles for Tasmania.

During 2020-21 there were no complaints received under this regime.

OVERSEAS TRAVEL

No overseas travel was undertaken by Directors or Executives during the 2020-21 financial year.

SUPERANNUATION

TasPorts complied with its obligations under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* in respect of employees of TasPorts who are members of complying superannuation schemes.

CORPORATE GOVERNANCE DISCLOSURES CONTINUED

REMUNERATION REPORT

The Board has established a Human Resources and Remuneration Committee (the Committee) which is responsible for ensuring that the Board comprises persons with a suitable range of skills, expertise and experience, and to also ensure that remuneration policies, strategies and practices for Directors and senior executives are transparent, consistent with the Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration, broader market practice and, in the case of senior executives, reward the creation of value for its shareholders.

Under its Charter, the Committee is responsible for the following:

- maintaining an understanding of current organisational planning, employment management practices and regulatory obligations;
- reviewing and making recommendations on TasPorts’ human resources strategy and policies including matters relating to TasPorts’ culture and culture strategy;
- recommending remuneration for the Chief Executive Officer and reviewing annual performance against targets;
- reviewing compensation arrangements (including incentives and other benefits) and performance target outcomes;
- reviewing and recommending for Board approval policies for employee remuneration generally;
- reviewing and making recommendations to the Board regarding Board performance including Board Committee performance;
- making recommendations to the Board regarding employee and Board diversity; and
- examining any matters referred to it by the Board.

EXECUTIVE REMUNERATION

The Committee has approved a remuneration framework developed in conjunction with independent remuneration specialists, Mercer. This framework is benchmarked nationally and takes into account external factors such as National Economic indicators, local, national and industry factors, individual and TasPorts performance. The framework applies to senior executives, senior management and specific professional or expert technical positions. Components of remuneration can include cash and non-cash alternatives as well as any fringe benefits tax incurred.

A performance-based element applies for senior executives with a maximum possible amount determined by the Committee. The performance of the senior executives is measured against performance targets agreed annually in advance. All senior executives are appointed under common law employment agreements. Senior executive performance payments are based on performance targets set at an organisation level, divisional and at an individual level. Performance targets are established and assessed annually.

The Chief Executive Officer’s remuneration is determined by reference to the CEO remuneration bands as determined by and approved by the Treasurer. The Chief Executive Officer’s performance against targets is reviewed by the Board at least annually. For other senior executives, the Chief Executive Officer reports to the Committee at least annually on performance and recommends any subsequent performance-based payment.

PAYMENTS MADE TO SENIOR EXECUTIVES

Payments made to senior executives are set out in note 21 in the Financial Statements.

PERFORMANCE PAYMENTS

No performance payments were made to senior executives for the 2019-20 financial year due to COVID-19 and other business impacts.

STATEMENT OF COMPLIANCE

TasPorts complied with the Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration.

BUY LOCAL AND PAYMENT OF ACCOUNTS GUIDELINES

BACKGROUND

The Treasurer has approved the following Guidelines for Tasmanian Government Businesses:

Buy Local – which encourages purchasing from Tasmanian suppliers and increased disclosures on the use of consultants; and

Payment of Accounts – which requires implementation of appropriate policies and procedures to ensure that all accounts are paid on time.

BUY LOCAL

A “Tasmanian business” is defined as a business operating in Tasmania, which has a permanent office or presence in Tasmania and employs Tasmanian workers. Purchases from Tasmanian businesses are as follows:

Percentages of purchases from Tasmanian businesses	70%
Value of purchases from Tasmanian businesses	\$57,538,293

Purchases are defined to include operating expenses (excluding employment expenses, finance expenses and depreciation) together with capital expenditure. The above is for the Economic Entity (TasPorts & Bass Island Line). Bass Island Line incurs operating costs with non-Tasmanian businesses as a result of its shipping between King Island and Victoria. For TasPorts, as a stand-alone entity, purchases from Tasmanian businesses were 76%.

PAYMENT OF ACCOUNTS

Tasmanian Government Guidelines require Government-owned businesses to:

- implement appropriate policies and procedures to ensure that all accounts are paid on time and, if not, interest is paid for late payments;
- pay invoices of less than \$50,000 within 30 days, or if a shorter term has been agreed, within the shorter term; and
- pay invoices of \$50,000 and above in accordance with agreed terms and by the due date.

Payment of account details are as follows:

Average creditor days	10
Number of invoices	13,239
Number of invoices paid within 30 days of the receipt of a compliant invoice	12,685 (96%)
Value of invoices	\$97,150,287
Value of invoices paid within 30 days of the receipt of a compliant invoice	\$94,566,839
Number of payments for interest on overdue accounts	Nil
Interest paid on overdue accounts	Nil

TasPorts’ intent is to pay, and to continue to pay, all invoices correctly rendered by suppliers within 14 calendar days of the date of receipt of a correctly rendered invoice. Since TasPorts introduced this payment term in October 2020, 99% of invoices have been paid within 14 days of the receipt of a compliant invoice.

CONSULTANCIES SUMMARY

The guidelines provide the following definitions:

- **Contractor** – A “Contractor” is an individual or organisation engaged under a contract (other than as an employee) to provide goods and/or services to an entity. A contractor will usually work under the supervision of an entity manager.
- **Consultant** – A “Consultant” is a particular type of contractor engaged to provide recommendations or specialist or professional advice (or more generally non-manual services) to assist or influence an entity’s decision making.

CONSULTANCIES VALUED AT MORE THAN \$50,000 (EX GST) TO 30 JUNE 2021 FOR THE ECONOMIC ENTITY

NAME OF CONSULTANT	LOCATION	DESCRIPTION	CAPITAL EXPENDITURE	OPERATIONAL EXPENDITURE
Acton Advisory Pty Ltd	Victoria	Project Advisory Services	\$113,148	-
Burbury Consulting Pty Ltd	Tasmania	Engineering Services	\$610,610	-
COVA Thinking Pty Ltd	Tasmania	Project Advisory Services	\$148,824	-
GHD Pty Ltd	Tasmania	Engineering Services	\$67,373	-
Haskoning Australia Pty Ltd	New South Wales	Project Design Services	\$127,230	-
Mark Cooper Coaching	Victoria	Project Design Services	\$164,840	-
WT Partnership	Tasmania	Quality Surveys	\$62,554	-
Assetivity Pty Ltd	Western Australia	Project Advisory Services	-	\$78,980
IG Partners	Victoria	Organisational Management Services	-	\$188,500
Ironside Risk Partners Pty Ltd	Queensland	Crisis and Emergency Management Advice	-	\$53,753
Jacobs Group (Australia) Pty Ltd	Tasmania	Commercial Advisory Services	-	\$111,000
Marine and Safety Tasmania	Tasmania	Audit of MAST Deed of Agreement	-	\$96,000
Mark Cooper Coaching	Victoria	Engineering Services	-	\$172,800
Nous Group Pty Ltd	Victoria	Commercial Advisory Services	-	\$320,507
Taplin Consulting	Tasmania	Project Advisory Services	-	\$60,660
TOTAL			\$1,294,580	\$1,082,200
93 Consultants – Individually less than \$50,000			\$845,809	\$1,543,799
TOTAL PAYMENT TO CONSULTANTS FOR THE ECONOMIC ENTITY			\$2,140,388	\$2,625,999

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

Information on Directors

The Directors present their report on the Tasmanian Ports Corporation Pty Ltd (TasPorts) and its controlled entities ("the Economic Entity") for the year ended 30 June 2021.

The names of the Directors in office at any time during or since the end of the year are listed below:

Stephen Bradford

Chair and Non-Executive Director

<i>Appointed</i>	December 2015
<i>Current term</i>	November 2018 - November 2021
<i>Board Meetings attended</i>	11 out of 11 held
<i>Human Resources and Remuneration Committee Meetings attended</i>	5 out of 5 held
<i>Audit and Risk Management Committee Meetings attended</i>	4 out of 4 held
<i>Bass Island Line Pty Ltd Board Meetings attended</i>	8 out of 8 held

Information

Mr Bradford was appointed as Director and Chair of TasPorts in December 2015. Mr Bradford is a member of the Corporation's Human Resources and Remuneration Committee and Audit and Risk Management Committee.

Tracy Matthews

Non-Executive Director

<i>Appointed</i>	December 2015
<i>Current term</i>	November 2018 - November 2021
<i>Board Meetings attended</i>	11 out of 11 held
<i>Human Resources and Remuneration Committee Meetings attended</i>	5 (as an observer) out of 5 held
<i>Audit and Risk Management Committee Meetings attended</i>	4 out of 4 held
<i>Bass Island Line Pty Ltd Board Meetings attended</i>	8 out of 8 held

Information

Ms Matthews was appointed a Director in December 2015 and is Chair of the Corporation's Audit and Risk Management Committee.

Dario Tomat

Non-Executive Director

<i>Appointed</i>	December 2015
<i>Current term</i>	November 2017 - June 2021
<i>Board Meetings attended</i>	10 out of 10 held during term
<i>Human Resources and Remuneration Committee Meetings attended</i>	4 (including 2 as an observer) out of 4 held during term
<i>Audit and Risk Management Committee Meetings attended</i>	3 (as an observer) out of 3 held during term
<i>Bass Island Line Pty Ltd Board Meetings attended</i>	7 out of 7 held during term

Information

Mr Tomat was appointed a Director in December 2015 and was Chair of the Corporation's Human Resources and Remuneration Committee until December 2020. Mr Tomat's fixed term expired in June 2021.

Sally Darke

Non-Executive Director

<i>Appointed</i>	August 2016
<i>Current term</i>	December 2019 - August 2022
<i>Board Meetings attended</i>	11 out of 11 held
<i>Human Resources and Remuneration Committee Meetings attended</i>	5 out of 5 held
<i>Audit and Risk Management Committee Meetings attended</i>	4 (as an observer) out of 4 held
<i>Bass Island Line Pty Ltd Board Meetings attended</i>	8 (Chair) out of 8 held

Information

Ms Darke was appointed a Director in August 2016 and is a member of the Corporation's Human Resources and Remuneration Committee.

Allison Clark

Non-Executive Director

<i>Appointed</i>	December 2018
<i>Current term</i>	December 2018 - November 2021
<i>Board Meetings attended</i>	11 out of 11 held
<i>Human Resources and Remuneration Committee Meetings attended</i>	5 (including 2 as an observer) out of 5 held
<i>Audit and Risk Management Committee Meetings attended</i>	4 out of 4 held
<i>Bass Island Line Pty Ltd Board Meetings attended</i>	8 out of 8 held

Information

Ms Clark was appointed a Director in December 2018 and was a member of the Corporation's Audit and Risk Management Committee until June 2021. Ms Clark was appointed Chair of the Corporation's Human Resources and Remuneration Committee from January 2021.

Graham Hooper

Non-Executive Director

<i>Appointed</i>	June 2021
<i>Current term</i>	June 2021 - June 2024
<i>Board Meetings attended</i>	0 out of 1 held during term
<i>Human Resources and Remuneration Committee Meetings attended</i>	1 (as an observer) out of 1 held during term
<i>Audit and Risk Management Committee Meetings attended</i>	1 (as an observer) out of 1 held during term
<i>Bass Island Line Pty Ltd Board Meetings attended</i>	0 out of 1 held during term

Information

Mr Hooper was appointed a Director in June 2021 and was appointed a member of the Corporation's Audit and Risk Management Committee from June 2021.

If a Director's term expires in November then this date is the same date on which the Annual General Meeting will be held.

Directors regularly attend committee meetings of which they are not formal members.

Melissa Hughes was appointed Intern Director* in January 2020 until December 2020.

Rebecca Cuthill was appointed Intern Director* in January 2021.

Economic Entity

In addition to TasPorts, the companies that comprise the Economic Entity are:

- Bass Island Line Pty Ltd - 100% owned by TasPorts - incorporated in February 2017 to operate the King Island shipping service;
- Southern Export Terminals Pty Ltd - 50% owned by TasPorts and 50% by Qube Ports Pty Ltd - incorporated in December 2016 to operate the forestry export terminal in Hobart;
- King Island Ports Corporation Pty Ltd - 100% owned by TasPorts - non trading; and
- Flinders Island Ports Company Pty Ltd - 100% owned by TasPorts - non trading.

* As part of TasPorts' initiative to provide governance experience to emerging business leaders, TasPorts established a 12-month internship program for aspiring Non-Executive Directors to gain experience in the sector. The intern directorship is designed to provide access to the TasPorts Board for an entire annual cycle. The Intern Director gains experience in providing strategic direction and effective oversight of management with the Chair acting as a mentor to the intern providing one on one guidance throughout the duration of the internship. While the Intern Director partakes in Board interactions and is encouraged to contribute towards matters under discussion, they do not have any voting or decision making powers. Following the conclusion of the internship there is no possibility of appointment as a director to the TasPorts Board for a period of 3 years following completion of the internship.

DIRECTORS' REPORT CONTINUED

Operating and financial review

The Economic Entity reported a net loss after tax of \$2.2 million compared to a net profit after tax of \$5.1 million in 2020.

Freight volumes increased with statewide volumes of 14.5 million tonnes compared with 14.1 million tonnes in 2020 representing a 3.0% increase. Increased container and industrial products provided the most significant volume increases.

The net profit of the Economic Entity included the net after tax loss of Bass Island Line (BIL) of \$4.4 million compared to \$3.3 million in 2020. The financial result of BIL was impacted by vessel repair costs. BIL's underlying financial performance continues to be impacted by high fixed shipping costs relative to the seasonal and low freight volumes. BIL remains committed to providing a safe and reliable shipping service for the King Island community and delivering a cost-efficient and financially sustainable service.

The financial result of the Economic Entity and Bass Island Line was impacted by vessel repair and replacement vessel charter costs associated with two incidents. An insurance claim has been submitted relating to these incidents but at the date of this report the insurer has not advised on acceptance of the claim or the likely insurance recovery amount. Any insurance recovery would be recognised as revenue when the insurance claim is resolved.

TasPorts continue to experience the economic and operational impact of COVID-19. The primary impact is the cruise sector and Devonport Airport. Cruise visitation ceased and is yet to recommence. Whilst flights have recommenced between Devonport and Melbourne the passenger numbers remain considerably lower than pre-COVID-19.

Southern Export Terminals (SET) is a joint venture between TasPorts and Qube Ports Pty Ltd to provide a southern Tasmanian export gateway for bulk logs. TasPorts has continued to invest in the Terminal with a project commenced to increase the Terminal footprint providing productivity and operational benefits. The operation of SET has reinforced the need to have a cost-effective, industry benchmarked log export facility in the south of the State.

The Economic Entity continued its significant infrastructure investment including \$12.0 million on remediation and renewal of existing port and marine infrastructure and a further \$23.1 million on new infrastructure. TasPorts is experiencing continued market interest in the use of port facilities and infrastructure across a range of existing and new industry sectors. TasPorts will facilitate this trade growth underpinned by commercially sound operating and financial frameworks. These frameworks are essential for TasPorts to continue to develop new and maintain existing port infrastructure.

Planning and consultation has continued for the redevelopment of the container terminals at East Devonport to accommodate the new TT Line and SeaRoad vessels. A collaborative approach is being adopted with stakeholders to deliver a fit for purpose efficient and cost-effective terminal solution.

Planning for two major growth initiatives under the Port Master Plan progressed culminating in the Burnie Export Gateway and Macquarie Wharf Redevelopment being named on the Infrastructure Australia Priority List 2021. The recognition of both initiatives as nationally significant highlights the criticality of investment in the state's multi-port system to facilitate future growth in demand across multiple sectors, including Antarctic, forestry, minerals and tourism.

Australian Competition & Consumer Committee (ACCC) matter

The ACCC initiated legal proceedings against TasPorts in 2019, making a number of allegations of misuse of market power. The issues raised by the ACCC were complex, based on a unique set of circumstances and involved a previously untested provision of the Competition and Consumer Act.

The Federal Court made orders by consent in May 2021 dismissing all allegations that TasPorts' conduct had the 'purpose' or 'actual effect' of substantially lessening competition.

As part of the settlement, TasPorts agreed to admit that its conduct in relation to one allegation had the 'likely effect' of substantially lessening competition, this concerned a proposed tonnage charge for Port Latta, in North West Tasmania.

TasPorts has given enforceable undertakings to the ACCC regarding certain port charges, access to berth space and port communication systems.

Principal activities

During the financial year the principal continuing activities of the Economic Entity were owning and operating the following facilities and services:

- Operational port infrastructure, property or services at Burnie, Devonport, Hobart, Bell Bay and King Island (Grassy);
- Other port infrastructure and properties at Strahan, Smithton, Stanley, King Island (Currie) and Flinders Island (Whitemark and Lady Barron);
- Towage services;
- Pilotage services;
- Airport facilities and related properties at Devonport Airport;
- Transport and plant hire at Burnie, Devonport, Hobart, Launceston, Bell Bay, Burnie, King Island and Flinders Island;
- Fuel distribution at Hobart, King Island and Flinders Island;
- Vessel slipping services at Hobart, Strahan, Flinders Island and King Island;
- Shipping services between mainland Tasmania, King Island and Victoria through TasPorts' wholly owned subsidiary Bass Island Line; and
- Bulk log storage and export activities within the Port of Hobart through Southern Export Terminals. Southern Export Terminals is a joint venture between TasPorts and Australian stevedore, Qube Ports Pty Ltd.

Dividends

Dividends paid during the financial year were as follows:

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Final dividend declared for the year ended June 2020 and paid in 2021 of \$2,309,510 per ordinary share.	4,619	
Final dividend declared for the year ended June 2019 and paid in 2020 of \$5,421,040 per ordinary share.		10,842

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Economic Entity during the financial year.

Matters subsequent to the end of the financial year

There has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in subsequent financial years.

Environmental regulation

TasPorts is committed to achieving a high standard of environmental performance. The establishment of an environmental management system is ongoing to monitor risk and ensure compliance with statutory requirements. No statutory breaches were notified during the financial year.

The Economic Entity is subject to the following significant environmental regulations under Australian Commonwealth and State law:

Australian Commonwealth

- Environment Protection and Biodiversity Conservation Act 1999
- Biosecurity Act 2015
- Export Control Act 1982
- Navigation Act 2012
- National Greenhouse and Energy Reporting Act 2007
- Protection of the Sea (Prevention of Pollution from Ships) Act 1983
- Protection of the Sea (Harmful Antifouling Systems) Act 2006
- Environment Protection (Sea Dumping) Act 1981

DIRECTORS' REPORT CONTINUED

State law

- *Environmental Management and Pollution Control Act 1994*
- *Animal Welfare Act 1993*
- *Crown Lands Act 1976*
- *Marine-related Incidents (MARPOL Implementation) Act 2020*
- *Nature Conservation Act 2002*
- *Plant Quarantine Act 1997*
- *State Policies and Projects Act 1993*
- *Threatened Species Protection Act 1995*
- *Weed Management Act 1999*
- *Deed of Agreement between MAST, TasPorts and the Crown*
- *Environmental Protection Notice (EPN) 8632/3*

Indemnity and insurance of directors, officers and auditors

The Economic Entity paid insurance premiums for the year of \$72,600 in respect of Directors' and Officers' liability, for current and former Directors. The insurance premiums relate to:

- costs and expenses incurred by relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

TasPorts has entered into a deed of access, indemnity and insurance with Directors and Officers. Pursuant to the deed TasPorts undertakes to:

- maintain certain documents and to provide Directors and Officers access to those documents;
- indemnify the Directors and Officers for certain liabilities; and
- maintain an insurance policy covering the Directors and Officers.

No person has applied for leave of Court to bring proceedings on behalf of the Economic Entity or intervene in any proceedings to which the Economic Entity is a party for the purpose of taking responsibility on behalf of the Economic Entity for all or any part of those proceedings. The Economic Entity was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Signed in accordance with a resolution of the Board of Directors:



Mr Stephen Bradford
Non-Executive Director and Chair



Ms Tracy Matthews
Non-Executive Director

10 August 2021

AUDITOR'S INDEPENDENCE DECLARATION



Level 8, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

10 August 2021

The Board of Directors
Tasmanian Ports Corporation Pty Ltd
GPO Box 202
HOBART TAS 7001

Dear Board Members

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

As the auditor of the financial report of Tasmanian Ports Corporation Pty Ltd for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely



Jeff Tongs
Assistant Auditor-General
Delegate of the Auditor-General

DIRECTORS DECLARATION

The Directors declare that:

- The attached financial statements and notes thereto comply with Australian Accounting Standards and Australian Accounting Interpretations adopted by the Australian Accounting Standards Board;
- The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Economic Entity;
- In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 (Cth);
- In the Directors' opinion, there are reasonable grounds to believe that the Economic Entity will be able to pay its debts as and when they become due and payable; and
- The Directors have been given declarations as set out in Section 295A of the Corporations Act 2001 (Cth) from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2021.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001 (Cth).

On behalf of the Directors



Mr Stephen Bradford
Non-Executive Director and Chair



Ms Tracy Matthews
Non-Executive Director

10 August 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	ECONOMIC ENTITY	
		2021 \$'000	2020 \$'000
Revenue	2	107,143	118,933
Total revenue		107,143	118,933
Expenses			
Cost of goods sold		(6,406)	(7,413)
Employee benefits		(42,772)	(41,361)
Property costs		(6,451)	(6,775)
Equipment hire		(524)	(1,286)
Maintenance		(11,954)	(12,160)
Operational expenditure		(6,162)	(8,592)
Depreciation and amortisation expense	9	(16,566)	(15,988)
Impairment of plant and equipment	9	(566)	(713)
Administration		(10,754)	(8,766)
Credit loss on trade receivables		(14)	(163)
Other expenses		(6,441)	(6,558)
Finance costs		(1,305)	(1,510)
Total expenses		(109,915)	(111,285)
Operating profit/(loss)		(2,772)	7,648
Share of profit/(loss) of equity accounted investee, net of tax	29	(12)	19
Profit/(loss) before income tax (expense)/benefit		(2,784)	7,667
Income tax (expense)/benefit	3	595	(2,534)
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Tasmanian Ports Corporation Pty Ltd	18	(2,189)	5,133
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Tasmanian Ports Corporation Pty Ltd		(2,189)	5,133

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	ECONOMIC ENTITY	
		2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	9,579	12,497
Trade and other receivables	5	7,102	9,046
Inventories	6	1,279	1,358
Other assets	8	1,073	937
Total current assets		19,033	23,838
Non-current assets			
Property, plant and equipment	9	274,528	267,912
Right-of-use assets	7	7,159	4,405
Intangibles	10	2,801	2,801
Deferred tax asset	3	4,259	3,634
Other assets	8	183	195
Total non-current assets		288,930	278,947
Total assets		307,963	302,785
Liabilities			
Current liabilities			
Trade and other payables	11	15,881	9,102
Borrowings	12	9,719	5,614
Lease liabilities	13	2,307	730
Current tax liability	3	(2,609)	(1,062)
Employee benefits	14	6,561	5,517
Provisions	15	59	32
Total current liabilities		31,918	19,933
Non-current liabilities			
Borrowings	12	12,800	14,219
Lease liabilities	13	4,850	3,794
Deferred tax liability	3	19,241	19,091
Employee benefits	14	1,090	987
Provisions	15	588	477
Total non-current liabilities		38,569	38,568
Total liabilities		70,487	58,501
Net assets		237,476	244,284
Equity			
Issued capital	16	135,427	135,427
Reserves	17	130,685	130,685
Accumulated losses	18	(28,636)	(21,828)
Total equity		237,476	244,284

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

ECONOMIC ENTITY	ISSUED CAPITAL				TOTAL EQUITY \$'000
	ORDINARY SHARES \$'000	EQUITY \$'000	RESERVES \$'000	ACCUMULATED LOSSES \$'000	
Balance at 1 July 2019	-	135,427	130,685	(16,119)	249,993
Profit after income tax expense for the year	-	-	-	5,133	5,133
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,133	5,133
Transactions with owners in their capacity as owners:					
Dividends paid (note 19)	-	-	-	(10,842)	(10,842)
Balance at 30 June 2020	-	135,427	130,685	(21,828)	244,284

ECONOMIC ENTITY	ISSUED CAPITAL				TOTAL EQUITY \$'000
	ORDINARY SHARES \$'000	EQUITY \$'000	RESERVES \$'000	ACCUMULATED LOSSES \$'000	
Balance at 1 July 2020	-	135,427	130,685	(21,828)	244,284
Loss after income tax benefit for the year	-	-	-	(2,189)	(2,189)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,189)	(2,189)
Transactions with owners in their capacity as owners:					
Dividends paid (note 19)	-	-	-	(4,619)	(4,619)
Balance at 30 June 2021	-	135,427	130,685	(28,636)	237,476

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	ECONOMIC ENTITY	
		2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		120,010	134,943
Payments to suppliers and employees (inclusive of GST)		(94,795)	(108,834)
		25,215	26,109
Other revenue		16	80
Interest on capitalised leases		(161)	(176)
Income taxes paid		(1,427)	(7,476)
Net cash from operating activities	30	23,643	18,537
Cash flows from investing activities			
Payments for property, plant and equipment	9	(23,070)	(11,920)
Proceeds from disposal of property, plant and equipment		299	276
Net cash used in investing activities		(22,771)	(11,644)
Cash flows from financing activities			
Payments for capitalised leases (excl. interest component)		(713)	(571)
Proceeds from borrowings	12	8,300	-
Repayment of borrowings	12	(5,614)	-
Interest on borrowings and other finance costs paid		(1,144)	(1,334)
Dividends paid	19	(4,619)	(10,842)
Net cash used in financing activities		(3,790)	(12,747)
Net decrease in cash and cash equivalents		(2,918)	(5,854)
Cash and cash equivalents at the beginning of the financial year		12,497	18,351
Cash and cash equivalents at the end of the financial year	4	9,579	12,497

The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. Significant accounting policies

(a) Basis of preparation

The financial statements were authorised for issue by the Directors on 10 August 2021.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASB's) and Australian Accounting Interpretations adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements comprise the consolidated financial statements of the Economic Entity.

The Economic Entity is comprised of:

- Tasmanian Ports Corporation Pty Ltd (TasPorts) - parent entity;
- Bass Island Line Pty Ltd - 100% owned by TasPorts;
- Southern Export Terminals Pty Ltd - 50% owned by TasPorts and 50% by Qube Ports;
- King Island Ports Corporation Pty Ltd - 100% owned by TasPorts; and
- Flinders Island Ports Company Pty Ltd - 100% owned by TasPorts.

Financial information for Tasmanian Ports Corporation is reported in note 27. Financial information for Bass Island Line is reported in note 28. Financial information for Southern Export Terminals is reported in note 29.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Economic Entity comply with International Financial Reporting Standards ('IFRS').

The material accounting policies adopted have been stated throughout the notes to the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements are presented in Australian dollars.

The financial statements have been prepared on an accruals basis. Infrastructure assets have been measured at fair value. All other assets and liabilities have been measured at historical cost.

(b) Principles of consolidation

A controlled entity is any entity over which TasPorts has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained within note 28. All controlled entities have a 30 June year-end.

All inter-company balances and transactions with subsidiary companies in the Economic Entity have been eliminated on consolidation. The accounting policies of controlled entities are consistent with those policies applied by TasPorts.

TasPorts' interest in equity accounted investees comprises an interest in a Joint Venture. A Joint Venture is an arrangement in which TasPorts has joint control, whereby TasPorts has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The interest in the Joint Venture is accounted for using the equity method. It is initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include TasPorts' share of the profit or loss and other comprehensive income of the equity accounted investee.

(c) Comparative figures

The previous period's figures are provided in the financial statements for comparative purposes. Where there has been reclassification of items in the financial statements, the prior year comparatives have also been reclassified to ensure comparability with the current reporting period.

(d) Critical accounting estimates and judgments

To conform with AASBs management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 9.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(f) Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Revenue

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Revenue from contracts with customers		
Sale of goods	8,456	9,524
Seaport	71,191	75,518
Airport	1,549	3,341
Logistics services	9,414	11,995
Freight revenue	3,689	6,945
	94,299	107,323
Other revenue		
Net gain/(loss) on disposal of property, plant and equipment	185	(92)
Interest revenue	16	80
Rent and operating leases	8,735	6,838
Other revenue	3,908	4,784
	12,844	11,610
Revenue	107,143	118,933

Recognition and measurement

Revenues from contracts with customers is recognised when a customer obtains control of the goods or services and/or services are provided.

Rental revenue is recognised on a straight line basis over the term of the lease.

Revenue from operating leases, where substantially all the risks and benefits remain with the lessor, is recognised in the periods in which they are earned.

Interest revenue is recognised as earned.

Other revenue includes cost recoveries and car parking and is recognised as earned.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration agreed with a customer. The Economic Entity recognises revenue when it transfers control over a good or service to a customer and/or services are complete.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies for material revenue streams.

Note 2. Revenue continued

TYPE OF PRODUCT/ SERVICE	NATURE AND TIMING OF SATISFACTION OF PERFORMANCE OBLIGATIONS, INCLUDING SIGNIFICANT PAYMENT TERMS	REVENUE RECOGNITION
Sale of goods - Fuel sales	The sale of fuel is a multi-user service provided by the Economic Entity. The services provided to customers include the decanting of fuel into the customers' storage tank and the delivery of fuel to the customer. Invoices are generally issued on the date of delivery, with payment terms of 14 days. Once the fuel has been decanted into the customer's storage tank or when they pay for the fuel the customer acquires ownership of the fuel. The performance obligation is complete when the fuel is delivered to the customer.	All revenue is recognised the day the fuel has been delivered to the customer.
Seaport	Seaport revenue is predominantly made up of revenue from berthing, pilotage and towage services. These are multi-user services provided by the Economic Entity. The services provided include, but are not limited to: assisting safe navigation within port zones; provision of a berth or anchorage for layup; loading/unloading of goods; emergency response services; environmental protection services; port security and towage services. Customers are invoiced per trip after the vessel's departure date for all services performed. Payment terms are usually 14 days. There are three performance obligations being berthing, pilotage and the towage service.	The revenue associated with seaport services is recognised when the vessel departs.
Airport	The Devonport Airport is a multi-user airport managed by the Economic Entity. The main services provided to customers include access to the airport infrastructure, aircraft landing/departures, security screening and aircraft parking. The performance obligation is to provide aircraft runway and terminal facilities which occurs during the time an aircraft is within the airport infrastructure area and is completed once the aircraft departs. Payment terms are usually 14 days.	Revenue associated with the Devonport Airport is recognised in the month of aircraft landings and departures
Logistics services	The Economic Entity provides logistics services that are delivered in stages, that represent different performance obligations. In the absence of stand-alone selling prices, the contract price per unit of measure is allocated across performance obligations based on estimated cost of service provided. Revenue is recognised either over time (using the input method, which is the most appropriate measure of the progress towards complete satisfaction of the obligations associated with services provided over a period of time) and at a point in time when the performance obligation associated with specific services has been completed. When revenue is received in advance of providing logistics services, the revenue attributable to those services not yet delivered is recognised as revenue in advance. Customers are billed at the end of each month (or when specific services have been completed within the month) with payment due within 14 days or as specified in contractual conditions.	Revenue associated with logistics services is recognised over time using the input method, which is the most appropriate measure of the progress towards complete satisfaction of this performance obligation.
Freight revenue - Bass Island Line Pty Ltd	The service provided to customers is the transfer of freight between King Island, mainland Tasmania and Victoria. Customers are billed after the voyage is complete and payment terms usually of 14 days. The performance obligation is to carry freight from port to port. The performance obligation is met once the trip is complete.	Freight revenue is recognised on the day of trip completion.

Note 3. Income tax

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Income tax expense/(benefit)		
Current income tax expense relating to prior year	39	(1,303)
Deferred tax - origination and reversal of temporary differences	60	(969)
Current income tax expense	(694)	4,806
Aggregate income tax expense/(benefit)	(595)	2,534
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets	68	(785)
Decrease in deferred tax liabilities	(8)	(184)
Deferred tax - origination and reversal of temporary differences	60	(969)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	(2,784)	7,667
Tax at the statutory tax rate of 30%	(835)	2,300
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent depreciation and disposal of non-temporary assets	222	293
Tax depreciation	(30)	(30)
Tax loss on assets disposed	-	32
Non-deductible expenses	8	6
Prior period over/(under) provision	40	(67)
Income tax expense/(benefit)	(595)	2,534

Recognition and measurement

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-deductible items. It is calculated using tax rates that have been enacted at the reporting date.

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current tax liability		
Opening balance	(1,062)	2,911
Tax paid in respect of prior years	(494)	(1,609)
Tax paid in respect of current year	(933)	(5,868)
Over/(under) provision of tax in prior years	(120)	(1,302)
Current year tax provision	-	4,806
Closing balance	(2,609)	(1,062)

Note 3. Income tax continued

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	727	28
Property, plant and equipment	-	64
Employee benefits	2,191	1,951
Prepaid revenue	378	486
Provisions	172	49
Payables	102	117
Deferred income	129	153
Other	561	751
Right-of-use asset	(2,148)	(1,322)
Lease liability	2,147	1,357
Deferred tax asset	4,259	3,634
Movements:		
Opening balance	3,634	2,849
Credited/(charged) to profit or loss	(68)	785
Not charged to profit or loss	693	-
Closing balance	4,259	3,634

Note 3. Income tax continued

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	19,810	20,735
Prepayments/receivables	37	37
Payables	(284)	(565)
Other	(322)	(1,116)
Deferred tax liability	19,241	19,091
Movements:		
Opening balance	19,091	19,275
Credited to profit or loss	(8)	(184)
Not charged to profit or loss	158	-
Closing balance	19,241	19,091

Recognition and measurement

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the Economic Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation

TasPorts and its wholly owned Australian resident subsidiaries formed a tax consolidated group in the 2018 financial year, with effect from 1 July 2016 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is TasPorts.

Note 4. Cash and cash equivalents

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current assets		
Cash at bank and on hand	9,579	12,497

The effective average interest rate on cash and cash equivalents for the year was 0.2% (2020 0.5%).

Recognition and measurement

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

Note 5. Trade and other receivables

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current assets		
Trade receivables	7,110	9,211
Less: Impairment of receivables	(8)	(165)
	7,102	9,046

Recognition and measurement

Receivables are stated at cost less impairment.

Note 6. Inventories

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current assets		
Inventories at cost	1,279	1,358

Recognition and measurement

Inventories (fuel for resale and consumables) are measured at the lower of cost or net realisable value. Costs are assigned on the first-in first-out principle.

Note 7. Right-of-use assets

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Non-current assets		
Right-of-use	8,659	5,095
Less: Accumulated depreciation	(1,500)	(690)
	7,159	4,405

Movements in carrying amounts

Movement in the carrying amounts between the beginning and the end of the current financial year.

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Opening balance	4,405	-
Additions	3,564	5,095
Depreciation	(810)	(690)
Closing balance	7,159	4,405

Right-of-use assets relate to office accommodation, parking, land and vessel charter hire.

Additions to the right-of-use assets during the year were \$3.6 million.

Recognition and measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability (which is the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the economic entity's incremental borrowing rate), adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Economic Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Economic Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 8. Other assets

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current assets		
Accrued revenue	71	190
Prepayments	1,002	747
	1,073	937
Non-current assets		
Loan - Southern Export Terminals Pty Ltd	200	200
Investment - Southern Export Terminals Pty Ltd	200	200
Less: Provision for joint venture loss	(217)	(205)
	183	195
	1,256	1,132

Recognition and measurement

Other assets are stated at cost less impairment.

The loan to Southern Export Terminals Pty Ltd is unsecured and interest free.

Note 9. Property, plant and equipment

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Non-current assets		
Land - at fair value	30,390	30,390
Buildings - at fair value	34,080	33,534
Less: Accumulated depreciation	(8,532)	(6,616)
	25,548	26,918
Plant and equipment - at cost	67,123	56,958
Less: Accumulated depreciation	(34,895)	(32,518)
Less: Accumulated impairment	(809)	(809)
	31,419	23,631
Land Infrastructure - at fair value	23,263	22,085
Less: Accumulated depreciation	(4,786)	(3,820)
Less: Accumulated impairment	(181)	(181)
	18,296	18,084
Wharves - at fair value	102,433	99,193
Less: Accumulated depreciation	(19,178)	(14,349)
Less: Accumulated impairment	(4,388)	(4,388)
	78,867	80,456
Work in progress (WIP) - at cost	17,346	10,977
Harbour Improvements - at fair value	30,430	30,430
Less: Accumulated depreciation	(5,550)	(4,159)
	24,880	26,271
Capital dredging - at cost	22,057	22,057
Less: Accumulated depreciation	(7,529)	(7,301)
	14,528	14,756
Floating plant - at cost	52,938	52,350
Less: Accumulated depreciation	(18,405)	(15,208)
Less: Accumulated impairment	(1,279)	(713)
	33,254	36,429
	274,528	267,912

Note 9. Property, plant and equipment continued

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

ECONOMIC ENTITY	LAND AND BUILDINGS \$'000	LAND INFRASTRUCTURE \$'000	HARBOUR IMPROVEMENTS \$'000	WHARVES \$'000	FLOATING PLANT \$'000	PLANT AND EQUIPMENT AND WIPS \$'000	CAPITAL DREDGING \$'000	TOTAL \$'000
Balance at 1 July 2019	59,207	19,004	27,450	81,844	39,802	34,318	10,504	272,129
Additions	22	50	10	-	92	11,746	-	11,920
Disposals	(3)	-	-	-	(198)	(165)	-	(366)
WIP capitalised	257	44	203	3,373	260	(8,557)	4,420	-
Impairment of assets	-	-	-	-	(713)	-	-	(713)
Transfers in/(out)	-	-	-	-	240	-	-	240
Depreciation expense	(2,175)	(1,014)	(1,392)	(4,761)	(3,054)	(2,734)	(168)	(15,298)
Balance at 30 June 2020	57,308	18,084	26,271	80,456	36,429	34,608	14,756	267,912
Additions	-	112	-	40	407	22,511	-	23,070
Disposals	-	-	-	-	-	(121)	-	(121)
WIP capitalised	546	1,066	-	3,200	295	(5,107)	-	-
WIP expensed	-	-	-	-	-	(11)	-	(11)
Impairment of assets	-	-	-	-	(566)	-	-	(566)
Transfers in/(out)	-	-	-	-	(114)	114	-	-
Depreciation expense	(1,916)	(966)	(1,391)	(4,829)	(3,197)	(3,229)	(228)	(15,756)
Balance at 30 June 2021	55,938	18,296	24,880	78,867	33,254	48,765	14,528	274,528

Movements in carrying amounts for fair value assets

Movement in the carrying amounts for each class of property, plant and equipment stated at fair value between the beginning and the end of the current financial year

ECONOMIC ENTITY	LAND LEVEL 2 \$'000	LAND LEVEL 3 \$'000	BUILDINGS LEVEL 2 \$'000	BUILDINGS LEVEL 3 \$'000	LAND INFRASTRUCTURE LEVEL 3 \$'000	HARBOUR IMPROVEMENTS LEVEL 3 \$'000	WHARVES LEVEL 3 \$'000
Opening balance at 1 July 2019	20,153	10,216	1,885	26,953	19,004	27,450	81,844
Additions	22	-	-	-	50	10	-
Disposals	-	-	-	(3)	-	-	-
WIP capitalised	-	-	-	257	44	203	3,373
Depreciation expense	-	-	-	(2,175)	(1,014)	(1,392)	(4,761)
Closing balance at 30 June 2020	20,175	10,216	1,885	25,032	18,084	26,271	80,456
Additions	-	-	-	-	112	-	40
Disposals	-	-	-	-	-	-	-
WIP capitalised	-	-	-	547	1,066	-	3,200
Depreciation expense	-	-	-	(1,916)	(966)	(1,391)	(4,829)
Closing balance at 30 June 2021	20,175	10,216	1,885	23,663	18,296	24,880	78,867

Note 9. Property, plant and equipment continued

Revaluations of infrastructure assets

The Economic Entity conducted a fair value assessment of infrastructure assets as at 30 June 2017. The Economic Entity's policy is to revalue infrastructure assets on a 5 - year cycle. This recognises the long useful lives of infrastructure assets.

Infrastructure assets refer to land, land infrastructure, buildings, wharves and harbour improvements and are all stated at fair value. Infrastructure assets included in the revaluations are reported at fair value less accumulated depreciation and any impairment. The fair value of infrastructure assets purchased subsequent to the revaluation date is at cost less accumulated depreciation and any impairment.

If an asset's carrying amount decreased as a result of a revaluation the decrease is recognised in the Statement of Profit or Loss and Other Comprehensive Income as an expense except to the extent that it reverses a revaluation increase for the same asset previously recognised in the asset revaluation reserve, in which case the decrease is recognised in the asset revaluation reserve to the extent of the increase previously recognised.

If an asset's carrying amount increased as a result of a revaluation, the increase is disclosed in the Statement of Profit or Loss and Other Comprehensive Income under 'other comprehensive income' and credited directly to the asset revaluation reserve in equity under the heading of reserves, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously recognised. In this exception the resultant carrying amount of the asset will not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no revaluation decrease had previously been recognised.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the asset and the net amounts are restated to the revalued amounts of the asset.

Floating plant, plant and equipment and capital dredging, are stated at cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Economic Entity and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial year in which they are incurred.

Work in progress is stated at cost.

Derecognition

On the sale or retirement of a revalued infrastructure asset, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings/(accumulated losses). The difference between the sale value and the carrying value of the asset is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Note 9. Property, plant and equipment continued

Assessing for impairment

The Economic Entity assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. If such an indication exists, the recoverable amount of the asset or group of assets (cash generating unit), being the higher of the fair value less costs to sell and value in use, is compared to the carrying value of the asset or cash generating unit. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Any excess of the carrying value over recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income. Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment losses

The total property, plant and equipment impairment loss recognised for the year amounted to \$566,161 (2020: \$712,918).

The impairment recognised for both years was in relation to the John Duigan vessel based on independent valuations.

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Impairment of floating plant	566	713

Recognition and measurement

All assets are depreciated on a straight line basis over their useful lives commencing from the date the asset has been revalued or the date the asset is held ready for use. Where an item of property, plant and equipment comprises individual components for which different useful lives are appropriate, then each component is depreciated separately.

The useful life used for each class of depreciable assets is:

Infrastructure assets (fair value)	
Buildings	10 to 60 years
Land infrastructure (including roads, port hardstands and airport runways)	10 to 100 years
Harbour improvements	20 to 75 years
Wharves	5 to 80 years
Other fixed assets (cost)	
Floating plant	5 to 35 years
Plant and equipment	2 to 69 years
Capital dredging (channels, swing basins and berth pockets)	12 to 99 years

Asset componentisation

The components of major assets that have materially different useful lives are accounted for as separate assets and are depreciated separately.

Note 9. Property, plant and equipment continued

Valuation

A valuation of the infrastructure assets of the Economic Entity is periodically undertaken for financial reporting purposes in accordance with Australian Accounting Standards. The effective date of the most recent valuation was 30 June 2017. The Economic Entity's policy is to revalue infrastructure assets on a 5-year cycle. This recognises the long, useful lives of infrastructure assets.

Following each valuation, annual assessments are completed to ensure that the carrying values of infrastructure assets remain consistent with their fair values. These assessments have regard to relevant cost indices, notional depreciation and the cost of assets acquired since the most recent valuation. This assessment was completed at 30 June 2021 and no changes to the carrying values were made.

Infrastructure assets include land, buildings, land infrastructure, harbour improvements and wharves. The fair value assessment is based upon the following:

- independent assessment of market value where a market value is readily identifiable;
- independent assessment of depreciated replacement cost; or
- where the asset's net cash flows do not support either the market value or the depreciated replacement cost then the asset is valued using the discounted cash flow method (income valuation methodology/value in use).

Fair value hierarchy

The Economic Entity is required to classify infrastructure assets into a fair value hierarchy that reflects the significance of the inputs used in determining their fair value. The fair value hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Economic Entity can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

The Economic Entity has classified infrastructure assets as follows:

- Level 1 – no infrastructure assets are classified at level 1;
- Level 2 – land and buildings outside port precinct boundaries; and
- Level 3 – land, buildings, land infrastructure, harbour improvements and wharves within port precinct boundaries.

Note 9. Property, plant and equipment continued

Valuation techniques and inputs

Level 2 – valuation techniques and inputs

Valuation Technique: An independent valuer was used to value land and buildings outside port precinct boundaries using a market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size).

Inputs: Prices and other relevant information generated by market transactions involving comparable land and buildings were considered.

Level 3 – valuation techniques and inputs

Valuation Techniques:

Land (within port precinct boundaries)

- where there is no active market or land is subject to significant restrictions as to use and/or sale, is valued through the market approach although less market evidence is available.
- the land was valued by an independent valuer.

Land infrastructure, buildings, wharves and harbour improvements are considered specialised assets and valued using the depreciated replacement cost method. Where the asset's net future cash flows do not support either the market value or the depreciated replacement cost then the asset is valued using the discounted cash flow method (value in use/income valuation methodology).

Inputs:

- in determining the market value of land and buildings, restrictions on sale or use;
- in determining depreciated replacement cost of buildings, land infrastructure, harbour improvements and wharves regard was given to the age and condition of the assets, their estimated replacement cost and current use; and
- in determining the value in use of buildings, land infrastructure, harbour improvements and wharves, the estimated net future operating cash flows are discounted to their present value. Cash flow inputs are summarised below.

UNOBSERVABLE INPUT	INPUT USED	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
Discount rate	Where the discounted cash flow method was used to test the depreciated replacement cost valuation at June 2017 a nominal pre-tax weighted average cost of capital (discount rate) of 13.4% was used. The risk free rate at this time was a 10 year average of the 10 year Australian Commonwealth bond rate of 2.61%. Subsequent discounted cash flow valuation assessments have used a nominal pre-tax weighted average cost of capital (discount rate) of 12.6% adjusted for a margin for business risk. The weighted average cost of capital is based on an independent valuation.	The higher the discount rate, the lower the fair value.
Terminal value	Twenty year discount period with a terminal value equal to the (recurring cash flow in year 20 divided by the discount rate less the expected growth rate) discounted to the present value by the year 20 discount factor.	The lower the discount period, the lower the fair value.
Expected growth rate and cost increases	Based on current and forecast budgets and the corporate plan. All other revenue growth and cost increases over the discounting period are forecast at an average of 2.0% per annum.	The higher the revenue growth rate, the higher the fair value. The higher the average cost increase, the lower the fair value.
Renewal capital expenditure	Based on current and forecast budgets and the corporate plan over the discounting period.	The higher the renewable capital spend, the lower the fair value.

Note 9. Property, plant and equipment continued

Level 3 – significant valuation inputs and relationship to fair value

DESCRIPTION	VALUATION TECHNIQUE(S)	SIGNIFICANT UNOBSERVABLE INPUTS USED IN VALUATION	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
Land • within port precinct boundaries where there is not an active market • subject to restriction as to use and/or sale	Market approach	Market valuation reflects specialised land	Value of specialised land increases/decreases fair value
Buildings • within port precinct boundaries where there is not an active market • subject to restriction as to use and/or sale • specialised buildings with limited alternative uses and/or substantial customisation e.g. airport terminal	Depreciated Replacement Cost (DRC)	Consumed economic benefit/obsolescence of asset Construction cost per square metre floor area (m2)	For DRC an increase or decrease in the estimated useful life of the asset or the construction cost of the asset would result in higher or lower valuation
	Income valuation	Estimates of cash flows and discount rate	For income valuations fluctuations in cash flows and discount rate would result in higher or lower fair value
Land Infrastructure • roads, port hardstands and airport runway and apron	Depreciated Replacement Cost (DRC)	Consumed economic benefit/obsolescence of asset Construction cost per square metre floor area (m2)	For DRC an increase or decrease in the estimated useful life of the asset or the construction cost of the asset would result in higher or lower valuation
	Income valuation	Estimates of cash flows and discount rate	For income valuations fluctuations in cash flows and discount rate would result in higher or lower fair value
Harbour Improvements • breakwaters and channels	Depreciated Replacement Cost (DRC)	Consumed economic benefit/obsolescence of asset Construction cost	For DRC an increase or decrease in the estimated useful life of the asset or the construction cost of the asset would result in higher or lower valuation
	Income valuation	Estimates of cash flows and discount rate	For income valuations fluctuations in cash flows and discount rate would result in higher or lower fair value
Wharves	Depreciated Replacement Cost (DRC)	Consumed economic benefit/obsolescence of asset Construction cost	For DRC an increase or decrease in the estimated useful life of the asset or the construction cost of the asset would result in higher or lower valuation
	Income valuation	Estimates of cash flows and discount rate	For income valuations fluctuations in cash flows and discount rate would result in higher or lower fair value

Note 9. Property, plant and equipment continued

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Level 3 significant valuation inputs and relationships to fair value		
Land	10,216	10,216
Buildings	23,663	25,032
Land infrastructure	18,296	18,084
Harbour improvements	24,880	26,721
Wharves	78,867	80,456
	155,922	160,509

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Depreciation and amortisation of non-current assets expense		
Buildings	1,916	2,175
Land infrastructure	966	1,014
Harbour improvements	1,391	1,392
Wharves	4,829	4,761
Floating plant	3,197	3,054
Capital dredging	228	168
Plant and equipment	3,229	2,734
Total depreciation and amortisation on property, plant and equipment	15,756	15,298
Depreciation of right-of-use assets (refer Note 7)	810	690
Total depreciation and amortisation	16,566	15,988

Note 10. Intangibles

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Non-current assets		
Goodwill - net carrying amount	2,801	2,801

Recognition and measurement

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but tested annually for impairment. This cost is based upon an assessment of the value in use compared to carrying value.

Value in use is the present value of the projected cash flows of the cash generating unit over a 20-year period using an estimated growth rate. The cash flows are based on a pre-tax discount rate equal to the weighted average cost of capital adjusted for a margin for business risk. The key assumptions regarding the value in use calculations were budgeted revenues, budgeted gross profit margins and the discount rate.

Note 11. Trade and other payables

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current liabilities		
Trade payables	7,039	1,687
Other payables	5,731	6,304
Net GST payable	43	373
Revenue received in advance	3,068	738
	15,881	9,102

Recognition and measurement

Trade and other payables are non-interest bearing and are stated at amortised cost.

Note 12. Borrowings

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current liabilities		
Interest bearing liabilities	9,719	5,614
Non-current liabilities		
Interest bearing liabilities	12,800	14,219
	22,519	19,833

The Economic Entity has an external loan facility of \$45 million with a maximum borrowing term of 15 years (2020: \$45 million) with TASCORP. As at 30 June 2021, \$22.5 million of the facility was unused (2020: \$25.2 million).

Recognition and measurement

All loans are measured at the principal amount. Interest is charged as an expense as it accrues over the life of the related financial instrument and taken to the Statement of Profit or Loss and Other Comprehensive Income as part of finance costs.

Note 13. Lease liabilities

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current liabilities		
Lease liability	2,307	730
Non-current liabilities		
Lease liability	4,850	3,794
	7,157	4,524

The Economic Entity charters a vessel and leases office accommodation, parking and land for its offices and right of access under agreements with remaining terms up to 23 years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated. Extension options are capitalised when it is reasonably certain that the Economic Entity will exercise these options.

The Economic Entity also has the following low-value leases: parking and land for offices and right of access under agreements with remaining terms up to 5 years. As these leases are low-value, they have been expensed as incurred and not capitalised in the financial statements.

Refer to note 20 for further information on financial instruments.

Recognition and measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Economic Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 14. Employee benefits

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current liabilities		
Employee benefits	6,561	5,517
Non-current liabilities		
Employee benefits	1,090	987
	7,651	6,504

Recognition and measurement

Employee benefits are measured as the present value of estimated future cash outflows based on the market yields of high quality corporate bonds, estimates of future salary and wage levels and employee periods of service.

Liabilities for employee benefits for wages, salaries, annual leave, long service leave or other leave entitlements that are due to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates expected to be paid as at reporting date.

The net obligation in respect of long-term service benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wages, representing a change in calculating the estimate of employee benefits.

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

The contributions to employee superannuation funds are charged as expenses when incurred.

Note 15. Provisions

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Current liabilities		
Deferred revenue	59	32
Non-current liabilities		
Deferred revenue	371	477
Other expense provisions	217	-
	588	477
	647	509

Recognition and measurement

Provisions are recognised when there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Note 16. Issued capital

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Equity	112,342	112,342
Equity contribution post formation	23,085	23,085
	135,427	135,427

Note 17. Reserves

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Infrastructure asset revaluation reserve	130,685	130,685

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Value of infrastructure asset revaluation reserve by asset classification:		
Land	17,456	17,456
Buildings	20,026	20,026
Land infrastructure	9,775	9,775
Harbour improvements	23,983	23,983
Wharves	59,445	59,445
	130,685	130,685

Recognition and measurement

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of the Economic Entity's infrastructure assets.

Where infrastructure assets are disposed of and have been previously valued upwards, the revalued amount is transferred to retained earnings/(accumulated losses).

Where infrastructure assets have been previously valued upwards and are impaired, the amount in reserves is to be offset against the impairment prior to impairment through the Statement of Profit or Loss and Other Comprehensive Income.

Note 18. Accumulated losses

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Accumulated losses at the beginning of the financial year	(21,828)	(16,119)
Profit/(loss) after income tax (expense)/benefit for the year	(2,189)	5,133
Dividends paid (note 19)	(4,619)	(10,842)
Accumulated losses at the end of the financial year	(28,636)	(21,828)

Note 19. Dividends

Dividends paid during the financial year were as follows:

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Final dividend declared for the year ended June 2020 and paid in 2021 of \$2,309,510 per ordinary share.		
Final dividend declared for the year ended June 2019 and paid in 2020 of \$5,421,040 per ordinary share.	4,619	10,842

Recognition and measurement

Dividends are recognised when paid.

Note 20. Financial instruments

Liquidity risk management

The risk that the Economic Entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed through the maintenance of rolling 12 month cash flow budgets and maintaining minimum cash reserves at a level sufficient to satisfy short term financial liabilities and commitments.

The Economic Entity maintains a rolling 12 month cash flow budget, maintaining minimum cash reserves at a level sufficient to satisfy short term financial liabilities and commitments and reviewing debt renewal options.

ECONOMIC ENTITY	MATURING WITHIN 1 YEAR \$'000	MATURING 1 TO 5 YEARS \$'000	MATURING GREATER THAN 5 YEARS \$'000	TOTAL \$'000
2021 Financial liabilities				
Borrowings	9,719	12,800	-	22,519
Payables	12,770	-	-	12,770
Lease liability	2,307	4,156	694	7,157
	24,796	16,956	694	42,446

ECONOMIC ENTITY	MATURING WITHIN 1 YEAR \$'000	MATURING 1 TO 5 YEARS \$'000	MATURING GREATER THAN 5 YEARS \$'000	TOTAL \$'000
2020 Financial liabilities				
Borrowings	5,614	14,219	-	19,833
Payables	7,991	-	-	7,991
Lease liability	730	2,842	952	4,524
	14,335	17,061	952	32,348

Note 20. Financial instruments continued

Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk is exposure to interest rate risk.

The major exposure for the Economic Entity is its borrowings, all of which are all borrowed at fixed rates. This mitigates the Economic Entity's exposure to price risk. Variable interest rate investments expose the Economic Entity to fluctuations in return and cash flow.

The net fair value of long-term borrowings is determined by valuing them at their carrying amount as the carrying amount approximates fair value. All long-term borrowings are borrowed at fixed interest rates.

The net fair value of cash, investments, trade receivables and trade and other payables are determined by valuing them at their carrying amounts. Due to their short-term maturity, their carrying amounts approximate their fair values.

The market interest rates used to discount estimated cash flows for borrowings are based on the Tasmanian Public Finance Corporation yield curve at the reporting date.

Changes in variable and fixed interest rates of one per cent (100 basis points) would have the following effect on the Economic Entity's profit or loss and equity at reporting date if the financial instruments were to be re-financed.

Sensitivity analysis

Interest rate risk

	CARRYING AMOUNT 2021 \$'000	FAIR VALUE 2021 \$'000	-1% IMPACT ON PROFIT 2021 \$'000	-1% IMPACT ON EQUITY 2021 \$'000	+1% IMPACT ON PROFIT 2021 \$'000	+1% IMPACT ON EQUITY 2021 \$'000
ECONOMIC ENTITY						
Financial assets						
Cash and cash equivalents	9,579	9,579	(96)	(96)	96	96
Trade receivables	7,102	7,102	-	-	-	-
	16,681	16,681	(96)	(96)	96	96
Financial liabilities						
Borrowings	22,519	22,954	(363)	(363)	353	353
Trade payables	12,770	12,770	-	-	-	-
Lease liability	7,157	7,157	(175)	(175)	175	175
	42,446	42,881	(538)	(538)	528	528

Note 20. Financial instruments continued

	CARRYING AMOUNT 2020 \$'000	FAIR VALUE 2020 \$'000	-1% IMPACT ON PROFIT 2020 \$'000	-1% IMPACT ON EQUITY 2020 \$'000	+1% IMPACT ON PROFIT 2020 \$'000	+1% IMPACT ON EQUITY 2020 \$'000
Financial assets						
Cash and cash equivalents	12,497	12,497	(125)	(125)	125	125
Trade receivables	9,046	9,046	-	-	-	-
	21,543	21,543	(125)	(125)	125	125
Financial liabilities						
Borrowings	19,833	20,915	(319)	(319)	312	312
Trade payables	7,991	7,991	-	-	-	-
Lease liability	4,524	4,524	(174)	(174)	174	174
	32,348	33,430	(493)	(493)	486	486

Foreign currency risk management

The Economic Entity did not hold a balance in any foreign currency bank accounts or have any amounts payable or receivable in foreign currencies at 30 June 2021.

Credit risk management

The Economic Entity does not have any significant credit risk exposure to any single counterparty. The Economic Entity does not expect any counterparty to fail to meet its obligations. There is no collateral regarding financial assets, in respect of existing arrangements.

The carrying amount of the financial assets recorded in the financial statements, net of any provisions for impairment, represents the maximum exposure to credit risk.

Investments are held either with an Australian bank or TASCORP.

The following tables analyse financial assets that are past due but not impaired:

ECONOMIC ENTITY	PAST DUE 15 TO 45 DAYS \$'000	PAST DUE 46 TO 60 DAYS \$'000	PAST DUE 61 TO 90 DAYS \$'000	PAST DUE 91 DAYS AND OVER \$'000	TOTAL \$'000
2021 Trade receivables	719	84	-	-	803
2020 Trade receivables	3,301	406	138	560	4,405

Note 20. Financial instruments continued

Categories of financial instruments

ECONOMIC ENTITY	FAIR VALUE HIERARCHY LEVEL	2021 CARRYING AMOUNT \$'000	2021 FAIR VALUE \$'000	2020 CARRYING AMOUNT \$'000	2020 FAIR VALUE \$'000
Financial assets					
Cash and cash equivalents	1	9,579	9,579	12,497	12,497
Trade receivables	2	7,102	7,102	9,046	9,046
		16,681	16,681	21,543	21,543

ECONOMIC ENTITY	FAIR VALUE HIERARCHY LEVEL	2021 CARRYING AMOUNT \$'000	2021 FAIR VALUE \$'000	2020 CARRYING AMOUNT \$'000	2020 FAIR VALUE \$'000
Financial liabilities					
Borrowings	2	22,519	22,954	19,833	20,915
Trade payables	1	12,770	12,770	7,991	7,991
Lease liability	2	7,157	7,157	4,524	4,524
		42,446	42,881	32,348	33,430

Borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of TASCORP borrowings (level 2) is provided by TASCORP.

The carrying amount of trade receivables is assumed to approximate its fair value due to its short-term nature (level 2).

A lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the Economic Entity's incremental borrowing rate (level 2).

Capital risk management

The Economic Entity's objective is to have an appropriate capital structure that ensures financial flexibility and fiscal discipline and therefore ongoing viability to continue to provide returns for shareholders.

The Economic Entity monitors key financial ratios to ensure an appropriate capital structure is maintained.

The debt to equity ratios are as follows:

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Debt ⁽ⁱ⁾	22,519	19,833
Equity ⁽ⁱⁱ⁾	237,476	244,284
Total debt to equity ratio	9.5%	8.1%

(i) Debt is defined as long and short term borrowings

(ii) Equity includes all capital and reserves

Note 21. Key management personnel (KMP) disclosures

Transactions and obligations between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions and obligations with related parties during the year ended 30 June 2021 are as follows:

KMP and director transactions and obligations

No KMP (including Directors, Executives and Cabinet Ministers), or their Close Family Members (CFM) or entities that are controlled or jointly controlled by KMP or CFM engaged in related party transactions in 2021.

Key Management Personnel compensation

The aggregate compensation to key management personnel is set out below:

EXECUTIVE REMUNERATION	DIRECTORS' 2021 \$	DIRECTORS' 2020 \$	SENIOR EXECUTIVE ² 2021 \$	SENIOR EXECUTIVE ² 2020 \$	CONSOLIDATED TOTAL 2021 \$	CONSOLIDATED TOTAL 2020 \$
Short-term employment benefits	285,106	286,488	1,966,519	2,413,296	2,251,625	2,699,784
Post-employment benefits	27,085	27,216	166,568	203,432	193,653	230,648
Termination benefits	-	-	18,840	1,286	18,840	1,286
Other long-term benefits	-	-	28,262	58,306	28,262	58,306
	312,191	313,704	2,180,189	2,676,320	2,492,380	2,990,024

1 For Director remuneration, short term employment benefits includes Director fees, committee fees and other benefits. Post employment benefits represents superannuation contributions.

2 For Senior Executive remuneration, short term employment benefits includes base salary, short term incentive payments, vehicles, other monetary and non-monetary benefits. Post employment benefits represents superannuation contributions. Other long-term benefits includes current and non-current annual and long service leave provision movements. Termination benefits include all forms of benefit paid as a consequence of termination including payment of leave provisions.

The Company has complied with the Guidelines for Tasmanian Government Business – Director and Executive Remuneration.

Note 21. Key management personnel (KMP) disclosures continued

Remuneration for the Board of Directors

The following tables disclose the remuneration details for each person that acted as a Director during the current and previous financial year:

Director Remuneration¹

2021 DIRECTORS NAME	PERIOD	DIRECTOR FEES \$	COMMITTEE FEES \$	SUPER ² \$	TOTAL \$
S Bradford ³	Full Term	83,045	10,826	8,918	102,789
T Matthews ⁴	Full Term	41,523	7,037	4,613	53,173
D Tomat ⁵	To 1 June 2021	39,447	3,735	4,102	47,284
S Darke ⁶	Full Term	41,523	7,037	4,613	53,173
A Clark ⁷	Full Term	41,523	8,688	4,770	54,981
G Hooper	From 15 June 2021	639	83	69	791
		247,700	37,406	27,085	312,191

2020 DIRECTORS NAME	PERIOD	DIRECTOR FEES \$	COMMITTEE FEES \$	SUPER ² \$	TOTAL \$
S Bradford ³	Full Term	83,045	10,832	8,918	102,795
T Matthews ⁴	Full Term	41,523	7,047	4,614	53,184
D Tomat ⁵	Full Term	41,523	7,047	4,614	53,184
S Darke ⁶	Full Term	41,523	7,009	4,611	53,143
A Clark ⁷	Full Term	41,523	5,416	4,459	51,398
		249,137	37,351	27,216	313,704

1 Amounts are all forms of consideration paid, payable or provided by the Company.
 2 Superannuation means the contribution to the superannuation fund of the Director.
 3 S Bradford held the position of Chair of the TasPorts Board.
 4 T Matthews held the position of Chair of the Audit and Risk Management Committee.
 5 D Tomat held the position of Chair of the Human Resources and Remuneration Committee until December 2020.
 6 S Darke held the position of Chair of the Bass Island Line Board.
 7 A Clark held the position of Chair of the Human Resources and Remuneration Committee from January 2021.

There were no other benefits paid during the year.

Non-Executive Directors

Non-Executive Directors are appointed by the Treasurer and Portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be re-appointed in accordance with the relevant Guidelines for Tasmanian Government Businesses – Board Appointments. The level of fees paid to non-executive Directors is administered by the Department of Premier and Cabinet, as are additional fees paid in respect of their work on Board committees.

Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to Directors. Directors are entitled to reimbursement of reasonable expenses incurred while attending to Board business which do not require disclosure per the Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration. Non-executive Directors' remuneration is reviewed periodically with increases subject to approval by the Treasurer and Portfolio Minister.

Senior Executive Remuneration

The following tables disclose the remuneration details for each person that acted as a member of the Senior Executive during the current and previous financial year:

Note 21. Key management personnel (KMP) disclosures continued

2021 SENIOR EXECUTIVE NAME - POSITION - PERIOD	BASE SALARY ¹ \$	SHORT-TERM INCENTIVE PAYMENTS ² \$	SUPER-ANNUATION ³ \$	VEHICLE ⁴ \$	OTHER MONETARY & NON-MONETARY BENEFITS ⁵ \$	TOTAL REMUNERATION \$	TERMINATION BENEFITS ⁶ \$	OTHER LONG-TERM BENEFITS ⁷ \$	TOTAL \$
A Donald Chief Executive Officer - Full Year	382,525	-	25,000	27,804	3,566	438,895	-	8,593	447,488
S Casey Chief Operating Officer - Full Year	246,480	-	25,791	25,000	2,720	299,991	-	6,050	306,041
G Duggan Chief Financial Officer - Full Year	265,972	-	24,101	26,843	1,392	318,308	-	9,747	328,055
P Hoggett Executive General Manager Commercial and Trade - Full Year	220,000	-	23,275	27,944	2,203	273,422	-	3,202	276,624
K Dean Executive General Manager - * refer below	220,000	-	23,275	26,854	2,089	272,218	-	7,837	280,055
K Derbyshire Executive General Manager People, Culture & Strategy - ** refer below	95,689	-	10,004	10,459	1,222	117,374	18,840	(21,907)	114,307
S Grace Executive General Manager Compliance, Safety & Sustainability - *** refer below	144,155	-	15,348	18,834	1,599	179,936	-	10,018	189,954
A Somann-Crawford General Counsel/Company Secretary - Full Year	188,146	-	19,774	22,939	2,084	232,943	-	4,722	237,665
	1,762,967	-	166,568	186,677	16,875	2,133,087	18,840	28,262	2,180,189

* K Dean was employed as Executive General Manager Corporate Affairs for the full year and commenced additional management of the Compliance, Safety & Sustainability portfolio from 1 March 2021.
 ** K Derbyshire resigned from employment as Executive General Manager People, Culture & Strategy on 11 December 2020. Termination benefits included payout of accrued leave entitlements at the date of termination.
 *** S Grace ceased the role as Executive General Manager Compliance, Safety & Sustainability on 1 March 2021.

No short-term incentive payments were made in the 2021 financial year due to COVID-19 and other business impacts.

Note 21. Key management personnel (KMP) disclosures continued

2020 SENIOR EXECUTIVE NAME - POSITION - PERIOD	BASE SALARY ¹ \$	SHORT- TERM INCENTIVE PAYMENTS ² \$	SUPER- ANNUA- TION ³ \$	VEHICLE ⁴ \$	OTHER MONETARY & NON- MONETARY BENEFITS ⁵ \$	TOTAL REMUNER- ATION \$	TERMIN- ATION BENEFITS ⁶ \$	OTHER LONG- TERM BENEFITS ⁷ \$	TOTAL \$
A Donald Chief Executive Officer - Full Year	389,294	39,502	21,984	27,239	5,012	483,031	-	9,590	492,621
S Casey Chief Operating Officer - Full Year	246,252	25,500	28,182	24,904	2,848	327,686	-	5,473	333,159
G Duggan Chief Financial Officer - Full Year	261,648	12,745	28,442	27,848	1,528	332,211	-	961	333,172
M Johnston Executive General Manager Business Growth - * refer below	147,273	-	15,589	20,944	1,697	185,503	1,286	(9,013)	177,776
P Hoggett Executive General Manager, Commercial and Trade - Full Year	220,000	-	23,275	31,284	4,045	278,604	-	4,117	282,721
K Dean Executive General Manager Corporate Affairs - from 1 July 2019	199,692	-	21,300	26,509	1,769	249,270	-	12,036	261,306
K Derbyshire Executive General Manager, People, Culture & Strategy - Full Year	198,932	19,380	22,640	22,239	2,823	266,014	-	8,241	274,255
S Grace Executive General Manager Compliance, Safety & Sustainability - Full Year	193,136	16,130	22,255	27,239	2,258	261,018	-	17,678	278,696
A Somann-Crawford General Counsel/Company Secretary - Full Year	188,051	-	19,765	23,393	2,182	233,391	-	9,223	242,614
	2,044,278	113,257	203,432	231,599	24,162	2,616,728	1,286	58,306	2,676,320

* M Johnston was Executive General Manager Marine Services & Shipping up to 13 September 2019, commenced as Executive General Manager Growth on 13 September 2019 and resigned from employment as Executive General Manager Growth on 21 February 2020. Termination benefits included payout of accrued leave entitlements at the date of termination.

Note 21. Key management personnel (KMP) disclosures continued

Senior Executive remuneration notes and statements

Amounts are all forms of consideration paid, payable or provided by the Company.

1. Base salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.
2. Short-term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary as per the Guidelines for Tasmanian Government Businesses - Director and Executive Remuneration.
3. Superannuation means the contribution to the superannuation fund of the individual.
4. Vehicle benefits include motor vehicle allowances and the grossed up taxable value referable to a vehicle, the grossed up taxable value of the personal use component of operating expenses and the notional value of parking provided at premises that are owned or leased.
5. Other monetary and non-monetary benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), salary continuance and death and disability insurance premiums, payment in lieu of leave, and any other compensation paid and payable to the Executive, either directly or indirectly.
6. Termination benefits include all forms of benefit paid as a consequence of termination (accrued leave entitlements).
7. Other long-term benefits include current and non-current annual and long service leave provision movement.

Senior Executive Remuneration

Remuneration levels are set in accordance with the Guidelines for Tasmanian Government Businesses - Director and Executive Remuneration. Under these Guidelines, remuneration bands for Chief Executive Officers are determined by the Government Business Executive Remuneration Panel, reflect the principles outlined in the Guidelines, and broadly align with State Service Heads of Agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other Senior Executives is set with reference to the Chief Executive Officer's salary.

The Chief Executive Officer is appointed by the Board. The Board consults with the Government Business Executive Remuneration Advisory Panel when determining the Chief Executive Officer's remuneration package.

The employment terms and conditions of Senior Executives are contained in individual employment contracts, which prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, the Company also provides non-monetary benefits.

The performance of each Senior Executive and the Chief Executive Officer is reviewed annually which includes a review of their remuneration package. The terms of employment of each Senior Executive and the Chief Executive Officer contain a termination clause that requires the Senior Executive or the Board to provide a minimum notice period of up to 6 months prior to termination of the contract. Where contracts are for a fixed term, whilst not automatic the contract can be extended.

No senior executive appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Short-term incentive payments

The Department of Treasury and Finance Guidelines associated with Director and Executive remuneration require that the Board set and monitor progress against performance targets for all Executives eligible for incentive payments. These targets are set in advance of the performance year for which they relate and are approved by the Board. The Company's Executive performance framework comprises five shared Company goals which all Executives are accountable for achieving before being eligible for an individual incentive payment, which is subsequently assessed based on achievement of individual targets.

The Company's goals relate to value creation in the critical areas of financial performance, safety and environment, organisational culture, stakeholder engagement, and compliance. The Chief Executive Officer is accountable for the achievement of all identified company targets.

Note 22. Auditors' remuneration

	ECONOMIC ENTITY	
	2021 \$	2020 \$
Auditors' remuneration		
Audit of the financial statements	111,920	108,650
Internal audit	77,400	37,824
	189,320	146,474

Note 23. Operating lease arrangements

TasPorts, as lessor, has non-cancellable operating leases for infrastructure, land, wharves, berths, buildings and equipment contracted for.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Year 1	9,783	9,067
Year 2	8,872	8,344
Year 3	7,582	7,698
Year 4	7,468	6,692
Year 5	6,770	6,636
Year 6 and onwards	60,300	66,930
Total	100,775	105,367

Note 24. Contingent liabilities

No contingent liabilities are noted.

Note 25. Commitments

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Capital expenditure commitments		
Capital expenditure commitments contracted for:		
Capital expenditure projects and plant and equipment purchases		
Within one year	3,945	2,966

The capital expenditure commitments relate to infrastructure upgrades and plant and equipment.

Note 26. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions and obligations between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions and obligations with related parties during the year ended 30 June 2021 are as follows:

Subsidiaries

The business conducted by King Island Ports Corporation Pty Ltd (KIPC) was transferred into Tasmanian Ports Corporation Pty Ltd (TasPorts) effective from 1 July 2011. The ownership of property, plant and equipment purchased by KIPC prior to 30 June 2011 remains within KIPC. TasPorts leases these assets from KIPC at an amount equal to the depreciation on these assets. For 2021 the amount of rent paid was \$195,484 (2020: \$227,408).

Bass Island Line Pty Ltd (Bass Island Line) is a fully-owned subsidiary of TasPorts established in February 2017 to provide shipping services to King Island. TasPorts recognises as revenue from Bass Island Line for the following services at commercial rates:

	2021 \$	2020 \$
Sale of goods and services		
Tonnage fees	62,904	85,357
Wharfage fees	216,177	363,806
Mooring and pilotage fees	104,040	133,080
Stevedoring fees and equipment hire	601,490	969,172
	984,611	1,551,415

Note 26. Related party transactions continued

TasPorts also provides management services to Bass Island Line which are recharged at cost:

	2021 \$	2020 \$
Management services		
Employee-related costs	544,227	403,508

Employee-related costs are costs of direct labour provided by TasPorts to Bass Island Line. The increase in 2021 is due to the employee-related costs being applied for the full year. TasPorts also provides other corporate support, which is not charged.

Bass Island Line recognises as revenue from TasPorts for the following services at commercial rates:

	2021 \$	2020 \$
Sale of goods and services		
Freight revenue	379,826	283,765
Wharfage fees	30,993	23,825
Service and fuel surcharge fees	34,308	11,108
	445,127	318,698

Joint Venture

Southern Export Terminals Pty Ltd (SET) was established in December 2016 as a Joint Venture between TasPorts (50%) and Qube Ports Pty Ltd (50%). SET operates a forest logistics business from the Hobart wharf precinct. TasPorts recognises as revenue from SET for the following services at commercial rates:

	2021 \$	2020 \$
Sale of goods and services		
Casual storage fees	67,972	235,826
Facility fees	206,193	663,345
Wharfage fees	360,577	649,995
Rental income	19,761	15,428
Weighbridge fees	15,533	-
Administration and expense recoveries	231,676	220,937
	901,712	1,785,531

Note 27. Parent entity information

The accounting policies of the Company, which have been applied in determining the financial information shown below, are the same as those applied in the financial statements of the Economic Entity.

Set out below is the supplementary information about the parent entity.

Summarised statement of profit or loss and other comprehensive income

	PARENT 2021 \$'000	PARENT 2020 \$'000
Total revenue	104,718	113,080
Operating expenses	(101,269)	(100,696)
Trading profit/(loss) before tax	3,449	12,384
Income tax expense	(1,251)	(3,930)
Trading profit/(loss) after tax	2,198	8,454
Less impairment of controlled entities	(4,367)	(3,294)
Profit/(loss) after tax	(2,169)	5,160
Total comprehensive income/(loss) for the year, net of tax	(2,169)	5,160

Summarised statement of financial position

	PARENT 2021 \$'000	PARENT 2020 \$'000
Total current assets	18,592	22,867
Total non-current assets	291,485	279,233
Total assets	310,077	302,100
Total current liabilities	37,767	23,166
Total non-current liabilities	43,141	42,976
Total liabilities	80,908	66,142
Net assets	229,169	235,958
Equity		
Issued capital	135,427	135,427
Infrastructure asset revaluation reserve	127,154	127,154
Retained earnings/(accumulated losses)	(33,412)	(26,623)
Total equity	229,169	235,958

Note 28. Interests in subsidiaries

Wholly controlled entities consolidated

NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2021 %	2020 %
King Island Ports Corporation Pty Ltd	Australia	100.00%	100.00%
Flinders Island Ports Company Pty Ltd	Australia	100.00%	100.00%
Bass Island Line Pty Ltd	Australia	100.00%	100.00%

King Island Ports Corporation Pty Ltd retains ownership of infrastructure and operational assets. These assets are leased to TasPorts.

Flinders Island Ports Company Pty Ltd is an entity which did not trade during the year.

Bass Island Line Pty Ltd was established in February 2017 to provide shipping services to King Island.

The accounting policies of the Subsidiary, which have been applied in determining the financial information shown below, are the same as those applied in the Economic Entity.

Financial Support

TasPorts as the Parent Entity has undertaken to provide financial support to Bass Island Line Pty Ltd.

Summarised statement of financial position

	BASS ISLAND LINE PTY LTD 2021 \$'000	BASS ISLAND LINE PTY LTD 2020 \$'000
Current assets	607	1,131
Non-current assets	9,298	10,201
Total assets	9,905	11,332
Current liabilities	13,248	10,356
Non-current liabilities	60	24
Total liabilities	13,308	10,380
Net assets/(liabilities)	(3,404)	952
Issued capital	11,117	11,117
Retained earnings/(accumulated losses)	(14,521)	(10,165)
Total equity/(deficiency)	(3,404)	952

Summarised statement of profit or loss and other comprehensive income

	BASS ISLAND LINE PTY LTD 2021 \$'000	BASS ISLAND LINE PTY LTD 2020 \$'000
Total revenue	4,406	7,728
Total expenses	(10,627)	(12,460)
Profit/(loss) before tax	(6,221)	(4,732)
Tax (expense)/benefit	1,866	1,420
Profit/(loss) after tax	(4,355)	(3,312)
Total comprehensive income/(loss) for the year	(4,355)	(3,312)

Note 29. Interests in joint ventures

NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2021 %	2020 %
Southern Export Terminals Pty Ltd	Australia	50.00%	50.00%

Southern Export Terminals Pty Ltd is a joint venture in which TasPorts has 50% interest. Qube Ports Pty Ltd has the remaining 50% interest. The Joint Venture operates a forestry logistics business within the Macquarie Point wharf precinct in Hobart.

Southern Export Terminals Pty Ltd (SET) is a Joint Venture in which TasPorts has joint control.

The accounting policies of the Joint Venture, which have been applied in determining the financial information shown below, are the same as those applied in the Economic Entity. The Joint Venture was incorporated on 9 December 2016.

Financial Support

TasPorts as one of the controlling entities has undertaken to provide financial support to Southern Export Terminals Pty Ltd.

Summarised statement of financial position

	SOUTHERN EXPORT TERMINALS PTY LTD 2021 \$'000	SOUTHERN EXPORT TERMINALS PTY LTD 2020 \$'000
Current assets	551	1,773
Non-current assets	7	23
Total assets	558	1,796
Current liabilities	592	1,798
Non-current liabilities	-	7
Total liabilities	592	1,805
Net assets/(liabilities)	(34)	(9)
TasPorts share of net assets/(liabilities) (50%)	(17)	(5)

Summarised statement of profit or loss and other comprehensive income

	SOUTHERN EXPORT TERMINALS PTY LTD 2021 \$'000	SOUTHERN EXPORT TERMINALS PTY LTD 2020 \$'000
Total revenue	4,041	7,027
Total expenses	(4,065)	(6,989)
Profit/(loss) before tax	(24)	38
Total comprehensive income/(loss) for the year	(24)	38
TasPorts share of total comprehensive income/(loss) for the year (50%)	(12)	19

Note 30. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	ECONOMIC ENTITY	
	2021 \$'000	2020 \$'000
Profit/(loss) after income tax (expense)/benefit for the year	(2,189)	5,133
Adjustments for:		
Depreciation and amortisation	16,566	15,988
Impairment of plant and equipment	566	713
Net loss/(gain) on disposal of non-current assets	(178)	92
Share of loss/(profit) - associates	12	(19)
Finance costs (excl. interest on leased assets)	1,144	1,334
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,944	3,740
Decrease in inventories	79	246
Increase in deferred tax assets	(625)	(785)
Decrease/(increase) in accrued revenue	119	(69)
Increase in prepayments	(255)	(151)
Increase in other operating assets	(3,553)	(5,097)
Increase in trade and other payables	10,125	931
Decrease in provision for income tax	(1,547)	(3,973)
Increase/(decrease) in deferred tax liabilities	150	(184)
Increase in employee benefits	1,147	225
Increase in other provisions	138	413
Net cash from operating activities	23,643	18,537

Note 31. Reconciliation of movements in liabilities to cash flows arising from financing activities

	BORROWINGS \$'000	LEASE LIABILITY \$'000	TOTAL \$'000
Balance at 1 July 2019	19,833	-	19,833
Leases capitalised per AASB 16	-	5,095	5,095
Payments for capitalised leases (excl. interest component)	-	(571)	(571)
Balance at 30 June 2020	19,833	4,524	24,357
Repayment of loan	(5,614)	-	(5,614)
New loan	8,300	-	8,300
Leases capitalised per AASB 16	-	3,346	3,346
Payments for capitalised leases (excl. interest component)	-	(713)	(713)
Balance at 30 June 2021	22,519	7,157	29,676

Note 32. Ultimate owner

The ultimate owner of the Economic Entity is The Crown in Tasmania.

Note 33. Subsequent events

There has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity in subsequent financial years.

Note 34. Company details

The registered office of the Company is:

90 - 110 Willis Street
Launceston
Tasmania 7250

Note 35. Other accounting policies

New and amended Australian Accounting Standards.

The Economic Entity has determined there are no new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020.

The Economic Entity has not early adopted nor applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

STANDARD/AMENDMENT	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2022 (Editorial corrections in AASB 2017-5 applied from 1 January 2018)
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2022
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 June 2021
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRS Interpretations Committee Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

STANDARD/AMENDMENT	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF TASMANIAN PORTS CORPORATION PTY LTD
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL REPORT



Independent Auditor’s Report

To the Members of Tasmanian Ports Corporation Pty Ltd

Report on the Audit of the Consolidated Financial Report

Opinion

I have audited the financial report of the Tasmanian Ports Corporation Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors’ declaration.

In my opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group’s financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General’s opinion are significant.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 10 August 2021 and included in the Directors’

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Report, would be in the same terms if provided to the directors at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Infrastructure asset valuation and impairment <i>Refer to note 9</i>	
<p>The carrying amount of the Group's infrastructure assets, which include land and buildings, land infrastructure, wharves and harbour improvements (the assets), totalled \$177.98m as at 30 June 2021. This accounted for 58% of total assets.</p> <p>Each year, management performs an assessment to determine whether there are any indicators the assets may be impaired. The annual assessment resulted in impairment testing of several cash generating units this year. The impairment tests required significant audit attention as they are complex and subject to significant management judgement and estimation, which included:</p> <ul style="list-style-type: none"> • the selection of the appropriate impairment model to be used • the assessment and determination of the expected cash flows or fair value less costs of disposal • setting appropriate terminal growth rates • the selection of the appropriate discount rate. 	<ul style="list-style-type: none"> • Challenging management's assessment of impairment indicators that may trigger impairment testing for certain assets or groups of assets. • In conjunction with specialists: <ul style="list-style-type: none"> – evaluating the design of the discounted cash flow models used to calculate value in use for the affected assets, cash generating units, or goodwill – assessing the appropriateness and mathematical accuracy of the models – assessing the reasonableness of key assumptions used to calculate future projected cash flows in the models, including growth rates, capital expenditure and working capital forecasts, including comparing them against historic performance and approved budgets – assessing the future projected cash flows used in the models to determine whether they are reasonable and supportable in light of the current economic climate, the

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<p>In addition, the assets are measured at fair value which involves significant judgement and estimation.</p>	<p>impact of COVID-19, and expected future performance of the business</p> <ul style="list-style-type: none"> – assessing the appropriateness of the discount rates used to calculate the present value of future cash flows – subjecting the key assumptions to sensitivity analysis. <ul style="list-style-type: none"> • Assessing the appropriateness of the valuation methodology applied to ensure the continued reasonableness of determined fair values between valuations.
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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Jeff Tongs
Assistant Auditor-General - Audit
Delegate of the Auditor-General
Tasmanian Audit Office

13 August 2021
Hobart