Stand for the future.

Port of Tauranga

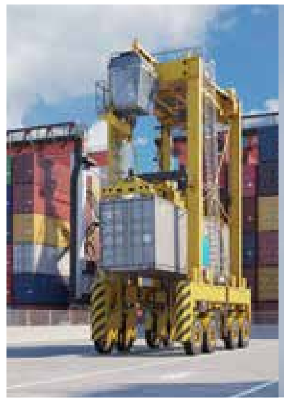
Port of Tauranga Limited
Integrated Annual Report 2024

Port of Tauranga

Stand for New Zealand.

Port of Tauranga is investing for the future to ensure New Zealand has a resilient, efficient and low carbon gateway to and from international markets.

Port of Tauranga is connecting New Zealand and the world.



Lower emissions

Port of Tauranga intends to decarbonise its container operations by introducing automation. Electric auto stacking cranes will also enable increased throughput.

Greater efficiencies

The planned berth extension at Sulphur Point, together with automation, will allow Port of Tauranga to significantly increase container throughput.

Expanded capacity

Future plans include development of the bulk cargo wharves at Mount Maunganui to increase capacity and efficiency.

Port of Tauranga

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Highlights and challenges

For the year ended 30 June 2024

Group Net Profit After Tax
million

2022	2023	2024
$111.3	$117.1	**$90.8**[1]

Revenue
million

2022	2023	2024
$375.3	$420.9	**$417.4**

Container volumes
million TEUs[2]

2022	2023	2024
1.24	1.18	**1.15**

Ship visits

2022	2023	2024
1,369	1,432	**1,427**

Total trade
million tonnes

2022	2023	2024
25.6	24.7	**23.6**

Imports
million tonnes

2022	2023	2024
9.7	9.0	**7.8**

Exports
million tonnes

2022	2023	2024
15.9	15.7	**15.8**

Subsidiary and associate company earnings
million

2022	2023	2024
$15.0	$13.3	**$9.4**

Total ordinary dividend
cents per share

2022	2023	2024
14.7	15.6	**14.7**

Final dividend
cents per share

2022	2023	2024
8.2	8.8	**8.7**

Scholarships
tertiary education

2022	2023	2024
18	18	**18**

Greenhouse gas emissions
reduction (Scope 1 and 2)

2022	2023	2024
11.2%	9.1%	**3.9%**

Container crane rate
moves per hour

2022	2023	2024
32.1	27.9	**30.1**

Total Recordable Injury Frequency Rate
per million hours worked (Port of Tauranga only)

2022	2023	2024
0	4.5	**2.2**

per million hours worked (Port of Tauranga and contractors combined)

2022	2023	2024
26.7	20.7	**13.2**

(36.2% decrease)

[1] Includes one-off deferred tax expense of $11.9 million. Underlying Group profit is $102.7 million

[2] TEUs = twenty foot equivalent units, a standard measure of shipping containers

Julia Hoare
Chair

Leonard Sampson
Chief Executive

Port of Tauranga is investing for the future to ensure New Zealand has a resilient, efficient and low carbon gateway to and from international markets.

New Zealand's largest port has again proven its resilience in the face of global economic headwinds as cargo volumes improved in the second half of the financial year.

Amid significant domestic and international supply chain challenges, total cargo volumes for the year decreased 4.2% to 23.6 million tonnes. Container volumes for the year decreased 2.5% to 1,147,350 TEUs.

The second half of the financial year saw significantly higher volumes than the first half, with container numbers increasing 13.7% and total trade growing 3.3% between the two six-month periods.

We continue to invest in the critical infrastructure essential for an effective supply chain for New Zealand. Our Ruakura Inland Port in Hamilton, a joint venture with Tainui Group Holdings, is celebrating its first anniversary.

We have taken delivery of a new container crane and an additional four hybrid straddle carriers, as we ready the country's most efficient port for the next stage of growth in a lower carbon future.

An intense focus on customer service has seen improved efficiency despite ongoing issues elsewhere in the supply chain.

Although the Port is still contending with shipping schedule unreliability, outside our control, the container terminal has continued to improve both safety and productivity levels. The net crane rate (container moves per hour per crane) increased 7.9% to 30.1 compared with the previous year, and the Total Recordable Injury Frequency Rate reduced by 36.2%. Port of Tauranga has the most efficient crane productivity in Australasia[1].

Financial results for the year ended 30 June 2024

Underlying Group profit was $102.7 million, compared with $117.1 million the previous year. The reported Group Net Profit After Tax of $90.8 million includes a one-off deferred tax expense of $11.9 million due to a change in tax legislation.

Operating costs increased 3.8% to $218.6 million.

Revenue decreased 0.8% to $417.4 million. EBITDA (earnings before interest, tax, depreciation and amortisation) decreased 7.0% to $203.7 million.

Subsidiary and Associate Company earnings decreased 29.3% compared with the previous year. Profitability at Northport, PrimePort Timaru, Timaru Container Terminal and Coda Group was affected by reduced cargo volumes due to economic conditions. This was offset by strong performances from Quality Marshalling and PortConnect.

1 *https://www.bitre.gov.au/publications/2023/waterline-69*
https://www.transport.govt.nz/statistics-and-insights/freight-and-logistics/sheet/figs-port-container-handling

Port of Tauranga's Board of Directors has declared a final dividend of 8.7 cents per share to bring the total dividend to 14.7 cents per share. The dividend reflects improved trading conditions in the second half of the financial year, the company's strong balance sheet, the return of capital from joint ventures, and delayed capital expenditure.

Cargo trends in 2024

Imports decreased 13.3% in volume overall to 7.8 million tonnes. Exports increased 0.9% to 15.8 million tonnes, largely due to increases in log, kiwifruit, meat and pulp exports.

Log exports increased 7.5% to 6.7 million tonnes, the second highest year on record, largely due to a one million tonne boost to volumes post-Cyclone Gabrielle. A large number of trees in the lower Central North Island forests were damaged in the severe weather event and had to be harvested and exported earlier than planned.

Direct dairy exports decreased 3.4% in volume and transhipped dairy volumes were down significantly. Total meat exports increased 19.7% in volume, aided by trans-Tasman transhipment.

Direct kiwifruit export volumes increased 8.5% compared with the previous year.

Commodity price pressure saw dairy inputs reduce, with imported fertiliser volumes decreasing 16.7%, while stock feed imports decreased 17.2% in volume. Imported oil products remained steady, decreasing 0.8% in volume.

Steel exports saw significant increases in volume.

Transhipment decreased 12.1% in volume due to changes in coastal shipping services.

A total of 109 cruise ships visited over the summer, close to the record of 116 visits prior to the Covid pandemic.

However, this is forecast to drop to approximately 91 visits next year due to a number of factors affecting all New Zealand ports.

Altogether there were 1,427 ship visits over the year, five fewer than the previous 12 months.

Berth extension proposal considered by Court

In December, nine months following the Environment Court hearing for the Port's resource consent application, the Court released an interim decision provisionally approving part of the Stella Passage project.

The project involves extending wharves at both the container terminal at Sulphur Point and Mount Maunganui. The developments are contained within the existing port footprint and involve dredging and a small amount of reclamation to support the berths. Read details of the proposals on page 50.

The consent for a 285 metre extension at Sulphur Point, the most urgent, was granted subject to further matters being addressed to the satisfaction of the Court, including the provision of further environmental evidence, and engagement with iwi and hapū parties.

The Port is committed to working with iwi and hapū and addressing the Court's directions. Progress was reported to the Court at the end of June, and the Court has recently appointed an independent facilitator to support the parties involved.

The project is a critical piece of national infrastructure to meet the needs of New Zealand importers and exporters.

To ensure construction can commence as soon as possible, Port of Tauranga has applied for the entirety of the Stella Passage project to be included in the Government's fast track consenting legislation.

At the time of publication, we are awaiting the outcome of select committee deliberations on the bill.

No matter which path the consent applications ultimately follow, the Port remains committed to the conditions and mitigations it has proposed to the Court.

Preparing for automation

Alongside the construction of the additional berth at the container terminal, we intend to introduce automated stacking cranes to increase capacity, reduce greenhouse gas emissions and improve safety.

Detailed design work is under way in preparation for the electrification project, which will allow the Port to almost double the container terminal's current throughput.

The project team has shortlisted two vendors and is working through the detail of both proposals. The final design and phasing of the project is dependent on the outcome of the resource consent application for the Sulphur Point berth extension.

Vision for an efficient and resilient upper North Island supply chain

The Stella Passage project is part of our vision for an integrated, efficient, cost-effective and resilient upper North Island supply chain involving the region's existing three sea ports – Tauranga, Auckland and Northport.

With targeted and timely investment in key infrastructure, we believe the New Zealand supply chain can serve the country's growing needs for at least the next three decades without the need to build a new "greenfields" port.

The investment required includes Government assistance in removing regulatory and legislative barriers, and spending on transport networks, particularly rail. Port companies will then be able to invest in capacity-building, including constructing new wharves and inland ports.

A good example of this is the Government investment in the Waikato Expressway, which facilitated the significant iwi and private investment in the Ruakura Superhub and Ruakura Inland Port.

Improved productivity has not been at the expense of safety performance.

While transhipment volumes have been impacted by shipping service changes and the economic downturn, we still consider that coastal shipping has a central role to play in a more efficient, resilient and lower carbon supply chain.

Coastal shipping has a significantly lower carbon footprint compared with road and rail transport.

Port occupation consent renewed

Coastal occupancy permits for port activities were introduced in the 1991 Resource Management Act and cover essential infrastructure such as navigational aids, safe anchoring zones and other structures. In April 2024, the Government announced that permits expiring in 2026 will be automatically extended for 20 years. This is welcome news, giving ports certainty and avoiding costly permit renewal processes.

Investing in infrastructure

Ruakura Inland Port, a 50:50 joint venture with Tainui Group Holdings, officially opened in August 2023. Containers handled by the facility are expected to increase with additional volumes coming from Kmart and Maersk, both of which have established major facilities nearby. Port of Tauranga has entered into an agreement to develop an empty container depot adjacent to the inland port.

Health and safety performance

Improved productivity has not been at the expense of safety performance and we are pleased to report a significant improvement in our safety indicators. The Total Recordable Injury Frequency Rate (TRIFR) for combined Port of Tauranga employees and contractors reduced 36.2% to 13.2 incidents per one million hours worked.

The focus in the past year has been on increasing health and safety training, with completed training courses more than tripling to 2,491, compared with the previous year.

We have also introduced a new recognition programme to acknowledge individuals' and teams' contribution to safety. Read more about the new TeamSafe Awards on page 32.

Port of Tauranga has taken a lead role in cross-industry collaboration to address safety issues at New Zealand ports. The General Manager Health and Safety, Pat Kirk, chairs the Port Industry Association, which has worked with unions and regulatory bodies on challenges such as fatigue management.

He also sits on the Port Health and Safety Leadership Group, helping shape and implement a multi-year port sector insights and action plan. As part of this plan, Maritime NZ has taken over Health and Safety at Work Act responsibilities for landside port operations as well as onboard safety.

Air and water quality improvements

Port of Tauranga is committed to continuous improvement in its environmental performance and undertakes an extensive air and water quality monitoring programme.

There were no port-related exceedances of national standards or resource consent conditions during the year.

Dust control efforts, including increased sweeping, wind fences and improved cargo handling have resulted in a significant improvement in air quality since 2019. Read more about our dust control efforts on page 44.

The use of methyl bromide for cargo fumigations has long been of concern to local residents. Since early 2022, methyl bromide use has dropped to less than 25,000 kilograms per year (down 92% from the peak in 2013) thanks to greater restrictions on its use, including mandatory use of recapture technology, and increased de-barking of export logs prior to arrival at the Port.

Decarbonisation and climate change adaptation

Total Scope 1 and 2 greenhouse gas emissions decreased 3.9% from the previous year to 18,019 tonnes CO_2e. Scope 1 and 2 emissions per cargo tonne were steady at 0.74 kilograms CO_2e per tonne of cargo.

Changes to the Board

Directors welcomed Sir Robert McLeod's return to the Board on 1 July 2024.

Sir Rob was formerly a member of the Board from 2017 to 2023 in his capacity as Chair of Quayside Holdings, the investment arm of Bay of Plenty Regional Council and majority shareholder of the Port. He is returning as an independent Director and will take over as Chair of the Audit Committee.

The current Audit Committee Chair, Alastair Lawrence, will retire at the end of August 2024 after ten years' service.

We thank Alastair for his outstanding contribution as an astute Director and committee Chair, offering a wealth of commercial experience and expertise.

Port of Tauranga is joining the Institute of Directors' Future Directors programme for aspiring directors and an appointment will be announced in due course.

Outlook

Congestion in Asia caused by ships avoiding the Red Sea has worsened, with delays plaguing ports in Singapore, Malaysia, China, Sri Lanka and United Arab Emirates. The threat of escalating conflict and global economic conditions are also influencing cargo volumes and costs globally.

We expect log volumes to return to pre-2023 levels due to lower international prices. The domestic economy is also likely to have a continuing effect on imported cargo volumes. We have recently increased the weekly train programme between Tauranga and Auckland to 54 trains per week, up from 48, but still lower than the 92 trains per week at the end of last financial year. While increased rail costs have proved challenging, we are working with KiwiRail to ensure the rail option remains well-utilised and viable for our import customers.

Port productivity is a national issue and is of great concern to customers seeking efficient access to international markets. We have worked hard to provide the resource and productivity to maintain berth windows at Tauranga, however less than 30% of vessels currently arriving at Tauranga as a last New Zealand port are on time.

Port of Tauranga is prepared to respond to New Zealand's energy crisis, including the import of alternative fuel sources such as coal. The Port has a purpose-built, enclosed coal handling facility that is connected via rail to the Genesis Energy power station at Huntly, avoiding the need to transfer imported coal via truck from other ports.

Despite many challenges, we are confident of our resilience into the future.

Thank you

We are grateful for the ongoing support of our customers and business partners, who have been patient and cooperative as we tackle supply chain challenges outside our control.

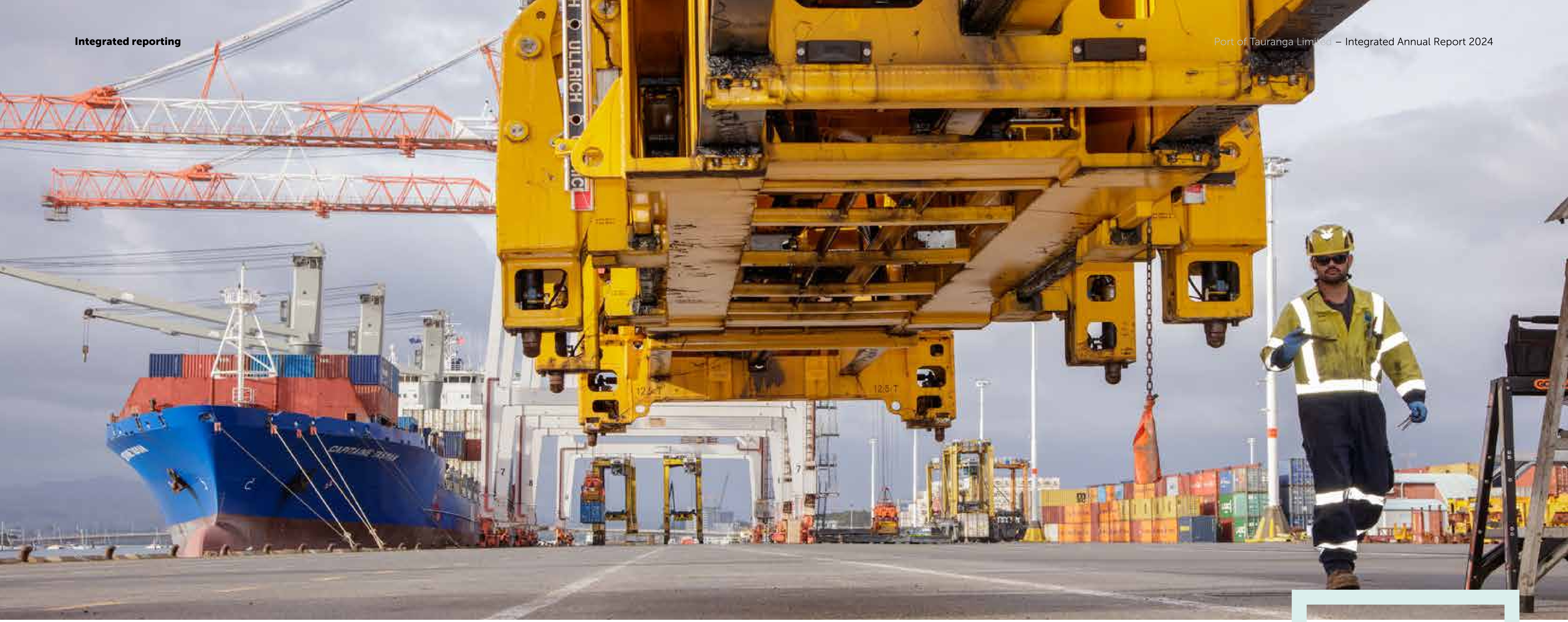
Despite the many challenges, we are confident of our resilience into the future due to our operational strength, diverse cargoes and multiple income streams. We acknowledge our team and service partners who have done an outstanding job in ensuring Port of Tauranga remains New Zealand's most efficient port.

Thank you too to the many others who work inside and outside the port gates to keep New Zealand connected with the world.

Ngā mihi nui.

Leonard Sampson
Chief Executive

Julia Hoare
Chair



Integrated reporting

Port of Tauranga's 2024 Integrated Annual Report describes how the company creates value for our stakeholders over the short, medium and long-term.

In this report, we describe our strategy, governance, performance and outlook.

Since 2018, Port of Tauranga has utilised the Integrated Reporting Framework in our annual reporting. Previous Integrated Annual Reports are available on our website.

The International Integrated Reporting Council (IIRC) emphasises materiality as a core principle of integrated reporting. The report should focus on material matters – those issues that substantively affect our ability to create value over time.

Our materiality assessment is informed by the expectations and interests of our stakeholders. We consult our stakeholders every few years to stay attuned amidst an evolving operating environment and societal shifts. You can find the results of our 2024 assessment on page 18 and the priority issues are featured throughout this report.

Our strategies are also informed by our purpose, vision and values, which we describe on page 12.

How to read this report

In the following pages, we describe the capital, resources or inputs that we use or affect – our relationships, our people, our skills and knowledge, our environment, our assets and infrastructure, and our finances.

We outline the capabilities, strengths and expertise we add, describe our activities and outputs, and the resulting outcomes for our stakeholders. We define stakeholders as anyone who has something to gain, or something to lose, from Port of Tauranga's activities. They include neighbours, customers, iwi and hapū, regulators, service providers, investors, partners and employees.

Governance

The Board of Directors is committed to engaged, quality governance that demonstrates accountability, compliance and integrity. A summary of our Corporate Governance Statement is available on page 102, and the full statement, constitution and supporting policies are all available on our website[2].

Integrated reporting is constantly evolving as we strive to provide our stakeholders with quality and relevant information. We will continue to assess and adapt our approach as we seek to increase transparency, build credibility and preserve trust. Integrated thinking, actions and reporting ensure the best possible outcomes for all our stakeholders.

Julia Hoare
Chair

We will continue to assess and adapt our approach as we seek to increase transparency, build credibility and preserve trust.

2 https://www.port-tauranga.co.nz/investors/

Our purpose and vision

Our purpose and vision guides us to focus our attention, effort and resources in the places that reflect the priorities of our stakeholders.

Our purpose

Connecting New Zealand and the world.

Our vision

Our purpose goes beyond profit and is the key to Port of Tauranga's ongoing success. Our aspirations for 2030 are:

Drive national prosperity

New Zealanders will value the Port as an asset that drives our nation's prosperity by providing the most efficient access to global trade.

Improve community wellbeing

We will improve our community's wellbeing by providing jobs and economic growth, as well as forming effective partnerships to pursue a shared vision of success.

Protect our natural environment

We will protect and enhance our natural environment. We will invest in technology and embed sustainable practices throughout our business.

Respect mana whenua

We will recognise and respect the mana whenua of the rohe and acknowledge the kaitiakitanga of iwi and hapū.

Nurture our people

We will be an attractive and accessible workplace where talent is nurtured. Our people will be proud to work here and know their contribution is valued. We will foster a culture of empowerment, where health and safety is at the forefront of everything we do.

Provide superior customer service

We will be driven by our customers' needs and create innovative supply chain solutions. We will deliver on our promises, provide superior service and grow together.

Deliver long-term value

We will deliver long-term value for investors through leading environmental and ethical performance, business resilience and sound financial management.

Our values

Our values define our fundamental beliefs and dictate our behaviour as individuals, as teams and as an organisation.

We will achieve our vision by:

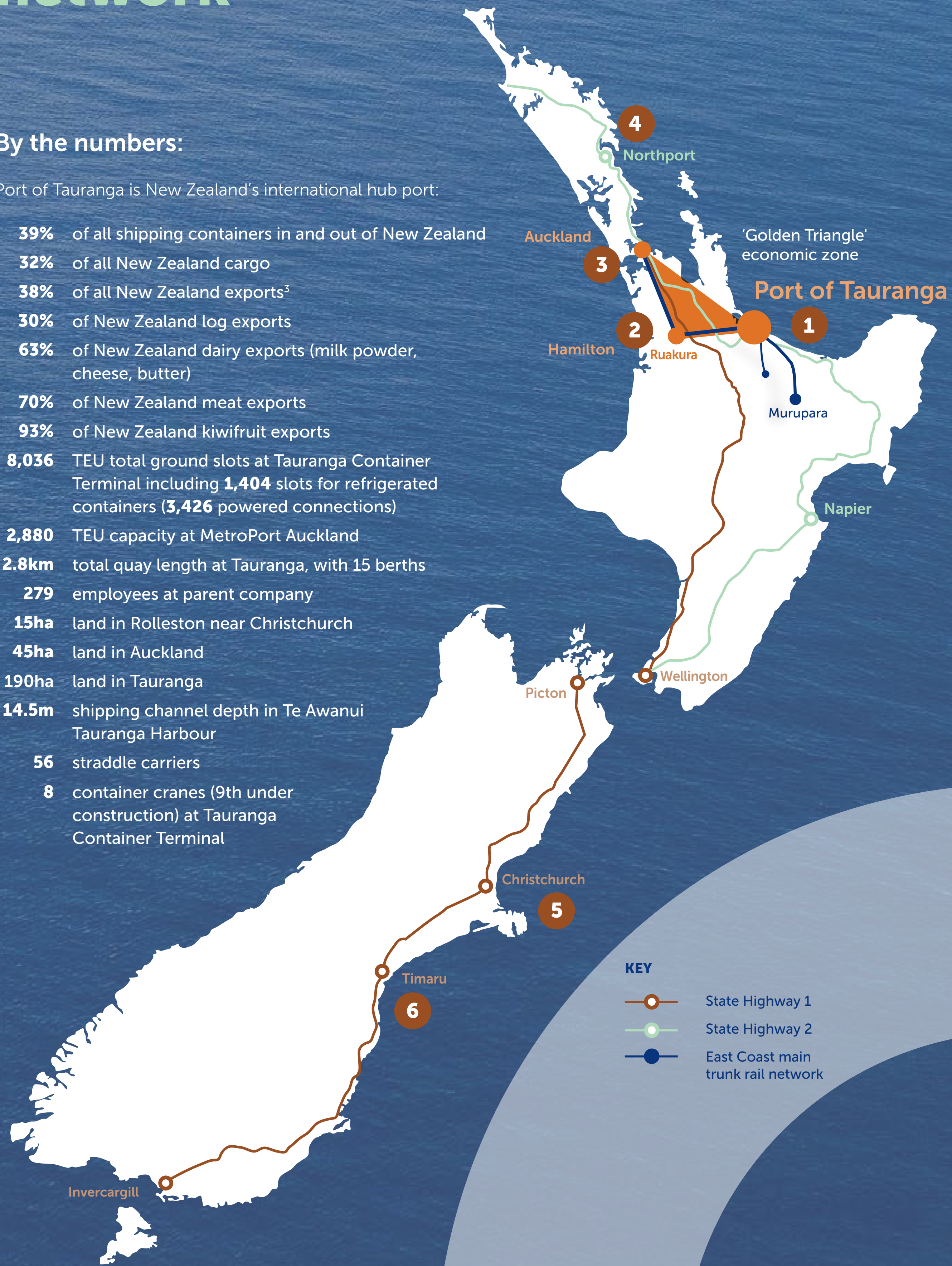
Taking pride and doing the right thing

Listening and working together

Creating better ways

Having a 'safety always' mindset

Our national network



By the numbers:

Port of Tauranga is New Zealand's international hub port:

39%	of all shipping containers in and out of New Zealand
32%	of all New Zealand cargo
38%	of all New Zealand exports[3]
30%	of New Zealand log exports
63%	of New Zealand dairy exports (milk powder, cheese, butter)
70%	of New Zealand meat exports
93%	of New Zealand kiwifruit exports
8,036	TEU total ground slots at Tauranga Container Terminal including **1,404** slots for refrigerated containers (**3,426** powered connections)
2,880	TEU capacity at MetroPort Auckland
2.8km	total quay length at Tauranga, with 15 berths
279	employees at parent company
15ha	land in Rolleston near Christchurch
45ha	land in Auckland
190ha	land in Tauranga
14.5m	shipping channel depth in Te Awanui Tauranga Harbour
56	straddle carriers
8	container cranes (9th under construction) at Tauranga Container Terminal

3 https://www.transport.govt.nz/statistics-and-insights/freight-and-logistics/

Port of Tauranga

1

Parent company

- New Zealand's largest port and international freight hub
- Container terminal, bulk/breakbulk cargo wharves and bunkering/bulk liquids facilities
- Extensive cargo storage and handling facilities
- Rail connections to Hamilton, Auckland and the central North Island
- Extensive road networks (State Highways 2 and 29) and coastal shipping connections.

CODA

1 2 3 5

50% ownership with Kotahi

- Freight logistics group incorporating Tapper Transport, Dairy Transport Logistics, Priority Logistics and MetroPack
- Operates New Zealand's largest intermodal freight hub at Ōtāhuhu in Auckland.

Northport

4

50% ownership with Marsden Maritime Holdings

- Deep water commercial port near Whangārei.

PORTCONNECT

1 3 4 5 6

50% ownership with Port of Auckland

- Online cargo management system.

METROPORT AUCKLAND

3

Operated by parent company and KiwiRail

- Inland port in the heart of Auckland's commercial and industrial area, connected by rail to Tauranga and Hamilton
- New Zealand's fourth largest container terminal.

Ruakura INLAND PORT

2

50:50 joint venture with Tainui Group Holdings

- Inland port connected by rail to Tauranga and Auckland
- Part of the Ruakura Superhub logistics and industrial precinct
- Opened August 2023.

METROPORT CHRISTCHURCH

5

Operated by Timaru Container Terminal

- Intermodal freight hub at Rolleston
- Rail connections to Timaru Container Terminal and rest of South Island
- New warehouse built for Coda Group.

TIMARU CONTAINER TERMINAL

5 6

100% ownership

- Direct links to Tauranga
- Operates MetroPort Christchurch at Rolleston.

QUALITY MARSHALLING

1 2 6

100% ownership

- Specialist cargo handling services company with operations at Tauranga and Timaru
- Operator of Ruakura Inland Port.

PRIMEPORT TIMARU

6

50% ownership with Timaru District Holdings

- Commercial port in Timaru
- Bulk cargoes including major cement handling facility and oil terminal.

How Port of Tauranga creates value

Our inputs

- Our relationships
- Our people
- Our assets and infrastructure
- Our environment
- Our finances
- Our skills and knowledge

Our capabilities

- A can-do attitude
- Sector-leading safety performance
- Flexibility
- Proven ability to execute strategy
- History of sound commercial infrastructure investment
- Deep understanding of supply chain dynamics
- Cost-effective and competitive labour model
- Strategic land holdings on both sides of Te Awanui Tauranga Harbour and other key locations
- Located close to cargo catchments and linked by road, rail and sea
- Strong and transparent governance framework
- Astute financial and risk management
- Responsive and creative customer service.

Our outputs

- Growing trade volumes based on long-term freight agreements with key customers
- Constructive partnerships with iwi and community organisations, focused on harbour health and education
- Principal sponsorship of national events held locally, as well as community infrastructure
- Consistent, reliable and efficient operational performance without compromising safety
- Innovative partnerships in other ports, inland freight hubs, logistics and cargo handling specialists.
- Timely investment in cargo handling equipment and storage capacity that enables cargo volume growth
- Proactive pollution prevention and incident response
- Investments in energy efficiency and waste minimisation
- Strong balance sheet with favourable debt facilities
- Job creation – direct and indirect
- Dividends paid to shareholders, including regional ratepayers (through cornerstone shareholder, Quayside Holdings).

Outcomes for our stakeholders

- Enduring, mutually beneficial partnerships
- A proud, safe and motivated workforce
- Highly effective and resilient logistics networks that meet the needs of the New Zealand supply chain
- Responsive environmental stewardship and improved air and water quality
- Appropriate risk and return for our shareholders
- Secure employment and prosperity for local, regional and national communities.

What matters most?

At Port of Tauranga, we understand the inherent value of sustainability. Port of Tauranga's sustainability strategies focus on the issues that matter most to our stakeholders, and the ones we can most influence.

Stakeholder engagement

In 2024, we undertook a materiality assessment with internal and external stakeholders to understand and prioritise environmental, social, governance and economic issues. An independent expert canvassed the senior management team, other people leaders in the business, employees, investors, customers, business partners, community leaders, unions, iwi members, and regulatory bodies. A list of 19 sustainability topics was then ranked through an online survey.

Survey results

The survey results established the highest priority areas for Port of Tauranga according to their importance as well as our ability to influence or address them. Although all 19 topics are important, the highest-ranked were:

Health, safety and wellbeing

Promoting a safe and healthy working environment for everyone working in, or interacting with, our business.

Customer engagement

Continuously innovating and adapting to market and environmental changes to deliver sustainable and efficient service to our customers. Understanding customer and partner needs.

Sustainable financial performance

Ensuring sustainable financial growth and performance as a key component of the triple bottom line (economic, environmental, social).

Employee engagement

Empowering people through professional development, providing career pathways, and creating a culture where people can thrive. Enabling a long-term sustainability mindset in our culture and values.

Future-focused infrastructure and services

Providing critical infrastructure and services that are resilient, efficient and evolving to meet the needs of New Zealand. Proactively considering customer needs and responding to global market and geopolitical forces.

Social licence

Proactively engaging in community, partnerships and relationships. Communicating the purpose and value of Port of Tauranga to the region and New Zealand. Communicating targets, goals and progress to a broad range of stakeholders.

Environmental stewardship

Protecting the environment (land, water and air quality) and biodiversity through proactive management and partnerships.

Other important topics included:

- Digitisation and technology
- Business continuity planning
- Communication and relationship management
- Governance
- Collaboration and partnerships
- Carbon footprint
- Climate-related business risk
- Cultural competency
- Sector leadership
- Future of work
- Diversity and inclusion
- Community focus.

Port of Tauranga's sustainability strategies focus on the issues that matter most to our stakeholders.

The senior management team will use the results of the survey to enhance our sustainability strategies and report to our stakeholders, including through this Integrated Annual Report.

Risk management and climate change response

Port of Tauranga's risk management framework gives us the tools to assess, monitor and manage risks.

During the 2024 financial year, Port of Tauranga has undertaken a thorough review of its Risk Management Policy and Framework with the help of external expertise. As a result of the review, a Risk Specialist is being recruited to coordinate risk information and management.

All staff have a role to play in risk management. Our risks are continuously evolving and are discussed in depth regularly by the senior management team and the Board of Directors.

Our strategic risks include:

- Major equipment failure (e.g. container crane)
- Natural disasters, business interruption/continuity
- System or process failure (e.g. technology disruption)
- Ship foundering (e.g. collision or grounding)
- Competition
- Environmental incident (e.g. major pollution or biosecurity breach)
- Regulatory requirements (e.g. resource consent compliance)
- Death or serious injury of a worker
- Psychosocial issues (e.g. bullying, fatigue)
- Industrial action
- Physical security breach
- Loss of major customer
- Financial issues
- Fraud or other criminal activity, breach of integrity
- Cybersecurity attack
- Project management or business partner failure
- Climate change.

Climate-related Disclosures

Over the past year, we have prepared to meet the regulatory requirements of the new Climate-related Disclosures framework, which intends to ensure climate change impacts are actively considered by businesses, including in investment decisions.

We had several workstreams, including:

- A thorough review of our existing enterprise risk management framework, as outlined above
- Engaging external expertise to help with scenario planning, as well as reviewing the Port's climate-related physical and transition risks and opportunities
- Developing targets.

The scope of the Board's Audit Committee has been widened to monitor and oversee Port of Tauranga's implementation of and compliance with the Climate-related Disclosures legislation.

Port of Tauranga will publish its first Climate-related Disclosures report before the deadline of October 2024.

Greenhouse gas emissions reporting

Port of Tauranga has measured and reported greenhouse gas emissions since 2017.

Port of Tauranga is committed to reaching net zero greenhouse gas emissions by 2050 and aims to reduce emissions intensity (CO_2e per cargo tonne) by at least 5% per year.

In the 2024 financial year, Port of Tauranga saw a 3.9% reduction in annual total CO_2e from Scope 1 and 2 greenhouse gas emissions, compared with the prior year.

Scope 1 and 2 emissions per cargo tonne were steady at 0.74 kilograms CO_2e per tonne of cargo.

Capital: Our relationships

Improving community wellbeing

Port of Tauranga has established long-lasting, mutually beneficial relationships with a diverse range of customers, communities and business partners. We plan for the future utilising the insights made possible by these relationships, and do so in a way that aims to meet the needs of all our stakeholders.

In the following pages, we describe our progress. We have partnered with local councils to build community infrastructure, collaborated with our partners to offer customer-centric solutions, and worked with iwi and hapū to improve the health of Te Awanui Tauranga Harbour.

Vision

We will improve our community's wellbeing by providing jobs and economic growth, as well as forming effective partnerships to pursue a shared vision of success. We will recognise and respect the mana whenua of the rohe and acknowledge the kaitiakitanga of iwi and hapū.

Material issues addressed by our strategies:

- Collaboration and partnerships
- Communication and relationship management
- Community focus
- Customer engagement
- Social licence
- Cultural competency.

KPIs

Ruakura Inland Port joint venture
with Tainui Group Holdings celebrates first anniversary of opening

Long-term freight agreements
in place with major shippers such as Kotahi, Oji Fibre Solutions and Zespri International

1,500+
People hosted
on port tours

18
Tertiary scholarships awarded to Māori students

74%
Average recommendation
by surveyed customers

'Living sea wall' to attract marine life to city centre

Port of Tauranga is proud to be sponsoring an innovative new feature on Tauranga city centre's waterfront – a living sea wall to attract marine life.

The project, being developed by Tauranga City Council, will foster a healthy marine environment and enhance coastal protection, as well as being a significant contribution to our city's wellbeing.

The sea wall, along The Strand, has 100 concrete pods specially designed to attract tidal algae and animal life. The pods, weighing from 130 kilograms to 2,000 kilograms, are being placed among 8,000 tonnes of rocks.

The sea wall will protect the coastline, promote biodiversity and sea life, and better connect city residents and visitors to Te Awanui Tauranga Harbour. Stepped viewing ledges and shallow zones will ensure people of all ages can explore the rocky pools.

The project is one of several recent collaborations between Port of Tauranga and Tauranga City Council.

The Port funded a new natural playground as part of the council's Marine Parade Coastal Pathway at Mount Maunganui.

The three kilometre path runs from Hopukiore (Mount Drury Reserve) to Oceanbeach Road and the new playground is opposite Te Ngaio Reserve.

The Port also funded, at the request of the council and the Mauao Trust, a timber viewing platform at the northernmost point of the base walking track of Mauao.

The platform overlooks Te Awaiti (Little River), the channel where the historic migratory waka *Takitimu* first sheltered on arrival at Tauranga Moana.

Both the viewing platform and the Marine Parade Coastal Pathway were officially opened just before Christmas 2023.

Students check the new living sea wall pods.

Partners in biosecurity excellence

Port of Tauranga is part of a biosecurity excellence partnership to protect the border from pest incursions that threaten our economy and lifestyle.

The Port has joined forces with the Ministry for Primary Industries (MPI), Kiwifruit Vine Health, primary produce organisations, scientists and local government.

The partnership aims to build a port community trained to prevent any bugs coming through the port. Port users are educated on what to look for and how to respond if they see telltale signs such as dirt, eggs, nests or critters – dead or alive. A dedicated 0800 number ensures reports receive a quick response from MPI.

The collective publishes an annual calendar and other educational material featuring the top 12 unwanted pests, such as the brown marmorated stink bug.

An annual Biosecurity Week also raises awareness amongst the Port community.

The Port is a signatory to the national Biosecurity Business Pledge, a network of more than 130 businesses who share knowledge and collaborate on proactive biosecurity management.

Tauranga hosted 109 cruise ships last summer.

Cruise ships bring plenty of visitors to the Bay

The cruise ship industry bounced back from its Covid-induced hiatus, with 109 passenger vessel visits in the 2023/2024 summer season.

That was close to the record 116 visits in 2018/2019, which was estimated to have contributed more than $89 million to the Bay of Plenty economy.

Port of Tauranga works with Tourism Bay of Plenty to provide visitor services at the port gate. The tourism organisation has a pop-up information centre, volunteer ambassadors and local tour operators on hand to assist cruise ship passengers.

Cruise ships are also a spectacular sight for locals. Tauranga residents can often be seen picnicking at Pilot Bay beach or taking a vantage point on Mauao to watch departing vessels.

The next few cruise seasons are expected to be more challenging for New Zealand due to increased costs, global competition, and itinerary changes to avoid conflict areas overseas.

Port of Tauranga currently has 91 cruise ship bookings for the coming season, commencing on 18 October.

Tourism Bay of Plenty welcomes cruise passengers.

High customer satisfaction

Port of Tauranga surveyed importers, exporters, shipping companies, shipping agents, tenants and others earlier this year to gauge satisfaction.

More than 80% of respondents said they were "very satisfied" or "somewhat satisfied" with Port of Tauranga.

The most popular words to describe Port of Tauranga were: reliable, efficient, easy to work with, collaborative, high quality and proactive.

Nearly 70% of respondents said Port of Tauranga's services met their needs "extremely well" or "very well" and 96% were likely or very likely to use Port of Tauranga in the future.

Case study

Port partners with iwi to invest in harbour health

A trust formed to invest in harbour health initiatives has funded a raft of new projects.

The Ngā Mātarae Charitable Trust brings together iwi organisations and Port of Tauranga to invest Port funds in projects to benefit Te Awanui Tauranga Harbour.

The Trust was established in 2014 to balance the impact on the cultural and spiritual values of local iwi and hapū from the harbour capital dredging project to prepare for the arrival of bigger container ships. The Trust brings together representatives from Ngāi Te Rangi, Ngāti Ranginui and Ngāti Pūkenga iwi, the Port, the Mauao Trust and the Tauranga Moana Iwi Customary Fisheries Trust.

The Trust is funded through an annual grant from the Port.

Over the past year, the trustees have agreed to sponsor projects including:

- A resilience plan for Whareroa Marae, which is located on a low-lying shore of Te Awanui Tauranga Harbour
- A business case for harbour restoration led by a collective of hapū of Tauranga Moana
- A project to capture hapū perspectives of Tauranga Moana
- School science laboratory equipment to be shared by local kura kaupapa.

Past projects

Previous projects funded by the Trust include:

- A pipi research project to restore and enhance coastal ecosystems
- Purchase of a research and monitoring vessel for an environmental organisation
- Preparation of an oversight plan and implementation programme for the wetlands adjacent to the Whetu-O-Te-Rangi marae
- Restoration and enhancement of the Huria wetland adjacent to Maharaia Memorial Park and the Judea Rugby Club.

The Trust is also helping to fund a major wetland restoration project being undertaken by Tauranga City Council, Bay of Plenty Regional Council and Ngai Tamarawaho hapū.

The Kopurererua Stream Fish Habitat Project will re-establish habitats in the lower stream and adjacent Koromiko wetland, which flows into Tauranga Harbour through the Waikareao Estuary. It is expected to increase flood and erosion control, improve water quality and protect biodiversity.

Ngā Mātarae Trust also funds a number of tertiary scholarships for Māori students. In 2024, a total of 18 tertiary scholarships were granted to students in their first, second or third year of study.

Capital:

Our people

Nurturing our people

Port of Tauranga aims to recruit talented people, nurture them, retain them and recognise their achievements. Our positive health and safety culture proactively manages and mitigates risks. All our team members, and our contractors, are empowered to halt operations if they are concerned about unsafe practices.

Our wellbeing programme, ShipShape, promotes the physical, mental, emotional and financial wellbeing of our team members.

In the following pages, we describe our progress in pursuing our wellbeing, people and health strategies, including our support of industry initiatives.

Vision

We will be an attractive and accessible workplace where talent is nurtured. Our people will be proud to work here and know their contribution is valued. We will foster a culture of empowerment, where health and safety is at the forefront of everything we do.

Material issues addressed by our strategies:

- Health, safety and wellbeing
- Diversity and inclusion
- Employee engagement
- Future of work
- Governance.

KPIs

279
Employees at Port of Tauranga Limited

17.5% ↙
Lost Time Injury Frequency Rate
Port of Tauranga employees and contractors combined

226% ↗
Health and safety training course completion rate
Due to new dedicated resource

36.2% ↙
Total Recordable Injury Frequency Rate
to 13.2 per million hours worked (Port of Tauranga employees and contractors combined)

31%
Job vacancies filled internally

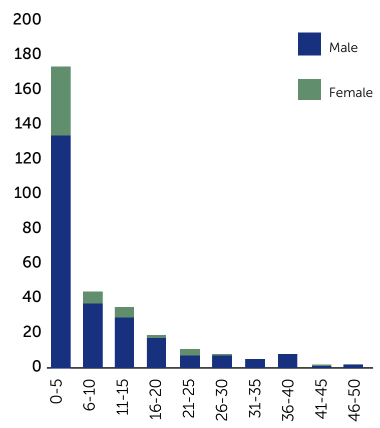
9.25%
Staff turnover
Compared with 7.0% in 2023, 11.5% in 2022

Gender diversity

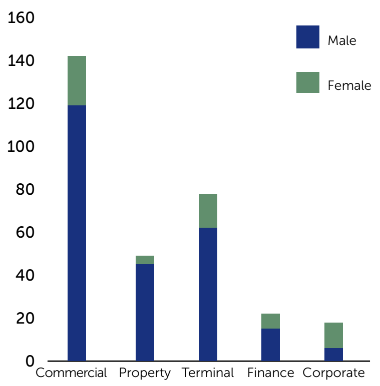
22% Female

Compared with 22% in 2023 and 22% in 2022

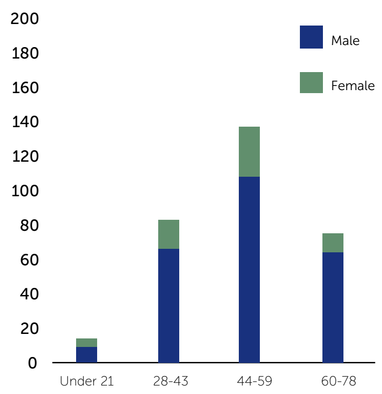
Gender diversity by years of service



Gender diversity by division



Gender diversity by age



Keep Well at Port of Tauranga

Port of Tauranga's new employee health programme, Keep Well, was launched in December and complements the ShipShape wellbeing programme.

Keep Well has been curated to make medical support accessible and customisable for our team members.

The free service involves an on-site nurse every Thursday, rotating between three sites. Nurse Debbie Stewart provides annual wellbeing checks, which can include hearing, vision, lung function, blood pressure, musculoskeletal function, skin, cholesterol and glucose tests.

She advises on fatigue, sleep management and other lifestyle factors. She also undertakes ergonomic work station assessments, respirator mask fittings and treats minor injuries.

Under the Keep Well programme, all employees are offered free annual flu vaccinations.

With the launch of Keep Well, all employees also received a HealthNow card loaded with $50 of credit to put towards health-related expenses.

The HealthNow card can be used for physiotherapy, dental treatment, GP services, specialists or any other medical or allied healthcare service.

Keep Well

Team members take a lunchtime walk on Mauao.

Industry monitors worker voices

Port of Tauranga team members participated in an industry-wide safety culture survey, the second annual survey coordinated by Maritime NZ.

Port of Tauranga scored well in the way we prioritise health, safety and wellbeing, workers' understanding of risks and hazards, and leadership. People feel empowered to stop work if they feel it is unsafe.

The areas needing to be addressed included fatigue management, consistency of port rules adherence and consistency of training standards.

The survey findings complemented the results of the Port's recent SafePlus audit, an independent assessment of health and safety practices on site.

Port of Tauranga is also working with Maritime NZ to ensure visiting international vessels meet high safety standards, especially with regard to pilot ladder compliance. Our pilots and launch crews are expected to prevent boarding or disembarking if they feel the ladder, or any other equipment, is unsafe.

Team members and their whānau have helped clean up the neighbourhood.

Helping our people stay ShipShape for life

ShipShape
POSITIVITY, HEALTH AND WELLBEING

Port of Tauranga's wellbeing programme, ShipShape, was established in 2018 to bring together existing and new wellbeing initiatives under the direction of a committee of team members from across the business.

The committee runs events and shares information to boost physical, mental and financial wellbeing. Recent initiatives include a blood donation promotion, money management advice, free yoga classes, group bike rides and on-site servicing, menopause information sessions and cooking demonstrations.

ShipShape also funds sports teams, internal competitions and challenges, often in partnership with local and national charities. For the past few years, a large group of team members and their whānau have participated in an annual coastal clean up.

In 2023, ShipShape won gold accreditation under the WorkWell framework of the Toi Te Ora Public Health unit.

Port of Tauranga also provides a free, confidential employee assistance programme through Vitae.

Case study

New awards recognise team players

A new recognition programme enables port workers to nominate peers who demonstrate the team value of "having a safety always mindset".

Port of Tauranga's TeamSafe Awards were launched in November to celebrate the many ways in which our team members bring the mindset to life, every day.

The initiative was suggested by employees wanting to recognise their workmates for great health and safety actions and projects.

The monthly awards acknowledge and celebrate individuals and teams who show an outstanding commitment to safety – above and beyond their day-to-day duties. Nominations can be for actions, ideas, initiatives, projects or behaviours.

The winners are decided by the Health and Safety Committee, which has representatives from every department.

A variety of projects and individuals have already been recognised from among Port employees and contractors. They include:

- A manager who shows safety leadership by being proactive, inclusive, collaborative and highly knowledgeable
- A crane driver who instigated two projects to make stevedores' working areas safer and protect them from heavy equipment
- The team who safely retrieved a wedged container from on board a ship
- A straddle driver who was first on the scene of a potential chemical spill from a container
- A contractor who reported a serious-but-overlooked safety concern
- A straddle driver who responded to suspected intruders at the container terminal
- An electrician who designed a safer way to maintain crane cables, a job that used to be done at height.

The TeamSafe Awards complement the Port's longstanding Extra Mile Award for outstanding effort in any area.

Dave and Angela from the health and safety team support the Awards programme.

Electrical Foreman Skip Fisher is a TeamSafe Award winner

Capital: Our skills and knowledge

Providing superior customer service

Port of Tauranga takes an integrated view of the supply chain, investing in other ports, inland freight hubs, cargo handling expertise and logistics companies. The aim is to reduce waste and inefficiencies in the supply chain so that we can offer our customers the most efficient and environmentally-sound option for their cargo.

In the following pages, we describe how we utilise our skills, knowledge and experience. We have recovered productivity despite ongoing supply chain disruption, and we have used our industry expertise to support regulatory changes and the work of law enforcement agencies.

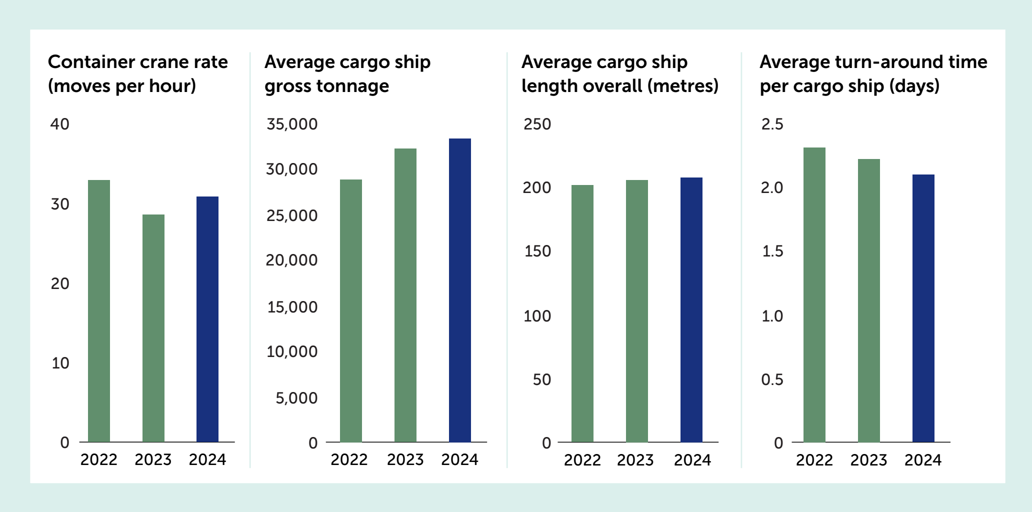
Vision

We will be driven by our customers' needs and create innovative supply chain solutions. We will deliver on our promises, provide superior service and grow together.

Material issues addressed by our strategies:

- Business continuity planning
- Collaboration and partnerships
- Customer engagement
- Sector leadership
- Future-focused infrastructure and services.

KPIs



Productivity recovers after Covid and congestion

Port of Tauranga's container terminal operations have returned to normal productivity following three years of congestion and delays caused by disruption in the domestic and global supply chain.

Although most container vessels continue to arrive off schedule, the Port has reviewed its systems and processes to improve efficiency while ships are tied up at the container terminal.

Since September 2020, operational problems at other ports and the Covid-19 pandemic resulted in ship visit 'bunching'. Surges in container volumes put severe pressure on terminal capacity and efficiency, as well as available rail capacity and labour.

From March 2023, New Zealand ports have been attempting to reinstate adherence to berth schedules and cargo exchange volumes. While that objective has remained elusive, internal productivity has normalised to just over 30 container moves per hour by the shore-to-ship cranes. The vessel rate[4] was 57.4, an 11% increase, and the ship rate[5] was 71.3, an 18% increase from last year.

Future plans to improve cargo throughput involve the introduction of automation.

Automated stacking cranes (ASCs), a well-proven technology already in use in many of the world's most efficient ports, will be introduced in phases.

ASCs are fully electric gantry cranes, mounted on rails, that are operated remotely.


The refrigerated container patch at Tauranga Container Terminal.

4 Number of containers moved on and off a ship in an hour of labour.
5 Number of containers moved on and off a ship per hour.

Ruakura Inland Port celebrates first anniversary

Ruakura Inland Port is winning business in the Waikato.

The nine-hectare cargo facility is connected by rail to Auckland and Tauranga and is part of the giant Ruakura Superhub, a 490 hectare logistics and industrial precinct being developed by Tainui Group Holdings.

Tenants so far include Kmart's national distribution centre, a state-of-the-art coldstore owned by shipping line Maersk and another coldstore operated by Big Chill.

The inland port, which opened with twice-weekly train services in August 2023, now has daily calls from Port of Tauranga's MetroPort trains running between Auckland and Tauranga.

Port of Tauranga and Tainui Group Holdings have new plans to develop a three-hectare empty container depot next door to the inland port.

Change in regulatory oversight of port safety

Maritime NZ has taken over responsibility for safe landside operations at New Zealand's 13 commercial ports effective 1 July 2024.

Previously, Maritime NZ had jurisdiction on board ships, while WorkSafe had responsibility for land-based operations.

The change was one of the recommendations of the Port Health and Safety Leadership Group, in which Port of Tauranga is an active participant. It is hoped that having one primary regulator for ports will provide clarity for the multiple organisations and workers operating in port environments.

The Leadership Group has developed a multi-year plan to improve safety following the deaths of two port workers in Auckland and Lyttelton in early 2022.

Port of Tauranga works closely with a range of other government agencies and regulatory bodies to ensure the port is a safe and secure workplace and the community is protected from harm.

The Port's security team works with New Zealand Police and Customs to prevent illegal goods entering New Zealand. The Port also works with the Ministry of Primary Industries to manage biosecurity risks, WorkSafe regarding the management of hazardous goods facilities and the regional Public Health Unit to ensure the health of visiting international crew.

Safety on the water in the harbour is managed by the Tauranga Harbourmaster, who is employed by the Bay of Plenty Regional Council. Port of Tauranga also runs safety campaigns to educate the general public about safe boating in and around New Zealand's busiest port.

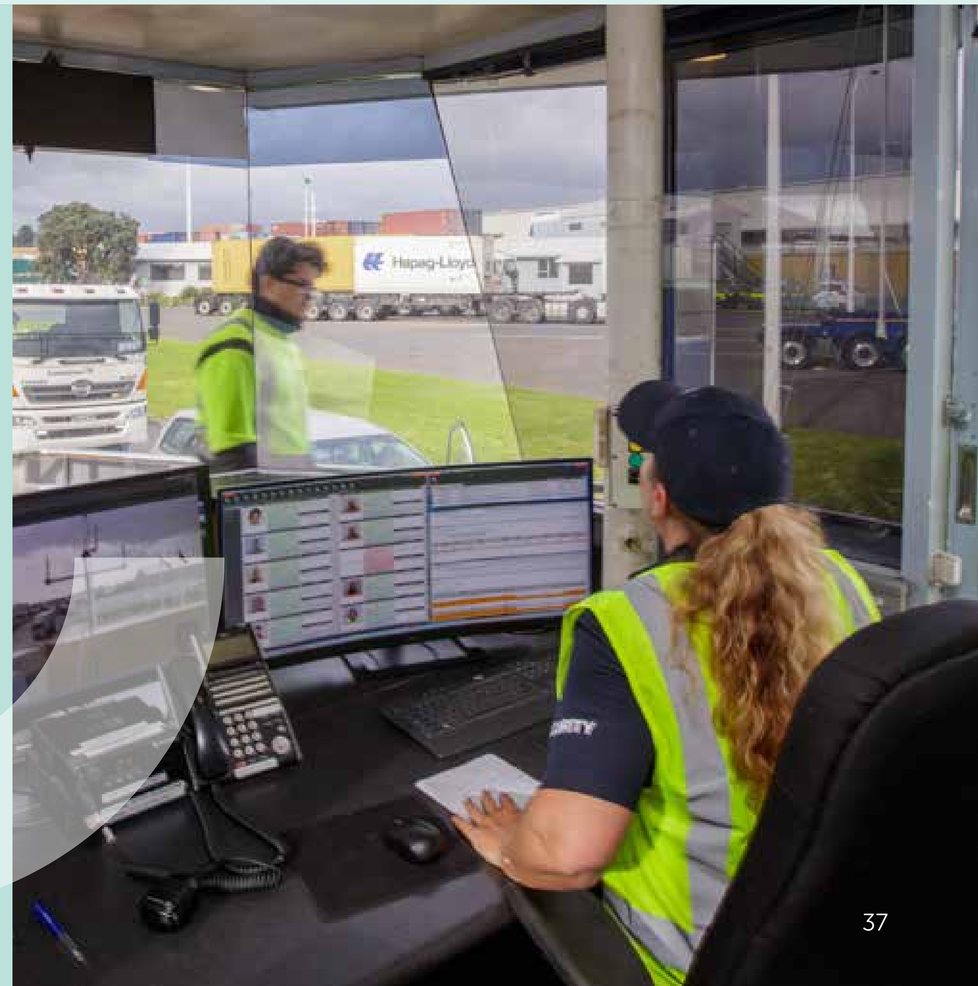
Police and Customs stop criminal activity

Port of Tauranga's round-the-clock security team assists Police and Customs to prevent illegal activity at the port.

In September, vigilant port security officers raised the alarm after finding signs of a break-in at the port boundary.

A subsequent search of shipping containers by Customs officers unearthed 26 kilograms of concealed cocaine.

The port is monitored via surveillance cameras and mobile security patrols. Anyone who does try to break in risks their lives, as there is heavy machinery operating at all hours.


The Port security team operates around the clock.

Case study

Big ships offer lower carbon alternative for shippers

Port of Tauranga's ability to accommodate the largest container vessels to visit New Zealand ensures shippers can access a lower carbon, more efficient supply chain.

By far the largest proportion of carbon emissions in New Zealand's carbon supply chain relates to the 'blue water' or ocean-going component of the cargo journey.

Landside emissions, from road and rail transport, contribute only a small percentage of the total carbon emissions related to container imports and exports.

Port of Tauranga is the only New Zealand port able to handle larger container vessels, which are capable of producing fewer emissions per container.

Port of Tauranga regularly receives visits from vessels with capacity of around 9,500 TEUs.

The carbon footprint for an import container from Shanghai to Port of Tauranga on a ship of that size is around 20% smaller than the same box shipped from Shanghai to Auckland on a 4,500 TEU vessel. This is true even taking into account the emissions from transferring the container by rail from Tauranga to Auckland. An export container via rail from Hamilton to Shanghai via Tauranga on a big ship has a carbon footprint about 23% smaller than the same container via Auckland.

Port of Tauranga expects larger vessels to cascade into the Oceania network as newly built ships are introduced into the Northern Hemisphere trade routes and older ones are scrapped.

The trend will lead international services to focus on one or two large scale ports in New Zealand, led by Port of Tauranga, with an emerging 'hub and spoke' port network to service the balance of the country's 13 ports.

Although coastal shipping in New Zealand is currently facing a number of logistic and financial challenges, Port of Tauranga still believes it has a significant role to play in a more efficient and sustainable freight transport system.

Coastal shipping is a safe and lower carbon alternative for transporting large volume and/or heavy cargoes that are not time-sensitive.

A 2022 study by University of Canterbury for coastal shipping company Swire Shipping estimates greenhouse gas emissions generated by heavy road transport are between 2.4 and 2.7 times larger than rail, and between 5 and 5.6 times larger than coastal shipping.

Together with the use of rail, and inland ports for cargo hubbing and consolidation, coastal shipping offers a path to significantly increase cargo volumes in future while decarbonising the supply chain.

Artists' impression of hybrid straddle carrier and future automated container stacking.

Port of Tauranga is the only port able to handle larger container vessels.

Capital: Our environment

Protecting our natural environment

Port of Tauranga protects air and water quality through dust control, stormwater management and spill prevention. We support industry efforts to reduce the use of fumigants, while ensuring we remain vigilant for biosecurity incursions that could threaten our economy and way of life. We choose energy efficient equipment where possible, minimise waste through recycling, and seek to reduce our greenhouse gas emissions across all areas of our business.

In the following pages, we describe our progress in implementing our environmental strategies. We have reduced greenhouse gas emissions, improved air and stormwater quality and invested in the biodiversity of the harbour.

Vision

We will protect and enhance our natural environment. We will invest in technology and embed sustainable practices throughout our business.

Material issues addressed by our strategies:

- Carbon footprint
- Climate-related business risk
- Environmental stewardship
- Social licence
- Collaboration and partnerships.

KPIs

25% ↙
Reduction in dust adjacent to the Port boundary between 2017 and 2023

100%
Stormwater quality standards compliance

3.9% ↙
Scope 1 and 2 greenhouse gas emissions

New stormwater treatment plant at Mount wharves

A new stormwater treatment system at the Mount Maunganui wharves is expected to further improve water quality near the log ship berths.

For two decades, Port of Tauranga has been improving stormwater management to protect Te Awanui Tauranga Harbour from pollution.

All wharves and cargo storage areas were sealed prior to 2013 to enable routine vacuum sweeping. Seventeen screens have been installed on our stormwater drains to retain bark and prevent it from discharging into the harbour. Fender protection covers have been installed at the edge of bulk and log berths to stop any debris falling into the harbour during cargo loading and unloading.

The increasing volumes of logs de-barked before arrival at the port is also helping to avoid debris arriving at the port and ending up in the stormwater system.

A comprehensive stormwater, harbour water and sediment monitoring programme tests for contaminants such as heavy metals, petroleum hydrocarbons and suspended solids.

Stormwater quality testing shows compliance with the Port's current resource consent conditions. However, Port of Tauranga seeks continuous improvement in stormwater practices and will introduce a new treatment system over the next year at the Mount Maunganui wharves.

The new system will capture the first 17mm of rainfall – the 'first flush' in a downpour, when surface contaminants such as bark, dirt and tyre wear are more likely to be washed into the harbour. The captured stormwater will be held in a one million litre mixing tank before being processed through a treatment system and released into the harbour.

The $1.5 million Mount Maunganui wharves project will complement existing stormwater treatment systems at the Sulphur Point container terminal and the Hewletts Road log storage yards.

Endangered birds find refuge next to port operations

Threatened shore bird species can often be found resting at Port of Tauranga.

The Port's sand pile – material dredged during maintenance of shipping channels – adjacent to the container terminal, attracts New Zealand dotterels, variable oystercatchers and other endangered birds.

It has also become a resting place for bar-tailed godwits, who fly every year non-stop from their breeding grounds in western Alaska, a trip that takes just over a week.

The dredged sand is usually used to replenish local beaches but is left undisturbed for the majority of the year when birds are in residence.

Discussions are currently under way with iwi and hapū and the Department of Conservation about the appropriate ongoing protection of the habitat.

Above: NZ dotterels nest at the Port.

Port commits to industry accord

Port of Tauranga has worked with other Mount Maunganui-based businesses to develop an industry accord committed to improving their environmental performance.

The project, led by the Western Bay of Plenty's economic development agency Priority One, involves 30 businesses who have pledged to address community concerns about air quality.

Port of Tauranga has committed to further extend its network of wind fences, install a new stormwater treatment system at the Mount wharves (see page 42), further improve the Hewletts Road log yard stormwater system, undertake a dust source study (see page 44), and to work with stevedores and marshallers to further improve bulk cargo handling to minimise dust generation.

The Port is also responding to community requests to plant alongside port boundaries.

One recently completed project is a garden at the Tōtara Street/ Waimarie Street intersection at Mount Maunganui, near Port land leased to empty container depots.

Further details of the Mount Maunganui Industry Environmental Accord can be found on the Priority One website[6].

New planting alongside Port boundaries.

6 www.priorityone.co.nz

De-barked logs help reduce on-port fumigation

Port of Tauranga has supported industry initiatives that have helped to drastically reduce fumigation undertaken on port.

Fumigation is an important tool to protect New Zealand's biodiversity, as well as enabling trade with international markets.

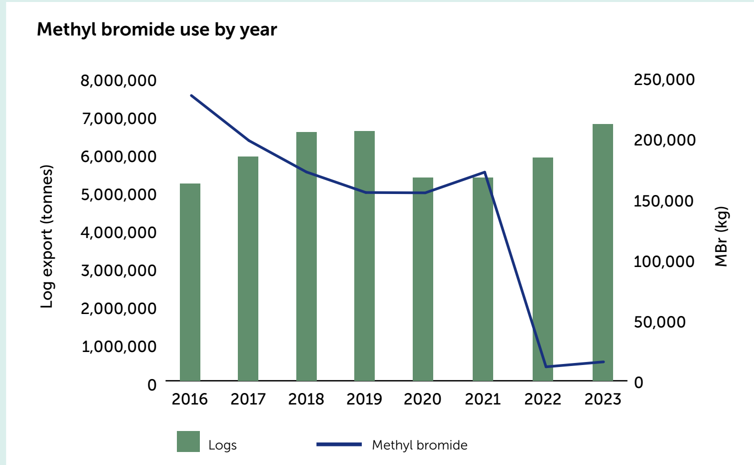
In order to meet the phytosanitary requirements of export destinations, more than 80% of all the logs shipped through Port of Tauranga are required to be fumigated, either in the ship's hold in transit or on the wharf just prior to loading.

The fumigant used on the wharf is methyl bromide, a potentially ozone-depleting chemical, while phosphine is used in ships' holds in transit.

Port of Tauranga insists that recapture technology is utilised on all methyl bromide fumigations. The Environmental Protection Agency also has strict rules.

In recent years, methyl bromide use has dramatically reduced, primarily through the use of de-barking. De-barking logs off site greatly reduces the amount of pre-shipment fumigation required, as well as reducing the volume of bark needing to be swept from the wharves.

More than 20% of all logs are now de-barked before arriving at Port of Tauranga.



Case study

Minimising airborne dust improves air quality

Port of Tauranga has undertaken a range of initiatives to reduce airborne dust, producing a dramatic improvement in air quality since intense monitoring began in 2019.

Vacuum sweeper trucks collect dust and debris from the wharves, with bark from export logs recycled into garden products at a Waikato composting facility in a practice dating back 45 years.

More recently, concrete barriers have been installed to keep traffic and heavy traffic on more frequently swept roadways.

In the past year, Port of Tauranga has continued to extend its wind fence network. More than two kilometres of wind fences encourage airborne dust to settle, where it can be swept up.

The Port also specifies wind limits on handling certain potentially dusty cargoes, with a range of visual alarms informing stevedores of wind speed and when limits are being approached or exceeded.

The Mount Maunganui industrial area was designated a 'polluted airshed' in 2019 to enable increased monitoring and management by the regional council, which has 11 air quality monitors throughout the industrial area.

The results show significant reductions in sulphur dioxide and fine dust since 2019. The monitoring station at the Tōtara Street/Waimarie Street intersection saw a 25% reduction in dust (total suspended particulate) between the 2017 and 2023 calendar years.

In addition, the introduction of mandatory low sulphur shipping fuels in early 2020 has had a major impact on improving air quality by reducing sulphur dioxide.

Bay of Plenty Regional Council has recently introduced new supplementary air sensors into nearby residential areas.

The Council is posting live air quality data on its website[7]. The 12 new sensors, while not as accurate as the industrial area monitors, are designed to detect particulate matter such as dust, sea spray and nitrogen dioxide.

The Port is also funding a new study to better understand what causes nuisance and fine dust, by analysing samples to try to identify sources and inform action plans for industry.

Monitors have been established near Zespri head office on Maunganui Road and at Ranch Road near Mount Maunganui College.

Although the monitors will not be able to identify all specific sources, they will paint a picture of some general dust types such as sea spray, petrol and diesel exhaust pollution, organic material, ship exhaust emissions and other potential sources.

Recent changes to regional planning regulations have led to Port of Tauranga liaising with key stakeholders, including some neighbouring industries, to develop a collaborative Port Industry Area Dust Management Plan. It details how the Port will continue to manage and reduce dust associated with the handling of logs and bulk solid materials.

Above: Dust monitor on Maunganui Road.

Vacuum sweeper trucks operate continuously at the Mount Maunganui wharves.

7 https://www.boprc.govt.nz/environment/air/mount-maunganui-residential-air-quality

Capital: Our assets and infrastructure

Driving national prosperity

Port of Tauranga is continually investing in capacity to ensure it can accommodate the largest vessels to visit New Zealand and cater for future cargo growth.

A new berth extension within the port's current footprint is planned to address capacity constraints at the Tauranga Container Terminal. Future plans include an automation project to further increase capacity, as well as continued investments to reduce greenhouse gas emissions. We have taken delivery of a new container crane and four additional hybrid straddle carriers.

Vision

New Zealanders will value the port as an asset that drives our nation's prosperity by providing the most efficient access to global trade.

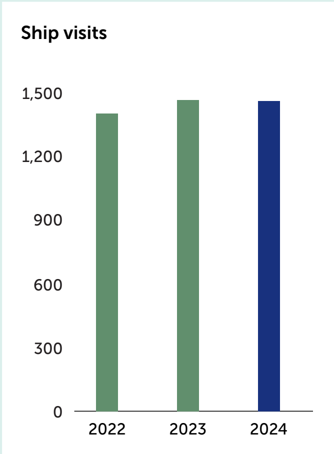
Material issues addressed by our strategies:

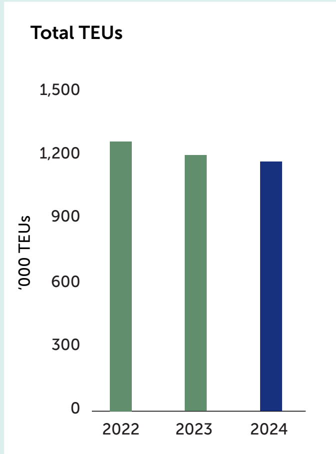
- Future-focused infrastructure and services
- Customer engagement
- Carbon footprint
- Digitisation and technology.

KPIs

4

New hybrid straddle carriers





Hybrid straddles fuel fewer carbon emissions

Port of Tauranga has taken possession of four more hybrid straddles as it continues to decarbonise its straddle fleet, one of the largest sources of the Port's greenhouse gas emissions.

The new Kalmar straddles join the existing three hybrid models purchased in 2020, which have proven to be around 25% more fuel efficient than the Port's other, diesel-electric models, and 40% more efficient than the oldest models in the fleet.

The container terminal has also purchased eight second-hand straddles from Lyttelton Port, which are being used to replace some of the oldest, less efficient straddles, and for spare parts.

Port of Tauranga's container terminal, the largest in the country occupying 77 hectares, has 56 straddle carriers.

Nearly 13% of the straddle fleet are hybrids.

Port of Tauranga Directors (pictured in orange hi-viz above) regularly make risk assurance site visits.

New container crane under construction

A new shore-to-ship container crane is being assembled at Tauranga's container terminal to replace the Port's oldest, obsolete crane.

Number one crane, commissioned back in 1992, was deconstructed in 2023 to make way for a brand new crane from long-term supplier Liebherr in Ireland.

Unfortunately some of the parts of the new crane were damaged by severe weather in transit to Tauranga, delaying commencement of the crane's assembly at the terminal. The cranes arrive in pieces from the Irish factory for assembly on site.

With replacement parts due to arrive in September, the new crane is expected to be brought into service by the end of the calendar year.

The addition of the new crane will return the Tauranga fleet to nine. All the cranes are electric, and can in fact generate electricity as they are lowering containers.

The tallest of the cranes is just over 100 metres high when its boom is in the raised position.

Bigger ships fuel lower carbon supply chain

Port of Tauranga offers shippers a lower carbon supply chain through its ability to accommodate the largest container vessels to visit New Zealand.

The Port has invested in capacity for larger vessels, including deepening and widening shipping channels, expanding cargo storage and handling facilities, and building a network of inland ports for cargo aggregation.

Bigger ships have better fuel efficiency and the ability to produce fewer greenhouse gas emissions per container. Especially when combined with rail on land, bigger ships offer a significantly lower carbon supply chain over a typical container journey to/from international hub ports.

As average ship sizes grow, Port of Tauranga continues to invest in the capacity required to host more frequent visits from larger vessels.

Read more on page 38.

Case study

Stella Passage project to benefit NZ Inc

Port of Tauranga's Stella Passage project seeks to convert existing cargo storage land into usable berths, within the port's current footprint.

The project, currently the subject of a resource consent application, is one of national importance in New Zealand's efforts to create a resilient, carbon efficient and sustainable supply chain.

In 2018, Port of Tauranga engaged terminal development experts TBA Group to model capacity at the Tauranga Container Terminal. The model identified that the berth extension was critical to cater for future cargo growth. The increase in the average size of container ships over time is also putting pressure on berth capacity at the terminal.

To understand the project's economic impact, early in 2023 Port of Tauranga commissioned a report by the New Zealand Institute of Economic Research on the opportunity cost of not proceeding.

The report highlights the facts that:

- New Zealand will miss out on $485 to $749 million of annual GDP by 2032 without the extension of the container wharves as proposed in the resource consent application
- The absence of the berth extension will cost New Zealand up to $2.78 billion in annual export revenue once capacity at the Tauranga Container Terminal is reached
- The absence of the berth extension will reduce annual imports by about $2.52 billion nationwide.

Detailed planning and consultation began in early 2019. The Environment Court hearing to consider the resource consent application was originally scheduled for mid-July 2022, but was postponed due to Covid. The three week hearing was eventually held in March 2023.

In December 2023, the Environment Court issued an interim decision approving consent for part of the project, subject to further matters being addressed to the satisfaction of the Court.

It involves constructing 285 metres of additional berth to the south of the Port's existing container berths, and associated dredging. Construction will take approximately two years.

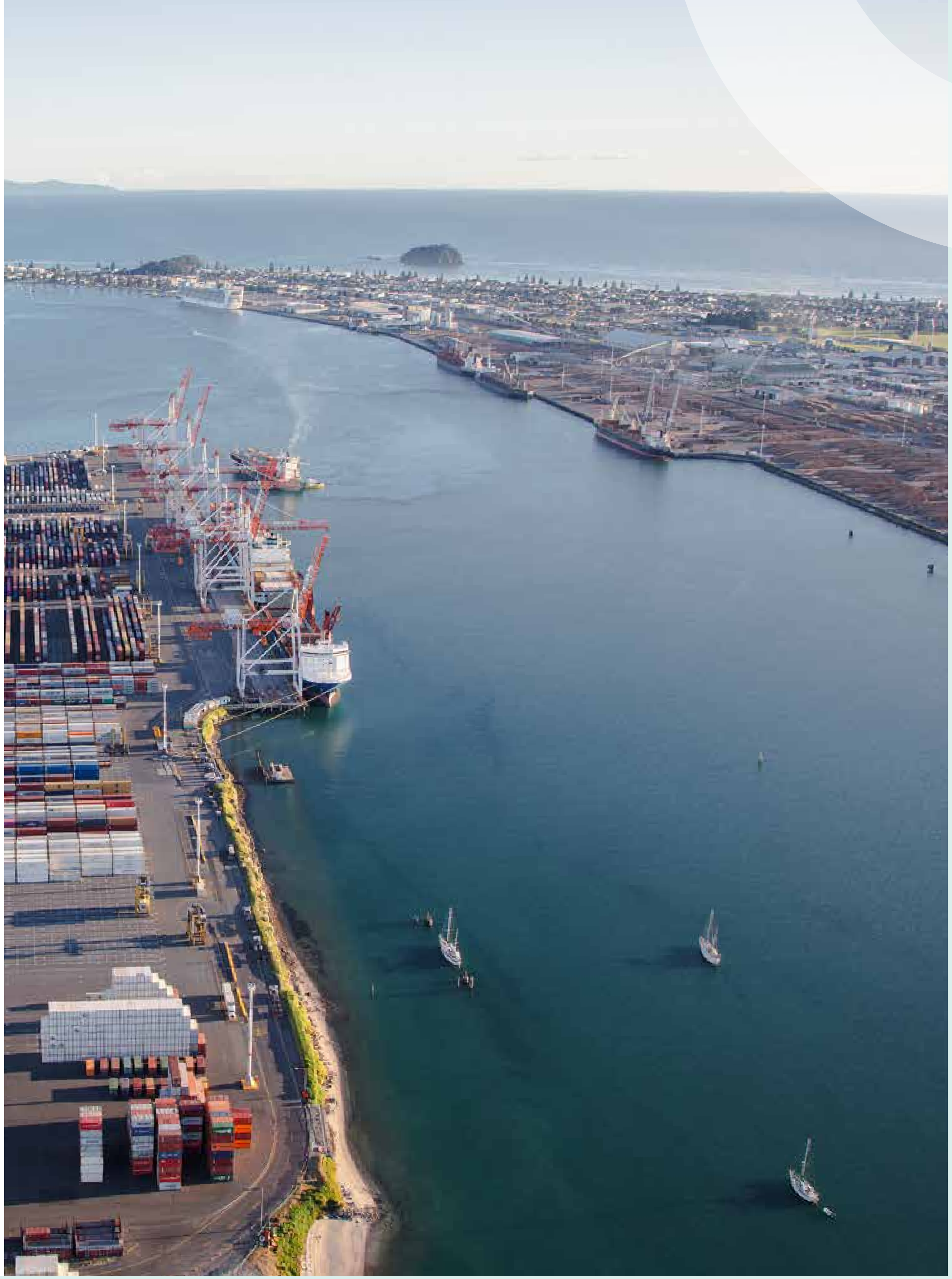
Decisions on whether to grant consents for the balance of the Sulphur Point wharf extension (another 100 metres of berth) and for the proposed works at the Mount Maunganui wharves, are reserved pending the provision of further information.

The release of the interim decision was welcome progress and the Port has worked hard to gather the required environmental evidence and progress discussions with iwi and hapū and the Bay of Plenty Regional Council.

An update was provided to the Court at the end of June and another report is due at the end of September. An independent facilitator has recently been appointed by the Court to help progress discussions with iwi and hapū.

Given the protracted nature of the process to date, Port of Tauranga has requested for the entirety of the Stella Passage project to be included in the initial list of developments to be included in the Government's proposed Fast Track Approvals legislation, which is currently under consideration by a Parliamentary select committee.

However, a decision on whether and which parts of its resource consents applications to pursue through the fast track process won't be made until the final legislation and approvals timeframe are known.



Aerial photo showing the port land earmarked for the Sulphur Point berth extension (bottom left).

Capital: Our finances

Delivering long-term value

Port of Tauranga provides sustainable shareholder returns through revenue growth from diverse income streams. We share the financial benefits of the Port's success with the residents and ratepayers of the Bay of Plenty, through the dividends paid to our cornerstone shareholder Quayside Holdings, as well as a range of community partnerships.

In the following pages, we describe Port of Tauranga's significance to the local economy, the returns to regional ratepayers from port profits, as well as our financial statements of performance.

Vision

We will deliver long-term value for investors through leading environmental and ethical performance, business resilience and sound financial management.

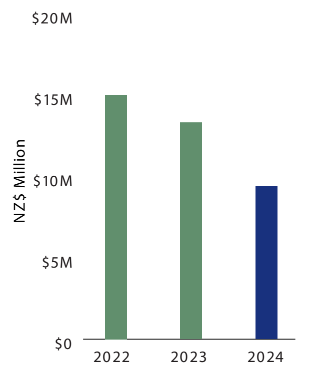
Material issues addressed by our strategies:

- Sustainable financial performance
- Collaboration and partnerships
- Community focus
- Sector leadership
- Social licence.

KPIs

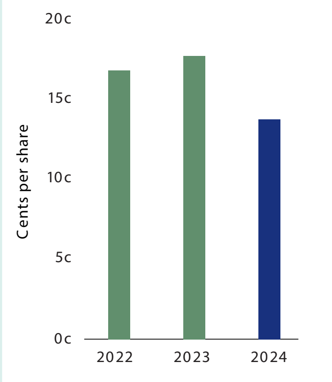
Group Net Profit After Tax ($)

Subsidiary and Associate earnings ($)

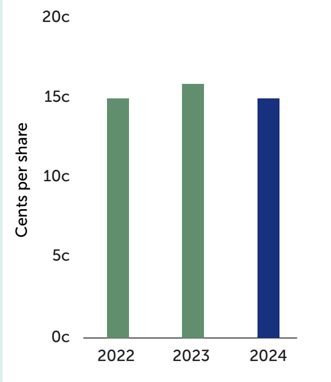


Group revenue ($)

Earnings per share (c)



Dividends per share (c)



Quayside develops new business park

The region's newest industrial estate is being developed by Quayside Holdings in the eastern Bay of Plenty, 25 kilometres from Port of Tauranga.

Stage 1 of the Rangiuru Business Park, covering 14 hectares, is now for sale, with infrastructure construction due to be completed early in 2025. It will eventually grow to 148 hectares with a dedicated motorway interchange on State Highway 2.

The park is expected to attract businesses in logistics, storage, manufacturing and processing, due to its proximity and roading connections to the port.

Quayside considers diversifying portfolio

Port of Tauranga's cornerstone shareholder, Quayside Holdings, plans a managed sell down of its shareholding to help diversify its portfolio.

Quayside, the investment arm of the Bay of Plenty Regional Council, currently holds 54.14% of Port shares. In June, after public consultation, the council approved Quayside's proposal to reduce this over time to a minimum of 28%.

While the timing and process is yet to be determined, the plan will help Quayside diversify its investments.

Over the past ten years, the Port has paid Quayside more than $740 million in dividends.

Quayside in turn provides the council with around 25% of its income, and the council uses its dividends to subsidise rates bills – currently by an average of $400 per household per year.

Port of Tauranga sponsors the surf life saving centre in Mount Maunganui.

Regional economy boosted by Port

Port of Tauranga is a key driver of the economies of Tauranga, the wider Bay of Plenty and New Zealand.

The Port's presence has helped boost the regional economy and population to grow at rates outstripping the national average.

In 2023, Winstone Wallboards relocated its manufacturing from Auckland to a purpose-built factory at Tauriko in Tauranga. Gypsum is imported through Port of Tauranga to manufacture into plasterboard at the factory.

The Port expects other businesses, and their workers, to move to the Waikato and Bay of Plenty regions, as land shortages and costs in Auckland continue to rise.

In recognition of its significant role in the region, Port of Tauranga invests in local communities, projects and events.

They include the Port of Tauranga Rescue Centre, a regional hub for surf life saving activities that opened in Mount Maunganui in 2022. The centre serves all 19 surf life saving clubs in the eastern region of the North Island, from Hot Water Beach on the Coromandel Peninsula to Gisborne.

The Port also recently secured a long-term partnership with the Mount Maunganui Lifeguard Service. Its landmark facility at Mount main beach, one of the most popular beaches in New Zealand, now sports the Port logo.

The company also sponsors the Port of Tauranga National Jazz Festival, held every Easter for the past 61 years, and is a founding gold sponsor of the Tauranga Arts Festival.

Infrastructure Forum urges focus

The Western Bay of Plenty Infrastructure Forum has urged Tauranga's newly-elected city council to remain focused on the investments the city needs.

The Forum, of which Port of Tauranga is a member, says it is imperative that the city maintains momentum and continues to prioritise vital infrastructure.

The Forum, formed in 2023 with the aim of tackling the region's significant infrastructure deficit, has assembled a 10-point action plan[8]. The plan includes the Port's berth extension proposal, as well as roading improvements and decarbonisation initiatives.

One of the road projects, State Highway 29 Tauriko West, has been included in the central Government's Roads of National Significance programme.

8 https://www.priorityone.co.nz/wp-content/uploads/Infrastructure-Action-Plan.pdf

Board of Directors

J C Hoare

BCom, FCA, CMInstD
CHAIR, INDEPENDENT DIRECTOR

Julia Hoare joined the Board in August 2015 and took over the Chair in August 2022. She has a wide range of commercial, financial, tax, regulatory and sustainability expertise developed from both her extensive governance roles and over the course of two decades as a partner with PricewaterhouseCoopers.

Julia is a Director of Auckland International Airport Limited, Meridian Energy Limited, Comvita Limited and Port of Tauranga Trustee Company Limited. She is also a Member of the Chapter Zero New Zealand Steering Committee.

A R Lawrence

BCA (Business Admin)
INDEPENDENT DIRECTOR

Alastair Lawrence joined the Board in February 2014 and took over the Chair of the Audit Committee in August 2022. Alastair is a very experienced corporate advisor specialising in commercial evaluation and strategy development. He was a Director of private investment bank Antipodes from 1998 to 2014. Governance roles have included the Takeovers Panel, Landcare Research Limited, Coda GP and a number of mid-market private companies.

Alastair will be retiring from the Board on 31 August 2024.

A M Andrew

BE Chemical & Materials (1st Class Honours), MBA (Distinction), FEngNZ, CMInstD
INDEPENDENT DIRECTOR

Alison Andrew has held a number of senior executive roles across various industry sectors, most recently as Chief Executive of Transpower New Zealand and Global Head of Chemicals for Orica PLC. She has also been a Director for Genesis Energy. Prior to those roles, she held a number of senior roles at Fonterra Cooperative Group and across the Fletcher Challenge Group in Energy, Forests and Paper. Alison has a MBA from Warwick University, and studied Engineering (Chemicals and Materials) at Auckland University. Alison joined the Board in April 2018 and was appointed Chair of the People and Remuneration Committee in October 2022.

F S Whineray

BE (Hons) Chemicals and Process Engineering, MBA

Fraser Whineray joined the Board in November 2023 and holds several governance roles. Fraser is an Independent Non-Executive Director of Waste Management NZ, Quayside and AgriZero[NZ]. Fraser was appointed Executive Chair of Jarden Group in July 2024.

Fraser's experience includes CEO of Mercury and COO of Fonterra Co-operative, and in governance Tilt Renewables, Kotahi and Opus International Consultants.

Fraser studied chemical and process engineering at Canterbury University and received an MBA from the University of Cambridge, where he also holds the honorary appointment of Visiting Fellow.

J B Stevens

LLB, FCILT (Fellow Chartered Institute of Logistics and Transport)
INDEPENDENT DIRECTOR

Brodie Stevens is the former Swire Shipping/China Navigation Company Country Manager. A trained lawyer, he joined Freightways Group as a management trainee in 1982 and was National Marketing Manager for Post Haste before joining Owens Group. He was Divisional General Manager of Seatrans New Zealand and Owens Shipping Services before joining China Navigation Company (trading as Swire Shipping) in 2004, retiring as Country Manager.

During his tenure, the company expanded into freight forwarding, coastal shipping and stevedoring. Brodie is currently a Director of Chatham Island Shipping Limited, Eastland Port Limited and a trustee of the Maritime Retirement Scheme. He joined the Board 1 August 2022.

D J Bracewell

INDEPENDENT DIRECTOR

Dean Bracewell has deep transport and logistics industry experience. He was a former Managing Director for Freightways, one of New Zealand's largest transport and logistics companies for more than 18 years before embarking on a governance career in 2018. He has previously served on the Boards of Tainui Group Holdings and the NZ Initiative and its predecessor, the New Zealand Business Roundtable.

Currently Dean is a Director of Air New Zealand Limited, Property for Industry Limited, and the Halberg Trust. He joined the Board in December 2021.

D W Leeder

Doug Leeder is Chair of Bay of Plenty Regional Council. He is a dairy farmer and has considerable experience in governance and management. Doug has held positions of governance in Federated Farmers, was a Director and Chair of Bay Milk Products, Director of the East Bay Health Board, Chair of Subsidiary East Bay Energy Trust, Chair of NZ Dairy Group and Dairy Insight, and Director of DEXCEL. Doug joined the Board in October 2015.

Sir Robert A McLeod KNZM

LLB, BCom, FCA, CFInstD
INDEPENDENT DIRECTOR

Sir Robert McLeod joined the Board effective 1 July 2024 and was formerly a member of the Board as Chair of Quayside Holdings. He was on the POTL Board from October 2017 to 31 October 2023 before being reappointed.

Sir Robert brings deep governance experience, outstanding financial skills and extensive iwi connections. He is currently Chair at Nati Growth Limited (formerly Ngati Porou Holding Company) (including Nati Properties Limited) and Sanford Limited. He is also a Director of AZSTA NZ Limited, China Construction Bank (New Zealand) Limited, MSJS NZ Limited, Point 76 Limited, Point Guard Limited, Point Seventy Limited, Singita Holdings Limited, Singita Investments Limited, VCFA Limited and a number of privately-owned entities. Sir Robert has been a past Board Member at ANZ National Bank, Tainui Group Holdings, Sky City Entertainment Group and Telecom and he was Oceania CEO/Managing Partner for the international accounting practice Ernst & Young and then New Zealand Chair until 2015.

In 2019 Sir Robert was appointed Knight Companion of the NZ Order of Merit. Sir Robert returns as an independent director and replaces retiring Director and Audit Committee Chair Alastair Lawrence. Sir Robert will take over as Chair of the Audit Committee upon Alastair's retirement.

Senior management team

Leonard Sampson
Chief Executive

Leonard took over as Chief Executive in July 2021 following the retirement of Mark Cairns.

He was Port of Tauranga's Commercial Manager from 2013 to 2019, when he was appointed Chief Operating Officer. Leonard joined the company from KiwiRail, where he was General Manager – Sales. He also held senior roles at Carter Holt Harvey and Mainfreight.

Pat Kirk
GM Health and Safety

Pat joined the company in 2013 and the senior management team in 2020, reflecting the importance of health and safety to our ongoing success.

He has three decades of extensive strategic and applied industry health and safety experience across a wide range of sectors. Pat is Chair of the Port Industry Association and a representative on the Port Industry Leadership group and various national health and safety organisations. Pat has a first class honours Degree in Masters of Business Studies.

Blair Hamill
GM Commercial

Blair oversees port operations, customer services and new business opportunities.

He joined the company in July 2020 after 20 years at Zespri International, the world's largest kiwifruit marketer. Blair held a variety of senior roles at Zespri, including Global Commercial Manager and Chief Global Supply Officer.

Blair is a former chartered accountant.

Rochelle Lockley
GM Communications

Rochelle joined the Port of Tauranga senior management team in September 2020.

Rochelle, a former journalist, held senior communications roles in tourism and telecommunications in New Zealand and overseas before establishing a communications consultancy in 2005.

Simon Kebbell
Chief Financial Officer and Company Secretary

Simon was appointed Chief Financial Officer of Port of Tauranga in 2020. He has been with the company since 2003 and was previously IT/Finance Manager. He is a Chartered Accountant and has a First Class Honours Degree in a Bachelor of Management Studies.

Prior to joining Port of Tauranga, Simon was Manager – Internal Audit for PricewaterhouseCoopers in Singapore. He also held positions at Ernst & Young in Singapore and Auckland.

Dan Kneebone
GM Property and Infrastructure

Dan has overall responsibility for both the property portfolio and engineering interests of the Port.

He joined the Port of Tauranga senior management team in January 2013. He was previously GM Property and Development for Bunnings Limited and held senior roles at Trans Tasman Properties Limited and Fletcher Property Limited.

Melanie Dyer
GM Corporate Services

Melanie joined Port of Tauranga's senior management team in August 2020 from Trustpower Limited, where she was General Manager, People and Culture.

Prior to joining Trustpower in 2014, Melanie spent 11 years at Hydro Tasmania.

Melanie has a Master's Degree in Organisational Development and Leadership Studies.

Consolidated Financial Statements

For the year ended 30 June 2024
Port of Tauranga Limited and Subsidiaries

CONTENTS

Directors' Responsibility Statement

For the year ended 30 June 2024

The Directors are responsible for ensuring that the financial statements give a true and fair view of Port of Tauranga Limited (the Group) as at 30 June 2024.

The Directors consider that the financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates, and that all relevant financial reporting and accounting standards have been followed.

The Directors are pleased to present the financial statements of the Group for the year ended 30 June 2024.

The financial statements were authorised for issue for and on behalf of the Directors on 22 August 2024.

Chair

Director

Independent Auditor's Report

To the Shareholders of Port of Tauranga Limited

The Auditor-General is the auditor of Port of Tauranga Limited and its subsidiaries (the 'Group'). The Auditor-General has appointed me, Brent Manning, using the staff and resources of KPMG, to carry out the audit of the consolidated financial statements of the Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 65 to 101, that comprise the consolidated statement of financial position as at 30 June 2024, the consolidated income statement, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Basis for our opinion

We conducted 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 Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In addition to the audit we have carried out engagements in the area of Agreed Upon Procedures and GHG pre-assurance services, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, Port of Tauranga Limited or any of its subsidiaries.

Key audit matters

Key audit matters are those matters, that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter	How the matter was addressed in our audit
Value of property, plant and equipment	
Refer note 10 of the financial statements. The Group has property, plant and equipment ('PP&E') of $2,492 million. The Group has a policy of valuing land, buildings, wharves, hardstanding and harbour improvements ('Revalued PP&E') at fair value. Full independent valuations are obtained at least every 3 years (by an independent valuer) over these asset classes. In the current year, the fair value of land, wharves and hardstandings, and harbour improvements was revalued by independent valuers. The Revalued PP&E is considered a key audit matter due to the judgement involved in the assessment of the fair value and the material value of PP&E on the balance sheet.	Our procedures focused on the appropriateness of the Group's assessment as to whether the carrying values of Revalued PP&E materially represent their fair values, and if a revaluation of a class of asset was required, that the revalued assets have been accurately reflected in the financial statements. For land and buildings we have: – Assessed the competence and objectivity of the valuer used by the Group; - Assessed the methodology applied by the valuer and assessed whether the valuation approach was in accordance with professional valuation standards and suitable for determining the fair value of the identified assets; - Compared the asset holdings in the fixed asset register to those valued to ensure all relevant property was captured; - Compared the key assumptions within each assessment to market evidence; - Assessed the reasonableness of valuation movements between financial years with consideration to broader sector/local market evidence (where available); and - Assessed whether the increase in valuation was correctly accounted for within the Revaluation Reserve and Statement of Comprehensive Income.

The key audit matter	How the matter was addressed in our audit
Value of property, plant and equipment (continued)	
	For wharves and hardstandings and harbour improvements we have: – Assessed the competence and objectivity of the valuer used by the Group; - Assessed the methodology applied by the valuer and whether the valuation approach was in accordance with professional valuation standards and suitable for determining the fair value of the identified assets; - Assessed whether the key assumptions (unit costs and on-costs inflation/escalation) and the relevant data (price indices and depreciation) used by the Group were appropriate with regard to observable data points (where available); and - Verified the mathematical accuracy of the Group's revaluation calculations. As a result of the above procedures, we are satisfied the carrying value of property, plant and equipment is reasonable and supportable. We are also satisfied with the adequacy of disclosures.
Valuation of investment in Equity Accounted Investees	
Refer note 14 of the financial statements. The Group has a 50 percent investment in Coda Group Limited Partnership ("Coda") which is accounted for as an Equity Accounted Investee. The investment in Coda was tested for impairment at 30 June 2024 which involved determining the recoverable amount of the investment, being the higher of fair value and value in use. In the current year, the recoverable amount was determined with the assistance of an independent valuer. This is considered to be a key audit matter due to the judgement involved in forecasting future performance and selecting relevant assumptions such as the discount rates to be used in determining the recoverable amount.	Our audit procedures included: – Assessing the competence and objectivity of the valuer used by the Group; - Assessing the methodology applied by the valuer and whether the valuation approach was suitable for determining the recoverable amount of Coda; - Performing retrospective analysis over the accuracy of previous forecasts prepared for Coda; - Performing our own independent assessment of the recoverable amount of the investment in Coda; and - Engaging our internal valuation specialists to determine the key assumptions in our independent assessment, including but not limited to the discount rate and terminal growth rate to be applied to future cash flows of the business. As a result of the above procedures, we are satisfied the carrying value of Coda is reasonable and supportable. We are also satisfied with the adequacy and accuracy of disclosures.

Other information

The Directors are responsible on behalf of the Group for the other information. The other information comprises the information included on pages 1 to 61 and pages 102 to 117 of the Integrated Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Directors' responsibilities for the consolidated financial statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

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

The Directors' responsibilities arise from the Financial Markets Conduct Act 2013.

Auditor's responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of shareholders taken on the basis of these consolidated 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. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the 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 consolidated 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Our responsibilities arise from the Public Audit Act 2001.

Brent Manning
KPMG

On behalf of the Auditor-General
Wellington, New Zealand

22 August 2024

Consolidated Income Statement

For the year ended 30 June 2024

	Note	2024 NZ$000	2023 NZ$000
Total operating revenue	4	**417,375**	420,929
Contracted services for port operations		**(95,668)**	(98,975)
Employee benefit expenses	5	**(57,891)**	(51,334)
Direct fuel and power expenses		**(18,761)**	(18,822)
Maintenance of property, plant and equipment		**(16,553)**	(15,497)
Other expenses		**(29,708)**	(25,960)
Operating expenses		**(218,581)**	(210,588)
Results from operating activities		**198,794**	210,341
Depreciation and amortisation	10, 11, 12	**(43,770)**	(40,423)
Reversal of previous revaluation deficit of property, plant and equipment		**622**	0
Impairment of property, plant and equipment		**(28)**	0
		(43,176)	(40,423)
Operating profit before finance costs, share of profit from Equity Accounted Investees and taxation		**155,618**	169,918
Finance income	7	**657**	1,161
Finance expenses	7	**(23,128)**	(20,522)
Net finance costs	7	**(22,471)**	(19,361)
Share of profit from Equity Accounted Investees	14(c)	**4,945**	16,611
Impairment of investment in Equity Accounted Investees	14(b)	**0**	(7,871)
		4,945	8,740
Profit before income tax		**138,092**	159,297
Income tax expense	8	**(47,243)**	(42,161)
Profit for the period		**90,849**	117,136
Basic earnings per share (cents)	17	**13.5**	17.4
Diluted earnings per share (cents)	17	**13.3**	17.2

These statements are to be read in conjunction with the notes on pages 71 to 101.

Consolidated Statement of Other Comprehensive Income

For the year ended 30 June 2024

	2024 NZ$000	2023 NZ$000
Profit for the period	**90,849**	117,136
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Cash flow hedge – changes in fair value*	**587**	2,293
Cash flow hedge – reclassified to profit or loss*	**(3,114)**	(44)
Share of net change in cash flow hedge reserves of Equity Accounted Investees	**(218)**	209
Items that will never be reclassified to profit or loss:		
Asset revaluation*	**52,006**	23,530
Share of net change in revaluation reserve of Equity Accounted Investees	**9,340**	16,817
Total other comprehensive income	**58,601**	42,805
Total comprehensive income	**149,450**	159,941

**Net of tax effect as disclosed in notes 8 and 9.*

These statements are to be read in conjunction with the notes on pages 71 to 101.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Share Capital NZ$000	Share-based Payment Reserve NZ$000	Hedging Reserve NZ$000	Revaluation Reserve NZ$000	Retained Earnings NZ$000	Total Equity NZ$000
Balance at 30 June 2022		**75,154**	**4,204**	**9,051**	**1,892,109**	**93,920**	**2,074,438**
Profit for the period		0	0	0	0	117,136	117,136
Other comprehensive income		0	0	2,458	40,347	0	42,805
Total comprehensive income		**0**	**0**	**2,458**	**40,347**	**117,136**	**159,941**
Decrease in share capital		(72)	0	0	0	0	(72)
Dividends paid during the period	16	0	0	0	0	(102,054)	(102,054)
Equity settled share based payment		0	1,463	0	0	0	1,463
Shares issued upon vesting of Management Long Term Incentive Plan		278	(280)	0	0	2	0
Total transactions with owners in their capacity as owners		**206**	**1,183**	**0**	**0**	**(102,052)**	**(100,663)**
Balance at 30 June 2023		**75,360**	**5,387**	**11,509**	**1,932,456**	**109,004**	**2,133,716**
Profit for the period		0	0	0	0	90,849	90,849
Other comprehensive income		0	0	(2,745)	61,346	0	58,601
Total comprehensive income		**0**	**0**	**(2,745)**	**61,346**	**90,849**	**149,450**
Decrease in share capital		(819)	0	0	0	0	(819)
Dividends paid during the period	16	0	0	0	0	(100,689)	(100,689)
Equity settled share based payment		0	1,499	0	0	0	1,499
Shares, previously subject to call option, issued		4,722	(4,722)	0	0	0	0
Shares issued upon vesting of Management Long Term Incentive Plan		300	(510)	0	0	210	0
Total transactions with owners in their capacity as owners		**4,203**	**(3,733)**	**0**	**0**	**(100,479)**	**(100,009)**
Balance at 30 June 2024		**79,563**	**1,654**	**8,764**	**1,993,802**	**99,374**	**2,183,157**

These statements are to be read in conjunction with the notes on pages 71 to 101.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 NZ$000	2023 NZ$000
Assets			
Property, plant and equipment	10	**2,491,506**	2,424,090
Right-of-use assets	11	**52,393**	50,045
Intangible assets	12	**21,027**	22,305
Investments in Equity Accounted Investees	14	**217,129**	213,746
Receivables and prepayments	15	**17,272**	18,890
Derivative financial instruments	19	**11,869**	15,514
Total non-current assets		**2,811,196**	2,744,590
Cash and cash equivalents		**18,728**	8,506
Receivables and prepayments	15	**67,890**	69,152
Inventories		**2,004**	1,986
Derivative financial instruments	19	**340**	35
Total current assets		**88,962**	79,679
Total assets		**2,900,158**	2,824,269
Equity	16		
Share capital		**79,563**	75,360
Share-based payment reserve		**1,654**	5,387
Hedging reserve		**8,764**	11,509
Revaluation reserve		**1,993,802**	1,932,456
Retained earnings		**99,374**	109,004
Total equity		**2,183,157**	2,133,716
Liabilities			
Loans and borrowings	18	**192,962**	290,775
Lease liabilities	11	**55,091**	51,957
Derivative financial instruments	19	**7,244**	9,242
Employee benefits	5	**1,635**	1,524
Deferred tax liabilities	9	**135,292**	116,388
Contingent consideration		**0**	30
Total non-current liabilities		**392,224**	469,916
Loans and borrowings	18	**270,000**	160,000
Lease liabilities	11	**1,049**	955
Derivative financial instruments	19	**82**	7
Trade and other payables	20	**40,170**	38,412
Revenue received in advance		**212**	2,951
Employee benefits	5	**4,090**	4,371
Income tax payable		**9,146**	13,582
Contingent consideration		**28**	359
Total current liabilities		**324,777**	220,637
Total liabilities		**717,001**	690,553
Total equity and liabilities		**2,900,158**	2,824,269

For and on behalf of the Board of Directors who authorised these financial statements for issue on 22 August 2024.

Chair

Director

These statements are to be read in conjunction with the notes on pages 71 to 101.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 NZ$000	2023 NZ$000
Cash flows from operating activities			
Receipts from customers		**417,790**	412,568
Interest received		**621**	1,028
Payments to suppliers and employees		**(215,796)**	(205,027)
Taxes paid		**(44,075)**	(42,776)
Interest paid		**(22,703)**	(21,221)
Net cash inflow from operating activities		**135,837**	144,572
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**17**	109
Dividends from Equity Accounted Investees	14	**12,819**	19,520
Purchase of property, plant and equipment		**(42,612)**	(44,840)
Purchase of intangible assets		**(80)**	(582)
Interest capitalised on property, plant and equipment		**(845)**	(335)
Investment in Equity Accounted Investees		**(2,135)**	(21,450)
Payment of contingent consideration		**(521)**	(3,136)
Total net cash used in investing activities		**(33,357)**	(50,714)
Cash flows from financing activities			
Proceeds from borrowings		**10,226**	35,339
Dividends paid	16	**(100,689)**	(102,054)
Repurchase of shares		**(801)**	0
Repayment of borrowings		**0**	(25,000)
Repayment of lease liabilities		**(994)**	(909)
Net cash used in financing activities		**(92,258)**	(92,624)
Net increase in cash held		**10,222**	1,234
Add opening cash brought forward		**8,506**	7,272
Ending cash and cash equivalents		**18,728**	8,506

These statements are to be read in conjunction with the notes on pages 71 to 101.

Reconciliation of Profit for the Period to Cash Flows from Operating Activities

For the year ended 30 June 2024

	Note	2024 NZ$000	2023 NZ$000
Profit for the period		**90,849**	117,136
Items classified as investing/financing activities:			
(Gain)/loss on sale of property, plant and equipment		**(17)**	10
		(17)	10
Add/(less) non-cash items and non-operating items:			
Depreciation	10, 11	**42,412**	39,137
Amortisation expense	12	**1,358**	1,286
Impairment of property, plant and equipment		**28**	0
Increase/(decrease) in deferred taxation balances excluding transfers to reserves	9	**7,596**	(434)
Movement in derivative financial instruments taken to the income statement		**96**	(38)
Share of net profit after tax retained by Equity Accounted Investees	14(c)	**(4,945)**	(16,611)
Impairment of Investment in Equity Accounted Investees	14(b)	**0**	7,871
Change in the fair value of contingent consideration		**207**	550
Increase in equity settled share based payment accrual		**1,499**	1,463
Reversal of previous revaluation deficit on property, plant and equipment		**(622)**	0
		47,629	33,224
Add/(less) movements in working capital:			
Change in trade receivables and prepayments		**1,460**	(8,112)
Change in inventories		**(18)**	27
Change in income tax payable		**(4,436)**	(178)
Change in trade, other payables and revenue received in advance		**370**	2,465
		(2,624)	(5,798)
Net cash flows from operating activities		**135,837**	144,572

These statements are to be read in conjunction with the notes on pages 71 to 101.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Company information

Reporting entity

Port of Tauranga Limited (referred to as the Parent Company), is a port company. The Parent Company carries out business through the provision of wharf facilities, land and buildings, for the storage and transit of import and export cargo, berthage, cranes, tugs and pilot services for customers.

Port of Tauranga Limited holds investments in other New Zealand ports and logistic companies.

The Parent Company is a company domiciled in New Zealand, and registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX). The Parent Company is a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. The financial statements comply with these Acts.

The financial statements of the Group for the year ended 30 June 2024 comprise the Parent Company and its Subsidiaries (together referred to as the Group) and the Group's interest in Equity Accounted Investees.

2 Basis of preparation

Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). These financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. They also comply with International Financial Reporting Standards.

The financial statements are prepared on the historical cost basis except for the following assets and liabilities which are stated at their fair value: derivative financial instruments, land, buildings, harbour improvements, and wharves and hardstanding.

These financial statements are presented in New Zealand Dollars (NZ$), which is the Group's functional currency. All financial information presented in New Zealand Dollars has been rounded to the nearest thousand.

Significant accounting policies that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amount recognised in the financial statements, are detailed below:

- valuation of land, buildings, harbour improvements, and wharves and hardstanding (refer to note 10);
- valuation of derivative financial instruments (refer to note 19);
- impairment assessment of intangible assets (refer to note 12); and
- impairment assessment of investments in Equity Accounted Investees (refer to note 14).

Fair value hierarchy

Assets and liabilities measured at fair value are classified according to the following levels:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments

Financial assets – classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value Through Profit and Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 Basis of preparation (continued)

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

New and amended accounting standards adopted

Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to NZ IAS 12) from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences, e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of NZ IAS 12. There was no impact on the opening retained earnings as at 1 July 2022 as a result of the change. The key impact for the Group relates to the disclosure of the deferred tax asset and liabilities recognised (see note 9).

There are no other new or amended accounting standards and interpretations that are issued but not yet adopted that are expected to have a material impact on the Group.

3 Segmental reporting

Operating segments

The Group determines and presents operating segments based on the information that is internally provided to the Chief Executive, who is the Group's Chief Operating Decision Maker (CODM).

The Group operates in three primary reportable segments, being:

- *Port operations:* this consists of providing and managing port services, and cargo handling facilities through the Port of Tauranga, MetroPort and Timaru Container Terminal. The Port's terminal and bulk operations have been aggregated together within the Port Operations segment, due to the similarities in economic characteristics, customers, nature of products and processes, and risks.
- *Property services:* this consists of managing and maintaining the Port's property assets.
- *Terminal services:* this consists of the contracted terminal operations, general container marshalling and ancillary services of Quality Marshalling (Mount Maunganui) Limited (Quality Marshalling).

The three primary business segments are managed separately as they provide different services to customers and have their own operational and marketing requirements.

The remaining activities of the Group are not allocated to individual business segments. Due to the significant shared cost base of the Port, operating costs, measures of profitability, assets and liabilities are aggregated and are not reported to the CODM at a segmental level, but rather at a port level, as all business decisions are made at a "whole port level".

The Group operates in one geographical area, that being New Zealand. During the year the Group received revenue from two external customers which individually comprised more than 10% of total revenue. Revenue from these two customers is included in Port Operations and accounts for 28% and 13% (2023: 31% and 13%) of total revenue.

The Group segment results are as follows:

2024	Port Operations Group NZ$000	Property Services Group NZ$000	Terminal Services Group NZ$000	Unallocated* Group NZ$000	Inter Segment Group NZ$000	Group NZ$000
Revenue (external)	371,898	41,646	3,199	0	0	416,743
Inter segment revenue	3	159	20,362	0	(20,524)	0
Total segment revenue	**371,901**	**41,805**	**23,561**	**0**	**(20,524)**	**416,743**
Other income and expenditure:						
Share of profit from Equity Accounted Investees	0	0	0	4,945	0	4,945
Interest income	0	0	0	657	0	657
Other income	0	0	0	1,082	(450)	632
Interest expense	0	0	0	(23,128)	0	(23,128)
Depreciation and amortisation expense	0	0	(1,058)	(42,712)	0	(43,770)
Other expenditure	0	0	(17,832)	(221,129)	20,974	(217,987)
Income tax expense	0	0	(1,299)	(45,944)	0	(47,243)
Total other income and expenditure	0	0	(20,189)	(326,229)	20,524	(325,894)
Total segment result	**371,901**	**41,805**	**3,372**	**(326,229)**	**0**	**90,849**

**Operating costs are not allocated to individual business segments within the Parent Company.*

3 Segmental reporting (continued)

2023	Port Operations Group NZ$000	Property Services Group NZ$000	Terminal Services Group NZ$000	Unallocated* Group NZ$000	Inter Segment Group NZ$000	Group NZ$000
Revenue (external)	381,138	37,311	1,438	0	0	419,887
Inter segment revenue	3	256	20,495	0	(20,754)	0
Total segment revenue	**381,141**	**37,567**	**21,933**	**0**	**(20,754)**	**419,887**
Other income and expenditure:						
Share of profit from Equity Accounted Investees	0	0	0	16,611	0	16,611
Impairment of investment in Equity Accounted Investees	0	0	0	(7,871)	0	(7,871)
Interest income	0	0	0	1,161	0	1,161
Other income	0	0	0	1,492	(450)	1,042
Interest expense	0	0	0	(20,522)	0	(20,522)
Depreciation and amortisation expense	0	0	(1,050)	(40,423)	0	(41,473)
Other expenditure	0	0	(16,831)	(213,911)	21,204	(209,538)
Income tax expense	0	0	(1,133)	(41,028)	0	(42,161)
Total other income and expenditure	**0**	**0**	**(19,014)**	**(304,491)**	**20,754**	**(302,751)**
Total segment result	**381,141**	**37,567**	**2,919**	**(304,491)**	**0**	**117,136**

**Operating costs are not allocated to individual business segments within the Parent Company.*

4 Operating revenue

	2024 NZ$000	2023 NZ$000
Revenue from contracts with customers		
Container terminal revenue	**252,751**	268,951
Multi cargo revenue	**71,702**	65,043
Marine services revenue	**50,644**	48,582
	375,097	382,576
Other revenue		
Rental revenue	**41,646**	37,311
Other income	**632**	1,042
Total operating revenue	**417,375**	420,929

Policies

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Standard credit terms are a month following invoice with any rebate variable component calculated at the customers financial year end. Rebateable sales are eligible for sales volume rebates. When the rebate is accrued, it is accrued as a current liability (rebate payable) based on contracted rates and estimated volumes. 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:

- *Container terminal revenue:* relates to the handling, processing, storage and rail of containers. Contracts are entered into with shipping lines and cargo owners. The primary performance obligations identified include the load and discharge of containers (which include the services provided to support the handling of containers). Container terminal revenue is recognised over time based on the number of containers exchanged (an output method). This method is considered appropriate as it allows revenue to be recognised based on the Group's effort to satisfy the performance obligation. The transaction price is determined by the contract and adjusted by variable consideration (rebates). Rebates are based on container volume and the Group accounts for the variable consideration using the expected value method. The expected value is the sum of probability weighted amounts in a range of possible consideration amounts. The Group estimates container volumes based on market knowledge and historical data.

4 Operating revenue (continued)

Policies (continued)	• *Multi cargo revenue:* relates to the wharfage and storage of bulk goods. Contracts are entered into with cargo owners. The stevedoring services are provided by a third party. Multi cargo revenue is recognised over time, from the point that cargo transferred from vessel to land (or vice versa), being an output method. The transaction price for multi cargo services is determined by the contract. • *Marine services revenue:* relates directly to the visit of a vessel to the port and includes fees for pilotage, towage and mooring. Contracts are entered into with vessel operators. The performance obligations identified include vessel arrival, departure and berthage. Revenue is recognised over time, based on time elapsed (berthage), being an input method. The transaction price for marine services is determined by the contract. • *Rental revenue:* from property leased under operating leases is recognised in the income statement on a straight line basis over the term of the lease. Lease incentives provided are recognised as an integral part of the total lease income, over the term of the lease. • *Other income:* is recognised when the right to receive payment is established.

5 Employee benefits

Employee benefit expenses

	2024 NZ$000	2023 NZ$000
Wages and salaries	**54,737**	48,780
ACC levy	**312**	257
KiwiSaver contribution	**2,373**	1,896
Medical subsidy	**469**	401
Total employee benefit expenses	**57,891**	51,334

Employee benefit provisions

	Long Service Leave NZ$000	Profit Sharing and Bonuses NZ$000	Total NZ$000
Balance at 30 June 2023	1,477	4,418	**5,895**
Additional provision	278	3,816	**4,094**
Unused amounts reversed	(83)	0	**(83)**
Utilised during the period	(96)	(4,085)	**(4,181)**
Balance at 30 June 2024	**1,576**	**4,149**	**5,725**
Total current provisions	**93**	**3,997**	**4,090**
Total non-current provisions	**1,483**	**152**	**1,635**

Employee benefits – long service leave	Underlying assumptions for provisions relate to the probabilities of employees reaching the required vesting period to qualify for long service leave. Probability factors for reaching long service leave entitlements are based on historic employee retention information.
Employee benefits – profit sharing and bonuses	The Profit Sharing and Bonus Scheme rewards eligible employees based on a combination of Company performance against budget and personal performance. The incentive is generally paid biannually.

6 Audit fees

Included in other expenses are fees paid to the auditors:

	2024 NZ$000	2023 NZ$000
Audit and review of financial statements	**393**	357
GHG Scope 3 pre-assurance services	**25**	0
Other assurance services – long term incentive vesting calculation	**12**	10
Total audit and other services fees	**430**	367

7 Financial income and expense

	2024 NZ$000	2023 NZ$000
Interest income on bank deposits	**565**	625
Interest on advances to Equity Accounted Investees	**92**	87
Ineffective portion of changes in fair value of cash flow hedges	**0**	133
Proceeds received from currency option	**0**	316
Finance income	**657**	1,161
Interest expense on borrowings	**(21,157)**	(18,163)
Less:		
Interest capitalised to property, plant and equipment	**845**	335
	(20,312)	(17,828)
Interest expense on lease liabilities (refer to note 11)	**(2,661)**	(2,519)
Currency option premiums	**0**	(134)
Ineffective portion of changes in fair value of cash flow hedges	**(66)**	0
Amortisation of interest rate collar premium	**0**	(22)
Change in value of fair value hedges	**(89)**	(19)
Finance expenses	**(23,128)**	(20,522)
Total net finance costs	**(22,471)**	(19,361)

Policies	Finance income comprises interest income on bank deposits, finance lease interest and gains on hedging instruments that are recognised in the income statement. Interest income on financial assets carried at amortised cost is calculated using the effective interest method. Finance lease interest is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Finance expenses comprise interest expense on borrowings, finance lease interest expense, unwinding of the discount of provisions and losses on hedging instruments that are recognised in the income statement. Except for interest capitalised directly attributable to the purchase or construction of qualifying assets, all borrowing costs are measured at amortised cost and recognised in the income statement, using the effective interest method.
Capitalised interest	The average weighted interest rate for interest capitalised to property, plant and equipment, was 4.01% for the current period (2023: 3.52%). Total interest capitalised to property, plant and equipment, was $0.845 million for the current period (2023: $0.335 million).

8 Income tax

Components of tax expense

	2024 NZ$000	2023 NZ$000
Profit before income tax for the period	**138,092**	159,297
Income tax on the surplus for the period at 28.0 cents	**38,666**	44,603
Tax effect of amounts which are non-deductible/(taxable) in calculating taxable income:		
Share of Equity Accounted Investees after tax income, excluding Coda Group Limited Partnership	**(2,087)**	(2,558)
Impairment of Equity Accounted Investees	**0**	2,204
Removal of tax depreciation on buildings	**10,865**	0
Other	**(201)**	(2,088)
Total income tax expense	**47,243**	42,161
The income tax expense is represented by:		
Current tax expense		
Tax payable in respect of the current period	**38,703**	42,802
Adjustment for prior period	**944**	(207)
Total current tax expense	**39,647**	42,595
Deferred tax expense		
Adjustment for prior period	**(1,233)**	(386)
Origination/reversal of temporary differences	**8,829**	(48)
Total deferred tax expense (refer to note 9)	**7,596**	(434)
Total income tax expense	**47,243**	42,161

Income tax recognised in other comprehensive income:

	2024 NZ$000	2023 NZ$000
Revaluation of property, plant and equipment	**12,290**	0
Cash flow hedges	**(982)**	874
Total income tax recognised in other comprehensive income (refer to note 9)	**11,308**	874

Policies	Income tax expense comprises current and deferred tax, calculated using the rate enacted or substantively enacted at balance date and any adjustments to tax payable in respect to prior years. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or equity.
Imputation credits	Total imputation credits available for use in subsequent reporting periods are $53.550 million at 30 June 2024 (2023: $51.052 million).

9 Deferred taxation

	Assets		Liabilities		Net	
	2024 NZ$000	2023 NZ$000	2024 NZ$000	2023 NZ$000	2024 NZ$000	2023 NZ$000
Deferred tax (asset)/liability						
Property, plant and equipment	**0**	0	**137,459**	115,623	**137,459**	115,623
Right-of-use assets	**0**	0	**14,670**	14,013	**14,670**	14,013
Intangible assets	**0**	0	**294**	541	**294**	541
Derivatives	**0**	0	**3,312**	4,294	**3,312**	4,294
Provisions and accruals	**(3,858)**	(2,282)	**0**	0	**(3,858)**	(2,282)
Lease liabilities	**(15,720)**	(14,816)	**0**	0	**(15,720)**	(14,816)
Equity Accounted Investees	**(854)**	(834)	**0**	0	**(854)**	(834)
Contingent consideration	**(11)**	(151)	**0**	0	**(11)**	(151)
Total	**(20,443)**	(18,083)	**155,735**	134,471	**135,292**	116,388

	Recognised in the Income Statement		Recognised in Other Comprehensive Income	
	2024 NZ$000	2023 NZ$000	2024 NZ$000	2023 NZ$000
Deferred tax (asset)/liability				
Property, plant and equipment	**9,546**	(452)	**12,290**	0
Right-of-use assets	**657**	2,990	**0**	0
Intangible assets	**(247)**	(282)	**0**	0
Derivatives	**0**	0	**(982)**	874
Provisions and accruals	**(1,576)**	470	**0**	0
Lease liabilities	**(904)**	(3,228)	**0**	0
Equity Accounted Investees	**(20)**	(46)	**0**	0
Contingent consideration	**140**	114	**0**	0
Total	**7,596**	(434)	**11,308**	874

Policies	Deferred tax is recognised on temporary differences that arise between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse. A deferred tax asset is recognised only to the extent it is probable it will be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of buildings classified as property, plant and equipment carried at cost is presumed to be recovered through use.
Unrecognised tax losses or temporary differences	There are no material unrecognised income tax losses or temporary differences carried forward. There are no material unrecognised temporary differences associated with the Group's investments in Subsidiaries or Equity Accounted Investees.
Tax depreciation on buildings	The Group will no longer be able to claim tax depreciation on buildings, with estimated useful lives of 50 years or more, from its income tax year ending 30 June 2025. This has resulted in an increased deferred tax liability in respect of these buildings of $10.865 million.

10 Property, plant and equipment

	Freehold Land NZ$000	Freehold Buildings NZ$000	Wharves and Hardstanding NZ$000	Harbour Improvements NZ$000	Plant and Equipment NZ$000	Work in Progress NZ$000	**Total NZ$000**
Gross carrying amount:							
Balance at 1 July 2022	1,468,895	142,108	447,938	208,979	261,485	10,358	**2,539,763**
Additions	0	231	19,598	846	6,000	18,384	**45,059**
Disposals	0	0	0	0	(3,546)	0	**(3,546)**
Revaluation	23,530	0	0	0	0	0	**23,530**
Balance at 30 June 2023	**1,492,425**	**142,339**	**467,536**	**209,825**	**263,939**	**28,742**	**2,604,806**
Balance at 1 July 2023	1,492,425	142,339	467,536	209,825	263,939	28,742	**2,604,806**
Additions	0	502	8,300	2,053	16,668	15,527	**43,050**
Disposals	0	0	0	0	(14,145)	0	**(14,145)**
Revaluation	200	0	(8,974)	15,440	0	0	**6,666**
Transfer Between Asset Class	0	904	(904)	0	0	0	**0**
Balance at 30 June 2024	**1,492,625**	**143,745**	**465,958**	**227,318**	**266,462**	**44,269**	**2,640,377**
Accumulated depreciation and impairment:							
Balance at 1 July 2022	0	(106)	(14,612)	(1,250)	(130,799)	0	**(146,767)**
Depreciation expense	0	(4,774)	(18,923)	(1,838)	(11,845)	0	**(37,380)**
Disposals	0	0	0	0	3,431	0	**3,431**
Balance at 30 June 2023	**0**	**(4,880)**	**(33,535)**	**(3,088)**	**(139,213)**	**0**	**(180,716)**
Balance at 1 July 2023	0	(4,880)	(33,535)	(3,088)	(139,213)	0	**(180,716)**
Depreciation expense	0	(4,877)	(19,981)	(1,798)	(13,899)	0	**(40,555)**
Revaluation	0	0	53,370	4,886	0	0	**58,256**
Disposals	0	0	0	0	14,144	0	**14,144**
Transfer Between Asset Class	0	(75)	75	0	0	0	**0**
Balance at 30 June 2024	**0**	**(9,832)**	**(71)**	**0**	**(138,968)**	**0**	**(148,871)**
Carrying amounts:							
Total net book value as at 30 June 2023	**1,492,425**	**137,459**	**434,001**	**206,737**	**124,726**	**28,742**	**2,424,090**
Total net book value as at 30 June 2024	**1,492,625**	**133,913**	**465,887**	**227,318**	**127,494**	**44,269**	**2,491,506**

For each revalued class of property, plant and equipment, the notional carrying amount that would have been recognised, had the assets been carried under the cost model, would be:

	2024 Notional Carrying Amount NZ$000	2023 Notional Carrying Amount NZ$000
Freehold land	**119,203**	119,203
Freehold buildings	**78,436**	81,285
Wharves and hardstanding	**124,704**	123,819
Harbour improvements	**61,259**	60,899
Total notional carrying amount	**383,602**	385,206

10 Property, plant and equipment (continued)

Policies

Property, plant and equipment is initially measured at cost, which includes capitalised interest, and subsequently stated at either fair value or cost, less depreciation and any impairment losses.

Subsequent expenditure that increases the economic benefits derived from the asset is capitalised.

Land, buildings, harbour improvements, and wharves and hardstanding are measured at fair value, based upon periodic valuations by external independent valuers. The Group undertakes an annual revaluation of land and a three yearly revaluation cycle is applied to all other asset classes to ensure the carrying value of these assets does not differ materially from their fair value. If during the three-year revaluation cycle there are indicators that the fair value of a particular asset class may differ materially from its carrying value, an interim revaluation of that asset class is undertaken.

Depreciation of property, plant and equipment, other than freehold land and capital dredging (included within harbour improvements), is calculated on a straight line basis and expensed over their estimated useful lives.

Major useful lives are:

Freehold buildings	33 to 72 years
Maintenance dredging	3 years
Wharves	50 to 70 years
Basecourse	50 years
Asphalt	15 years
Gantry cranes	10 to 40 years
Floating plant	10 to 25 years
Other plant and equipment	5 to 25 years
Electronic equipment	3 to 5 years

Capital and maintenance dredging are held as harbour improvements. 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. Maintenance dredging is depreciated over three years.

Work in progress relates to self-constructed assets or assets that are being acquired which are under construction at balance date. Once the asset is fit for intended service, it is transferred to the appropriate asset class and depreciation commences. Software developed undertaken as part of a project is transferred to intangibles on completion.

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefit. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being disposed or derecognised is transferred to retained earnings.

Security

Certain items of property, plant and equipment have been pledged as security against certain loans and borrowings of the Group (refer to note 18).

Occupation of foreshore

The Parent Company holds consent to occupy areas of the Coastal Marine Area to enable the management and operation of port related commercial undertakings that it acquired under the Port Companies Act 1988. The consented area includes a 10-metre radius around navigation aids and a strip from 30 to 60 metres wide along the extent of the wharf areas at both Sulphur Point and Mount Maunganui.

Capital commitments

The estimated capital expenditure for property, plant and equipment contracted for at balance date but not provided for is $9.209 million (2023: $38.288 million).

Judgements

Fair Values

This fair value measurement has been categorised as a Level 3 fair value based on the inputs for the assets which are not based on observable market data (unobservable inputs), (refer to note 2 for fair value measurement hierarchy).

Judgement is required to determine whether the fair value of land, buildings, wharves and hardstanding, and harbour improvements assets have changed materially since the last revaluation. The determination of fair value at the time of the revaluation requires estimates and assumptions based on market conditions at that time. Changes to estimates, assumptions or market conditions subsequent to a revaluation will result in changes to the fair value of property, plant and equipment.

Remaining useful lives and residual values are estimated based on Management's judgement, previous experience and guidance from registered valuers. Changes in those estimates affect the carrying value and the depreciation expense in the income statement.

At the end of each reporting period, the Group makes an assessment on whether the carrying amounts differ materially from the fair value and whether a revaluation is required (excepting land, which is revalued annually). The assessment considers movements in the capital goods price indices and other market indicators since the previous valuations.

As at 30 June 2024, the Group revalued land, wharves and hardstanding, and harbour improvements in line with policy. For the remaining asset classes, the Group has assessed that there has been no material change in the fair value of each asset class since the last revaluation.

Land Valuation

The valuation of land assets was carried out by Colliers International New Zealand Limited. The valuation increased the carrying amount of land by $0.200 million.

Land assets are valued using the direct sales comparison approach which analyses direct sales of comparable properties on the basis of the sale price per square metre which are then adjusted to reflect stronger and weaker fundamentals relative to the subject properties.

10 Property, plant and equipment (continued)

Judgements (continued)

The significant assumptions applied in the valuation of these assets are:

Asset Valuation Method	Key Valuation Assumptions	Hectares	2024 Range of Significant Assumptions $	2024 Weighted Average $	2023 Range of Significant Assumptions $	2023 Weighted Average $
Direct sales comparison	Tauranga (Sulphur Point) /Mount Maunganui – wharf and industrial land per square metre	182.2	**470-1,650**	**766**	470-1,650	766
	Auckland land – land adjacent to MetroPort Auckland per square metre	6.8	**1,053**	**1,053**	1,050	1,050
	Rolleston land – MetroPort Christchurch per square metre	15.0	**160**	**160**	160	160

- *Waterfront access premium:* a premium of approximately 25% has been applied to the main wharf land areas reflecting the locational benefits this land asset gains from direct waterfront access
- *No restriction of Title:* valuation is made on the assumption that having no legal title to the Tauranga harbour foreshore will not detrimentally influence the value of land assets
- *Highest and best use of land:* subject to relevant local authority's zoning regulations
  - *Tauranga and Mount Maunganui:* the majority of land is zoned "Port Industry" under the Tauranga City Plan and a small portion of land at both Sulphur Point and Mount Maunganui has "Industry" zoning
  - *Auckland:* the land is zoned "Heavy Industry Zone" under the Auckland Unitary Plan
  - *Rolleston:* the land is zoned "Business 2A" under the Selwyn District Plan.

Building valuations

The last full independent valuation of buildings was carried out on 30 June 2022 by Colliers International New Zealand Limited.

The majority of assets are valued on a combined land and building basis using a Capitalised Income Model with either contract income or market income. A small number of specialised assets, such as gatehouses and toilet blocks, are valued on a Depreciated Replacement Cost basis due to their specialised nature and the lack of existing market.

The Capitalised Income Model uses either the contracted rental income or an assessed market rental income of a property and then capitalises the valuation of the property using an appropriate yield. Contracted rental income is used when the contracted income is receivable for a reasonable term from secured tenants. Market income is used when the current contract rent varies from the assessed market rent due to over or under renting, vacant space and a number of other factors.

The value of land is deducted from the overall property valuation to give rise to a building valuation.

The significant assumptions applied in the valuation of these building assets are:

Asset Valuation Method	Key Valuation Assumptions	2024 Range of Significant Assumptions %	2024 Weighted Average %	2023 Range of Significant Assumptions %	2023 Weighted Average %
Capitalised income model	Market capitalisation rate	**1.75-9.50**	**3.71**	1.75-9.50	3.71

Wharves and hardstanding, and harbour improvements

The valuation of wharves and hardstanding, and harbour improvements was carried out by WSP New Zealand Limited. The valuation increased the carrying value of these asset classes by $64.722 million.

Wharves, hardstanding and harbour improvements assets are classified as specialised assets and have accordingly been valued on a Depreciated Replacement Cost basis.

The significant assumptions applied in the Depreciated Replacement Cost estimate of these assets are:

- *Replacement unit costs of construction rates – cost rates are calculated taking into account:*
  - The Parent Company's historic cost data, including any recent competitively tendered construction works
  - Publicly available price indices from Statistics New Zealand and Waka Kotahi NZ Transport Agency
  - The WSP New Zealand Limited construction cost database
  - QV Cost Builder construction cost database
  - An allowance is included for costs directly attributable to bringing assets into working condition, management costs and the financing cost of capital held over construction period.

10 Property, plant and equipment (continued)

Judgements (continued)

- *Depreciation – the calculated remaining lives of assets are reviewed, taking into account:*
  - Observed and reported condition, performance and utilisation of the asset
  - Expected changes in technology
  - Consideration of current use, age and operational demand
  - Discussions with the Parent Company's operational officers
  - WSP New Zealand Limited Consultants' in-house experience from other infrastructure valuations.
  - Residual values.

The significant assumptions applied in the valuation of these wharves and hardstanding, and harbour improvements assets are:

Asset Valuation Method	Key Valuation Assumptions	2024 Range of Significant Assumptions $	2024 Weighted Average $	2023 Range of Significant Assumptions $	2023 Weighted Average $
Depreciated replacement cost basis	Wharf construction replacement unit cost rates per lineal metre – high performance wharves	**191,135-391,434**	**273,358**	137,300-282,000	232,500
	Earthworks construction replacement unit cost rates per square metre	**9-10**	**9**	8	8
	Basecourse construction replacement unit cost rates per cubic metre	**35-117**	**56**	23-45	37
	Asphalt construction replacement unit cost rates per square metre	**47-100**	**85**	29-59	47
	Capital dredging replacement unit cost rates per square metre	**5-91**	*****	5-89	*
	Depreciation method	**Straight line basis**	**Not applicable**	Straight line basis	Not applicable
	Channel assets (capital dredging) useful life	**Indefinite**	**Not applicable**	Indefinite	Not applicable
	Pavement remaining useful lives (years)	**2-39**	**14**	1-37	14
	Wharves remaining useful lives (years)	**0-59**	**17**	0-61	20

**Weighted average unit cost rates are not presented due to the complexity in measuring the types and locations of removed quantities.*

Sensitivities to changes in key valuation assumptions for land, buildings, wharves and hardstanding, and harbour improvements

The following table shows the impact on the fair value due to a change in significant unobservable input:

		Impact of Change in Assumption NZ$000
Unobservable inputs within the direct sales comparison approach for land and the income capitalisation approach for buildings		
Rate per square metre	10% decrease/increase	-149,263 / +149,263
Market rent	10% decrease/increase	-25,500 / +92,200
Market capitalisation rate	0.5% decrease/increase	+105,300 / -24,500
Unobservable inputs within depreciated replacement cost analysis for buildings, wharves and hardstanding, and harbour improvements		
Unit costs of construction	The greatest uncertainty is the level of the unit rates. We have used a 90% confidence interval in these unit rates to be between -11% to 10%.	-75,200 / +71,600

11 Leases

The Group as the lessee has various non-cancellable leases predominantly for the lease of land and buildings. The leases have varying term and renewal rights.

Information about leases for which the Group is a lessee is presented below:

	2024 NZ$000	2023 NZ$000
Right-of-use assets		
Opening balance	50,045	39,367
Depreciation	(1,885)	(1,757)
Additions to right-of-use assets	0	75
Adjustments to existing right-of-use assets	4,233	12,360
Closing balance	52,393	50,045
Lease liabilities		
Opening balance	52,912	41,387
Additions	0	74
Adjustments to existing lease liabilities	4,222	12,360
Interest	2,661	2,519
Repayments	(3,655)	(3,428)
Closing balance	56,140	52,912

Adjustments to existing right-of-use assets and lease liabilities relate to increases in lease payments following rent reviews completed during the period.

	2024 NZ$000	2023 NZ$000
Lease liabilities maturity analysis		
Between zero to one year	1,049	955
Between one to five years	4,632	4,157
More than five years	50,459	47,800
Total lease liabilities	56,140	52,912

Future minimum lease receivables from non-cancellable operating leases where the Group is the lessor are:

	2024 NZ$000	2023 NZ$000
Within one year	23,662	24,371
One to two years	18,798	14,517
Two to three years	16,304	11,672
Three to four years	13,195	10,984
Four to five years	7,953	10,043
More than five years	20,233	23,082
Total	100,145	94,669

Included in the financial statements are land and buildings, leased to customers under operating leases.

	2024 Valuation NZ$000	2024 Accumulated Depreciation NZ$000	2023 Valuation NZ$000	2023 Accumulated Depreciation NZ$000
Land	783,280	0	773,077	0
Buildings	104,297	(6,231)	103,521	0
Total	887,577	(6,231)	876,598	0

Leases are classified as operating leases whenever the terms of the lease do not substantially transfer all the risks and rewards of ownership to the lessee.

11 Leases (continued)

Policies

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.

Lease incentives are recognised as an integral part of the total lease expense/revenue, over the term of the lease.

Where the Group is a lessee, a right-of-use asset and a lease liability are recognised at the lease commencement date.

The right-of-use asset is initially measured at a cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial indirect costs. The right-of-use asset is subsequently depreciated using the straight-line method over the life of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments or if the Group changes its assessment of whether it will exercise a right of renewal.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

12 Intangible assets

	Goodwill NZ$000	Computer Software NZ$000	Consents and Contracts NZ$000	Total NZ$000
Cost:				
Balance at 1 July 2022	18,420	5,416	4,171	28,007
Additions	0	740	0	740
Adjustments	0	0	(157)	(157)
Balance at 30 June 2023	18,420	6,156	4,014	28,590
Balance at 1 July 2023	18,420	6,156	4,014	28,590
Additions	0	80	0	80
Adjustments	0	0	0	0
Balance at 30 June 2024	18,420	6,236	4,014	28,670
Accumulated amortisation:				
Balance at 1 July 2022	0	(3,706)	(1,293)	(4,999)
Amortisation expense	0	(526)	(760)	(1,286)
Balance at 30 June 2023	0	(4,232)	(2,053)	(6,285)
Balance at 1 July 2023	0	(4,232)	(2,053)	(6,285)
Amortisation expense	0	(600)	(758)	(1,358)
Balance at 30 June 2024	0	(4,832)	(2,811)	(7,643)
Carrying amounts:				
Total net book value 30 June 2023	18,420	1,924	1,961	22,305
Total net book value 30 June 2024	18,420	1,404	1,203	21,027

Policies

Goodwill that arises upon the acquisition of Subsidiaries is included in intangible assets. The Group measures goodwill as the fair value of consideration transferred, less the fair value of the net identifiable assets and liabilities assumed at acquisition date.

Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

The estimated useful lives for the current and comparative periods are:

Consents and contracts	4 to 35 years
Computer software	1 to 10 years

The carrying amounts of the Group's intangibles other than goodwill are reviewed at each reporting date to determine whether there is any objective evidence of impairment.

Goodwill is tested for impairment annually, based upon the value-in-use of the cash generating unit to which the goodwill relates. The cash flow projections include specific estimates for five years and a terminal growth rate thereafter.

12 Intangible assets (continued)

Judgements

Goodwill relates to goodwill arising on the acquisition of Quality Marshalling (Mount Maunganui) Limited and Timaru Container Terminal Limited.

Goodwill was tested for impairment at 30 June 2024 and confirmed that no adjustment was required.

For impairment testing on goodwill, the calculation of value-in-use was based upon the following key assumptions:

- Cash flows were projected using management forecasts over the five-year period. Average EBITDA growth for this period is:
  - Quality Marshalling (Mount Maunganui) Limited – 6%
  - Timaru Container Terminal Limited – 10%
- Terminal cash flows were estimated using a constant growth rate of 2% after year five
- A pre-tax discount rate of 12% was used.

13 Investments in Subsidiaries

Investments in Subsidiaries comprises:

Name of Entity	Place of Business	Principal Activity	2024 %	2023 %	Balance Date
Port of Tauranga Trustee Company Limited	New Zealand	Holding company for employee share scheme	**100.00**	100.00	30 June
Quality Marshalling (Mount Maunganui) Limited	New Zealand	Marshalling and terminal operations services	**100.00**	100.00	30 June
Timaru Container Terminal Limited	New Zealand	Sea port	**100.00**	100.00	30 June

Policies

Subsidiaries are entities controlled by the Parent Company. Control exists when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable, are taken into account. The financial statements of Subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

14 Investments in Equity Accounted Investees

(a) Investments in Equity Accounted Investees comprise

Name of Entity	Principal Activity	2024 %	2023 %	Balance Date
Coda Group Limited Partnership	Freight logistics and warehousing	**50.00**	50.00	30 June
Northport Limited	Sea port	**50.00**	50.00	30 June
PortConnect Limited	Online cargo management	**50.00**	50.00	30 June
PrimePort Timaru Limited	Sea port	**50.00**	50.00	30 June
Ruakura Inland Port LP	Inland port	**50.00**	50.00	30 June

(b) Carrying value of investments in Equity Accounted Investees

	2024 NZ$000	2023 NZ$000
Balance as at 1 July	**213,746**	186,050
Group's share of net profit after tax	**4,945**	16,611
Group's share of hedging reserve	**(218)**	209
Group's share of revaluation reserve	**9,340**	16,817
Group's share of total comprehensive income	**14,067**	33,637
Investment in Equity Accounted Investees	**2,135**	21,450
Impairment of investment in Equity Accounted Investees	**0**	(7,871)
Dividends received	**(12,819)**	(19,520)
Balance as at 30 June	**217,129**	213,746

14 Investments in Equity Accounted Investees (continued)

(c) Summarised financial information of Equity Accounted Investees

The following table summarises the financial information of individually material Equity Accounted Investees, Northport Limited, PrimePort Timaru Limited and Coda Group Limited Partnership, and the combined value of individually immaterial Equity Accounted Investees as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies to align with Group accounting policies.

2024	Northport Limited NZ$000	Coda Group Limited Partnership NZ$000	PrimePort Timaru Limited NZ$000	Individually Immaterial Equity Accounted Investees NZ$000	Total NZ$000
Cash and cash equivalents	594	13,115	884	2,626	**17,219**
Total current assets	**4,445**	**32,423**	**5,889**	**3,434**	**46,191**
Total non-current assets	**279,318**	**52,626**	**194,134**	**56,831**	**582,910**
Total assets	**283,763**	**85,049**	**200,023**	**60,265**	**629,101**
Current financial liabilities excluding trade and other payables and provisions	0	0	0	2,829	**2,829**
Total current liabilities	**(3,962)**	**(30,693)**	**(4,287)**	**(4,539)**	**(43,481)**
Non-current financial liabilities excluding trade and other payables and provisions	(47,715)	(29,812)	(59,000)	0	**(136,527)**
Total non-current liabilities	**(81,409)**	**(29,812)**	**(69,256)**	**0**	**(180,478)**
Total liabilities	**(85,371)**	**(60,505)**	**(73,543)**	**(4,539)**	**(223,959)**
Net assets	**198,392**	**24,544**	**126,480**	**55,726**	**405,142**
Group's share of net assets	**99,197**	**12,272**	**63,240**	**27,863**	**202,572**
Goodwill acquired on acquisition of Equity Accounted Investees, less impairment losses	**0**	**14,557**	**0**	**0**	**14,557**
Carrying amount of Equity Accounted Investees	**99,197**	**26,829**	**63,240**	**27,863**	**217,129**
Revenues	40,725	249,554	29,771	6,716	**326,766**
Depreciation and amortisation	(5,574)	(11,360)	(3,650)	(1,724)	**(22,308)**
Interest expense	(2,945)	(2,026)	(3,505)	(71)	**(8,547)**
Net profit before tax	**19,122**	**(3,926)**	**2,331**	**(328)**	**17,199**
Tax expense	(5,668)	0	(1,429)	(214)	**(7,311)**
Net profit after tax	**13,454**	**(3,926)**	**902**	**(542)**	**9,888**
Other comprehensive income	15,172	0	2	3,070	**18,244**
Total comprehensive income	**28,626**	**(3,926)**	**904**	**2,528**	**28,132**
Group's share of net profit after tax	**6,727**	**(1,963)**	**451**	**(270)**	**4,945**
Group's share of total comprehensive income	**14,313**	**(1,963)**	**452**	**1,265**	**14,067**
Group's share of dividends/distributions	**7,061**	**5,000**	**758**	**0**	**12,819**

14 Investments in Equity Accounted Investees (continued)

2023	Northport Limited NZ$000	Coda Group Limited Partnership NZ$000	PrimePort Timaru Limited NZ$000	Individually Immaterial Equity Accounted Investees NZ$000	Total NZ$000
Cash and cash equivalents	523	19,958	509	1,987	22,977
Total current assets	**4,989**	**46,762**	**3,693**	**2,420**	**57,864**
Total non-current assets	**231,417**	**66,275**	**176,869**	**50,282**	**524,843**
Total assets	**236,406**	**113,037**	**180,562**	**52,702**	**582,707**
Current financial liabilities excluding trade and other payables and provisions	0	(8,936)	0	(2,831)	(11,767)
Total current liabilities	**(3,998)**	**(30,185)**	**(4,369)**	**(3,746)**	**(42,298)**
Non-current financial liabilities excluding trade and other payables and provisions	(48,519)	(44,384)	(49,101)	(30)	(142,034)
Total non-current liabilities	**(48,519)**	**(44,384)**	**(49,101)**	**(30)**	**(142,034)**
Total liabilities	**(52,517)**	**(74,569)**	**(53,470)**	**(3,776)**	**(184,332)**
Net assets	**183,889**	**38,468**	**127,092**	**48,926**	**398,375**
Group's share of net assets	**91,946**	**19,234**	**63,546**	**24,463**	**199,189**
Goodwill acquired on acquisition of Equity Accounted Investees, less impairment losses	**0**	**14,557**	**0**	**0**	**14,557**
Carrying amount of Equity Accounted Investees	**91,946**	**33,791**	**63,546**	**24,463**	**213,746**
Revenues	40,576	272,100	28,399	2,632	343,707
Depreciation and amortisation	(5,504)	(14,003)	(3,386)	(269)	(23,612)
Interest expense	(2,647)	(2,256)	(2,429)	(120)	(7,452)
Net profit before tax	**19,051**	**14,950**	**5,766**	**423**	**40,190**
Tax expense	(4,859)	0	(1,968)	(141)	(6,968)
Net profit after tax	**14,192**	**14,950**	**3,798**	**282**	**33,222**
Other comprehensive income	6,322	0	27,730	0	34,052
Total comprehensive income	**20,514**	**14,950**	**31,528**	**282**	**67,274**
Group's share of net profit after tax	**7,096**	**7,475**	**1,899**	**141**	**16,611**
Group's share of total comprehensive income	**10,257**	**7,475**	**15,764**	**141**	**33,637**
Group's share of dividends/distributions	**8,420**	**10,000**	**1,100**	**0**	**19,520**

Policies	The Parent Company's interests in Equity Accounted Investees comprise interests in Joint Ventures. A Joint Venture is an arrangement in which the Parent Company has joint control, whereby the Parent Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Equity Accounted Investees are accounted for using the equity method. In respect of Equity Accounted Investees, the carrying amount of goodwill is included in the carrying amount of the investment and not tested for impairment separately.
Tax treatment of limited partnerships	Coda Group Limited Partnership and Ruakura Inland Port Limited Partnership are treated as partnerships for tax purposes and are not taxed at the partnership level. Fifty percent of the income and expense flow through the limited partnership to the Parent Company who is then taxed.
Judgements	It has been determined that the Parent Company has joint control over its investees, due to the existence of contractual agreements which require the unanimous consent of the parties sharing control over relevant business activities. The investment in Coda Group Limited Partnership (Coda) was tested for impairment at 30 June 2024, based upon the higher of fair value and value-in-use. Fair value represents an amount obtainable in an arm's length transaction, less cost of disposal. An external specialist was engaged to perform an independent valuation of Coda. The fair value has been calculated by multiplying an EV/EBITDA multiple of 8x with a maintainable EBITDA of $4.1 million and adding the fair value of surplus assets the business intends to sell. The multiple has been determined based on listed and transaction multiples of comparable entities and a maintainable EBITDA has been determined using management forecasts with adjustments overlayed by the external specialist. Coda has one key customer with circa 90% of its revenue coming from this customer. The fair value calculation assumes that this customer relationship will continue on substantially the same terms. If the relationship is not continued then it is likely the fair value of Coda will be materially less and the carrying value will be impaired. Based on the fair value calculated no impairment has been recorded at 30 June 2024. In the prior year, the Parent Company impaired its investment in Coda by $7.871 million.

15 Receivables and prepayments

	2024 NZ$000	2023 NZ$000
Non-current		
Prepayments and sundry receivables	**17,272**	18,890
Total non-current	**17,272**	18,890
Current		
Trade receivables	**63,878**	63,136
Provision for expected credit losses – trade receivables (refer to note 19(b)(ii))	**(30)**	(70)
Trade receivables from Equity Accounted Investees and related parties	**757**	147
	64,605	63,213
Advances to Equity Accounted Investees (refer to note 21)	**1,400**	1,400
Provision for expected credit losses – advances to Equity Accounted Investees (refer to note 19(b)(ii))	**(166)**	(158)
Prepayments and sundry receivables	**2,051**	4,697
Total current	**67,890**	69,152
Total	**85,162**	88,042

The ageing of trade receivables at reporting date was:

	2024 NZ$000	2023 NZ$000
Not past due	**49,596**	45,581
Past due 0-30 days	**13,169**	14,421
Past due 30-60 days	**820**	694
Past due 60-90 days	**698**	983
More than 90 days	**322**	1,534
Total of ageing of trade receivables	**64,605**	63,213

Polices	Receivables and prepayments are initially recognised at transaction price. They are subsequently measured at amortised cost and adjusted for impairment losses. Receivables with a short duration are not discounted.
Fair values	The nominal value less impairment provision of trade receivables are assumed to approximate their fair values due to their short term nature.
Judgements	A provision for expected credit losses is established when the assessment under NZ IFRS 9 deems a provision is required (refer to note 19(b)(ii)).
Advances to Equity Accounted Investees	The Parent Company makes advances to Equity Accounted Investees for short term funding purposes. These advances are repayable on demand and interest rates charged on these advances are varied.
Prepayments	Prepayments is predominantly made up of a consideration paid to KiwiRail Limited in 2020 for the extension of the rail agreement at MetroPort. The current balance of this prepayment is $18.424 million (2023: $19.575 million). The payment is amortised over 20 years.

16 Equity

Share capital

	2024	2023
Number of ordinary shares issued		
Balance as at 1 July	680,336,394	680,300,197
Shares issued during year	53,390	49,338
Shares repurchased by the Group during the year	(153,515)	(13,141)
Balance as at 30 June	680,236,269	680,336,394

Dividends

The following dividends were declared and paid during the period:

	2024 NZ$000	2023 NZ$000
Final 2023 dividend paid 8.8 cents per share (2022: 8.2 cps)	59,875	55,789
Interim 2024 dividend paid 6.0 cents per share (2023: 6.8 cps)	40,814	46,265
Total dividends	100,689	102,054

Policies	*Capital Management* The Parent Company's policy is to maintain a strong capital base, which the Group defines as total shareholders' equity, so as to maintain investor, creditor and market confidence, and to sustain the future business development of the Group. The Group has established policies in capital management, including the specific requirements that interest cover is to be maintained at a minimum of three times and that the debt/(debt + equity) ratio is to be maintained at a 40% maximum. It is also Group policy that the ordinary dividend payout is maintained between a level of between 70% and 100% of underlying net profit after tax for the period. The Group has complied with all capital management policies during the reporting periods.
Share capital	All shares are fully paid and have no par value. All shares rank equally with one vote attached to each fully paid ordinary share. Where the Group purchases its own share capital (treasury shares), the consideration paid, including any directly attributable incremental costs are deducted from share capital until the shares are cancelled or reissued. Where such shares are reissued, any consideration received, net of any directly attributable transaction costs, are included in share capital.
Dividends	The dividends are fully imputed. Supplementary dividends of $0.465 million (2023: $0.478 million) were paid to shareholders that are not tax residents in New Zealand, for which the Group received a foreign tax credit entitlement.
Share-based payments reserve – Container Volume Commitment Agreement	On 1 August 2014 the Parent Company issued 2,000,000 shares as a volume rebate to Kotahi as part of a 10-year freight alliance. Due to the Parent Company completing a 5:1 share split on 17 October 2016, the number of shares originally issued to Kotahi increased to 10,000,000. Of these shares, 5,500,000 are subject to a call option allowing the Parent Company to "call" shares back at zero cost if Kotahi fails to meet the volume commitments. The increase in the reserve of $1.328 million (2023: $1.228 million) recognises the shares earned based on containers delivered during the period. The grant-date fair value of equity settled share based payments is recognised as a rebate against revenue, with a corresponding increase in equity, over the vesting period. The amount recognised as a rebate is adjusted to reflect the number of awards for which the related service is expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.
Share-based payments reserve – management long term incentive	Share rights are granted to employees in accordance with the Parent Company's Management Long Term Incentive Plan. The fair value of share rights granted under the plan are measured at grant date and recognised as an employee expense over the vesting period with a corresponding increase in equity. The fair value at grant date of the share rights are independently determined using an appropriate valuation model that takes into account the terms and conditions upon which they were granted (refer to note 22). This reserve is used to record the accumulated value of the unvested shares rights, which have been recognised as an expense in the income statement. Upon the vesting of share rights, the balance of the reserve relating to the share rights is offset against the cost of treasury stock allotted to settle the obligation, with any difference in the cost of settling the commitment transferred to retained earnings.
Hedging reserve	The hedging 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.
Revaluation reserve	The revaluation reserve relates to the revaluation of land, buildings, wharves and hardstanding, and harbour improvements.

17 Earnings per share

	2024	2023
Earnings per share		
Net profit attributable to ordinary shareholders (NZ$000)	90,849	117,136
Weighted average number of ordinary shares (net of treasury stock) for basic earnings per share	674,158,384	673,355,669
Basic earnings per share (cents)	13.5	17.4
Weighted average number of ordinary shares (net of treasury stock) for diluted earnings per share	680,805,939	680,844,739
Diluted earnings per share (cents)	13.3	17.2

Policies	The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding for the Parent Company during the period. Diluted EPS adjusts for any commitments the Parent Company has to issue shares in the future that would decrease the basic EPS. The Parent Company has two types of dilutive potential ordinary shares, Management Long Term Incentive Plan share rights (refer to note 22) and Container Volume Commitment Agreement share rights (refer to note 16). Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of the share rights.

18 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings.

2024	Maturity	Coupon	Committed Facilities NZ$000	Undrawn Facilities NZ$000	Fair Value Adjustments NZ$000	Carrying Value NZ$000
Non-current						
Fixed rate bond	2028	3.552%	100,000	0	(7,038)	92,962
Standby revolving cash advance facility	2028	Floating	50,000	50,000	0	0
Standby revolving cash advance facility	2026	Floating	130,000	130,000	0	0
Fixed rate bond	2025	1.020%	100,000	0	0	100,000
Standby revolving cash advance facility	2025	Floating	100,000	100,000	0	0
Total non-current			**480,000**	**280,000**	**(7,038)**	**192,962**
Current						
Multi option facility	2024	Floating	5,000	5,000	0	0
Standby revolving cash advance facility	2024	Floating	100,000	0	0	100,000
Commercial papers	<3 months	Floating	0	0	0	170,000
Total current			**105,000**	**5,000**	**0**	**270,000**
Total			**585,000**	**285,000**	**(7,038)**	**462,962**

2023	Maturity	Coupon	Committed Facilities NZ$000	Undrawn Facilities NZ$000	Undrawn Facilities NZ$000	Carrying Value NZ$000
Non-current						
Fixed rate bond	2028	3.552%	100,000	0	(9,225)	90,775
Standby revolving cash advance facility	2026	Floating	130,000	130,000	0	0
Fixed rate bond	2025	1.020%	100,000	0	0	100,000
Standby revolving cash advance facility	2025	Floating	100,000	100,000	0	0
Standby revolving cash advance facility	2024	Floating	100,000	0	0	100,000
Total non-current			**530,000**	**230,000**	**(9,225)**	**290,775**
Current						
Multi option facility	2023	Floating	5,000	5,000	0	0
Standby revolving cash advance facility	2023	Floating	50,000	50,000	0	0
Commercial papers	<3 months	Floating	0	0	0	160,000
Total current			**55,000**	**55,000**	**0**	**160,000**
Total			**585,000**	**285,000**	**(9,225)**	**450,775**

18 Loans and borrowings (continued)

Policies	Loans and borrowings are recognised initially at fair value, plus any directly attributable transaction costs, if the Group becomes a party to the contractual provisions of the instrument. Loans and borrowings are derecognised if the Group's obligations as specified in the contract expire or are discharged or cancelled. Subsequent to initial recognition, loans and borrowings are measured at amortised cost using the effective interest method, less any impairment losses, with the hedged risks on certain debt instruments measured at fair value.
Fixed rate bonds	The Parent Company has issued two $100 million fixed rate bonds, a five-year bond with a final maturity on 29 September 2025, and a seven-year bond with a final maturity on 24 November 2028.
Commercial papers	Commercial papers are secured, short term discounted debt instruments issued by the Parent Company for funding requirements as a component of its banking arrangements. The commercial paper programme is fully backed by committed term bank facilities. At 30 June 2024 the Group had $170 million of commercial paper debt that is classified within current liabilities (2023: $160 million). Due to this classification, the Group's current liabilities exceed the Group's current assets. Despite this fact, the Group does not have any liquidity or working capital concerns as a result of the commercial paper debt being interchangeable with direct borrowings within the standby revolving cash advance facility which is a term facility.
Standby Revolving Cash Advance Facility Agreement	The Parent Company has a $380 million financing arrangement with ANZ Bank New Zealand Limited, Bank of New Zealand Limited, Commonwealth Bank of Australia, New Zealand Branch and China Construction Bank Corporation, New Zealand Branch (2023: $380 million). The facility, which is secured, provides for both direct borrowings and support for issuance of commercial papers.
Multi option facility	The Parent Company has a $5 million multi option facility with Bank of New Zealand Limited, used for short term working capital requirements (2023: $5 million).
Security	Bank facilities and fixed rate bonds are secured by way of a security interest over certain floating plant assets ($13.958 million, 2023: $14.623 million), mortgages over the land and building assets ($1,626.044 million, 2023: $1,629.359 million), and by a general security agreement over the assets of the Parent Company ($2,741.069 million, 2023: $2,671.831 million).
Covenants	The Parent Company borrows under a negative pledge arrangement, which with limited circumstances does not permit the Parent Company to grant any security interest over its assets. The negative pledge deed requires the Parent Company to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios. The Parent Company has complied with all covenants during the reporting periods.
Fair values	The fair value of fixed rate loans and borrowings is calculated by discounting the future contractual cash flows at current market interest rates that are available for similar financial instruments. The amortised cost of variable rate loans and borrowings is assumed to closely approximate fair value as debt facilities mature every 90 days.
Interest rates	The average weighted interest rate of interest-bearing loans was 4.45% at 30 June 2024 (2023: 4.28%).

19 Financial instruments

(a) Accounting classification and fair values

The following tables show the classification, fair value and carrying amount of financial instruments held by the Group at reporting date. The carrying amounts of the following financial instruments are reasonable approximations of their fair value:

- Cash and cash equivalents
- Receivables
- Trade and other payables.

19 Financial instruments (continued)

2024	Fair Value Through Profit and Loss NZ$000	Amortised Cost NZ$000	Total Carrying Amount NZ$000	Fair Value NZ$000
Derivative financial instruments	11,869	0	11,869	11,869
Total non-current assets	**11,869**	**0**	**11,869**	**11,869**
Cash and cash equivalents	0	18,728	18,728	18,728
Receivables	0	66,005	66,005	66,005
Derivative financial instruments	340	0	340	340
Total current assets	**340**	**84,733**	**85,073**	**85,073**
Total assets	**12,209**	**84,733**	**96,942**	**96,942**
Liabilities				
Lease liabilities	0	55,091	55,091	42,633
Loans and borrowings	0	192,962	192,962	187,703
Derivative financial instruments	7,244	0	7,244	7,244
Total non-current liabilities	**7,244**	**248,053**	**255,297**	**237,580**
Lease liabilities	0	1,049	1,049	867
Loans and borrowings	0	270,000	270,000	270,000
Trade and other payables	0	14,223	14,223	14,223
Derivative financial instruments	82	0	82	82
Contingent consideration	28	0	28	28
Total current liabilities	**110**	**285,272**	**285,382**	**285,200**
Total liabilities	**7,354**	**533,325**	**540,679**	**522,780**

2023	Fair Value Through Profit and Loss NZ$000	Amortised Cost NZ$000	Total Carrying Amount NZ$000	Fair Value NZ$000
Derivative financial instruments	15,514	0	15,514	15,514
Total non-current assets	**15,514**	**0**	**15,514**	**15,514**
Cash and cash equivalents	0	8,506	8,506	8,506
Receivables	0	64,455	64,455	64,455
Derivative financial instruments	35	0	35	35
Total current assets	**35**	**72,961**	**72,996**	**72,996**
Total assets	**15,549**	**72,961**	**88,510**	**88,510**
Liabilities				
Lease liabilities	0	51,957	51,957	39,851
Loans and borrowings	0	290,775	290,775	280,250
Derivative financial instruments	9,242	0	9,242	9,242
Contingent consideration	30	0	30	30
Total non-current liabilities	**9,272**	**342,732**	**352,004**	**329,373**
Lease liabilities	0	955	955	732
Loans and borrowings	0	160,000	160,000	160,000
Trade and other payables	0	7,475	7,475	7,475
Derivative financial instruments	7	0	7	7
Contingent consideration	359	0	359	359
Total current liabilities	**366**	**168,430**	**168,796**	**168,573**
Total liabilities	**9,638**	**511,162**	**520,800**	**497,946**

19 Financial instruments (continued)

(b) Financial risk management

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management framework. The Audit Committee is responsible for developing and monitoring the Group's financial risk management policies, and reports to the Board of Directors on its activities.

The Group's financial risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the financial risk management framework in relation to the risks faced by the Group.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (refer (b)(ii))
- Liquidity risk (refer (b)(iii))
- Market risk (refer (b)(iv)).

Refer (b)(i) for the derivative financial instruments used by the Group to manage its financial risks.

(i) Derivative financial instruments

The Group has the following derivative financial instruments in the following line items in the Statement of Financial Position:

	2024 NZ$000	2023 NZ$000
Current assets		
Interest rate derivatives	340	0
Foreign exchange derivatives	0	35
Total current derivative financial instrument assets	340	35
Non-current assets		
Interest rate derivatives	11,869	15,497
Foreign exchange derivatives	0	17
Total non-current derivative financial instrument assets	11,869	15,514
Current liabilities		
Foreign exchange derivatives	82	7
Total current derivative financial instrument liabilities	82	7
Non-current liabilities		
Interest rate derivatives	7,244	9,242
Total non-current derivative financial instrument liabilities	7,244	9,242

Policies	The Group uses derivative financial instruments to hedge its exposure to foreign exchange, commodity and interest rate risks arising from operational, financing and investment activities. In accordance with its Treasury Policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments qualifying for hedge accounting are classified as non-current if the maturity of the instrument is greater than 12 months from reporting date and current if the instrument matures within 12 months from reporting date. Derivatives accounted for as trading instruments are classified as current. Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. 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 income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship.
Fair values	The fair value of derivatives traded in active markets is based on quoted market prices at the reporting date. The fair value of derivatives that are not traded in active markets (for example over-the-counter derivatives), are determined by using market accepted valuation techniques incorporating observable market data about conditions existing at each reporting date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable forward price curves. The fair value of forward exchange contracts is calculated as the present value of future cash flows based on quoted forward exchange rates at the reporting date. All financial instruments held by the Group and measured at fair value are classified as level 2 under the fair value measurement hierarchy (refer to note 2).

19 Financial instruments (continued)

(ii) Credit risk

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For advances to Equity Accounted Investees, which have not had a significant increase in credit risk since initial recognition, ECLs are calculated based on the probability of a default event occurring within the next 12 months. An industry-accepted probability of default is obtained annually from the Standard & Poor's Global Corporate Default Study for use in this calculation.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for any significant known amounts that are not receivable.

On that basis, the following table details loss allowance for trade receivables:

2024	Not Past Due	Past Due 0-30 Days	Past Due 30-60 Days	More Than 60 Days	Total
Expected loss rate (%)	0	0	0	2.86	0
Gross carrying amount – trade receivables (NZ$000)	49,596	13,169	820	1,050	64,635
Loss allowance on trade receivables (NZ$000)	0	0	0	30	30

Movements in the provision for impairment of financial assets are:

	2024 NZ$000	2023 NZ$000
Opening balance	228	211
Provision for trade receivables	(40)	70
Provision for advances to Equity Accounted Investees	8	(53)
Closing balance	196	228

Credit risk management policies	Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty failing to meet its contractual obligations. Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances, trade receivables, advances to Equity Accounted Investees and derivative financial instruments. The Group only transacts in treasury activity (including investment, borrowing and derivative transactions) with Board approved counterparties. Unless otherwise approved by the Board, counterparties are required to be New Zealand registered banks with a Standard & Poor's credit rating of A or above. The Group continuously monitors the credit quality of the financial institutions that are counterparties and does not anticipate any non-performance. The Group adheres to a credit policy that requires each new customer to be analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Customer payment performance is constantly monitored with customers not meeting creditworthiness being required to transact with the Group on cash terms. The Group generally does not require collateral.
Default	The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as security (if any is held).
Write-off	The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.
Concentration of credit risk	The only significant concentration of credit risk at reporting date relates to bank balances and advances to Equity Accounted Investees. The nature of the Group's business means that the top ten customers account for 62.1% of total Group revenue (2023: 63.6%). The Group is satisfied with the credit quality of these debtors and does not anticipate any non-performance.

19 Financial instruments (continued)

(iii) Liquidity risk

The following table sets out the contractual cash outflows for all financial liabilities (including estimated interest payments) and derivatives:

2024	Statement of Financial Position NZ$000	Contractual Cash Flows NZ$000	6 Months or Less NZ$000	6–12 Months NZ$000	1–2 Years NZ$000	2–5 Years NZ$000	More Than 5 Years NZ$000
Non-derivative financial liabilities							
Loans and borrowings	(462,962)	(491,688)	(274,586)	(2,827)	(104,927)	(109,348)	0
Lease liabilities	(56,140)	(110,852)	(1,880)	(1,880)	(3,750)	(11,201)	(92,141)
Trade and other payables	(14,223)	(14,223)	(14,223)	0	0	0	0
Contingent consideration	(28)	(39)	(39)	0	0	0	0
Total non-derivative financial liabilities	**(533,353)**	**(616,802)**	**(290,728)**	**(4,707)**	**(108,677)**	**(120,549)**	**(92,141)**
Derivatives							
Interest rate derivatives							
Cash flow hedges – outflow	(224)	(364)	0	0	0	(330)	(34)
Cash flow hedges – inflow	12,209	14,331	2,482	1,854	3,509	5,754	732
Fair value hedges – outflow	(7,020)	(8,056)	(1,510)	(1,285)	(1,840)	(3,421)	0
Foreign currency derivatives							
Cash flow hedges – outflow	(82)	(3,529)	(3,529)	0	0	0	0
Cash flow hedges – inflow	0	3,446	3,446	0	0	0	0
Total derivatives	**4,883**	**5,828**	**889**	**569**	**1,669**	**2,003**	**698**
Total	**(528,470)**	**(610,974)**	**(289,839)**	**(4,138)**	**(107,008)**	**(118,546)**	**(91,443)**

2023	Statement of Financial Position NZ$000	Contractual Cash Flows NZ$000	6 Months or Less NZ$000	6–12 Months NZ$000	1–2 Years NZ$000	2–5 Years NZ$000	More Than 5 Years NZ$000
Non-derivative financial liabilities							
Loans and borrowings	(450,775)	(486,815)	(264,520)	(2,886)	(5,592)	(112,041)	(101,776)
Lease liabilities	(52,912)	(72,035)	(1,071)	(1,060)	(2,114)	(6,279)	(61,511)
Trade and other payables	(7,475)	(7,475)	(7,475)	0	0	0	0
Contingent consideration	(389)	(579)	0	(579)	0	0	0
Total non-derivative financial liabilities	**(511,551)**	**(566,904)**	**(273,066)**	**(4,525)**	**(7,706)**	**(118,320)**	**(163,287)**
Derivatives							
Interest rate derivatives							
Cash flow hedges – outflow	0	(179)	0	0	0	(168)	(11)
Cash flow hedges – inflow	15,373	18,394	2,511	2,653	3,974	7,486	1,770
Fair value hedges – outflow	(9,118)	(10,678)	(1,619)	(1,554)	(2,527)	(4,260)	(718)
Foreign currency derivatives							
Cash flow hedges – outflow	0	(20,246)	(11,225)	(5,492)	(3,529)	0	0
Cash flow hedges – inflow	45	20,294	11,229	5,518	3,547	0	0
Total derivatives	**6,300**	**7,585**	**896**	**1,125**	**1,465**	**3,058**	**1,041**
Total	**(505,251)**	**(559,319)**	**(272,170)**	**(3,400)**	**(6,241)**	**(115,262)**	**(162,246)**

19 Financial instruments (continued)

Liquidity and funding risk management policies	Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient cash and borrowing facilities available to meet its liabilities when due, under both normal and adverse conditions. The Group's cash flow requirements and the utilisation of borrowing facilities are continuously monitored, and it is required that committed bank facilities are maintained at a minimum of 10% above maximum forecast usage. Funding risk is the risk that arises when either the size of borrowing facilities or the pricing thereof is not able to be replaced on similar terms, at the time of review with the Group's banks. To minimise funding risk, it is Board policy to spread the facilities' renewal dates and the maturity of individual loans. Where this is not possible, extensions to, or the replacement of, borrowing facilities are required to be arranged at least six months prior to each facility's expiry. The inflows/outflows disclosed in the above tables represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(iv) Market risk

Interest rate risk

At reporting date, the interest rate profile of the Group's interest-bearing financial assets/ (liabilities) were:

	Carrying Amount	
	2024 NZ$000	2023 NZ$000
Fixed rate instruments		
Lease liabilities	**(56,140)**	(52,912)
Fixed rate bonds	**(192,962)**	(190,775)
Total	**(249,102)**	(243,687)
Variable rate instruments		
Commercial papers	**(170,000)**	(160,000)
Standby revolving cash advance facility	**(100,000)**	(100,000)
Interest rate derivatives	**4,965**	6,255
Cash balances	**18,728**	8,506
Total	**(246,307)**	(245,239)

Sensitivity analysis

Interest rate movements have been applied to the Group's variable rate debt to demonstrate the sensitivity to interest rate risk.

If, at reporting date, bank interest rates had been 100 basis points higher/lower, with all other variables held constant, the result would increase/(decrease) post tax profit or loss and the hedging reserve by the amounts shown below.

The effect on equity is the movement in the valuation of derivatives that are designated as cash flow hedges due to an increase or decrease in interest rates. All derivatives that are effective as at 30 June 2024 are assumed to remain effective until maturity. Therefore, any movements in these derivative valuations are taken to the cash flow hedge reserve within equity and they will reverse entirely by maturity date.

The analysis was performed on the same basis for 2023.

	Profit or Loss		Cash Flow Hedge Reserve	
	100 bp Increase NZ$000	100 bp Decrease NZ$000	100 bp Increase NZ$000	100 bp Decrease NZ$000
Variable rate debt	(1,800)	1,821	0	0
Interest rate derivatives – paying fixed	1,404	(1,352)	5,288	(5,563)
Interest rate derivatives – paying floating	(720)	720	0	0
Total as at 30 June 2024	**(1,116)**	**1,189**	**5,288**	**(5,563)**
Variable rate debt	(1,743)	1,762	0	0
Interest rate derivatives – paying fixed	1,404	(1,352)	5,143	(5,418)
Interest rate derivatives – paying floating	(722)	722	0	0
Total as at 30 June 2023	**(1,061)**	**1,132**	**5,143**	**(5,418)**

19 Financial instruments (continued)

Foreign exchange risk

At reporting date, the Group's exposure to foreign exchange risk, expressed in NZD, was as follows:

	2024 USD NZ$000	2024 EUR NZ$000	2023 USD NZ$000	2023 AUD NZ$000
Foreign currency forwards				
Buy foreign currency (cash flow hedges)	**0**	**3,529**	2,285	17,961

Sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in USD/NZD, EUR/NZD and AUD/NZD exchange rates. The impact on equity arises from foreign forward exchange contracts designated as cash flow hedges.

If, at reporting date, foreign exchange rates had been 5% higher/lower, with all other variables held constant, the result would increase/(decrease) the hedging reserve by the amounts shown below. Based on historical movements, a 5% increase or decrease in the NZD exchange rate is considered to be a reasonable estimate.

The analysis was performed on the same basis for 2023.

	Cash Flow Hedge Reserve 2024 NZ$000	Cash Flow Hedge Reserve 2023 NZ$000
EUR/NZD exchange rate – increase 5% (2023: 5%)	**(117)**	(596)
EUR/NZD exchange rate – decrease 5% (2023: 5%)	**130**	659
USD/NZD exchange rate – increase 5% (2023: 5%)	**0**	(78)
USD/NZD exchange rate – decrease 5% (2023: 5%)	**0**	86

Market risk management policies	Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group uses derivative financial instruments such as interest rate swaps and foreign currency options to hedge certain risk exposures. All derivative transactions are carried out within the guidelines set out in the Group's Treasury Policy which has been approved by the Board of Directors. Generally, the Group seeks to apply hedge accounting in order to manage volatility in the income statement.
Interest rate risk	Interest rate risk is the risk of financial loss, or impairment to cash flows in current or future periods, due to adverse movements in interest rates on borrowings or investments. The Group uses interest rate derivatives to manage its exposure to variable interest rate risk by converting variable rate debt to fixed rate debt. The Group's policy is to keep its exposure to borrowings at fixed rates of interest between parameters as set out in the Group's treasury policy.
Foreign exchange risk	Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable foreign currency expenditures. The risk is hedged with the objective of minimising the volatility of the NZD cost of highly probable forecast property, plant and equipment purchases. The Group's policy is to hedge between 0% and 50% of foreign exchange exposures for property, plant and equipment purchases following approval from the Board for the capital expenditure, and a minimum of 75% hedging is required at the time a supply contract is signed. The above limits apply to foreign currency imports of capital items exceeding NZD500,000.

19 Financial instruments (continued)

(v) Hedging activity

Cash flow hedges

The details of hedging instruments and hedged items for cash flow hedges are as follows:

2024	Hedging Instrument	Hedged Item	Carrying Amount of Hedging Instrument Assets NZ$000	Carrying Amount of Hedging Instrument (Liabilities) NZ$000	Carrying Amount of Hedged Item Assets NZ$000	Carrying Amount of Hedged Item (Liabilities) NZ$000	Change in Fair Value of Outstanding Hedging Instruments NZ$000	Change in Fair Value of Hedged Item Used to Determine Hedge Ineffectiveness NZ$000	Hedge Ineffectiveness Recognised in Profit or Loss NZ$000	Line Item in Profit or Loss that Includes Hedge Ineffectiveness
Cash flow hedge	Interest rate derivatives	Loans and borrowings	12,209	(224)	0	(195,000)	(3,405)	4,125	(7)	Finance income
Cash flow hedge	Foreign exchange derivatives	Property, plant and equipment	0	(82)	0	0	(187)	128	(59)	Finance income
Total			**12,209**	**(306)**	**0**	**(195,000)**	**(3,592)**	**4,253**	**(66)**	

2023	Hedging Instrument	Hedged Item	Carrying Amount of Hedging Instrument Assets NZ$000	Carrying Amount of Hedging Instrument (Liabilities) NZ$000	Carrying Amount of Hedged Item Assets NZ$000	Carrying Amount of Hedged Item (Liabilities) NZ$000	Change in Fair Value of Outstanding Hedging Instruments NZ$000	Change in Fair Value of Hedged Item Used to Determine Hedge Ineffectiveness NZ$000	Hedge Ineffectiveness Recognised in Profit or Loss NZ$000	Line Item in Profit or Loss that Includes Hedge Ineffectiveness
Cash flow hedge	Interest rate derivatives	Loans and borrowings	15,497	(124)	0	(195,000)	3,483	(4,617)	78	Finance income
Cash flow hedge	Foreign exchange derivatives	Property, plant and equipment	52	(7)	0	0	(304)	304	55	Finance income
Total			**15,549**	**(131)**	**0**	**(195,000)**	**3,179**	**(4,313)**	**133**	

Fair value hedges

The details of hedging instruments and hedged items for fair value hedges are as follows:

2024	Hedging Instrument	Hedged Item	Carrying Amount of Hedging Instrument Assets NZ$000	Carrying Amount of Hedging Instrument (Liabilities) NZ$000	Carrying Amount of Hedged Item Assets NZ$000	Carrying Amount of Hedged Item (Liabilities) NZ$000	Accumulated Amount of Fair Value Hedge Adjustments on the Hedged Item Included in the Carrying Amount of the Hedged Item Assets NZ$000	Accumulated Amount of Fair Value Hedge Adjustments on the Hedged Item Included in the Carrying Amount of the Hedged Item (Liabilities) NZ$000	Change in Fair Value of Outstanding Hedging Instruments NZ$000	Change in Fair Value of Hedged Item Used to Determine Hedge Ineffective-ness NZ$000	Hedge Ineffective-ness Recognised in Profit or Loss NZ$000	Line Item in Profit or Loss that Includes Hedge Ineffective-ness
Fair value hedge	Interest rate derivatives	Loans and borrowings	0	(7,020)	0	(92,962)	7,038	0	2,098	(2,187)	(89)	Finance expense

2023	Hedging Instrument	Hedged Item	Carrying Amount of Hedging Instrument Assets NZ$000	Carrying Amount of Hedging Instrument (Liabilities) NZ$000	Carrying Amount of Hedged Item Assets NZ$000	Carrying Amount of Hedged Item (Liabilities) NZ$000	Accumulated Amount of Fair Value Hedge Adjustments on the Hedged Item Included in the Carrying Amount of the Hedged Item Assets NZ$000	Accumulated Amount of Fair Value Hedge Adjustments on the Hedged Item Included in the Carrying Amount of the Hedged Item (Liabilities) NZ$000	Change in Fair Value of Outstanding Hedging Instruments NZ$000	Change in Fair Value of Hedged Item Used to Determine Hedge Ineffective-ness NZ$000	Hedge Ineffective-ness Recognised in Profit or Loss NZ$000	Line Item in Profit or Loss that Includes Hedge Ineffective-ness
Fair value hedge	Interest rate derivatives	Loans and borrowings	0	(9,118)	0	(90,775)	9,224	0	(1,715)	1,696	(19)	Finance expense

The accumulated amount of fair value hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses is $nil (30 June 2023: $nil).

19 Financial instruments (continued)

Profile of timing

The following table sets out the profile of timing of the notional amount of the hedging instrument:

	Maturity				
2024	Less Than 12 Months	1–4 Years	4–7 Years	More Than 7 Years	**Total**
Interest rate derivatives					
Notional amount – fixed (NZ$000)	90,000	120,000	175,000	0	**385,000**
Average fixed rate (%)	2.91	2.81	3.31	0.00	**2.93**
Notional amount – variable (NZ$000)	0	0	100,000	0	**100,000**
Average variable rate (%)	6.35	5.23	4.95	0	**5.46**
Foreign exchange derivatives					
Notional amount (EUR000)	1,957	0	0	0	**1,957**
Average EUR:NZD forward contract rate	0.55	0	0	0	**0.55**

	Maturity				
2023	Less Than 12 Months	1–4 Years	4–7 Years	More Than 7 Years	**Total**
Interest rate derivatives					
Notional amount – fixed (NZ$000)	0	155,000	160,000	0	**315,000**
Average fixed rate (%)	3.09	2.62	2.47	0	**2.69**
Notional amount – variable (NZ$000)	0	0	100,000	0	**100,000**
Average variable rate (%)	6.72	5.39	5.26	0	**5.60**
Foreign exchange derivatives					
Notional amount (US$000)	1,410	0	0	0	**1,410**
Notional amount (EUR000)	8,074	1,957	0	0	**10,031**
Average USD:NZD forward contract rate	0.62	0	0	0	**0.62**
Average EUR:NZD forward contract rate	0.56	0.55	0	0	**0.56**

Hedging reserves

The details of movements within the hedging reserve are as follows:

	2024 NZ$000	2023 NZ$000
Opening balance	**11,509**	9,051
Fair value gains included in OCI	**816**	3,438
Reclassified to income statement – included in finance expenses	**(4,325)**	(82)
Reclassified to the cost of property, plant and equipment – not included in OCI	**0**	(255)
Amortisation of interest rate collar premium	**0**	22
Movement in hedging reserve of Equity Accounted Investees	**(218)**	209
Tax impact (refer to note 8)	**982**	(874)
Closing balance	**8,764**	11,509

19 Financial instruments (continued)

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Group or the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan;
- differences in critical terms between the interest rate swaps and loans; and
- drawn liabilities that fall below the hedging amount, causing the hedge ratio to exceed 100%.

Cash flow hedges

The Group manages its interest rate risk and foreign exchange risk by designating cash flow hedges.

The Group's policy of ensuring a certain level of its interest rate risk exposure is at a fixed rate, is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates.

The Group uses foreign exchange forwards to hedge its foreign exchange risk exposure in respect of highly probable forecast transactions. The Group designates the forward rates of foreign currency forwards in hedge relationships.

The Group applies a hedge ratio of 1:1.

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 income statement. The effective portion of changes in fair value of hedging instruments is accumulated in the cash flow hedge reserve as a separate component of equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as property, plant and equipment), the deferred hedging gains and losses, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (e.g. through depreciation).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

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. When the hedged item is a non-financial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in the hedging reserve is transferred to the income statement in the same period that the hedged item affects the income statement.

Fair value hedges

The Group designates as fair value hedges derivative financial instruments on fixed rate debt where the fair value of the debt changes as a result of changes in interest rates. The carrying amount of the hedged items are adjusted for gains and losses attributable to the risk being hedged. The hedging instruments are also measured to fair value. The Group applies a hedge ratio of 1:1.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance expenses, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

20 Trade and other payables

	2024 NZ$000	2023 NZ$000
Accounts payable	**13,944**	7,262
Accrued employee benefit liabilities	**8,150**	6,596
Accruals	**17,797**	24,341
Payables due to Equity Accounted Investees and related parties	**279**	213
Total trade and other payables	**40,170**	38,412

Policies	Trade and other payables are initially measured at fair value and subsequently measured at amortised cost.
Fair values	The nominal value of trade and other payables are assumed to approximate their fair values due to their short-term nature.

21 Related party transactions

Related party transactions with related parties:

	2024 NZ$000	2023 NZ$000
Transactions with Equity Accounted Investees		
Services provided to Port of Tauranga Limited	**(3,244)**	(774)
Services provided by Port of Tauranga Limited	**7,561**	5,184
Accounts receivable by Port of Tauranga Limited	**1,187**	160
Accounts payable by Port of Tauranga Limited	**(90)**	(51)
Advances by Port of Tauranga Limited	**1,400**	1,400
Services provided to Quality Marshalling (Mount Maunganui) Limited	**(1)**	(2)
Services provided by Quality Marshalling (Mount Maunganui) Limited	**1,007**	319
Accounts receivable by Quality Marshalling (Mount Maunganui) Limited	**72**	27
Services provided to Timaru Container Terminal Limited	**(3,893)**	(3,046)
Services provided by Timaru Container Terminal Limited	**635**	156
Accounts receivable by Timaru Container Terminal Limited	**19**	0
Accounts payable by Timaru Container Terminal Limited	**(188)**	(202)
Transactions with Directors and Members of the Executive Leadership Team		
Directors' fees recognised during the period	**922**	862
Executive officers' salaries and other employee benefits (cash settled) recognised during the period	**3,971**	4,083
Executive officers' share based payments (equity settled) recognised during the period	**129**	397
Post-employment executive officers' employee benefits recognised during the period	**0**	27

Related parties	Related parties of the Group include the Joint Ventures disclosed in note 14 and the Controlling Entity (Quayside Securities Limited) or Ultimate Controlling Party (Bay of Plenty Regional Council). Quayside Securities Limited owns 54.14% (2023: 54.14%) of the ordinary shares in Port of Tauranga Limited. Quayside Securities Limited is beneficially owned by Bay of Plenty Regional Council. Transactions with the Ultimate Controlling Party during the period include services provided to Port of Tauranga Limited, $0.119 million (2023: $0.212 million). In March 2013, the Ultimate Controlling Party granted Port of Tauranga Limited a resource consent to widen and deepen the shipping channels. As a condition of this consent, an environmental bond to the value of $1.000 million is to be held in escrow in favour of the Ultimate Controlling Party. The bond is to ensure the remedy of any unforeseen adverse effects on the environment arising from the dredging. The resource consent expires on 6 June 2027. No related party debts have been written off, forgiven or provided for as doubtful during the year.
Transactions with Directors and members of the Executive Leadership Team	During the year, the Group entered into transactions with companies in which Group Directors hold directorships. These directorships have not resulted in Directors and Members of the Executive Leadership Team having a significant influence over the operations, policies, or key decisions of these companies. The Board of Directors have established protocols for identifying and addressing any conflicts in interest Directors may have. The Group does not provide any non-cash benefits to Directors in addition to their Directors' fees. All members of the Parent Company's Executive Management Team participate in Management Long Term Incentive Plans and may receive cash or non-cash benefits as a result of these plans (refer to note 22).

22 Management long term incentive plan

Policy

The Group provides benefits to the Parent Company's Executive Management Team in the form of share based payment transactions, whereby executives render services in exchange for rights over shares (equity settled transactions) or cash settlements based on the price of the Parent Company's shares (cash settled transactions). The cost of the transactions is spread over the period in which the employees provide services and become entitled to the awards.

Equity settled transactions

The cost of the equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The cost of equity settled transactions is recognised in the income statement, together with a corresponding increase in the share based payment reserve in equity.

Management long term incentive plan – equity settled

Members of the Parent Company's executive management team participate in an equity settled long term incentive (LTI) plan. Under this LTI plan, share rights are issued and have a three-year vesting period.

The vesting of share rights, which entitles the executive to the receipt of one Port of Tauranga Limited ordinary share at nil cost, is subject to the executive remaining employed by Port of Tauranga Limited during the vesting period and the achievement of certain earnings per share (EPS) and total shareholder return (TSR) targets.

For EPS share rights granted, the proportion of share rights that vests depend on the Group achieving EPS growth targets.

For TSR share rights granted, the proportion of share rights that vests depend on the Groups TSR performance ranking relative to the NZX50 index less Australian listed stocks.

To the extent that performance hurdles are not met or executives leave Port of Tauranga Limited prior to vesting, the share rights are forfeited.

The share based payment expense relating to the LTI plan for the year ended 30 June 2024 is $0.171 million (2023: $0.234 million) with a corresponding increase in the share based payments reserve (refer to note 16).

Number of share rights issued to executives:

Grant Date	Scheme End Date	Right Type	Balance at 30 June 2023	Granted During the Year	Vested During the Year	Forfeited During the Year	Balance at 30 June 2024
1 July 2020	30 June 2023	EPS	88,409	0	(87,524)	(885)	0
1 July 2020	30 June 2023	TSR	73,674	0	0	(73,674)	0
1 July 2021	30 June 2024	EPS	79,203	0	0	0	79,203
1 July 2021	30 June 2024	TSR	66,003	0	0	0	66,003
1 July 2022	30 June 2025	EPS	100,972	0	0	0	100,972
1 July 2022	30 June 2025	TSR	84,143	0	0	0	84,143
1 July 2023	30 June 2026	EPS	0	108,216	0	0	108,216
1 July 2023	30 June 2026	TSR	0	90,047	0	0	90,047
Total LTI Plan			492,404	198,263	(87,524)	(74,559)	528,584

Fair value of share rights granted

Share rights are valued as zero cost in-substance options at the day at which they are granted, using the Black-Scholes-Merton model. The following table lists the key inputs into the valuation:

Grant Date	Scheme End Date	Right Type	Grant Date Share Price $	Risk Free Interest Rate %	Expected Volatility of Share Price %	Valuation per Share Right $
1 July 2021	30 June 2024	EPS	7.00	1.38	25.9	6.88
1 July 2021	30 June 2024	TSR	7.00	1.38	25.9	4.19
1 July 2022	30 June 2025	EPS	6.17	4.24	27.2	6.09
1 July 2022	30 June 2025	TSR	6.17	4.24	27.2	2.92
1 July 2023	30 June 2026	EPS	6.21	5.57	20.3	5.51
1 July 2023	30 June 2026	TSR	6.21	5.57	20.3	2.93

PAYE liability

Upon vesting of share rights, the Parent Company funds the PAYE liability and issues the net amount of shares to executives.

23 Subsequent events

Approval of financial statements	The financial statements were approved by the Board of Directors on 22 August 2024.
Refinancing of Standby Revolving Cash Advance Facility	On 26 July 2024, the Parent Company refinanced a tranche of its $380.000 million Standby Revolving Cash Advance Facility, increasing the facility size by $20.000 million to $400.000 million. Tranche 1 was reduced from $100.000 million to $70.000 million and a new $50.000 million facility, tranche 6, was added. The maturity date of tranche 1 was extended from 31 December 2024 to 31 December 2026, and the maturity date of tranche 6 is 31 December 2027.
Final and special dividend	A final dividend of 8.7 cents per share to a total of $59,183,254 has been approved subsequent to reporting date. The final dividend was not approved until after year end, therefore it has not been accrued in the current year financial statements.

Committed to effective governance

The Board of Directors (the Board) and the senior management team of Port of Tauranga Limited believe good corporate governance is essential to the creation, protection and enhancement of shareholder value.

The Board is committed to ensuring the company meets best practice governance principles and maintains the highest ethical standards in serving the interests of Port of Tauranga stakeholders, including shareholders, employees, customers and the wider community.

The Board is responsible for setting the company's strategic direction, providing oversight of its management and directing business strategy, with the aim of increasing shareholder value. A planned programme of meetings and strategy days gives the Board the opportunity to share thoughts and challenge the management team on business direction and strategy execution. The Board examines how long-term value drivers are being managed, including investment in assets, building engagement with employees, iwi and the community, satisfying customers, enhancing environmental performance, and protecting and building the company's reputation.

The company's corporate governance practices adhere to the NZX Main Board Listing Rules (NZX Rules) and guidance, including the NZX Corporate Governance Code (updated April 2023). The Board regularly reviews and assesses the company's governance structures, processes and policies to ensure they are consistent with best practice.

The Board's policies and charters are available on the governance page of the investors section of the company's website: www.port-tauranga.co.nz/investors/governance

This statement was approved by the Board on 22 August 2024.

Board composition, performance and committees

The Board has the ultimate responsibility for all decision making within the company. The roles and responsibilities are set out in the Board Charter, which is available on the company website: www.port-tauranga.co.nz/investors/governance.

The Board meets its responsibilities by meeting regularly to receive reports and plans from management and through its annual work programme. The Board undertakes "deep dives" into key issues and uses committees to address those areas that require detailed consideration by Directors with specialist knowledge and experience. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

Delegated authorities establish the responsibilities devolved to management and those retained by the Board. The delegated authorities are subject to review and approval by the Board annually. The Chief Executive has responsibility for the proper exercise of and compliance with the delegation policies.

Director nominations and appointments

The Board seeks to appoint Directors with a range of skills, perspectives, knowledge, competencies and experiences.

The Nomination Committee assists the Board to review Board composition, performance and succession planning by identifying, evaluating and recommending candidates.

When considering an appointment, the committee undertakes a thorough check of the candidate and their background. Shareholders are notified and provided with all material information that is relevant to the decision on whether to elect or re-elect a Director.

A Director Tenure and Reappointment Policy applies to Board Directors other than those appointed by Quayside Holdings. The Chair facilitates a formal process to determine the support or otherwise for Directors who offer themselves for re-election. The policy establishes a nine-year or three-term tenure for non-executive Directors, unless the Board and shareholders support a further term.

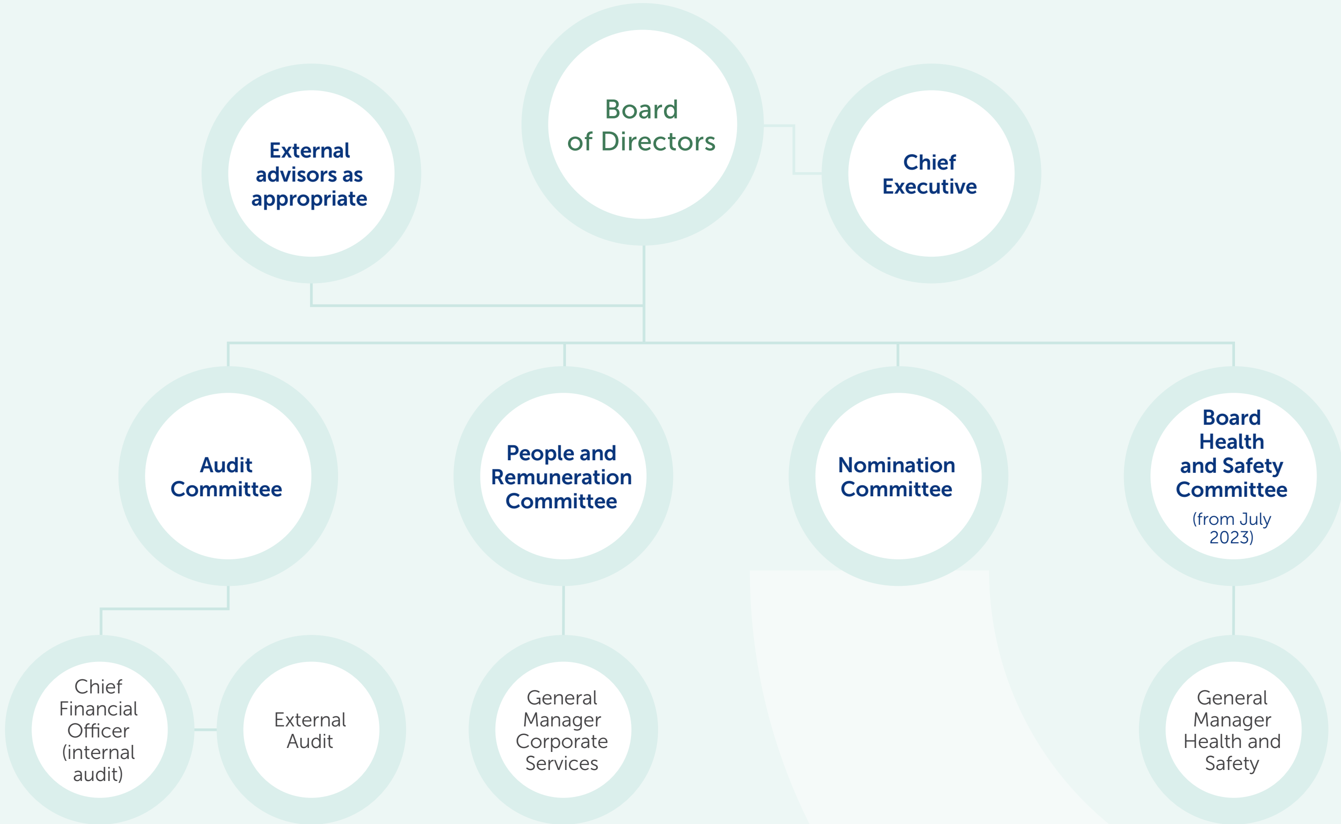
Composition/independence

The Board comprises seven Directors, five of whom are independent including the Board Chair. Due to managing Director succession, there may be periods when the Board comprises eight members as a transitional arrangement.

Director profiles are provided in the 2024 Integrated Annual Report and on the company website: www.port-tauranga.co.nz/about-port-of-tauranga/board-of-directors/. The profiles list the year of appointment, skills, experience and background of each Director, as well as their current Board appointments.

The positions of Chair of the Board and Chair of the Audit Committee are held by independent Directors. These two roles, and the role of Chief Executive, are all held by different individuals. The Chair has been assessed as independent by the Board. Directors' current length of tenure is:

	0-3 years	4-6 years	7-9 years	9+ years
Number of Directors	3	1	2	1



Corporate Governance Statement summary (continued)

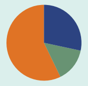
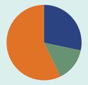
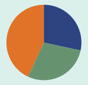
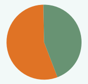
Skills and experience

Our Board is diverse, and Directors bring a wide range of skills and experience to the table to the benefit of the company.

The Board has determined that to operate effectively and meet its responsibilities, it requires competencies in disciplines including governance, executive leadership, financial, sector experience, customer management, regulatory compliance, large capital project investment, risk management, iwi, government and stakeholder relations, technology and digital, broad commercial acumen and sustainability.

The Board comprises five independent and two non-independent Directors (appointed by Quayside Holdings). While the Board has no direct control over the appointments of the non-independent Directors, it provides the skills matrix to the shareholder and highlights the preferred skill sets.

The Board regularly reviews the Board's skills matrix. The most recent review undertaken was in June 2024.

Skill	Combined Board
Governance – experience including publicly listed companies	
Executive leadership – proven operating experience as a CEO or member of senior leadership team of a large and complex relevant business	
Financial – accountancy/finance qualification or similar experience	
Sector experience – in port/shipping/supply chain/transport	
Customer management – understanding of global importing/exporting dynamics	
Regulatory compliance – including experience with H&S, RMA and FMA requirements	
Large capital project investment – understanding of contract management	
Risk management – ability to identify business risks and risk mitigation strategies	
Iwi, government and stakeholder liaison – ability to assist the CEO engaging with stakeholders and government officials (including key politicians)	
Technology and digital	
Broad commercial acumen	
Sustainability	

Substantial experience Moderate experience Some experience

Diversity

The Board is committed to providing a workplace that recognises and values different skills, abilities, genders, ages, beliefs, ethnicities, and experiences. The Board is committed to creating an inclusive workplace where all employees feel included and valued, and to providing equal employment opportunities, with all appointments merit-based.

Port of Tauranga's Diversity and Inclusion Policy applies to the Board, management and all employees and sets out the philosophy, roles, processes, and initiatives for measuring progress towards achieving the objectives of the policy. The People and Remuneration Committee oversees diversity and inclusion at Port of Tauranga.

Port of Tauranga is yet to reach the gender diversity targets set by the Board. The organisation's progress is set out in the table below. The numbers related to Port of Tauranga's permanent employees, and does not include casual employees, contractors or consultants.

The company's objective is to target a minimum of 40% females and 40% males holding Director, senior management and manager level positions. In 2024, the company had 20% females and 80% males holding these positions. The Board and management are actively working towards closing any gaps in skills and diversity objectives.

	As at 30 June 2024		As at 30 June 2023	
	Female %	**Male %**	Female %	Male %
Non-independent Directors*	**0**	**100**	0	100
Independent Directors	**40**	**60**	40	60
Executives/senior management	**29**	**71**	29	71
Management	**20**	**80**	18	82
Permanent employees	**19**	**81**	20	80
Total	**20**	**80**	22	78

** Directors appointed by Quayside Holdings.*

Director training

Port of Tauranga supports the ongoing development of the Board. Copies of all relevant company documents are provided to Directors and new Directors are familiarised with the industry and company operations.

Directors visit Port operations and make safety-related inspections, and work in conjunction with the Port of Tauranga health and safety team to align these assessments with critical risks, and ensure engagement with employees.

Performance

The Board monitors its effectiveness in carrying out its functions and responsibilities and uses external facilitators to review knowledge and performance.

Committees

Committees support the Board by providing input and detail on specific matters and by having subject matter experts provide specialist advice.

As at 30 June 2024, there were four committees – Audit, Board Health and Safety, People and Remuneration, and Nomination. Committees operate under respective charters approved by the Board, and each Committee's proceedings are reported back to the Board.

The Chief Executive, Chief Financial Officer and other senior managers regularly attend Board meetings, as well as committee meetings by invitation.

Meetings attendance

Director	Board	Audit	People and Remuneration	Nomination	Board Health and Safety
Ms A M Andrew	7	3	4	3	
Mr D J Bracewell	7	1	4	3	3
Ms J C Hoare	7	3	4	3	3
Mr A R Lawrence	6	3		3	
Mr D W Leeder	6		4	3	
Sir Robert McLeod KNZM*	3	1		2	
Mr F S Whineray†	4	2		1	
Mr J B Stevens	6	3		3	3
Total meetings held	**7**	**3**	**4**	**3**	**3**

** Sir Robert retired 31 October 2023.*
† Mr Whineray appointed 31 October 2023.
Note: the above table covers the period of the financial year from 1 July 2023 through to 30 June 2024.

Ethical behaviour

Code of Ethics

The Code of Ethics outlines the ethical and behavioural standards expected of Directors, senior management and employees in relation to conduct, conflicts, proper use of assets and information.

The Code of Ethics is included in the Director induction and Directors are required to confirm that it has been read and understood.

The Whistleblowing Policy sets out the procedure for reporting concerns regarding a breach of the Code of Ethics, or any other serious wrongdoing within the company.

Both the Code of Ethics and Whistleblowing Policy are available on the company website:www.port-tauranga.co.nz/investors/governance.

The Board has an Insider Trading Policy which sets out the procedures that must be followed by Directors, executives and any other employees with inside information when purchasing or selling company securities. The fundamental rule is that insider trading is prohibited at all times. The requirements of the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.

It is not a requirement of appointment that Directors own shares in the company. However, Directors are encouraged to do so. Directors' and executives' ownership interests are disclosed below.

Corporate Governance Statement summary (continued)

Interests register

The matters set out below were recorded in the interests register of the company during the financial year.

General notice of interest by Directors

As at 30 June 2024:

Director	Interest	Entity
Alison Moira Andrew	Chief Executive Officer (to 30 June 2024)	Transpower New Zealand Limited
Dean John Bracewell	Chair (designation changed from Director effective 3 April 2024)	Property for Industry Limited
	Director	Air NZ Limited
	Director	Halberg Trust
	Director (to 31 March 2024)	Tainui Group Holdings Limited
	Director/Shareholder	Ara Street Investments Limited
	Director/Shareholder	Dean Bracewell Limited
	Shareholder	Freightways Limited
Julia Cecile Hoare	Director	Auckland International Airport Limited
	Director (to 31 August 2024)	Comvita Limited
	Director	Meridian Energy Limited
	Director	Northport Limited
	Director	Port of Tauranga Trustee Company Limited
	Director	PrimePort Timaru Limited
	Member	Chapter Zero New Zealand Steering Committee
Alastair Roderick Lawrence	Chair	Brittain Wynyard Limited
	Director/Shareholder	Antipodes Properties Limited and subsidiaries
	Director/Shareholder	CBS Advisory Limited
	Director/Shareholder	Olrig Limited
	Director/Shareholder	Retail Dimension Limited
	Trustee	JAB Hellaby Trust
Douglas William Leeder	Chair	Bay of Plenty Regional Council
Sir Robert Arnold McLeod KNZM (retired and as at 31 October 2023)	Chair	Nati Growth Limited (formerly Ngāti Porou Holding Company Limited)
	Chair	Quayside Holdings Limited (and Quayside Properties Limited and Quayside Securities Limited)
	Chair	Sanford Group
	Director	AZSTA NZ Limited
	Director	China Construction Bank (New Zealand) Limited
	Director	MSJS NZ Limited
	Director	Point 76 Limited
	Director	Point Guard Limited
	Director	Point Seventy Limited
	Director	Nati Properties Limited (formerly Real Fresh Limited)
	Director	Singita Holdings Limited
	Director	Singita Investments Limited
	Director	VCFA NZ Limited
John Brodie Stevens	Director	Chatham Island Shipping Limited
	Trustee	Maritime Kiwisaver Scheme
	Trustee	Maritime Retirement Scheme
Fraser Scott Whineray (appointed 31 October 2023)	Independent Director	AgriZero, Centre for Climate Action
	Director	Quayside Holdings
	Director	Waste Management NZ Limited (owned by Igneos, private equity)
	Visiting Fellow	Judge Business School, University of Cambridge
	Trustee	St Cuthbert's College

Directors' loans

There were no loans by the company to Directors.

Directors' insurance

The company has arranged policies of Directors' liability insurance which, together with a Deed of Indemnity, ensures that generally Directors will incur no monetary loss as a result of actions undertaken by them as Directors. Certain actions are specifically excluded, such as the incurring of penalties imposed as a result of breaches of the law.

Supplier Code of Conduct

Companies operating at Port of Tauranga are expected to abide by all relevant legislation and regulations, including the Health and Safety at Work Act. Policies, procedures and operating rules are listed on the company website.

In addition, suppliers and subcontractors are required to meet the expectations outlined in the Supplier Code of Conduct regarding their social, environmental and ethical business practices. The Code addresses business integrity, health and safety, labour and human rights, protection of the environment and sustainability.

Reporting and disclosure

Port of Tauranga is committed to promoting investor confidence and trust by providing robust, accurate and complete information in a timely and open manner, in accordance with NZX Rules. This commitment is supported by a Continuous Disclosure and Communications Policy, available on the company website: www.port-tauranga.co.nz/investors/governance.

The company's Chief Financial Officer and Company Secretary is responsible for ensuring the timely release of information to the market. Port of Tauranga Limited undertakes to notify the market immediately through the NZX of any material information and abide by any NZX guidance as to whether a trading halt may be required.

Directors formally consider at each Board meeting whether there is relevant material information that should be disclosed to the market. All employees of Port of Tauranga Limited are responsible for reporting immediately, to the Chief Executive and Chief Financial Officer, any information that is, or is likely to be, material.

Any announcements are published on Port of Tauranga's website (www.port-tauranga.co.nz) and disseminated through broadcast emails and media releases.

Port of Tauranga has a proactive investor relations programme involving twice-yearly briefing sessions for analysts and investors to provide background to previously disclosed information. Investors are also able to tour the port following the Annual Meeting each year, or during the public port tours held in January and July.

Comprehensive financial and non-financial disclosures are published in the company's Integrated Annual Report, including Port of Tauranga's material exposure to environmental, economic, and social sustainability risks and other key risks. Shareholders can elect to receive an electronic or hard copy of Port of Tauranga's Integrated Annual Report. However, the company encourages investors to support its commitment to the environment by opting for electronic communications.

The company describes its carbon emissions profile in a greenhouse gas inventory report, which is audited externally. Highlights from this report are disclosed in the company's Integrated Annual Report and, from 2024, will be incorporated into its Climate-related Disclosures Report. The Port's first Climate-related Disclosures Report will be published in September 2024 and will comply with new mandatory standards prescribed by the New Zealand External Reporting Board and overseen by the Financial Markets Authority.

Risk management

The Board and senior management recognise risk management as an integral part of good management practice and an essential component of good governance. Risk management adds value to the operations of the company by identifying and mitigating events and threats that would otherwise impede the achievement of our objectives and/or the continued effectiveness of the company's service to customers and communities.

The Company's Enterprise Risk Policy:

- Establishes enterprise-wide commitment and responsibility for risk management
- Promotes a risk-aware culture where all staff understand and proactively manage risks in order to achieve corporate objectives, protect people, assets and the environment and to ensure POTL has sustainable financial earnings
- Establishes a systematic and structured approach to integrate risk management into all of POTL's activities, including governance, decision-making and reporting
- Establishes enterprise-wide commitment and responsibility for risk management
- Promotes a risk-aware culture where all staff understand and proactively manage risks in order to achieve corporate objectives, protect people, assets and the environment and to ensure POTL has sustainable financial earnings
- Establishes a systematic and structured approach to integrate risk management into all of POTL's activities, including governance, decision-making and reporting.

The company's comprehensive risk management programme comprises a series of processes and guidelines that enable it to identify, assess, monitor and manage business risk. The programme is overseen by the Board and includes monitoring the company's compliance with laws and regulations and a robust IT risk assessment process which includes penetration testing and cyber monitoring. The risk management programme is supported by:

- A robust risk governance framework
- A strong and experienced management team
- A risk identification framework and tools, including a company risk register
- An annual external specialist risk advisor review and support
- Adequate external insurance cover, reviewed annually
- Internal audit practices.

The Board considers the identification, understanding and control of core risks to be a whole-of-Board function. As such, it is not delegated to the Audit Committee but regularly reviewed by all Directors.

Regular reviews are designed to establish an integrated and forward-looking perspective of the company's risk landscape including the internal and external environment, changes in likelihood and consequence ratings, and the business unit risk profiles. Both specific risks and any broader linkages are considered.

The Chief Executive is responsible for promoting proactive risk management, reporting to the Board, and managing any changes to the rating of the enterprise risk. The General Manager Corporate Services is responsible for providing and management of the risk framework.

Health and safety

The progressive improvement of health and safety performance is a key Board and management objective, to ensure the company conducts its operations in such a way as to protect the health and safety of all employees of the company and its subsidiaries, contractors, the public and visitors in its work environment.

While the Board has delegated day-to-day responsibility for the implementation of health and safety standards and practices to management, the Board provides oversight and direction while ensuring appropriate resources are available to employees to conduct their work safely. In July 2023, the Board established a Health and Safety Committee to enhance its governance of the health and safety function of the Port. The Board is committed to ensuring the company provides sufficient, competent resources and effective systems at all levels of the organisation to enable it to fulfil its commitment to employees, customers, shareholders and stakeholders.

Further information is included in the Our People section on pages 29 to 33 of the 2024 Integrated Annual Report.

Corporate Governance Statement summary (continued)

Remuneration

Directors' remuneration

Non-executive Directors' remuneration is paid in the form of Directors' fees as determined by the Board. Setting of fees is subject to periodic review and independent expert advice against comparable size and performing companies. The Director Fee Policy is to set Director fees to the median of this market. The People and Remuneration Committee considers Directors' fees annually and recommends adjustments to the Board. The last external review was undertaken in 2023 and reviews are planned to be undertaken biennially.

The aggregate pool of fees able to be paid to Directors is subject to shareholder approval and is currently $1,125,000.

Port of Tauranga meets Directors' reasonable travel and other costs associated with the business.

Port of Tauranga Directors' fees are:

Designation	Directors' Fees $
Chair	195,000
Directors	98,500
Audit Committee Chair	20,000
Audit Committee member	12,000
People and Remuneration Committee Chair	20,000
People and Remuneration Committee member	12,000
Board Health and Safety Committee Chair	20,000
Board Health and Safety Committee member	12,000

No fees are paid to the Nomination Committee.

Directors' fees received during the 2024 year* were:

Director	Board $	Audit $	People and Remuneration $	Board Health and Safety $	Total 2024 $
Ms A M Andrew	96,875	11,937	18,750		127,562
Mr D J Bracewell	96,875		10,906	20,000	127,781
Ms J C Hoare	191,250		10,906	12,000	214,156
Mr A R Lawrence	96,875	20,000			116,875
Mr D W Leeder	96,875		10,906		107,781
Sir Robert McLeod KNZM**	31,118	3,926			35,044
Mr F S Whineray†	65,757	6,527			72,284
Mr J B Stevens	96,875	11,938		12,000	120,813
Total	**772,500**	**54,328**	**51,468**	**44,000**	**922,296**

** Amendments were made to the Directors' fees during the year.*

*** Sir Robert retired 31 October 2023.*

† Mr Whineray appointed 31 October 2023.

Remuneration paid to Directors in their capacity as Directors of Port of Tauranga Limited subsidiaries during the year are:

Director	Subsidiary	Fees $
Ms J C Hoare	Northport Limited (Director)	35,000
Ms J C Hoare	PrimePort Timaru Limited (Director)	40,416
Total		**75,416**

Any fees paid to Port of Tauranga permanent employees appointed as Directors of subsidiaries are paid to the company, not the individual.

Non-executive Directors have no entitlement to any performance-based remuneration and they do not participate in any share-based incentive schemes. A non-executive Director is not entitled to receive a retirement payment.

Non-executive Directors are encouraged to be shareholders but are not required to hold company shares. Details of Directors' shareholdings are listed on page 113.

Executive remuneration

Port of Tauranga provides a remuneration framework that promotes a high-performance culture and aligns rewards to the creation of sustainable value for shareholders.

Port of Tauranga's remuneration philosophy is aimed at attracting, retaining, and motivating employees of the highest quality at all levels of the organisation. It is based on practical guiding principles and a framework that provides consistency, fairness, and transparency. The guiding principles include:

- Providing clear alignment with company values, culture, and strategy
- Supporting the attraction, retention, and motivation of employees
- Being clear, fair, equitable and flexible
- Reflecting market conditions
- Recognising individual competence and performance
- Recognising team and company performance and the creation of shareholder value.

All remuneration packages are reviewed annually in the context of individual and company performance, market movements and expert advice, and are benchmarked externally biennially.

Through the People and Remuneration Committee, the Board establishes the policies and practices for executive remuneration. Port of Tauranga's remuneration for the Chief Executive and nominated executives provides the opportunity to receive, where performance merits, a total remuneration package in the mid to upper quartile for equivalent market-matched positions.

Total remuneration is made up of three components: fixed remuneration, a short-term incentive (STI) and a long-term incentive (LTI). Both incentives are at-risk, with the outcome determined by performance against a combination of agreed financial and non-financial objectives.

Fixed remuneration

Fixed remuneration is determined in relation to the market for comparable sized and performing companies.

It includes all benefits, allowances, and deductions. Port of Tauranga's policy is to pay fixed remuneration at the median of its peer group. Adjustments are not automatic and are determined based on performance.

Short term incentives

STIs are at-risk payments linked to the achievement of annual financial, safety and strategic targets, individualised to each role. They are designed to motivate and reward for performance in that financial year. The target value of the STI is set as a percentage of the fixed remuneration. For the 2024 financial year, the Chief Executive's STI was set at 50% and for all nominated executives it was set at 40%.

For the 2024 financial year, there were seven nominated executives included in the STI scheme, the same as the previous year.

For the Chief Executive, 60% of the STI is linked to the company's financial performance, with the actual opportunity in the range of 0-110% (i.e. 0-66% of fixed remuneration). The remaining 40% comprised agreed safety and strategic objectives. Annual objectives are set by the People and Remuneration Committee (and approved by the Board) and closely align to the company's strategic aspirations.

The financial objective is to meet or exceed the normalised net profit after tax target. A threshold of 90% of target is required before any of the financial component is paid.

The Board retains complete discretion in paying an STI and may determine, despite the actual performance against objectives, that a reduced STI or no STI will be paid in a given year.

Long term incentives

The LTI is an at-risk payment designed to align executives' rewards with the growth in shareholder value over a three-year period.

The LTI is a Performance Share Rights Plan (PSR), where payments are made in shares rather than cash. The maximum number of shares an executive may receive as an allocation is determined by dividing the value of the grant less tax by the face value of a Port of Tauranga share at the grant date.

The 2022 LTI (allocated on 1 July 2021), which vested at the end of the 2024 financial year, was set at 55% of fixed remuneration for the Chief Executive and up to 33% of fixed remuneration for the nominated executives. The value of each allocation is set at the date of the grant.

The plan's performance hurdles are based on two metrics. The first 50% is Port of Tauranga's three-year Total Shareholder Return (TSR), relative to the performance of the NZX50 (less Australian companies listed in New Zealand). The second 50% is measured by achieving target compound earnings per share (EPS) growth.

TSR percentile ranking %	Earned %
Below 40	0
Above 40 to below 50	40-50
Above 50 to below 75	50-99
At 75 or above	100

EPS three year compound annual growth rate %	Earned %	
0	0	
3.5	50	With straight line progression between 0% and 3.5%
7.0	100	With straight line progression between 3.5% and 7%
8.0	110	With straight line progression between 7% and 8%
9.0	120	With straight line progression between 8% and 9%

As with the STI, the Board retains absolute discretion over the payment of the LTI to participants.

Chief Executive remuneration

Year	Fixed remuneration* $	Performance pay† STI $	Performance pay† LTI $	Subtotal $	Total remunerationß $
FY2024	**963,000**	**387,000**	**100,544**	**1,450,544**	**1,505,446**
FY2023	900,000	333,750	74,458	1,308,208	1,350,971

** Fixed remuneration includes the value of any benefits (health care, superannuation or vehicle) taken. The Chief Executive participates in the company's health insurance scheme.*

† Performance pay was earned over previous periods but paid in the current financial year.

ß Total remuneration includes payments that arise from calculating actual holiday pay according to New Zealand legislation.

Total remuneration paid includes fixed remuneration and the short and long-term performance payments paid or vested during the year. Performance payments are actually those earned in prior periods. There will be a change in Chief Executive Remuneration reporting for the next financial year. Reporting will show total remuneration earned in the financial year, rather than paid as currently shown.

Chief Executive performance pay elements

An explanation of the Chief Executive's performance pay outcomes for financial year 2024 is shown in the following tables:

Short term incentive

Description	Performance measures*	Weight %	Outcome %	Value $
Set at 50% of fixed remuneration. Based on: • 60% on achieving normalised NPAT target. The range for the financial performance is 0-110%.	NPAT/financial performance	60	30	144,450
• 40% on key strategic measures and safety. The range is 0-100%.	Safety/people	10	10	48,150
	Stakeholder engagement	10	9	43,335
	Process improvement/innovation (CRO)†	5	4	19,260
	Environmental/sustainability (CRR)†	5	4	19,260
	Customer focus/service delivery	5	4	19,260
	Strategic opportunities	5	5	24,075

** Payment of short-term incentive will be made in financial year 2025.*

† CRO – Climate-related Opportunity. CRR – Climate-related Risk.

Corporate Governance Statement summary (continued)

Long term incentive

Description	Performance measures*	Weight %	Outcome %
Set at 50% of fixed remuneration based on: • 50% on TSR performance relative to the NZX50 less Australian companies listed in NZ. The range is 0-100%.	TSR	50	0
• 50% based on EPS CAGR. The range is 0-120%.	EPS	50	59

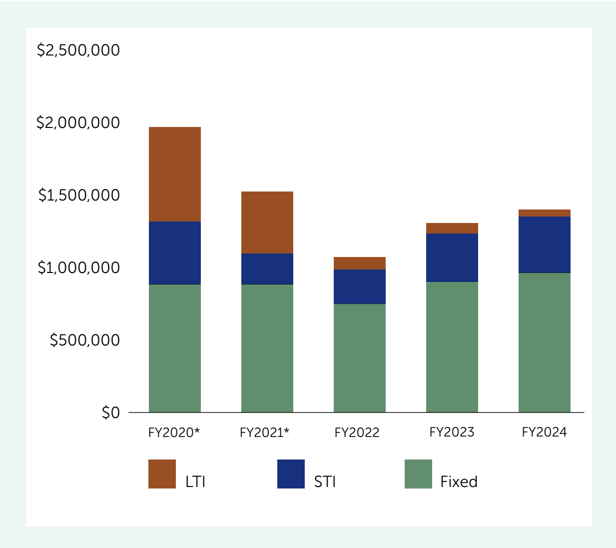
** This performance outcome is for the allocation period 2021–2023 and awarded in financial year 2024.*

The five year summary – Chief Executive remuneration

Year	Total remuneration $	STI against maximum %	LTI against maximum %	Span of LTI performance period
FY2024	**1,505,446**	**66**	**54**	**FY2021-2023**
FY2023	1,350,971	86	48	FY2020-2022
FY2022	1,082,144	87	40	FY2019-2021
FY2021*	1,553,455	19	54	FY2018-2020
FY2020*	2,022,501	78	97	FY2017-2019

** Previous Chief Executive, Mark Cairns.*

The five year summary graph – Chief Executive remuneration



** Previous Chief Executive, Mark Cairns.*

Total Shareholder Return (TSR) performance (three year return)

Chief Executive remuneration for FY2025

The Chief Executive's potential remuneration package for the year ending June 2025 is shown in the following chart:

Fixed remuneration reflects base salary and benefits. For performance that meets expectations, the STI would pay out at 50% of fixed remuneration and the LTI at 50% of fixed remuneration. For performance that exceeds expectations, the STI would pay out a maximum 106% of available STI and the LTI at 110% of available LTI.

An explanation of the Chief Executive's performance pay in financial year 2025 is shown in the following table:

	Description	Performance measures	Weight %
STI	Set at 50% of fixed remuneration. Based on: • 60% on achieving normalised NPAT target. The range for the financial performance is 0-110%.	NPAT/financial performance	50.0
	• 40% on key strategic measures and safety. The range is 0-100%.	Safety/people	10.0
		Environmental/sustainability	5.0
		Stakeholder engagement	10.0
		Process improvement	12.5
		Strategic opportunities	12.5
LTI	Set at 50% of fixed remuneration based on: • 50% on TSR performance relative to the NZX50 less Australian companies listed in NZ. The range is 0-100%.	TSR	50.0
	• 50% based on EPS CAGR. The range is 0-120%.	EPS	50.0

Employee remuneration

The number of employees and former employees of Port of Tauranga who, during the year, received cash remuneration and benefits (including at-risk performance incentives) exceeding $100,000 are:

	Parent company	
Remuneration range $000	Number of employees 2024	Number of employees 2023
100-109	**21**	22
110-119	**20**	32
120-129	**26**	30
130-139	**36**	20
140-149	**15**	13
150-159	**16**	8
160-169	**13**	14
170-179	**10**	7
180-189	**9**	1
190-199	**7**	2
200-209	**3***	1
210-219	**4**	1
220-229	**0**	3
230-239	**3**	1*
240-249	**1**	1
250-259	**3**	3
260-269	**0**	1
270-279	**1**	1
280-289	**5**	0
290-299	**2**	3
300-309	**1**	2*
310-319	**2***	0
320-329	**0**	1*
330-339	**1**	0
380-389	**1***	0
420-429	**0**	1*
490-495	**1***	0
560-569	**1***	0
570-579	**0**	1*
650-659	**0**	1*
700-709	**0**	1*
790-799	**1***	0
810-819	**1***	0
1,350-1,360	**0**	1*
1,460-1,469	**1***	0
Total	**205**	**172**

** Includes vesting of long-term incentive scheme and payment of short-term incentive.*

Employee Share Ownership

Permanent employees can choose to join Port of Tauranga's Employee Share Ownership Plan (ESOP). The ESOP gives employees the opportunity to buy shares in the company via weekly pay deductions. The shares are offered every three years and paid off over the intervening three-year period. In FY2022 an offer of up to $5,000 worth of shares was made to employees at a 10% discount to the market price. On the day of allocation, the price was $6.09 per share and participating individuals received up to 821 shares.

Corporate Governance Statement summary (continued)

Audit

The Audit Committee is responsible for overseeing the external audit to ensure the integrity of the company's financial reporting. The Audit Committee is also responsible for overseeing Climate-related Disclosures.

The committee's approach to ensuring the quality and independence of the audit process includes:

- Overseeing and appraising the quality of the audits conducted by the company's external auditors
- Maintaining open lines of communication between the Board, any internal auditors and the external auditors to exchange views and information. The committee also confirms the parties' respective authorities and responsibilities
- Serving as an independent and objective party to review the financial information presented by senior management to shareholders, regulators and the general public, and also assisting in the development of the future format and content of external reporting
- Determining the adequacy of the organisation's administrative, operating and accounting controls
- Ensuring processes are in place and monitoring those processes so that the Board is properly and regularly informed and updated on corporate financial matters
- Reviewing the financial reports and advising all Directors whether they comply with the appropriate laws and regulations.

Under section 19 of the Port Companies Act 1988, the Audit Office is the Auditor of Port of Tauranga Limited.

The Auditor-General has appointed, pursuant to section 32 of the Public Audit Act 2001, the firm of KPMG to undertake the audit on their behalf. Port of Tauranga Limited has no control over the appointment of the Auditor, nor the tenure of the Lead Audit Partner. The current Lead Audit Partner, Brent Manning, was appointed in 2020.

The Board has received written confirmation from KPMG regarding its independence.

Any non-audit work undertaken by KPMG must be approved by the Auditor-General. Fees paid to KPMG for audit and non-audit services are included in note 6 to the financial statements in the 2024 Integrated Annual Report.

The Audit Committee also oversees an active internal audit programme where risks are identified and external expertise is engaged to review them when required. The committee will oversee the company's compliance with the new Climate-related Disclosures reporting regime.

Shareholder relations

The Board is committed to engaging with shareholders and market participants so that timely and accurate information is provided and feedback is facilitated.

Port of Tauranga's website (www.port-tauranga.co.nz) has the company's Integrated Annual Reports, Mid-Year Market Updates and announcements to the NZX and the public.

The Annual Meeting of Shareholders is held in Tauranga, near the location of the company's head office and to encourage local shareholders to attend in person. The company's website lists the dates of upcoming meetings. The 2024 Annual Meeting will be held on Friday, 25 October 2024 at Mercury Baypark and will also be webcast.

Shareholders can receive electronic communications from the Share Registry. Contact details are available on the company website and in the 2024 Integrated Annual Report.

Directors' commitment to timely and balanced disclosure is set out in its Continuous Disclosure and Communication Policy. The commitments include advising shareholders of any major decisions.

When voting on a matter is required, the Board encourages shareholders to attend the Annual Meeting or send in a proxy vote. Voting is conducted by way of poll.

The Notice of Annual Meeting will be available at least 20 business days prior to the meeting and will be available in the Investors section of the company website.

Shareholder information

The ordinary shares of Port of Tauranga Limited are listed on NZX. The information in the disclosures below has been taken from the company's registers as at 30 June 2024:

Twenty largest ordinary equity holders

Holder	Number of shares held	Issued equity %
Quayside Securities Limited	368,437,680	54.14
Custodial Services Limited	56,645,800	8.32
Tea Custodians Limited	21,164,812	3.11
Bnp Paribas Nominees NZ Limited	15,731,306	2.31
FNZ Custodians Limited	12,826,818	1.88
Accident Compensation Corporation	12,536,537	1.84
Kotahi Logistics LP	8,500,000	1.25
JBWere (NZ) Nominees Limited	7,543,428	1.11
Premier Nominees Limited	7,512,923	1.10
New Zealand Depository Nominee	7,017,166	1.03
New Zealand Superannuation Fund Nominees Limited	6,021,112	0.88
HSBC Nominees (New Zealand) Limited	6,016,239	0.88
Forsyth Barr Custodians Limited	5,288,999	0.78
Citibank Nominees (NZ) Limited	3,302,815	0.49
Public Trust	3,227,676	0.47
Masfen Securities Limited	2,708,395	0.40
Private Nominees Limited	2,672,666	0.39
ASB Nominees Limited	1,978,324	0.29
FNZ Custodians Limited	1,720,724	0.25
JPMORGAN Chase Bank	1,714,268	0.25
Total	**552,567,688**	**81.17**

Distribution of equity securities

Range of equity holdings	Number of holders	Number of shares held	Issued equity %
1-5,000	8,135	16,261,272	63.42
5,001-10,000	2,166	16,551,171	16.88
10,001-50,000	2,197	46,937,463	17.12
50,001-100,000	220	15,499,494	1.71
100,001 and over	112	585,331,830	0.87
Total	**12,830**	**680,581,230**	**100.00**

Substantial security holders

According to company records and notices given under the Financial Markets Conduct Act 2013, the substantial security holders in ordinary shares (being the only class of quoted voting securities) of the company as at 30 June 2024, were:

Holder	Number of Shares Held	%
Quayside Securities Limited	368,437,680	54.14

The total number of issued voting securities of the company as at 30 June 2024 was 680,581,230.

Directors' equity holdings

As at 30 June 2024, Port of Tauranga Limited Directors had the following relevant interests in Port of Tauranga Limited equity securities.

	Held beneficially		Held by associated persons	
Director	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Ms A M Andrew	**0**	0	**82,500**	82,500
Mr D J Bracewell	**0**	0	**15,000**	15,000
Ms J C Hoare	**10,500**	6,500	**0**	0
Mr A R Lawrence	**0**	0	**0**	0
Mr D W Leeder	**0**	0	**0**	0
Sir Robert McLeod KNZM*	**0**	0	**0**	0
Mr J B Stevens	**16,750**	16,750	**0**	0
Mr F S Whineray†	**0**	N/A	**6,300**	N/A

** Sir Robert retired 31 October 2023.*

† Mr Whineray appointed 31 October 2023.

Senior managers' equity holdings

As at 30 June 2024, Port of Tauranga Limited senior managers had the following relevant interests in Port of Tauranga Limited equity securities:

	Held beneficially		Held by associated persons	
Senior manager	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Ms M J Dyer	**4,112**	0	**0**	0
Mr B J Hamill	**6,803**	0	**821**	821
Mr S R Kebbell	**13,059**	7,330	**821**	821
Mr P M Kirk	**1,730**	1,730	**821**	821
Mr D A Kneebone	**98,691**	93,555	**84,921**	84,921
Ms R A Lockley	**0**	0	**821**	821
Mr L E Sampson	**89,343**	78,841	**821**	821

Other information

Donations

Donations of $74,225 were made during the year ended 30 June 2024 (2023: $75,401). No donations were made to any political parties.

Stock Exchange listing

The company's shares are listed on the New Zealand Stock Exchange (NZX). The company currently has no NZX waivers.

Credit rating

During the year ended 30 June 2024, the company had an S&P Global (Standard & Poor's) rating of A-/Stable/A-2.

Annual Meeting

The Annual Meeting of Shareholders will be held on Friday, 25 October 2024 at 1.00pm at Mercury Baypark, 81 Truman Lane, Mount Maunganui. The meeting will be livestreamed by MUFG (formerly known as Link Market Services).

Further information

Additional information on Port of Tauranga Limited can be found on the company's website at www.port-tauranga.co.nz.

Financial and operational five year summary

As at 30 June 2024

Financial	2024 $000	2023 $000	2022 $000	2021 $000	2020 $000
Operating income	**417,375**	420,929	375,288	338,281	301,985
EBITDA*	**203,739**	219,081	204,663	189,917	165,198
Surplus after taxation – reported	**90,849**	117,136	111,317	102,375	88,679
Dividends paid related to earnings	**100,689**	102,054	95,242	84,353	124,486
Total equity	**2,183,157**	2,133,716	2,074,438	1,396,968	1,195,184
Net interest bearing debt	**444,234**	442,269	435,200	477,114	479,435
Total assets	**2,900,158**	2,824,269	2,743,526	2,081,270	1,848,790
Interest cover (times)	**7.1**	9.2	10.3	9.3	7.3
Gearing ratio (%)†	**16.9**	17.2	17.3	25.5	28.6
Return on average equity (%)	**4.2**	5.6	6.4	7.9	7.4
Share price ($)	**4.72**	6.24	6.22	7.03	7.70
Market capitalisation ($)	**3,210,862**	4,201,739	4,231,557	4,782,274	5,237,414
Net asset backing per share ($)	**3.27**	3.14	3.05	2.04	1.75

**EBITDA is a non-GAAP financial measure but is commonly used as a measure of performance as it shows the level of earnings before the impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use the measure as an input into company valuation and other valuation metrics.*

	2024 $000	*2023 $000*	*2022 $000*	*2021 $000*	*2020 $000*
Profit before taxation	***138,092***	*159,297*	*150,396*	*137,009*	*117,097*
Net finance costs	***22,471***	*19,361*	*16,165*	*16,572*	*18,530*
Depreciation and amortisation	***43,770***	*40,423*	*36,657*	*33,998*	*29,746*
Asset impairment	***28***	*0*	*0*	*12*	*0*
Asset impairment on revaluation	***0***	*0*	*1,445*	*2,326*	*0*
Reversal of previous revaluation deficit	***(622)***	*0*	*0*	*0*	*(175)*
Total	***65,647***	*59,784*	*54,267*	*52,908*	*48,101*
EBITDA	***203,739***	*219,081*	*204,663*	*189,917*	*165,198*

† Net interest bearing debt to net interest bearing debt + equity.

The Board approved a final dividend of 8.7 cents per share after year end payable on 4 October 2024.

Operational	2024	2023	2022	2021	2020
Cargo throughput (000 tonnes)	**23,649**	24,698	25,615	25,738	24,808
Containers (TEU)*	**1,147,350**	1,177,350	1,241,061	1,200,831	1,251,741
Net crane rate (container moves per hour)†	**30.1**	27.92	32.1	29.7	35.8
Ship departures	**1,427**	1,432	1,369	1,307	1,515
Berth occupancy (%)ß	**57**	61	56	53	45
Total cargo ship days in port	**2,930**	3,112	3,078	3,072	2,441
Turn-around time per cargo ship (days)	**2.05**	2.17	2.26	2.05	1.61
Cargo tonnes per ship	**16,573**	17,247	18,711	19,693	16,291
Average cargo ship gross tonnage (GT)	**32,580**	31,480	28,172	29,036	33,408
Average cargo ship length overall (metres)	**203**	201	197	201	207
Number of employees – Port of Tauranga Limited	**279**	289	257	243	238
Parent lost time injuries (LTI – frequency)^	**2.2**	2.2	0	0	2.5
Parent total injury (frequency rate)^	**2.2**	4.5	0	0	2.5
Parent plus contractors lost time injuries (LTI – frequency)^	**13.2**	16.0	19.8	8.7	2.7
Parent plus contractors total injury (frequency rate)^	**13.2**	20.7	26.6	13.0	4.5

** TEU = Twenty Foot Equivalent Unit.*
† As measured by the Australian Productivity Commission.
ßThe ratio of time a berth is occupied by a vessel in the total time available in that period.
^ Number of lost time claims per million hours worked.

Operational data relates to the Parent Company as opposed to the Group.

Company directory

Directors

J C Hoare
Chair

A M Andrew

D J Bracewell

A R Lawrence *(retires 31 August 2024)*

D W Leeder

Sir Robert McLeod KNZM *(retired 31 October 2023 and reappointed 1 July 2024)*

J B Stevens

F S Whineray *(appointed 31 October 2023)*

Executive

L E Sampson
Chief Executive

M J Dyer
GM Corporate Services

B J Hamill
GM Commercial

S R Kebbell
Chief Financial Officer and Company Secretary

P M Kirk
GM Health and Safety

D A Kneebone
GM Property and Infrastructure

R A Lockley
GM Communications

Registered office

Salisbury Avenue
Mount Maunganui

Private Bag 12504
Tauranga Mail Centre
Tauranga 3143
New Zealand

Telephone	07 572 8899
Email	marketing@port-tauranga.co.nz
Website	www.port-tauranga.co.nz

Auditors

KPMG
Tauranga
(On behalf of the Auditor-General)

Solicitors

Holland Beckett Law
Tauranga

Bankers

ANZ Bank New Zealand Limited

Bank of New Zealand

Commonwealth Bank of Australia

China Construction Bank (New Zealand) Limited

Credit rating agency

S&P Global (Standard & Poor's)
Australia

Port of Tauranga Limited's rating: A-/Stable/A-2

Share registry

For enquiries about share transactions, change of address or dividend payments contact:

MUFG Corporate Markets
(formerly Link Market Services)
PO Box 91976
Victoria Street West
Auckland 1142
New Zealand

Telephone	09 375 5998
Facsimile	09 375 5990
Email	enquiries@linkmarketservices.co.nz
Website	www.linkmarketservices.co.nz

Copies of the Integrated Annual Report and Market Update (which replaced the Interim Report) are available from our website.

Financial calendar

4 October 2024	Final dividend payment
25 October 2024	Annual Meeting
28 February 2025	Interim results announcement
February 2025	Interim Accounts and Market Update produced
21 March 2025	Interim dividend payment
30 June 2025	Financial year end
29 August 2025	Annual results announcement

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