



PORT SALE Update

November 2015 | Issue 1



This newsletter is to help ensure that our customers and stakeholders are kept up to date on activities being undertaken by Fremantle Ports in relation to the State Government's proposed sale of the port.

In maintaining contact on this topic, Fremantle Ports will be liaising closely with the Department of Treasury which, as the lead agency in the divestment of the port, also recognises the importance of ensuring key stakeholders are informed and consulted.

The frequency of the newsletters will depend on progress towards the sale. In this first issue, I have provided an update on areas of current focus.

Chris Leatt-Hayter
Chief Executive Officer

Since the State Government's 2015-16 budget announcement of the potential sale of the Port of Fremantle by way of a long-term lease, Fremantle Ports has been working closely with Treasury and its lead financial advisers, Rothschild and Deloitte. Our role is to assist in achieving the asset sale outcomes sought by the State Government while ensuring that as progress is made towards the sale, our statutory responsibilities are met and the port continues to operate efficiently.

Initially, the State Government had included just one part of our business, the Kwinana Bulk Terminal, in the asset sales program. Now that the scope has been significantly expanded to include the whole of the port, a team of secondary advisers has been appointed by the State Government through a tender process to assist Treasury and its joint lead advisers.

The current focus for Fremantle Ports is on sharing corporate knowledge and information required for the due diligence phase which is well underway. The information being provided will be used by Treasury and its advisers to prepare a recommendation report to the State Government as to how the sale should be progressed.

The topics are wide ranging and include, among others, information on port operations, business plans, policies and processes, engineering and technical issues, environmental considerations, financial forecasts, employment and industrial relations, port property and stakeholder relations.

As recently indicated by the Premier in Parliament, the timing of the port sale will depend on the passage of legislation.

Management structure

An Asset Sales Unit established by the Department of Treasury sits within its Strategic Projects division to provide management and oversight of the State Government's asset divestment processes. I am representing Fremantle Ports on the Project Control Group, which has been established within the asset sales governance structure to provide strategic oversight and advice to the process.

The precise scope of the proposed sale will be confirmed through the due diligence phase, with the intention that an Expressions of Interest phase will follow.

Business as usual

At the same time as preparation for the sale is taking place, Fremantle Ports is continuing with a "business as usual" approach, undertaking our normal duties and continuing to liaise with our customers, port service providers and others as we normally would.

In continuing the day-to-day running of this busy working port, a high priority is to ensure that we continue to pay close attention to ensuring that our services are carried out in a safe and efficient manner.

Communications

As stated in the introduction, we want to ensure that any questions our customers, tenants and other stakeholders may have about the sale process are answered to the best of our ability. While there will be some things that are unknown at the moment, we welcome your questions and will do our best to answer them.

If you would like clarification of any of the issues covered, please in the first instance contact:

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Fremantle Ports

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Ainslie will ensure that your query is referred to the appropriate person. I am also available, of course, if you wish to contact me directly in relation to the sale process, bearing in mind that the project is still in the due diligence phase.