

A Year in Review 2017-18

Highlights 2017-18

OPERATIONS

1896

Pilotage movements



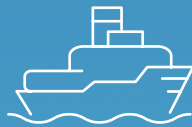
Successful

acceptance of first INPEX
LNG vessel to Bladin Point



OVER 24

multi-national defence
vessels facilitated in the
harbour during Exercise Kakadu



HSE

ISO14001

Achieved Environmental
Management System
accreditation in Q4-2017



Biosecurity

standards and processes
received accreditation



TRADE

50.23%

Total trade tonnage increase



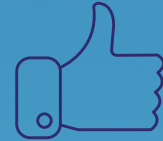
15,000

Increase in head of cattle
exported in 2018



28.64%

Total vessel numbers increased
to 1909 as at June 2018



67.18%

Dry bulk export tonnage increase
in 2018



HR

100%

Locally based employees
- no FIFO



COMMUNITY

\$400,000

in sponsorship to local
organisations and groups



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“I continue to have high confidence in the long-term potential of Darwin Port and northern Australia. Landbridge will continue to invest in facilities at the port to build long-term trade through Darwin. We place a high value on our partnership with the Northern Territory Government and I want to thank all Darwin Port staff for their hard work over the last twelve months.”

Ye Cheng, Chairman, Landbridge Group

Managing Director's Perspective

2018 has seen a significant increase in activity over 2017, with a robust offshore oil and gas sector and the imminent start of LNG production from the Ichthys and Prelude LNG facilities, and the recovery of manganese exports.



The success of Darwin Port is critical to the growth of the Northern Territory so we are delighted to report that in its second full year of operating the port, Landbridge has overseen a significant increase in activity. The 2017-18 financial year has seen a robust oil and gas sector and the imminent start of LNG production from the Ichthys and Prelude LNG facilities, as well as a recovery of manganese exports. Activity is expected to ramp up again in 2019 and these improvements are in line with our initial projections.

Safety continues to be our top priority and during 2018 we have worked extensively with all our stakeholders to improve safety at the port. Immediately after taking over operations in 2015, Landbridge held a safety review with external auditors and identified a number of shortcomings which were subsequently addressed. Additional safety management was provided to the port to increase the focus on this important aspect of the business. Increased engagement with stakeholders at the management level and increased interaction with Darwin Port and stakeholder personnel at all levels has led to a much improved safety awareness within Darwin Port facilities. Recent customer surveys have welcomed this positive outcome.

Covering over 1100 square kilometres, Darwin Port is a natural deep-water port and is strategically positioned as Australia's nearest port to Asia and the nation's 'northern gateway' for Australasian trade. It is also a key support hub for the expanding offshore oil and gas fields in the Arafura Sea, Timor Sea and waters off the coast of Western Australia. It is the only port between Townsville and Fremantle with full access to multi-modal transport services. Darwin Port provides world class pilotage and harbour control systems and a seamless supply chain capable of handling containers and general cargo, bulk liquids, bulk materials, live cattle exports and heavy lift oversized cargoes. Darwin Port also services cruise ships at the Fort Hill Wharf facility.



East Arm Wharf entrance

The ongoing commitment by Landbridge to continue to invest in the Northern Territory underlines its confidence in the future of northern Australia. The strategic location of Darwin and the natural attributes of the port provide an ideal base to support a growing offshore oil and gas industry, a growing cruise ship industry and future growth in the agriculture and aquaculture industries.

This year, Darwin Port has been able to meet a number of significant challenges including the arrival of the first vessels to utilise the Bladin Point jetties and channels. I commend the management and staff of the port on the success of this important milestone and we look forward to safe, efficient operations of the facility for many years.

In the two years that have passed since privatisation of the operations of the port, Landbridge has worked closely with the Northern Territory Government and other stakeholders to help grow the Northern Territory economy. Darwin Port has kept its price increases to a minimum and is focusing on growing trade through Darwin, which will bring down total supply chain costs. The regular meetings with Northern Territory Government in relation

to the port through the Port Management Committee have provided a positive environment for the port to grow.

Landbridge has also taken a leading role in working with other businesses to develop the Northern Territory economy. As a member of the Darwin Major Business Group, Landbridge has provided input into submissions to both the Northern Territory Government and the Federal Government. Landbridge has also been a clear supporter of major Northern Territory marketing events such as 'Facing North' in Canberra and the recent 'Facing South' event in Shenzhen. Landbridge continues to host overseas delegations into Darwin to promote increased awareness of business opportunities in northern Australia.

Landbridge also continues to play its part in the local community. We are major supporters of the Clontarf and Stars Foundations as part of our drive to build local capability. Darwin Port staff have hosted students on tours of the port and participated in various sporting activities. The sponsorship of students from Clontarf and Stars to undertake voyages on the National Youth Training ship the STS Young Endeavour has been well received and

judging by the keen interest of students, a resounding success. We are also pleased to have taken on two apprentices at the port.

I want to take this opportunity to thank Terry O'Connor and his team for their tireless dedication. Landbridge is proud of the work the Port Management and staff have been doing over the past year and thank them for their commitment. I look forward to next year and to once again working with our partners and stakeholders to ensure that Darwin Port continues to provide a safe and efficient port that will work with the Northern Territory to grow its economy.

Mike Hughes
Managing Director

26%
increase in medium
size cruise vessels
recorded in 2018



“Landbridge continues to contribute to our shared vision for the future of northern Australia by investing in Darwin Port and in the Northern Territory. The development and infrastructure investment in the Port has exceeded our expectations and established Landbridge as a key supporter of the local community.”

Michael Gunner, Chief Minister of the Northern Territory

CEO's Overview

Darwin Port has continued to be successful on multiple fronts this year with increased activity across all sectors of the business. Investment in infrastructure designed to accommodate the growing demand has continued with over \$15M expended so far.

An important achievement over the last 12 months has been the reinvigoration of our safety culture with increased collaboration and awareness at the highest level by all port user organisations. A more cohesive approach to safety practices, and our ability to take lessons from the oil and gas expertise of the Landbridge Group, ensures the highest safety and environmental standards are enforced.

Our biosecurity standards and processes received accreditation this year and, in line with our audited environmental systems, continue to provide essential controls to protect the port and its environment for a sustainable future and the benefit of all stakeholders. We remain vigilant in identifying and managing risks to keep the port clean and pest-free.

Darwin Port is an important contributor and driver of long-term economic growth for the Northern Territory. We work collaboratively and in partnership with the Northern Territory Government's Utilities Commission and the Regional

Harbourmaster ensuring all regulatory controls are met, and we continue to satisfy all reporting requirements.

We are working closely with a number of mine developers and agricultural producers to ensure that we can provide customised logistics solutions to facilitate their future export trades. Darwin Port continues to efficiently accommodate a wide range of diverse cargo at East Arm Wharf, from heavy lifts, project cargo for mines, manganese and new minerals exports, to cattle and containers.

Strong and sustained demand was recorded in the offshore oil and gas sector with the commissioning of Shell Prelude and INPEX. We continued to support Conoco Phillips' exploration calls aimed at developing long-term supply and support out of Darwin Port. The Marine Supply Base is an important part of Darwin Port and we provide pilotage and harbour navigation management, overflow capacity and maintenance support to meet the increase in demand, in line with the expected ramping up of activity in this sector.

A major milestone in May 2018 was the seamless management of the first INPEX vessel to Bladin Point which was the culmination of approximately ten years of planning, new channel design and first time access provisions by the Darwin Port team. This demonstrated that Darwin Port has the facilities and competencies to safely accommodate and meet the



Container ships moving cargo in and out of Darwin

demands of such large LNG and LPG tankers, along with all the other diverse cargos and vessels within the harbour.

The substantial growth and training of our workforce has been a priority for Darwin Port during the year. Our employment numbers increased from 88 in 2017 to 90 in 2018. We also invested in the upskilling of our pilots to the highest level to meet INPEX vessel requirements and increased demand within the harbour.

We are committed to contributing to the local community and the Northern Territory's social and economic growth. Our ongoing partnership with the Clontarf and Stars Foundations provides positive educational and employment outcomes for Indigenous youths, including traineeships with Darwin Port. Our staff have taken a proactive role in facilitating and developing these opportunities. Darwin Port is proud to support a number of local groups, including sponsorship of the Australian Volunteer Coast Guard to maintain their valuable services, and the annual Harbour Clean-Up Day.

Darwin Port plays an active role on the board of Ports Australia and we also participate by sponsoring and presenting

at key conferences to promote the port's many advantages - proximity, capacity, expertise and accessibility. Darwin Port continues to provide tours of its facilities for visiting business groups, dignitaries, interested parties and prospective investors.

Darwin Port is moving forward with its growth strategy by progressing with concept and modelling plans for the expansion of Fort Hill Wharf to accommodate cruise sector demand. Darwin is a popular stopover for Australasian cruises with cruise vessel activity for next year expected to increase substantially based on received bookings for more of the smaller cruise vessels. Cruise ship companies are positioning themselves to service predicted cruise tourism increases for the high-end Chinese sector, in line with the development of the new five star hotel and the revitalisation of Darwin city.

We continue to progress the Darwin Port masterplan for the development of the port over the next 30 years, in line with our identified trade growth forecast. Particularly growth across general cargo, mineral exports, offshore oil and gas and the cruise sector. This is expected to

be released in 2018-19 and will ensure that the port is in a position to grow and compete.

Our employees' response to Tropical Cyclone Marcus which saw the port closed for only about 12 hours, was exceptional. Equipment was quickly brought down, vessel arrivals rescheduled and cyclone procedures efficiently activated. The port was reopened the following day to handle a cruise ship at Fort Hill Wharf. Darwin Port facilities sustained minor damage however port activities were mostly unhampered.

I want to thank our team for sharing our vision for growth and embracing the opportunities for progress as we grow Darwin Port. Our achievements and positive results to date would not be possible without their dedication to move the port forward and professionally manage challenges.

Terry O'Connor
Chief Executive Officer

Our Management Team



Terry O'Connor

*BBus, Maritime and Logistic Management
GradCert Communications
Dip HR Management
MAICD*

Chief Executive Officer

Terry joined the Darwin Port Corporation in 2008 as General Manager of Landside Operations and was appointed Chief Executive Officer in 2011. In 2015, the Landbridge Group acquired the lease of Darwin Port from the Northern Territory Government and Terry was appointed Chief Executive Officer of Darwin Port Operations.

Terry has an extensive maritime background including a 30 year career with the Royal Australian Navy and management roles in facilities and logistics. Working with the Federal Government's Office of Transport Security, Terry led teams involved in advising and auditing commercial organisations including ports, shipping lines and offshore facilities.

As Chief Executive Officer, Terry is responsible for providing leadership and ensuring that Darwin Port is positioned to grow and meet the demands of northern Australia. At Darwin Port, he has overseen major developments including channel deepening, new infrastructure, the introduction of state-of-the-art port management and harbour control systems, as well as customer-focused engagements and representing the port. In 2014, Darwin Port was recognised as Australia's Best Port at Lloyds' Australian Shipping and Maritime industry Awards.

The successful transfer from a Northern Territory Government business to a privately owned port operation has been a key deliverable for Terry over the past few years.

Terry is a Member of the Australian Institute of Company Directors, and is an experienced Board Member who has sat on the Board of Ports Australia since 2011.



Captain Ian Niblock

*Master Mariner
Higher National Diploma in Nautical Science (UK)
GDipBus (Port and Terminal Management)
GAICD*

General Manager Operations

- Pilotage Services
- Navigation
- Pilot Training
- Biosecurity Compliance
- Harbour Control
- Dangerous Goods

Ian was appointed Darwin Harbourmaster in 2010 and authored the initial Technical and Safety Standards for Pilotage and the Provision of Pilotage Services – Port of Darwin. Ian took up the position of General Manager Operations with Darwin Port in 2012 and he manages all marine operations.

Ian is a Master Mariner with 44 years of marine industry experience with a pilotage focus. Ian completed his marine pilot training in the UK, before relocating to New Zealand. Ian held a pilot's position at the Port of Tauranga for eight years.

In 1995 Ian was appointed National Operations Manager for the Maritime Safety Authority of New Zealand, leading a technical expert team tasked with developing the operational components of New Zealand's national oil spill response capability. He was appointed National On-Scene Commander and was Incident Controller during a number of notable incidents including, the Dong Won 529, Jody F Millennium, Tai Ping and Rena responses.

In 2000 Ian was appointed Regional Harbourmaster for the Northland Regional Council where he was responsible for 17 harbours for 11 years. He was also the senior pilot in the Bay of Islands during this time. Ian led the Maritime Team to develop navigation and emergency systems which were rolled out for all harbours under the Council's jurisdiction.



Peter Dummett

*Advanced Certificate in Personnel Administration
MAICD*

General Manager Port Development

- Trade Development
- Port Promotion & Marketing
- Defence Strategy
- Cruise Strategy
- Strategic Projects
- Marine Supply Base

Peter joined Darwin Port Corporation in 2011 as General Manager Port Development and has continued in that role. Peter has significant maritime experience, having served with the Royal Australian Navy for 20 years, in administration and logistics roles, and including two operational deployments.

Peter left the Navy in 1997 to settle in Darwin where he worked in senior management roles before commencing as Regional Business Development Manager with Swire Shipping. He played a key role in growing Swire's national business interests, including the introduction of the first scheduled container shipping service into East Arm Wharf soon after the facility opened.

The promotion of the Australasian Trade Route Northern Territory Government initiative was a key focus for Peter. During this time Peter was a member of the executive of the NT Chamber of Commerce International Business Council for four years which included two years as Deputy Chairperson.

Peter then joined Perkins Shipping/Toll as Coastal Trades Manager where he was responsible for contract management of agreements between Perkins and Rio Tinto, GEMCO and Woolworths, before joining the Darwin Port team.

Peter has extensive knowledge of the Northern Territory business sector and its logistics drivers which enables him to assist many organisations in streamlining their supply chain costs.



Russell Churchett

*Dip. Commerce (Economics)
Dip. Workplace Health & Safety
Cert. Lead Auditor, Risk Management
Master OHSE Management (Current)*

Group Health, Safety, Environment & Risk Manager

- Health and Safety
- Environment
- Risk

Russell has worked across Logistics, Oil and Gas, Chemical Processing, Manufacturing and Engineering sectors for the past 34 years. Russell achieved his engineering trade qualification in 1988, moving into production operations management in 1994 and progressed into HSE & Risk management in 2003, working throughout Australia and the Asia-Pacific region.

Russell joined Westside Corporation in 2011 (acquired by Landbridge in 2014) as HSE & Risk Manager and he was appointed in the Landbridge Group HSER Manager role in January 2017, relocating to Darwin to join the Darwin Port management team.

Russell has extensive experience in the development, execution and continuous improvement of HSE & Risk Management Systems. Russell works closely with corporate and operational teams, providing HSE technical and strategic support. His hands on leadership and strong facilitation of management work groups is responsible for driving an effective and whole of organisation HSE & Risk focused management culture.

Russell is currently undertaking a Masters in HSE Management.



Celia Lloyd

*BBus, Accounting
Chartered Accountants ANZ member*

Business Support Services Manager

- Finance
- Insurance
- Procurement
- Records Management
- ICT Strategy & Systems
- Human Resources
- Corporate Communications

Celia joined Darwin Port in August 2017, as Business Support Services Manager. Celia is a Chartered Accountant with more than 20 years of experience across various industries within Australia and the U.K.

Celia commenced her career as a graduate at PriceWaterhouseCoopers and has worked in various private and public organisations.

Prior to joining Darwin Port, Celia worked in senior finance roles within the electricity industry in both Darwin and Brisbane. Celia has extensive experience in accounting-based roles, financial reporting, business analytics and modelling, contract and business process improvement. She has also worked within Business Development and Commercial teams undertaking tender development and providing pricing/financial support.

During her career Celia has worked on large tenders for a major contractor to the Australian Defence Force. Celia has extensive property management experience including project and facilities management. Celia brings to the role a record of success and experience in financial, analytical, commercial and managerial areas. As the Business Support Services Manager, Celia is responsible for supporting Darwin Port to ensure it is positioned for growth, to meet the demands of northern Australia.



Peter Raines

General Manager Facilities

- EAW and FHW Facilities
- Cargo Operations
- Port Services
- Repairs and Maintenance
- Security

Peter joined Darwin Port in 2010 as the General Manager City Wharves. In this role, Peter was responsible for the management of Fort Hill Wharf, Stokes Hill Wharf, Francis Bay Mooring Basin, Fisherman's Wharf, Hornibrooks Small Commercial Vessel Facility and all moorings within the harbour. In 2013 Peter was appointed General Manager Port Facilities, a position he currently holds.

Peter's maritime background began with the Royal Australian Navy as a submariner for a period of nine years. On leaving the Navy Peter joined a large property maintenance company in Adelaide where he was appointed as Branch Manager. After two years, Peter accepted a transfer as Branch Manager to Darwin. He then purchased the Darwin branch and established Sterling Property Services (SPS) in 1985.

Over the next 25 years, the business expanded into a multi-million dollar company establishing branches in Alice Springs, Katherine, Tennant Creek, Yulara and the Tiwi Islands. SPS was the largest non-government employer in the NT, employing in excess of 200 local people. Peter sold SPS in 2005, spending three years in semi-retirement before entering into a Bank of Queensland franchise as a co-owner for a period of two years.

Peter brings a wealth of commercial knowledge and facilities maintenance experience to manage the port's cargo operations, security, wharf services at East Arm Wharf, Fort Hill Wharf and Administration Building.

Our Management Team



Sarah-Jane Archdale

*LPC, BPP Law School London
GDL, BPP Law School London
Master of Environmental Law,
University of Sydney
BSc (Hons) Geography,
University College London*

General Manager Legal

- Legal Services

Sarah-Jane Archdale joined Darwin Port in September 2016 as General Manager Legal having previously spent 6 years working in private practice in London and 4 years in Australia.

During the course of her career, Sarah-Jane has specialised in construction and major projects advising on the drafting and negotiation of construction, infrastructure and energy contracts as well as providing procurement advice.

Sarah-Jane has been involved with a broad range of international projects in Europe, Asia and Australia, acting for a diverse range of clients including developers, financial institutions, government bodies, universities, contractors and energy companies.

As General Manager Legal, Sarah-Jane is responsible for the day to day management of legal issues within Darwin Port including providing procurement, construction, contracting, regulatory and commercial advice.

Sarah-Jane's experience in the construction and projects sector complements Darwin Port's long-term objective to develop and expand the port.



Alastair Black

*Bsc. (Hons) Civil Engineering
MIEAust. CPEng
MICE CEng*

Engineering Manager

- Engineering
- Port Infrastructure
- Project Management

Alastair joined the Darwin Port Corporation as the Engineering Manager in 2000, a position he continues to hold since the acquisition of Darwin Port by Landbridge in 2015.

Alastair has extensive engineering experience with a career spanning 40 years. Alastair commenced his career with 8 years in the UK and Middle East contracting on marine piling and bridge projects, followed by 32 years working for Port Authorities in Papua New Guinea and Darwin.

Alastair commenced with Darwin Port Corporation prior to the commissioning of East Arm Wharf Stage 1 in 2000 and has been involved with all subsequent major developments on the site.

Notable developments Alastair has worked on have included the construction of East Arm Wharf Stage 2, transfer of the container crane from Fort Hill Wharf, construction of the bulk loading facilities, land reclamation works and development of the Reefer Park. Alastair has also been responsible for a number of smaller capital and maintenance projects within the port.



Port Development

Vessel berthing at East Arm Wharf

Trade at East Arm Wharf

The Darwin Port's proximity to Asia and the region's offshore oil and gas fields positions us as the port of choice for trade.

Our proactive approach to growth and innovation and the port's ability to effectively handle a wide range of cargoes is continuing to provide positive results.

Achieved a 50% increase in total cargo tonnage through the port in 2017-18.

Contributing factors included:

- Ramping up of oil and gas production and exploration.
- Strong performances in dry bulk exports with the return to full production of manganese at Bootu Creek resulting in a substantial 204% increase in 2018.
- New mineral sands container cargo.
- An increase of 4.21% in live cattle exported to six countries.
- Bulk liquid fuel imports increased by 16.71%, reflective of increased business and defence activities.



Container ship Kota Nipah is a frequent caller to Darwin Port



Discharging Osprey aircraft at East Arm Wharf

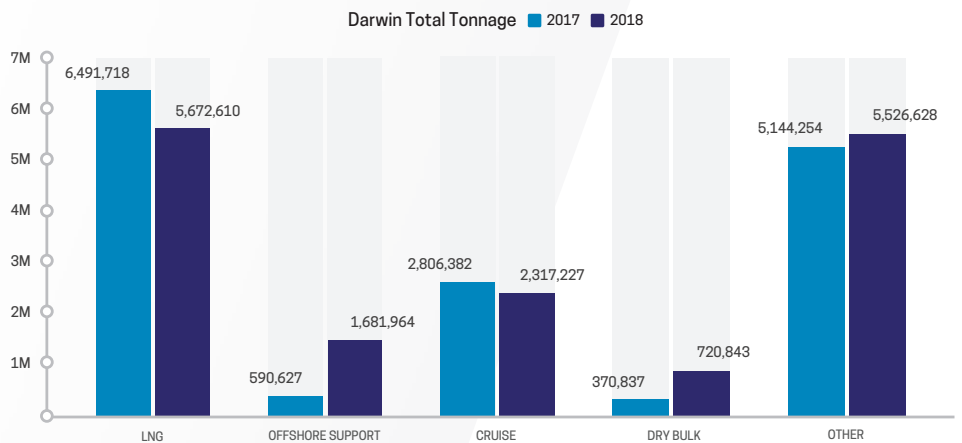
The start of INPEX and Shell Prelude heading towards production and export operations, in conjunction with an increase in exploration and appraisal activities of oil and gas fields north of Darwin, saw strong and sustained demand in offshore support vessels visiting the Darwin Marine Supply Base.

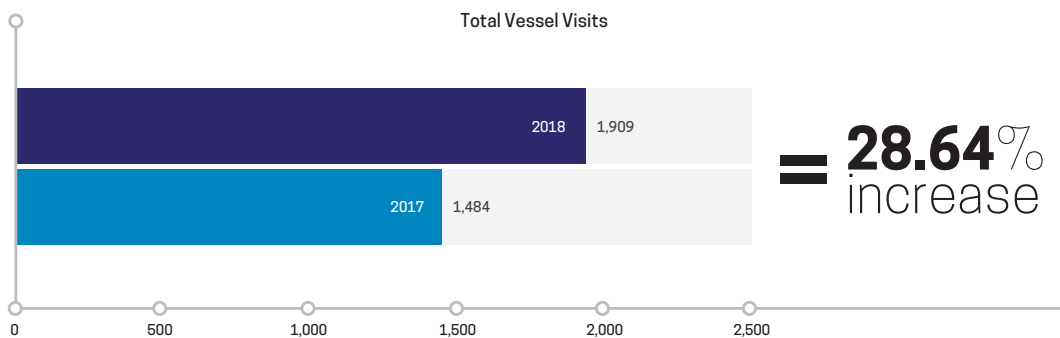
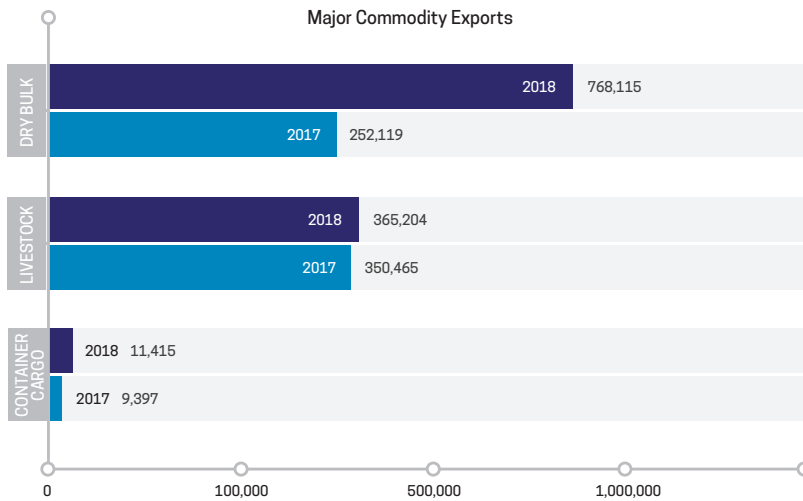
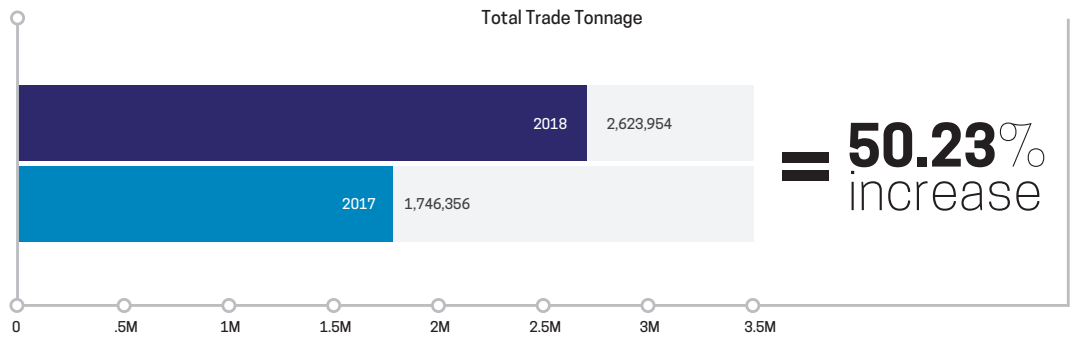
The Darwin Marine Supply Base is a dedicated facility at East Arm Wharf operated by ASCO, providing safe and efficient support services for rig tenders servicing offshore oil and gas fields off northern Australia. The facility has been designed to cater for current and future demands of the offshore oil and gas industry.

We continue to proactively work with the resource sector to develop long-term prospects out of Darwin Port, and ensure that we have the flexibility and capability to meet the logistics demands of new exporters.

Darwin Port continued to handle defence cargo requirements and diverse project cargoes including large mining equipment, pipes for onshore gas, and the delivery of 8 Osprey helicopters for the US Defence Force.

Total GRT
15.9M
 2017-18







Seabourn Sojourn overnighting in Darwin

Cruise Ships at Fort Hill Wharf

Darwin is an increasingly popular stopover for Australasian cruises with its ability to accommodate some of the world's largest cruise ships at its dedicated Fort Hill Wharf berth and passenger terminal, just minutes from the city centre.

With a continued focus on tourism, the Darwin City revitalisation by government, and work soon to commence on the Westin Luxury Hotel adjacent to Fort Hill Wharf, the cruise sector will continue to grow, particularly in smaller vessel expedition-style cruises around northern Australia.

Darwin Port continued to accommodate a consistent number of larger cruiseships and smaller expedition cruise vessels in 2017-18. A substantial increase of 26% in medium sized vessels, carrying between 200-999 passengers, was also recorded in the reporting period. This growth is forecast to continue based on cruise operator bookings received to date.

Work continued this year on the development proposal for Fort Hill Wharf for potential expansion to accommodate simultaneous cruise vessel calls, and to facilitate base-porting of cruise ships in Darwin.



Superliner Ovation of the Seas at Fort Hill Wharf



Bulk materials loader at East Arm Wharf

Future Growth

Growing demand for commodities including lithium, titanium, vanadium, copper concentrate, phosphate and magnesite, and agricultural produce such as sorghum, soy bean and cotton into Asian markets, has the potential to be a huge trade boost for Darwin Port.

With significant aquaculture projects to commence shortly and the consistent improvement in resource prices, the number of vessels and the volume of cargo passing through the port is forecast to continue to increase.

The Darwin Port Expansion Concept Engineering and Environmental Study was commissioned in November 2017.

The development of this study involved extensive industry consultation to accommodate future trade requirements and world-best practice innovation. This is part of our long-term planning and will feed into the development of the 30-year East Arm Wharf masterplan of Darwin Port's facilities.



Port Operations

Harbour Control monitoring vessel traffic safely and efficiently

Our Port Operations manage the movement of all vessels and cargo within the harbour, including harbour control and pilotage services.

Harbour Control

Darwin Harbour Control provides a continuous traffic organisation service which monitors the movement of vessels entering, transiting and departing the Port of Darwin, to facilitate the safe and efficient passage of ships and cargo, and to protect the environment and infrastructure of the port.

Darwin Port's Vessel Traffic and Port Management Information System (VTS) is a world-class system providing complete coverage of Darwin harbour with feeds via RADAR, AIS, VHF Radio, and CCTV, facilitating the safe and efficient management and control of vessel traffic within the port.

The VTS provides visual monitoring capabilities which has proven to be fundamental in assisting Harbour Control to identify and respond to safety, security and environmental situations on the harbour. The fully integrated system also enables the temporary relocation of Harbour Control should Darwin Port experience a major outage or high level emergency. This places Darwin Port at the forefront of the technology required to meet projected growth and support the development of northern Australia.

Captain Ian Niblock, the appointed Port Management Officer under the *Port Management Act*, is responsible for the oversight of activities including speed limits on the harbour, use of tugs and the handling of dangerous goods and compliance within the harbour system.

The Port Operations team also engages with the community by sharing vital safety messages and activities of interest with the port, via social media and radio, within the 'Port Report' live monthly on MIX104.9FM.

Darwin Port is committed to ensuring our Harbour Control staff are highly trained. As a trainee Harbour Control Officer (HCO), Sam Christensen worked with Darwin Port HCOs to gain an understanding of Darwin Port's operations and systems, to complement his knowledge of the harbour. Sam completed his formal training at AMC in Launceston in October 2017, and commenced as a rostered HCO in 2018.

Pilotage

Our highly skilled pilots, world-class harbour control systems and pilot boats provide effective, safe and seamless passage through the port to support key industries such as mining, oil and gas, major projects, construction and cruise tourism.

As the Pilotage Service Provider for the Port of Darwin, we are responsible for ensuring the safety of a ship's passage and berthing, which includes the provision of transport and transfers of licensed pilots to navigate vessels within the port.

Darwin Port received the first vessel for the INPEX Ichthys project in May 2018, marking an important milestone for the port, after 10 years of planning including channel design testing for the new LNG and LPG jetties.

The first vessel's safe arrival and departure, with diverse competing vessel activity, was a total success.



Pilot boat Lamaroo alongside in Darwin harbour

“The role of a HCO can go from snail's pace to flat out in a matter of minutes. A vessel entering port with an undeclared mechanical fault can delay its arrival and have knock on effects to the rest of the shipping that day when tug and pilot allocations have to be changed. Being focussed and able to see a problem and put processes in place to minimise its impact is key to the role.” Sam Christensen - Harbour Control Officer





Pilot boarding the Ovation of the Seas in Darwin harbour

This year, Darwin Port also received the semi-submersible heavy lift ship Zhen Hua 33 carrying the drill rig Noble Tom Prosser. This arrival was five months in planning and involved the Zhen Hua 33 taking ballast to partially submerge and allow the oil rig to float free, for recommissioning in the port prior to departure offshore.

Darwin Port continued to successfully facilitate exercises such as Talisman Sabre, and to prepare for the biennial Exercise Kakadu which includes 24 defence vessels from more than a dozen nations.

We are committed to working closely with the Defence forces to support these special operations whilst ensuring the continued smooth day-to-day commercial operations of the port.

Looking forward, we will continue to implement our growth strategy to ensure that the port is ready to accommodate ongoing increases in trade including the development of new trades, and to strive to deliver the highest level of service, to meet the demands of all our customers.



Safety and Environment

Port staff working close to the wharf edge

Darwin Port's aim is to achieve zero harm in its workplaces and we continuously focus on effective risk management in striving to reach this goal. Collaboration with our key Port User Group partners is fundamental to set the highest standards for safe operations and enhance awareness to identify where improvements can be made.

Safety training and exercises along with annual Port Safety Days are an important part of our commitment to creating a workplace culture that focuses on awareness, prevention and preparedness.

The 2017-18 period has seen a reduction in injuries and incidents compared to the previous year. Darwin Port and the Port User Group have focussed on improving the management of exclusion zones, with enhanced visual controls and an overall improvement in the establishment of people-free zones at the start of any given work program. Additionally, there has been improved communication of hazards, encouraging higher rates of hazard reporting and a shared communication approach to hazards across key Port User Group partners.

Darwin Port strives to set an example for environmental leadership and responsibility. We are committed to providing a safe environment for our workforce and all port users, taking a whole-of-port engagement approach to safety, biosecurity and the environment.



Communication on a busy wharf is key to efficiency and safety



Darwin Port staff supporting Darwin Harbour Clean-Up Day

Darwin Port recognises the environmental, social and economic importance of operating in an environmentally responsible manner, and is committed to ensuring the protection of the environment we operate within.

Darwin Port holds ISO14001 certification for our Environmental Management System. Central to the EMS is our environmental monitoring program undertaken within the harbour and reviewed by an independent service provider. The monitoring program samples and analyses sea water, marine sediment, stormwater, trade waste, soil, noise and air throughout the year. Confirmed levels continue to be within environmental guidelines.

Our Emergency and Crisis Management plans and procedures are reviewed and regularly tested to ensure a rapid, strategic and effective response is delivered.

The port's preparedness was efficiently demonstrated during cyclone Marcus in March with the exceptional response of employees enabling the port to reopen the following day.

In partnership with Conservation Volunteers Australia and Charles Darwin University monthly monitoring of bird life continued at the port. 19 different species of migratory shore birds counted within one of the stormwater ponds at East Arm.

The area has a nationally significant population of the endangered 'Eastern Curlew', and increased bird life visitation (including Jabiru and Ospreys) has been recorded this year.

Darwin Port continued to maintain this protected bird sanctuary primarily through ensuring the cleanliness of the pond area in conjunction with ongoing feral cat management.

Biosecurity

Darwin Port is an important barrier for biosecurity risks, which can take many forms, and we are vigilant with ongoing screening to detect and manage potential threats from entering the port.

Biosecurity is a key focus of Darwin Port, as recognised by our standards and processes receiving accreditation this year.

Darwin Port operates under the *Biosecurity Act 2015* and is a 'Class 1.1: Sea and Air Freight Depot (unrestricted)'.



Security

Security keeping port users informed on vessel traffic at East Arm Wharf

The security of Darwin Port's facilities, employees and port users is fundamental to our operations and to achieving sustainable growth.

Darwin Port continues to comply with the Federal Government's Maritime Security requirements. Darwin Port operates under an approved Maritime Security Plan which covers the Port of Darwin and the facilities operated by Darwin Port. The Maritime Security Plan is subject to stringent audits and compliance checks by the Federal regulator. Ensuring a safe and secure environment for all port users is a priority, and a Port Security Committee (chaired by the Port Security Officer) meets every six months. The committee comprises representatives of 20 port facilities, operators, port service providers and state and federal law enforcement agencies.

Combined security training exercises are undertaken every 18-24 months for all members and agencies represented on the Port Security Committee, along with desktop exercises to test preparedness, processes and procedures. Ongoing training is provided for security personnel to improve their usage of the new security systems.

As part of ongoing risk assessment activities, Darwin Port continues to develop and provide security information

to educate port users and to mitigate risks at port locations.

Our Maritime Security Officers conduct patrols at night and weekends and provide controlled access to Darwin Port facilities 24 hours a day.

The Security control room at East Arm Wharf provides access to over 60 CCTV cameras located strategically at different sites including wharves, Darwin Port's Administration Building and Harbour Control Centre.

Cybersecurity

Darwin Port is dependent on high-end technology to provide safe and efficient port services. Darwin Port engages in proactive cyber security awareness programs for its staff. The IT Management team works to ensure that the port's systems are managed in accordance with the security measures recommended by the Australian Cyber Security Centre (ACSC). Our IT systems remain robust with no critical incidents or breaches in the reporting period. We continue to focus on cyber security and providing a seamless service to our customers and staff.



Growing and Training Our Workforce

Darwin Port is proud of its workforce

Darwin Port is committed to maintaining and developing a competent, motivated and skilled workforce, to meet the growing demands of diverse port users and major projects.

This year has seen the continued transition of Darwin Port from a government-owned corporation to a commercial operation which has included the development and enhancement of our HR systems. We continued to work with Darwin Port personnel towards a smooth transition, and progressed with negotiation of the first Enterprise Bargaining Agreement outside of government, expected to be implemented in the coming year.

We achieved an overall retention rate of 91.58% in the 2018 financial year.

We focus on workforce sustainability through:

- Succession planning.
- Transition to retirement.
- Upskilling, training and study support.
- Graduate, trainee and apprentice opportunities.
- Work life balance policy development.

We recognise that our people are the crucial foundation to strong and sustainable future operations for Darwin Port.

22 STAFF
reached over
10 YEARS
EMPLOYMENT MILESTONE



Darwin Port is committed to employing Territorians and growing local capacity to meet the current and future demand of port users.

Darwin Port encourages the professional development of its staff and significant expenditure has been directed to up-skilling the port pilots to MPL5, which is the highest qualification to enable them to pilot the large LNG vessels and the cruise superliners.

Over \$200,000 was invested in developing a Pilotage Simulation Program.

This enables our pilots to experience real life simulations in a safe and controlled environment, and assists our pilots to qualify and progress through the training program quicker than previously.



Maintaining port infrastructure in prime condition

Outlook

Looking forward, we will continue to support the day-to-day operations of Darwin Port by ensuring that we have a ‘future ready’ workforce to meet the demands of a growing port.

We will provide increased opportunities for our workforce to improve their skills and capabilities with the support of our Learning Development Coordinator.

We strive to maintain the highest standard of service to port customers by staying well-informed of the latest developments and trends in the workforce, IT and finance areas.



Training is paramount to providing high quality services for port customers

2 TRAINEESHIP opportunities created for Indigenous apprentices



Our Community

Partnering with AVCG to support our community on the water

Darwin Port, in conjunction with our parent company Landbridge, is committed to making a positive social contribution to the community we operate in. We are proud to have contributed over \$400,000 this financial year to a variety of community groups, many of which regularly undertake harbour-based activities.



Recipients of sponsorship and in-kind support for the reporting period included:

Australian Volunteer Coast Guard – assisting the Darwin Port with safety on the harbour.

Darwin Sailing Club – supporting the provision of sailing training to members of the club and the broader community.

Dinah Beach Yacht Club – sponsoring the start boat for the Darwin to Dili Race each year.

Darwin Harbour Clean Up Day – supporting the annual clean-up of the harbour with the provision of staff resources, access to vessels and other equipment.

Mission for Seafarers – assisting with upkeep of mariners' welfare centre at East Arm with an annual donation from the Darwin Port Charity Golf Day. This fund raising activity also provides the opportunity to engage socially and build positive relationships between Darwin Port staff and port users.

Our charity golf day provides valuable funds to support the Mission for Seafarers at East Arm Wharf

Landbridge and Darwin Port are proud of their ongoing relationship with both the Clontarf Foundation and the Stars Foundation.

These programs are aimed at improving the education, health outcomes and employment participation of young Indigenous Territorians. Our support is both financial and in-kind and includes facilitating port visits, contributing to employment training forums and sporting events.



Darwin Port staff are proud to support the Stars Foundation

“Stars is extremely grateful for the support Landbridge has provided us since inception, which has been so important and enabled us to triple in size in three years. Not only does it enable us to run high quality programs, but there are broad additional benefits like the opportunities that the Landbridge Group offers our girls regarding their post-school pathways. Exposing young women to a broad range of potential employment opportunities helps raise their awareness and aspirations about what is possible for their future. The girls love the interactions with Darwin Port and we are very proud of our partnership as it continues to evolve.”

Andrea Goddard, Executive Director Stars Foundation

We also sponsor Clontarf and Stars students to participate as youth crew members on the Young Endeavour training ship.

This financial year, two students were sponsored to undertake the 10-day voyages; Claydon Outerbridge sailing from Mackay to Brisbane and Taleisha Ahmat, sailing from Brisbane to Newcastle. The Young Endeavour provides a unique opportunity for students to develop leadership, team building and interpersonal skills as well as on-water skills in a challenging environment.



Clontarf students enjoy their visits to East Arm Wharf and our pilot boat



clontarf
foundation





Harbour Control is of great interest to visitors and school groups

As a community partner, Darwin Port strives to create opportunities to engage with port stakeholders by maintaining open communication channels which can be accessed by the community through:

- Maintaining Facebook, Twitter and Instagram accounts.
- Monthly Live Radio 'Port Report'.
- Regular port tours for schools, community and business groups.
- Twice yearly Port User Group sessions providing updates on operations, Port Development and HSE matters.



Darwin Port supporting Darwin Sailing Club members

Our Financials

LNG vessel Pacific Breeze bringing in the first import cargo for INPEX

Darwin Port Financial Performance		2018	2017
	Note	\$'000	\$'000
Wharfage		27,230	14,864
Berthage		10,138	6,382
Pilotage		6,023	5,684
Port Services		3,342	2,587
Port Dues		3,390	3,141
Other income		6,336	6,600
Port Revenue		56,459	39,258
Operating Expenses		(\$34,329)	(\$29,152)
Other Expenses		(\$627)	\$191
Port Expenses		(\$34,956)	(\$28,961)
Darwin Port EBITDA	1	\$21,503	\$10,297

1) Darwin Port Earnings Before Interest, Tax, Depreciation and Amortisation.

	Note	2018	2017
		\$'000	\$'000
Darwin Port EBITDA		\$21,503	\$10,297
Third Party Finance Costs		(3,122)	(364)
Unwinding of interest and related party interest		(24,363)	(25,610)
Tax, Depreciation and Amortisation		(13,322)	(15,288)
Net Profit After Tax	2	(\$19,304)	(\$30,965)

2) As reported in audited financial statements.



 **DARWIN
PORT**
LANDBRIDGE

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