MAKING progress

PROGRESS - PORT TARANAKI - MAKING PROGRESS

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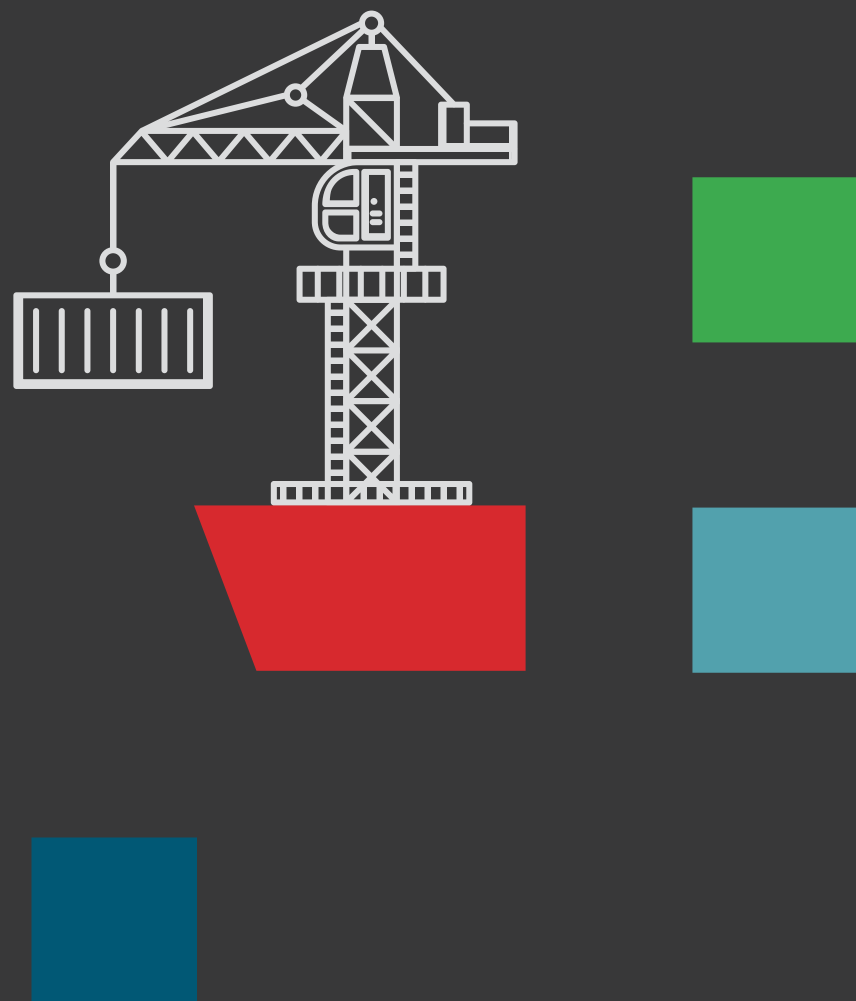

About our Port

100%	Owned by the community
140+	Years of service to Taranaki
$8 Million	Dividend paid to Taranaki community
3.9+ Million	Tonnes of cargo handled FY24
3.36	Hectares of covered storage
6.72	Hectares of uncovered storage
116	Port employees
9	Fully serviced berths
5	Tugs and launches
10	ShoreTension dynamic mooring units
2	Mobile harbour cranes
1	On-port handling machine

Chair & CEO
Report

In recent years, our country has experienced a range of climatic, economic, and political events, circumstances and changes that have tested our resilience.

At Port Taranaki we have not been immune. In the past year, a combination of difficult international trading conditions, high interest rates and inflation, increased insurance costs, reduced gas production, lower log export volumes, and increased operational costs have impacted our business.

This has emphasised the importance of building resilience in our business and our team.

Our theme for the 2023-24 annual report is 'Making Progress' – highlighting the progress Port Taranaki is making in ensuring it is a multipurpose asset that is flexible and resilient to present conditions and changes in the future.

Although building resilience includes improving efficiencies, being sustainable, and reducing costs, our port is a long-lived utility that's here in perpetuity. Therefore, as a key economic contributor to the Taranaki region, we're mindful that we must strike a balance between providing low-cost operational and capital solutions that maintain our assets and business, while ensuring we can support current and future trade, provide existing customers with the services and facilities they need, and attract new business.

We are confident that through our multipurpose assets and infrastructure, our skilled and experienced people, and our vision for the port's future, Port Taranaki will continue to thrive.

This annual report highlights the progress we are making to be resilient across all areas of our business – our relationships, our people, our skills and knowledge, our environment, and our assets and infrastructure.

Always central to our day-to-day work and future planning is our vision to be The Pride of Taranaki, an ongoing key asset and contributor to the Taranaki economy and community and a business to be proud of.

Jeff Kendrew Chair **Simon Craddock** CEO

Financial result

As mentioned, a range of trade and economic factors have impacted our business in the past financial year.

As such, we are reporting a significantly lower result for the 2023-24 financial year, which ended on 30 June 2024.

Net profit after tax (NPAT) was $6.88 million, which was 50.4% down on the previous year's all-time Port Taranaki NPAT record of $13.87 million. This year's NPAT was impacted by a tax law change. Without the change in tax law, NPAT would have been $8.59 million. In addition, the 2022-23 result was boosted by several extraordinary items.

Full-year revenue for 2023-24 was $54.01 million – $3.42 million (6.0%) down on the previous year's $57.43 million. Earnings before interest, taxation, depreciation and amortisation (EBITDA) were $21.60 million, $5.86 million (21.3%) lower than 2022-23.

Operating expenses were up $2.44 million to $32.41 million, driven primarily by increased personnel costs and higher insurance costs. This was offset slightly by repairs and maintenance costs dropping from $4.21 million to $4.13 million.

Total trade for the 2023-24 year was 3.91 million tonnes, which was 788,000 tonnes, or 16.6%, down on the previous year's 4.69 million tonnes. This was the lowest total trade recorded since 2012.

As we operate in New Zealand's key energy production region, the energy sector has traditionally been our largest contributor to overall trade. Declining gas and condensate reserves and production have impacted bulk liquids trade in the past year, and recent significant development expenditure on existing oil and gas fields has not produced the expected results.

As such, bulk liquids trade was down 659,000 tonnes, or 23.4%, to 2.16 million tonnes, with methanol, our largest trade, dropping 429,000 tonnes (25.1%), from 1.71 million tonnes to 1.28 million tonnes. It was the lowest level of methanol through the port since 2012. Crude oils trade at 655,000 tonnes was 18.0% down on the previous year.

Dry bulk trade was up 43,000 tonnes (6.0%) to 754,000 tonnes, boosted by a 96,000-tonne increase in animal feed trade. However, fertiliser was down 45,000 tonnes to 95,000 tonnes.

At 945,000 Japanese Agricultural Standard (JAS) tonnes, export log trade dropped below 1.00 million JAS for the first time in four years. Slower economic growth in China, which saw weakened log prices, impacted the trade and resulted in a 140,000 JAS (12.9%) reduction in logs through the port.

The decline in total trade, in particular bulk liquids, had a subsequent flow-on effect on overall vessel visits, with 252 recorded for the 2023-24 year – 41 fewer than the previous year.

Fewer vessel visits did, however, result in a reduction in energy costs, as fewer tug and launch movements were required, lowering fuel costs.

Our offshore revenue decreased $524,000 off the back of less development drilling activity.

Dividends paid through the year to sole shareholder TRC totalled $8.00 million. These dividends help reduce the annual regional rates demand on the community.

Overall, this financial result is a reflection of difficult trading conditions for many of our customers, particularly in the energy sector, and the challenging economic conditions that have seen our costs increase.


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Despite the result, there has been good progress against key business plan goals. These include:

- Acquiring offtake pilotage and support vessel services for OMV New Zealand during petrochemical offtakes at the Maari oil field. This is great acknowledgement of the skills and experience we have in our marine services team.
- Selling long-time tug Rupe and taking management of a tug that has greater bollard pull and wider capabilities to improve the safety and resilience of marine operations.
- Improving our health and safety performance.
- Revising our asset management plan.
- Continuing work on developing further opportunities, such as LNG, offshore wind, offshore support services, and other cargoes.

The outlook for the 2024-25 year is for more supply difficulties in the energy sector, resulting in lower bulk liquids and a fall in overall trade to approximately 3.2 million tonnes.

This will, in the upcoming year, see us put an increased focus on delivering opportunities to diversify revenues, expand our service offering, reduce costs, make our asset management plan more efficient, plan our infrastructure for multi-use needs and, therefore, position ourselves for the future.

While the near term is challenging, there is cause for optimism, with opportunities for new trade and support work in the future. We'll continue to be ready and able to respond, and be flexible and adaptable to help make trade as easy and efficient as possible for our customers.

Energy security

As those in Taranaki are well aware, the gas industry makes a large and important contribution to the regional economy through employment and contracting services, to the community through supporting and sponsoring events and organisations, and to the nation via energy-related exports.

We support local industry and want to see it prosper so the sector's businesses can continue to support Taranaki.

Diminishing gas reserves are putting pressure on the nation's energy system, energy prices, and on our regional economy.

Energy security is a real issue, and the economic damage from high energy prices is an increasing concern. In recent months, it is a problem that has been put on industry, the largest users of gas and electricity, to solve, albeit temporarily. As a result, Methanex NZ, our largest customer, has ceased methanol production for a period to provide gas to electricity generators.

New Zealand's international competitiveness is important, as is maintaining export earnings and favourable balance of payments. Therefore, we look forward to the resumption of methanol manufacture and a return to previous higher levels of production.

We support the energy transition to a low-emissions environment, but believe gas has an important role to play in providing energy security and resilience through the transition. We believe policy settings should enable energy independence, whether that be gas or renewables,

to support our industrial base, ensure they can operate effectively and profitably, and minimise the importation of coal.

The change of Government in 2023 has brought with it a change of energy policy, but it remains to be seen whether gas explorers will again invest. If they do, it's still likely the time needed for exploration and then production coming online will result in a supply gap that needs to be filled.

As such, we've started investigating how we can support other options for gas supply, such as LNG imports. We already play a part in importing liquid fuels, and want to play a role in shoring up the gas market via LNG, if New Zealand wishes to go down this route.

We pride ourselves on being a multipurpose and adaptable port, and believe we can shape our port to support this trade.

Technology in this area has progressed markedly since the early 2000s when Port Taranaki was last considered for an LNG terminal. The LNG supply chain has also evolved significantly, particularly with the advent of floating storage and regasification, and we believe we can provide a low cost, high capability solution that can be stood up quickly, requires very little landside infrastructure, and can be easily connected to the critical national gas network.

Investigative work in this area will continue in the new financial year.

As mentioned, we support the energy transition, and look forward to seeing renewable energy projects at scale. We are positioning our business to respond to and support new energy solutions, in particular offshore wind production.

Following a flurry of interest, in the past year activity in the offshore wind sector has slowed as developers and our port continue to wait on Government policy and regulations to be put in place. We hope legislation will be in place by the end of 2024, and feasibility licences issued by mid-2025.

More onshore wind and solar projects are being developed, and we believe our experience handling previous onshore wind componentry gives us an opportunity to capture this work.

Health and safety

In 2023-24, changes were made in port health and safety both within our business and at a national level that we believe will create a safer workplace.

In all aspects of our business, health and safety is the priority – all our processes and actions are centred on ensuring that everyone who enters our sites goes home safe each day.

While our health and safety record has steadily improved in recent years, we're mindful that we can't be complacent and must continually 'make progress'.

With the full backing of the Board Health, Safety and Environment Governance Committee, and under the guidance of our new, experienced health and safety manager Alisha Picard, earlier this year we undertook a review of our health and safety and stripped it back, with a focus on 'back to basics' to support the frontline.

A three-year Health and Safety Improvement Plan was developed, which we have enacted and believe will enhance our health and safety engagement and performance (see Skills and knowledge).

This is a fantastic and important development, and we thank Alisha for her work to bring it online.

Nationally, Maritime NZ has now taken over health and safety monitoring and enforcement on land at ports as well as on ships. WorkSafe had previously been the regulator of landside activities.

The change stems from the Government-initiated review into port safety in 2022 and its resultant action plan.

We regularly work with Maritime New Zealand across a number of marine and shipping-related issues, so we are supportive of this change and look forward to further developing our relationship with them.

Our people, customers and community

While it has been a difficult year for our company and many of our customers, we thank all our people and the businesses that trade through and operate at the port for their ongoing support.

We are building a multi-talented and skilled team at Port Taranaki who, through their actions and attitude, have shown their commitment and dedication to safety, their colleagues, our customers, and our business.

Our mission is to make trade easy for our customers, and we're committed to building healthy, strong relationships with our partners, and providing facilities and services that enable our customers to trade efficiently.

The strengthening of the seawall on the Newton King Tanker Terminal, the continued programme of under-wharf repair work, the state-of-the-art upgrade of our security system, the addition to our fleet of a more powerful tug, key investment in our launch vessels, and the creation of more log space on port are examples of our commitment to supporting customers' trade and protecting their assets (see Assets and infrastructure).

Our relationship with Ngāti Te Whiti hapū and Te Kotahitanga O Te Atiawa iwi continues to develop, and we thank Julie Healey and the hapū for their willingness to engage, discuss, and advise on a range of port projects and work (see Relationships).

Arising from a Cultural Values Statement developed for the port by the hapū, we have completed a cultural induction video for our team, new staff members and port users. It is a fabulous and valuable educational resource that has greatly increased our understanding of the port area's history and how special the rohē is to Māori.

We look forward to continuing to build on the relationship we have with mana whenua.

We thank the Port Taranaki Board of Directors for their continued governance and guidance of what is a key, strategic asset for the Taranaki region, and the Executive Leadership Team for putting into place and executing our company strategies and plans, and investigating new opportunities.

We operate in the best interests of the community and work closely with sole shareholder the TRC, which is owned by the community and to which we pay annual dividends that benefit the community.

This relationship is important and will continue to be in the coming year as we complete the renewal of our stormwater discharge consent and apply for renewal of our maintenance dredging consents (see Environment).

Port Taranaki is proud of the key economic role we play in the region, and the continued contribution we make to social and community wellbeing through sponsorships, organisational and event support, promotion of our region nationally and internationally, such as the growing cruise tourism industry, and regional advocacy.

We thank Taranaki for its ongoing support.

Materiality survey

During the first half of the 2023-24 financial year, we undertook our inaugural materiality survey to define the environmental, social and governance topics that matter most to our stakeholders and our business.

The assessment provides a foundation for our Sustainability Strategy, ensuring our focus as we move forward is on the areas that have greatest impact and that our strategy is incorporated into day-to-day operations and long-term decision-making.

This was a comprehensive piece of work, undertaken by an external party, and included interviews with people from within our business, and external stakeholders such as customers and port users, hapū and iwi, and community organisations. This was followed by a leadership team workshop to put a business lens on the topics, and then the development of a materiality matrix, identifying what topics are considered most important by our stakeholders and our business.

In total, 25 topics were identified as important to our business and were included on the materiality matrix.

Among the highest ranking topics were:

- Health, safety and wellbeing
- Water quality
- Air quality
- Carbon reductions
- Climate and environment-related business
- Culture and values
- Regional relevance and importance

You will see these and other top-25 material topics are referred to in the stories throughout this report, as we look to ensure the work we do is of material value to our business and stakeholders.

We're proud of this important piece of work and believe the materiality survey not only allows us to make more considered decisions, but the process has contributed to deeper engagement with stakeholders.

We look forward to making progress across all our material topics, always with a mission to make trade easy for our customers and a vision to be The Pride of Taranaki.

Board of Directors

Wendie Harvey
LLB

Jeff Kendrew
BE (Elec), MBA (Engineering)

Steve Sanderson
MBA

Kathy Meads
BCom (Accountancy), FCA

Jamie Tuuta
BSc

Charlotte Littlewood
MFin, BA (Hons)

Executive Leadership Team

Alisha Picard
Health and Safety Manager
DipHSM, ProfNZISM

John Maxwell
General Manager Infrastructure
BSc, PGDip(Quality Management)

Ross Dingle
General Manager Commercial
BBS

Simon Craddock
Chief Executive Officer
BE (Hons) (Mech), BCom, CMInstD

Pippa Farrell
HR Manager
BBus (Employment Relations and Human Resource Management)

Allan Melhuish
Chief Financial Officer
BE (Hons) (Electrical and Electronic), PGDipBA, BCA (Hons)

Alex Park
General Manager Operations
BSc (Hons) (Maritime Operations Management (Nautical Science))

Our story and strategy

Port Taranaki is New Zealand's premier energy trading port. We are the only deep-water port on the west coast of New Zealand. Our port is a vital link in the national and international supply chain. For more than 140 years, Port Taranaki has developed and grown as the trade to and from the Taranaki region has changed. Our port assets, such as our wharves, buildings, land, and on-water fleet are key to this success and the longevity of our business.

Our strategy has five key focus areas:

- People, culture and safety
- Customer focus and revenue
- Efficiency and competitiveness
- Asset utilisation and project execution
- Community and environment

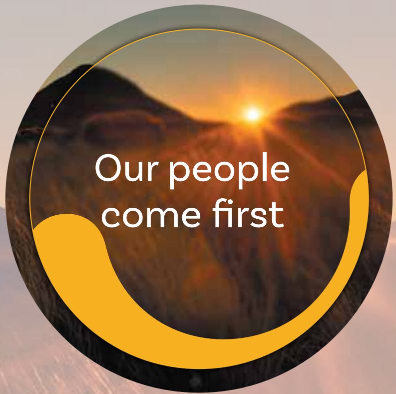
Our vision, to be The Pride of Taranaki, and our mission, to Make Trade Easy for our customers, guide us as to where to focus our effort and resources. We aim to build and leverage off:

1. **People** – through enhancing our productivity and utilising our capabilities.
2. **Connectivity** – by influencing trade by building connections with all our stakeholders.
3. **Land flexibility** – through our land footprint and port facilities, which are well positioned to support a broad range of cargoes.

Today we serve the bulk liquids (energy products), dry bulk (fertiliser, stock feed and cement), and forestry (logs) sectors, and support general cargo. Commercial activities include the provision of: (i) vessel and cargo/logistics handling services and offshore support; and (ii) property and storage services.

As global trade changes in line with the transition to a low-emissions future, we are focused on evolving our business model to diversify revenue streams. We are also focused on adapting and enhancing our assets to maximise their use and support customers and potential customers.

Our values



We take care of each other and our communities

We trust each other and act with respect and honesty, even when it is challenging

We strive for improvement through innovation and learning

We work as a team, helping each other succeed

Implementing our strategy

We value the connection we have with our community and recognise that we have a key role to play in the community. It is important that all our actions address what is important to our business and our stakeholders.

This year, we carried out our first externally verified materiality assessment through comprehensive stakeholder engagement. Our materiality assessment identified the environmental, social, and governance topics that matter most to our business and stakeholders. In total, 25 material topics were identified.

Pleasingly, a comparison of the scores given by internal and external stakeholders shows there is general alignment on the material issues.

Our business and sustainability strategies and activities focus on the highest-ranked material topics. By focusing on the issues that matter we are better placed at maintaining and enhancing our social licence to operate. Our Sustainability Strategy aims to generate added value, reinforce stakeholder trust, and build a resilient and successful business. It is an integral part of our Business Strategy, and it plays out across three areas – environment, social, and governance.

The goals of our Sustainability Strategy are:

- Build our brand and reputation.
- Manage risk.
- Attract, retain and engage talent.
- Build relationships.

Success will be demonstrated through an enhanced social licence to operate and strengthened relationship with our community and iwi.

We believe that long-term value comes from having a strong and sustainable foundation that is robust and balanced. We seek to be The Pride of Taranaki, be a good neighbour, partner with iwi and hapū, value our customers, and make trade easy. We also support the wellbeing of our people and aim to create a fair and equitable workplace where people are proud to work.

The remainder of this report is centred on five themes, and sets out how we have delivered against our business and sustainability strategies:

- Relationships
- People
- Skills and knowledge
- Environment
- Assets and infrastructure

Relationships

Bringing our community closer

Our vision is to be The Pride of Taranaki.

We value the connection we have with our community, recognise we have a key role to play as a community leader, and look to provide support where we can through sponsorships and in-kind support.

Being owned by the community through sole shareholder the Taranaki Regional Council (TRC), we provided $8 million in dividends in 2023-24, which helped lessen the regional rates burden on the community.

Maintaining our social licence to operate is contingent on us being a good corporate citizen – one that acknowledges, supports and works to enhance the community, tangata whenua, the environment, community wellbeing and regional economic success.

'Whenua, hapū and iwi engagement and partnerships', 'community support and partnerships', 'regional relevance and importance', 'communication and relationship management' and 'social licence to operate' were among the top 25 topics in our materiality survey, and are areas in which we continue to make progress.

Since the Maritime Security Act 2004, the public has been excluded from ports, and ports have been required to have extensive security, including fencing off operations to the general public and allowing only authorised access.

Many people have fond memories of fishing, and walking and riding bikes down the wharves, and for a number of years we've worked hard to find ways to bring more people 'behind the fence' to re-engage with the port and learn about port operations.

This year, we were delighted to hold our inaugural public bus tours, where locals were given a 45-minute tour of the port and learned about the port's history, trade, wharves, vessels, and other operations.

We were thrilled with the response, with the four sessions selling out within 12 hours and our team receiving many positive comments after the tours.

Through the tours we were also pleased to support Hospice Taranaki, with the $5 ticket fee being donated to the charitable organisation.

We consider these inaugural tours to be the starting point, and we're looking to build on them in the future, enabling more people to get a look behind the fence.

We continue to support our community through sponsorships, with a focus on maritime, water-related activities, water safety and the marine environment, including the New Plymouth Yacht Club (principal sponsor), Taranaki Outrigger Canoe Club (waka ama), Coastguard Taranaki, East End Surf Life Saving Club, Surf Life Saving Taranaki, Mikotahi Sea Scouts, the Ngā Motu Marine Reserve Society, New Plymouth Sport Fishing and Underwater Club, and Te Hapai Hoe, which uses the experience and culture of waka ama to help at-risk youth in Taranaki.

We were disappointed the World Cup triathlon's 13-year connection with New Plymouth ended in 2024. The fantastic international event was held at Ngāmotu Beach and the surrounding port area, and we provided the venue, transition area, access to port buildings, and support of road closures at no cost to the organisers.

We were thrilled, however, to again welcome the Weet-bix Kids' TRYathlon down at Ngāmotu Beach, and to support the traditional Flannagan Cup open water swim, while a team from Port Taranaki also took part in Tri24 – a 24-hour triathlon to raise money for Big Brothers, Big Sisters Taranaki.

Outside of marine sponsorship, we continued to provide support to North Taranaki foodbanks by funding meat packs, sponsored the Special Children's Extravaganza, sponsored the Health and Safety Excellence Award at the Taranaki Chamber of Commerce Business Excellence Awards, provided a donation to Hospice Taranaki via our annual Harry Blyde golf tournament, sponsored the Taranaki Arts Festival, and Moturoa School's Trees for Survival programme.

We also own the kids' fishing jetty at the Lee Breakwater, and the ever-popular boat ramp, and carried out key, annual maintenance work on these assets to ensure they're accessible to the public.

Building our connection with mana whenua

We have continued to develop our connection and relationship with Ngāti Te Whiti hapū and Te Kotahitanga O Te Atiawa iwi.

Our regular kaitiaki forum meetings give us the opportunity to discuss and progress projects and work on the port, and to carry out actions that came from the Cultural Values Statement developed for the port by the hapū.

We believe these regular interactions with Ngāti Te Whiti hapū president Julie Healey and other board members of the hapū are now part of the rhythm of our port and are an important component of how we go about operations and business. This is building trust between the port and the hapū.

As part of our Cultural Values Statement action to rename streets and roads within the port operations area, during the year the port, along with Ngāti Te Whiti hapū, renamed a street Kekeno Crescent. Kekeno is the Māori name for the New Zealand fur seal, and the renaming recognises the fur seal breeding area and colony on Mikotahi Rock, an important hapū landmark within Port Taranaki. We continue to make progress on renaming other areas of our port.

Also during the year, together we started work on the development of a marine cultural health index, we developed a cultural induction video for new and existing staff members, and we continued to consult with hapū on consents and archaeological matters, such as when we undertake ground excavations for maintenance or new projects that include cultural monitoring when appropriate.

Earlier this year, we took management of a tug, Karoo, which replaced the 40-year-old Rupe. We are working with Ngāti Te Whiti hapū on renaming the vessel – giving her a name that reflects the region she is now working in and respects the mana whenua.

We're also extremely grateful to the members of Ngāti Te Whiti hapū and Spotswood College's Te Roopu Kapa Haka O Te Kura Tuarua O Ngāmotu, who provided the beautiful, warm welcomes to the cruise ships that visited Taranaki during the summer. It was clear the passengers were greatly appreciative and enjoyed the cultural welcome.

We look forward to continuing to build a healthy and mutually beneficial relationship with mana whenua.

Improving safety in the harbour

Our harbour is a busy mixed use area, where large commercial ships and port fleet vessels mix with recreational users, such as boaties, kayakers, swimmers, wind sailors, jetskiers, divers, and waka ama.

In recent years, as the harbour has become busier, there have been an increasing number of close calls, where recreational users have put themselves in danger by getting too close to vessels, worn clothing that's not visible, failed to use a light at night, entered the prohibited restricted area, or ventured underneath the wharves.

This past summer, in line with our materiality topics of 'health, safety and wellbeing' and 'community support and partnerships', and with the support of the harbourmaster, we carried out a harbour safety campaign to help educate the public about the rules of the harbour and the dangers for recreational users.

We produced four short videos with the theme 'Stay safe on the water this summer'. The videos featured a marine pilot, tug master, launch master and a member of the onshore team providing key safety messages. Each subject focused on three key harbour safety rules, and the videos were posted on social media regularly, attracting high levels of engagement. We also utilised print media and radio advertising to spread the message further.

Although we have no safety metrics to ascertain its success, anecdotal reports from our marine team suggest there has been an improvement in harbour safety behaviour as a result.

We will look to run a similar campaign in the 2024-25 summer.

Also, at the request of the TRC and the harbourmaster, during summer we funded the installation of a new northern cardinal marker, to help vessels navigate the harbour.

The marker is placed just outside Otaikokako Reef – a site of iwi and hapū significance – and indicates to harbour users the northern extremity of the reef and the danger of rocks to the south that become exposed during low water.

The existing marker was failing and could have potentially caused navigational and safety issues.

The new marker was pile driven about four metres deep into the sea floor, preventing any excavation being needed and ensuring minimal disturbance to the site.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Supporting our customers

We are focused on making trade easy for our customers.

As highlighted in our materiality survey, 'communication and relationship management' is extremely important, and we work hard to engage regularly and build strong relationships with customers so they have the ability to trade efficiently and effectively through our port.

As a port whose customers trade commodities, including agricultural feed and fertiliser, petrochemical products, and export logs, we're tied to the fluctuations of international markets. In the past year, trading conditions have been difficult as market trends, pricing, demand and availability have been influenced by a range of issues, including geopolitical conditions.

We remain focused on being agile and adaptable for customers and prospective customers, providing the services and facilities they need to do business.

In the past year, we have seen an improvement in our customer survey that we use to measure customer engagement and satisfaction. We're very pleased with this result, which suggests we're making progress and helping our customers achieve their objectives.

An example is the establishment of a forestry working group within our business. This group keeps a close eye on trading data, connects with forest managers, and explores what is working well at Port Taranaki and what can be done better. Working to better understand the supply chain helps to provide better outcomes for our customers.

As New Zealand transitions to a low-emissions economy, we are investigating other trade opportunities that will help our business and region continue to succeed and thrive. We believe there are a number of exciting possibilities, and are engaging regularly with the key entities involved with the aim of having them become customers in the future.

Connecting with the business community

As a key contributor to the Taranaki economy, we have developed important relationships within the Taranaki business community, and believe we have a significant part to play in helping our regional economy thrive and grow.

We are a Key Regional Partner of the Taranaki Chamber of Commerce and sponsor the Health and Safety Excellence Award at the chamber's annual Business Excellence Awards.

During the year, we held two Business Connections events, where we hosted chamber members at Port Taranaki for an evening of networking and engagement.

At the first event, chief executive Simon Craddock and general manager commercial Ross Dingle spoke about Port Taranaki's likely role in the development of an offshore wind industry in New Zealand and what development the port may require to support this.

During the second event, with a cruise ship in port, Ross spoke about the Taranaki Cruise Strategy (see Skills and knowledge) and our aim to help Taranaki's tourism industry grow and succeed.

Ross also regularly speaks at community group meetings giving the public the opportunity to hear the latest news from the port and ask questions about port operations. We are also active in the media and on social media. During the year, Port Taranaki featured on TVNZ news programme Seven Sharp in a story about the region's growing cruise industry.

We believe these events are important for building connections, promoting the port, educating our business community and the wider community about the port's function and role, and displaying that we are future-focused, open to diversification and have clear goals. They also align with our important materiality topics of 'community support and partnerships' and 'regional relevance and importance'.

This is central to enhancing our 'social licence to operate' and achieving our vision of being The Pride of Taranaki.

Partnership with offshore wind energy industry strengthens

As New Zealand's premier energy port, we continue to build relationships with renewable energy developers to ensure our port and region have the best opportunity to thrive in a low-emissions economy.

Following on from the previous year's study into the port's capability to support an offshore wind industry in New Zealand, which found that Port Taranaki, with some upgrades, was suitable as a marshalling and assembly port, early in 2024 we were among a group of co-funders to support an extensive study into the economic, social and environmental impacts of a national offshore wind energy industry.

The National Offshore Wind Energy Industry Impacts Study was published by PwC and found that offshore wind will play a critical role in helping New Zealand reach its net-zero goals, while contributing $50 billion to GDP and creating 10,000 jobs.

This includes economic activity and employment creation around the port, providing a timely boost for our region as traditional energy production slows and we transition to a net-zero carbon environment.

To date, there are nine proposed projects earmarked for off the Taranaki and Waikato coasts, with Port Taranaki the closest port and the only deep-water port on the west coast of New Zealand.

We have continued to engage with developers who see Port Taranaki as having a key role to play in both the construction and servicing phases, and we have been active in attending and speaking at renewable energy events and conferences, such as the 2024 Offshore Renewable Energy Forum.

We await Government regulatory settings that support confidence, investment and early stage planning for both developers and our port, so that projects can take a solid step forward with the aim of being delivered in the early 2030s.

Beyond offshore wind support, port upgrades will have the potential to unlock broader industrial development, attract new investors and business and export opportunities, and support future decommissioning of oil and gas fields.

'Climate and environment-related business', 'opportunities for diversification', and 'regional relevance and importance' were high among our materiality topics, alongside 'social licence to operate', 'sustainable financial' and 'infrastructure asset management and utilisation'.

All these connect directly to energy, and energy production and trade, and sharpen our focus on ensuring we help capture renewable energy opportunities that maintain our reputation as the premier energy region and port in New Zealand, while meeting our sustainability aims.

People

Recognising our people

Our people are our greatest asset – their knowledge, experience, skills, dedication, desire to learn and grow, and work as a team is what makes our business a success.

People are at the heart of our materiality survey, with 'culture and values', 'health, safety and wellbeing', 'internal communications' and 'employee attraction, development and retention', all rating highly.

We believe acknowledging our people and their great work – beyond the weekly pay cheque and the occasional thank you – is critical in letting our team know the business recognises and values their contribution.

During the past year, we have launched a new company recognition programme, using our company values as the basis.

These values are:

- Our people come first
- Integrity guides us
- We embrace the future
- We collaborate to succeed

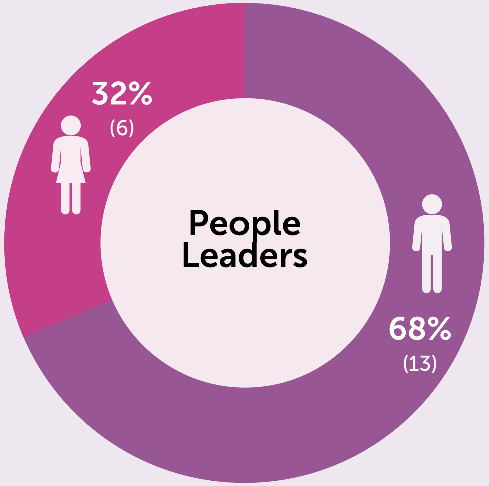
All team members are encouraged to nominate a colleague, or a team, who has displayed one of the values during a project, regular operations/work, or during their day-to-day interactions with others.

The winners are chosen by senior leaders, outside of the Executive Leadership Team, and are formally recognised at the six-weekly full company meetings, and presented with a certificate and voucher.

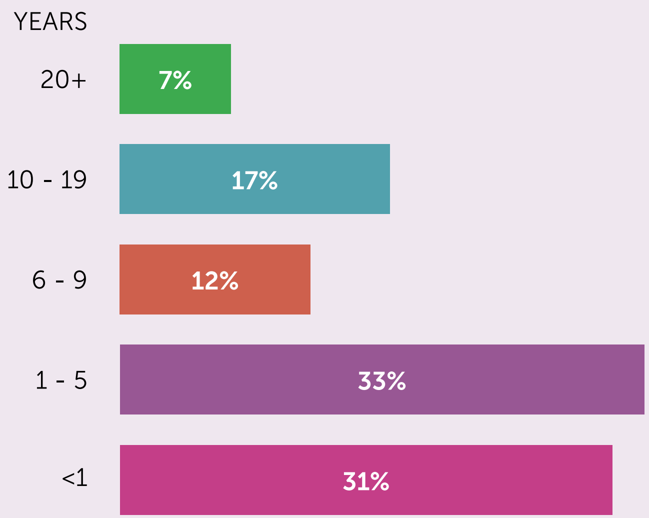
We have had great engagement from the team, which has been assisted by the use of technology to help make nominating and voting easy – a QR code placed around the site that, when scanned, takes the user directly to the online form.

Outside the all-company meetings, leaders also have the opportunity to reward team members for a job well done, such as at regular toolbox meetings.

We're thrilled there has been such an enthusiastic uptake of the recognition programme, and look forward to it growing.



Tenure



AHOY! 2024 survey

We continue to make encouraging progress with our regular staff survey AHOY!

The survey measures topics such as our company culture, leadership, health and safety, customer focus, internal communication, business processes, and performance development.

For the second survey in a row, we have had record participation, with 87% of our team taking part. This was an increase of 3% on last year's record 84%.

This level of participation ensures we're getting feedback from a wide range of people across our business, which gives us a truer reflection of how we are performing and how team members feel about working at Port Taranaki.

In all seven categories of the survey the company performed an average of 5% better than the previous year.

In particular, key areas Health, Safety and Wellbeing (+5%), Culture (+6%), and Leadership (+5%) were up.

The top five scoring questions included "I know how to keep myself and others safe and healthy at work", "I enjoy working for this organisation", and "Our managers show their commitment to health and safety in their everyday actions".

We're very pleased with these results and they demonstrate that we are making progress and making improvements in areas of our business that are critical for our success and the wellbeing of our people.

There are still areas we need to work on, which this survey, and the high level of participation, enables us to pinpoint and focus on for improvement. Improvement actions will form part of our AHOY! action plans to enable sustainable, positive change.

Interest-based problem solving with unions

We are working hard to develop stronger, proactive relationships with the unions that represent members of the Port Taranaki team. We are striving to build solutions from the ground up rather than from the top down.

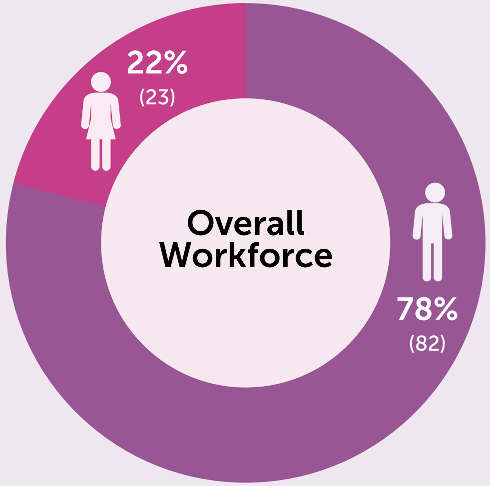
To help with this, port leaders and union delegates have been trained in High Performance, High Engagement Interest-based Problem Solving.

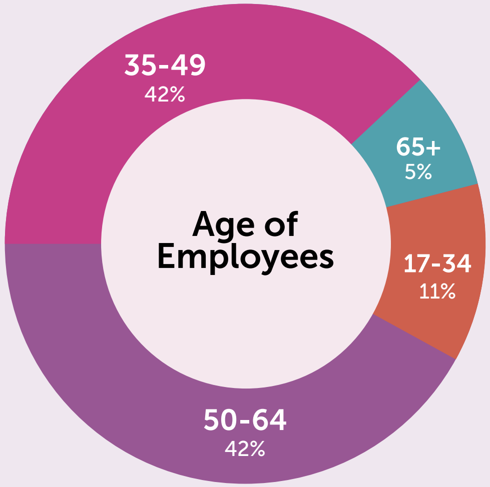
This method is a way of solving organisational issues or concerns by jointly identifying and understanding all stakeholders' interests regarding an issue. The stakeholders then work together to develop a solution that best meets everyone's key interests.

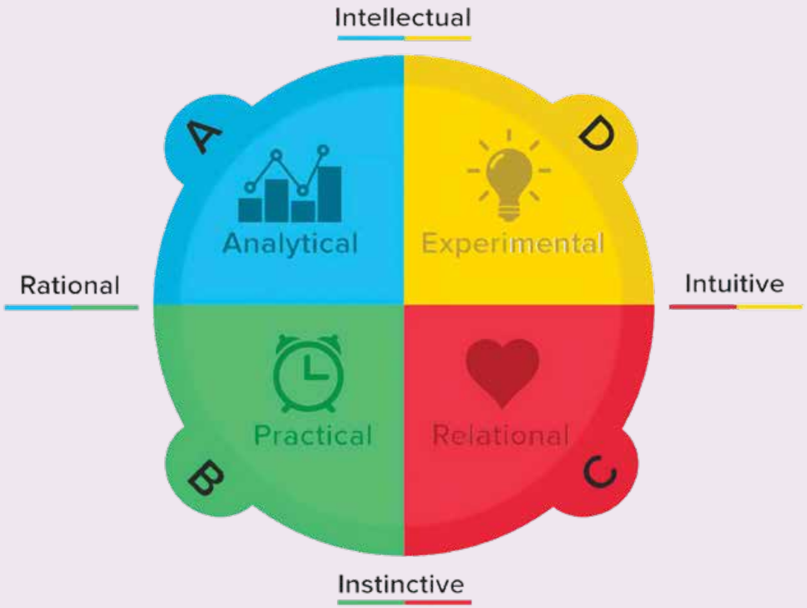
We have found this to be highly beneficial, and has helped us work through and resolve issues in various areas of our business. It has helped build trust between parties so that concerns can be discussed and solutions found at any time, rather than being left until the bargaining table.

A key to its success is understanding and recognising that we start off with different interests, but through working together and understanding the other's interests we can come together and reach a solution.

We believe the implementation of the High Performance, High Engagement Interest-based Problem Solving framework has been central to the increase in engagement and results of the AHOY! survey. We'll continue to make progress on this across our business.







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Utilising all our abilities

We are bringing a bit of neuroscience into how we think and act at work and at home.

All those in leadership roles have participated in an HBDI (Hermann Brain Dominance Instrument) Whole Brain Thinking assessment, which helps us understand our individual thinking preferences – analytical, experimental, practical, and relational. By then grouping strength areas, we can ascertain if an individual's thinking style leans towards intellectual, intuitive, instinctive, or rational.

As well as being assessed, our leaders have been individually debriefed by a Whole Brain Thinking professional, who discussed and explained their results, and they have attended workshops on how Whole Brain Thinking can be incorporated into different aspects of work and life. Our first workshops focused on communication, which will be followed by a workshop on problem solving.

As well as identifying areas of thinking we can individually work on and further develop, we believe understanding how other members of our team think can help us utilise all our team's strengths for a particular piece of work or project.

Including a range of people who think differently across day-to-day work, projects, and problems, will ensure we are considering and addressing all aspects, or sides, of that piece of work or issue – not just the process and getting the job done, but also why we're doing it, who we're doing it for and the impact of the work on others.

We believe this method will be hugely beneficial for change management, problem solving, planning and setting goals.

With great feedback from our leaders, we plan to roll it out to all staff moving forward.

Lending a hand in the community

As a key Taranaki business and asset, we have a responsibility to support the community as we strive to achieve our vision of being The Pride of Taranaki. This was highlighted in our materiality survey, with 'social licence to operate', 'community support and partnerships' and 'regional relevance and importance' all rated highly by stakeholders.

As part of our commitment to the community, we run a Volunteer Day initiative, which gives team members the opportunity to undertake one paid, volunteer day with a charity each year.

The Volunteer Day also aligns with our Wellbeing programme element of 'Connection and community', as we believe it's important that our people have the opportunity to contribute and give back. Helping in the community is also known to support mental wellbeing.

A day of volunteering has prompted Port Taranaki mechanical supervisor Sam Houghton to offer more of his time helping in the community.

Sam helped box and deliver more than 500 meals for the Eat a Rainbow Foundation during his Volunteer Day.

Eat a Rainbow Foundation produces and delivers a range of meals to vulnerable families, such as carers supporting tamariki undergoing cancer treatment, families requiring emergency housing, or families whose children have been admitted to hospital outside meal hours. The foundation works with partner charities to identify the families that are in need, and it relies on donations from the community to make and provide the free food packages.

"It was a great experience, and Eat a Rainbow do a fantastic job of helping the community," Sam says.

"I've had some tough times of my own growing up, so when Port Taranaki offered the opportunity to help in the community it was a no-brainer really – I jumped at the chance. I thought if Port Taranaki's willing to provide this time, then I should be willing to offer my time in the community.

"There's a real sense of satisfaction helping someone out, and it sparked a desire in me to volunteer more, so I'm in the process of registering with Oranga Tamariki to provide temporary care to young people.

"I think the Volunteer Day is fantastic and it's another example of Port Taranaki recognising the importance of being involved, and taking a leading role in the community," Sam says.

Helping the next generation

To achieve our vision of being The Pride of Taranaki, we believe it's important to take an active role supporting the community, including our region's young people.

Each year we offer 10-week summer internships to help students fulfil the requirements of their study, giving them a taste of what a career in the port industry might look like and the opportunities available to them.

In the 2023-24 summer, we welcomed two engineering students from the University of Canterbury on their second stint of work experience at Port Taranaki, and a mechatronics engineering student from Massey University. During their time, they joined the engineering and maintenance departments and carried out a diverse range of work.

We are also helping high school students who are interested in having a career in the trades. We have had four students from schools across Taranaki carry out work experience one day a week as part of the Gateway programme, which is designed to support students' transition into the workplace.

They have worked with our qualified tradespeople in our maintenance department, learning skills in the discipline they are interested, whether that be electrical, fitting and turning, or carpentry.

Our involvement in the programme has been a success. The first student who came to Port Taranaki, Willie Southorn, impressed with his attitude and ability during his work experience sessions and was offered an electrical apprenticeship. He is now working his way to becoming qualified.

Following this success, we have now committed to offering an apprenticeship every two years, cycling between an electrical and mechanical apprenticeship.

In our marine operations, we are training two young men who have marine backgrounds to become qualified deckhands.

We believe that by providing learning and on-the-job experience, we are providing young people with valuable skills to take them further in their career choice, and it gives us an opportunity to give back to the community – aligning with the materiality topic of 'community support and partnerships'.


WATER

Developing our people

As mentioned in ‘Recognising our people’ (above), in our materiality survey, ‘employee attraction, development and retention’ was noted as important to our stakeholders and business.

We believe that developing our own people and investing time in their professional growth is crucial to creating a strong, experienced, multi-skilled and well-rounded team.

Port Taranaki uses a mix of professional development support, including supporting further academic study, technical training, promoting cross-team work engagement, and identifying and backing people as they progress from team to leadership roles.

We are building a team that is multi-talented, is knowledgeable across various areas of our business, and is flexible. This enhances our performance, makes us more efficient, and sets us up for changes in the shipping, trade and logistics sectors in the future.

Following are examples of port people who have been assisted to grow within the company.

Kurt Biesiek

At just 26, operations planner Kurt Biesiek already has an integral role in the day-to-day operations of Port Taranaki and has a big future ahead of him.

Four years ago, after dabbling in upholstery, education and even a brief stint studying law, Kurt found work as a casual weighbridge operator at Port Taranaki. Over time, his potential was recognised and a new, fulltime senior weighbridge operator role was created, during which he was given intensive training about log operations.

Next, he moved to a new operations co-ordinator role, where the primary responsibilities were the weighbridge, its staffing and invoicing, and providing support across the operations department, particularly logs and dry bulk cargo.

Having provided cover for the operations planner role in the past, an internal promotion meant the position became vacant, prompting Kurt to put his name forward.

His abilities and willingness to learn and progress were rewarded, and he now has the key role of planning the arrival, mooring and departure of all the vessels that come to port. This involves being in constant contact with ships’ agents, stevedores, and internal marine and operations teams.

“I’m the air traffic controller of the port,” Kurt laughs. “It involves juggling demands and conflicts of timing. Shipping is very changeable and dynamic, so it’s never boring.”

He credits Port Taranaki’s willingness to back youth, provide plenty of training, and the opportunity to progress.

“Port Taranaki has been supportive and encouraging – they gave someone with no qualifications and without much of a CV an opportunity and I’ve been supported throughout. I’m very lucky and very, very grateful.

“They’re good at recognising that even though you’re young, you’re capable of doing the job and developing further – a lot of places wouldn’t do that.

“I’ve been well supported by the people I’ve reported to throughout my time at Port Taranaki. The port has been great at exposing me to different parts of the business, and I’m part of an excellent team.”


ANTE TOPIC

Hannah Haskell

For 15 years, Hannah Haskell has been steadily working her way up at Port Taranaki, taking career and professional development opportunities along the way.

Now land and operations planning manager, Hannah has responsibility for 35 team members across planning, security, and wharf services and cargo. As part of Port Taranaki's leadership team, she plays a key role working with the port team, customers and regulators to ensure continuous improvement across our land-based operations.

Having spent a couple of summers at the port as part of the student programme, Hannah's fulltime journey at Port Taranaki began in 2008 in a six-month fixed term project position. This rolled into a maintenance administrator role, and then a transfer to the marine department.

Her potential noticed, six months into the position, and following a professional development review with her manager, she began in-person study at the Western Institute of Technology at Taranaki polytechnic, and via correspondence through Open Polytechnic.

“It snowballed from a certificate, to a diploma, and then to a Bachelor of Applied Management. Throughout my study, Port Taranaki was really supportive and gave me time and flexibility to attend classes,” Hannah says.

“It was also awesome to be working in a company where I could leverage off the different skillsets of my colleagues while I was studying – I could go and talk to the appropriate person and ask questions to improve my practical application of my learning.

“It was great to have that inhouse support and resource.”

From marine administrator, Hannah became marine services officer and then operations planner – planning the arrival, mooring and departure of all visiting vessels.

Throughout that period she took opportunities to learn more, get exposed to more areas of the business, and attend internal leadership and development courses that were offered.

She says that ongoing opportunity for career development has been central to her moving into a management role.

“I've been really fortunate to have been given the opportunity to develop my skills and my leadership knowledge, and progress in the company. I've always felt well supported by colleagues, and really enjoy working for Port Taranaki – it's a great place to work.”


SEABOURN SOJOUR

Keeping in touch with our people

Regular engagement with our team ensures we can check in on the wellbeing of our people, they have the opportunity to provide input and feedback, and we all understand where we are headed and what we are working to achieve as individuals, as a team, and as a company.

With this in mind, we have moved away from annual performance reviews, to regular one-on-one check-ins, with the company values as a basis to check against. This gives both the manager, or leader, and the team member the opportunity to regularly talk about their work, team goals and performance; career goals and opportunities for professional development; and the skills they would like to improve on and develop. Team members also develop individual wellbeing goals for the quarter.

By keeping the dialogue and relationship open, it helps boost engagement, and helps us to 'live the values'.

Building diversity in our workplace

The port and maritime industries have traditionally been male-dominated, but we are working to change that.

In recent years, our demographic has evolved as more women have joined our business. We now have women filling key roles right across our operation, including in marine, operations, engineering, civil, communications and security, marketing, finance, human resources, health and safety, and business support. We have many women in leadership and management roles, and have three women directors on the Port Taranaki Board.

We have supported this change throughout – recognising ability, experience and skills, and encouraging the uptake of leadership training and the opportunity to take on leadership roles.

We believe it's important to have diversity across our business, whether that be gender, nationality or race. A mix of people, cultures, and beliefs ensures we are open to different ideas, viewpoints, and ways of doing things. This enables our business to grow and develop, and helps us become a better business.

Skills and knowledge

Providing pilotage for OMV operation

Our materiality survey topics of ‘employee attraction, development and retention’, ‘opportunities for diversification’, ‘infrastructure asset and management and utilisation’ and ‘regional relevance and importance’ all tap into the criticality of skills and knowledge for building a successful business.

We have key abilities right across our business, and with more than 40 years’ experience supporting the offshore energy sector, we’ve built a wealth of knowledge and expertise within the sector.

Our oil and gas customers and the products they produce remain important for our port, our region and New Zealand, and will continue to be so – providing energy balance as we decarbonise.

During the third quarter, Port Taranaki was contracted by OMV New Zealand to provide ongoing offshore marine services for petrochemical offtakes at the Maari oil field, which lies 80km off the South Taranaki coast. These are carried out several times a year.

In March, we carried out the first offtake, providing pilotage and support vessel services during the transfer of petrochemical product from the floating and production storage (FPSO) vessel Raroa to a waiting offtake tanker.

To ensure the operation is carried out safely, marine pilotage is required to navigate the offtake tanker into position about 40 metres astern of FPSO Raroa, and hold her in place while the product is piped aboard.

Our launch vessel transfers the pilot to and from the tanker, and our tug delivers the mooring line and offtake hose. The pilot then supervises the connection and disconnection of the offtake hose from FPSO Raroa to the tanker.

We’re very pleased to have been awarded the contract by OMV to provide these ongoing services, and believe it highlights the world-class skills and expertise of our marine team, who have a wide range of experience, not only at ports in New Zealand and internationally, but also at offshore operations, including for the energy sector.

The second offtake was successfully completed at the end of July. We look forward to supporting this important operation into the future and continuing to build on the strong relationship we have with a key customer.

Tui decommissioning completed

The final work to complete the Tui oil field decommissioning project was carried out during the 2023-24 summer, with Port Taranaki providing harbour and onshore support, as it has throughout the project.

Multi-purpose diving and subsea operations vessel Sapura Constructor retrieved the four midwater arch systems and two wellheads – the final pieces of equipment to be removed from the field, 50km off the Taranaki coast.

The large units were brought to Port Taranaki across multiple visits, with our mobile harbour crane lifting the units on a heavy haulage trailer. They were transported to a laydown area in the port where they were dismantled.

As Aotearoa New Zealand decarbonises, we expect decommissioning of more oil and gas fields to take place.

This complex project, across several phases, has given us a good understanding of the processes involved and how our infrastructure and skilled teams can support these projects in the future.

Record season begins cruise strategy

Being community owned and a key contributor to the community, we have a focus on helping our region grow and thrive. We believe cruise tourism is an area that can be developed and provide ongoing economic benefit to the region.

For a number of years, we've been active in working to attract more cruise ships to Taranaki, and in the 2023-24 season we had a record number of arrivals – about 8,000 visitors across seven vessel visits.

This success kicked off the Taranaki Cruise Strategy, a five-year campaign of sustainably growing the cruise industry in Taranaki.

The Taranaki Cruise Strategy was developed by Port Taranaki and Te Puna Umanga Venture Taranaki in partnership with iwi and hapū, New Plymouth District Council, New Plymouth iSite, Taranaki Chamber of Commerce, Puke Ariki, tourism operators, and the Department of Conservation.

It has been developed to ensure there is a coordinated, region-wide approach to sustainably grow the business in the region, and has a mission to "proactively attract and serve high-quality cruise visitors seeking new and different experiences in a uniquely Taranaki way".

We want to ensure our tourism, retail and hospitality businesses benefit, the community is involved, and we bring the public along with us so that the cruise industry is regarded as beneficial to our region.

We believe that through acting on this five-year strategy and having a region-wide, coordinated approach, we can develop our vision of a high-value cruise tourism offering that's sustainable, consistent, respects the environment, boosts the economy, adds vibrancy to the community and nurtures cultural enrichment.

The focus will be on attracting smaller premium upper-end, luxury and expedition-type cruise ships, and preservation of the environment – the sea and harbour, and our parks and natural areas.

While the campaign has the aspirational goal of '28 for 28' – having 28 cruise ships arrive in Taranaki in the year 2028 – recent geopolitical and security issues and economic and cost constraints are hampering the cruise industry. This is impacting the number of cruise vessels that are planned to visit New Zealand in the near term and makes achieving our goal difficult.

However, we remain committed to working alongside our regional partners to attract the cruise sector to Taranaki.

The 2023-24 cruise season was a great success, with the community whole-heartedly getting behind the vessel visits – large crowds gathered at Lee Breakwater or Ngāmtou Beach to welcome and farewell our visitors, many people took up volunteer roles as city guides, and Ngāti Te Whiti hapū and Spotswood College provided warmly received cultural welcomes.

Our port and region also received positive reviews from passengers, ship's captains, and shore experience companies. We'll look to build on this success in coming seasons.

Improving our health and safety practices

We operate and work in a high-risk industry, so health and safety is paramount at Port Taranaki.

Our focus is on ensuring that everyone who enters our sites goes safely home, every day. Understandably, 'health, safety and wellbeing' was the highest-ranking of our materiality survey topics.

Health and safety is also a key aspect of our Wellbeing programme, with programme elements 'The person' and 'Our place', respectively having a focus of 'when I'm 100% fit for work, I'm capable of 100% safe performance', and 'our workplace and physical environment is welcoming, safe, inclusive and productive'.

While we have witnessed a strong and consistent downward trend in our lost time injuries and recordable injury frequency rate in the past few years, we believe health and safety is an area of continuous improvement.

As such, in the past year we've focused on getting 'back to basics' to support the frontline, where our safety and wellbeing actions really matter.

Following a review of our health and safety practices, which put a lens on the question 'are the things we are doing actively making a difference in the workplace?', we have developed a three-year Health and Safety Improvement Plan, which aims to ensure our people are engaged with health and safety, and they actively support each other to make safe workplace choices. This will create a safer work environment.

The plan is fully endorsed and championed by our Board's Health, Safety and Environmental Governance Committee (HSEGC) and the full Board, who are active in all health and safety matters on port, including making regular on-site visits.

Year one of the plan – the foundation year and repositioning the support model – has had a focus on:

- Repositioning our health and safety team away from purely delivering health and safety programmes to a service-based model.
- Improving team access to health and safety information and data.
- Drafting and finalising Life Saving Rules for our 12 most critical risks – the actions that people can take to potentially save their life, or the life of someone they work with.
- Extending the reach of the Switch On safety leadership programme (see below).
- Improving our incident management processes to improve how we respond, classify, investigate and share information related to incidents.

We have been pleased with the changes made and the response of our teams across the business. This was highlighted with a five-point rise in our Health, Safety and Wellbeing score in our latest AHOY! survey. The question, "I know how to keep myself and others safe and healthy at work", was one of the top-five scoring questions in the survey.

As we continue to make progress in health and safety, year two of our Health and Safety Improvement Plan will focus on strengthening the foundations established in year one, including a full review of our hazard and risk management practices (the cornerstone of effective health and safety management) and implementing changes associated with the extension of Maritime New Zealand's regulatory role on ports.

During year three, we will look to make real moves towards industry-leading health and safety practices, always with the vision of being The Pride of Taranaki.

Switching on to safety skills and knowledge

Alongside our Health and Safety Improvement Plan, our Executive Leadership Team, strategic leaders and the health and safety team have undertaken specific safety leadership training.

The Switch On programme and workshops, which were led by an external provider, were aimed at enhancing our overall safety culture and leadership behaviours – changing mindsets, and understanding that how we think, feel, and see the world impacts others around us.

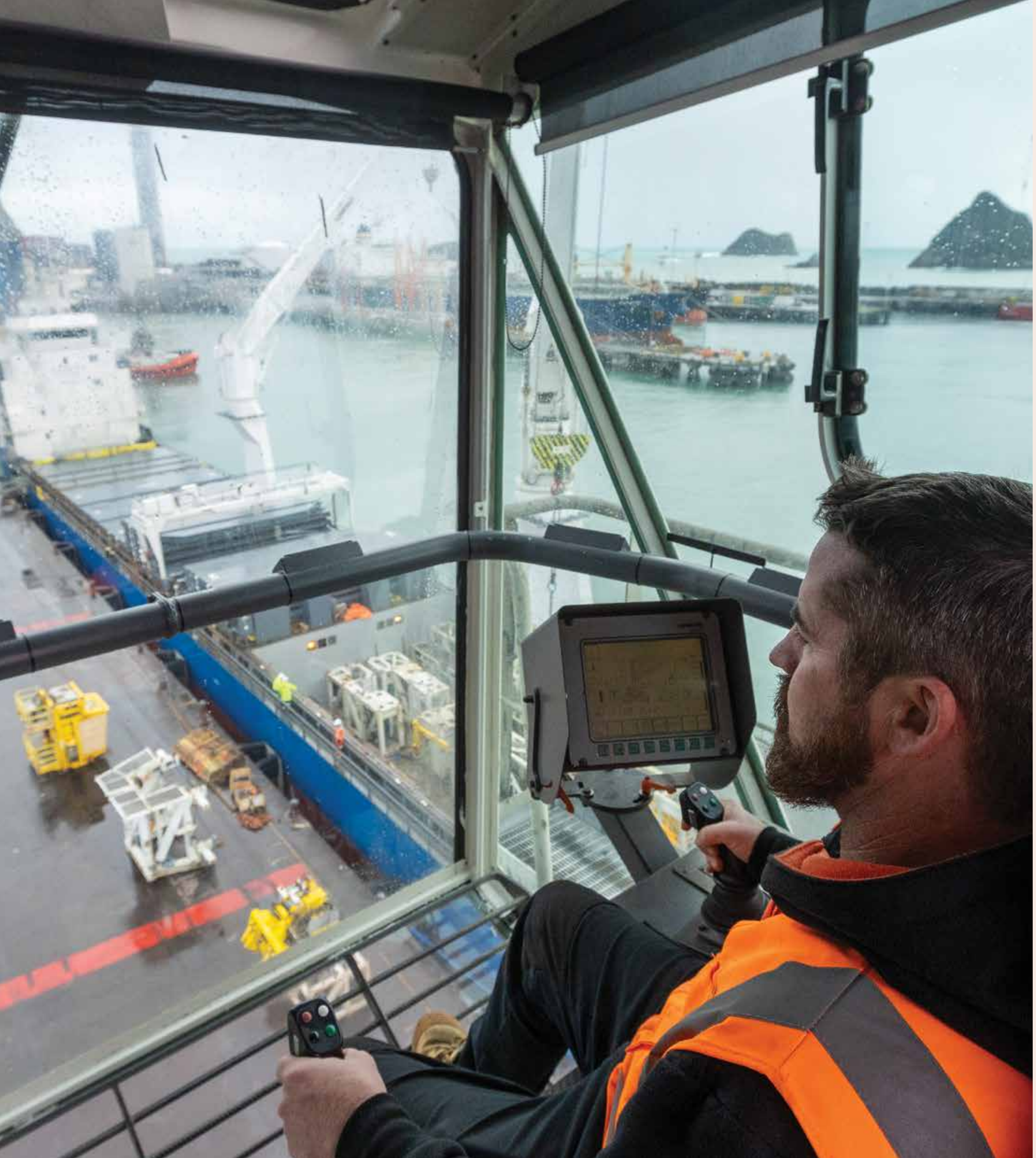
Among the key programme outcomes were:

- Building a belief that 'safety starts with me' and understanding how our own actions influence safety.
- Recognising and exploring the importance of trust within teams.
- Recognising what we say and do sets the standard for safety in teams.
- Learning proven ways to help ourselves and others Switch On to safety.
- Preparing a personal safety action plan and committing to act on it.

We saw the programme as a key enabler to make sure we had the right tools in place in the workplace, while also providing knowledge and skills to fill any gaps.

The programme was incredibly valuable, with many leaders commenting on how much they took away, not only professionally, but on a personal level also.

With Switch On so well received, we have now commenced extending the tools and messaging across our entire business.



Maritime NZ extends port role

During the year, we engaged with Maritime New Zealand and WorkSafe in preparation for changes to the way health and safety is regulated at Port Taranaki and New Zealand's other commercial ports.

From 1 July 2024, Maritime New Zealand took over monitoring and enforcing health and safety legislation on land at ports as well as on ships. Previously, WorkSafe was the regulator of landside activities, while Maritime New Zealand regulated what took place on vessels and from vessel to wharf.

The change stems from the Government-initiated review into port safety in 2022 and its resultant action plan. The Port Health and Safety Leadership Group, which includes employers, unions, the Port Industry Association, and Government agencies, recommended that Maritime New Zealand's Health and Safety at Work Act (HSWA) role be extended to include landside operations.

We regularly work with Maritime New Zealand across a number of marine and shipping-related issues, so we are supportive of this change and look forward to working with them on health and safety matters going forward.

WorkSafe retains responsibility for regulating major hazard facilities on ports, this includes the Methanex NZ and Liquigas depots at Port Taranaki.

New thinking bolsters marine pilot team

An innovative approach to marine pilotage recruitment and training has increased the breadth of skills and knowledge in our marine team and set us up for the long term.

With an ageing pilot team, and following significant labour pressures through the COVID-19 pandemic, we created a new pilot training programme that looked beyond the regular practice of recruiting seafarers who wished to come ashore after a long career at sea.

The programme considered the competency we required, included guidance around the minimum number of ships a prospective pilot was required to undertake before becoming qualified, and increased the quantity of intensive simulation training.

With support from the Port Taranaki harbourmaster and the Executive Leadership Team, and driven by senior pilot Neil MacKean, the new training programme was developed and approved by Maritime New Zealand.

A key focus of the programme was looking to the navy for a new source of younger yet experienced and well-rounded former captains, who were keen to utilise their skills at a commercial port.

Although former navy staff have become pilots at other ports, they have typically been required to train at maritime school and return to sea for a period of time before becoming a marine pilot.

Our programme took into consideration their previous naval training, and their experience and skills, and we have been thrilled with the results.

We have trained and qualified three ex-navy captains (one of whom has since moved on), and an ex-dredge master, all of whom achieved their qualifications well within the usual 12-month time frame, highlighting their aptitude and capability.

"With an ex-seafarer also on the team, we have a good mix of skills and experience, which is important as we move forward," says Port Taranaki marine manager Ben Martin, himself a former navy captain.

"This is a dredging port, so having an ex-dredge master onboard helps us select dredging methodologies and provides us with good practical dredging operational experience.

"Likewise, the quality of training, and leadership and management experience in the navy is very high, so the navy guys have helped us with our planning, coordination and whole team communicating.

"Overall, we now have a combined pilot and marine services team that comprises a great mix of master mariners and navy captains to complement and balance our services offering."

The multi-talented team and the lower average age of the pilot team, sets us up as we diversify our marine services offering and as we prepare for future changes in trade through our port.


Exit
OPEN

Environment

Homing in on what's important to us all

Our vision is to be The Pride of Taranaki. To achieve this we have to play our part to protect and enhance the harbour, and the wildlife and flora that lives in and around it.

Understandably, a number of environmental topics were among the key issues identified in our materiality survey, including 'water quality', 'air quality', 'habitat', 'light pollution abatement', and 'carbon reductions'. There were also environment-related governance topics such as 'climate and environment-related business', 'social licence to operate', and 'environmental, social and governance leadership'.

Working within the marine environment, we take our environmental responsibilities extremely seriously and already undertake a lot of activity in the areas identified. These sustainability activities will be refined further in response to the materiality survey.

Improving the harbour water quality

The harbour plays an integral role in our community.

Not only does our business and the Taranaki supply chain rely on it to exchange trade, it is also a key part of the social fabric of our city.

Ngāmotu Beach and the harbour are extremely popular recreational areas for swimmers, boaties, fishermen, kayakers, waka ama, wind surfers and more. Therefore, ensuring the harbour remains healthy and accessible to all is paramount.

We are approaching the conclusion of our stormwater discharge consent renewal process, which is being coordinated by the TRC.

Under the new consent we will prepare a comprehensive harbour monitoring plan.

The TRC already runs a comprehensive programme of weekly sampling to monitor and measure bacteria levels in the harbour – measurements that determine the safety of swimming at Ngāmotu Beach at a given time.

Chemical and physiochemical monitoring has been carried out to a lesser extent, and our monitoring, together with the TRC data, will create a good 'picture' of harbour health from a science perspective.

Some of this information will also help inform a separate assessment of marine cultural health. During the past year, the scope of the marine cultural health monitoring programme was established in conjunction with Ngāti te Whiti hapū, and the planning phase will commence in financial year 2025.

Reducing port dust to improve air quality

While Port Taranaki carries out few activities that produce dust, we do have a key influencing role, and emphasise to port users the importance of putting dust control measures in place.

We achieve this by requiring port users who handle dusty cargo (stevedores and log marshallers) to prepare environmental management plans for their operations.

In the past year, we have also been more active in encouraging the key cargo-handling port users to pay more attention to dust control.

In particular, we are asking stevedores to make their own assessments of wind conditions and decide when to temporarily suspend operations rather than rely on intervention from Port Taranaki. This work will be on-going in the coming year.

We also schedule regular sweeping of log yards to help prevent bark dust and particles from entering the air and harbour. When this is done a water spray is used to dampen the dust before it is removed by vacuum sweeper trucks.

Cutting our carbon emissions

As a business that operates in the transport and logistics industry, we understand we have responsibilities to reduce carbon emissions to help mitigate climate change.

The majority of Port Taranaki's direct emissions of greenhouse gases are a result of diesel consumption by our marine vessel fleet.

As part of our Sustainability Strategy, in financial year 2024 we took steps to reduce consumption by better utilising our newer and more fuel-efficient tug Kīnaki for some duties, in preference to our older vessels.

In addition, some duties that had traditionally been undertaken using two tugs were identified and safely undertaken as a one-tug operation.

Through these improvements, we were able to reduce diesel consumption by between 4% and 7%, making a significant reduction in our direct emissions of greenhouse gases.

We'll continue to investigate areas of our business where we can reduce emissions.


FOR HIRE
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CHEMWASH
06-753 9572

Reducing our water use

As part of our focus on ensuring we have a social licence to operate, we have increased attention on our water consumption.

We acknowledge that water consumption contributes to the volume of freshwater that the New Plymouth District Council takes from rivers, and it impacts the operating costs of the water treatment plants, which are owned by the community.

With this in mind, we are working to reduce the amount of water we take from the town supply.

A lot of work has been done to locate all the water meters on port land, both within and outside the operations area, and determine what they specifically feed. This allows us to gain a better understanding of our water usage, and to identify any issues, such as leaks, that need to be rectified.

Complementary to this is analysing our quarterly water invoices to look for, and then act on, any step changes in our water usage that cannot be accounted for.

In addition, the water tank that feeds our firewater system on the NKTT continues to be predominantly filled by stormwater.

We carry out tests of the firewater system each Sunday, and other practices and trainings take place at various times. During these tests, 1000-1200m^3 of water an hour is used.

Initially filled with a mix of town supply and stormwater when the firewater system was commissioned in late 2022, the 60 million litre tank remains topped up with rainwater, despite the many tests that have taken place.

Targeting light spill

As a 24/7 business, with vessels often arriving overnight, a lot of operations are carried out in the hours of darkness. Therefore, we have powerful floodlights around our operations area to ensure work can be carried out safely.

The lights have two settings – one that provides sufficient light for security purposes and a second that boosts output to provide safe conditions for night operations, such as ship loading and unloading.

The settings had been selected manually, but during the year we identified that on some occasions dimming the lights to the security setting could have occurred earlier. To ensure this takes place, we have now enabled the lights to be controlled through our distributed control system, and put procedures in place for operator intervention.

These operational improvements reduce our electricity demand, help reduce light spill to properties that border the port, and indirectly reduce our carbon emissions, all of which align with our commitment to maintain or improve our social licence to operate.

Joining forces to protect environment

We have become a founding member of Biosecurity Taranaki, a new regional collaboration that aims to be proactive in safeguarding our environment, economy and way of life from biosecurity threats.

As a port of first arrival, we're a potential entry point for biosecurity threats, such as pests, weeds and diseases – a risk we take seriously. All cargo or passengers that come across our wharves must comply with the biosecurity requirements of the Ministry for Primary Industries (MPI) and the New Zealand Customs Service.

We work closely with MPI, Customs, Maritime New Zealand, and Health New Zealand Te Whatu Ora to keep our border secure.

Including industry groups, iwi, hapū, government agencies, local government, businesses and community groups, Biosecurity Taranaki will work to raise awareness, build capability and protect the region's future.

We're pleased to be a member of this group – just the second regional collaboration of its type in New Zealand – and hope that through our combined efforts, we can continue to protect our natural environment, economy and way of life.

In addition to joining Biosecurity Taranaki, in November 2023, we attended a desktop regional biosecurity incursion response exercise, led by the TRC.

As a result, we have drafted an incursion pre-plan and are in the process of engaging with key stakeholders to finalise it. We will schedule a test of the pre-plan in the first quarter of the 2024-25 year.

We believe the development of a biosecurity emergency response plan is important and timely – highlighted by the recent case of exotic mosquitoes being found at another New Zealand port.

During the year, we also joined with the TRC, the harbour master, Maritime New Zealand and Massey University for an oil response exercise at Ngāmotu Beach.

Booms were deployed and a new 'skimmer', which can collect oil floating on the water surface, was also trialled.

These regular drills are essential to build collaboration and ensure we're ready should an oil spill or incident occur.

Protecting flora and fauna

We take a variety of measures and work with various conservation groups and governmental agencies to help protect the harbour environment.

Undaria is an invasive kelp species that grows under our wharves, breakwaters and on other in-water assets. Each year, we carry out a removal campaign to prevent this pest from spreading and impacting our native kelp species.

In total, 720 litres was removed in the 2023-24 campaign. Although this was an increase on the 260 litres harvested the previous year, it was significantly less than that harvested between 2015 and 2021, when the smallest amount removed was 1280 litres.

This was the second year in a row the undaria was removed before spawning, and while it's encouraging that we continue to see less than has historically been recorded, it remains unclear if we are taking a step towards eradication or the amount removed purely reflects the earlier time of removal.

Twice a year, MPI carries out National Marine High Risk Site Surveillance of New Zealand's 12 busiest international shipping ports and marinas, including Port Taranaki.

The survey searches for non-native marine organisms that could impact the New Zealand marine environment, kai moana, economy and recreational activity.

Following the summer 2023-24 survey, we were pleased to confirm that Port Taranaki continues to remain clear of all five of the high impact species that MPI surveys for specifically. Several non-indigenous species, including undaria, which are already known to be in Taranaki waters were found.

We'll continue to work with MPI to help keep our waterways clear of unwanted marine organisms.

We work with the Ngā Motu Marine Reserve Society to protect and enhance the little blue penguin population that calls Port Taranaki home. There are nests and nesting boxes across our site, and we look to support the fantastic work the society does by providing help where needed and access to our operations area.

Predator control is a key tool to help protect our native bird population. We have a number of traps around our site to help control rats, stoats and other predators that are a threat to penguins and other bird species.

For many years, the children at Moturoa School have worked hard to enhance the environment through their Trees for Survival programme and native plantings around the Port Taranaki area and in the sand dunes at Ngāmotu Beach. Through sponsorship and publicity, we support the students in their fantastic ongoing environmental efforts.


SCHOOL
Trees for Survival
Katie
Trees for Survival
Arya

Renewing our dredging consents

As a deep-water port, maintenance dredging is crucial to Port Taranaki's ability to trade.

Periodic dredging campaigns remove sediment and sand buildup from the harbour – keeping shipping channels clear and safe, and maintaining our port's status as a lifeline utility should a natural disaster or emergency occur.

Our maintenance dredging resource consents are coming due for renewal, and during 2023-24 we carried out extensive scientific study and engagement with stakeholders to help inform our consent application. We aim to lodge our application with the issuer of the consents, the TRC, later this calendar year or early in 2025.

A key focus of our application is determining where the sand removed during the maintenance dredging campaigns should be deposited. Currently, there are two disposal grounds – inshore and offshore – with the inshore ground originally chosen to help direct sand to the city's beaches.

To determine the most suitable sites for long-term sustainable disposal, we engaged experienced marine scientists to comprehensively survey and model the New Plymouth harbour environment.

This work included detailed desktop modelling of the movement of coastal sand, and field studies to understand the flora and fauna habitats of where the dredge spoil may be disposed and where the sediment may disperse to.

These studies included drop-camera surveys across 400 stations in the harbour to collect high-resolution imagery of the seabed, grab sampling of sediment samples at 19 different stations, measurements of water clarity offshore from the port, and acoustic monitoring of the harbour to measure the baseline ambient underwater noise and how the activity of the dredge changes the sound scape.

As we operate in and alongside the marine environment, protecting and enhancing the harbour is extremely important to us, as it is to many groups and individuals in our community. We want to ensure that the public is well-informed and that we are aware of any, and all, concerns so these can be investigated as part of our studies and preparation, ahead of lodging our consents application.

Therefore, we established a community working group, led by our project manager, to ensure all those with an interest in the foreshore and harbour can have input and ask questions throughout.

The working group spans iwi and hapū, harbour users, community and environmental groups and the wider public.

Once the results of the scientific work have been confirmed, the recommended disposal areas will be discussed with the working group and stakeholders to finalise the location(s) that will be included in our consent application.

Assets and infrastructure

Shoring up our energy wharf seawall

In line with the significance and importance placed on 'infrastructure asset management and utilisation' in our materiality survey, we have carried out a major reinforcement of the seawall protecting our NKTT.

The NKTT, our energy products wharf, is a key port asset that has critical bulk liquids pipelines along its length.

Following the completion of our new $16 million freshwater firewater system on the terminal the previous year, the $1.5 million project reinforced and significantly strengthened the terminal's seawall against sea and swell, and increased its stability in the event of an earthquake or large weather event.

The repair involved a substantial redesign and rebuild of the seawall around the abutment area. This included widening the base of the seawall at the sea floor to make the waves' angle of attack less aggressive, dissipating the energy and making the seawall more resilient to wave action.

About 500 akmons, all made by our Port Taranaki civil team, were layered from the sea floor up to just below the water surface – a depth of about 10 metres. The old rock armour above water was then removed and relocated into the "trench" created by the akmon layer. A geotextile fibre was then laid over the exposed backfill, before a layer of light rocks and, finally, a layer of heavy rocks was placed to complete the wall.

Flexibility of assets supports efficiency

During the year, we supported log marshalling and stevedoring customer Qube (formerly ISO Limited) to relocate its logs scaling operations from within the Port Taranaki operations area to a cutting-edge robotic facility nearby.

The purpose-built facility, on Breakwater Road, just a few hundred metres from Port Taranaki, boasts a weighbridge and state-of-the-art undercover automated scanning technology that not only improves efficiency and accuracy, but also worker safety.

It has also helped reduce congestion within the port as, once scaled, the trucks now head directly to the log yards for unloading, without the need to queue for the scaling checkpoint.

The New Plymouth facility has two robotic scaling machines, enabling 6,000-plus JAS to move through each day.

The new location has also enabled Qube to use its former covered facility in the port operations area as a location to carry out routine maintenance to the heavy plant machinery and equipment it operates. This creates efficiencies and cost savings by not having to take the equipment by truck and trailer offsite for repairs and maintenance.

We have also worked with Qube on the lease of an area of our East Gate laydown for parking of heavy plant machinery and equipment.

Developing space for forestry customers

In the past year, we've continued to make progress on 'infrastructure asset management and utilisation', 'business resilience' and 'regional relevance and importance' – items highlighted as important in our materiality assessment.

We continue to reshape our port to best utilise our assets and support our customers' needs and the cargo they trade; be flexible to enable our assets to be used for other means; and invest in our fleet and wharf assets to ensure longevity.

This work has included providing more log yard space for forestry exporters.

We completed an expansion and a conversion of two log yards – known as yards M and W – providing a total of 5,700m^2 storage space.

The new log yards involved excavation work and the application of substrate layers, before an asphalt concrete top layer mix was poured. The work also included upgrades to the stormwater system, including the installation of slot drains and CDS units to capture and filter yard run-off.

With the additional yards, we now have 65,000 JAS available log space at port, and use an allocation model for our exporters and marshalling companies. We aim to not have logs sitting on the port for long periods, so encourage exporters to have regular vessel visits to push volumes through.


KAROO

Future the focus of tug arrival

With a focus on preparing for changes to trade and services in the future, while also supporting current customers, we have taken management of a tug whose capabilities add valuable diversity to our fleet.

Karoo, a 30m long tug with 50 tonnes of bollard pull, arrived from Albany, Australia, in early May, having served as the emergency towing vessel for the Australian Maritime Safety Authority.

She was brought onboard to replace 40-year-old Rupe – the oldest vessel in our fleet – as we continue our strategy of operating three tugs from our west coast port.

As well as having greater power than Rupe's 29-tonne bollard pull, Karoo has a large working deck, forward and aft winches, and is a stern drive tug – a contrast to our fleet of tractor tugs, where the propellers are at the bow, or front.

We believe Karoo's physical attributes, and her certification to operate up to 200 nautical miles offshore, will be of great benefit to our port.

We expect to have Karoo operate from Port Taranaki for up to the next 10 years, supporting current trade and possible future trade opportunities, such as offshore wind developments and oil and gas decommissioning.

Rupe was sold to Australian company Major Projects Group and will assist with marine demolition and towage. She departed Port Taranaki in late May.

Having been built new for Port Taranaki in 1984, Rupe's age and design were no longer appropriate for our needs, and components and replacement parts had become more difficult to source. In addition, with larger and more powerful cargo vessels now being the norm, the tug fleet requires the necessary strength to ensure the vessels are manoeuvred safely.

Rupe was a key part of Port Taranaki's history and growth, and it was sad to farewell a popular and valued member of the fleet. She was known as being reliable and was a tug that handled well in all conditions, providing sterling service throughout.

Investing in our fleet for longevity

Like our wharves, our vessel fleet is a key port asset that we invest in to ensure it supports our business, trade and customers safely and efficiently.

During 2023-24 both our launch vessels – Rawinia and Mikotahi – spent time out of the water undergoing important maintenance, testing and certification.

Rawinia, which provides offshore crew transport services and pilot transfers, was given a significant upgrade.

This included stripping back, priming and painting her hull, and having anti-foul applied. The inflatable fenders, which run the length of her body on either side, were removed and replaced with new tubes, and her nose fender of aluminium, hard foam, and rubber, was completely rebuilt.

Rawinia's nose fender is a piece of mission critical equipment, as it enables the launch to pin up against the ladder at the Pohokura oil and gas platform so that people can be safely delivered from the vessel to the platform. This rebuild ensures we'll continue to provide a safe service to our client now and into the future.

Mikotahi, our pilot launch, was taken out of the water for her five-yearly 'special survey' – a strict regime of survey and inspection by maritime classification society Lloyd's Register to ensure she is maintained to the highest standards and levels of compliance in New Zealand.

We carried out a wide range of maintenance, including replacing sections of the hard fender, recoating the deck and underwater area with anti-foul, refurbishing the driveshafts, replacing the engine bellhousings, stripping and taking critical measurements of the jet units, rebuilding the firefighting pump, and carrying out repairs to the main engines and generator engine. A lot of additional supporting work was also carried out.

After a final inspection and sea trials, Mikotahi was issued with her new certificate of class.

Strengthening our port security

Protecting our assets and the assets of our customers is critical.

To meet our international obligations and in line with the Maritime Security Act 2004, we have extensive security, including security fencing around the operations area, allowing only authorised access to the operations area, and monitoring of the gates and boundary.

In the past year, we have further strengthened our surveillance by carrying out a major technology upgrade of our security system, which has coincided with the move of our security control room from the NKTT to the main Port Taranaki Centre.

The state-of-the-art security upgrade has included the addition of ultra-high definition, or 4K, monitors to support the on-port camera system; the inclusion of the NKTT's distributed control system, so that the likes of the firewater system, gas pipelines, and alarms can be accessed remotely; and 'soft radio' that enables the comms and security officer in the control room to talk to incoming ships, the NKTT, and the port's other channels over the internet, rather than on a traditional radio system.

In the security control room, we have now increased to 14 the number of screens, and can monitor the feed from multiple cameras at any time.

The system also enables port staff to view, on their phone or computer, camera feeds from specific areas of the port related to their work. This enables, for example, the planning team to monitor operations on the berths without having to physically be on-site, the wharf services team to keep a check on the ShoreTension units, and the pilots to monitor activity in the harbour.

This supports operational efficiency and enables our people to quickly access key information. Overall, the technology upgrade gives us more control, knowledge and visibility.

The system provides the opportunity to include additional tech enhancements and we plan to make more updates in the coming year.

Climate change disclosure

As New Zealand's premier energy trading port, Port Taranaki has both commercial and environmental interests to consider in relation to climate change. We recognise climate change has the potential to affect our business through physical impacts, such as storms and floods, and sea level rise in the longer term, and through transitional impacts as the world moves to a lower carbon economy.

We will have a key role to play as New Zealand moves towards a low-carbon future. We have already embarked on positioning the company as New Zealand looks towards increasing electrification and fuel and energy needs evolve. We are committed to reducing our carbon footprint, improving our operational resilience, and adapting to the effects of a changing climate.

Port Taranaki is not a climate-reporting entity (CRE) under the Financial Markets Conduct Act 2013. Notwithstanding this, we are committed to being open and transparent on climate-related issues and to enhancing our disclosure over time. We believe that we have a responsibility to understand how the changing climate impacts our operations and to report on this.

We recognise that our disclosure does not comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board. This disclosure has, however, been guided by those standards. Over time we will look to report more fully in accordance with the Aotearoa New Zealand Climate Standards.

Climate-related risk management is an emerging area and uses data and methodologies that are developing and uncertain. Climate disclosures, by their nature, contain forward-looking statements, including climate-related scenarios, assumptions, climate projections and forecasts that may not evolve as predicted. As such, some statements contained in this disclosure are inherently uncertain and are subject to limitations.

Governance

Port Taranaki's Board is accountable to its shareholder, the TRC, for the long-term stewardship of the company. The Board is responsible for the oversight and governance of Port Taranaki's business objectives and strategies. It is responsible for the management of risks and opportunities, including those related to climate change.

Climate-related risks and opportunities are additionally managed by the Audit and Risk Committee (ARC), which the Board delegates responsibility to, to help ensure the company manages its risks and compliance appropriately.

The ARC generally meets three times a year and reviews the company's enterprise risks twice a year. The company's climate change disclosure is also overseen by the ARC and recommended to the Board for approval. The outcomes of ARC meetings are reported to the Board.

The Board generally meets seven times a year and, in addition to receiving reports on the proceedings of Board sub-committees, it reviews all key risks and opportunities when reviewing and setting strategy.

Board skillset

The Board Charter requires the composition of the Board to reflect the duties and responsibilities it is to perform. It also aims to ensure the Board has the appropriate mix of skills, experience, and expertise, and has the ability to manage the current and emerging issues of the company. The Board recognises that today, this necessitates a knowledge of climate change.

Directors undertake regular professional education to keep themselves up-to-date with the changes and trends impacting the company's business. The annual Board Work Plan includes briefings from external parties to upskill the Board on new developments and/or key issues.

The Board accesses climate-related expertise from within the company, and from external specialists when required.

Board members are also able to access climate-related materials and knowledge via their other roles and membership of organisations, such as the Institute of Directors, the Trans-Tasman Business Circle and Chapter Zero.

Management's role

The Board delegates the day-to-day management of the company to the chief executive and the Executive Leadership Team. This includes the company's risk management processes, which incorporate identifying, assessing and monitoring climate-related risks and opportunities.

Management reports to the ARC on enterprise risks biannually. Port Taranaki's climate change disclosure is facilitated by the chief financial officer, with the ARC having primary governance. The ARC oversees the company's climate change disclosure and recommends it to the Board for approval.

In conjunction with its annual strategic and business planning, management assesses and updates enterprise and emerging risks. This review considers significant context changes that could create new and emerging risks or opportunities, or any change in the materiality of existing risks or opportunities.

In addition, management reports to the Board biannually on its progress against its sustainability actions (these include climate-related actions).

Risk management

As part of its evolving climate journey, this year Port Taranaki adopted a new approach for identifying and assessing climate-related risks and opportunities. The process applied Port Taranaki's climate scenarios, and its approach was aligned to the Ministry for the Environment's National Climate Change Risk Assessment (NCCRA) methodology, and to the method prescribed by the ISO14091-2021 standard for climate risk and adaptation.

Port Taranaki's process involved a scope and boundaries workshop with subject matter experts to determine the climate risk assessment approach, value chain exclusions, time horizons and scenarios.

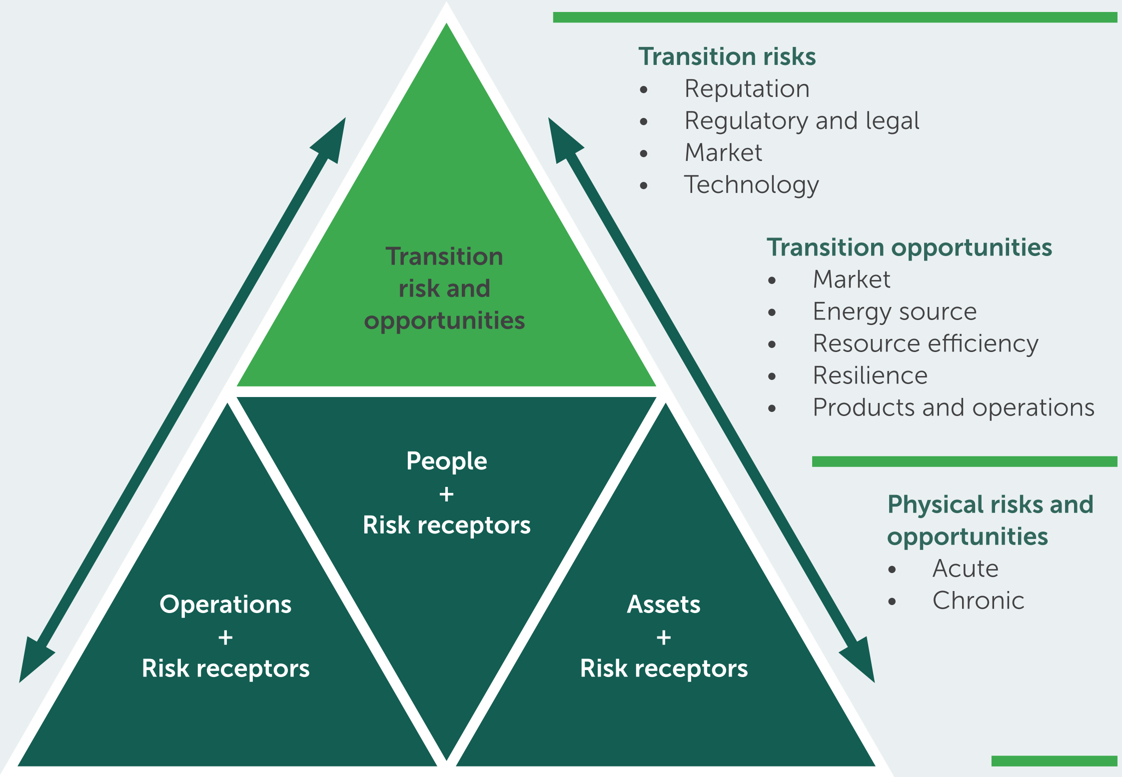
The subject matter experts identified physical risks from each climate hazard. Physical risks were categorised under high-level risk type categories and the consequence of the risk was determined by assessing the identified risks in terms of their exposure and vulnerability. To ensure that the outputs of the climate risk assessment can be integrated into the enterprise risk management framework, the company's five-by-five risk matrix was adopted for the purpose of rating the exposure, sensitivity and adaptive capacity of each risk.

Table 1: Current climate-related impacts

This table sets out the company's view of its material related impacts in the financial year.

Type	Risk	Risk impact
Physical[1]	Storm events	During the year, storm events resulted in shipping operations being suspended. Unlike previous years, these storm events did not cause any damage to the port.
	Cyclone Gabrielle	In February 2023, Cyclone Gabrielle damaged several forestry plantations in the central North Island. As a result, trees within these plantations were harvested early. Port Taranaki's FY24 log trade benefited, to a small extent, from the early harvesting and export of these cyclone-damaged trees.
Transition	Insurance	Following the Auckland floods in January 2023 and Cyclone Gabrielle in February 2023, insurers' 2024 reinsurance arrangements were subject to significant increases to premium rates and capacity was restricted. This resulted in increased upward pressure on Port Taranaki's insurance premiums. In addition, insurers are paying much closer attention to flood risks etc. This is likely to signal a broader trend in the future.

[1] For the purpose of this climate change disclosure, Port Taranaki has recorded extreme weather events as "current climate impacts". No assessment has been undertaken as to whether these events are climate related.



Simplified representation of the scope and boundary of Port Taranaki's climate risk assessment

The process and methodology for assessing climate risks varies, relative to whether the risks are physical or transitional.

Transition risks were identified against the backdrop of a NGFS[1] Orderly Transition/IPCC[2] AR6 SSP 1-1.9 pathway. The rationale for testing against the orderly scenario is that transition risks are assumed to be highest under this scenario, in terms of regulatory and policy frameworks, consumer preferences and expectations, and access to capital.

Transition risks were rated against urgency criteria and a qualitative impact weighting was then applied to determine materiality. The urgency criteria are based on time-to-impact. They are derived from the methodology applied for the United Kingdom's third climate risk assessment and the methodology developed for the NCCRA methodology. The impact weightings are based on Port Taranaki's existing risk consequence table and apply materiality thresholds relating to quantitative indicators, such as impact on market share, legal and regulatory compliance, and reputation damage. The urgency criteria (based on time-to-impact) and the impact weightings were used by Port Taranaki's transition risk workshop participants to rate Port Taranaki's transition risks.

To reflect the change in the risk profile across timeframes and scenarios, Port Taranaki applied the following logic:

- Under the net-zero by 2050 – Orderly scenario, the transition risk is highest in the near term, and given that the transition risks have been addressed early on, thereby diminishing exposure over the longer term.
- Under the delayed transition – Disorderly scenario, risks are slightly higher in the medium term given that delayed action results in higher exposure to physical risks and cost pressures because of resource scarcity. This scenario assumes that transition risks are resolved in the medium term, which reduces the long-term exposure to transition risk.
- Under the Hot House World scenario, the exposure to transition risks is low across all timeframes, as there is limited transition activity.

Both physical and transition opportunities were identified on the ease of harnessing the opportunity and the potential benefit of the opportunity. Physical opportunities were assessed on the same basis as physical risks, whereas transition opportunities were rated based upon urgency and impact.

The value chain stages included in our assessment were two tiers upstream and one tier downstream.

[1] Network for Greening the Financial System.
[2] Intergovernmental Panel on Climate Change.

Time horizons

Port Taranaki's climate-related scenarios, physical risks and opportunities consider three time horizons:

- **The short term:** The present day through to 2030.
- **The medium term**: The period from 2030 to 2050.
- **The long term:** The period from 2050 to 2100.

The selection of these time periods for Port Taranaki's climate risk assessment was informed by:

- The period covered by the company's business plan (five years).
- The company's asset management and strategic plans, which cover the next 20 years.
- Energy demand forecasts for crude and condensate, and the remaining production life of oil and gas in Taranaki.
- The timeframes involved in consenting and constructing port infrastructure.
- The asset design life and asset renewal cycles for the port's assets.
- The strategic time horizons of the company's peers.

The assumption of the orderly scenario (discussed below) is that the global objective of achieving emissions reductions commensurate with limiting global warming to no more 1.5°C has been achieved by taking early action to decarbonise. Given that transition risks will arise between the present day and 2050 (aligned with the Paris objective of limiting global warming to within 1.5°C above pre-industrial levels), the timeframes adopted for the transition risk assessment were as follows: Short term – 2-5 years into the future; medium term – 5-15 years; and long term – 15-20 years.

Transitional climate impacts strongly influence short-term business planning and capital allocation decisions. Port Taranaki's climate-related scenarios inform physical climate risks and opportunities which increase in impact (and uncertainty) over longer time horizons.

Risk and opportunity summary

Port Taranaki categorises climate-related risks and opportunities as physical or transitional. Physical are impacts arising from climate impacts, such as floods. Physical impacts can be acute (extreme weather event) or chronic (sea level rise and other gradual changes). Transitional are impacts arising as the world transitions to a lower-carbon future. These impacts involve changes in policy and customer demand that are primarily motivated by climate interests.

Port Taranaki's climate change risk and opportunities assessment has determined our level of exposure and vulnerability to the impact of climate-related physical and transition risks, in the present day, at future time horizons, and under multiple warming scenarios. The company has also identified potential opportunities arising from climate change.

The physical risk analysis indicates that Port Taranaki's operations are moderately exposed and vulnerable to extreme weather events.

The transition risk analysis indicates that most risks identified were policy and legal related. The highest-rated policy risks relate to the wind down of oil and gas exploration and production, and the knock-on impact on trade and associated services through the port.

Several opportunities were identified, which indicates that Port Taranaki is well positioned to harness benefits arising from climate change. A summary of risks and opportunities is provided in Tables 2 and 3.

Scenario analysis

During the year, Port Taranaki with the help of an external facilitator, developed three scenarios to help identify potential climate risks and opportunities.

While Port Taranaki realises that many possible futures exist with differences in global temperature pathways, the three scenarios adopted were:

- **Orderly.** This scenario is based upon early implementation of policies to limit global warming to 1.5°C. The medium term sees ambitious decarbonisation goals and policies introduced, and emissions to decline rapidly and steadily to halve global emissions by 2030 and achieve net-zero by 2050. Under this scenario there is relatively low exposure to physical climate-related risks. Exposure to transition risks is high, early economic contraction followed by strong growth and minimised social and economic costs.

  Consumers, and the local community, including iwi and hapū, have strong preferences to support sustainable organisations, which incentivises a move away from fossil fuel dependency through comprehensive electrification and decarbonisation activities. A proactive asset upgrade strategy enables local businesses to face less exposure to the impacts of coastal inundation and other climate hazards, enabling equitable stakeholder benefits/gains across the locality. Green methanol and port electrification gains popularity as an alternative fuel and reduces operational costs for storage and transport when compared to fossil fuels.

- **Disorderly.** This scenario is based upon delayed policy implementation in the short term. Significant decarbonisation is delayed until the mid-2030s. There is high transition risk because of a run on resource in the 2040s, when punitive policies and measures are introduced to achieve net-zero 2050 targets. There is a slight overshoot of the net-zero by 2050 target. High social and economic costs are incurred because of resource scarcity driven by demand shocks and moderately higher exposure to physical risk.

  Consumers and the local community have limited awareness and knowledge of decarbonisation plans and the intention to deviate from oil and gas sector and fossil fuel dependency, resulting in strong public disapproval of the port operators' decarbonisation efforts. Delayed and inconsistent policy guidance in relation to resilience planning creates a situation where port operators face difficulties in updating or amending asset management plans to focus on resilience because of conflicting or misaligned stakeholder objectives. Delayed action, coupled with inconsistent government support, prevents the equitable sharing of potential benefits that would arise due to a quick, just transition, with the government selectively choosing which entities, sectors or industry to benefit, thereby leaving the port operators more exposed to climate impacts.

- **Hot House World.** This scenario is based upon current climate policies remaining in place in the short term. In the medium term, no additional policies are introduced to curb emissions, and emissions continue to rise. Warming reaches in excess of 3°C. The net-zero by 2050 target is overshot. Severe resource scarcity results from supply shocks relating to climate events. There is extreme exposure to physical risks but limited exposure to transition risks.

  The absence of policy and funding for the implementation of asset and infrastructure to enhance port defence, leads to exposure to coastal inundation and other material climate hazards. Weak government policy and legislation lead to fuel sources being cut-off overnight, which results in business continuity issues for the port industry. Demand for petrochemicals soars and high costs for the transition to sustainable fuels results in them no longer being a viable option. There is no market demand for port operators to deploy renewable energy and port electrification.

Over time, Port Taranaki's aim is to report more fully in accordance with the New Zealand Climate Standards (NZCS). This guided our scenario selection. The company's scenarios were chosen to align with the NZCS1 standard, which requires climate reporting entities (CREs) to test their exposure to climate change-related impacts against three time horizons and three global warming scenarios that include a 1.5°C climate-related scenario, a 3°C or greater climate-related scenario, and a third climate-related scenario.

The trend for other sectors in New Zealand is to adopt the scenarios outlined above. This also guided our choice as we considered readers would benefit from disclosures that are comparable with those of other entities.

Final considerations were the availability of down scaled climate hazard projection data and the fact that the shared socio-economic pathways (SSP)/ representative concentration pathways (RCP) scenario SSP 2/RCP 4.5, and scenario SSP 5/RCP 8.5 were adopted within analysis and modelling of the design and operation of Port Taranaki's breakwaters, which was conducted in the past year.

It is important to note that the three scenarios are not forecasts. They aim to provide sufficiently distinct and plausible futures to help identify and assess climate-related risks and opportunities.

A summary of the three scenarios is shown on the following page.

- Orderly
- NGFS - Net-zero by 2050
- SSP 1-1.9, 1.4°C
- NIWA RCP 1.9
- Climate Change Commission - Tailwinds

Policy ambition	Policy reaction	Technology change	CDR
1.4°C	Immediate and smooth	Fast change	Medium-high use

Regional policy variation Medium variation

The Orderly scenario depicts a world where the world succeeds in limiting warming to within 1.5°C.

- Disorderly
- NGFS - Delayed transition (1.6°C)
- SSP 1-2.6, 1.8°C
- NIWA RCP 2.6, 4.5
- Climate Change Commission - Tailwinds

Policy ambition	Policy reaction	Technology change	CDR
1.6°C	Delayed	Slow/fast change	Low-medium use

Regional policy variation High variation

Our Disorderly scenario depicts a world where we succeed in limiting warming to below 2°C.

- Hot House World
- NGFS - Current policies
- Hot House World - 3 °C+
- IPCC SSP 5-8.5, 4.4°C
- NIWA RCP 8.5
- Climate Change Commission - Tailwinds

Policy ambition	Policy reaction	Technology change	CDR
3°C	None - current policies	Slow change	Low use

Regional policy variation Low variation

Our Hot House World scenario depicts a world where no additional policies are introduced to curb emissions, and emissions continue to rise.

	Orderly	Disorderly	Hot House World
Short-term Present day-2030	Early implementation of policies	Delayed policies	Current policies - limited ambition
	Physical: **Low** Transition: **Medium**	Physical: **Low** Transition: **Low**	Physical: **Low** Transition: **Low**
Medium-term 2030-2050	Ambitious decarbonisation goals and policies are introduced immediately, and emissions decline rapidly and steadily to halve global emissions by 2030 and achieve net-zero by 2050.	Significant decarbonisation is delayed until the mid-2030s. There is high transition risk due to a global run on resources in he 2040s, with punitive policies and measures introduced to achieve net-zero 2050 targets.	No additional policies are ·introduced to curb emissions, and emissions continue to rise. Warming reaching >3°C.
	Physical: **Low** Transition: **High**	Physical: **Medium** Transition: **High**	Physical: **High** Transition: **Low**
Long-term 2050-2080	Net-zero target achieved. Relatively low exposure to physical climate-related risks. Exposure to transition risks is high, early economic contraction followed by strong growth and minimised social and economic costs.	Slight overshoot of net-zero by 2050 target. High social and economic costs are incurred due to resources scarcity driven by demand shocks and moderately higher exposure to physical risk.	Overshoot of net-zero by 2050 target. Severe resource scarcity due to supply shocks relating to climate events. Extreme exposure to physical risks but limited exposure to transition risks.
	Physical: **Low** Transition: **Low**	Physical: **Medium** Transition: **Low**	Physical: **High** Transition: **Low**

Table 2: Climate risks

Type	Risk	Impact	Time horizon and scenario	Mitigations and management actions
Physical	Extreme weather events occur with increasing frequency and intensity.	Infrastructure upgrades and increased operations and maintenance costs. Disruptions to port operations. Impacts upstream customers and negatively impacts trade.	Short, medium and long. Disorderly and Hot House.	Breakwater modifications and/or additional ShoreTension units (or equivalent). Increased hydrographic surveys/increased dredging. Purchase and installation of weather stations to improve weather models and forecasting the impact of weather. Proactive and regular maintenance to ensure safety and resilience. Modelling of the stormwater system capacity under future scenarios.
	An increase in the number of hot days presents health, safety and well-being issues.	May result in reduced productivity.	Long term. Hot House.	
	Sea level rise renders moorings unfit for purpose.	May lead to a risk of disruption in port operations during high tide.	Long term. Hot House.	Re-development of the port to raise the level of quaysides/storage areas.
Transition	Domestic regulatory changes prohibit exploration and production of gas.	Methanex withdraws from New Zealand for various macro-economic reasons that stifle the investment needed to maintain gas supplies for industrial use. May impact Port Taranaki's bulk liquid trade and associated services. This could result in decreased revenue.	Short and medium. Orderly and Disorderly.	Port Taranaki monitors regulatory and legislative trends and developments. This helps the company to understand potential regulatory change, and to pre-emptively consider the related risks, opportunities and impacts. Port Taranaki takes a proactive engagement approach with key stakeholders. Diversification of trade. Investigates an LNG import option. Growth in renewables provides Port Taranaki new revenue opportunities. Continue to invest in re-purposing assets to provide flexibility and enable multi-use.
	Rapidly evolving customer preference and demand requires the company to transition its shipping fleet from fossil fuels to alternatives before the end of the asset's design life.	May result in stranded assets.	Medium. Orderly and Disorderly.	Factored into asset management planning. Investigating ways to increase tug efficiency. Possible use of less carbon intensive fuels.

Table 3: Climate opportunities

Type	Opportunity	Opportunity description	Time horizon and scenario	Management actions
Physical	Rising temperatures, increase in number of hot days.	An increasing number of hot days present revenue/ cost savings opportunities from on-site solar PV.	Short, medium and long. Orderly, Disorderly and Hot House.	Factored into asset management planning.
	Extreme weather results in increased wind speeds and is a deterrent for sea-based logistics, such as the use of ship's cranes.	Increased wind favours Port Taranaki's own infrastructure and services, presenting an opportunity to increase crane utilisation and increase revenue. Extreme weather increases demand for coastal logistics, which increases trade and revenue.	Medium and long. Disorderly and Hot House.	Factored into asset management planning. Port Taranaki monitors the external environment and trends. This helps the company to understand potential change, and to pre-emptively consider the related opportunities. Port Taranaki takes a proactive engagement approach with key stakeholders.
	Sea level rise results in a reduced requirement for dredging and deepens Port Taranaki's draft.	Sea level rise results in a reduced requirement for dredging, thereby reducing costs. Sea level rise enables deeper draft vessels to call, and this presents new cargo opportunities.	Long. Hot House.	Factored into asset management planning. Port Taranaki monitors the external environment and trends.
	Markets and/or regulatory push to renewable energy.	The push to increase renewable energy generation provides an opportunity to support the offshore wind sector (and other renewable energy projects). A transition in the modes of transport utilised by importers and exporters (to coastal shipping) to reduce freight emissions, presents the opportunity to create additional trade and increase vessel visits.	Medium. Orderly.	Port Taranaki is actively engaged with several renewable developers and other key stakeholders. Actively monitors the renewable sector. Investing in assets and strategies that increase flexibility. Port Taranaki monitors transport trends.
	Regulatory changes may prevent vessels from running diesel generators.	Regulatory changes may prevent vessels from running diesel generators when berthed in port. This may require vessels to utilise shore power and potentially provides a new revenue stream.	Medium. Orderly.	Port Taranaki maintains an active dialogue with its customers. Monitors regulatory and legislative trends and developments. Port Taranaki has a current project that is investigating the provision of shore power.
	Markets and/or regulatory push to decarbonise the shipping industry.	The shipping industry's drive to decarbonise and reduce its emissions presents an opportunity for the port to provide support by facilitating methanol bunkering. Potentially provides a new revenue stream.	Medium. Orderly.	Port Taranaki maintains an active dialogue with its customers. Port Taranaki monitors regulatory and legislative trends and developments.

Metrics

In this section, we provide an inventory of Port Taranaki's greenhouse gas emissions. Our global greenhouse gas (GHG) inventory has been prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (GHG Protocol), which is an internationally recognised framework for carbon reporting. Using this recognised standard ensures transparency, robustness and a consistent approach that will facilitate benchmarking.

Statement of intent

Port Taranaki is not a CRE under the Financial Markets Conduct Act 2013. Notwithstanding this, we are committed to being open and transparent on climate-related issues and reporting on these. Over time we aim to enhance our disclosures.

Port Taranaki is committed to accounting for our carbon emissions, and we are guided by global best practice. Therefore, this inventory has been prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (the GHG Protocol).

This report has been prepared as part of our commitment to measure and manage emissions. Its intended users are all interested stakeholders, including our Shareholder, our community, port users, iwi and hapū, our customers and our people.

Organisational boundary

The organisational boundary determines the parameters for GHG reporting in Port Taranaki's GHG inventory. Port Taranaki's boundary encompasses the operations owned and controlled by Port Taranaki and its subsidiaries (see Table 4). Port Taranaki does not have any associate companies nor joint ventures.

Table 4: Summary of Port Taranaki entities

Entity	Principal activity	Type	Included/ excluded
Port Taranaki Limited	Port Company	Parent Company	Included
TugCo	Vessel owner	Subsidiary	Included

Consolidation approach

Port Taranaki applies the operational control and consolidation approach to its emissions. Its organisational boundary was set with reference to the methodology outlined in the GHG Protocol.

This approach allows us to focus on the emissions that we can control and for which we can implement actions that reduce our carbon footprint, improve our operational resilience and enhance our social licence to operate.

Emission source inclusions

Port Taranaki's emission sources were identified with reference to the GHG Protocol. The GHG Protocol splits emissions into three categories. In accordance with the GHG Protocol, Port Taranaki's assessed emissions sources have been classified into:

- **Scope 1** — emissions from sources that are owned or controlled by the company. This includes fuel used in our marine fleet, fuel owned in vehicles owned or leased by the company, LPG used in forklifts, any firefighting foam used on site and any refrigerants consumed.
- **Scope 2** — indirect emissions from the generation of purchased electricity consumed by the company. For Port Taranaki, Scope 2 emissions include the emissions from purchased electricity consumed within the port operational area, at the company's corporate office, and in buildings and workshops that are outside the port operational area.

Disclosed Scope 2 emissions also include the electricity consumption of tenants who occupy Port Taranaki buildings without a meter. For these tenants, Port Taranaki is not currently able to calculate the electricity consumed.

Port Taranaki's Scope 2 emissions do, however, exclude those tenants that have their own meter and a direct relationship with an electricity retailer.

The company's Scope 2 emissions have been calculated using location-based emissions factors.

Table 5: Summary of emission source inclusions

Scope	Category	GHG emissions source	Data source	Methodology, data quality, uncertainty (qualitative)
1	Mobile combustion	Diesel used in marine fleet (tugs and launches).	Supplier invoices for bulk diesel deliveries.	Emission factors from Ministry for the Environment (MfE) guidance documents. Good data quality.
1	Mobile combustion	Diesel used in Port Taranaki's vehicle fleet.	Supplier invoices for bulk diesel deliveries. Fuel purchased through fuel cards.	Emission factors from MfE guidance documents. Review of fuel card records. Good data quality.
1	Mobile combustion	Petrol used in Port Taranaki's vehicle fleet.	Fuel purchased through fuel cards.	Emission factors from MfE guidance documents. Review of fuel card records. Good data quality. Assumes no credit cards have been used to purchase fuel.
1	Mobile combustion	LPG used in forklifts.	Supplier invoices and Maximo data.	Emission factors from MfE guidance documents. Review of invoices. Good data quality. Assumes all LPG purchased in a year is consumed in that year.
1	Stationary combustion	Diesel used in stationary equipment.	Supplier invoices and Maximo data.	Emission factors from MfE guidance documents. Some uncertainty as relies on correct coding to assets in Maximo. Assumed fuel input into equipment is equivalent to consumption in the year.
1	Fugitive emissions	Refrigerants	Maintenance/service records.	Records from service providers who maintain and top-up units.
2	Electricity	Electricity consumed within the port operational area, at the company's corporate office and in buildings and workshops	Electricity retailer invoices.	Emission factors from MfE guidance documents. Calculation based on supplier invoices. Some uncertainty as some consumption is not Port Taranaki's but its tenants.

Emission source exclusions

Scope 3 — indirect emissions that occur because of the activities of the company but from sources that are not owned and controlled by the company. Reporting on these emissions is optional under the GHG Protocol.

Port Taranaki has, at this point in time, chosen not to disclose its Scope 3 emissions. We consider that readers benefit from disclosures that are comparable with those of other entities. New Zealand ports have engaged a third party to determine a common approach to measuring and reporting Scope 3 carbon emissions. Upon finalisation of this work, we aim to disclose our Scope 3 emissions.

Although we are not disclosing our Scope 3 emissions we have undertaken work in this area. To gain a more comprehensive understanding of our emissions, in FY23 we commissioned an external party to undertake an estimate of the company's Scope 3 emissions. This estimate was compiled in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (a supplement to the GHG Protocol).

This standard categorises Scope 3 emissions into 15 distinct categories.

This work identified that of the standard's 15 categories, the following were applicable to Port Taranaki: Purchased goods and services (Category 1); Capital goods (Category 2); Fuel and energy-related activities (Category 3); Upstream transportation and distribution (Category 4); Waste generation in operations (Category 5); Business travel (Category 6); and Employee commuting (Category 7).

Metrics

Table 6: Greenhouse gas emissions inventory summary

Scope	Category	FY24 emissions tCO2e	FY23 emissions tCO2e
Direct emissions (Scope 1)	Mobile combustion – marine fleet (diesel)	770	920
	Mobile combustion – vehicle fleet (diesel)	74	69
	Mobile combustion – vehicle fleet (petrol)	13	15
	Mobile combustion – forklifts (LPG)	3	4
	Stationary combustion (diesel)	86	161
	Fugitive emissions (refrigerants)	-	-
	Total Scope 1	946	1,169
Indirect emissions (Scope 2)	Purchased electricity	225	221
Total emissions (Scope 1 and 2)		**1,172**	**1,390**

Table 7: Greenhouse gas emissions intensity

Category	FY24 value	FY23 value
Scope 1 and 2 emissions intensity (tCO2e per kT of trade)	30.0%	29.6%

Despite Port Taranaki's total emissions reducing in FY24, its greenhouse gas emissions intensity marginally increased given the significant (16.6%) fall in trade.

All emissions, except where stated, have been calculated using the New Zealand Ministry for the Environment's Measuring Emissions: A Guide for Organisations (2023).

Table 7 presents the company's greenhouse gas emissions intensities. These are measured in terms of tonnes of CO2 emitted per tonne of trade. This is an industry-based metric and used by ports in reporting their carbon emissions.

Governance

Disclosure

Port Taranaki's Board of Directors is accountable to its shareholder, the TRC, regarding how it runs the business, manages risks, reviews and improves performance, and delivers on its promise as set out in the Statement of Corporate Intent.

In discharging its duties, the Board of Directors is committed to high standards of corporate governance and has adopted the following governance objectives:

- To lay solid foundations for management and oversight.
- To structure itself to add value through its composition, size and commitment.
- To promote ethical and responsible decision-making and act ethically and responsibly.
- To safeguard the integrity of its corporate reporting.
- To respect the rights of its Shareholder.
- To recognise and manage risk.
- To remunerate fairly and responsibly.
- To ensure that Port Taranaki acts as a good corporate citizen.
- To promote a company culture that embraces diversity and inclusion.

The Board's conduct, responsibilities and commitments are guided by its Board Charter (which can be found on the Port Taranaki website) and key company policies.

Port Taranaki's Directors are appointed by the Shareholder, and the role of the Board is to effectively represent and promote the interests of the company considering the interests of all stakeholders with a view to adding long-term value to the company. Having regard to its role, the Board directs and supervises the management of the business and affairs of the company.

Board structure

In accordance with its Board Charter, Board committees are formed when it is efficient or necessary to facilitate efficient decision-making. Each Board committee has a written charter approved by the Board.

The members of each Board committee are appointed by the Board based upon the needs of the company, relevant legislative and other requirements, and the skills and experience of the individual Directors. The role, function, charter, performance, and membership of each committee are reviewed by the Board on an annual basis.

The Board has two standing committees: The ARC and the HSEGC.

The primary objective of the ARC is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in all matters related to overseeing the accounting, reporting, audit, compliance, and risks of the company. The members of the ARC are Kathy Meads (Chair), Steve Sanderson, Charlotte Littlewood and Jeff Kendrew (ex officio).

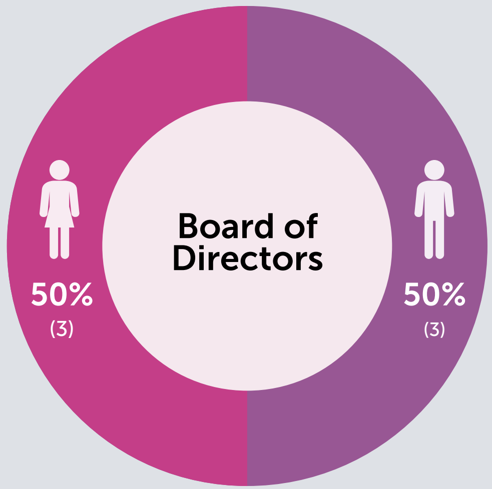
The primary objective of the HSEGC is to assist the Board in exercising its due diligence over health, safety, and environmental matters. The members of the HSEGC are Charlotte Littlewood (Chair), Wendie Harvey and Jamie Tuuta.

The Board seeks to ensure that any new Directors are appropriately introduced to the Executive Leadership Team and the company's business, and that all Directors are acquainted with relevant industry knowledge and receive appropriate company documents to enable them to perform their role as a Director.

We recognise the value of professional development, and the need for Directors to remain current in industry and corporate governance matters. Port Taranaki assists Directors with professional development in a number of ways, including an induction programme for new Directors.

The Board Work Plan includes briefings from external parties to upskill the Board on new developments and/or key issues. In FY24, Directors received external presentations on process safety, property and offshore wind.

The Board has determined that to operate effectively and to meet its responsibilities, it requires a mix of skills, perspectives, knowledge and competencies. The current mix of skills and experience is considered appropriate for governing the company.



Attendance at Board meetings

Director	Full Board meetings	Audit and Risk Committee	Health, Safety and Environmental Governance Committee
Meetings held	**8**[1]	**3**	**3**
Jeff Kendrew	8	3[2]	2[2]
Kathy Meads	8	3	-
Charlotte Littlewood	8	3	3
Jamie Tuuta	8	-	1
Wendie Harvey	7	-	2
Steve Sanderson	8	3	-

[1] *One Board meeting was a limited agenda meeting.*

[2] *Ex-officio/non-committee members also in attendance.*

Director length of service

Directors' period of appointment are:

	< 3 years	3-6 years	6+ years
Number of Directors	4	-	2

Director remuneration

At the 2023 Annual Meeting, the Shareholder approved a total Directors' fee pool of $387,000.

During the year ended 30 June 2024, the Board allocated the Directors' fee pool as follows:

Annual fee structure	Financial year 2024	Financial year 2023
Chair	$100,250	$98,500
Sub-committee Chairs	$62,750	$61,500
Director	$53,750	$52,500

Directors' remuneration in respect of the years ended 30 June 2024 and 30 June 2023 paid by the company were as follows:

Annual fee structure	Financial year 2024	Financial year 2023
Peter Dryden	-	$13,125
Jeff Kendrew	$100,250	$52,500
Richard Krogh	-	$98,500
Charlotte Littlewood	$62,750	$61,500
David MacLeod	-	$43,750
Kathy Meads	$62,750	$61,500
Jamie Tuuta	$53,750	$52,500
Wendie Harvey	$53,750	$13,125
Steve Sanderson	$53,750	$13,125
	$387,000	**$409,625**

Interests Register

The company maintains an Interests Register in which the Directors' declared interests are recorded. The Directors of the company have declared interests in the following identified entities, as at 30 June 2024.

Director	Interest	Entity
Jeff Kendrew	Shareholder and Director	Sage Investments NZ Limited
	Director	Aveo Group Limited
Charlotte Littlewood	Chair	Taranaki Regional Council
	Trustee	Pukeiti Trust Fund
	Member	TEC's Vocational Education & Training Operational Leadership Group
Kathy Meads	Chair	NZPM Group Limited
	Director/Chair ARC	Shipowners Mutual Protection and Indemnity Association (Luxembourg)
	Director/Chair ARC	Voyage Digital (NZ) Limited
	Shareholder and Director	Kathy Meads Limited
Jamie Tuuta	Chair	Sealord Group Limited
	Director	Ōtamarākau Ventures GP Limited
	Director	Taranaki Mounga Project Limited
	Director	Dairy Holdings Limited
	Director	Ruapehu Alpine Lifts Limited
	Director	Taranaki Iwi Claims Management Limited
	Director	Te Pakihi O Maru Management Limited
	Director	Pūainuku Vines General Partner Limited
	Director	Pūainuku Pastures General Partner Limited
	Director	Pūai Tangaroa General Partner Limited
	Director	Ngaa Rauru Entities

Director	Interest	Entity
	Director	Te Ātiawa o Te Waka-a-Māui Entities
	Director	Taranaki Whanui Entities
	Director	Ka Uruora Entities
	Shareholder and Director	Ngāti Mutunga Custodian Company Limited
	Shareholder and Director	Māui Toa GP Limited
	Shareholder and Director	Māui Toa Investment Manager Limited
	Shareholder and Director	Ka Uruora Aotearoa Trustee Limited
	Shareholder	Piermont Holdings Limited
	Shareholder	TWL Trust Limited
Wendie Harvey	Chair	Hawke's Bay Airport Limited
	Director	Aurora Energy Limited
	Director	Eastland Group Limited
	Director	TAB NZ Limited
	Director	Hawke's Bay Regional Recovery Agency
Steve Sanderson	Chair and Shareholder	Mitchell Daysh Limited
	Director	Top Energy Limited
	Director	Te Puna Hihiko Risk Limited

Insurance

The company has arranged Directors' and Officers' liability insurance cover for $30 million to indemnify the Directors against the loss as a result of actions undertaken by them as Directors, provided they operate within the law.

The company has also arranged separate insurance cover for $5 million for Directors' defence costs in the event any claim against Directors as a result of actions undertaken by them as Directors, provided they operate within the law.

In addition, the company has indemnified Directors for claims made against them to the extent possible in accordance with the Companies Act and the Company's Constitution.

Grain

Comparative review

	2024	2023	2022	2021	2020
Operations					
Trade (millions of freight tonnes)					
Imports	0.89	0.93	1.11	1.18	1.13
Exports	3.02	3.76	3.63	3.92	4.33
Total	3.91	4.69	4.74	5.10	5.46
Cargo vessel visits	252	293	284	265	273
Total gross tonnage (GT)(millions)	5.02	5.86	6.67	6.08	6.17
Permanent fulltime employees	116	119	115	111	107
Financial ($millions)					
Revenue	54.01	57.43	51.46	50.84	51.79
Net finance expense	1.55	1.03	0.60	0.93	1.96
Earnings before interest, tax, depreciation, amortisation, maintenance dredging, changes in fair value of hedges, impairments, and gain/loss on assets (EBITDAF).	21.60	27.46	21.69	21.13	25.05
Earnings before interest, subvention payments and taxation (EBIT)	12.79	20.26	14.62	13.71	17.54
Taxation	4.37	5.36	4.11	3.60	3.34
Profit after taxation	6.88	13.87	9.91	9.18	12.24
Dividends	8.00	8.00	8.00	8.00	8.00
Capital expenditure	11.30	17.02	8.11	5.89	5.77

	2024	2023	2022	2021	2020
Continued					
Equity	163.12	165.04	160.07	156.80	148.84
Interest bearing debt	42.24	37.99	32.33	36.90	39.07
Total tangible assets	216.74	213.14	201.41	202.03	196.84
Earnings per share (¢)	13.21	26.67	19.06	17.64	23.54
Ordinary dividends per share (¢)	15.38	15.38	15.38	15.38	15.38
Net assets per share (¢)	313.69	317.39	307.83	301.53	286.23
Average equity (%)	75.13	77.29	77.63	76.05	73.41
Average return on equity (%)	4.06	8.53	6.26	6.00	8.37
Average return on assets (%)	3.16	6.69	4.86	4.57	6.14
Operating cashflow	16.09	19.44	19.76	15.61	20.98
Interest cover (times by profit after taxation)	4.43	13.47	13.94	9.40	5.96

Statement of Corporate Intent

A comparison of the performance targets in the Statement of Corporate Intent for the period 1 July 2023 to 30 June 2024 against actuals for the period 1 July 2023 to 30 June 2024 as required by Section 164 (4) (a) of the Port Companies Act 1998 is shown opposite.

2023/2024	Target	Actual	Achieved
Total trade volumes (MT)	≥ 5.0	3.9	✗
Non-liquid bulk (MT)	≥ 1.0	1.9	✓
EBITDAF[1] on average total assets (EBITDAF/ATA)	≥ 11.0%	9.8%	✗
Return (NPAT) on average total assets (NPAT/ATA)	≥ 4.6%	3.2%	✗
Return (NPAT) on average shareholder's funds (NPAT/ASF)	≥ 6.0%	4.1%	✗
Equity percentage (ASF/ATA)	≥ 65%	77.9%	✓
Interest coverage ratio (EBITDAF/Total net interest)	≥ 5x	14.0	✓
Dividends $m (minimum p.a)	≥ 8.0	8.0	✓
Environment incidents of harbour pollution	Nil	Nil	✓
Environment compliance with all resource consents	Yes	Yes	✓

MT - Million Tonnes
ATA - Average Total Assets
NPAT - Net Profit After Tax
ASF - Average Shareholder Funds

[1]EBITDAF is Earnings before interest, tax, depreciation, amortisation, maintenance dredging, changes in fair value of hedges, impairments, and gain/loss on assets. EBITDAF is a non-GAAP profit measure that provides a consistent measure of PTL's operating performance and is closely monitored by Management and the Board.

These financial statements

These financial statements are grouped into broad categories the Directors consider the most relevant when evaluating the performance of Port Taranaki Limited (PTL, also referenced to as the Parent Company) and its subsidiary (together referred to as the Group or PTL Group).

The sections are: 'Financial statements'; 'About this report'; 'Significant matters in the financial year'; 'Our performance'; 'Our assets'; 'Our funding'; 'Our financial risk management'; and 'Other disclosures'.

Each section sets out the accounting policies applied in producing the relevant statements and notes, along with details of any key judgements and estimates used.

The text boxes provide commentary on each section or note.

Financial statements

FOR THE YEAR ENDED 30 JUNE 2024

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Financial statements

FOR THE YEAR ENDED 30 JUNE 2024

Consolidated statement of profit or loss

	Note	2024 $000	2023 $000
Total operating revenue	A1	54,011	57,429
Total operating expenses	A2	32,408	29,969
Earnings before interest, tax, depreciation, amortisation, maintenance dredging, changes in fair value of hedges, impairments, and gains or losses on sale of assets (EBITDAF)	**A3**	**21,603**	**27,460**
Depreciation, amortisation, and maintenance dredging	A3	8,808	7,222
Impairment of property, plant and equipment	A3	-	-
Net (gain) / loss on sale of property, plant and equipment	A3	7	(19)
Earnings before interest and tax		**12,788**	**20,257**
Net finance expense		1,545	1,032
Profit before tax		**11,243**	**19,225**
Tax expense	A4	4,368	5,357
Profit after tax		**6,875**	**13,868**

Consolidated statement of profit or loss continued

	Note	2024 $000	2023 $000
Earnings per share from operations attributable to the shareholder			
Profit after tax		6,875	13,868
Number of ordinary shares ('000's)		52,000	52,000
Basic and diluted earnings per share (cents)		13.22	26.67

Consolidated statement of comprehensive income

	Note	2024 $000	2023 $000
Profit after tax		**6,875**	**13,868**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment (net of tax)	C4	-	(1,002)
Change in cash flow hedge reserve (net of tax)	C4	(799)	104
Total other comprehensive income		**(799)**	**(898)**
Total comprehensive income		**6,076**	**12,970**

The notes to the financial statements form an integral part of these financial statements

Financial statements

AS AT 30 JUNE 2024

Consolidated statement of financial position

	Note	2024 $000	2023 $000
Cash and cash equivalents		1,567	678
Trade and other receivables	B10	7,497	8,537
Non-current assets held for sale	B3	530	-
Inventories	B11	985	970
Pre-paid taxation		1,124	-
Total current assets		**11,703**	**10,185**
Property, plant and equipment	B1	205,034	202,950
Right of use assets		626	551
Intangible assets	B2	260	277
Derivative financial instruments	D2	1,266	2,197
Total non-current assets		**207,186**	**205,975**
Total assets		**218,889**	**216,160**

	Note	2024 $000	2023 $000
Trade and other payables	C7	6,744	6,019
Employee benefit provisions		1,796	1,668
Lease liability		72	41
Borrowings	C5	133	163
Taxation payable		-	3,097
Total current liabilities		**8,745**	**10,988**
Borrowings	C5	42,111	37,824
Employee benefit provisions		443	405
Lease liability		631	575
Deferred tax liability	A5	3,842	1,327
Total non-current liabilities		**47,027**	**40,131**
Total liabilities		**55,772**	**51,119**
Share capital	C2	26,000	26,000
Reserves	C4	68,292	69,091
Retained earnings		68,825	69,950
Shareholder's equity		**163,117**	**165,041**
Total liabilities and shareholder's equity		**218,889**	**216,160**

For and on behalf of the Board of Directors who authorised the issue of these financial statements on 23 August 2024.

Jeff Kendrew
CHAIR

Kathy Meads
CHAIR OF THE AUDIT AND RISK COMMITTEE

The notes to the financial statements form an integral part of these financial statements

Financial statements

FOR THE YEAR ENDED 30 JUNE 2024

Consolidated statement of changes in equity

	Note	Issued capital $000	Retained earnings $000	Revaluation reserve $000	Cash flow hedge reserve $000	Total equity $000
As at 1 July 2022		**26,000**	**64,082**	**68,512**	**1,477**	**160,071**
Changes in shareholder's equity for 2023						
Comprehensive income		-	13,868	-	-	13,868
Other comprehensive income		-	-	(1,002)	104	(898)
Transfer of revaluation reserve on asset disposal			-	-		
Dividends	C3	-	(8,000)	-	-	(8,000)
As at 30 June 2023		**26,000**	**69,950**	**67,510**	**1,581**	**165,041**
Changes in shareholder's equity for 2024						
Comprehensive income		-	6,875	-	-	6,875
Other comprehensive income		-	-	-	(799)	(799)
Transfer of revaluation reserve on asset disposal		-	-	-	-	-
Dividends	C3	-	(8,000)	-	-	(8,000)
As at 30 June 2024		**26,000**	**68,825**	**67,510**	**782**	**163,117**

The notes to the financial statements form an integral part of these financial statements

Financial statements

FOR THE YEAR ENDED 30 JUNE 2024

Consolidated statement of cash flows

	2024 $000	2023 $000
Cash flows from operating activities		
Receipts from customers	62,139	65,802
Gross interest received	1,296	663
Payments to suppliers and employees	(38,617)	(41,089)
Gross interest paid	(2,784)	(1,565)
Income tax paid	(5,944)	(4,367)
Net cash flows from operating activities	16,090	19,444
Cash flows from investing activities		
Sale of property, plant and equipment (net of disposal costs)	(33)	419
Purchase of property, plant and equipment, and software	(10,809)	(16,441)
Capitalised interest on purchase of property, plant and equipment	(491)	(581)
Net cash flows from investing activities	(11,333)	(16,603)
Cash flows from financing activities		
Borrowings drawn	37,290	32,370
Borrowings repaid	(33,090)	(26,845)
Dividends paid	(8,000)	(8,000)
Lease payments	(68)	(60)
Net cash flows from financing activities	(3,868)	(2,535)
Net increase/(decrease) in cash and cash equivalents	889	306
Cash and cash equivalents at the beginning of the year	678	372
Cash and cash equivalents at the end of the year	1,567	678

	2024 $000	2023 $000
Reconciliation of profit after tax to net cash flows from operating activities		
Profit after tax	6,875	13,868
Plus / (Less): Movements in non-cash items		
Depreciation, amortisation, and maintenance dredging	8,808	7,222
Deferred tax balances	2,514	277
Plus / (Less): Movements in operating assets and liabilities		
Trade and other receivables	(257)	(1,868)
Inventories	(15)	(55)
Provisions	166	157
Trade and other payables	2,026	(980)
Interest payable	187	89
Tax payable	(4,221)	753
Plus / (Less): Movements related to investing activities		
Movement in property, plant and equipment creditors	7	(19)
Net cash flows from operating activities	16,090	19,444

The notes to the financial statements form an integral part of these financial statements

About this report

FOR THE YEAR ENDED 30 JUNE 2024

In this section

The notes to the financial statements include information which is considered relevant and material to assist the reader in understanding changes in the Group's financial position or performance. Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important in the application of the Group's accounting policies;
- it is important for understanding the results of the Group;
- it helps explain changes in the Group's business; or
- it relates to an aspect of the Group's operations that is important to future performance.

The port

Port Taranaki Limited (PTL, also referred to as the Parent Company) operates the only deep water port on the west coast of New Zealand and services bulk liquids (serving the nation's energy sector), dry bulk (fertiliser, stock feed and cement), logs and general cargo. Commercial activities include the provision of: (i) marine and cargo services; (ii) logistics services (including offshore support); and (iii) property and storage services. These are considered under three integrated performance obligations: (i) marine and cargo services revenue; (ii) logistic services revenue; and (iii) property revenue.

The financial statements of the Group for the year ended 30 June 2024 comprise the Parent Company and its subsidiary (together referred to as the Group).

In accordance with New Zealand Equivalents to IFRS Accounting Standards (NZ IFRS) Parent Company disclosures are not required.

PTL is a sea port company incorporated under the Companies Act 1993.

The Group's parent and sole shareholder is the Taranaki Regional Council (TRC) and was, at all times, during the financial year.

The Parent Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 2-8 Bayly Road, Moturoa, New Plymouth 4310.

Key accounting judgements and estimates

In applying the Group's accounting policies and in the application of NZ IFRS, the Group makes a number of judgements, estimates and assumptions. The estimates of underlying assumptions are based on historical experience and various other factors that are considered to be appropriate and reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

Judgements and estimates which are considered material to understanding the performance of the Group are found in the following notes: A2 Operating expenses; A4 Tax; A5 Deferred tax liability; B4 Impairment of non-financial assets; B5 Recognition and measurement; B8 Depreciation; and B9 Provisions.

Basis of preparation

These financial statements have been prepared:

- In accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for a for-profit entity. These financial statements also comply with IFRS. The Group is a for-profit entity for the purpose of complying with NZ GAAP.
- In accordance with the requirements of the Port Companies Act 1988 and the Financial Reporting Act 2013.
- On the basis that the Group is a going concern.
- On a historical cost basis, except for land, non-current assets held for sale, and derivatives held at fair value, as identified in the accompanying notes.
- Using the same accounting policies for all reporting periods presented, unless otherwise stated.
- On a Goods and Services Tax (GST) exclusive basis except receivables and payables, which include GST where GST has been invoiced.
- In New Zealand dollars, rounded to the nearest thousand ($000), unless otherwise stated.

About this report
CONTINUED

Basis of consolidation

The Group financial statements comprise the financial statements of PTL and its subsidiaries, as contained in Note E5 Subsidiaries. The financial statements of members of the Group are prepared for the same reporting period as the Parent Company, using consistent accounting policies. In preparing the Group financial statements, all material intra-group transactions, balances, income and expenses have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is lost.

Significant matters in the financial year
FOR THE YEAR ENDED 30 JUNE 2024

In this section

Significant matters which have impacted the Group's financial performance.

Deferred tax

On 28 March 2024, the Government removed tax deductions of industrial and commercial buildings with original estimated lives of 50 years or more from the 2024-2025 income tax year. For more information refer to Note A4.

A
Our performance

In this section

This section explains the financial performance of the Group, providing additional information about individual items from the statement of profit or loss, including:

- material accounting policies, judgements and estimates that are relevant for understanding items recognised in the statement of profit or loss; and
- analysis of the Group's performance for the year by reference to key areas including: operating revenue, operating expenses and tax.

A1 Operating revenue

	2024	2023
Marine and cargo services revenue	40,916	43,697
Logistics services revenue	2,146	3,296
Property revenue	9,667	9,377
Other income	1,282	1,059
Total operating revenue	**54,011**	**57,429**

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Payment terms for all revenue from contracts with customers are typically the 20th of the month following invoice. Where sales are eligible for a sales volume discount, revenue is recognised using the most likely amount method - estimates are based on the single, most likely amount in a range of possible consideration amounts. For financial reporting purposes rebates are treated as a reduction in profit or loss. Revenue is shown, net of GST, rebates and discounts. Revenue is recognised as follows:

- Marine and cargo services revenue relates to integrated performance obligations for the provision of channel navigation, towage, mooring, transfer, processing and storage of cargo. Marine and cargo services revenue is recognised over time when the services are rendered. The transaction price for marine and cargo services is determined by the relevant tariff or specific customer contract. As the Group has the right to payment corresponding to the Group's completed performance, the Group recognises revenue for the amount to which it has a right to invoice.
- Logistics services revenue relates to the provision of logistics services including equipment hire. The identified performance obligations are satisfied when the services are rendered. The transaction price for logistic services is determined by the relevant tariff or specific customer contract. As the Group has the right to payment corresponding to the Group's completed performance, the Group recognises revenue for the amount to which it has a right to invoice.
- Property revenue is from property leased under operating leases and is recognised in the statement of profit or loss on a straight line basis over the term of the lease.
- Other income is recognised when the right to receive payment is established.

A2 Operating expenses

	2024	2023
Employee expenses	17,404	16,169
Repairs and maintenance	4,128	4,212
Other expenses	10,876	9,588
Total operating expenses	**32,408**	**29,969**
Included within other expenses are:		
Auditor's remuneration		
Audit fees	143	151
Other non-assurance		
Climate risk assessment	116	-
Total remuneration to auditors	**259**	**151**

Employee expenses

Provisions are made for benefits owing to employees in respect of wages and salaries, annual leave, long service leave and retirement allowances. Provisions are recognised when it is probable that they will be settled and can be measured reliably. They are carried at the remuneration rate expected to apply at the time of settlement.

Contributions to defined contribution plans were $613 thousand in 2024 (30 June 2023: $557 thousand).

A3 EBITDAF reconciliation

	Note	2024	2023
EBITDAF		21,603	27,460
Maintenance dredging (depreciation and other expenses)	B1, B7	1,417	1,103
Depreciation	B1, B7	7,155	5,988
Amortisation		236	131
Net (gain) / loss on sale of property, plant and equipment		7	(19)
Interest revenue		(53)	(34)
Interest expense		1,598	1,066
Profit before tax		**11,243**	**19,225**
Tax expense	**A4**	**4,368**	**5,357**
Profit after tax		**6,875**	**13,868**

EBITDAF definition

EBITDAF is earnings before interest, tax, depreciation, amortisation, maintenance dredging, change in fair value of hedges, impairments, and gains or losses on sale of property, plant and equipment. EBITDAF is a non-GAAP profit measure that is used internally by Management and the Board to provide insight into the Group's operating performance as it allows the evaluation of the Group's operating performance without the non-cash impacts of depreciation, amortisation, fair value movements of hedging instruments and other one-off or infrequently occurring events and the effects of the Group's capital structure and tax position.

EBITDAF does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

A4 Tax

	2024	2023
Profit before tax	11,243	19,225
Tax expense calculated at 28%	3,148	5,383
Tax effect of non-deductible expenses in profit before tax	14	151
Timing differences current period	1,213	7
Prior year under/(over) provision of income tax expense	(7)	(184)
	4,368	**5,357**
Current tax expense	1,592	5,120
Deferred tax expense	2,776	237
Total tax expense	**4,368**	**5,357**

Tax

Tax expense comprises current tax expense and deferred tax expense, calculated using the tax rate enacted or substantially enacted at balance date and any adjustments to tax payable in respect of prior years. Tax expense is recognised in the statement of profit or loss except when it relates to items recognised directly in other comprehensive income.

On 28 March 2024, the Government removed tax deductions of industrial and commercial buildings with original estimated lives of 50 years or more from the 2024-2025 income tax year. This has resulted in an increased deferred tax liability in respect of these buildings of $1.71 million.

A5 Deferred tax liability

	Property, plant and equipment	Derivative financial	Other	Total
Balance at 1 July 2022	1,705	575	(1,230)	1,050
Recognised in the statement of profit or loss	334	-	(97)	237
Recognised in other comprehensive income	-	40	-	40
Balance at 30 June 2023	**2,039**	**615**	**(1,327)**	**1,327**
Recognised in the statement of profit or loss	2,545	-	231	2,776
Recognised in other comprehensive income	-	(261)	-	(261)
Balance at 30 June 2024	**4,584**	**354**	**(1,096)**	**3,842**

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes.

A deferred tax asset and/or liability is calculated using the tax rates expected to apply when the asset is expected to be recovered or the liability settled, based on those tax rates enacted at balance date.

A deferred tax asset is recognised when it is probable that future taxable profit will be available to use the asset. This is reviewed at each balance date and adjustments are made to the extent that it is no longer probable that future taxable profit will be available.

B

Our assets

In this section

This section explains the assets that the Group uses in its business to generate operating revenue. In this section there is information about:

- property, plant and equipment; intangible assets; trade receivables; and inventory; and
- impairment of non-financial assets; provisions; capital commitments; and capitalised interest.

B1 Property, plant and equipment

	Land	Wharves and breakwaters	Buildings	Port services and equipment	Dredging	Capital works in progress	Total
Cost							
Balance at 1 July 2022	98,408	30,387	33,057	103,820	25,213	10,762	301,647
Additions	-	136	401	15,545	2,820	17,030	35,932
Disposals	-	(158)	-	(1,537)	(2,413)	-	(4,108)
Revaluation	(1,002)	-	-	-	-	-	(1,002)
Capitalisation	-	-	-	-	-	(18,910)	(18,910)
Balance at 30 June 2023	**97,406**	**30,365**	**33,458**	**117,828**	**25,620**	**8,882**	**313,559**
Additions	-	3,062	1,311	12,774	-	9,852	26,999
Transfer to non-current assets held for sale	(530)	-	-	-	-	-	(530)
Disposals	-	-	-	(3,366)	-	-	(3,366)
Revaluation	-	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	(15,918)	(15,918)
Balance at 30 June 2024	**96,876**	**33,427**	**34,769**	**127,236**	**25,620**	**2,816**	**320,744**

B1 Property, plant and equipment continued

	Land	Wharves and breakwaters	Buildings	Port services and equipment	Dredging	Capital works in progress	Total
Accumulated depreciation							
Balance at 1 July 2022	-	(20,035)	(17,817)	(62,986)	(6,456)	-	(107,294)
Depreciation reversal from disposals	-	158	-	1,537	2,099	-	3,794
Depreciation expense	-	(401)	(1,002)	(4,518)	(1,188)	-	(7,109)
Balance at 30 June 2023	**-**	**(20,278)**	**(18,819)**	**(65,967)**	**(5,545)**	**-**	**(110,609)**
Depreciation reversal from disposals	-	-	-	3,361	-	-	3,361
Prior year adjustment	-	-	-	-	-	-	-
Depreciation expense	-	(495)	(812)	(5,770)	(1,385)	-	(8,462)
Balance at 30 June 2024	**-**	**(20,773)**	**(19,631)**	**(68,376)**	**(6,930)**	**-**	**(115,710)**

Carrying value							
At 30 June 2023	97,406	10,087	14,639	51,861	20,075	8,882	202,950
At 30 June 2024	96,876	12,654	15,138	58,860	18,690	2,816	205,034

B2 Intangible assets

	Software
Cost	
Balance at 1 July 2022	4,814
Additions	-
Disposals	(141)
Balance at 30 June 2023	**4,673**
Additions	219
Disposals	(371)
Balance at 30 June 2024	**4,521**
Accumulated depreciation	
Balance at 1 July 2022	(4,405)
Depreciation reversal from disposals	141
Depreciation expense	(132)
Balance at 30 June 2023	**(4,396)**
Depreciation reversal from disposals	371
Depreciation expense	(236)
Balance at 30 June 2024	**(4,261)**
Carrying value	
At 30 June 2023	277
At 30 June 2024	260

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into use. Costs directly associated with the production of identifiable and unique software products that will generate economic benefits beyond one year are also recognised as intangible assets. These costs are amortised over their useful lives on a straight-line basis. Costs associated with maintaining computer software programs and Software as a Service costs are recognised as an expense as incurred.

B3 Non-current assets held for sale

Non-current assets are classified as held for sale if the carrying amount will be recovered through a sales transaction rather than through continuing use.

Land classified as held for sale is measured at fair value.

During the year the Group identified land excess to its requirements and was actively marketing this.

B4 Impairment non-financial assets

The Group reviews the recoverable amount of its tangible and intangible assets at each balance date. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of future cash flows expected to be generated by the assets (also known as value in use). If the carrying value of an asset exceeds the recoverable amount, an impairment expense is recognised in the statement of profit or loss. However, if the assets are carried at a revalued amount, the impairment is treated as a revaluation decrease in equity to the extent they reverse. Any reversal of previous losses is recognised immediately in the statement of profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase in equity. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identified cash flows.

Capital dredging has an indefinite useful life and is not depreciated as the channel is maintained via maintenance dredging to its original depth and contours. Dredging is reviewed for impairment when it is considered that events may have diminished the depth of any previous dredging. Carrying value in 2024 is $17.90 million (2023 $17.90 million).

B5 Recognition and measurement

All property, plant and equipment is initially measured at cost and subsequently stated at either fair value or cost less accumulated depreciation and any impairment losses. Borrowing costs are capitalised as part of a qualifying asset.

Fair value and revaluation of land

Land is measured at fair value, based upon periodic valuations by external, independent valuers. The Group undertakes revaluation reviews with sufficient regularity to ensure the carrying value does not differ significantly from fair value. Inputs used in the valuation are comparable sales evidence for the group's land, and if required, rental earning capacity of the land, which are observable inputs.

Land was revalued at 30 June 2023 by Telfer Young from CBRE, New Plymouth. Telfer Young is an independent valuer. The value of land used in this report amounts to $97.41 million using a combination of the direct sales comparison approach and the rental returns approach methodology. In regards to fair value hierarchy, this is considered level 2 as defined by NZ IFRS 13. No explicit adjustments in respect of climate change matters were made.

Land assets have been valued on their highest and best use taking into account the existing zoning, potential for utilisation and localised port market. All land holdings are used or held for port operational requirements and as such are valued under the requirements of NZ IAS 16 using fair value (market value).

	2024	2023	2024	2023
	Cost	Cost	Fair value	Fair value
Land (excluding asset held for sale)	29,961	30,049	96,876	97,406

The land valuation approach requires the determination of a price per square metre for different land parcels. This requires judgement. Further judgement is required in determining the quantum of usable land, which determines land value. The accompanying table sets out a sensitivity analysis for the carrying value of land.

B5 Recognition and measurement continued

Key input to measure fair value	Significant assumption	Sensitivity	Impact on valuation ($000)
Prime quayside	$330/$m^2$	+/- 5%	+/- $853
Port operational	$285/$m^2$	+/- 5%	+/- $1,047
Eastern reclamation*	$269/$m^2$	+/- 5%	+/- $1,291
Ex power station*	$200/$m^2$	+/- 5%	+/- $1,163
Road allocation	228,218/m^2	+/- 10%	-/+ $5,212

* weighted average

B6 Commitments

	2024	2023
Capital commitments	4,070	4,070

Estimated capital expenditure contracted for at balance date includes: maintenance dredging.

B7 Capitalised interest

	2024	2023
Capitalised borrowing costs	241	537
Average capitalisation rate	4.44%	4.50%

Borrowing costs incurred during construction/assembly of major capital projects are capitalised as part of the initial cost of the respective assets.

B8 Depreciation

Property, plant and equipment, and intangible assets other than land and capital dredging are depreciated on a straight line basis over their estimated useful lives.

Determining the remaining useful lives requires judgement and estimates. These are reviewed on an ongoing basis and take into account physical, economic and environmental factors, including but not limited to asset condition and obsolescence, technology changes and climate change. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

We have considered the impact of climate change on sea level rise and the impact that this may have on our wharves, breakwaters and other assets. Based on current assessment we are not currently anticipating any reduction in the useful lives of those assets.

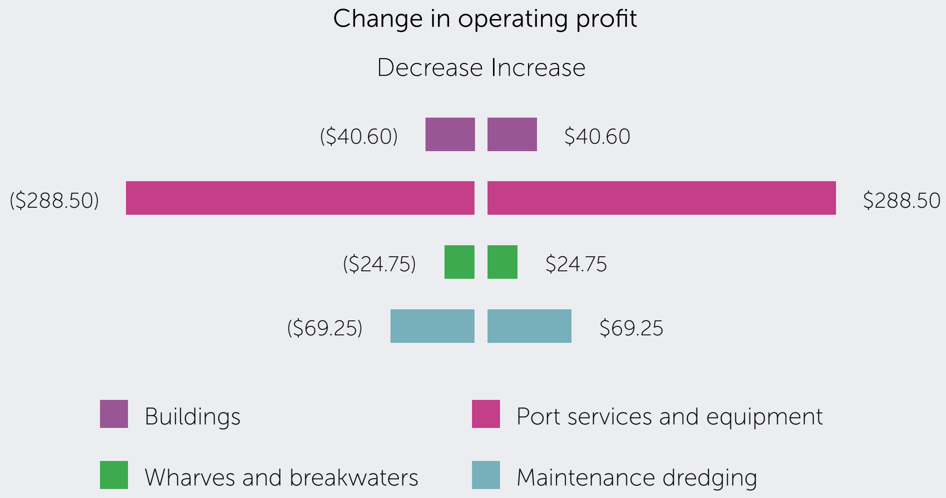
Asset class	Depreciation method	Useful lives (years)
Land	Nil	Nil
Wharves and breakwaters	Straight line	4 to 66
Buildings	Straight line	5 to 45
Port services and equipment	Straight line	2 to 50

Dredging:		
Maintenance dredging	Straight line	2 to 15
Capital dredging	Nil	Nil

After a successful dredging campaign in 2023 where the harbour was brought back to design specifications, the next maintenance dredging campaign is scheduled for early 2025.

Depreciation sensitivity

The sensitivity below shows the effect of changing the estimated useful life of depreciable assets by 5% on profit after tax.



B9 Provisions

The Group is required by the Environmental Protection Authority under their Fire Fighting Chemicals Group Standard 2021 HSR002573 to dispose of non-compliant firefighting foam. PFOS/PFOA containing firefighting foam has been widely used globally and throughout New Zealand. At 1 July 2023 this provision was $990 thousand. During the year disposal of the foam was partially completed and $454 thousand was charged against this provision. Based on the costs of this partial disposal and the quotes for disposal, this provision was increased by $134 thousand. At 30 June 2024 the remaining provision was $670 thousand. This is the best estimate for the disposal of the remaining foam.

B10 Trade and other receivables

Trade and other receivables are recognised initially at the value of the invoice sent to the customer (fair value) and are subsequently carried at amounts considered recoverable (amortised cost). The collectability of trade and other receivables is reviewed on an on-going basis.

The Group has made a $180 thousand provision for an overdue trade receivable (2023: no allowances for credit losses). The Group is working with the debtor on repayment but repayment is uncertain. Receivables are written off at the point where the Group believes there is no reasonable expectation of recovery, which is typically a combination of an overdue amount, no communication or response from the debtor, and no payments received.

B11 Inventories

Raw materials and stores, work in progress and finished components are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price upon recognition of obsolescence, degradation or damage to inventory. All inventory is consumed in the Group's operational and capital expenditure programmes.

C

Our funding

In this section

This section outlines how the Group manages its capital structure, its funding sources and how dividends are returned to the shareholder. In this section there is information about:

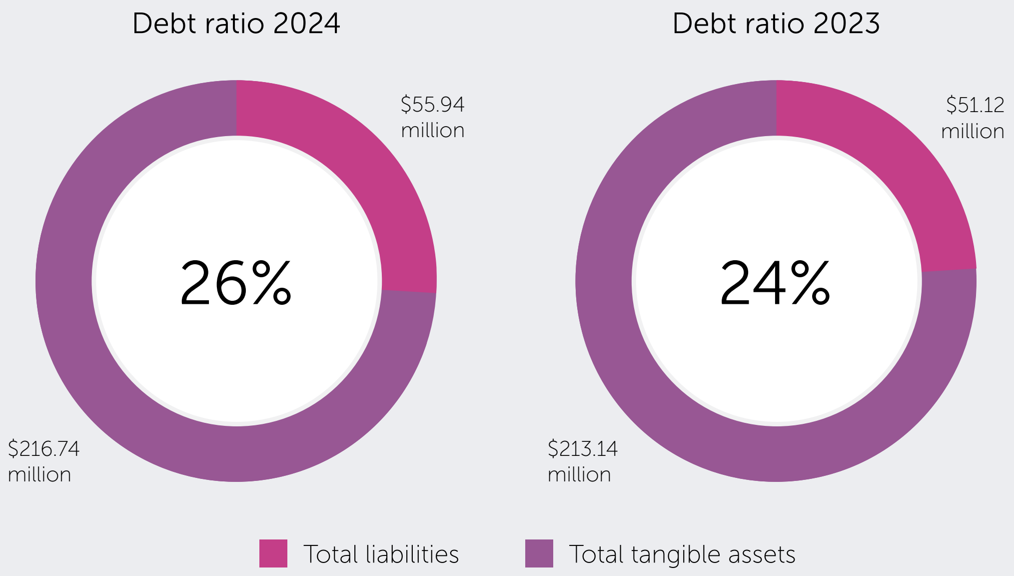
- capital structure;
- shareholder's equity and dividends;
- borrowings and banking covenants; and
- reserves; and trade payables.

C1 Capital structure

The Group's policy is to maintain a stable and strong capital base, so as to maintain investor and creditor confidence and sustain the business development of the Group and safeguard its ability to remain a going concern.

The Group regularly monitors its capital requirements and its compliance with its financial covenants.

To manage its capital base and to comply with its financial covenants, the Group uses various means including: (i) adjusting the amount of dividends paid to shareholder; (ii) amending its capital programme; (iii) selling assets; and/or (iv) raising or repaying debt. The Group is subject to the capital requirements imposed by the Group's Revolving Cash Advances Facility with the ASB Bank Limited. This requires the Group to maintain its debt ratio, one of its funding covenants, at less than 50%. The Group actively manages its debt to its internal treasury policy, which sets a target gearing ratio of less than 35%.



C2 Share capital

	Shares (000) 2024	Shares (000) 2023	Issued capital 2024	Issued capital 2023
Share capital (issued and fully paid)	52,000	52,000	26,000	26,000

C3 Dividends

	Cents per share	2024	Cents per share	2023
Final ordinary dividend	8.65	4,500	7.69	4,000
Interim ordinary dividend	6.73	3,500	7.69	4,000
Total dividends		**8,000**		**8,000**

Subsequent event — dividend declared

On 23 August 2024, the Board resolved to pay a final dividend of $3.00 million at 5.77 cents per share on 10 October 2024. On 23 August 2024, the Company held $31.10 million imputation credits.

Imputation credit account

	2024	2023
Imputation credits available for future use	30,943	28,240

C4 Reserves

	2024	2024	2024	2023	2023	2023
	Revaluation reserve	Cash flow hedge reserve	Reserves	Revaluation reserve	Cash flow hedge reserve	Reserves
Balance 1 July	67,510	1,581	69,091	68,512	1,477	69,989
Movements in other comprehensive income (net of tax)	-	(799)	(799)	(1,002)	104	(898)
Transfer from revaluation reserve on asset disposal	-	-	-	-	-	-
Balance 30 June	**67,510**	**782**	**68,292**	**67,510**	**1,581**	**69,091**

Nature of revaluation reserve

The asset revaluation reserve arises from the revaluation of land. Where revalued land is sold, that portion of the asset revaluation reserve which relates to that asset and is effectively realised is transferred directly to retained earnings.

Nature of cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments, related to hedged transactions that have not yet occurred.

C5 Borrowings

	Facility 2024	Drawn 2024	Un-drawn 2024	Facility 2023	Drawn 2023	Un-drawn 2023
Current secured loans	-	133	-	-	163	-
Non-current secured loans	-	42,111	-	-	37,824	-
Total	**65,000**	**42,244**	**22,756**	**65,000**	**37,987**	**27,013**

The borrowings in the statement of financial position include accrued interest.

The Group's borrowings with ASB Bank Limited are secured by way of a general security deed granting a security interest over its personal property, a fixed charge over its other property and a mortgage over its land and buildings.

The Group recognises as an expense within the statement of profit or loss all borrowing costs incurred, with the exception of interest costs associated with capital projects (refer to Note B7).

C6 Banking Covenants

The Group has complied with all banking covenants in the year.

C7 Trade and other payables

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost. The directors consider that the carrying amount of trade and other payables approximates to their fair value due to their short term nature.

D

Our financial risk management

In this section

In its ordinary course of business, the Group is exposed to financial risk. This section explains the financial risks that the Group faces, how these risks can affect the Group's financial performance and position, and how the Group manages these risks.

The Group is exposed to the following financial risks:
- interest rate risk;
- credit risk; and
- liquidity risk.

D1 Risk management

The Board has overall responsibility for establishing, monitoring and overseeing the Group's risk management framework. The Board has established an Audit and Risk Committee whose responsibilities include risk management, statutory compliance and financial management and control.

The Group does not enter into, or trade financial instruments, including derivative financial instruments for speculative purposes.

D2 Interest rate risk

Nature of the risk

Interest rate risk is the risk that movements in interest rates impact the Group's financial performance or the fair value of its financial hedging instruments.

Exposure

The interest rate on the Group's bank debt is floating and therefore the Group is exposed to movements in interest rates and these may impact the Group's financial performance.

Risk management

The Group has managed cash flow interest rate risk through interest rate swaps. At balance date, active hedges covered 76% (2023: 71%) of the Group's borrowings.

The Group can also apply surplus funds against the Group's borrowings or by investing these funds on a short-term basis until they are required.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising in its activities. Derivative financial instruments are not held for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the cash flow hedge reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of comprehensive income. The effective portion of changes in

D2 Interest rate risk continued

fair value of hedging instruments is accumulated in the cash flow hedge reserve as a separate component of equity. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. The notional amount of the hedging instrument must match the designated amount of the hedged item for the hedge to be effective.

Sources of hedge ineffectiveness are:

- Material changes in credit risk that affect the hedging instrument but do not affect the hedged item.
- Drawn liabilities that fall below the hedging amount, causing the hedge ratio to exceed 100%.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedging reserve remains there until the highly probable forecast transaction, upon which the hedging was based, occurs.

Fair value	2024 Notional amount	2023 Notional amount	2024 Fair value	2023 Fair value
Interest rate swap asset	32,000	39,000	33,266	41,197
Interest rate swap liability	(32,000)	(39,000)	(32,000)	(39,000)
Forward contract asset	-	-	-	-
Forward contract liability	-	-	-	-
Facility fees	-	-	-	-
Netted derivative instruments	**-**	**-**	**1,266**	**2,197**

Borrowings — measurement and recognition

Borrowings are recognised initially at the fair value of the drawn facility amount, net of transaction costs paid. Borrowings are subsequently stated at amortised cost using the effective interest method. Any borrowings which have been designated as hedged items are carried at amortised cost plus a fair value adjustment under hedge accounting requirements. The fair value of the current loans and term loans are estimated based upon the market prices available for similar debt securities obtained from the lender at balance sheet date.

Fair value	2024 Carrying amount	2023 Carrying amount	2024 Fair value	2023 Fair value
Interest bearing loans	42,000	37,800	41,999	37,799
Weighted average interest rate			6.46%	6.35%

D2 Interest rate risk continued

Within term borrowings there are fixed interest rate instruments which are not in hedge accounting relationships. The carrying values and estimated fair values of these instruments are noted in the previous table.

In determining the fair value of financial instruments, the Group uses quoted prices and/or a discounted cash flows approach. Fair value measurements are grouped within a three-level fair value hierarchy based on the observability of inputs to the valuation process:

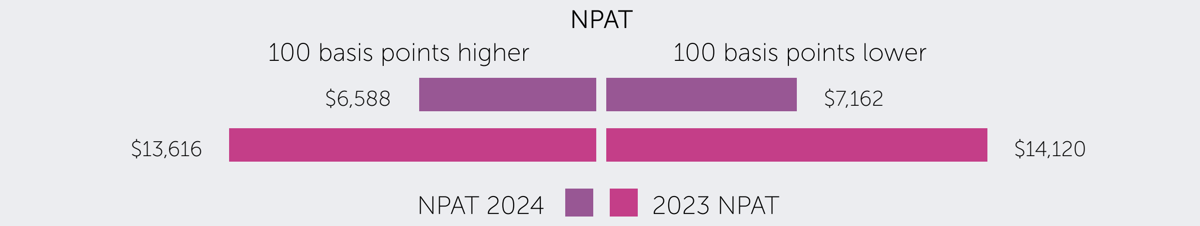
- Level 1 Inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at reporting date;
- Level 2 Inputs – either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs other than quoted prices included in Level 1; or
- Level 3 Inputs – inputs that are not based on observable market data (i.e. unobservable inputs).

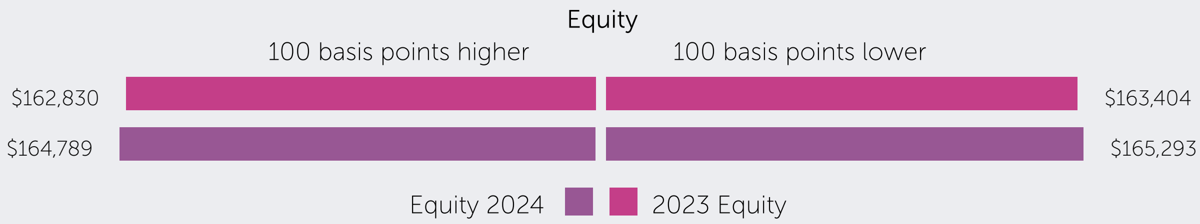
In regards to fair value hierarchy, the Group's calculation of fair value for its fixed rate instruments is considered Level 2 as defined by NZ IFRS 13. The fair value is determined by using mark to market valuation.

At year end, the Group had four interest rate swaps in place (2023: four financial instruments in place).

Interest rate sensitivity

The following sensitivity analysis shows the effect on profit after tax and equity if market interest rates at balance date had been 100 basis points higher or lower with all other variables held constant.





D3 Credit risk

Nature of the risk

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group is exposed to the risk of default in the normal course of business from its customers, hedging instruments and deposits held at the bank.

Risk management

The Group monitors credit risk on an ongoing basis. The carrying amount of financial assets recognised in the statement of financial position best represents the Group's maximum likely exposure to credit risk at the date of these financial statements. Refer to Note B10 for a description of how the Group provides for any credit losses.

Exposure

The Group monitors credit risk on an ongoing basis. The carrying amount of financial assets recognised in the statement of financial position, net of any allowances for losses, best represents the Group's maximum exposure to credit risk and are recognised.

D4 Liquidity risk

Nature of the risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Exposure

The following table analyses the Group's financial liabilities into relevant maturity groupings based on the earliest contractual maturity date at balance date. The amounts shown are contractual undiscounted cash flows.

	2024			2023		
Funding maturity	**0-1 year**	**1-2 years**	**2-3 years**	**0-1 year**	**1-2 years**	**2-3 years**
Trade and other payables	6,744	-	-	6,019	-	-
Borrowings	-	-	42,000	-	-	37,800
Undrawn	-	-	23,000	-	-	27,200

Risk management

The Group evaluates its liquidity requirements on an ongoing basis by regularly forecasting cash flows and debt levels for the next 12 months under various adverse scenarios. The Group maintains a buffer of undrawn bank facilities of at least 15% over its forecast funding requirements to enable it to meet any unforeseen cash flows. The Group seeks to avoid a concentration of debt maturity by spreading maturities in accordance with its treasury policy.

D5 Financial instrument

The following tables show the classification, fair value and the carrying amount of financial instruments held by the Group at balance date.

	2024 Carried at amortised cost	2024 Carried at fair value	2024 Total	2023 Carried at amortised cost	2023 Carried at fair value	2023 Total
Financial assets						
Cash and cash equivalents	1,567	-	1,567	678	-	678
Trade and other receivables	5,301	-	5,301	6,625	-	6,625
Interest rate swaps	-	1,266	1,266	-	2,197	2,197
Total financial assets	**6,868**	**1,266**	**8,134**	**7,303**	**2,197**	**9,500**
Financial liabilities						
Trade and other payables	6,079	-	6,079	5,180	-	5,180
Borrowings	42,244	-	42,244	37,987	-	37,987
Lease liabilities	702	-	702	616	-	616
Total financial liabilities	**49,025**	**-**	**49,025**	**43,783**	**-**	**43,783**

E

Other disclosures

In this section

This section includes the remaining information which is required to comply with statutory disclosure.

E1 Related party transactions

The Group has a related party relationship with its parent, directors and executive officers.

a) Transactions with parent	2024	2023
Sale of goods and services to parent	-	2
Purchase of goods and services from parent	111	97

These transactions exclude dividends.

b) Transactions with subsidiary	2024	2023
Loan advances to subsidiary	1,446	-

c) Transactions with key management	2024	2023
Key management short-term expenses	1,941	1,654

d) Transactions with directors	2024	2023
Directors' short-term employee expenses	387	410
Sale of goods and services to directors	7	7
Purchase of goods and services from directors	3	1

E2 Operating leases as lessor

Lease commitments due as follows	2024	2023
Within 1 year	5,622	5,763
Between 1-5 years	9,684	10,660
Greater than 5 years	4,919	9,739
Total lease commitments as lessor	**20,225**	**26,162**

Where the Group is the lessor, assets leased under operating leases are included in property, plant and equipment, in the statements of financial position, as appropriate.

Payments and receivables made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

The main property under leases are NPPS Turbine Hall, Omata Tank Farm and Norgate Store. The carrying amount of these properties as at 30 June 2024 is $16.30 million (2023: $17.60 million) and included as part of property, plant and equipment in Note B1.

E3 Other annual report disclosures

The Shareholder has resolved not to require disclosure of the matters listed in section 211 (1)(g) and (h) of the Companies Act 1993.

E4 Subsequent events

Directors declared a dividend on 17 August 2024 (refer to Note C3 Dividends for more information). On 27 July 2024 the Group executed a sale and purchase agreement for the sale of land held as a non-current asset for sale (refer to Note B3).

E5 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group has one subsidiary that is involved in the holding of fleet assets.

Subsidiary name	Country of registration	Ownership interest %
PTL TugCo LLC	Cook Islands	100

Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PORT TARANAKI LIMITED GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Port Taranaki Limited group (the Group). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 92 to 117, that comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include material accounting policies and other explanatory information.

In our opinion, the financial statements of the Group:

- present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Our audit was completed on 23 August 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Port Companies Act 1988 and the Companies Act 1993.

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 91 but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit we have carried out engagements in the areas of greenhouse gas emissions inventory report assurance readiness review and qualitative climate risk assessment & scenario analysis, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Group.

M. Laing

Matt Laing, Partner
For Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand

Glossary

AMP	Asset Management Plan
ARC	Audit and Risk Committee
ASF	Average Shareholder Funds
ATA	Average Total Assets
Bulk liquids	PTL's liquid bulk trade consists of methanol, condensate/crude, fuel oil, LPG, bitumen, molasses and nitric acid
CDS	Continuous deflection separation – a component of a storm water system
Dry bulk	PTL's dry bulk trade consists of fertiliser, grain, stock feed and cement
EBIT	Earnings before interest and tax
EBITDAF	Earnings before interest, tax, depreciation, amortisation, and changes in fair value of financial instruments. EBITDAF is a non-GAAP (generally accepted accounting practice) measure
EPA	Environmental Protection Authority
ESG	Environmental, Social and Governance factors/issues
FY24	The financial year ended 30 June 2024
FY23	The financial year ended 30 June 2023
GDP	Gross Domestic Product - measures the monetary value of final goods and services produced in a country/region in a given period of time
GT	Gross tonnage – measure of a ship's overall internal volume
HSEGC	Health, Safety and Environmental Governance Committee
IT	Information Technology
JAS	Japanese Agricultural Standard cubic metre is a global industry standard measurement of log volume
LPG	Liquefied petroleum gas (a versatile fuel commonly used in homes and businesses)
m	metre
m^2	metre squared
mm	millimetre
mmboe	million barrels of oil equivalent

MT	million tonnes
NKTT	Newton King Tanker Terminal
NPAT	Net profit after tax
PTL	Port Taranaki Limited
tCO_2e	Tonnes carbon dioxide equivalents (a measure of total greenhouse gases)

Board of Directors

Jeffrey (Jeff) Kendrew, Chair
Wendie Harvey
Charlotte Littlewood
Katherine (Kathy) Meads
Steven (Steve) Sanderson
Jamie Tuuta

Executive Leadership Team

Simon Craddock, Chief Executive Officer
Ross Dingle, GM Commercial
Pippa Farrell, HR Manager
John Maxwell, GM Infrastructure
Allan Melhuish, Chief Financial Officer
Alex Park, GM Operations
Alisha Picard, Health and Safety Manager

Auditors

Matt Laing for Deloitte Limited on
behalf of the Auditor General

Bankers

ASB Bank Limited

Solicitors

Govett Quilliam The Lawyers

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PortTaranaki
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Port Taranaki Limited Annual Report 2024