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Darryl Mutzelberg
Chief Financial Officer
Port of Melbourne Operations Pty Ltd
ATF Port of Melbourne Unit Trust
Level 4 530 Collins Street
Melbourne
VIC 3000

6 December 2019

Dear Darryl

Report of factual findings to Management of the Port of Melbourne Group - Prescribed Services Revenue 30 June 2019

We have performed the procedures agreed with you, the Port of Melbourne Unit Trust, to report factual findings for the purpose of assisting you, in combination with other information obtained by you in your obligations under the Essential Services Commission Pricing Order for the year ended 30 June 2019. The procedures are detailed in the terms of engagement dated 21 November 2019 and described below with respect to the Prescribed Services Revenue sheets for the year ended 30 June 2019.

Management's responsibility for the procedures agreed

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

Our responsibility

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

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



provide no assurance on your compliance with the Essential Service Commission’s Pricing Order for the year ending 30 June 2019. Had we performed additional procedures or had we performed an audit or review in accordance with AUASB Standards, other matters might have come to our attention that would have been reported to you.

Factual findings

The procedures were performed solely to assist you in your obligations under the Essential Services Commission Pricing Order for the year ended 30 June 2019. The procedures performed relating to Prescribed Services Revenue sheet for the year ended 30 June 2019 and the factual findings are as follows:

Procedures performed	Factual findings	Errors or exceptions identified
Section 1 Wharfage Revenue		
1. Agreed units of measurement and rates noted within the “Unit” and “2018-19 tariff (GST excl)” column to page 5 of the <i>Reference Tariff Schedule effective 1 July 2018</i> included on the Port of Melbourne website and report any difference.	Agreed without exception.	None
2. Agree all amounts noted within “2018-19 volumes” column to the <i>MATIS Trade Statistics Report 1 July 2018 to 30 June 2019</i> and report any differences.	We note that volumes have not been included in the “2018-19 volumes” column for Liquid bulk relating to Gellibrand Pier. Apart from the matters noted above, agreed without exception.	See matters noted in factual findings.
3. Agree the mathematical accuracy of the “2018-19 Revenue based on Tariff * Volume” column - being the “2018-19 tariff (GST excl)” column multiplied by the “2018-19 volumes” column and report any differences.	Agreed without exception.	None
4. Agree the mathematical accuracy of the line “Total Wharfage” as being the total of all items noted in the “2018-19 Revenue based on Tariff * Volume column” and report any differences.	Agreed without exception.	None

<p>5. Agree the “Audited Revenue” column of \$288,569,913.20 to Note 2 <i>Trade Revenue</i> of the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2019 and report any differences.</p>	<p>We note the Financial Statements are rounded to \$000’s, and Note 2 reports the number as \$288,570,000.</p> <p>Apart from the matter noted above, agreed without exception.</p>	<p>See matters noted in factual findings</p>
<p>Section 2 Channel Revenue</p>		
<p>1. Agreed unit of measurement and rates noted within the “Unit” and “2018-19 tariff (GST excl)” column to page 7 of the <i>Reference Tariff Schedule effective 1 July 2018</i> included on the Port of Melbourne website and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>2. Agree all amounts noted within “2018-19 volumes” column to <i>Port Traffic report</i>, utilising information from the Port View system for the period 1 July 2018 to 30 June 2019 and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>3. Agree the mathematical accuracy of the “2018-19 Revenue based on Tariff * Volume” column - being the “2018-19 tariff (GST excl)” column multiplied by the “2018-19 volumes” column and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>4. Agree the mathematical accuracy of the line “Total Channel” as the total of all items noted in the “2018-19 Revenue based on Tariff * Volume” column and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>5. Agree the “Audited Revenue” column of \$64,145,214.43 to Note 2 <i>Trade Revenue</i> of the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2019 and report any differences.</p>	<p>We note the Financial Statements are rounded to \$000’s, and Note 2 reports the number as \$64,145,000.</p> <p>Apart from the matter noted above, agreed without</p>	<p>See matters noted in factual findings</p>

	exception.	
Section 3 Hire Fees		
<p>1. Agreed units of measurement and rates noted within the “Unit” and “2018-19 tariff (GST excl)” column to the <i>Reference Tariff Schedule effective 1 July 2018</i> included on the Port of Melbourne website. Specifically:</p> <ul style="list-style-type: none"> • Berth Hire: Page 9 • Wharf Access: Page 9 • Area Hire: Page 10 • Slipway: Page 10 • Other Fees: Page 11 <p>Report any differences.</p>	Agreed without exception.	None
Berth Hire		
<p>1. Agree all amounts noted within “2018-19 volumes” column to the <i>Ingres Terminal Monitor system report</i> listing Berth Hire for the period 1 July 2018 to 30 June 2019 and report any differences.</p>	<p>We note hours per the <i>Ingres Terminal Monitor system report</i> for Maribyrnong No. 1 amount to 3,184.00 compared to 3,216.90 in the “2018-19 Volumes” column.</p> <p>We note hours per the <i>Ingres Terminal Monitor system report</i> for lay-up charges amount to 6,012.10 compared to 6,496.51 in the “2018-19 Volumes” column.</p> <p>We note that hours of 32.90 for line “Passenger cruise ships at a berth other than Station Pier” are not on the <i>Ingres Terminal Monitor system report</i>.</p> <p>Apart from the matter noted above, agreed without exception.</p>	See matters noted in factual finding.
<p>2. Agree the mathematical accuracy of the “2018-19 Revenue based on Tariff *</p>	Agreed without exception.	None

Volume” column - being the “2018-19 tariff (GST excl)” column multiplied by the “2018-19 volumes” column and report any differences.		
3. Agree the mathematical accuracy of the line “Total Berth Hire” as the total of all items noted in the “2018-19 Revenue based on Tariff * Volume column” and report any differences.	Agreed without exception.	None
4. Agree the “Audited Revenue” column of \$ 4,230,897.55 to the total for General Ledger account number 1180 (Berth rental / hire) within the reconciliation of <i>Other revenue</i> of \$20,241,000 as included on page 11 of the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2019 and report any difference.	Agreed without exception.	None
Wharf Access		
1. Agree all amounts noted within “2018-19 volumes” column (52,120.62 Tonnes) to the <i>Wharf Access summary</i> prepared for the period 1 July 2018 to 30 June 2019 and report any differences.	Agreed without exception.	None
2. Agree system designated Tonnes of 38,617.44 within the <i>Wharf Access summary</i> to the <i>Ingres Terminal Monitor system report</i> listing Wharf Access for the period 1 July 2018 to 30 June 2019 and report any differences.	Agreed without exception.	None
3. Agree manually identified Tonnes of 13,503.18 within the <i>Wharf Access summary</i> to individual invoices raised for the period 1 July 2018 to 30 June 2019 and report any differences.	Agreed without exception.	None
4. Agree the mathematical accuracy of the “2018-19 Revenue based on Tariff * Volume” column - being the “2018-19 tariff (GST excl)” column multiplied by	Agreed without exception.	None

the “2018-19 volumes” column and report any differences.		
5. Agree the mathematical accuracy of the line “Total wharf access” as the total of all items noted in the 2018-19 Revenue based on Tariff * Volume column and report any differences.	Agreed without exception.	None
6. Agree the “Audited Revenue” column of \$50,699.15 to the total for General Ledger account number 1184 (Wharf access) within the reconciliation of Other revenue of \$20,241,000 as included on page 11 of the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2019 and report any differences.	Agreed without exception.	None
Slipway hire		
1. Agreed amounts included in the “2018-19 Revenue based on Tariff * Volume” column for Flagfall and Slipway hire in to the <i>Slipway summary</i> prepared and report any differences.	Agreed without exception.	None
2. Agreed the individual transactions within the <i>Slipway summary</i> to individual invoices and report any differences.	Agreed without exception.	None
3. Agree the “Audited Revenue” column of \$30,509.25 to the total for General Ledger account number 1248 (Slipway Hire) within the reconciliation of Other revenue of \$20,241,000 as included on page 11 of the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2019 and report any differences.	Agreed without exception.	None

Distribution and use of report

This report is intended solely for the use of the Port of Melbourne Unit Trust for the purpose set out above. As the intended user of our report, it is for you to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information

you have obtained, a reasonable basis for any conclusions which you wish to draw on the subject matter.

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

Yours Faithfully,



Adam Dodd
Director

Enclosures:

Copy of Prescribes Services Revenue
sheet for the year ended 30 June 2019

2018-19 Prescribed Services Revenue (Actual)

Prescribed Service Tariffs	Unit	2018-19 tariff (GST excl.)	2018-19 Volumes	2018-19 Revenue based on Tariff * Volume	Audited Revenue	Variance between Revenue (P*V) and Audited revenue	% variance between Revenue (P*V) and Audited revenue	revenue % of total audited revenue
1. Wharfage								
Containerised	\$ per TEU							
Full - outward		95.80	699,874	67,047,929.20				
Full - inward		109.31	1,222,988	133,684,818.28				
Full Bass Strait		72.99	202,223	14,760,256.77				
Empty (included nested units)		17.44	617,372	10,766,967.68				
Empty (return of materials)		34.86	338	11,782.68				
Non-containerised / general	\$ per tonne or cubic meter	2.82	3,691,439	10,409,857.98				
Accompanied passenger vehicles	\$ per tonne or cubic meter	1.88	-	-				
Motor vehicles	\$ per tonne or cubic meter	3.18	6,763,260	21,507,166.80				
Liquid bulk	\$ per tonne or cubic meter	4.24	2,524,530	10,704,007.20				
Dry bulk	\$ per tonne							
Outwards - overseas and coastal		2.45	46,996	115,140.20				
Inwards - overseas and coastal		3.38	3,932,321	13,291,244.98				
Transshipment	\$ per TEU							
Full - outward		38.88	78,471	3,050,952.48				
Full - inward		44.11	52,359	2,309,555.49				
Other	35% of published rate							
Full -Bass Strait		25.55	37,847	966,990.85				
Empty (included nested units)		6.10	23,019	140,415.90				
Empty (return of materials)		12.20	138	1,683.60				
Non-containerised / general		0.99	14,936	14,786.64				
Motor vehicles		1.11	122,747	136,249.17				
Total Wharfage	Mixed			288,919,805.90	288,569,913.20	349,892.70	0.12%	81%
2. Channel								
Vessels up to and including maximum summer draught of 12.10 m	\$ per GT							
Shared channels		0.1888	18,027,160	3,403,527.81				
Dedicated channels		0.3690	13,144,545	4,850,337.11				
Vessels exceeding maximum summer draught of 12.10m	\$ per GT							
Shared channels		0.2014	58,795,936	11,841,501.51				
Dedicated channels		0.4308	51,270,330	22,087,258.16				
Reduced channel fees (percentage of full charge)								
Vessels up to and including maximum summer draught of 12.10 m	\$ per GT							
Pure car carrier		75%						
Shared channels		0.1416	21,167,085	2,997,259.24				
Dedicated channels		0.2768	21,167,085	5,859,049.13				
Passenge cruise vessel		90%						
Shared channels		0.1699	8,478,618	1,440,517.20				
Dedicated channels		0.3321	8,430,776	2,799,860.71				
Coastal liner vessel		60%						
Shared channels		0.1133	26,072,355	2,953,997.82				
Dedicated channels		0.2214	26,072,355	5,772,419.40				
Vessels using dedicated and Geelong channels on same entry to Port Phillip Bay		75%						
Shared channels		0.1416	156,859	22,211.23				
Dedicated channels		0.2768	156,859	43,418.57				
Vessels exceeding maximum summer draught of 12.10m	\$ per GT							
Pure car carrier		75%						
Shared channels		0.1511	-	-				
Dedicated channels		0.3231	-	-				
Passenge cruise vessel		90%						
Shared channels		0.1813	-	-				
Dedicated channels		0.3877	-	-				
Coastal liner vessel		60%						
Shared channels		0.1208	-	-				
Dedicated channels		0.2585	-	-				
Vessels using dedicated and Geelong channels on same entry to Port Phillip Bay		75%						
Shared channels		0.1511	174,730	26,401.70				
Dedicated channels		0.3231	174,730	56,455.26				
Total Channel				64,154,214.85	64,145,214.43	9,000.42	0.01%	17.97%
3. Hire Fees								
Berth hire								
<i>Full charge</i>	\$ per hour							
Maribymong No. 1		366.11	3,216.90	1,177,739.26				
Holden Dock		485.16	4,522.70	2,194,233.13				
Passenger cruise ships at a berth other than Station Pier		603.59	32.90	19,858.11				
<i>Lay-up charge</i>	\$ per hour	128.00	6,496.51	831,553.28				
Total Berth hire				4,223,383.78	4,230,897.55	-7,513.77	-0.18%	1.19%
Wharf access	\$ per tonne							
Cargo		0.97	52,120.62	50,557.00				
Total wharf access				50,557.00	50,699.15	-142.15	-0.28%	0.01%
Area hire	\$ per hour							
Standard rate - 6 Yarraville		72.22	-	-				
Standard rate - F Appleton Dock		46.93	-	-				
Slipway								
Flagfall	per docking	5,258.48	1.00	5,258.48				
Slipway hire	per day	1,402.82	18.00	25,250.76				
Wharf edge access (when slipway has not been used)	per day	506.80	-	-				
Total area hire and slipways				30,509.24	30,509.25	-0.01	0.00%	0.01%
4. Other Fees								
Tanker inspection	\$ per each inspection	728.60	-	-				
Other gangway hire	\$ per day or part thereof	219.79	-	-				
Wharf inspection	\$ per each inspection							
Pre-vessel arrival inspection		972.09	-	-				
Post-vessel departure inspection		972.09	-	-				
Total "other fees"			0	-	-	0.00	#DIV/0!	0.00%
2018-19 TOTAL PRESCRIBED REVENUE - RTS				357,378,470.77	357,027,233.58	351,237.19	0.10%	100%