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Darryl Mutzelberg
Chief Financial Officer
Port of Melbourne Operations Pty Ltd
ATF Port of Melbourne Unit Trust
Level 19 839 Collins Street
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VIC 3008

18 February 2022

Dear Darryl

Report of factual findings to Management of the Port of Melbourne Group - Prescribed Services Revenue 30 June 2021

We have performed the procedures agreed with you, the Port of Melbourne Unit Trust, to report factual findings for the purpose of assisting you, in combination with other information obtained by you in your obligations under the Essential Services Commission Pricing Order for the year ended 30 June 2021. The procedures are detailed in the terms of engagement dated 20 December 2021 and described below with respect to the Prescribed Services Revenue sheets for the year ended 30 June 2021.

Management's responsibility for the procedures agreed

Management are responsible for the adequacy or otherwise of the procedures agreed to be performed by us, agreeing that the procedures meet their needs. Management is responsible for determining whether the factual findings provided by us, in combination with any other information obtained, provide a reasonable basis for any conclusions which they wish to draw on the subject matter.

Our responsibility

Our responsibility is to report factual findings obtained from conducting the procedures agreed. We conducted the engagement in accordance with Standard on Related Services ASRS 4400 *Agreed-Upon Procedures Engagements to Report Factual Findings*. We have complied with ethical requirements equivalent to those applicable to Other Assurance Engagements, including independence.

Because the agreed upon procedures do not constitute either a reasonable or limited assurance engagement in accordance with Auditing and Assurance standards issued by the Australian Auditing and Assurance Standards Board (AUASB), we do not express any conclusion and



provide no assurance on your compliance with the Essential Service Commission's Pricing Order for the year ending 30 June 2021. Had we performed additional procedures or had we performed an audit or review in accordance with AUASB Standards, other matters might have come to our attention that would have been reported to you.

Factual findings

The procedures were performed solely to assist you in your obligations under the Essential Services Commission Pricing Order for the year ended 30 June 2021. The procedures performed relating to Prescribed Services Revenue sheet for the year ended 30 June 2021 and the factual findings are as follows:

| Procedures performed | Factual findings | Errors or exceptions identified |
|---|---|--|
| Section 1 Wharfage Revenue | | |
| 1. Agree units of measurement and rates noted within the "Unit" and "2020-21 tariff (GST excl)" column to page 5 of the <i>Reference Tariff Schedule effective 1 July 2020</i> included on the Port of Melbourne website. | Agreed without exception. | None |
| 2. Agree all amounts noted within "2020-21 volumes" column to the <i>MATIS Trade Statistics Reports 1 July 2020 to 30 June 2021</i> . | Agreed without exception. | None |
| 3. Agree the mathematical accuracy of the "2020-21 Revenue based on Tariff * Volume" column - being the "2020-21 tariff (GST excl)" column multiplied by the "2020-21 volumes" column. | Agreed without exception. | None |
| 4. Agree the mathematical accuracy of the line "Total Wharfage" as being the total of all items noted in the "2020-21 Revenue based on Tariff * Volume" column". | Agreed without exception. | None |
| 5. Agree the Wharfage "Audited Revenue" column of \$340,627,793.64 to Note 2 <i>Trade Revenue</i> of the Consolidated Financial Statements, | We note the Financial Statements are rounded to \$000's and Note 2 reports the number as \$340,628,000. | See matters noted in factual findings. |

| | | |
|---|--|--|
| Port of Melbourne Group as at and for the year ended 30 June 2021. | Apart from the matter noted above, agreed without exception. | |
| Section 2 Channel Revenue | | |
| 1. Agree units of measurement and rates noted within the "Unit" and "2020-21 tariff (GST excl)" column to page 7 of the <i>Reference Tariff Schedule effective 1 July 2020</i> included on the Port of Melbourne website. | Agreed without exception. | None |
| 2. Agree all amounts noted within "2020-21 volumes" column to <i>Port Traffic report</i> , utilising information from the Port View system for the period 1 July 2020 to 30 June 2021. | Agreed without exception. | None |
| 3. Agree the mathematical accuracy of the "2020-21 Revenue based on Tariff * Volume" column - being the "2020-21 tariff (GST excl)" column multiplied by the "2020-21 volumes" column. | Agreed without exception. | None |
| 4. Agree the mathematical accuracy of the line "Total Channel" as being the total of all items noted in the "2020-21 Revenue based on Tariff * Volume column" and report any differences. | Agreed without exception. | None |
| 5. Agree the Channel "Audited Revenue" column of \$60,659,996.69 to Note 2 <i>Trade Revenue</i> of the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2021 " and report any differences. | We note the Financial Statements are rounded to \$000's and Note 2 reports the number as \$60,660,000. Apart from the matter noted above, agreed without exception. | See matters noted in factual findings. |
| Section 3 Hire Fees | | |
| 1. Agree units of measurement and rates noted within the "Unit" and "2020-21 tariff (GST excl)" column to the <i>Reference Tariff Schedule effective 1 July 2020</i> included on the Port of Melbourne website. Specifically: • Berth Hire: Page 9 | Agreed without exception. | None |

| | | |
|--|---------------------------|------|
| <ul style="list-style-type: none"> • Wharf Access: Page 9 • Area Hire: Page 10 • Other Fees: Page 11 <p>Report any differences.</p> | | |
| Berth Hire | | |
| 1. Agree all amounts noted within "2020-21 volumes" column to the <i>Berth Hire Summary</i> listing Berth Hire for the period 1 July 2020 to 30 June 2021 and report any differences. | Agreed without exception. | None |
| 2. Agree system designated hours for Maribyrnong No.1 and Holden Dock within the <i>Berth Hire Summary</i> to the <i>Ingres Terminal Monitor system report</i> for the period 1 July 2020 to 30 June 2021 and report any differences. | Agreed without exception. | None |
| 3. Agree manually identified hours for Lay-up charges within the <i>Berth Hire Summary</i> to individual invoices raised for the period 1 July 2020 to 30 June 2021 and report any differences. | Agreed without exception. | None |
| 4. Agree the mathematical accuracy of the "2020-21 Revenue based on Tariff * Volume column – being the 2020-21 tariff (GST excl)" and report any differences. | Agreed without exception. | None |
| 5. Agree the Beth Hire "Audited Revenue" column of \$ 3,172,057.81 to the total for General Ledger account number 1180 (Berth rental/ hire) within the reconciliation of Other revenue of \$19,977,000 as included on Page 14 the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2021 and report any differences. | Agreed without exception. | None |
| Wharf Access | | |
| 1. Agree all amounts noted within "2020-21 volumes" column to the <i>Ingres Terminal Monitor system report</i> listing | Agreed without exception. | None |

| | | |
|--|---|------|
| Wharf Access for the period 1 July 2020 to 30 June 2021 and report any differences. | | |
| 2. Agree the mathematical accuracy of the "2020-21 Revenue based on Tariff * Volume" column - being the "2020-21 tariff (GST excl)" column multiplied by the "2020-21 volumes" column and report any differences. | Agreed without exception. | None |
| 3. Agree the mathematical accuracy of the line "Total wharf access" as the total of all items noted in the 2020-21 Revenue based on Tariff * Volume column and report any differences. | Agreed without exception. | None |
| 4. Agree the "Audited Revenue" column of \$147,127 to the total for General Ledger account number 1184 (Wharf access) within the reconciliation of Other revenue of \$19,977,000 as included on Page 14 the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2021 and report any differences. | Agreed without exception. | None |
| Section 4 Other Fees | | |
| 1. Agree units of measurement and rates noted within the "Unit" and "2020-21 tariff (GST excl)" column to page 11 of the <i>Reference Tariff Schedule effective 1 July 2020</i> included on the Port of Melbourne website. | Agreed without exception. | None |
| 2. Agree amounts included in the "2020-21 Revenue based on Tariff* Volume" column for other fee into the <i>Other Fee summary</i> prepared and report any differences | Agreed without exception. | None |
| 3. Agree the individual transactions within the <i>Other Fee summary</i> to individual invoices and report any differences. | Agreed without exception, noting the amount is nil. | None |

| | | |
|--|--|-------------|
| <p>4. Agree the Other Fee "Audited Revenue" column \$ 0 to the total for General Ledger account number 1245 (Hire of Plant and Equipment – Recovery from Tenants) within the reconciliation of Other revenue of \$19,977,000 as included on Page 14 the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2021 and report any differences.</p> | <p>Agreed without exception, noting the amount is nil.</p> | <p>None</p> |
|--|--|-------------|

Distribution and use of report

This report is intended solely for the use of the Port of Melbourne Unit Trust for the purpose set out above. As the intended user of our report, it is for you to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information you have obtained, a reasonable basis for any conclusions which you wish to draw on the subject matter.

As required by ASRS 4400, use of this report is restricted to the Port of Melbourne Unit Trust, the intended user, who has agreed the procedures to be performed with us, since others, unaware of the reasons for the procedures, may misinterpret the results. This report should not be distributed to parties other than the intended user and the Essential Services Commission, who will receive a copy of the report on a no reliance basis. Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Port of Melbourne Unit Trust for any consequence of distribution of or reliance on our report for any purpose.

Yours faithfully,



Adam Dodd
Director

Enclosures:

Copy of Prescribes Services Revenue sheet for the year ended 30 June 2021

NOTE - The table below shows (i) revenue based on Volume*Tariff (column H) and (ii) audited revenue (column I).

PoM's volumes are sourced from the following IT systems:

1. MATIS - this provides the wharfage volumes, and
2. Invoicing - this provides all other volumes / revenue (where volumes are not relevant)

2020-21 Prescribed Services Revenue (Actual)

| Prescribed Service Tariffs | Unit | 2020-21 tariff (GST excl.) | 2020-21 Volumes | 2020-21 Revenue based on Tariff * Volume | Audited Revenue | Variance between Revenue (P*V) and Audited revenue |
|--|-----------------------------|----------------------------|-----------------|--|-----------------------|--|
| 1. Wharfage | | | | | | |
| Containerised | \$ per TEU | | | | | |
| Full - outward | | 95.46 | 698,441 | 66,673,177.86 | | |
| Full - inward | | 123.16 | 1,355,191 | 166,905,323.56 | | |
| Full Bass Strait | | 75.59 | 220,385 | 16,658,902.15 | | |
| Empty (included nested units) | | 18.06 | 715,244 | 12,917,306.64 | | |
| Empty (return of materials) | | 36.10 | 429 | 15,486.90 | | |
| Non-containerised / general | \$ per tonne or cubic meter | 2.92 | 3,540,675 | 10,338,771.00 | | |
| Accompanied passenger vehicles | \$ per tonne or cubic meter | 1.95 | | - | | |
| Motor vehicles | \$ per tonne or cubic meter | 3.30 | 5,988,886 | 19,763,323.80 | | |
| Liquid bulk - Inward (Effective from 1 Jan 2020) | \$ per tonne or cubic meter | 4.39 | 5,362,349 | 23,540,712.11 | | |
| Dry bulk | \$ per tonne | | | | | |
| Outwards - overseas and coastal | | 2.53 | 851,209 | 2,153,558.77 | | |
| Inwards - overseas and coastal | | 3.5 | 3,844,274 | 13,454,959.00 | | |
| Transshipment | \$ per TEU | | | | | |
| Full - outward | | 38.74 | 78,124 | 3,026,523.76 | | |
| Full - inward | | 45.68 | 68,297 | 3,119,806.96 | | |
| Other | | 35% of published rate | | | | |
| Full -Bass Strait | | 26.46 | 35,972 | 951,819.12 | | |
| Empty (included nested units) | | 6.32 | 19,916 | 125,869.12 | | |
| Empty (return of materials) | | 12.64 | 85 | 1,074.40 | | |
| Non-containerised / general | | 1.02 | 56,607 | 57,739.14 | | |
| Motor vehicles | | 1.16 | 844,588 | 979,722.08 | | |
| Total Wharfage | Mixed | | | 340,684,076.37 | 340,627,793.64 | 56,282.73 |
| 2. Channel | | | | | | |
| Vessels up to and including maximum summer draught of 12.10 m | \$ per GT | | | | | |
| Shared channels | | 0.1955 | 18,790,569 | 3,673,556.24 | | |
| Dedicated channels | | 0.3821 | 13,315,527 | 5,087,862.87 | | |
| Vessels exceeding maximum summer draught of 12.10m | \$ per GT | | | | | |
| Shared channels | | 0.2085 | 57,709,987 | 12,032,532.29 | | |
| Dedicated channels | | 0.4461 | 49,944,662 | 22,280,313.72 | | |
| Reduced channel fees (percentage of full charge) | | | | | | |
| Vessels up to and including maximum summer draught of 12.10 m | \$ per GT | | | | | |
| Pure car carrier | | 75% | | | | |
| Shared channels | | 0.1955 | 18,490,414 | 2,711,156.95 | | |
| Dedicated channels | | 0.3821 | 18,466,484 | 5,292,032.65 | | |
| Passenge cruise vessel | | 90% | | | | |
| Shared channels | | 0.1955 | - | - | | |
| Dedicated channels | | 0.3821 | - | - | | |
| Coastal liner vessel | | 60% | | | | |
| Shared channels | | 0.1955 | 27,414,453 | 3,215,715.34 | | |
| Dedicated channels | | 0.3821 | 27,414,453 | 6,285,037.49 | | |
| Vessels using dedicated and Geelong channels on same entry to Port Phillip Bay | | 75% | | | | |
| Shared channels | | 0.1955 | 112,873 | 16,550.00 | | |
| Dedicated channels | | 0.3821 | 112,873 | 32,346.58 | | |
| Vessels exceeding maximum summer draught of 12.10m | \$ per GT | | | | | |
| Pure car carrier | | 75% | | | | |
| Shared channels | | 0.2085 | 73,899.00 | 11,555.96 | | |
| Dedicated channels | | 0.4461 | - | - | | |
| Passenge cruise vessel | | 90% | | | | |
| Shared channels | | 0.2085 | - | - | | |
| Dedicated channels | | 0.4461 | - | - | | |
| Coastal liner vessel | | 60% | | | | |
| Shared channels | | 0.2085 | - | - | | |
| Dedicated channels | | 0.4461 | - | - | | |
| Vessels using dedicated and Geelong channels on same entry to Port Phillip Bay | | 75% | | | | |
| Shared channels | | 0.2085 | 27,969 | 4,373.65 | | |
| Dedicated channels | | 0.4461 | 27,969 | 9,357.73 | | |
| Total Channel | | | | 60,652,391.47 | 60,659,996.69 | -7,605.22 |
| 3. Hire Fees | | | | | | |
| Berth hire | \$ per hour | | | | | |
| <i>Full charge</i> | | | | | | |
| Maribyrnong No. 1 | | 379.11 | 3,208.90 | 1,216,526.08 | | |
| Holden Dock | | 502.39 | 3,360.80 | 1,688,432.31 | | |
| Passenger cruise ships at a berth other than Station Pier | | 625.03 | - | - | | |
| <i>Lay-up charge</i> | \$ per hour | 132.55 | 1,619.20 | 214,624.96 | | |
| Total Berth hire | | | | 3,119,583.35 | 3,172,057.81 | -52,474.46 |
| Wharf access | \$ per tonne | | | | | |
| Cargo | | 1 | 154,547.00 | 154,547.00 | | |
| Total wharf access | | | | 154,547.00 | 147,127.00 | 7,420.00 |
| Area hire | \$ per hour | | | | | |
| Standard rate - 6 Yarraville | | 74.79 | - | - | | |
| Standard rate - F Appleton Dock | | 48.60 | - | - | | |
| Total area hire | | | | | | 0.00 |
| 4. Other Fees | | | | | | |
| Tanker inspection | \$ per each inspection | 754.48 | - | - | | |
| Inspection | | | | | | |
| Other gangway hire | \$ per day or part thereof | 227.60 | - | - | | |
| Other gangway hire | | | | | | |
| Wharf inspection | \$ per each inspection | | | | | |
| Pre-vessel arrival inspection | | 1,006.62 | - | - | | |
| Post-vessel departure inspection | | 1,006.62 | - | - | | |
| Total "other fees" | | | 0 | - | | 0.00 |
| 2020-21 TOTAL PRESCRIBED REVENUE - RTS | | | | 404,610,598.19 | 404,606,975.14 | 3,623.05 |