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

4 December 2020

Dear Darryl

Report of factual findings to Management of the Port of Melbourne Group - Prescribed Services Revenue 30 June 2020

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 2020. The procedures are detailed in the terms of engagement dated 1 December 2020 and described below with respect to the Prescribed Services Revenue sheets for the year ended 30 June 2020.

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 2020. 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 2020. The procedures performed relating to Prescribed Services Revenue sheet for the year ended 30 June 2020 and the factual findings are as follows:

Procedures performed	Factual findings	Errors or exceptions identified
Section 1 Wharfage Revenue		
1. Agree units of measurement and rates noted within the "Unit" and "2019-20 tariff (GST excl)" column to page 5 of the <i>Reference Tariff Schedule effective 1 July 2019</i> and <i>Reference Tariff Schedule effective 1 June 2020</i> included on the Port of Melbourne website.	Agreed without exception.	None
2. Agree all amounts noted within "2019-20 volumes" column to the <i>MATIS Trade Statistics Reports 1 July 2019 to 30 June 2020</i> .	Agreed without exception.	None
3. Agree the mathematical accuracy of the "2019-20 Revenue based on Tariff * Volume" column - being the "2019-20 tariff (GST excl)" column multiplied by the "2019-20 volumes" column.	Agreed without exception.	None
4. Agree the mathematical accuracy of the line "Total Wharfage" as being the total of all items noted in the "2019-20 Revenue based on Tariff * Volume column".	Agreed without exception.	None
5. Agree the Wharfage "Audited Revenue" column of \$284,729,370.93 to Note 2 <i>Trade Revenue</i> of the Consolidated	We note the Financial Statements are rounded to \$000's and Note 2 reports the number as \$284,729,000.	See matters noted in factual

Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2020.	Apart from the matter noted above, agreed without exception.	findings.
Section 2 Channel Revenue		
1. Agree units of measurement and rates noted within the "Unit" and "2019-20 tariff (GST excl)" column to page 7 of the <i>Reference Tariff Schedule effective 1 July 2019</i> and <i>Reference Tariff Schedule effective 1 June 2020</i> included on the Port of Melbourne website.	Agreed without exception.	None
2. Agree all amounts noted within "2019- 20 volumes" column to <i>Port Traffic report</i> , utilising information from the Port View system for the period 1 July 2019 to 30 June 2020.	Agreed without exception.	None
3. Agree the mathematical accuracy of the "2019-20 Revenue based on Tariff * Volume" column - being the "2019-20 tariff (GST excl)" column multiplied by the "2019-20 volumes" column.	Agreed without exception.	None
4. Agree the mathematical accuracy of the line "Total Channel" as being the total of all items noted in the "2019-20 Revenue based on Tariff * Volume column" and report any differences.	Agreed without exception.	None
5. Agree the Channel "Audited Revenue" column of \$60,732,353.20 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 2020 " and report any differences.	We note the Financial Statements are rounded to \$000's and Note 2 reports the number as \$60,732,000. Apart from the matter noted above, agreed without exception.	See matters noted in factual findings.
Section 3 Hire Fees		
1. Agree units of measurement and rates noted within the "Unit" and "2019-20	Rates relating to slipway are not detailed in the <i>Reference</i>	See matters noted in

<p>tariff (GST excl)" column to the <i>Reference Tariff Schedule effective 1 July 2019</i> and <i>Reference Tariff Schedule effective 1 June 2020</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>	<p><i>Tariff Schedule effective 1 July 2019</i> and <i>Reference Tariff Schedule effective 1 June 2020</i></p> <p>Apart from the matter noted above, agreed without exception.</p>	<p>factual findings.</p>
<p>Berth Hire</p>		
<p>1. Agree all amounts noted within "2019-20 volumes" column to the <i>Berth Hire Summary</i> listing Berth Hire for the period 1 July 2019 to 30 June 2020 and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>2. Agree system designated hours for Maribyrnong No.1 and Holden Dock within the <i>Berth Hire Summary</i> to the <i>Ingres Terminal Monitor system report</i> for the period 1 July 2019 to 30 June 2020 and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>3. Agree manually identified hours for Lay-up charges within the <i>Berth Hire Summary</i> to individual invoices raised for the period 1 July 2019 to 30 June 2020 and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>4. Agree the mathematical accuracy of the "2019-20 Revenue based on Tariff * Volume column – being the 2019-20 tariff (GST excl)" and report any differences.</p>	<p>Agreed without exception.</p>	<p>None</p>
<p>5. Agree the Beth Hire "Audited Revenue" column of \$ 4,416,586.93 to the total for General Ledger account number 1180 (Berth rental/hire) within the reconciliation of Other revenue of \$17,400,000 as included on Page 14 the Consolidated Financial Statements, Port of Melbourne Group as at and for the</p>	<p>Agreed without exception.</p>	<p>None</p>

year ended 30 June 2020 and report any differences.		
Wharf Access		
1. Agree all amounts noted within "2019-20 volumes" column to the <i>Ingres Terminal Monitor system report</i> listing Wharf Access for the period 1 July 2019 to 30 June 2020 and report any differences.	Agreed without exception.	None
2. Agree the mathematical accuracy of the "2019-20 Revenue based on Tariff * Volume" column - being the "2019-20 tariff (GST excl)" column multiplied by the "2019-20 volumes" column and report any differences.	Agreed without exception.	None
3. Agree the mathematical accuracy of the line "Total wharf access" as the total of all items noted in the 2019-20 Revenue based on Tariff * Volume column and report any differences.	Agreed without exception.	None
4. Agree the "Audited Revenue" column of \$54,000 to the total for General Ledger account number 1184 (Wharf access) within the reconciliation of Other revenue of \$17,400,000 as included on Page 14 the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2020 and report any differences.	Agreed without exception.	None
Slipway hire		
1. Agree amounts included in the "2019-20 Revenue based on Tariff* Volume" column for Flagfall and Slipway hire into the <i>Slipway summary</i> prepared and report any differences.	Agreed without exception.	None
2. Agree the individual transactions within the <i>Slipway summary</i> to	Agreed without exception.	None

individual invoices and report any differences.		
3. Agree the Slipway Hire "Audited Revenue" column \$ 83,351.56 to the total for General Ledger account number 1248 (Slipway Hire) within the reconciliation of Other revenue of \$17,400,000 as included on Page 14 the Consolidated Financial Statements, Port of Melbourne Group as at and for the year ended 30 June 2020 and report any differences.	Agreed without exception.	None
Section 4 Other Fees		
1. Agree units of measurement and rates noted within the "Unit" and "2019-20 tariff (GST excl)" column to page 11 of the <i>Reference Tariff Schedule effective 1 July 2019</i> and <i>Reference Tariff Schedule effective 1 June 2020</i> included on the Port of Melbourne website.	Agreed without exception.	None
2. Agree amounts included in the "2019-20 Revenue based on Tariff* Volume" column for other fee into the <i>Other Fee summary</i> prepared and report any differences	Agreed without exception.	None
3. Agree the individual transactions within the <i>Other Fee summary</i> to individual invoices and report any differences.	Agreed without exception.	None
4. Agree the Other Fee "Audited Revenue" column \$ 2,004.46 to the total for General Ledger account number 1245 (Hire of Plant and Equipment – Recovery from Tenants) within the reconciliation of Other revenue of \$17,400,000 as included on Page 14 the Consolidated Financial Statements, Port of Melbourne Group as at and	Agreed without exception.	None

for the year ended 30 June 2020 and report any differences.		
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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 2020

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

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

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

2019-20 Prescribed Services Revenue (Actual)

Prescribed Service Tariffs	Unit	2019-20 tariff (GST excl.)	2019-20 Volumes	2019-20 Revenue based on Tarrif * 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		93.41	684,385	63,928,402.85				
Full - inward (up to 31 May 2020)		110.77	1,071,867	118,730,707.59				
Full - inward (commencing 1 June 2020)		120.52	111,252	13,408,091.04				
Full Bass Strait		73.96	194,530	14,387,438.80				
Empty (included nested units)		17.67	566,101	10,003,004.67				
Empty (return of materials)		35.33	473	16,711.09				
Non-containerised / general	\$ per tonne or cubic meter	2.86	2,954,719	8,450,496.34				
Accompanied passenger vehicles	\$ per tonne or cubic meter	1.91		-				
Motor vehicles	\$ per tonne or cubic meter	3.23	5,237,287	16,916,437.01				
Liquid bulk (up to December 2019 Excl Gellibrand Volumes)	\$ per tonne or cubic meter	4.29	1,720,874	7,382,549.46				
Liquid bulk - Inward (Effective from 1 Jan 2020)	\$ per tonne or cubic meter	4.29	2,955,400	12,678,666.00				
Dry bulk	\$ per tonne							
Outwards - overseas and coastal		2.48	80,550	199,764.00				
Inwards - overseas and coastal		3.43	3,972,090	13,624,268.70				
Transshipment	\$ per TEU							
Full - outward		37.91	58,379	2,213,147.89				
Full - inward		44.70	39,578	1,769,136.60				
Other								
Full -Bass Strait		25.89	32,889	851,496.21				
Empty (included nested units)		6.18	18,291	113,038.38				
Empty (return of materials)		12.37	128	1,583.36				
Non-containerised / general		1.00	35,603	35,603.00				
Motor vehicles		1.13	159,865	180,647.45				
Total Wharfage	Mixed			284,891,190.44	284,729,370.93	161,819.51	0.06%	81%

2. Channel									
Vessels up to and including maximum summer draught of 12.10 m									
	\$ per GT								
Shared channels		0.1913	17,529,812		3,353,453.04				
Dedicated channels		0.3739	12,410,751		4,640,379.80				
Vessels exceeding maximum summer draught of 12.10m									
	\$ per GT								
Shared channels		0.2041	54,940,376		11,213,330.74				
Dedicated channels		0.4366	47,963,301		20,940,777.22				
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		0.1913	16,919,435		2,427,515.94				
Dedicated channels		0.3739	16,785,617		4,707,106.65				
Passenge cruise vessel		90%							
Shared channels		0.1913	8,150,473		1,403,266.94				
Dedicated channels		0.3739	8,160,933		2,746,235.56				
Coastal liner vessel		60%							
Shared channels		0.1913	27,191,753		3,121,069.41				
Dedicated channels		0.3739	27,191,753		6,100,197.87				
Vessels using dedicated and Geelong channels on same entry to Port Phillip Bay		75%							
Shared channels		0.1913	143,554		20,596.41				
Dedicated channels		0.3739	143,554		40,256.13				
Vessels exceeding maximum summer draught of 12.10m									
	\$ per GT								
Pure car carrier		75%							
Shared channels		0.2041	-		-				
Dedicated channels		0.4366	-		-				
Passenge cruise vessel		90%							
Shared channels		0.2041	-		-				
Dedicated channels		0.4366	-		-				
Coastal liner vessel		60%							
Shared channels		0.2041	-		-				
Dedicated channels		0.4366	-		-				
Vessels using dedicated and Geelong channels on same entry to Port Phillip Bay		75%							
Shared channels		0.2041	29,939		4,582.91				
Dedicated channels		0.4366	29,939		9,803.53				
Total Channel					60,728,572.13	60,732,353.20	-3,781.07	-0.01%	17.35%

3. Hire Fees									
Berth hire									
Full charge	\$ per hour								
Maribyrnong No. 1		370.98		3,085.30		1,144,584.59			
Holden Dock		491.62		4,617.70		2,270,153.67			
Passenger cruise ships at a berth other than Station Pier		611.63				-			
Lay-up charge	\$ per hour	129.71		8,205.75		1,064,367.83			
Total Berth hire						4,479,106.10	4,416,586.93	62,519.17	1.40% 1.26%
Wharf access									
Cargo	\$ per tonne	0.98		55,000.00		53,900.00		-	
Total wharf access						53,900.00	54,000.00	-100.00	-0.19% 0.02%
Area hire									
Standard rate - 6 Yarraville	\$ per hour	73.18		-		-			
Standard rate - F Appleton Dock		47.56		-		-			
Slipway									
Flagfall	per docking	5328.53		2.00		10,657.06			
Slipway hire	per day	1,421.50		23.00		32,694.50			
Wharf edge access (when slipway has not been booked for use)	per day	513.56		-		-			
Total area hire and slipways						43,351.56	83,351.56	-40,000.00	-92.27% 0.02%
4. Other Fees									
Tanker inspection									
Inspection	\$ per each inspection	738.31		-		-			
Other gangway hire									
Other gangway hire	\$ per day or part thereof	222.72		9.00		2,004.48			
Wharf inspection									
Pre-vessel arrival inspection	\$ per each inspection	985.04		-		-			
Post-vessel departure inspection		985.04		-		-			
Total "other fees"				0		2,004.48	2,004.46	0.02	0.00% 0.00%
2019-20 TOTAL PRESCRIBED REVENUE - RTS						350,198,124.71	350,015,662.62	182,462.09	0.05% 100%

5. Private Contract revenues									
Contracted Prescribed Services Revenue									
Mobil - Rental Lease No. 17070	\$					2,095,333			
Svitzer - lease 17039	\$					118,927			
SeaRoad - lease 20652	\$					109,523			
Toll - contract dredging revenue	\$								
LINX Rebates - 1460 -	\$					500,000			
Sun Rice rebate 1460	\$					146,000			
Mobil rebate	\$					-			
MCF improvement rent	\$					928,427			
Qube Logistics	\$								
Total Contracted Prescribed Services Revenue	\$					3,898,210	-		
2019-20 TOTAL PRESCRIBED REVENUE - RTS & Private Contracts							350,015,662.62		