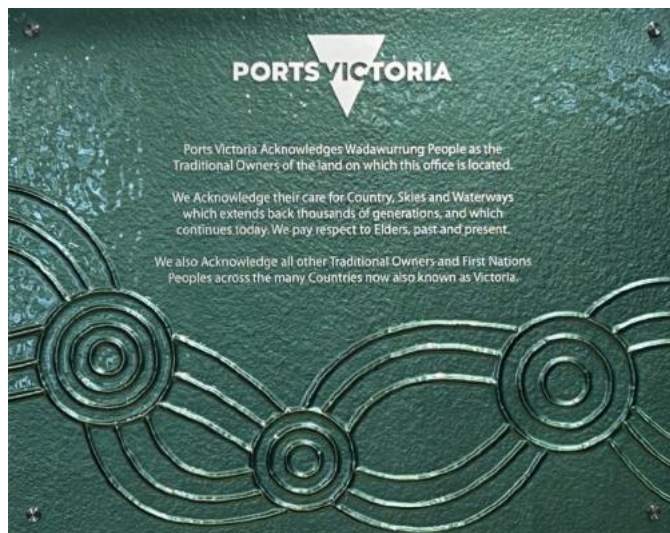


Acknowledgement of Traditional Owners

Ports Victoria Acknowledges and Respects the Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. Ports Victoria honours Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.



Acknowledgement of Country plaque

Ports Victoria commissioned an Acknowledgement of Country plaque for our head office in Geelong/Djilang.

The design is based on waterhole motifs and journey lines, reflecting the boats moving around the port in different locations.

It was designed, manufactured and installed by Wathaurong Glass and Arts.

Wathaurong Glass and Arts is a not-for-profit business owned by Wathaurong Aboriginal Co-operative LTD which is an Aboriginal community control organisation based in North Geelong.

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Responsible Body's declaration

The Hon. Melissa Horne MP
Minister for Ports and Freight
1 Spring Street
Melbourne VIC 3000

Mr Tim Pallas MP
Treasurer
1 Treasury Place
East Melbourne VIC 3002

Dear Ministers,

I have pleasure in submitting to you the Annual Report of Ports Victoria for the period 1 July 2023 to 30 June 2024, in accordance with the provisions of the *Transport Integration Act 2010* (Vic) and the *Financial Management Act 1994* (Vic).

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'HR', with a long horizontal line extending to the right.

Howard Ronaldson
Chair

25 September 2024

Section 1:

Year in review

From the Chair

I am pleased to present the Annual Report of Ports Victoria for the year ended 30 June 2024. The year has been one of significant success for Ports Victoria as we continue to focus on our core objective of promoting a safe, fair and efficient environment for commercial shipping.

As a lead agency for the State Government's direction *Navigating our Port Futures: The Victorian Commercial Ports Strategy*, Ports Victoria has contributed, and continues to drive outcomes under this strategy to protect and enhance our commercial ports for the future.

We dealt with a record 9633 ship movements across the ports of Melbourne, Geelong and Hastings, our maritime traffic safety is at benchmark performance, and an asset availability of more than 99 per cent.

This success is a testament to the clear focus on improving performance across all areas. It reflects the hard work and dedication of our people, working together consistently to deliver exceptional service on behalf of our stakeholders, customers and the wider Victorian community.

The Victorian port system is ever changing to meet industry and economic needs and Ports Victoria is the organisation that provides key advice and support to the Victorian Government. The past year has seen a return to some normality post COVID, however, global events and geopolitical situations have continued to emerge that directly impact global shipping and trade routes.

The Board and management teams have renewed our risk and governance processes which will serve Ports Victoria well into the future. Ports must constantly plan for change, anticipating and responding to short and long-term industry and economic needs to support Victoria's prosperity.

Significantly, the Victorian Government's plans to transition to renewable energy require substantial integration into ports system development. Our role in this future is, and will be, significant in assisting in connecting land and sea networks.

A visible change in the ports landscape was the move of TT-Line's operations base for the *Spirit of Tasmania* ferries from Station Pier in Port Melbourne to Spirit of Tasmania Quay in the port of Geelong. This has allowed Ports Victoria to remove redundant infrastructure and improve aesthetics at Station Pier. Station Pier will continue to be operated to service the cruise industry and to have a place in maritime heritage of Victoria.

On behalf of the Board, I thank the people of Ports Victoria for their work over the twelve months, including the work of Interim Chief Executive Officer, Jacinta Mackey. We welcomed a new Chief Executive Officer, Craig Walker, whom I thank for his efforts and new perspectives.

In addition, I thank my fellow Board Directors for their dedication and contribution during the year.

I wish to thank our shareholding Ministers, their Ministries and staff for their continued support and trust in Ports Victoria.

Ports Victoria remains committed to delivering a safe, fair and efficient statewide ports system. I and my fellow directors have great confidence in the organisation's ability to mature and succeed in future years for the benefit of Victorians.



Howard Ronaldson
Chair

From the Chief Executive Officer

The financial year 2023-24 saw Ports Victoria's values in action through a range of firsts and in delivering its role by safely overseeing 3856 commercial ships trading through Port Phillip and Western Port.

Victorians' reliance on shipping and its valuable cargo has continued to be our focus with more than 97 per cent of Victoria's international imports and exports, by volume, facilitated through our ports system.

Our people have worked day, night, weekends and on those special holidays to provide the vigilance, security and controls necessary to deliver our role in safe, fair and efficient shipping. Our maritime operations teams successfully oversaw 9633 shipping movements across the ports of Melbourne, Geelong and Hastings.

During the cruise season, we facilitated 147 cruise ship visits to Victoria with a record 128 cruise ships to Station Pier in Melbourne. While the cruise industry has recently faced global challenges through COVID, security uncertainty and economic stability, we have started development of a Victorian Cruise Strategy, engaging with industry, cruise associations, government, tourism, business and regional agencies.

We continued the integration and optimisation of our administrative and operational systems, including developing our digital future strategy. This will underpin our cyber security and systems renewal program.

Ports Victoria has made solid progress in delivering strategic initiatives related to climate change, energy transition developments and developing its Environment, Social and Governance (ESG) framework. Our ESG framework and policy position aligns with the Victorian Government's Climate Action Policy, with industry-relevant targets equivalent to best practice, and to set an example for others.

The expanded and evolving role for Ports Victoria was demonstrated by the Pilotage and Towage Services Determinations, and the issuing of a Towage Licence for Port of Melbourne and three Pilotage Licences across the state. The elevation of standards and compliance obligations places our maritime infrastructure and operations at the forefront of best practice. Our continued focus will be towards other port services and standards to further our standing for a safe and secure ports

system. We recognise our industry partners who have worked with us to establish a best practice environment for Victoria's ports system.

Ports Victoria's diversity strategies and action plans are delivering a workplace that brings the best out of our people and reflects the community we serve. A focus has been preserving and developing maritime skills together with our industry partners to capture opportunities that are only available through stronger collaborations. In January 2024, our inaugural Maritime Equity Program saw five women successfully complete their Vessel Traffic Service Officer program and start as qualified officers in our Geelong control centre.

I would like to acknowledge the work and guidance of our Board, led by Chair Howard Ronaldson, our Shareholding Ministers, the Hon. Melissa Horne MP and Tim Pallas MP, their ministry staff and government agents for their support.

Thank you to our Chief Financial Officer, Jacinta Mackey, who very credibly fulfilled the CEO role as an interim for the first two quarters of the year 2023-24 year.

The executive leadership team has done a remarkable job in a time of change and I thank them all for their unrelenting efforts during the year.

And, importantly, I want to offer my sincere thanks and gratitude to all Ports Victoria staff for the work they do. Their hard work, dedication and commitment to excellence has not gone unnoticed. We continue to build our desired culture and identity at Ports Victoria through being "better together".

Our Vision of a maritime and ports centre of excellence for Victoria is real to our people who are making this happen.



Craig Walker
Chief Executive Officer

Vision, Purpose and Values

Vision

A maritime centre of excellence.

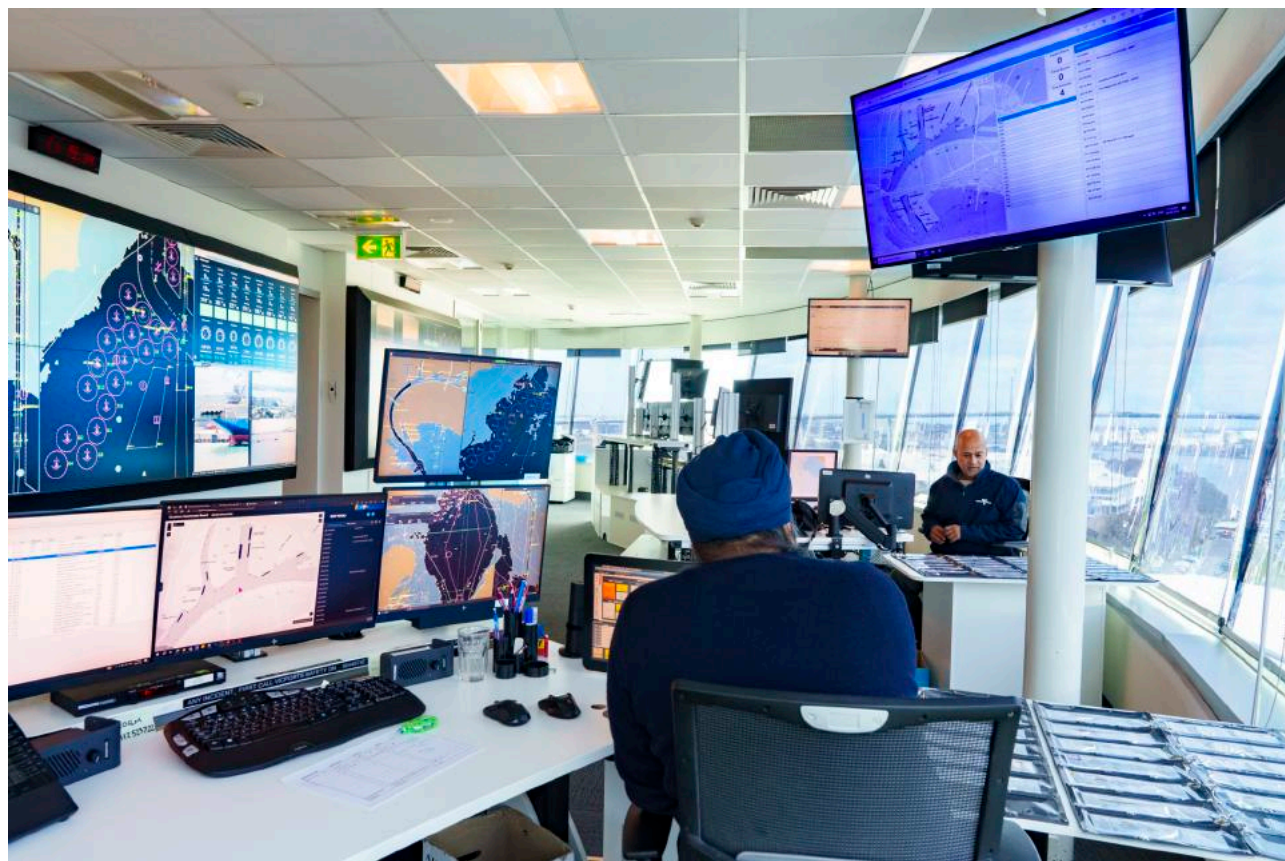
Purpose

Connecting our ports with the world.

Values

- We care
- Learning and acting
- Feel trusted and be trusted
- Together we achieve

Ports Victoria's vision and purpose align with the Department of Transport and Planning's (DTP) Vision, Mission and Purpose, as set out within the DTP Strategic Plan 2023-27. Given Ports Victoria's maritime freight and passenger focus, a key alignment is with DTP's mission to 'Plan, build and operate a transport network that keeps people and freight moving now and into the future'.



An overview of Ports Victoria

Department of Transport and Planning

Ports Victoria is one of the entities within Victoria's transport and planning portfolio, led by the Department of Transport and Planning (DTP).

DTP and its entities work together to deliver an integrated approach to Victoria's transport and planning systems which support inclusive, prosperous, and sustainable community outcomes.

Our shared goal is for more liveable Victorian communities through the realisation of local economic and community opportunities.

DTP is an integrated department, serving five Ministers and a Parliamentary Secretary bringing together transport, planning, land, precinct, and policy functions to support our vision of thriving places and connected communities for all Victorians.

Ports Victoria and its initiatives are vital contributors to the transport and planning portfolio.

Manner of establishment

Ports Victoria started operations on 1 July 2021, taking responsibility for the functions of earlier entities, Victorian Ports Corporation (Melbourne) and Victorian Regional Channels Authority, and receiving additional functions.

Ports Victoria received expanded responsibilities through the government's *Victorian Commercial Ports Strategy*, released in July 2022.

Ports Victoria is embedded in legislation including in the *Transport Integration Act 2010* (Vic) (TIA), *Marine Safety Act 2010* (Vic), and *Port Management Act 1995* (Vic). The TIA reformed Ports Victoria's charter to promote and facilitate trade, undertake operational activities and provide technical and consultancy services concerning the whole of the Victorian ports system.

Purpose and responsibilities

Ports Victoria is a Victorian Government public entity.

We manage maritime navigation and operational safety for Victoria's commercial ports, keeping them connected with the world.

Ports Victoria provides the required oversight of a productive Victorian maritime sector, concentrating on the movement of international and domestic commercial vessels within coastal waters, with an emphasis on safety and efficiency.

With more than 3500 commercial vessel visits each year to Port Phillip and Western Port, our 24/7 navigational safety services ensure the port waters of the ports of Melbourne, Geelong and Hastings remain safe and the marine environment is protected. Ports Victoria also has oversight of these activities for the port of Portland where the port operator carries out the services.

Ports Victoria manages Victoria's iconic, heritage-listed Station Pier in Port Melbourne, home to the state's biggest cruise shipping terminal with more than 100 cruise ship visits per year. The pier also hosts navy vessels visiting Melbourne.

We are one of the lead agencies implementing the government's framework for the port system, the *Victorian Commercial Ports Strategy*.

Ports Victoria's role includes providing technical advice to government on port development and maritime-related matters, developing licensing regimes for pilotage and towage service providers, assisting port managers with port development strategies, and developing a Victorian Cruise Shipping Strategy.

Ports Victoria's work assists the state's ports to complement each other and work together to provide an efficient capacity and capability to accommodate Victoria's rapidly expanding trading requirements.

An overview of Ports Victoria

Operational responsibilities

Shipping and navigation

The harbour masters for the ports of Melbourne, Geelong and Hastings are employed by Ports Victoria with oversight of the port of Portland through a channel operating agreement. Ports Victoria is also empowered to authorise persons to act as Assistant Harbour Masters, in accordance with section 229 of the Marine Safety Act.

Safe marine navigation is enabled by 24-hour modern vessel traffic services (VTS) at the Port Operations Control Centre in Port Melbourne (Melbourne VTS), at the Point Lonsdale Lighthouse (Lonsdale VTS) and in Geelong.

Infrastructure

Ports Victoria is appointed as the Committee of Management for the heritage-listed Station Pier in Port Melbourne and the Point Lonsdale Lighthouse at the Heads.

We are also responsible for the management and upkeep of the buildings and facilities at Station Pier which include two kiosks (built in 1927), a gatehouse (built in 1930), two large passenger terminals (built in the 1920s, and significantly altered between the 1950s and 1970s) and a former railway office (the core of which dates to 1926).

Maintenance of the Point Lonsdale lighthouse structure, built in 1902, is also Ports Victoria's responsibility.

Within the Queenscliff Lighthouse Reserve, Ports Victoria is appointed as the Committee of Management for the Queenscliff White Lighthouse, Hume Tower Light, Murray Tower Light and Fort West Beacon. However, these structures are maintained by Port of Melbourne Operations Pty Ltd.

Channels and aids to navigation

Ports Victoria is responsible for the maintenance of the shipping channels leading to the ports of Geelong and Hastings and their associated aids to navigation.

Trade facilitation

The ports of Melbourne, Geelong, Hastings and Portland import and export a diverse range of cargoes, vital to the Victorian economy.

- The port of Melbourne is Australia's largest container and general port, handling more than one-third of the nation's container trade.
- The port of Geelong is Victoria's second largest port and main bulk cargo port.
- The port of Hastings provides access for major industries including a hub for oil and gas imports and a major steel product manufacturing facility.
- The port of Portland provides bulk cargo services for the agriculture, forestry and mining industries.

Maritime Emergencies (Non-Search and Rescue), Maritime Casualties and Marine Pollution Response

Ports Victoria under the Victoria State Emergency Management Plan is the initial response and control agency for level 1 maritime emergencies (non-search and rescue) within the port waters of the ports of Melbourne and Geelong (maritime casualties) and for maritime-sourced marine pollution in state waters from Cape Schanck to Cape Otway, including all of Port Phillip.

An overview of Ports Victoria

Functions, objects and powers

Transport Integration Act 2010 (Vic)

The *Transport Integration Act 2010* (Vic) (TIA) commenced on 1 July 2010. Its purpose was to create a new framework for the provision of an integrated and sustainable transport system in Victoria consistent with the vision statement contained in section 6:

‘The Parliament recognises the aspirations of Victorians for an integrated and sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible State.’

Ports Victoria was constituted by Order in Council Transport Restructuring Order (Establishment of Ports Victoria) No. 1/2021 and was continued under the TIA.

Under the TIA, the main objects of Ports Victoria are to manage, and support the management of, port of Melbourne waters, channels in port of Melbourne waters, regional port waters and channels in regional port waters for use on a fair, safe and efficient basis consistent with the vision statement and the transport system objectives. Its objects also include:

- to promote and facilitate trade through commercial trading ports and local ports;
- to support the strategic planning and development of the Victorian ports system;
- to participate in emergency management at a State level in accordance with the state emergency management plan;
- to undertake operational activities, including asset management and project management in relation to the Victorian ports system;
- to provide technical and consultancy services in relation to the Victorian ports system.

Ports Victoria is a ‘transport body’ under the TIA and, as such, is required to have regard to the ‘transport system objectives’, ‘decision making principles’ and any applicable ‘specified policy principles’ when performing its functions or exercising its powers under any ‘transport legislation’, including the TIA, *Port Management Act 1995* (Vic) and the *Marine Safety Act 2010* (Vic).

As a ‘transport corporation’ under the TIA, Ports Victoria has power to do all things that are necessary or convenient to be done for or in connection with, or as incidental to, the achievement of its object and the performance of its functions.

The transport system objectives provide for:

- Social and economic inclusion
- Economic prosperity
- Environmental sustainability
- Integration of transport and land use
- Efficiency, coordination and reliability
- Safety, health and wellbeing

The decision-making principles provide for:

- Integrated decision making
- Triple bottom line assessment
- Equity
- Transport system user perspective
- The precautionary principle
- Stakeholder engagement and community participation
- Transparency

The functions of Ports Victoria under the TIA are / include:

- (a) to establish, provide, and maintain port systems and infrastructure for port land and port waters for which Ports Victoria is responsible; and
- (b) to manage and develop, or enable and control the management and development of, port land and infrastructure for which Ports Victoria is responsible; and
- (c) to provide navigational control and safety services in State waters other than port waters; and
- (d) to establish and manage channels in the port waters of commercial trading ports; and
- (e) to dredge and maintain, in accordance with standards determined under section 199 of the *Marine Safety Act 2010*, channels in the port waters of commercial trading ports; and
- (f) to provide and maintain, in accordance with standards determined under section 199 of the *Marine Safety Act 2010*, navigation aids in connection with navigation in port land and port waters for which Ports Victoria is responsible; and

An overview of Ports Victoria

- (g) to provide and maintain marine safety infrastructure in connection with port land and port waters for which Ports Victoria is responsible; and
- (h) to generally direct and control the movement of vessels in port of Melbourne waters and regional port waters in accordance with the Marine Safety Act 2010; and
- (i) to provide advice and information to port managers in relation to the integrated planning, development, management and promotion activities for ports; and
- (j) to provide advice, guidance and expertise in relation to port and maritime issues to local port managers and waterway managers; and
- (k) to engage harbour masters in accordance with the Marine Safety Act 2010; and
- (l) to develop standards and codes for navigational safety in relation to the Victorian ports system; and
- (la) to license pilotage services providers in accordance with the Port Management Act 1995; and
- (m) to promote the sustainable growth of trade carried out through the Victorian ports system; and
- (n) to develop and facilitate the development of the cruise ship industry in Victoria; and
- (na) to licence towage service providers in accordance with the Port Management Act 1995; and
- (o) any other function conferred on Ports Victoria by this or any other Act.

Ministerial Directions

Ports Victoria did not receive any Ministerial Directions during 2023-24.

Activities review

Key achievements

- Provided safe, fair and efficient navigation in the port waters of Victoria's commercial ports, managing 9633 vessel movements.
- Provided vessel traffic services availability at 100 per cent for the year for all three ports – Melbourne, Geelong, Hastings.
- Creation and implementation of a Towage Services Determination for the port waters of the port of Melbourne.
- Provided assistance to lead agencies in the management of maritime incidents.
- Successfully managed a record 128 cruise ship visits to Station Pier.
- The five female trainees in our Maritime Equity Program all attained industry certification as Vessel Traffic Service Officers.
- Enhanced navigational safety by strengthening the requirements for local knowledge certificates for ship masters.
- Developing a First Peoples Action Plan and engaging with Traditional Owners of the land and waters on which we operate and working to expand our engagement and understanding.

Marine operations

Ports Victoria provided navigational services to vessels transiting the port waters of Melbourne, Geelong and Hastings.

VTs availability in 2023-24 was 100 per cent, exceeding the international minimum standard of 99.8 per cent.

Vessel visit statistics

• Total vessel movements:	9633
• Total vessel visits:	3856
Composed of:	
• Vessel visits to Port Phillip waters:	3724
• Vessel visits to Port of Hastings waters:	132

Vessel visits to the ports:

• Melbourne:	2673
• Geelong:	948
• Hastings:	132

Port works applications

Ports Victoria has the responsibility under the *Marine Safety Act 2010* (Vic) as the port management body to ensure that any person intending to carry out works in the port of Melbourne complies with the requirements of section 211 for works carried out on, over or under waters.

In 2023-24, to maintain and enhance safety for works carried out in the port waters of the port of Melbourne, Ports Victoria established its set of requirements. These include requirements for applying to carry out works, lead times for particular types of works, what must be included in the application including a rigorous risk assessment and the completion of requisite forms.

Local knowledge certificates

Masters of domestic commercial vessels must hold local knowledge certificates (LKC) in waters declared by the Director of Transport Safety.

Ports Victoria conducts the assessments for LKCs in Port Phillip.

During 2023-24, we conducted an extensive review of the examination process for attaining an LKC in Port Phillip and strengthened the requirements to ensure masters are appropriately assessed on local knowledge to maintain and enhance maritime safety.

Activities review

Improved monitoring of channels

Additional CCTV cameras have been installed to improve monitoring of the channels to both the port of Geelong and Hastings.

Point Wilson Wharf reopened

The Australian Government's Point Wilson Wharf reopened in October 2023 with visiting vessels accessing the wharf via shipping channels in port of Geelong waters.

Helix Q7000 visit

In early December 2023, the Helix Q7000 entered Port Phillip. A self-propelled specialist unit used for decommissioning offshore oil rigs, it was the first of its type to visit the bay.

The Q7000 berthed at the port of Geelong while reprovisioning and preparing for work in Bass Strait, leaving the bay around the middle of December.

Ports Victoria required extensive navigational safety risk assessments conducted before the visit to determine whether the vessel could safely enter and navigate the Fairway Through Port Phillip Heads, South Channel and shipping channels to the port of Geelong.

Emergency activities

Marine pollution response

Ports Victoria has delivered and participated in several large-scale emergency response exercises during the year which had active participation from state and nationally based emergency and support agencies. These exercises provide a good opportunity for stakeholder engagement, relationship building and emergency preparedness in the ports' environment.

Several Ports Victoria staff who are members of the state and national response team attended planning and preparedness meetings held by the Department of Transport and Planning and the Australian Maritime Safety Authority to update the State Maritime Emergencies (non-search and rescue) Plan.

During the year there were several emergency events within the commercial ports or adjacent to the port waters that were managed within the State Emergency Management Plan framework. Debriefs were conducted for all events and lessons learned have been shared and incorporated into operation doctrine.

Incident management

Ports Victoria assisted in the management of several incidents during 2023-24.

Car carrier *Kariyushi Leader*

In September 2023, the car carrier *Kariyushi Leader* lost steering while in Bass Strait. Although the ship was outside our waters, Ports Victoria assisted the Australian Maritime Safety Authority (AMSA) and the Department of Transport and Planning.

After repairs had been effected, AMSA and Ports Victoria allowed the vessel to enter Port Phillip and berth at the port of Melbourne for further investigation.

Pilot launch PV *Corsair*

In October 2023, the pilot launch PV *Corsair*, grounded on a reef while transiting Port Phillip Heads at night. All crew were rescued but subsequently the launch broke up.

Ports Victoria undertook several roles as the event unfolded, initially acting as support for the Victoria Police Search and Rescue operation then taking the lead as it transitioned to a maritime casualty. Once the vessel began to break up support was given to the Department of Transport and Planning in their maritime pollution response.

LPG tanker *Bougainville*

In February 2024, the LPG tanker *Bougainville* lost its propeller while in Bass Strait. The vessel was towed to anchorage in Western Port until removal to Singapore for repairs in March.

While AMSA was the responsible agency, our Hastings Marine Operations office played a support role throughout.

Activities review

Risk management

Ports Victoria has continued to enhance its risk management culture and identification of key risk areas, undertaking a refresh of its risk management system. The fundamental role of facilitating safe shipping and the threats thereto, have featured in the development of risk scenarios, control effectiveness and response regimes employed across the organisation. We have collaborated closely with our stakeholders to identify emerging risks, continuously evaluate and improve our risk management performance. Ports Victoria has drawn on established standards and guidelines, including the ISO31000 standard for risk management, the Victorian Government's Risk Management Framework 2020 and an annual assurance program, to maintain a best practice approach to risk management.

Case Study - West Gate Bridge

In 2024, the world witnessed a significant shipping incident in the Port of Baltimore in the United States, that provided a platform for the industry to reflect and retest its risk approaches.

Locally, the West Gate Bridge is a vital piece of infrastructure for Melbourne and Victoria. Large commercial ships calling at the docks upstream of the bridge pass directly beneath the bridge using the Yarra River shipping channel. Ports Victoria has pilotage and towage protocols in place to support the safe navigation of this waterway.

A ship's air draught¹, is a constraining factor to its access to those docks. The threat of what occurred with the Baltimore incident, of ship and bridge collision, is controlled locally through a combination of tugs, pilotage and height limitations that mitigate any risk of the highest part of a vessel striking the bridge deck.

Ports Victoria has developed a system that is the first of its type globally, by applying LiDAR-based technology to monitor ship air draft via real-time detection in the shipping channels prior to reaching the bridge vicinity. The system was operational in 2024, with further optimisation planned in the 2024-25 financial year. In addition to this risk control, Ports Victoria controls the maximum air draught limitations for ships transiting the Yarra River, reviews independent air draught checks that further validate the ships' self-regulation requirements.

1. Air draught is the maximum vertical distance measured from the ship's waterline to the highest point on the ship at the prevailing draught.

Safety and Environment Management Plans

The *Port Management Act 1995* (Vic) requires Ports Victoria to prepare and implement approved and audited Safety and Environment Management Plans (SEMPs) for the port waters of each of the commercial ports of Geelong, Melbourne and Hastings. The SEMPs are publicly available on the organisation's website, ports.vic.gov.au.

As required, the SEMP annual reports are presented to the Minister for Ports and Freight, WorkSafe Victoria and the Environment Protection Authority Victoria.

Ports Victoria achieved its overall objectives outlined in its SEMPs in 2023-24.

Activities review

Health and safety

Health and safety is a priority in everything we do – for our staff, our customers, our stakeholders, our contractors, our visitors and the wider port stakeholders and ports community.

We maintain a high level of maritime and workplace health and safety through continuously reviewing risks and risk mitigation strategies. This process is enhanced through good communication and liaison with our stakeholders.

Any changes to the risk profile are addressed by considering the relevant activity from a whole of organisation and whole of port perspective, revising operational procedures and providing appropriate additional treatments to mitigate the identified risks.

In all operational, safety-related, on water matters we work closely with the Australian Maritime Safety Authority and Safe Transport Victoria.

Port system development

Port Development Strategies

Updated Ministerial Guidelines for the preparation of Port Development Strategies (PDS) were published in the Victoria Government Gazette in March 2024. The updates included defining Ports Victoria's role to work with the relevant port authorities as they develop their PDS to consider consistency between the ports from a statewide perspective.

Port authorities are preparing their new Port Development Strategies and engaging with Ports Victoria.

Development proposals

Ports Victoria engages with development proponents to facilitate and guide maritime and navigational considerations and requirements. These engagements have occurred across the Victorian ports system as port managers and development proponents investigate opportunities for investment.

Environment Effects Statements

Ports Victoria had representatives on the Technical Reference Groups for the proposed Viva Energy LNG import terminal at Geelong and for the Victorian Renewable Energy Terminal at Hastings.



Activities review

Licensing and standards

Towage Services Determination

An action assigned to Ports Victoria in the Victorian Government's 2022 *Navigating our Port Futures: The Victorian Commercial Ports Strategy* was the establishment of a non-exclusive licence scheme and standards for towage services at Victorian commercial ports.

On 1 March 2024, the first Victorian Towage Services Determination (TSD) came into effect - for the port waters of the port of Melbourne.

Ports Victoria engaged with stakeholders to define the towage requirements that respond to the safety and efficiency needs of towage in port of Melbourne waters.

The TSD provides a base for sufficient towage being available for the port's needs and will enhance the safety and efficiency of this critical port service.

A licence was issued to the incumbent towage provider in the port of Melbourne.

Work has started on development of a TSD and licence for the ports of Geelong and Hastings. A TSD for the port of Portland will follow.

Pilotage Services Providers Standard

In the previous financial year (2022-23) Ports Victoria issued its Pilotage Services Providers Standard and licensed the four incumbent pilotage services providers (PSPs). Compliance audits were conducted in 2024, 12 months after the issuing of the Standard, and on 1 March 2024 full compliance with the Standard was added as a requirement to PSP licences.

Cruise shipping

The 2023-24 Victorian cruise season ran from 23 October to 8 June 2024. It was only the second season since the COVID hiatus but the number of cruise vessel visits exceeded pre-COVID levels and two new cruise lines visited Victoria. The driving factor for the increase was strong demand from cruise customers.

In all, there were 147 cruise ship visits to Victoria.

Station Pier, Port Melbourne

It was a busy season at Station Pier with a record 128 visits by 35 different vessels from 23 different cruise operators.

There was at least one ship alongside on 113 days and on 34 of those days there were two or more vessels alongside in a 24 hour period. Ships stayed overnight at the pier on 18 occasions.

The 128 visits were evenly split between 64 turnarounds and 64 transit visits. (A turnaround is when a ship exchanges all or most of its passengers at the end of one cruise and the start of another.)

Two new cruise lines

Virgin Voyages and Disney Cruise Line both visited Victoria for the first time with each homeporting a ship at Station Pier – Virgin's *Resilient Lady* and Disney's *Disney Wonder*.

First visits

Eight vessels made their first visit to Melbourne during the season with commemorative plaques exchanged by the ship and Ports Victoria on each occasion.

Homeporting ships

In addition to the Virgin and Disney ships, three others homeported: *Grand Princess*, *Pacific Explorer* and *Queen Elizabeth*.

Activities review

Other cruise visits to Victoria

During the Melbourne Cup period when Station Pier was at capacity, a cruise ship berthed at Webb Dock West in the port of Melbourne, staying overnight for a transit call.

Eleven visits were made to Phillip Island with vessels anchoring in port of Hastings waters at the Cowes Anchorage and tendering passengers to the island.

Geelong received four visits, the vessels anchoring in the Ports Victoria Geelong Anchorage and tendering passengers to the city for shore excursions.

Four visits were made to the port of Portland.

Station Pier operations

Navy vessels

Five Royal Australian Navy (RAN) vessels called at Station Pier during the year.

First to call was HMAS *Sydney*, a Hobart Class Guided Missile Destroyer, arriving on 13 July for a three day stay.

In March and April 2024, the pier hosted two of the largest ships ever built for the RAN – amphibious assault ships, also called Landing Helicopter Decks or LHDs. The HMAS *Adelaide* arrived on 19 March, staying four days and the HMAS *Canberra* arrived on 5 April staying five days.

The MV *Sycamore*, an auxiliary naval vessel, called for a two-day stay from 23 to 25 March.

On 12 May 2024, the HMAS *Rankin*, a Collins Class submarine arrived for a five-day visit.

Assets

Assets management

Ports Victoria is responsible for a diverse set of assets in many different and often challenging locations on both land and water.

The assets include Station Pier in Port Melbourne and the Point Lonsdale Lighthouse (both heritage listed), the shipping channels leading to the ports of Geelong and Hastings and their related aids to navigation.

Management of the advanced navigation systems used for shipping safety in Port Phillip and Western Port are Ports Victoria's responsibility. These assets are located in and around both bays, along the southern Victorian coast and in the waters of Bass Strait.

Ports Victoria's ongoing maintenance program is directed by its Asset Management Strategy and a suite of Asset Management Plans for different classes of asset. As part of continuous improvement, the plans are being progressively reviewed, consolidated and made more robust.

Assets maintenance

Routine and minor maintenance on assets is undertaken by Ports Victoria's contracted supplier while larger jobs are managed and conducted as discrete projects by specialist suppliers after competitive procurement.

Ports Victoria works closely with Heritage Victoria and all work on heritage-listed assets has the appropriate approvals.

Station Pier Gatehouse

The heritage-protected Station Pier Gatehouse had extensive refurbishment of its exterior during the year. This involved complete repainting in heritage colours and minor maintenance and repairs as required.

Activities review

Public access areas at Station Pier

West Finger Pier is a publicly accessible small pier adjacent to Station Pier. It is a popular fishing spot for the local community. Repairs have been made to the decking throughout the year and the structure is included in the ongoing annual pile maintenance program.

Works have also been carried out on the public access area in front of the pier.

Removal of redundant structure

Following TT-Line's departure from Station Pier, the large vehicle loading ramp on the east side of the pier became redundant. It was erected by TT-Line for vehicle access for its *Spirit of Tasmania* ferries.

Ports Victoria has removed the non-heritage ramp and recycled more than 95 per cent of the material. This included concrete, asphalt and steel.

The removal has opened up the view of Station Pier from the east and the north.

Project and Operations Office

In early 2024, a Projects and Operations Office was established in the inner terminal on Station Pier. At the same time, the former office in Collins Street, Melbourne, was decommissioned.

Aids to navigation

The lights on aids to navigation in Western Port and in port of Geelong waters are being upgraded and integrated with satellite communications, replacing the Telstra 3G network. The project is scheduled for completion in the second half of 2024.

Other general maintenance work was carried out on beacons in Western Port in 2024.

Fees and charges

Ports Victoria updated its fees and charges on 1 January 2024, as set out in the Reference Tariff Schedule available on Ports Victoria's website, ports.vic.gov.au.

Commercial terms

Ports Victoria has Standard Terms and Conditions (STC) for the hire of common user wharves and terminals at Station Pier. These detail the performance obligations of Ports Victoria and the hirers and means that the Ancillary Service Providers (ASP) engaged by the hirers are also covered by these performance standard requirements.

The STC are complemented by ASP licences that incorporate security, health and safety, and environmental management performance obligations on the licence holders.

Air quality monitoring

Started in December 2023, an air quality monitoring program at Station Pier is providing Ports Victoria, EPA Victoria and the local community with a greater understanding of local air quality resulting from pier operations.

Scheduled to run for 12 months, the program will cover cruise and non-cruise ship visit seasons. A dedicated monitoring station is installed on the pier, recording data on dust particulates (PM₁₀ and PM_{2.5}), nitrous dioxide (NO₂) and sulfur dioxide (SO₂) concentrations.

Data from this monitoring station is compared against observations from other local EPA Victoria air quality monitoring stations and the adopted Air Pollution Assessment Criteria from the EPA Publication 1961.

Ports Victoria also worked closely with the Beacon Cove Neighbourhood Association to place a small portable monitoring sensor within the Beacon Cove residential area. The results from this portable unit and the monitoring station on the pier are being compared.

Monthly reports are published on Ports Victoria's website, ports.vic.gov.au.

Actions from the Victorian Commercial Ports Strategy

In July 2022, the Victorian Government released *Navigating our Port Futures: The Victorian Commercial Ports Strategy* that sets out a 30-year vision for a Victorian ports system. Some of the actions in the strategy were assigned to Ports Victoria and the table below lists these and our work in response up to 30 June 2024.

For a full list of the Actions and the respective organisations responsible for their implementation, refer to the Commercial Ports Strategy document, available on the DTP website, (www.vic.gov.au/departments-transport-and-planning).

Legend:

DTF - Department of Treasury and Finance
 DTP - Department of Transport and Planning
 DJSIR - Department of Jobs, Skills, Industry and Regions

Strategy action	Work being undertaken
Develop a Victorian Cruise Shipping Strategy to assess opportunities for growing the Victorian cruise shipping sector.	<p>An interdepartmental steering committee has been established between Ports Victoria, DTP, Visit Victoria and DJSIR to support the preparation of the Victorian Cruise Shipping Strategy. The committee is in the process of awarding a consultancy for the preparation of the strategy. Ports Victoria will project manage this consultancy. The expected completion date for the strategy is June 2025.</p> <p>The need for a business case may arise in relation to any major capital works proposed for the Station Pier precinct in Port Melbourne.</p>
Investigate and implement efficient options for deepening of the Geelong Channel.	Ports Victoria continues to engage with interested industry participants on optimisation of the Geelong channels and will consider any business case which may arise in relation to major capital works proposed.
<p>Provide technical support and advice to each of the Victorian commercial trading ports on the preparation of their Port Development Strategies (PDS).</p> <p>A PDS is a public document prepared for each commercial port every five years. They provide transparency and certainty to industry and community stakeholders on the port manager's land use planning and strategic development priorities.</p>	<p>Ports Victoria is currently providing support and advice to the respective port managers and DTP during the preparation of PDS documents.</p> <p>Each new PDS is based on the 2024 updates to the PDS Ministerial Guidelines.</p>
Work with DTP to develop a program of activities to support the advancement of the Bay West Port strategic plan.	<p>DTP has engaged a planning consultant to provide advice on the reservation of coastal land and transport corridors necessary for a future Bay West Port.</p> <p>Ports Victoria is working with DTP to determine an appropriate location and potential area for a Bay West Port.</p>
Provide technical advice to the Secretary of DTP on port development and maritime-related matters.	Ports Victoria provides technical advice to DTP, when requested.

Victorian Commercial Port

Strategy actions

Strategy action	Work being undertaken
Convene a regular industry forum to support industry intelligence sharing and engagement.	<p>Ports Victoria works with DTP to provide an annual industry round table forum led by the Minister for Ports and Freight.</p> <p>The forum brings together government and industry stakeholders from the ports, shipping and freight networks.</p>
Provide advice to the Minister for Ports and Freight about opportunities to improve the flow of information in the container freight supply chain.	<p>Ports Victoria provides advice to the Minister on the container freight supply chain when requested.</p> <p>Ports Victoria is also actively engaged in the revision of the 2019 State Freight Plan.</p>
Work with DTP on the delivery of Victorian energy transition-related environmental commitments.	Ports Victoria supports DTP in the provision of maritime information to assist proponents and government in port and marine activities which are associated with the transition to a net zero emissions economy.
Develop options and opportunities to support Victorians to establish a career in the maritime industry.	Ports Victoria undertook a successful Vessel Traffic Service Officer (VTSO) recruitment campaign with the launch of its Maritime Equity Program in 2023. This initiative formed part of Ports Victoria's Diversity, Equity and Inclusion Plan; five women successfully completed the VTSO training to become qualified officers in the Geelong control room.
Establish Ports Victoria's new role as the lead technical maritime safety expert in Victoria through working with key users and operators across the Victorian Ports System.	An assessment of the current state of the Victorian commercial maritime regulatory framework is being undertaken by a Steering Committee and Project Working Group consisting of Ports Victoria, DTP and Safe Transport Victoria.
Develop a new port marine safety code for the Victorian Ports System.	Ports Victoria, DTP, and Safe Transport Victoria are working together to develop a Port Safety Code. Options will be identified following inter-jurisdictional analysis and the assessment of case studies.
Establish a non-exclusive licence regime and Standards for pilotage services.	<p>A Pilotage Services Provider (PSP) Standard and non-exclusive licence has been developed. The four incumbent PSPs were granted PSP licences on 1 March 2023.</p> <p>Compliance audits were undertaken at the 12-month anniversary and the condition added to the licence to require full compliance with the Standard.</p>
Establish a non-exclusive licence scheme and Standards for towage services at Victorian commercial ports.	<p>A Towage Services Determination (TSD) and non-exclusive licence were developed and implemented on 1 March 2024 for the port of Melbourne. A Licence was issued to the incumbent towage provider following assessment by Ports Victoria of the single licence applicant.</p> <p>Work has started on developing TSDs and issuing licences for the ports of Geelong and Hastings. A TSD for the port of Portland will follow.</p>

Stakeholders

Ports Victoria's engages with government, maritime industry, recreational boating and community stakeholders.

First Peoples

Ports Victoria is committed to implementing initiatives that will make our workplace culturally safe and inclusive and are actively engaging with First Nations entities and Traditional Owner groups. We are committed to building relationships with Traditional Owner groups and First Nations peoples connected to Victorian ports and marine waters.

We are developing a First Peoples Action Plan and undertaking a program of engagement activities to deliver on the draft objectives including:

- involving our staff and Board Directors through cultural education and awareness sessions, participating in DTP's First People's Self Determination Steering Committee and associated working groups
- encouraging increased consideration of First Nations businesses in procurement opportunities through Kinaway and Supply Nation suppliers
- looking at future employment and recruitment strategies as well as business opportunities.

Ports Victoria is responsible for activities, staff and assets that are located and carried out across the waters and lands of six of Victoria's 12 Recognised Aboriginal Parties (RAPs).

During the 2023-24 financial year we commenced a twelve month engagement program with Wadawurrung Traditional Owners Aboriginal Corporation (WTOAC) on the land where our head office is located. We will look to engage further with the Bunurong, Wurundjeri Woi-wurrung, Gunditjmarra, Eastern Maar and Gunaikurnai people as our action plan and programs progress.

Industry support

Ports Victoria is a member of Ports Australia, the national member body for Australia's ports. In September 2023, Ports Australia held its *Business and Operations Conference* in Geelong. We supported the conference as a major sponsor and through participation by providing speakers and attendees.

Industry advice

We also work with industry and provide advice through participation in government advisory groups and committees. Some examples are:

- State of Marine and Coastal Environment and State of the Great Ocean Road Coast and Parks 2024 Report – Technical Advisory Group.
- Victorian Renewable Energy Terminal, Environment Effects Statement – Technical Reference Group
- Viva Energy Gas Terminal, Supplementary Environment Effects Statement – Technical Reference Group

New website

A new website was launched in early 2024, providing information for industry and community in a unified manner. Further updates and improvements are planned for next financial year.

Operational stakeholders and customers

The safety of all commercial port users is a priority for Ports Victoria and is seen as a shared responsibility across all port service providers.

To foster a collaborative port community, stakeholders are actively engaged in information sharing at all levels. This strengthens bonds between parties and takes advantage of the breadth and depth of maritime expertise across Victoria's commercial ports.

The engagement included regular meetings of the Navigational Safety Committee, Ports Victoria's Joint Port Operations Simulator Training sessions and continued communications.

Seafarer welfare

Ports Victoria continued its support of the seafarer welfare organisations, Mission to Seafarers and Stella Maris. These organisations offer pastoral and practical care to the seafarers who crew the vessels calling at Victoria's commercial ports.

Stakeholders

Recreational stakeholders

Keep Clear boating safety program

The aim of the *Keep Clear* boating safety campaign is to reduce the risk of interactions between large commercial ships and small recreational vessels in shipping channels.

It is directed at recreational vessel masters to make them aware of the risks of operating their small craft near large ships. We work with our partners in waterway safety to promote the safety messages.

Education

Throughout the year, senior Marine Operations staff undertook extensive engagement sessions with the recreational boating community in Port Phillip. These included presentations to yacht and boating clubs as well as invitations to club event organisers to visit the Port Operations Control Centre in Port Melbourne.

These sessions were well received and well attended, with active questions and answers.

These interactions, along with regular meetings to review aquatic events, have given the club event organisers a greater understanding of undertaking safe navigation in port waters around commercial shipping movements.

On-water patrols

During the year, our Transport Safety Officers (TSOs) conducted on-water patrols in the port waters of the ports of Melbourne and Geelong.

Out on patrol, the TSOs speak directly with recreational vessel operators who are either close to commercial vessels or who are not complying with marine safety legislation or local waterway rules.

While the program is predominately educational, enforcement measures such as directions and recommendations for issuing infringements are made when it is necessary and appropriate to prevent unsafe behaviour.

Community

We are represented in the communities around our operational areas through participation in local organisations, face to face and other communications activities.

- **Geelong:** We meet regularly with community and stakeholder groups in Geelong including the City of Greater Geelong.
- **Hastings:** We participate in the Port of Hastings Community Consultation Committee. Port operations and activities are reviewed and discussed by representatives of port stakeholders and the local community.
- **Port Melbourne:** Urban communities border our operations areas and landside links. Recognising the amenity expectations of neighbouring communities, we liaise and regularly meet with residents, businesses and local government in the Station Pier precinct of Port Melbourne.
- **Point Lonsdale / Queenscliff:** We open the Point Lonsdale Lighthouse to the Queenscliffe Maritime Museum who conduct educational public tours throughout the year.

Geelong school education program

Ports Victoria continued providing an opportunity for schools in the Geelong region to undertake education sessions on the role of the port of Geelong, port operations and careers in the port and marine industry. Sessions were held in term 3 of 2023 and term 2 of 2024.

Stakeholders

Community support

Ports Victoria provides support to the community through many of its day-to-day activities.

We facilitate aquatic events that take place in or near the shipping channels and fairways in Port Phillip, for example yacht club and other boating activities. These include the high-profile Festival of Sails and the Offshore Superboat Championships in Geelong and major yacht races that transit the bay as part of their course.

We work with the organisers of the popular Rip Swim events to coordinate vessel movements so swimmers can cross the busy Fairway Through Port Phillip Heads from Point Nepean to Point Lonsdale in safety from transiting vessels. The Fairway is the busiest shipping lane in Port Phillip, being used by every vessel entering or leaving the bay.

Employee engagement

Monthly all staff updates

To keep staff up to date with operations and planning within the organisation, the CEO leads a monthly online session for all staff across all work locations.

Employees from across the organisation, from different work disciplines and locations, present updates on the work being done and safety learnings in their areas. The sessions are interactive with questions and input encouraged from all attendees at each session.

People matter survey

Ports Victoria achieved a 60 per cent response for the June 2023 Victorian Public Sector Commission's *People matter survey*.

The results, received in late 2023, showed that staff acknowledged the efforts made to enhance the work environment throughout the previous year. Measurements for engagement with the organisation and many other key results were all improvements on the previous year's results.

The latest *People matter survey*, conducted in June 2024, had an 81 per cent response from employees. The results of this survey will be available in late 2024 and we look forward to the opportunities they will provide to continue doing the things we do well and to identify areas for continued improvement.

Health and Wellbeing program

One of our core values is 'We care' which promotes the idea of caring for ourselves, others and our environment.

The key aim of our wellbeing program is to assist employees to maintain their physical and psychological wellbeing.

The Health and Wellbeing initiative supports staff in the purchase of items that assist in keeping themselves well and contributing to their health and wellbeing. For example, gym memberships, exercise equipment.

Employees are encouraged to undertake an annual health check with their doctor. This initiative is about prevention – to identify potential issues early and receive the required treatment. By partnering with their own doctor employees can receive a personally targeted assessment.

Vale Captain David Shennan

Captain David Shennan, former harbour master at three of Victoria's commercial ports, passed away in July 2023.

Captain Shennan came to Australia from the United Kingdom in 2008 to take up the role of Harbour Master at the port of Melbourne. Following his time at Melbourne, he took on the Harbour Master role first at the port of Portland and then at the port of Geelong. In 2022, he returned for a short time as Harbour Master for the port of Melbourne.

He was highly regarded within the maritime industry and made a significant contribution, particularly to navigational safety outcomes.

Family, friends and former colleagues gathered for a memorial event at the port of Melbourne to remember and pay tribute to Captain Shennan.

Financial information summary

Financial summary

	2024 \$m	2023 \$m	2022 \$m
Income	59.8	51.7	43.1
Expenses	54.0	42.4	40.0
Net result from transactions	5.8	9.3	3.1
Net result gain / (loss) after tax	5.9	8.5	(22.2)
Total comprehensive net income / (loss)	6.6	7.6	(6.8)
Net cash flow from operating activities	12.4	8.2	8.9
Total assets	132.2	122.1	117.0
Total liabilities	16.4	12.4	14.8

Overview

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' in the comprehensive operating statement.

The net result from transactions was \$5.8m, reflecting a return to a full cruise season following the COVID travel restrictions imposed by the Australian Government, and Geelong channel fee and anchorage revenue exceeding budget expectations and the "once off" payment from TT-Line Company in respect of the Deed of Variation of lease and licences of \$8.9m. Interest revenue also exceeded budget with the progressive interest rate rises from 1.0% at the beginning of the year to 4.1% at the end of the year.

Total revenue of \$59.8m is favourable to the Budget of \$55.6m by \$4.2m, contributed by higher than budgeted cruise, Geelong channel fees and higher interest rates on cash at bank. The Port of Melbourne contribution was lower than budgeted

noting there has been a softening of container trade over the last year since the budget was initially set, due to conflict in the Red Sea impacting logistics and global economic factors.

Total expense \$54.0m is unfavourable to the Budget of \$51.2m by \$2.8m, contributed by higher than planned labour costs (less attrition than planned and higher unrostered overtime), contractors and consultants (including higher security costs due to higher cruise revenue), and repairs and maintenance brought forward at Station Pier.

All non-current physical assets are required to be measured annually at fair value in accordance with Financial Reporting Directive 103. Based on the forecast cash flows from utilising Ports Victoria's assets, discounted at appropriate discount rates, this has resulted in no further impairment or revaluation of assets as at 30 June 2024.

Financial performance – Comprehensive operating statement

The total comprehensive income for the year after tax of \$6.6m includes income tax benefit of \$0.28m. The receipt of \$8.9m from TT-Line Company has been included within the calculation of a Capital Gains Tax event F5, and offset in full by carried forward capital losses.

Balance Sheet – Significant changes in financial position

Total assets of \$132.3m reflects the increase in the cash on hand and in property plant and equipment, over the prior year's total of \$122.1m.

Total liabilities of \$16.4m reflects the increase in Account Payables over the prior year total of \$12.4m.

Deferred tax assets (DTA) are recognised in the Balance Sheet only to the extent that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Cash flow

Total cash on hand at the end of the 2023-24 financial year was \$54.0m. This included net cash inflows of \$12.4m from operating activities, net cash outflows of (\$7.0m) from investing activities and net cash outflows from financing activities of (\$0.3m).

Subsequent events

In August 2024, the Enterprise Agreement 2023 was signed and ratified by the Fair Work Commission.

Section 2:

Governance and organisational structure

Corporate governance

Board of Directors

The Ports Victoria Board of Directors is established under the *Transport Integration Act 2010* (Vic) (TIA). The Board consists of not less than three and not more than nine members, each of whom is appointed by the Governor in Council. It is the duty of the Board to act consistently with the functions and objectives of Ports Victoria, act as a sounding base for good corporate governance and to act honestly, fairly and diligently in accordance with the applicable legislation.

The role of the Board is to establish strategic direction, pursue established corporate objectives, ensure material risks to the operation of Ports Victoria are adequately considered and addressed, appoint the Chief Executive Officer (CEO) of Ports Victoria and monitor the business performance of Ports Victoria. The Board of Directors of Ports Victoria is responsible for the management of Ports Victoria's affairs and may exercise the powers of Ports Victoria. The Board delegates responsibility for management of the entity to the CEO.

Ports Victoria reported to the following Ministers during the reporting period:

- The Hon. Melissa Horne MP, Minister for Ports and Freight
- Mr Tim Pallas MP, Treasurer

The primary responsibilities of Ports Victoria are to manage, and support the management of, port of Melbourne waters, channels in port of Melbourne waters, regional port waters and channels in regional port waters for use on a fair, safe and efficient basis consistent with the vision statement and transport system objectives as set out in the TIA.

Conflict of interest

The Directors are governed in respect of conflicts of interest by the relevant provisions of the *Public Administration Act 2004* (Vic) and binding codes issued by the Victorian Public Sector Commission. They are required to declare any pecuniary interest in any matter being considered by the Board or in any other matter in which Ports Victoria is concerned. The Board is provided at each of its meetings a consolidated list of registered interests disclosed by Directors. Directors are also required to complete a declaration of private interests upon appointment and annually thereafter. Directors are also required to confirm at the commencement of Board and Committee meetings that they have not been engaged in any lobbying activity that may relate to the functions of Ports Victoria, and they have not previously been engaged in previous lobbying relating to a matter on the agenda.

Directors

Howard Ronaldson Chair

Howard was appointed Chair of Ports Victoria on 1 July 2021.

He has had a lengthy career in general management, project governance and delivery, regulation management and the oversighting of large government programs.

He has held positions of Secretary of various Victorian Government departments, including Department of Infrastructure and Department of Economic Development, Director of Housing, Director of Crown Lands and Undersecretary (CEO) of Treasury (ACT).

Howard has participated on many boards as chair or as a member. He has been appointed as an administrator (or equivalent) on a number of occasions.

The first seven years of his working life were at Caterpillar Australia Ltd.

He holds a Bachelor of Economics (Monash University), a Graduate Diploma of Accounting and Finance (Caulfield Institute of Technology) and a Masters Degree in Business Administration (University of Melbourne).

Board Committee membership:

- Audit Committee
- Risk Committee

Elaine Carbines AM Deputy Chair

Elaine Carbines was appointed Deputy Chair of Ports Victoria on 1 July 2021.

Formerly a state MP representing Geelong, Elaine most recently held the position of CEO of G21 Geelong Region Alliance from 2010 to 2020.

Elaine is an experienced non-executive Director bringing diverse skills to the Ports Victoria board including regional development, strategic planning, community engagement, education and communication.

She holds a number of Director positions including Director, GForce Employment and Recruitment; Director, Northern Futures; and Director, IMPACT Institute Advisory Board.

Elaine is an Ambassador for the Peace of Mind Foundation.

Board Committee membership:

- Chair - People, Culture and Remuneration Committee
- Risk Committee

Directors

Penny Alexander

Penny was appointed as a Director of Ports Victoria on 1 October 2022.

She has broad experience and expertise in the delivery, operation and maintenance of critical assets in the resources, energy and infrastructure sectors in Australia and Asia.

Through her former role as a partner at an Australian law firm, Penny has advised on some of the Victorian Government's highest profile and strategically important projects including the establishment of Ports Victoria.

In addition, Penny has worked with Mitsubishi Corporation in Tokyo, where her role involved advising in respect of Mitsubishi's extensive portfolio of global resources and infrastructure projects.

Penny is currently General Counsel at the Department of Government Services.

Board Committee membership:

- Risk Committee

Terry Garwood PSM

Terry was appointed a Director of Ports Victoria on 1 October 2022.

He is the Deputy Secretary, First Peoples - State Relations Group in the Department of Premier and Cabinet.

Terry is a senior Aboriginal public servant in the Victorian Public Service and has been an officer of the Victorian and Australian Public Services for over 40 years.

He has held a number of senior executive positions, including Deputy Secretary, Land Services and First Peoples, DEECA and prior to that as the Executive Director, Freight, Logistics and Marine Division where he was responsible for freight and logistics policy. He has also held executive positions responsible for health, aged care, disability services, child protection, public housing and Aboriginal Affairs.

Terry has served on executive boards of a variety of organisations including, the Aborigines Advancement League Inc, Camp Jungai Co-operative Ltd, Museum of Victoria, the Centenary of Federation Committee, the Institute of Public Administration Australia (IPAA Victoria) and is a Fellow of IPAA.

Terry was awarded the Public Service Medal in 2018 for distinguished public service and was inducted into the Victorian Aboriginal Honour Roll in the same year.

Board Committee membership:

- People, Culture and Remuneration Committee

Directors

Catherine Hopper

Catherine was appointed a Director of Ports Victoria on 1 October 2022.

She is a skilled infrastructure professional, with experience across investment banking, funds management and Australian corporates.

Catherine brings a range of skills to the Ports Victoria Board, particularly commercial and financial expertise focused on strategic planning and financial governance.

She currently holds a number of Director positions in the not-for-profit sector, focused on education and social justice.

Board Committee membership:

- Chair, Audit Committee

Des Powell AM

Des was appointed a Director of Ports Victoria on 1 July 2021.

He was a Director of Victorian Regional Channels Authority from 1 June 2016 until 30 June 2021.

Des brings extensive experience in executive management and board roles in the public, private and not-for-profit sectors. In particular, he has specialist expertise in the ports and freight and logistics sector in both Australia and Asia.

He currently holds appointments as Director of Barwon Water Corporation and is a Member of the Advisory Board for Victorian Skills Authority.

Board Committee membership:

- Chair, Risk Committee
- Member, People, Culture and Remuneration Committee (from December 2024)

Board and Committee meetings

Audit Committee

The Standing Directions under the Financial Management Act 1994 require Ports Victoria to appoint an Audit Committee to, among other responsibilities, independently review and assess the effectiveness of Ports Victoria's systems and controls for financial management, performance and sustainability, including risk management. The Board has allocated the risk function to the Risk Committee given the complex risk environment that Ports Victoria works within.

Members in 2023-24

- Catherine Hopper, Chair
- Howard Ronaldson, Committee member
- Rob Hogarth, Committee member (appointed by the Board)

The responsibilities of the Audit Committee are set out in Standing Direction 3.2.1.1. The key responsibilities of the Committee are to:

- independently review and assess the effectiveness of Ports Victoria's systems and controls for financial management, performance and sustainability, including risk management
- oversee the internal audit function under Direction 3.2.2
- review and report independently to the board on the annual report and the financial information in it
- review and monitor compliance, including with Financial Management Act the Standing Directions and Instructions
- maintain effective communication with external auditors
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised
- review implementation of actions in response to internal and external audits.

People, Culture and Remuneration Committee

Members in 2023-24

- Elaine Carbines AM, Chair
- Terry Garwood PSM, Committee member
- Des Powell AM, Committee member (from December 2024)

The People, Culture and Remuneration Committee assists the Board to fulfil its governance responsibilities by ensuring that Ports Victoria has executive remuneration policies, guidelines and practices that are consistent with government policy and by reviewing policies and processes relating to the development of the corporation's people and its culture.

Risk Committee

Members in 2023-24

- Des Powell AM, Chair
- Howard Ronaldson, Committee member
- Elaine Carbines AM, Committee member
- Penny Alexander, Committee member

The primary role of the Risk Committee is to oversee the effective operation of the risk management framework to assist the Board in fulfilling its governance responsibilities. The Committee also evaluates the effectiveness of risk identification and management and ensures compliance with internal guidelines and external requirements.

Board and Committee meetings

Attendance at Board and Committee meetings

Number attended / eligible to attend	Board	Committee		
		Audit	People, Culture and Remuneration	Risk
Howard Ronaldson, Chair	7 / 7	4 / 5	NA	4 / 4
Elaine Carbines AM, Deputy Chair	6 / 7	NA	4 / 4	3 / 4
Penny Alexander, Director	7 / 7	NA	NA	4 / 4
Terry Garwood PSM, Director	7 / 7	NA	3 / 4	NA
Catherine Hopper, Director	7 / 7	5 / 5	NA	NA
Des Powell AM, Director	7 / 7	NA	2 / 2	4 / 4
Rob Hogarth, Member, Audit Committee	NA	5 / 5	NA	NA

Organisational structure



Executive Leadership Team

Craig Walker, Chief Executive Officer

Craig commenced as Chief Executive Officer of Ports Victoria on 12 February 2024. He implements the strategy set by the Board and leads and manages Ports Victoria's operations, people and resources.

Jacinta Mackey, Chief Financial Officer and Head of Corporate Services

Jacinta leads the division responsible for the organisation's Finance, Legal and Procurement services, Business Improvement and Systems, People and Culture, and Information Technology.

Peter Mannion, Chief Operating Officer – Marine Operations

Peter is responsible for navigation services and maritime safety for Victoria's four commercial ports i.e. Melbourne, Geelong, Hastings and Portland. His role also includes leading the teams responsible for health, safety and environment, risk management, emergency management, business continuity, and Station Pier operations.

Jeff Bazelmans, Head of Strategy and Development

Jeff leads the division that includes responsibility for business strategy, corporate planning, trade and port logistics, future planning for cruise ships and Station Pier, regulatory compliance and licensing as well as providing specialist advice on environmental, planning, heritage and sustainability matters.

Stuart Christie, Head of Development

Stuart leads the Development area of the Strategy and Development division and is responsible for stakeholder management, communications and port system planning.

David Henderson, Head of Infrastructure and Projects

David leads the division that covers the areas of infrastructure, asset management, projects and assurance and operational technology. This includes maintenance programs and management of the organisation's major projects.

Nick Ellul, General Manager Maritime - Harbour Master – Ports of Geelong and Hastings

Nick is responsible for ensuring Victorian port safety regulatory objectives are met and Ports Victoria's navigational services and marine assets operate to international standards. He is also the Harbour Master for the ports of Geelong and Hastings.

Warwick Laing, Harbour Master - Port of Melbourne

Warwick is the Harbour Master of the port of Melbourne, Australia's largest container and general cargo port. His responsibilities include managing the provision of navigational services and safe navigation for the port and its waters. In June 2024, Warwick tendered his resignation to take up a position outside the organisation, leaving Ports Victoria in July 2024.

Personnel changes in the CEO position

On 29 September 2023, then CEO Brendan Webb left Ports Victoria to take up a position outside the organisation. The Board appointed Jacinta Mackey, then Chief Financial Officer and Head of Corporate Services, as Interim CEO. Jacinta continued in that role until 12 February 2024 when Craig Walker joined Ports Victoria as the new CEO. Jacinta then resumed her substantive role.

OH&S and employment principles

Occupational health and safety

Ports Victoria is committed to a safety culture that promotes the health, welfare and safety of its workers. This commitment extends to ensuring that Ports Victoria's operations do not place the wider port community at unnecessary risk of injury or illness.

As an integral part of advancing the safety culture, the corporation takes a proactive approach to managing its occupational health and safety responsibilities and delivers initiatives and programs designed to prevent safety incidents and injuries.

Key services and activities provided for the health and wellbeing of all employees in 2023-24 included:

- the health and wellbeing initiative
- free medical assessments
- free influenza vaccinations
- random drug and alcohol testing
- promotion of our Employee Assistance Program
- flexible working arrangements with:
 - support for staff working from home
 - strong guidelines for remote working
 - supply of appropriate workstation equipment
 - ergonomic assessments of home office set ups in accordance with all government guidelines.

Management of hazards and incidents

Ports Victoria is continuing to work on enhancing its positive safety culture. To help achieve this, it has a key strategic objective to increase the reporting of hazards, near misses and incidents.

The encouragement of staff to report hazards before they can lead to incidents has resulted in a higher number of hazards being reported in 2023-24 than the previous year, with the result that no incidents were recorded in 2023-24 compared with six in the previous year.

Measure	KPI	2023-24	2022-23	2021-22
Incidents and hazards	Number of incidents	Nil	6	9
	Number of hazards	87	43	20
	Number of staff injuries	8	3	0
	Number of staff medically treated injuries	4	0	0
	Lost Time Injury rate per 100 FTE*	2	0	0
Claims	Number of lost time standard claims	2	0	0
	Rate per 100 FTE*	1.7	0	0
	Average cost per standard claim	\$7250	0	0
Fatalities	Fatality claims	0	0	0

* Full-time equivalent staff

Employment and conduct principles

Ports Victoria is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Our policies and procedures set standards aligned to our values and are designed to create a safe working environment and one that is free from bullying, harassment and other unwelcome behaviours.

Section 3:

Workforce data

Our people

Public sector values and employment principles

We aspire to be an effective, sustainable, diverse and fair organisation, with a culture that creates high levels of employee engagement and performance.

Ports Victoria has a strong foundation with its vision, purpose and values to guide its operations and activities.

We operate in a complex external environment given our role in an industry with local, national and international customers and stakeholders.

Ports Victoria is an equal opportunities employer and embraces the benefits that diversity in our workplace brings.

Workforce inclusion policy

- We introduced our first Diversity, Equity and Inclusion Action Plan in March 2022. Its preparation was guided by the gender equality principles in the *Gender Equality Act 2020* (Vic). Since then, we have sought opportunities to build on the diversity of our organisation.
- We actively support the Victorian Government’s Women in Transport Strategy 2021-2024.
- In March 2024, we conducted a workshop in Melbourne – Introduction to Maritime Diversity, Equity and Inclusion – for our employees and stakeholders. A repeat of the workshop is planned for later in 2024 in Geelong.
- Under our Maritime Equity Program we recruited five female trainees from non-maritime industry backgrounds. Over a six-month period they were provided with comprehensive training and then completed industry certification. They are now fully integrated members of Ports Victoria’s vessel traffic services team in Geelong, working on safe vessel movements in the ports of Geelong and Hastings.
- We are seeking to increase opportunities for Aboriginal and Torres Strait Islander and culturally and linguistically diverse communities within the organisation.

Comparative workforce data

Annualised total salary, by \$20,000 for executives

Income band (salary)	Executives
< \$160,000	0
\$160,000 - \$179,999	0
\$180,000 - \$199,999	0
\$200,000 - \$219,999	3
\$220,000 - \$239,999	6
\$240,000 - \$259,999	2
\$260,000 - \$279,999	0
\$280,000 - \$299,999	0
\$300,000 - \$319,999	5
\$320,000 - \$339,999	0
\$340,000 - \$349,999	2
\$350,000+	1
Total	19

Workforce data

Details of employment levels in June 2023 and 2024

The following tables disclose the headcount and full-time staff equivalent (FTE) of all Ports Victoria employees, employed in the last full pay period in June of the current reporting period and in the last full pay period in June of the previous reporting period (2023).

June 2024	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender							
Male	72	62.72	45	3	46.72	24	16
Female	24	22	14	0	14	10	8
Self-described	0	0	0	0	0	0	0
Age							
15-24	0	0	0	0	0	0	0
25-34	9	7.8	7	1	7.8	1	0
35-44	29	26	20	0	20	9	6
45-54	26	23.6	17	1	17.6	8	6
55-64	22	20	11	0	11	11	9
65+	10	7.32	4	1	4.32	5	3
Classification							
EBA employees	77	65.72	59	3	60.72	15	5
Executives	19	19	0	0	0	19	19
Total employees	96	84.72	59	3	60.72	34	24

June 2023	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender							
Male	71	58.32	36	1	36.32	34	22
Female	20	19	9	0	9	11	10
Self-described	0	0	0	0	0	0	0
Age							
15-24	0	0	0	0	0	0	0
25-34	9	7	5	0	5	4	2
35-44	29	26	17	0	17	12	9
45-54	17	16	10	0	10	7	6
55-64	26	22	9	0	9	17	13
65+	10	6.32	4	1	4.32	5	2
Classification							
EBA employees	74	60.32	45	1	45.32	28	15
Executives	17	17	0	0	0	17	17
Total employees	91	77.32	45	1	45.32	45	32

Section 4:

Other disclosures

Other disclosures

Local jobs first

The *Local Jobs First Act 2003* (Vic) requires public sector bodies to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

The Local Jobs First Act requires all construction projects valued at \$20 million or more to apply the Major Projects Skills Guarantee (MPSG) policy.

Projects started – Local Jobs First Standard

During 2023-24, Ports Victoria started three Local Jobs First Standard projects totalling \$5.52 million. Of those projects, two were located in regional Victoria, with an average commitment of 97.2 per cent local content, and one in metropolitan Melbourne with a commitment of 90 per cent local content. No statewide projects were started. The MPSG did not apply to any of the projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, are as follows:

- An average of 94.8 per cent local content commitment was made.
- A total of 62 jobs (AEE*) were committed, including the creation of 14.2 new jobs and the retention of 47.8 existing jobs.
- A total of two positions for apprentices, trainees and cadets were committed, including the creation of one new position for apprentices, trainees and cadets and the retention of one position for apprentices, trainees and cadets.
- Three small to medium enterprises prepared a Local Industry Development Plan (LIDP) for contracts, successfully appointed principal contractor. Twenty-one small to medium-sized businesses were engaged through the supply chain on commenced Standard Projects.

Projects completed – Local Jobs First Standard

During 2023-24, Ports Victoria completed one Local Jobs First Standard project for a total of \$4 million, in metropolitan Melbourne.

The outcomes expected from the implementation of the Local Jobs First policy to this project where information was provided, were as follows:

- A commitment for an average of 90 per cent local content.
- A total of 40 jobs (AEE) were committed, including the creation of five new jobs and the retention of 35 existing jobs (AEE).
- One new position for apprentices, trainees and cadets was committed.
- No existing positions for apprentices, trainees and cadets were retained.
- No small to medium-sized enterprises prepared an LIDP for contracts, successfully appointed principal contractor. Fourteen small to medium-sized businesses were engaged through the supply chain on the completed Standard Project.

* AAE = *annualised employee equivalent*

Other disclosures

Disclosure of government advertising expenditure

In 2023-24 Ports Victoria did not undertake any advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

Details of consultancies under \$10,000

During the period 1 July 2023 to 30 June 2024, 17 consultants were engaged where the value of the consultancy was less than \$10,000. The total expenditure was \$0.01 million excluding GST.

Details of consultancies over \$10,000

During the period 1 July 2023 to 30 June 2024, 30 consultants were engaged where the value of the consultancy was greater than \$10,000.

The total expenditure was \$2.2 million excluding GST. Details of individual consultancies can be found on the Ports Victoria website ports.vic.gov.au.

Other disclosures

Reviews and studies expenditure

During 2023-24, Ports Victoria undertook 3 reviews and studies for a total cost of \$441,020.

Name of the review / study	Reasons for review / study	Terms of reference / scope	Anticipated outcomes	Estimated cost for the year (ex GST)	Final cost if completed (ex GST)	Publicly available (Y/N) and where
Air Quality Monitoring at Station Pier	<p>To gain a better understanding of the effect on local air quality by operations at Station Pier.</p> <p>Since the previous monitoring in 2016-17 some significant events may have affected air quality. The most significant are the introduction of low-sulphur marine fuels in 2020 and the departure of the <i>Spirit of Tasmania</i> which operated a daily ferry service.</p>	Monitor air quality at Station Pier for 12 months with monthly reporting and monitoring data being accredited by National Association of Testing Authorities (NATA) each month.	A greater understanding of the effect on local air quality by current operations at Station Pier.	\$220,000	Ongoing	Website
Pricing Review	Recent Victorian Government policy and legislative changes have expanded Ports Victoria's role and responsibilities. As a result, the organisation needs to review its fees and charges for current and likely future services it provides to the Victorian port system.	A review and analysis of Ports Victoria's existing and proposed future services, the associated fees and charges for these services, in line with legal and regulatory requirements.	A report on the activities undertaken and resulting analysis and recommendations.	\$129,000	Ongoing	N
Forecast Review and Asset Management Plan for Station Pier	Review the current maintenance forecast for Station Pier and improve the asset management plan.	<p>Review and advise on the current maintenance planning, forecasting and asset management practices.</p> <p>Prepare an Asset Management Plan that satisfies relevant legislative and regulatory requirements, Ports Victoria's asset management objectives, and in accordance with the Department of Treasury and Finance's Asset Management Accountability Framework (AMAF).</p>	Improved forecasting and a fit-for-purpose AMAF-compliant Asset Management Plan for Station Pier.	\$92,020	\$92,020	N

Other disclosures

Information and Communication Technology expenditure

For the 2023-24 reporting period, Ports Victoria had a total Information and Communication Technology (ICT) expenditure of \$4.8 million ex GST, with the details shown below.

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business As Usual (BAU) expenditure	Non-Business As Usual (non-BAU) expenditure Total = OPEX + CAPEX	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
\$4.1 million ex GST	\$0.7 million ex GST	\$0.2 million ex GST	\$0.5 million ex GST

Note:

- **ICT expenditure** refers to Ports Victoria's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.
- **Non-BAU ICT expenditure** relates to extending or enhancing Ports Victoria's current ICT capabilities.
- **BAU ICT expenditure** is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

Freedom of information

The *Freedom of Information Act 1982* (Vic) (the Act) allows the public a right of access to documents held by Ports Victoria. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by a department. This comprises documents both created by Ports Victoria or supplied to Ports Victoria by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by Ports Victoria is available on the Ports Victoria website ports.vic.gov.au under its Part II Information Statement.

The Act allows a department to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a department in-confidence and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time is 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by Ports Victoria, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

FOI requests to Ports Victoria can be lodged by emailing foi@ports.vic.gov.au.

FOI requests can also be posted to:
Freedom of Information Officer
Ports Victoria
GPO Box 1135
GEELONG VIC 3220

Other disclosures

An application fee of \$32.70 applies. Access charges may also be payable if the document pool is large and the search for material is time consuming.

When making an FOI request, applicants should ensure requests are in writing and clearly identify what types of material/documents are being sought.

FOI statistics

Ports Victoria did not receive any FOI requests during 2023-24.

More information

More information regarding the operation and scope of FOI can be found in the FOI Act, the regulations made under the FOI Act and from the OVIC: www.ovic.vic.gov.au.

More information regarding the process for making an FOI request to Ports Victoria can be found on the Ports Victoria website: ports.vic.gov.au.

Compliance with the *Building Act 1993* (Vic)

Buildings were maintained in accordance with relevant building and maintenance provisions in the *Building Act 1993* (Vic) and Building Regulations 2018.

Under Part 15 of the Building Regulations 2018, Ports Victoria is fulfilling its obligations for Essential Safety Measures for buildings in the leased areas at Station Pier.

To ensure buildings conform with relevant standards, Ports Victoria retains experienced building maintenance contractors who are required to be up to date with all relevant standards.

Ports Victoria uses an asset management system for recording maintenance requests, essential service inspections, reporting, scheduling, and rectification and maintenance works on existing buildings.

During the 2023-24 reporting period the following applied to buildings owned by Ports Victoria:

- There were five major works projects (greater than \$50,000). Three were completed before 30 June 2024 and two were still in progress.
- Two building permits and no certificates of final inspection were issued.
- No emergency orders or building orders were issued.
- No buildings were brought into conformity with building standards.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation.

This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Ports Victoria continues to comply with the requirements of the Competitive Neutrality Policy.

Other disclosures

Social Procurement Framework

Ports Victoria considers direct and indirect sustainable procurement in accordance with the Victorian Government Purchasing Board (VGPB) requirements and in accordance with its Social Procurement Framework

The prioritised Social Procurement objectives are:

- (a) to actively consider direct social procurement where social enterprises are within the supply market for goods and services. This was achieved by direct links to a social traders' website and a positive response in each procurement plan to consider direct social procurement.
- (b) to evaluate indirect social procurement using a weighting in the evaluation criteria in accordance with the threshold requirements of VGPB. Evaluation criteria and weighting are clearly identified in request for quote/tender documentation.

The key achievements in delivering Social Procurement objectives for 2023-24 included:

- (a) business awareness of social procurement through better procurement practices
- (b) direct and indirect social procurement enterprises included in the mix of suppliers for cleaning contracts
- (c) indirect social procurement weighting considered as part of all procurements over \$50,000 (even if then not applied except where required by VGPB).

Disclosure of emergency procurement

In 2023-24, Ports Victoria activated Emergency Procurement on one occasion in accordance with the requirements of government policy and accompanying guidelines.

Nature of emergency	Activation date	Summary of goods and services procured under new contracts	Total spend on goods and services in response to emergency	Number of new contracts awarded valued at \$100,000 or more (inclusive of GST)
The contracted supplier for support and maintenance of the port management information system software went into liquidation	12 June 2024	A two-year contract was put in place with an overseas supplier to provide support and maintenance of the port management information software.	\$98,000	Nil

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), Ports Victoria must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

Ports Victoria did not receive any formal complaints relating to the procurement of goods and services in 2023-24.

Other disclosures

Environment

Managing our impact on the environment

Ports Victoria values the environment in which we operate and are mindful that Victorians are deeply connected to the ports and waterways of which we are the custodians.

As part of our business as usual practices we consider the environmental impacts of all our works and broader port operations.

We are committed to compliance with all relevant Commonwealth and Victorian statutory environmental requirements, including our general environmental duty.

The TIA requires Ports Victoria to plan and provide infrastructure which has regard to environmentally sustainable transport system objectives and environmental, social and governance assessment decision making principles.

During 2023-24, we introduced an overarching Environment, Social and Governance (ESG) Policy to set out our commitment to delivering positive environmental, social and economic outcomes and to provide guidance to staff, contractors and other stakeholders on how we will deliver on these commitments together with our sustainability obligations under the TIA.

The ESG Policy represents Ports Victoria's primary position for environmental and sustainability management. It includes a commitment to contribute to the low-carbon transition of the commercial port system and continue to reduce our reliance on fossil fuels for our direct transport and energy needs in order to achieve the Victorian Government's policy of achieving net carbon zero by 2045.

Environmental reporting

For the 2023-24 reporting period, Ports Victoria is reporting in accordance with FRD24 reporting requirements for a 3b entity. Our reporting boundary includes assets and activities directly owned and controlled by Ports Victoria.

The focus of the environmental reporting for this financial year is on direct (scope 1) emissions arising from transport usage for Ports Victoria-owned motor vehicles, marine vessels and stationary energy used by back-up generators and indirect (scope 2) emissions arising from electricity usage at our offices and other directly controlled assets.

The total energy usage for 2023-24 for petroleum fuels used by Ports Victoria's motor vehicles, marine vessels and back-up generators was 2,091.78 GJ. This represents an approximate 9 per cent reduction from the previous (2022-23) financial year's total fuels energy usage of 2,128.36 GJ.

The total energy usage for 2023-24 related to electricity usage at all location was 1,256.92 MWh related to electricity usage at all locations. This represents an approximate 2 per cent increase from the previous (2022-23) financial year's total electricity energy usage of 1,232.86 MWh.

(NB: A figure of 1,264.61 MWh was reported in the 2022-23 annual report for indicator EL1 Total electricity consumption. As a result of further refinements to our calculations, the 2022-23 EL1 indicator has been amended to 1,232.86 MWh).

The largest contributor to Ports Victoria's energy usage during the period is from the operational activities of Station Pier in Port Melbourne.

More detail on the breakdown of fuel and electricity consumption for the 2021-22, 2022-23 and 2023-24 financial years is provided in the tables below.

The main reason for the increase in electricity consumption between 2022-23 and 2023-24 financial years was the increased utilisation of our Geelong head office and the relocation of staff from the Melbourne CBD office to the Station Pier project office.

Ports Victoria currently sources its electricity under a Victorian Government services agreement with suppliers.

Other disclosures

Electricity

Indicator		2023-24	2022-23	2021-22
EL1	Total electricity consumption (MWh)			
	Office: Ports Victoria Headquarters, Geelong	88.16	74.055	57.489
	Office: 530 Collins Street, Melbourne	8.77	29.688	22.564
	Station Pier, Cruise Ship Terminal, Port Melbourne	686.50	675.396	395.210
	Port Operations Control Centre, Port Melbourne	298.15	303.986	335.564
	Point Lonsdale Lighthouse	63.83	60.735	67.616
	Inner Terminal, Station Pier	38.89	NA	NA
	Waterfront Place, Port Melbourne	5.24	0.871	0.362
	Marine beacon, Ventnor	0.94	0.239	NA
	Floyd Lodge, Williamstown	25.27	17.247	23.159
	Radio broadcast station, Drysdale	21.71	51.3	49.754
	Point Nepean Road, Portsea	19.05	19.16	16.809
	Boat berth at Pier 35, Port Melbourne	0.40	0.167	0
	TOTAL EL1 usage	1,256.90	1,232.85	1,008.248
EL2	On-site electricity generated (MWh)			
	On beacons at various locations in the ports of Geelong, Hastings and Melbourne	0.0161	0.0161	0.0161
EL3	On-site installed generation capacity (MW)			
	Nil locations	0	0	0
EL4	Total electricity offsets (MWh)			
	None	0	0	0

Stationary fuel use

Indicator		2023-24	2022-23	2021-22
F1	Total fuels used in buildings and machinery segmented by fuel type (GJ)			
	Gas	74.80	-	-
	Diesel	85.25	-	-
	Total	160.05		
F2	Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (Tonnes CO ₂ -e)	13.50	-	-

Other disclosures

Transportation

Indicator		2023-24	2022-23	2021-22
T1	Total energy used in transportation (GJ)			
	Marine vessels	1,363.72	1,337.17	1,427.70
	Motor vehicles	568.01	791.19	776.19
	Total	1,931.73	2,128.36	2,203.89
T2	Number and proportion of vehicles			
	Marine vessels	3	3	3
	Motor vehicles (unleaded petroleum fuel)	6	7	7
	Motor vehicles (diesel fuel)	1	1	1
	Motor vehicles (hybrids)	5	5	5
	Motor vehicles (EV)	1	0	0
T3	Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category (t CO₂-e)			
	Diesel fuels (automotive)	13.15	18.551	17.589
	Unleaded petroleum fuels (automotive)	22.68	49.168	48.701
	Diesel fuels (marine)	96.01	117.283	125.224

Total energy use

Indicator		2023-24	2022-23	2021-22
E1	Total energy usage from fuels (GJ)			
	Transportation (marine vessels & motor vehicles)	1,931.73	2,128.36	2,203.89
	Stationary (back-up generators)	160.05	-	-
	Total	2,091.78	2,128.36	2,203.89
E2	Total energy usage from electricity (MWh)			
	Electricity supply	1,256.90	1,232.85	1,008.248
	Solar panels	0.0161	0.0161	0.0161
	Total	1,256.92	1,232.86	1,008.264
E3	Total energy usage segmented into renewable and non-renewable sources (MWh)			
	Non-renewable sources	1,256.90	1,232.85	1,008.248
	Renewable sources	0.0161	0.0161	0.0161
	Percentage from green energy sources	0.001%	0.001%	0.002%
	Total	1,256.92	1,232.86	1,008.26
E4	Units of energy used normalised by FTE*, headcount, floor area, or other entity or sector specific quantity (FTE 2021-22 = 68.1, FTE 2022-23 = 77.32, FTE 2023-24 = 84.92)			
	Fuel (GJ) per FTE	24.63	27.53	32.36
	Electricity (MWh) per FTE	14.80	16.36	14.81

Other disclosures

Sustainable buildings and infrastructure

Indicator		2023-24	2022-23	2021-22
B1	Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings			
	Nil			
B2	Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule			
	Nil			
B3	NABERS Energy ratings of newly completed / occupied entity-owned office buildings and substantial tenancy fit-outs			
	Nil			

Greenhouse gases

Indicator		2023-24	2022-23	2021-22
G1	Total scope 1 (direct) greenhouse gas emissions (t CO₂-e)			
	Fuel (Transport)	131.83	185.01	191.51
	Fuel (Stationary)	13.50	-	-
	Total	145.34	185.01	191.51
G2	Total scope 2 (indirect electricity) greenhouse gas emissions (t CO₂-e)			
	Electricity	1,078.51	1,215.91	1,050.52
	Total Scope 1 and 2	1,223.77	1,400.91	1,242.03

Other disclosures

Compliance with the *Public Interest Disclosures Act 2012 (Vic)*

The *Public Interest Disclosures Act 2012 (Vic)* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Ports Victoria does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Ports Victoria will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by Ports Victoria or any of its members, officers or employees must be made directly to one of the following bodies:

Independent Broad-based Anti-Corruption Commission (IBAC):

Postal: GPO Box 24234, Melbourne VIC 3001

Telephone: +61 1300 735 135

Email: info@ibac.vic.gov.au

Website: www.ibac.vic.gov.au

Ombudsman:

Postal: Level 2, 570 Bourke Street, Melbourne VIC 3000

Telephone: +61 3 9613 6222

Email: vomedia@ombudsman.vic.gov.au

Website: www.ombudsman.vic.gov.au

Victorian Inspectorate:

Postal: PO Box 617 Collins Street West, Melbourne VIC 8007 Telephone: +61 3 8614 3225

Email: info@vicinspectorate.vic.gov.au

Website: www.vic.gov.au/vicinspectorate.html

More information

Ports Victoria's Public Interest Disclosures Procedures which outline the system for reporting disclosures of improper conduct or detrimental action by Ports Victoria or any of its members, employees or officers are available on the Ports Victoria website, ports.vic.gov.au.

Compliance with the *Carers Recognition Act 2012 (Vic)* and the *Disability Act 2006 (Vic)*

While these Acts do not specifically apply to Ports Victoria, we acknowledge that all employers have responsibilities in terms of supporting carers and ensuring workplaces are providing fair opportunity for people with disabilities to participate actively in the workforce.

Other disclosures

Statement of availability of other information

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994* (Vic), details in respect of the items listed below have been retained by Ports Victoria and are available on request, subject to the provisions of the *Freedom of Information Act 1982* (Vic):

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- Details of publications produced by Ports Victoria about Ports Victoria and how these can be obtained.
- Details of changes in prices, fees, charges, rates and levies charged by Ports Victoria.
- Details of any major external reviews carried out on Ports Victoria.
- Details of major research and development activities undertaken by Ports Victoria.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by Ports Victoria to develop community awareness of the organisation and its services.
- A general statement on industrial relations within Ports Victoria and details of time lost through industrial accidents and disputes.
- A list of major committees sponsored by Ports Victoria, the purposes of each committee and the extent to which the purposes have been achieved.
- Details of all consultancies and contractors including consultants/contractors engaged, services provided; and expenditure committed to for each engagement.

Additional information included in the report

The following details are included in the Annual Report on the page indicated:

- Details of assessments and measures undertaken to improve the occupational health and safety of employees. See page 38.

Additional information that is not applicable to Ports Victoria

The following information is not applicable to Ports Victoria:

- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.

Other disclosures

Attestation for financial management compliance with Standing Direction 5.1.4

Ports Victoria Financial Management Compliance Attestation Statement

I Howard Ronaldson, on behalf of the Responsible Body, certify that Ports Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* (Vic) and Instructions.

A handwritten signature in black ink, appearing to be 'HR', with a long horizontal line extending to the right.

Howard Ronaldson
Chair

Section 5:

Financial Statements

Ports Victoria
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For the year ended 30 June 2024

How this report is structured

Ports Victoria has presented its audited general purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about Ports Victoria's stewardship of resources entrusted to it.

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Ports Victoria
Certification of Financial Statements
30 June 2024

We certify that the attached financial statements for Ports Victoria have been prepared in accordance with the Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of Ports Victoria as at 30 June 2024.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 September 2024.

A handwritten signature in dark ink, appearing to be 'HR', followed by a long horizontal line extending to the right.

Mr Howard Ronaldson
Chair

25 September 2024

A handwritten signature in dark ink, appearing to be 'C Walker', written in a cursive style.

Mr Craig Walker
Chief Executive Officer

25 September 2024

A handwritten signature in dark ink, appearing to be 'J Mackey', written in a cursive style.

Ms Jacinta Mackey
Chief Financial and
Accounting Officer
25 September 2024



Independent Auditor's Report

To the Board of Ports Victoria

Opinion	<p>I have audited the financial report of Ports Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • certification of financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity'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 it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's 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 entity'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 conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.

I communicate with the Board 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.

MELBOURNE
1 October 2024



Simone Bohan
as delegate for the Auditor-General of Victoria

Ports Victoria
Comprehensive Operating Statement
For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Continuing operations			
Revenue	2.1	57,098	49,636
Finance income		2,523	1,417
Other income		169	671
Total revenue and income		59,790	51,724
Expenses	3.1	(53,852)	(42,355)
Finance costs	8.1.2	(107)	(81)
Total expenses		(53,959)	(42,436)
Net result		5,831	9,288
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3.4	9	(27)
Other gain/(loss) from other economic flow	3.4	(242)	(225)
Total other economic flows included in net results		(233)	(252)
Net result before income tax		5,598	9,036
Income tax benefit/(expense)	7.1	284	(568)
Net result after income tax		5,882	8,468
Other comprehensive income / (loss)			
Items that will not be reclassified to net result after income tax			
Impact of change in tax rate	9.2.2	-	(439)
Employee benefits reserve movements	9.2.2	717	(468)
Other comprehensive income / (loss) for the year, net of tax		717	(907)
Total comprehensive income / (loss) for the year		6,599	7,561

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Ports Victoria
Balance Sheet
As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.2	53,959	48,943
Receivables	5.1	2,393	6,709
Contract assets		3,368	29
Current tax asset	7.1	1,178	-
Other non-financial assets		1,526	1,255
		62,424	56,936
Non-current assets			
Property, plant and equipment	4.1	69,590	64,821
Intangible assets		253	331
		69,843	65,152
Total assets		132,267	122,088
Current liabilities			
Payables	5.2	5,328	1,588
Provisions - employee benefits	3.2.2	7,488	7,748
Interest bearing liabilities - leases	6.1.2	271	612
Current tax liability	7.1	-	449
Other provisions		-	96
		13,087	10,493
Non-current liabilities			
Provisions - employee benefits	3.2.2	467	317
Interest bearing liabilities - leases	6.1.2	2,811	1,575
		3,278	1,892
Total liabilities		16,365	12,385
NET ASSETS		115,902	109,703
Equity			
Contributed capital	9.2.1	114,882	114,882
Reserves	9.2.2	15,194	14,477
Accumulated losses		(14,174)	(19,656)
TOTAL EQUITY		115,902	109,703

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Ports Victoria
Statement of Changes in Equity
For the year ended 30 June 2024

		Contributed capital	Asset revaluation reserve	Employee benefits reserve	Accumulated losses	Total equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		114,882	6,141	8,336	(19,656)	109,703
Net result after income tax		-	-	-	5,882	5,882
Other comprehensive income	9.2.2	-	-	717	-	717
Total comprehensive income for the year		-	-	717	5,882	6,599
Transactions with owners in their capacity as owners:						
Dividend provided for or paid	7.3	-	-	-	(400)	(400)
		-	-	-	(400)	(400)
Balance at 30 June 2024		114,882	6,141	9,053	(14,174)	115,902

		Contributed capital	Asset revaluation reserve	Employee benefits reserve	Accumulated losses	Total equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		114,882	6,580	8,804	(28,124)	102,142
Net result after income tax		-	-	-	8,468	8,468
Other comprehensive income	9.2.2	-	(439)	(468)	-	(907)
Total comprehensive income for the year		-	(439)	(468)	8,468	7,561
Balance at 30 June 2023		114,882	6,141	8,336	(19,656)	109,703

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Ports Victoria
Cash Flow Statement
For the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers		58,082	53,681
Payments to suppliers and employees		(46,016)	(44,371)
Interest received		2,522	1,417
Interest paid on lease payments		(109)	(76)
Income tax instalments (paid)/refund	7.1(d)	(1,651)	(725)
Goods and Services Tax (paid)/refund		(634)	(2,373)
Other receipts		168	671
Net cash inflow/(outflow) from operating activities	6.2.1	12,362	8,224
Cash flows from investing activities			
Payments for infrastructure, plant and equipment		(7,046)	(1,241)
Proceeds from sale of infrastructure, plant and equipment		22	62
Net cash (outflow) from investing activities		(7,024)	(1,179)
Cash flows from financing activities			
Principal elements of lease payments		78	(552)
Dividend		(400)	-
Net cash inflow/(outflow) from financing activities		(322)	(552)
Net increase/(decrease) in cash and cash equivalents		5,016	6,493
Cash and cash equivalents at the beginning of the financial year		48,943	42,450
Cash and cash equivalents at end of the financial year	6.2	53,959	48,943

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

1 ABOUT THIS REPORT

Introduction

This section provides overall information about Ports Victoria and its framework for the preparation of these financial statements.

Structure

- 1.1 Corporate information
- 1.2 Basis of preparation
- 1.3 Compliance information
- 1.4 Critical accounting estimates and judgements

1.1 Corporate information

Ports Victoria is a Government Business Enterprise established by the Victorian Government under the Transport Integration Act 2010 (Vic) (TIA). The Board of Ports Victoria is directly accountable to the Victorian Government through the Minister for Ports and Freight and the Treasurer. Ports Victoria came into existence on 1 July 2021 as a for profit entity.

The main objective of Ports Victoria is to ensure that port waters and channels are managed for access on a fair and reasonable basis. Ports Victoria is responsible for the navigation of commercial shipping in the Port Phillip, Geelong and Hastings shipping channels, together with the management and maintenance of Station Pier and West Finger Pier, the Geelong channel and the Hastings channel. Additionally, Ports Victoria is responsible for ensuring the port operator in the Port of Portland is managing and maintaining the Portland shipping channels in accordance with the port operator's contractual obligations.

These financial statements incorporate all activities of Ports Victoria as an individual reporting entity.

Ports Victoria principal address is East 1E, 13-35 Mackey Street, North Geelong, 3215.

1.2 Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis. The financial statements have been prepared on a going concern basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Ports Victoria. Additions to net assets which have been designated as contributions by owners are recognised as contributed capital.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements have been disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

1 ABOUT THIS REPORT

1.2 Basis of preparation (continued)

Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in note 1.4 under the heading: 'Critical accounting estimates and judgements'.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Figures in the financial statements may not equate due to rounding.

1.3 Compliance information

These general-purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (Vic) and applicable AASs, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

The annual financial statements were authorised for issue by the Board of Ports Victoria on 25 September 2024.

1.4 Critical accounting estimates and judgements

Critical judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognised in the financial statements are:

(i) Recovery of deferred tax assets

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

(ii) Defined benefit superannuation plan

The value of the defined benefit superannuation plan, that applies to some employees, has been calculated using the Projected Unit Credit method, as required by AASB 119. The objective under this method is to expense each member's benefits in the Fund as they accrue, taking into consideration future salary increases and the benefit allocation formula. Thus the total benefit to which each member is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

1 ABOUT THIS REPORT

1.4 Critical accounting estimates and judgements (continued)

(iii) Fair value of infrastructure, property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value in accordance with FRD 103.

The Valuer-General of Victoria (VGV) undertakes an independent revaluation every five years. Ports Victoria is scheduled to undertake an independent revaluation as at 30 June 2025 (unless there is an indication of an asset class having a movement of 40% or more).

In accordance with FRD 103, a fair value assessment was undertaken by management to determine if the carrying amount of all non-current physical assets reasonably approximated their fair value. Land, building, infrastructure property, plant and equipment assets were allocated to a Cash Generating Unit (CGU) and valued using a discounted cash flow method (Value in Use) or Fair Value Less Cost of Disposal (FVLCD). The Value in Use method was used where there was no market based evidence of fair value (value through sale) of these style of assets given the specialised nature of the assets in question.

In the absence of observed market inputs, future-oriented estimates are necessary to measure the recoverable amount of classes of land, buildings, infrastructure, plant and equipment. Determining the carrying amounts of the CGU requires estimation of the effects of uncertain future events on the CGU at the end of the reporting period. The major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of the channel asset within the next financial year are disclosed in Note 8.3

Right of use assets that are allocated to the non-financial asset class 'buildings' have been measured based on AASB 16 and their carrying value approximate their fair value.

(iv) Found land not recognised

During the 2024 financial year, Ports Victoria was made aware of a parcel of land at Lot 1 Francis Street, Spotswood, Victoria 3015 where it may hold the right as registered proprietor of the land. Parks Victoria has been in possession of the land and managed the land since 1997.

It is Ports Victoria's view it does not control the right to potential economic benefits from the land and has commenced the process to surrender the land to the State of Victoria for nil consideration.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

2 FUNDING DELIVERY OF OUR SERVICES

Introduction

This section provides additional information about how Ports Victoria is funded and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

Structure

2.1 Revenue

2.1 Revenue	2024	2023
	\$'000	\$'000
Wharfage fees	-	3,734
Channel fees	16,693	14,392
Anchorage fees	2,720	2,136
Berth hire and Site Occupation charge	8,191	5,478
Port Manager contribution	14,218	17,417
Other charges for services	15,276	6,479
Total revenue	57,098	49,636

Ports Victoria recognises revenue when or as the performance obligation is satisfied i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Revenue is recognised at a point in time or over a period of time depending upon the satisfaction of performance obligations. Please refer below for further details.

Revenue is recognised for the major business activities as follows:

(i) Wharfage fees

Wharfage fees are charged per unit of quantity, volume or weight of cargo for all cargoes loaded on or discharged from vessels or between vessels in the port of Melbourne. Revenue is recognised after the vessel’s departure from its designated berth, at a point in time.

(ii) Channel fees

Channel revenue represents revenue earned from the levying of channel fees (use of shipping channels). The performance obligation allocated to the contract with the customer is when Ports Victoria has fulfilled its contractual obligations (generally the use of the shipping channel by a customer). Revenue is recognised after the vessel’s departure from the channel, at a point in time.

(iii) Anchorage fees

Anchorage fees are charged for the provision of an area for use by vessels seeking safe anchorage in lieu of mooring at a port berth. Fees are charged based on time spent in port waters with a minimum charge of 24 hours. Revenue is recognised over time.

(iv) Berth hire and Site Occupation Charge

Berth hire is a time-based fee charged for the provision of berths for the purpose of loading or discharging specialised cargo and lay-up or other purpose approved by Ports Victoria. Berth hire is not applicable to passenger vessels to which a Site Occupation Charge (SOC) will be levied. The SOC is a charge levied in reference to both the number of incoming passengers arriving on the cruise vessel and the amount of time for which the site was reserved or occupied by such cruise vessel. Revenue is recognised over time.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

2 FUNDING DELIVERY OF OUR SERVICES

2.1 Revenue (continued)

(v) Port Manager contribution

Contribution by the Port Manager under the Port Concession Deed and Port Operations Service Deed. Revenue is recognised on an annual basis over the term of the Deed. Revenue is recognised over time.

(vi) Other charges for services

Services recognised at the time the service to which the revenue relates, is provided or work is undertaken and the revenue is receivable, the revenue is recognised at a point in time. For services provided over a period of time, the revenue is recognised over a period of time. This includes the receipt of \$8.9M from TT Line excluding GST (2023:nil) to vary the lease and licences and business case funding of \$1.2M excluding GST (2023: \$0.5M) received from the Department of Transport.

(vii) Disaggregation of revenue

	2024	2023
	\$'000	\$'000
Timing of revenue recognition		
At a point in time	17,244	18,873
Over a period of time	39,854	30,763
Total revenue	57,098	49,636

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

Introduction

This section provides additional information about how Ports Victoria's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

Structure

- 3.1 Summary of expenses
- 3.2 Employee benefits
- 3.3 Other operating expenses
- 3.4 Other economic flows included in net result

3.1 Summary of expenses

	Notes	2024 \$'000	2023 \$'000
Employee benefits expense	3.2.1	19,624	16,358
Depreciation	4.1.2	3,082	3,191
Amortisation		78	90
Other operating expenses	3.3	31,068	22,716
Total expense		53,852	42,355

3.2 Employee benefits

3.2.1 Employee benefits in the comprehensive operating statement

	Notes	2024 \$'000	2023 \$'000
Defined contribution superannuation expense		1,845	1,348
Salaries and employee benefits expenses		17,779	15,010
Total employee expenses	3.1	19,624	16,358

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, WorkCover premiums, defined benefits superannuation plans, and defined contribution superannuation plans. Ports Victoria does not recognise any defined benefit liability in respect of the State Superannuation Scheme. Department of Treasury and Finance (DTF) recognises and discloses the defined benefit liabilities for the State Superannuation Scheme in its financial report.

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

Defined Benefits under the Port of Melbourne Superannuation Fund are disclosed under Note 3.2.3.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date inclusive of on-costs and recorded as an expense during the period the services are delivered.

	Notes	2024 \$'000	2023 \$'000
Current employee benefits:			
Annual leave entitlements			
<i>Unconditional and expected to wholly settle within 12 months</i>		1,012	838
<i>Unconditional and expected to wholly settle after 12 months</i>		278	241
Long service leave entitlements			
<i>Unconditional and expected to wholly settle within 12 months</i>		167	145
<i>Unconditional and expected to wholly settle after 12 months</i>		1,925	1,523
Defined benefits superannuation fund liability	3.2.3	3,774	4,583
Provision for on-costs			
<i>Unconditional and expected to wholly settle within 12 months</i>		177	140
<i>Unconditional and expected to wholly settle after 12 months</i>		155	278
Total current employee benefits and on-costs		7,488	7,748
Non-current employee benefits			
Long service leave entitlements		442	301
On-costs		25	16
Total non-current employee benefits and on-costs		467	317
Total employee benefits and related on-costs		7,955	8,065

Wages, salaries and sick leave

Liabilities for wages and salaries, expected to be settled within 12 months of the reporting date, are measured at their nominal amounts (including on-costs) using the remuneration rates expected to apply at the time of the settlement and are recognised as current liabilities. Ports Victoria does not have an unconditional right to defer settlement of these liabilities. No liability is recognised for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will not be used. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.2 Employee benefits in the balance sheet (continued)

Annual leave

Annual leave entitlements are accrued on a pro-rata basis in respect of services provided by employees up to the reporting date, having regard to rates expected to apply when the liabilities are settled. The entire obligation has been recognised as a current liability as Ports Victoria does not have an unconditional right to defer settlement. Those liabilities which are expected to be wholly settled within 12 months of the reporting period, are measured at their undiscounted (nominal) values.

Long service leave

Long service leave entitlements are assessed at balance date having regard to expected employees' remuneration rates on settlement, employment related on-costs and other factors including expected accumulated years of employment on settlement and past experience. Commonwealth bond rates are used for discounting future cash flows.

Unconditional long service leave is disclosed as a current liability even when the liability is not expected to settle within 12 months as Ports Victoria does not have an unconditional right to defer the settlement. Those liabilities which are expected to be wholly settled within 12 months of the reporting period, are measured at their undiscounted (nominal) values. Those liabilities that are not expected to be wholly settled within 12 months are measured at present value.

Conditional long service leave is disclosed as a non-current liability as there is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional long service leave is disclosed as a non-current liability measured at present value.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation

Defined benefit superannuation plan

A liability in respect of the Port of Melbourne Superannuation Fund (PMSF) is recognised in the Statement of Financial Position, and is measured in accordance with AASB 119 as the present value of the Defined Benefit Obligation at year end less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The value of the defined benefit superannuation plan has been calculated using the Projected Unit Credit method, as required by AASB 119. The objective under this method is to expense each member's benefits in the Fund as they would accrue, taking into consideration future salary increases and the benefit allocation formula. Thus the total benefit to which each member is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

The PMSF was transferred into the State Superannuation Fund with the Emergency Services Superannuation Scheme (ESSS), effective 29 November 2019. Ports Victoria remains the employer responsible for meeting the accruing costs and liabilities of the transferred members of the PMSF. There were no scheme amendments, curtailments and/or settlements of which Ports Victoria is aware.

The PMSF is a legacy fund that as at 30 June 2024 has 1 active member, 0 deferred pension member and 32 members drawing on a pension (at 30 June 2023 has 1 active member, 0 deferred pension member and 32 members). The total annual pensions was \$2.1M (2023: \$2.0M).

The Fund only has defined benefit members and is closed to new members. Members receive pension benefits on retirement, death and disablement. On withdrawal, members have a choice of receiving a lump sum benefit and/or a deferred pension benefit.

The ESSS Board, as Trustee, is responsible for the governance of the PMSF. The Trustee has the following roles:

- Administration of the Fund including payment of benefits to beneficiaries in accordance with the governing rules, the responsibility of which is outsourced to Iress (Financial Synergy Holdings Pty Ltd)
- Management and investment of the assets of the Fund, the responsibility for which is outsourced to Victorian Funds Management Corporation; and
- Compliance with superannuation law and other applicable regulations.

Future taxes, such as taxes on investment income and employer contributions, are taken into account in the actuarial assumptions used to determine the relevant components of Ports Victoria's defined benefit liability.

The Superannuation Industry Supervision (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS Regulations require an actuarial valuation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions unless an exemption has been obtained. An actuarial valuation has been undertaken as at 30 June 2024 and 2023.

Contribution recommendations

Employer contributions are based on recommendations by the Plan's actuary. The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. Ports Victoria has no legal obligation to settle this liability with an immediate obligation or additional one-off contributions.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation (continued)

Funding method

The method used to determine the employer contribution recommendations at the last actuarial review was the aggregate funding method. The method adopted affects the timing of the cost to Ports Victoria.

Nature of asset/liability

The PMSF does not impose a legal liability on Ports Victoria to cover any deficit that exists in the fund. If the fund were wound up, there would be no legal obligation on Ports Victoria to make good any shortfall. The Trust Deed of the fund states that if the fund winds up, the remaining assets are to be distributed by the Trustee of the fund in an equitable manner as it sees fit.

Ports Victoria may, at any time by notice to the Trustee, terminate its contributions. Ports Victoria has a liability to pay the contributions due before the effective date of the notice, but there is no requirement for it to pay further contributions, irrespective of the financial condition of the fund. However, Ports Victoria does have a constructive obligation for the fund and therefore has recognised a current liability in the Statement of Financial Position in respect of its defined benefit superannuation arrangements.

There are several risks to which the Fund exposes Ports Victoria to. The more significant risks relating to the defined benefits are:

Investment risk - the risk that investment returns will be lower than assumed and Ports Victoria will need to increase contributions to offset this shortfall;

Legislative risk - the risk is that legislative changes could be made which increase the cost of providing the defined benefits;

Pension risk - the risk is that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period;

Inflation risk - the risk that inflation is higher than anticipated, increasing pension payments, and thereby requiring additional employer contributions, and

Salary growth risk - the risk that salaries or wages (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Timing of members leaving service - as the fund is a small fund (i.e. has a small number of members), if members with high benefits leave, this may impact on the financial position of the fund at the time they leave. The impact may be positive or negative depending on the circumstances and timing of withdrawal.

The defined benefit assets are invested with the Victorian Funds Management Corporation, together with the assets of the other State Superannuation Fund schemes. The percentage contribution of each major category of assets is detailed in Note 3.2.3 (g). There were no plan amendments affecting the defined benefits payable, curtailments or settlements during the year.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation (continued)

(a) Balance sheet

		2024	2023
	Notes	\$'000	\$'000
Defined Benefit Obligation		35,952	36,106
Scheme Assets		(32,178)	(31,523)
Deficit/(Surplus)		3,774	4,583
Net liability/(asset)	3.2.3 (b)	3,774	4,583

(b) Reconciliation of the Net Defined Benefit Liability/(Asset)

Movements in the net defined benefit liability/(asset) were as follows:

		2024	2023
	Notes	\$'000	\$'000
Net defined benefit liability/(asset) at start of the year		4,583	4,551
Current services cost		(18)	(18)
Net interest		259	242
Remeasurement in Other Comprehensive Income	3.2.3 (c)	(1,025)	(169)
Employer contributions		(25)	(23)
Net defined benefit liability/(asset) at end of the year	3.2.3 (a)	3,774	4,583

(c) Other Comprehensive Income

		2024	2023
		\$'000	\$'000.
Remeasurement in Other Comprehensive Income			
Actuarial (gain)/loss for year arising from changes in financial assumptions	9.2.2	559	(1,016)
Actuarial (gain)/loss for year arising from changes in demographic assumptions	9.2.2	(886)	-
Actuarial (gain)/loss for year arising from experience	9.2.2	347	1,469
Return on assets less interest income	9.2.2	(1,045)	(622)
Total remeasurements recognised in		(1,025)	(169)
Other Comprehensive Income			

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation (continued)

(d) Reconciliation of Fair Value of Fund Assets

Movements in the fair value of the Defined Benefit Fund assets were as follows:

		2024 \$'000	2023 \$'000
	Notes		
Fair value of Fund assets transferred		31,523	31,274
Interest income		1,721	1,615
Actual return on Fund assets less interest income		1,045	622
Employer contributions		25	23
Contributions by Fund participants		10	9
Benefits paid		(2,103)	(1,975)
Taxes, premiums and expenses paid		(43)	(45)
Fair value of Fund assets at end of the year	3.2.3 (f)	32,178	31,523

(e) Reconciliation of Defined Benefit Obligation

Movements in the defined benefit obligation were as follows:

	2024 \$'000	2023 \$'000
Present value of Defined Benefit Obligation at beginning of the year	36,106	35,826
Current service cost	(18)	(18)
Interest cost	1,981	1,856
Contributions by Fund participants	10	9
Actuarial (gain)/loss arising from changes in financial assumptions	559	(1,016)
Actuarial (gain)/loss arising from changes in liability experience	347	1,469
Actuarial (gain)/loss for year arising from changes in demographic assumptions	(887)	-
Benefits paid	(2,103)	(1,975)
Taxes, premiums and expenses paid	(43)	(45)
Present value of Defined Benefit Obligation at end of the year	35,952	36,106

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation (continued)

(f) Fair value of Defined Benefit Fund assets

As at 30 June 2024

Asset category	Notes	Carrying Amount	Fair value measurement at reporting date:		
		\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investment funds		32,178	-	32,178	-
Total	3.2.3 (d)	32,178	-	32,178	-

As at 30 June 2023

Asset category	Notes	Carrying Amount	Fair value measurement at reporting date:		
		\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investment funds		31,523	-	31,523	-
Total	3.2.3 (d)	31,523	-	31,523	-

We are not aware of the Fund assets including amounts relating to any of Ports Victoria's own financial instruments and any property occupied by, or other assets used by, Ports Victoria.

(g) The percentage invested in each asset class at reporting date

	2024	2023
	%	%
Australian equity	23.5	23.5
International equity	33.0	33.0
Domestic and international debt assets	15.0	16.0
Property	7.5	6.5
Alternatives/Other	13.0	12.5
Cash	8.0	8.5
	100.0	100.0

(h) Significant actuarial assumptions at the reporting date

	2024	2023
Assumptions to determine Defined Benefit Cost	%	%
Discount rate p.a.	5.5	5.7
Future salary increase p.a.	3.0	3.0
First year pension indexation	2.9	3.3
Long-term pension indexation p.a.	2.5	2.5
Mortality	As per the most recent valuation of the State's pension schemes (30 June 2024)	As per the most recent valuation of the State's pension schemes (30 June 2023)
Expected remaining lifetime at age 65		
Male	25.7	26.3
Female	27.1	27.6

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation (continued)

(i) Sensitivity Analysis

The defined benefit obligation (not including tax provisions) is presented on following scenarios for the year ended 30 June 2024 :

<i>Scenario A:</i>	0.5% per annum higher discount rate sensitivity
<i>Scenario B:</i>	0.5% per annum lower discount rate sensitivity
<i>Scenario C:</i>	0.5% per annum higher salary increase rate sensitivity
<i>Scenario D:</i>	0.5% per annum lower salary increase rate sensitivity
<i>Scenario E:</i>	90% per annum of the State Pension Scheme Standard pensioner mortality sensitivity
<i>Scenario F:</i>	110% per annum of the State Pension Scheme Standard pensioner mortality sensitivity
<i>Scenario G:</i>	0.5% per annum higher pension increase rate sensitivity
<i>Scenario H:</i>	0.5% per annum lower pension increase rate sensitivity

					\$'000
Defined Benefit Obligation - Base at 30 June 2024					35,386
Not including tax provision					
30 June 2024	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
Discount rate	5.5% pa	6.03%	5.03%	-	-
Salary increase rate	3.0% pa	-	-	3.50%	2.50%
Pension increase rate	2.5% pa	-	-	-	-
Defined Benefit Obligation		33,792	37,145	35,393	35,378
Change in obligation		(1,594)	1,760	7	(7)
Percentage change in obligation		(4.50%)	4.97%	0.02%	-0.02%

30 June 2024	Base Case	Scenario E	Scenario F	Scenario G	Scenario H
Discount rate	5.5% pa	-	-	-	-
Salary increase rate	3.0% pa	-	-	-	-
Pension increase rate	2.5% pa	-	-	3.00%	2.00%
Defined Benefit Obligation		36,129	34,717	37,400	33,526
Change in obligation		744	(668)	2,015	(1,859)
Percentage change in obligation		2.10%	(1.89%)	5.69%	(5.25%)

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation (continued)

(i) Sensitivity Analysis (continued)

The defined benefit obligation (not including tax provisions) is presented on following scenarios for the year ended 30 June 2023 :

<i>Scenario A:</i>	0.5% per annum higher discount rate sensitivity
<i>Scenario B:</i>	0.5% per annum lower discount rate sensitivity
<i>Scenario C:</i>	0.5% per annum higher salary increase rate sensitivity
<i>Scenario D:</i>	0.5% per annum lower salary increase rate sensitivity
<i>Scenario E:</i>	90% per annum of the State Pension Scheme Standard pensioner mortality sensitivity
<i>Scenario F:</i>	110% per annum of the State Pension Scheme Standard pensioner mortality sensitivity
<i>Scenario G:</i>	0.5% per annum higher pension increase rate sensitivity
<i>Scenario H:</i>	0.5% per annum lower pension increase rate sensitivity

					\$'000.
Defined Benefit Obligation - Base at 30 June 2023					35,419
Not including tax provision					

30 June 2023	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
Discount rate	5.7% pa	6.15%	5.15%	-	-
Salary increase rate	3.0% pa	-	-	3.50%	2.50%
Pension increase rate	2.5% pa	-	-	-	-
Defined Benefit Obligation		33,745	37,274	35,434	35,405
Change in obligation		(1,674)	1,855	14	(14)
Percentage change in obligation		(5.00%)	5.00%	0.00%	%0.00

30 June 2023	Base Case	Scenario E	Scenario F	Scenario G	Scenario H
Discount rate	5.7% pa	-	-	-	-
Salary increase rate	3.0% pa	-	-	-	-
Pension increase rate	2.5% pa	-	-	3.00%	2.00%
Defined Benefit Obligation		36,069	34,835	37,529	33,479
Change in obligation		650	(584)	2,110	(1,940)
Percentage change in obligation		2.00%	(2.00%)	6.00%	(5.00%)

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.2.3 Defined benefit superannuation (continued)

(j) Funding arrangements and funding policy

Employer contributions are based on recommendations by the plan's actuary. The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. Ports Victoria has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions.

For the year ended 30 June 2024, based on the actuary's recommendation, Ports Victoria contributed the following to the Fund:

- 20% (2023: 20%) of superannuation salaries , and
- Expenses were met by PMSF at a rate proposed by the Emergency Services Superannuation Fund.

(k) Expected contributions

	2025 \$'000	2024 \$'000
Expected employer contributions	25	23

(l) Maturity profile of Defined Benefit Obligations

The weighted average duration of the defined benefit obligation as at 30 June 2024 is approximately 10 years (2023: 11 years).

	\$'000
30 June 2025	2,153
30 June 2026	2,269
30 June 2027	2,309
30 June 2028	2,347
30 June 2029	2,383
Following 5 years	12,330

(m) Asset-Liability matching strategies

The assets are invested as shown in the disclosures.

The assets chosen are not designed to match the liabilities exactly, although the nature of the liabilities is considered in setting the investment strategy.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

3 THE COST OF DELIVERING SERVICES

3.3 Other operating expenses

		2024	2023
	Notes	\$'000	\$'000
Contractors and consultant expenses		25,305	17,934
Operating lease expenses - minimum lease payments		516	338
Other expenses		5,247	4,444
Total operating expenses	3.1	31,068	22,716

Other operating expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate. Operating expenses generally represent day-to-day running costs incurred in normal operations.

The increase in contractor and consultant expenses from 2023 to 2024 of \$7M relates mainly to the increase in projects \$4M, Station Pier related repairs and maintenance \$1M, cruise related security expenses \$1M and other \$1M.

The following operating lease payments are recognised on a straight-line basis:

- short-term leases – leases with a term less than 12 months; and
- low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset leased) is no more than \$10,000.

3.4 Other economic flows included in net result

		2024	2023
	Notes	\$'000	\$'000
Net gain/(loss) on non-financial assets			
Loss on sale of asset		9	(27)
Total		9	(27)
Other gain/(loss) from other economic flow			
Defined benefit superannuation expense		(242)	(225)

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

Ports Victoria controls non-current physical assets comprising land, buildings & infrastructure (includes shipping channels) and other plant & equipment that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to Ports Victoria for delivery of those outputs.

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 and Note 1.4 (iii) in connection with how those fair values were determined.

Structure

- 4.1 Property, Infrastructure, plant and equipment
 - 4.1.1 Right-of-use assets: buildings, plant, equipment and vehicles
 - 4.1.2 Depreciation and impairment
 - 4.1.3 Reconciliation of movements in carrying amount

4.1 Property, Infrastructure, plant and equipment

	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	2024 \$'000	2024 \$'000	2024 \$'000
As at 30 June 2024			
Land	3,457	-	3,457
Buildings	13,439	(3,576)	9,863
Plant and equipment & motor vehicles	10,236	(3,968)	6,268
Infrastructure	70,243	(26,088)	44,155
Cultural assets	817	-	817
Assets under construction, at cost	5,030	-	5,030
Net carrying amount	103,222	(33,632)	69,590
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	2023 \$'000	2023 \$'000	2023 \$'000
As at 30 June 2023			
Land	3,457	-	3,457
Buildings	12,504	(3,408)	9,096
Plant and equipment & motor vehicles	8,017	(3,170)	4,847
Infrastructure	70,158	(24,358)	45,800
Cultural assets	817	-	817
Assets under construction, at cost	804	-	804
Net carrying amount	95,757	(30,936)	64,821

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1 Property, plant and equipment (continued)

All items of Property, Infrastructure, plant and equipment are allocated to the purpose group of 'Transport' under the 'classification of the functions of government' (COFOG) framework.

Initial recognition

Items of property, infrastructure, plant and equipment, are measured initially at cost (excluding assets contributed by owner under FRD 119) and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount via contributed capital (as a contribution by owner). All items with a cost or value in excess of \$1,000 and with a useful life greater than one year are recognised as assets, provided the recognition criteria of future economic benefits exists.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Subsequent measurement

Items of property, infrastructure, plant and equipment, are subsequently measured at their fair value in accordance with FRD 103.

Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

If an asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of asset revaluation reserve net of applicable tax and shown in the Comprehensive Operating Statement under "Other Comprehensive Income". However, the increase is recognised in the Comprehensive Operating Statement under "Other economic flows included in net result" to the extent that it reverses a revaluation decrease previously recognised in the net result in respect of that asset.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the Comprehensive Operating Statement under "Other economic flows included in net result". However, the decrease is debited directly to equity under the heading of asset revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1 Property, plant and equipment (continued)

Subsequent measurement (continued)

Gains and losses on disposals of assets are determined by comparing proceeds from sale with the carrying amount and selling costs. These are included in profit or loss. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold or written off is transferred to accumulated losses.

Refer to Note 8.3 for additional information on fair value determination of land, buildings, infrastructure (including shipping channels), plant and equipment.

Initial measurement - Right-of-use asset acquired by lessees

Ports Victoria recognises a right-of-use assets and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- Any lease payments made at or before the commencement date less any lease incentive received; plus
- Any initial direct costs incurred; and
- An estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Subsequent measurement - Right-of-use asset

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets arising from leases with significantly below market terms and conditions, which are subsequently measured at cost.

Ports Victoria depreciates the right-of-use assets (ROU) on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1 Property, plant and equipment (continued)

4.1.1 Right-of-use assets: buildings, plant, equipment and vehicles

At 30 June 2024	Gross carrying amount	Accumulated amortisation	Net carrying amount
	2024	2024	2024
	\$'000	\$'000	\$'000
Buildings at fair value	3,563	(679)	2,884
Plant and equipment & motor vehicles at fair value	-	-	-
Net carrying amount	3,563	(679)	2,884

	Buildings at fair value	Plant and equipment & motor vehicles at fair value	Total
	2024	2024	2024
	\$'000	\$'000	\$'000
Carrying amount 1 July 2023	1,818	6	1,824
Additions	1,560	-	1,560
Disposals	(218)		(218)
Adjustments	(188)	20	(168)
Amortisation	(108)	(6)	(114)
Carrying amount 30 June 2024	2,864	20	2,884

At 30 June 2023	Gross carrying amount	Accumulated amortisation	Net carrying amount
	2023	2023	2023
	\$'000	\$'000	\$'000
Buildings at fair value	2,727	(909)	1,818
Plant and equipment & motor vehicles at fair value	35	(29)	6
Net carrying amount	2,762	(938)	1,824

	Buildings at fair value	Plant and equipment & motor vehicles at fair value	Total
	2023	2023	2023
	\$'000	\$'000	\$'000
Carrying amount 1 July 2022	1,386	22	1,408
Additions	906	-	906
Amortisation	(474)	(16)	(490)
Carrying amount 30 June 2023	1,818	6	1,824

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1.2 Depreciation and impairment

		2024	2023
	Notes	\$'000	\$'000
Depreciation (including amortisation of ROU assets)			
Buildings		407	767
Plant and equipment & vehicles		945	811
Infrastructure		1,730	1,613
Total depreciation	3.1	3,082	3,191

Depreciation expense

Land and cultural assets held by Ports Victoria are not depreciated. All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives (or, in the case of leasehold improvements and certain leased plant and equipment, the lease term if shorter) as follows:

Buildings	1 - 50 years
Infrastructure	1 - 60 years
Plant, equipment and vehicles	1 - 20 years

Assets under construction are not depreciated. At the point the asset has been constructed and is available for use, the asset is transferred to the appropriate asset class and then depreciated.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where Ports Victoria obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial reporting period and, where revised, are accounted for as a change in an accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated, with the exception of all costs incurred for Station Pier which are expensed as incurred, given that currently no future economic benefit exists.

Major maintenance dredging costs

The shipping channels in port waters are subject to deterioration through siltation, which reduces the depth of water available to commercial shipping. The channels are restored to proper depths by routine maintenance dredging. Dredging and associated costs (including all costs incurred under the dredging contract to restore the channels to original depths) are expensed as incurred. Dredging and associated costs (where the shipping channels are widened and improved) are capitalised and depreciated over its useful life (once the asset is ready for use).

During the year ended 30 June 2024 as part of the fair value assessment process, no impairment indicators were identified, nor was a managerial revaluation required.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1.3 Reconciliation of movements in carrying amount

		Land	Buildings	Plant and equipment & motor vehicles	Infrastructure	Cultural assets	Assets under construction	Total
Year ended 30 June 2024	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2023		3,457	9,096	4,847	45,800	817	804	64,821
Transfer of assets under construction		-	-	2,124	-	-	(2,461)	(337)
Additions		-	1,595	252	85	-	7,121	9,053
Disposals		-	(218)	(10)	-	-	(434)	(662)
Reclassification		-	(203)	-	-	-	-	(203)
Depreciation charge		-	(407)	(945)	(1,730)	-	-	(3,082)
Carrying amount 30 June 2024		3,457	9,863	6,268	44,155	817	5,030	69,590

At 30 June 2024

Fair value 2024		3,457	13,439	10,236	70,243	817	-	98,192
Cost		-	-	-	-	-	5,030	5,030
Accumulated depreciation and impairment		-	(3,576)	(3,968)	(24,753)	-	-	(32,297)
Net carrying amount	8.3.1(a)	3,457	9,863	6,268	45,490	817	5,030	70,925

4.1.3 Reconciliation of movements in carrying amount

		Land	Buildings	Plant and equipment & motor vehicles	Infrastructure	Cultural assets	Assets under construction	Total
Year ended 30 June 2023	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2022		3,457	8,852	4,722	47,315	817	1,133	66,296
Transfer of assets under construction		-	105	991	97	-	(1,193)	-
Additions		-	906	-	-	-	864	1,770
Disposals		-	-	(54)	-	-	-	(54)
Depreciation charge		-	(767)	(812)	(1,612)	-	-	(3,191)
Carrying amount 30 June 2023		3,457	9,096	4,847	45,800	817	804	64,821

At 30 June 2023

Fair value 2023		3,457	12,504	8,017	70,158	817	-	94,953
Cost		-	-	-	-	-	804	804
Accumulated depreciation and impairment		-	(3,408)	(3,170)	(24,358)	-	-	(30,936)
Net carrying amount	8.3.1(a)	3,457	9,096	4,847	45,800	817	804	64,821

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

5 OTHER ASSETS AND LIABILITIES

Introduction

This section sets out any other assets and liabilities that arose from Ports Victoria's operations.

Structure

5.1 Receivables

5.2 Payables

5.1 Receivables

	Notes	2024 \$'000	2023 \$'000
Current			
Contractual			
Trade receivables (i)	8.1.1	2,393	6,709
		2,393	6,709
<i>(i) Ageing analysis of contractual receivables</i>			
0 - 30 days		1,887	1,403
31 - 60 days		328	5,300
61 - 90 days		44	6
91 - 120 days		134	-
		2,393	6,709

Receivables

Receivables consist of contractual receivables. Contractual receivables mainly include trade receivables in relation to goods and services and are classified as financial instruments in Note 8.

Trade receivables are amounts due for services rendered to customers of Ports Victoria in the ordinary course of business and generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are held with the objective to collect contractual cashflows and therefore measured at amortised cost using the effective interest method, less provision for impairment.

Ports Victoria applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. Details of Ports Victoria's Impairment Policy are set out in Note 8.1.

No provision for expected credit loss has been recognised given the low level of historical impairment loss and current year collection statistics.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

5 OTHER ASSETS AND LIABILITIES

5.2 Payables

	Notes	2024 \$'000	2023 \$'000
Current			
Contractual			
Trade payables (i)		2,308	167
Accrued expenses (i)		3,265	1,026
	8.1.1	5,573	1,193
Statutory			
FBT payable		36	42
GST payable/(receivable)		(281)	353
		(245)	395
Total payables		5,328	1,588
<i>(i) Maturity analysis of contractual payables</i>			
Less than 1 month		5,573	1,166
1 - 3 months		-	27
		5,573	1,193

Payables

Payables consist of contractual payables and statutory payables. Contractual payables include mainly trade payables creditors in relation to goods and services. Statutory payables include GST payable and fringe benefits tax. Contractual payables are classified as financial instruments in Note 8. Statutory payables are not classified as financial instruments as they do not arise from a contract.

Trade payables are carried at amortised cost. Due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to Ports Victoria prior to the end of the financial year that are unpaid as at year end. The amounts are unsecured and are usually paid within 30 days of recognition.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

6 FINANCING OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by Ports Victoria during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Ports Victoria.

Structure

- 6.1 Leases
- 6.2 Cash flow information and balances
- 6.3 Commitments for expenditure

6.1 Leases

As lessee

Ports Victoria lease properties in Geelong, Melbourne and a number of sites for radar transmitters and navigational aids. Rental contracts are typically made for fixed periods of 5 years to 10 years, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

6.1.2 Amounts recognised in the Balance Sheet

	Notes	2024 \$'000	2023 \$'000
Lease liabilities			
Current	8.1.1	271	612
Non-current	8.1.1	2,811	1,575
		3,082	2,187

Right-of-use assets are presented in note 4.1.1

Additions to the right-of use assets during the 2024 financial year were \$1.6M (2023: \$0.9M).

6.1.3 Amounts recognised in the Comprehensive Operating Statement

	Notes	2024 \$'000	2023 \$'000
Depreciation charge of right-of-use assets			
Buildings		108	474
Plant and equipment & motor vehicles		6	16
	4.1.1	114	490
Interest expense	8.1.2	108	76
Expenses relating to short term leases		516	338
The total cash outflow for leases		30	628

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

6 FINANCING OUR OPERATIONS

6.1.4 Accounting for leases

For any new contracts entered into, Ports Victoria considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Ports Victoria assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Ports Victoria and for which the supplier does not have substantive substitution rights;
- whether Ports Victoria has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use; and
- whether Ports Victoria has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Ports Victoria incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

Ports Victoria has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Ports Victoria is party to low value leases for seabeds and locations where navigational equipment is maintained on crown land. These leases are generally for a period greater than 12 months and a nominal annual amount of \$1 is payable on demand. These leases are recorded at cost.

Presentation of right-of-use assets and lease liabilities

Ports Victoria presents right-of-use assets as 'Property, plant and equipment'. Lease liabilities are presented as 'Interest bearing liabilities' in the balance sheet.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

6 HOW WE FINANCED OUR OPERATIONS

6.2 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	Notes	2024 \$'000	2023 \$'000
Cash and cash equivalents			
Cash at bank and in hand (i)		53,959	48,943
	8.1.1	53,959	48,943

(i) Cash at bank earns a weighted average interest rate of 4.50% at 30 June 2024 (2023 4.25%).

6.2.1 Reconciliation of profit / (loss) after income tax to net cash inflow from operating activities

	Notes	2024 \$'000	2023 \$'000
Profit / (loss) after tax for the period		5,882	8,468
Non-cash movements in income and expense			
Amortisation	3.1	78	90
Depreciation and impairment	4.1.2	3,082	3,191
Defined Benefit Superannuation Scheme adjustment		719	168
Loss on sale of assets		(9)	59
Change in operating assets and liabilities			
Decrease/(Increase) in receivables		4,316	(344)
(Increase)/Decrease in other operating assets		(3,610)	13
(Decrease)/Increase in payables		3,737	(3,159)
(Increase)/Decrease in current tax asset		(1,627)	(158)
Increase/(Decrease) in provisions - employee benefits		(110)	84
(Decrease)/Increase in other liabilities and other provisions		(96)	(188)
Net cash from operating activities		12,362	8,224

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

6 HOW WE FINANCED OUR OPERATIONS

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(a) Commitments for expenditure

	2024	2023
	\$'000	\$'000
Capital expenditure commitments		
Commitments for the construction and acquisition of land, buildings, infrastructure, plant and equipment, contracted for at balance date but not incurred or recognised as liabilities		
	1,237	206
Total capital expenditure commitments (net of GST)	1,237	206
Operating expenditure commitments		
Commitments for the payments of operating expenditure excluding lease commitments contracted for at balance date but not incurred or recognised as liabilities		
	20,140	16,189
Total operating expenditure commitments (net of GST)	20,140	16,189
Total commitments for expenditure (net of GST)	21,377	16,395

(b) Commitments for expenditure payable

Capital expenditure commitments payable		
- within one year	736	206
- later than one year but not later than five years	501	-
Total capital expenditure commitments (net of GST)	1,237	206
Operating expenditure commitments payable (excluding lease commitments)		
- within one year	10,274	4,018
- later than one year but not later than five years	9,786	12,171
- later than five years	80	-
Total operating expenditure commitments (excluding lease commitments)	20,140	16,189
Total commitments for expenditure payable (net of GST)	21,377	16,395

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

7 TAXATION AND TRANSACTIONS WITH THE STATE

Ports Victoria is subject to the National Tax Equivalent Regime (NTER). In accordance with this legislation, Ports Victoria is required to pay to the State Government Consolidated Fund, amounts determined to be equivalent to the amounts that would be payable by Ports Victoria if it was subject to the Income Tax Assessment Act 1936 (Cwlth) and Income Tax Assessment Act 1997 (Cwlth).

Structure

7.1 Income tax

7.2 Deferred tax

7.3 Dividends

7.1 Income tax

	Notes	2024 \$'000	2023 \$'000
(a) Income tax expense			
Current tax expense/(benefit)	7.1(d)	24	1,644
Recognition of Deferred Tax Asset to offset change in tax rate		-	(1,025)
Deferred Movement in Equity		(308)	(51)
Current tax expense/(benefit) on Capital Gain		2,660	-
Recognition of Deferred Tax Asset to offset Capital Gain	7.2 (a)	(2,660)	-
Income tax expense/(benefit) recognised in the statement of comprehensive income		(284)	568

The tax expenses or income represents the tax payable on the current year's taxable income or tax loss based on the prevailing income tax rate, adjusted for changes in deferred tax assets and liabilities. For 2023-24, the income tax rate is 30.0% (2022-23: 30.0%).

	Notes	2024 \$'000	2023 \$'000
(b) Reconciliation of income tax expense to prima facie tax payable			
Profit/(loss) before income tax expense		5,598	9,036
Tax/(benefit) at the Australian tax rate of 30.0% (2022-23: 30.0%)		1,678	2,711
Tax effect of non deductible/(taxable) and net DTA recognised to offset tax payable		(965)	(75)
Recognition of Deferred Tax Asset to offset change in tax rate		-	(1,025)
Deferred Movement in Equity		(308)	(51)
Net deferred tax not recognised (brought to account)		(689)	(992)
Income tax (benefit)/expense		(284)	568

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

7 TAXATION AND TRANSACTIONS WITH THE STATE

7.1 Income tax (continued)

		2024	2023
		\$'000	\$'000
(c) Tax expense/(benefit) relating to items of other comprehensive income			
Employee benefits reserve	9.2.2	(308)	(51)
		(308)	(51)

		2024	2023
		\$'000	\$'000
(d) Movement in current tax (assets)/liabilities:	Notes		
Carrying amount 1 July		449	(470)
Charged to income tax expense	7.1(a)	24	1,644
Income tax instalment paid		(1,651)	(725)
Carrying amount 30 June		(1,178)	449

7.2 Deferred tax

(a) Deferred tax assets

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

		2024	2023
		\$'000	\$'000
Movement in deferred tax assets:			
Carrying amount 1 July		-	-
Deferred tax assets opening balance recognised to offset deferred tax liability		1,864	5,298
Equity movement via Other Comprehensive Income	9.2.2	(308)	(51)
Deferred tax liability offset against deferred tax asset		(867)	(3,179)
Deferred tax assets recognised		(689)	(2,068)
Recognition of deferred tax asset on carried forward capital losses	7.1 (a)	(2,660)	-
Utilisation of unrecognised carried forward capital losses		2,660	-
Carrying amount 30 June		-	-

Deferred tax assets not brought to account, the benefits of which will only be recognised when it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised:

Temporary differences	13,442	14,449
Tax losses		
- revenue losses	1,668	-
Tax losses - capital	350	2,508

(i) in accordance with paragraph 61A of AASB 112 Income Taxes

During the FY2023-24 year, unrecognised carried forward capital losses were utilised against a capital gain arising from the receipt from TT-Lines of \$8.9M for the variation of lease and licences. This is the carry forward balance remaining after utilisation of losses.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

7 Taxation and transactions with the State

7.2 Deferred tax (continued)

(b) Deferred tax liabilities

Deferred income tax liabilities are recognised for all taxable temporary differences.

	2024	2023
	\$'000	\$'000
Movement in deferred tax liabilities:		
Carrying amount 1 July	-	-
Deferred tax liability balance recognised to offset against deferred tax assets	867	3,179
Deferred tax assets offset against deferred tax liability	(867)	(3,179)
Carrying amount 30 June	-	-
Net deferred tax (asset)/liability	-	-

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and Ports Victoria intends to settle its current tax assets and liabilities on a net basis.

7.3 Dividends

Ports Victoria is required to pay an efficiency savings payment to the Victorian State Government. This totalled \$0.4M for the Financial Year 2023-24. Only dividends declared on or before reporting date are recognised as a liability.

For the current reporting period, the efficiency savings payment / dividend was \$0.4M (2023: nil).

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

Ports Victoria is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Ports Victoria related mainly to fair value determination.

Structure

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination

8.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Ports Victoria's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Categories of financial instruments

(i) Financial assets at amortised cost

Financial assets measured at amortised cost are financial instruments which meet both of the following criteria and are not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Ports Victoria recognises the following financial assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.1 Financial instruments specific disclosures (continued)

(ii) Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the weighted average interest rate method.

Ports Victoria recognises the following financial assets in this category:

- contractual payables; and
- interest bearing liabilities.

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Ports Victoria retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Ports Victoria has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

(iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(v) Impairment of financial assets

Under AASB 9, loss allowances are measured on the following basis:

- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

No provision for ECL has been recognised given the low level of historical impairment loss and current year collection experience.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

	Notes	2024 \$'000	2023 \$'000
8.1.1 Financial instruments: Categorisation			
Contractual financial assets			
Current assets			
Cash and cash equivalents	6.2	53,959	48,943
Trade receivables	5.1	2,393	6,709
Total contractual financial assets		56,352	55,652
Contractual financial liabilities			
Liabilities at amortised cost			
Current liabilities			
Interest bearing liabilities	6.1.2	271	612
Payables	5.2	5,573	1,193
Non Current liabilities			
Interest bearing liabilities	6.1.2	2,811	1,575
Total contractual financial liabilities		8,655	3,380
8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category			
Interest income on contractual financial assets (i)		2,523	1,417
Interest expense on contractual financial liabilities (ii)		1	(5)
Interest expense on Interest bearing liabilities	6.1.3	(108)	(76)
		(107)	(81)
Total		2,416	1,336

(i) The net holding gain/(loss) on contractual financial assets equates to the interest income on cash and cash equivalents.

(ii) The net holding gain/(loss) on contractual financial liabilities equates to the interest expense on Interest bearing liabilities.

Interest expense includes costs incurred relating to the interest component of lease repayments. Interest expense is recognised in the period in which it is incurred.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.1.3 Financial risk management objectives and policies

As a whole, Ports Victoria's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in the relevant notes.

The main purpose in holding financial instruments is to prudentially manage Ports Victoria's financial risks within the State Government's policy parameters. Ports Victoria's main financial risk is liquidity risk. Ports Victoria manages these financial risks in accordance with various financial management policies.

Financial risk management

Ports Victoria maintains a Risk Management System which is integrated with its business planning processes. There is a formally documented Risk Management Policy, Risk Management Procedures and a framework. A Financial Risk Management Assessment is presented to the Audit Committee of the Board on an annual basis in line with the requirements of the Standing Directions of the Minister for Finance, under the Financial Management Act 1994 (Vic).

Financial instruments: Liquidity risk

Liquidity risk is the risk that Ports Victoria will be unable to meet its financial obligations as and when they fall due. Ports Victoria, cognisant of the seasonal nature of the cruise industry, manages its liquidity risk to ensure that adequate cash funds are available at all times to meet its commitments as they arise. This objective is met through:

- sound cash management practices;
- regular identification and monitoring of the maturity profile of liquid assets and liabilities together with regular cash flow forecasting;
- having sufficient temporary purpose financial accommodation from Treasury Corporation of Victoria; and
- investments that are limited to highly liquid and secure assets.

Ports Victoria's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed in Note 8.1.1.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.1.3 Financial risk management objectives and policies (continued)

Financial instruments: Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to Ports Victoria. The carrying amount of Ports Victoria's financial assets recognised in the Balance Sheet, net of any provisions for doubtful debts, represents Ports Victoria's maximum exposure to credit risk from financial assets.

Ports Victoria actively manages its credit risk using a range of processes and procedures. These include performing credit checks for new and existing customers as required, obtaining bank guarantees where considered appropriate and monitoring the performance of significant trading partners on an ongoing basis.

Ports Victoria does not engage in hedging for its contractual assets and only deals with banks with high credit ratings.

No provision for impairment of financial assets has been recognised based on past experience and current and expected changes in client's credit ratings. Ports Victoria's exposure to credit risk is low as detailed in the ageing analysis provided in Note 5.1.

Financial instruments: Market risk

Ports Victoria's exposures to market risk are limited to interest rate risk where Ports Victoria holds instrument bearing variable interest rates, which has been assessed to limited to cash & cash equivalents.

Financial instruments: Foreign currency risk

Ports Victoria's exposures to foreign currency risk are minimal as the financial transactions are generally dominated in Australian dollars.

Interest rate risk and financial liability and financial asset maturity analysis

The exposure to variable interest rate risks, the effective weighted average interest rates for financial assets and financial liabilities and their maturity profiles at the reporting date are as follows:

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.1.3 Financial risk management objectives and policies (continued)

	Carrying Amount \$'000	Fixed Interest \$'000	Floating Interest \$'000	Non Interest Bearing \$'000
At 30 June 2024				
Financial assets				
Cash and cash equivalents (<i>Weighted average interest rate 4.50%</i>)	53,959	-	53,959	-
Trade receivables	2,393	-	-	2,393
Financial liabilities				
Interest bearing liabilities (<i>Weighted average interest rate 4.6%</i>)	(3,082)	(3,082)	-	-
Payables	(5,573)	-	-	(5,573)
Net financial assets/(liabilities)	47,697	(3,082)	53,959	(3,180)

	Carrying Amount \$'000.	Fixed Interest \$'000.	Floating Interest \$'000.	Non Interest Bearing \$'000.
At 30 June 2023				
Financial assets				
Cash and cash equivalents (<i>Weighted average interest rate 4.25%</i>)	48,943	-	48,943	-
Trade receivables	6,709	-	-	6,709
Financial liabilities				
Interest bearing liabilities (<i>Weighted average interest rate 3.7%</i>)	(2,187)	(2,187)	-	-
Payables	(1,193)	-	-	(1,193)
Net financial assets/(liabilities)	52,272	(2,187)	48,943	5,516

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Ports Victoria has no contingent assets as at the reporting date.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Ports Victoria has no contingent liabilities as at the reporting date.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.3 Fair value determination

Ports Victoria's property, plant and equipment assets are measured and disclosed at fair value for financial reporting purposes as per Note 4.1. In order to determine fair value of an asset or a liability, Ports Victoria uses market-observable data to the extent it is available. The carrying value of all of Ports Victoria's financial assets and liabilities approximate their fair value.

8.3.1 Net fair value of non-financial physical assets

In accordance with FRD 103: Non-Financial Physical Assets requirements, as at each balance date, management assesses the fair value of non-financial physical assets and undertakes a scheduled independent valuations of all such assets every 5 years (next due in 2025). An independent valuation for a class of non-current physical assets is also obtained where a fair value assessment has indicated a movement in excess of 40% in the fair value of that asset class.

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(a) Fair value measurement hierarchy for assets

	Carrying amount \$'000	Fair value measurement at reporting period using		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Asset class at 30 June 2024				
Land	3,457	-	1,097	2,360
Buildings	9,863	-	2,884	6,979
Plant and equipment & motor vehicles	6,268	-	-	6,268
Infrastructure	44,155	-	-	44,155
Cultural assets	817	-	-	817
Total	64,560	-	3,981	60,579
	Carrying amount \$'000	Fair value measurement at		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Asset class at 30 June 2023				
Land	3,457	-	1,097	2,360
Buildings	9,096	-	1,818	7,278
Plant and equipment & motor vehicles	4,847	-	6	4,841
Infrastructure	45,800	-	-	45,800
Cultural assets	817	-	-	817
Total	64,017	-	2,921	61,096

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.3 Fair value determination (continued)

8.3.1 Net fair value of non-financial physical assets (continued)

(b) Reconciliation of Level 3 fair value as at 30 June 2024:

	Land	Buildings	Plant and equipment & motor vehicles	Infrastructure	Cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance - 1 July 2023:	2,360	7,278	4,841	45,800	817	61,096
Additions	-	-	2,376	85	-	2,461
Disposals	-	-	(10)	-	-	(10)
Revaluation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Depreciation	-	(299)	(939)	(1,730)	-	(2,968)
Closing balance - 30 June 2024:	2,360	6,979	6,268	44,155	817	60,579

(b) Reconciliation of Level 3 fair value as at 30 June 2023:

	Land	Buildings	Plant and equipment & motor vehicles	Infrastructure	Cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance - 1 July 2022:	2,360	7,466	4,700	47,315	817	62,658
Additions	-	105	992	97	-	1,194
Disposals	-	-	(54)	-	-	(54)
Depreciation	-	(293)	(797)	(1,612)	-	(2,702)
Closing balance - 30 June 2023:	2,360	7,278	4,841	45,800	817	61,096

Ports Victoria

Notes to the Financial Statements

For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.3 Fair value determination (continued)

(c) Key assumption used in determining the fair value at 30 June 2024

Based on the specialised nature of Ports Victoria non-financial assets, Value in Use valuations were performed for the identified Cash Generating Units (CGUs). The Value in Use calculations were assessed against the carrying value of the non-financial assets to determine the recoverable amount.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The CGUs identified are:

- Geelong Channel: representing the channel, navigational aids and Vessel Traffic Services (VTS) for access to the Port of Geelong.
- Hastings Channel: representing the channel, navigational aids and VTS for access to the Port of Hastings.
- Station Pier: representing the assets for access to Station Pier.
- Melbourne Shipping: representing the VTS and services provided to the Port of Melbourne under the Port Operation Services Deed.

(i) Station Pier and Melbourne Shipping CGU - Land

Land is held at fair value. The fair value has been initially determined on the basis of comparable land sales / market-based evidence (Level 2 in nature) prior to the consideration of economic obsolescence for the land allocated to the CGU. Comparable land sales are based on an independent valuation report obtained by the predecessor entities for the year ended 30 June 2020 (being the entity that controlled the land prior to the transfer to Ports Victoria) and adjusted for indexation published by the Victorian Valuer Generals Office. The land is within a port zone and considered specialised land. To assess economic obsolescence, a discounted cash flow (DCF) model, representing a Value In Use calculation, for the CGUs has been used to cross-check for potential economic obsolescence and impairment of the carrying value. The assets carrying values approximated fair value, noting a 'minimal value' of the land approximated the land value based on comparable land sales (per the 2020 valuation) and adjusted for indexation published by the Valuer-General Victoria.

(ii) Station Pier and Melbourne Shipping CGU - Buildings, Plant and Equipment

Buildings, infrastructure and plant and equipment are held at fair value. These assets have been measured at fair value based initially on their FVLCD (considering the current replacement cost, less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset), prior to the consideration of economic obsolescence. Classification with respect to the fair value hierarchy has been determined as being Level 3 in nature. To assess economic obsolescence, a discounted cash flow (DCF) model, representing a Value In Use calculation, for the CGUs has been used to cross-check for potential economic obsolescence and impairment of the carrying value. For the Melbourne Shipping CGU, the assets carrying values of buildings approximated fair value (noting a 'minimal value' of the buildings approximated the building value based on comparable land sales (per the 2020 valuation) and adjusted for indexation published by the Valuers General Victoria.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.3 Fair value determination (continued)

8.3.1 Net fair value of non-financial physical assets (continued)

(iii) Station Pier and Melbourne Shipping CGU - Infrastructure

Infrastructure is held at fair value. Piers and other port related assets were valued using a discounted cash flow method (value in use). This method was applied to piers and other port as there was no market based evidence of fair value (value through sale) of these type of assets given the specialised nature of the assets in question (the assets would rarely be sold (if ever), except as part of a continuing business). Carrying value approximated fair value for these assets.

(iv) Geelong Channel and Hastings Channel CGU - Infrastructure

Infrastructure is held at fair value. Channel asset and navigation aids were valued using a discounted cash flow method (value in use). This method was applied to channel asset and navigational aids as there was no market based evidence of fair value (value through sale) of these type of assets given the specialised nature of the assets in question (the channel assets and navigational aids would rarely be sold (if ever), except as part of a continuing business). Carrying value approximated fair value for these assets

(v) Geelong Channel and Hastings Channel CGU - Plant and Equipment

Plant and equipment are held at fair value. Fair value is determined using the current replacement cost, less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Carrying value approximated fair value for these assets.

(vi) Corporate assets not assigned to a CGU

Buildings are held at fair value and represent a right-of-use asset under AASB 16 (refer note 4.1). Management make an assessment each period of the contractual terms that support the right of use asset against current market conditions, noting carrying value approximated fair value for these assets. Vehicles are held at fair value. Fair value is determined using the current replacement cost, less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Ports Victoria acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by management who set relevant depreciation rates during use to reflect the utilisation of the vehicles. Carrying value approximated fair value for these assets.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.3 Fair value determination (continued)

8.3.1 Net fair value of non-financial physical assets (continued)

(vii) Value in Use assumptions	Geelong	Hastings		Melbourne
2024	Channel	Channel	Station Pier	Shipping
Cash flows:				
Cash flow period	40 years	40 years	10 years	43 years
Growth rate - annual	2.5%	2.5%	2.5%	2.5%
Discount Rate post tax:	9.20%	9.20%	10.20%	9.20%
Risk free rate	3.50%	3.50%	3.50%	3.50%
Equity market risk premium	6.00%	6.00%	6.00%	6.00%
Equity beta	0.83	0.83	0.95	0.83
Alpha risk	0.88%	0.88%	1.40%	0.88%
2023	Geelong	Hastings		Melbourne
	Channel	Channel	Station Pier	Shipping
Cash flows:				
Cash flow period	40 years	40 years	10 years	43 years
Growth rate - annual	2.5%	2.5%	2.5%	2.5%
Discount Rate post tax:	9.40%	9.40%	10.40%	9.80%
Risk free rate	3.30%	3.30%	3.30%	3.30%
Equity market risk premium	6.00%	6.00%	6.00%	6.00%
Equity beta	0.89	0.89	1.01	0.89
Alpha risk	0.88%	0.88%	1.40%	1.40%

Cash flows:

Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the period of the cash flows. Cash flow projections are consistent with the most recent financial budgets/forecasts, in line with the corporate plan, approved by the Board and exclude any estimated future cash inflows or outflows expected to arise from future restructurings. Estimated cash flow projections beyond the period covered by the most recent budgets/forecasts have been extrapolated by applying a growth rate for subsequent years and adjusting for specific planned future cash flows events.

Risk free rate:

Based on 10-year Australian Government bond rate.

Equity market risk premium:

Based on Industry valuations practices survey.

Equity beta:

Professional judgement based on Australian companies who operate Infrastructure assets or operating in the transportation industry.

Alpha risk:

Alpha risk represents additional risks regarding the operations and nature of the CGU. Primary Alpha applied due to the inherent uncertainty of the future of Station Pier and impact of emission reductions requirements on shipping that was not adjusted in the cash flows.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.3 Fair value determination (continued)

8.3.2 Description of significant unobservable inputs to level 3 valuations at 30 June 2024 and 2023

	Valuation technique	Significant unobservable inputs	Range/Weighted Average	Sensitivity of fair value measurements to change in significant
Land	Market approach adjusted for economic obsolescence (where applicable) via a Value in Use calculation.	Refer note 8.3.1(c).	N/A	Refer note 8.3.3.
Buildings	Market approach adjusted for economic obsolescence (where applicable) via a Value in Use calculation.	Refer note 8.3.1(c).	N/A	Refer note 8.3.3.
Infrastructure	Value in Use (discounted cash flow).	Refer note 8.3.1(c).	N/A	Refer note 8.3.3.
Plant & equipment - <i>Station Pier and Melbourne Shipping</i>	Current replacement cost adjusted for economic obsolescence via a Value in Use calculation.	Refer note 8.3.1(c).	N/A	Refer note 8.3.3.
Plant & equipment - <i>Non Station Pier and Melbourne Shipping</i>	Current replacement cost.	Cost per Unit	\$12,349	Refer note 8.3.3.
		Useful life of plant and equipment	Note 4.1.2	
Vehicles	Current replacement cost.	Cost per Unit	\$49,000	Refer note 8.3.3.
		Useful life of plant and equipment	Note 4.1.2	

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

8.3 Fair value determination (continued)

8.3.3 Significant unobservable inputs to level 3 valuations sensitivity analysis

In the absence of observed market inputs, future-oriented estimates are necessary to measure the recoverable amount of classes of land, buildings, infrastructure, plant and equipment. Determining the carrying amounts of these assets requires estimation of the effects of uncertain future events on the assets at the end of the reporting period. The major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amount are detailed at note 8.3.1(c).

There is a relationship between cash flows assumptions and the discount rate. A significant increase in cash flows may result in an adjustment to the discount rate. The adjustment to the discount rate would consider the additional risk in achieving the increased cash flows. Conversely, a significant decrease in cash flows that represents a reduced level of risk may result in a decrease to the discount rate.

Given the unique nature of the land, buildings, infrastructure, plant and equipment, it is impracticable to disclose the extent of the possible effects a change of an estimate would have on the other assumed estimate at the end of the reporting period. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the land, buildings, infrastructure, plant and equipment asset classes in the future.

Sensitivity of fair value measurement to changes in significant unobservable inputs

Free cash flows	A significant increase or decrease in the free cash flows would result in a significantly higher or lower fair value.
Cash flow period	A significant increase or decrease in the period of cash flows would result in a significantly higher or lower fair value.
Growth Rate	A significant increase or decrease in the growth rate would result in a significantly higher or lower fair value.
Discount Rate	A significant increase or decrease in the discount rate would result in a significantly lower or higher fair value.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

9 OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 9.1 Ex-gratia expenses
- 9.2 Equity disclosure
- 9.3 Responsible persons
- 9.4 Remuneration of executives
- 9.5 Related parties
- 9.6 Remuneration of auditors
- 9.7 Subsequent events
- 9.8 Australian Accounting Standards issued that are not yet effective

9.1 Ex-gratia expenses

In accordance with FRD 11 Disclosure of Ex-Gratia Expenses Ports Victoria must disclose in aggregate the total amount of material (greater than \$5,000) expenses.

For 2023-24 and 2022-23, Ports Victoria incurred no ex-gratia expenses.

9.2 Equity disclosure

9.2.1 Contributed capital

Consistent with applicable Australian reporting requirements and the Financial Management Act 1994 (Vic), transfers and appropriation for additions of net assets between Ports Victoria and State Government Departments designated as a contribution by owner (via contributed capital), are recognised as capital transactions. Transfers of net assets arising from administrative restructures and/or from all other arrangements which are deemed to be contributions by owners, where there is insufficient contributed capital for distribution, are recognised as an expense by the transferor and income by the transferee in accordance with FRD 119 - Transfers through Contributed Capital.

Capital management

Ports Victoria does not have any externally imposed debt-related covenants, financial ratios or any other capital requirements.

Ports Victoria's Treasury Management Policy and procedures are in compliance with the Borrowing and Investment Powers Act 1987 (Vic), the DTF's Treasury Management Guidelines and Standing Direction 4.5.6 Treasury Risk Management.

In accordance with the Borrowings and Investment Powers Act 1987 (Vic), the Treasurer granted a total lease liability limit of \$1.1 million to Ports Victoria for the reporting period 1 July 2023 to 30 June 2024 (2023: temporary purpose financial accommodation of \$20.0 million).

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

9 OTHER DISCLOSURES

9.2 Equity disclosure (continued)

9.2.2 Reserves

	Notes	2024 \$'000	2023 \$'000
Reserves			
Asset revaluation reserve		6,141	6,141
Employee benefits reserve		9,053	8,336
		15,194	14,477
Movement in asset revaluation reserve:		2024 \$'000	2023 \$'000
Carrying amount 1 July		6,141	6,580
Tax effect on opening balance from change in tax rate		-	(439)
Total movement		-	(439)
Carrying amount 30 June		6,141	6,141

Ports Victoria has a separate asset revaluation reserve for Land, Buildings & Infrastructure and Plant & Equipment. The reserves record the increments and decrements in the fair value of the assets net of the tax effect.

		2024 \$'000	2023 \$'000
Movement in employee benefits reserve:			
Carrying amount 1 July		8,336	8,804
Actual return on Fund assets less interest income	3.2.3(d)	1,045	622
Actuarial (gain)/loss arising from changes in financial assumptions	3.2.3(e)	(559)	1,016
Actuarial (gain)/loss arising from changes in liability experience	3.2.3(e)	(347)	(1,469)
Deferred tax assets recognised via equity	7.1(c)	(308)	(51)
Actuarial (gain)/loss for year arising from changes in demographic assumptions	3.2.3(c)	886	-
Tax effect on opening balance from change in tax rate	7.1(a)	-	(586)
Total movement		717	(468)
Carrying amount 30 June		9,053	8,336

This reserve has been established in accordance with the revised AASB 119 *Employee Benefits* to capture the movements in the actuarial gains and losses in respect of the Port of Melbourne Superannuation Fund. Refer to Note 3.2.3 for further details.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

9 OTHER DISCLOSURES

9.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

(a) Names

The names of persons who held the positions of Ministers and Accountable Officers in Ports Victoria at any time during the financial year were:

Responsible Ministers:

The Hon. Melissa Horne MP	Minister for Ports and Freight since December 2018
The Hon. Tim Pallas MP	Treasurer of Victoria since December 2014

Directors

Mr H Ronaldson	Chairman
Ms E Carbines	Deputy Chair
Mr D Powell	
Ms P Alexander	
Mr T Garwood	
Ms C Hopper	

Accountable Officer:

Mr B Webb	Chief Executive Officer	(until 29 September 2023)
Ms Jacinta Mackey	Acting Chief Executive Officer	(30 September 2023 to 11 February 2024)
Mr Craig Walker	Chief Executive Officer	(from 12 February 2024)

(b) Remuneration

Remuneration received or receivable by responsible persons in connection with the management of Ports Victoria during the reporting period was:

	2024	2023
Income band		
\$0 to \$9,999	2	2
\$10,000 to \$19,999	-	1
\$30,000 to \$39,999	-	2
\$50,000 to \$59,999	3	2
\$80,000 to \$89,999	1	1
\$90,000 to \$99,999	1	-
\$160,000 to \$169,999	1	-
\$200,000 to \$209,999	1	-
\$370,000 to \$379,999	-	1
Total number of responsible persons	9	9
Total remuneration (\$'000)	712	666

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

9 OTHER DISCLOSURES

9.4 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

	2024	2023
	\$'000	\$'000
Remuneration of executive officers		
(Including Key Management Personnel - see related parties note)		
Short-term employee benefits	3,885	3,174
Post-employment benefits	446	278
Other long-term benefits	266	118
Termination	-	70
Total remuneration	4,597	3,640
Total number of executives (i)	19.0	17.0
Total annualised employee equivalents (ii)	17.8	13.6

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure.

(ii) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

9 OTHER DISCLOSURES

9.5 Related parties

Ports Victoria is a wholly owned and controlled entity of the State of Victoria.

Related parties of Ports Victoria include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all Cabinet Ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The Victorian State Government prepares consolidated financial statements relating to its controlled entities. For the purpose of preparing the State Government's Annual Financial Report (AFR), transactions which Ports Victoria has undertaken with other State Government controlled entities will be eliminated in the State Government's AFR.

The aggregate amounts of Ports Victoria's transactions conducted during the year and its assets and liabilities at the end of the year which relate to State Government controlled entities are as follows:

	Notes	2024 \$'000	2023 \$'000
Operating revenue and (expenses)			
Port of Hastings Development Authority		(33)	(165)
State Revenue Office		(886)	(748)
Other revenue and expenses		(438)	(319)
Income tax instalments			
Department of Treasury and Finance	7.1(d)	(1,651)	(725)

Notes to the Financial Statements

For the year ended 30 June 2024

9 OTHER DISCLOSURES

9.5 Related parties (continued)

Key management personnel (KMP) are those who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of Ports Victoria. This includes responsible Ministers, Directors, Chief Executive Officer and Executive General Managers. KMP for 2024 are detailed as follows:

Mr H Ronaldson - Chair		
Ms E Carbines - Deputy Chair		
Mr D Powell - Director		
Ms P Alexander - Director		
Mr T Garwood - Director		
Ms C Hopper - Director		
Mr B Webb - Chief Executive Officer		(until 29 September 2023)
Ms J Mackey - Acting Chief Executive Officer	(from 30 September 2023)	(until 11 February 2024)
Mr C Walker - Chief Executive Officer	(from 12 February 2024)	
Mr P Mannion - Chief Operating Officer		
Ms J Mackey - Chief Financial Officer and Head of Corporate Services		
Mr J Bazelmans - Head of Strategy and Development		
Mr D Henderson - Head of Infrastructure and Programs		

The compensation detailed below excludes the salaries and benefits the Portfolio and Ministers receive. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* (Vic) and is reported within the State's Annual Financial Report.

	2024	2023
	\$'000	\$'000
Compensation of KMP (i)		
Short-term employee benefits	2,407	1,787
Post-employment benefits	241	177
Other long-term benefits	71	54
Terminations	8	-
Total	2,727	2,018

(i) Note that KMPs are also reported in the disclosure of remuneration of responsible persons (Note 9.3) and executive officers (Note 9.4).

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* (Vic) and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

The terms and conditions of transactions entered into with responsible persons' related entities occurred within a normal customer and supplier relationship on terms and conditions no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to other entities on an arm's length basis.

No transactions have occurred with KMP and their related parties. There are no outstanding balances, including commitments, with such parties.

9.6 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of Ports Victoria:

Victorian Auditor-General's Office	2024	2023
	\$'000	\$'000
Audit of financial reports	57	76

Ports Victoria
Notes to the Financial Statements
For the year ended 30 June 2024

9 OTHER DISCLOSURES

9.7 Subsequent events

Since 30 June 2024 to the date of this report, the Ports Victoria Enterprise Agreement 2023 has been signed and ratified by the Fair Work Commission on 30 August 2024.

9.8 Australian Accounting Standards issued that are not yet effective

Certain new accounting standards and interpretations that are deemed relevant to Ports Victoria have been published, but are not mandatory for the 30 June 2024 reporting period. Ports Victoria has not adopted these standards early in accordance with DTF stating that entities must not early adopt.

Assessment of the impact of those new standards and interpretations which affect Ports Victoria is set out below:

Reference	Summary	Application date	Impact on Ports Victoria's financial statements
AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.	AASB 2022-10 amends AASB 13 Fair Value Measurement by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.	1 Jan 2024	Not applicable to Ports Victoria.
AASB 17 Insurance Contracts; AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments, and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.	AASB 17 replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.	1 Jul 2026	Not applicable to Ports Victoria.
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	AASB 2022-5 amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements for sale in AASB 15 Revenue from Contracts with Customers. The amendments ensure that a seller lessee subsequently remeasures lease liabilities arising from a leaseback in a way that does not recognise any amount of gain or loss that related to the right of use it retains.	1 Jan 2024	No impact to Ports Victoria as at the reporting date. Any future Lease Liability in a Sale and Leaseback arrangement will be monitored assessed against this standard.

In addition to the new standards and amendments above, the AASB has issued a number of other amending standards that are not effective for the 2023-24 reporting period. These standards are not expected to have any significant impact on public sector entities and thus have not been included in the table.

Appendix

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The annual report of Ports Victoria is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of Ports Victoria's compliance with statutory disclosure requirements.

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