CentrePort Wellington

Annual Report

CentrePort Wellington

For the year ended 30 June 2024

We’re working on the things that matter

We have the right people, culture, and strategic partnerships to help us adapt to challenges now and in future. Rather than waiting for the perfect solution, we’re taking the lead and making a head-start on the things that matter now; generating energy, reducing our emissions, and creating supply chain resilience, all while finding solutions for our customers.

We work for the region as a key Wellington lifeline, providing safe, efficient, and low emission capacity within New Zealand’s freight and supply chain. Our infrastructure supports Aotearoa’s North-South connection and is a gateway to the world.

Te Whanganui-a-Tara, Wellington harbour is our home, and our existence depends on its health. We’re committed to integrating with the city and Wellington’s communities, to improving harbour biodiversity, and to fostering strategic partnerships that can enable a prosperous and healthy region.

WE’RE PROUD TO BE A FULL-SERVICE PORT AND THE MOST EFFICIENT CONTAINER PORT IN OCEANIA. OUR SUCCESS ALL COMES DOWN TO OUR PEOPLE, OUR PARTNERS, OUR CUSTOMERS, AND OUR SHAREHOLDERS – SO THANK YOU FOR YOUR SUPPORT TO MAKE IT ALL HAPPEN.

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Chair and Chief Executive's report

This year, CentrePort has continued to deliver on its purpose of being at the heart of connecting New Zealand's freight and transport system, in a challenging economic environment. With global and domestic economic and supply chain issues, and other significant headwinds continuing, there has been much for us to contend with, but it's nothing we haven't managed before.

Global shipping issues causing delays and rerouting of ships, congestion at ports, and economic slowdowns of key markets have all had a knock-on effect to Our Customers and the wider industry. However, this has not deterred us as we continue to be a crucial part of the overall network that ensures New Zealand stays connected. We remain at the centre of the country as a full-service port that is valuable and valued across multiple fronts.

Our success in trying times comes down to our core values, one of which is 'making it happen'. This value is personified through our people's attitude to get on with the job, and find innovative solutions to problems, rather than waiting for a perfect one. This is evident in our delivery of key infrastructure projects like our solar array and ground resilience, both on time and under budget, and the fact that despite economic headwinds, we are leaning into investing in our people's wellbeing, improved safety, and becoming even more efficient.

Working with others is a cornerstone of how we meet our purpose, finding ways to manage the needs of our customers, our shareholders, our stakeholders, our partners and our community, as well as New Zealand as a whole. CentrePort prides itself on going the extra mile to find solutions in the face of difficult circumstances.

There is further evidence of our positive performance, as this year, we have been ranked as the most efficient container port in Oceania, and 112th in the world overall, in the World Bank's Container Port Performance Index. This is an increase on 153rd last year, and is a clear sign of our commitment to continuous improvement.

Our People are critical to our success

A critical component of our success and our resilience is the ongoing investment in our people. We have a strong focus on health and safety and growing our people's capability, and by listening to the insights our people have, we've found ways to solve problems together.

We're especially proud of our health and safety performance this year. Our Lost Time Injury Frequency and Severity rates are down 43% and 77% respectively since FY2023, and we've also resolved an outstanding long-term injury. We've had no notifiable injuries or events this year, and of the two lost time injuries we did have, both workers are now back on full normal duties. All of our lagging indicators for workplace injury and harm are well under the upper threshold KPI levels for FY24, and the work our Health and Safety team have done this year to engage our people on our Critical Risks has been invaluable.

We are pleased say that there is clear evidence that what we are doing is paying dividends. We've seen a significant reduction in our ACC risk-related levies, reduced return to work times, and we've also received positive feedback from our regulators, who have commended us on our openness and transparency.

Naturally, efficiency and productivity follow on from these outcomes. We're proud to maintain a stable and dynamic workforce, which in turn leads to good decision making, and a strong sense that our people are empowered to stop work if they feel it puts them, or their fellow workmates, at risk.

CentrePort aims to go from strength to strength and lead the way in demonstrating how safety creates efficiency. However, we know that we can't stop this way of thinking - it's constant and needs to adapt within our dynamic operating environment.

To our 222 staff who work tirelessly for our customers, our region and the country, thank you.

Navigating changes for ferries

This year saw a change relating to Cook Strait ferry operations for the Interislander operation, with the cancellation of KiwiRail's iReX project. This has had some flow-on effects, as would be expected when a major project does not proceed. However, we remain committed to working with the Government, KiwiRail, Strait NZ, and other stakeholders in determining a way forward for a safe, resilient, and reliable Cook Strait connection.

While what the future state looks like remains under discussion, ferry operations between the North and South Island will continue, and there will be a need to support infrastructure to safely berth both existing and any new ferries. Regardless of what the eventual outcome is, CentrePort continues to invest where practicable in existing infrastructure to support our customers, as the Cook Strait ferries play a pivotal role in ensuring New Zealand's freight system is connected.

Celebrating a good financial result

Despite ongoing disruptions to trade and cargo, CentrePort is pleased to report it has ended the financial year in a strong position. An underlying NPAT of $14.7m is $2.7m up on the previous financial year. A drop in logs was balanced by growth in revenue, enabling us to keep Net Cash Flows from Operating Activities steady, at $23.2m.

Container volumes for the year are ahead of the prior year, but log volumes continue to be impacted by China's economic slowdown. Both fuel and vehicle volumes were behind the previous financial year. Our gross revenue of $106.2m is $7.6m (8%) higher than FY23, and is the highest in the port's history, demonstrating the strength of CentrePort's diversified trade.

The shipping industry as a whole continues to find a new normal with a variety of changes occurring in the market. The significant headwinds we anticipated are likely to continue to impact into next year. While there is some cautious optimism that conditions may start to stabilise, we are still focused on investing in our future, improving efficiency and removing waste, in order to mitigate the impacts on our customers.

Examples of this include CentrePort's investment into creating greater resilience and progressing our energy transition. These investments will ensure we can withstand any major natural events, address increasing energy costs and continue efforts to reduce our carbon emissions. We are proud to say that this year we have actually had to increase our carbon emission reductions target, because we have exceeded our original expectations. We will now focus on achieving a 50% reduction by 2030, as our original target of 30% has well and truly been met. Net zero by 2040 is well within CentrePort's reach.

Our new solar array and the development of CentrePort's MicroGrid means we are planning to offer shore power in the future, and shows our energy transition is gaining momentum. This is even more significant given the recent and ongoing pressures on electricity pricing on us and our customers. We are focused on what we can control.

In addition, we have seen bp's new bunker barge Kokako begin service in Wellington. While Kokako is currently offering traditional fuels to visiting ships, it heralds the opportunity to provide biofuels and further reduce reliance on non-renewable fuels. This is about ensuring that we continue to provide diversified and resilient solutions for our customers.

Cruise recovery

The ongoing recovery of the cruise industry was evident with CentrePort welcoming over 100 cruise ships to Wellington this year.

Our investment in inshore mooring capability ensured fewer ship calls were cancelled due to poor weather. Our efficient handling of these visits was acknowledged by cruise customers, who were eager to provide a positive experience for their crew and passengers.

Looking to this coming season there will be a reduced number of ships arriving into New Zealand. The drivers for this are beyond CentrePort's control, but we remain focused on growing our relationships with the cruise industry and our regional partners to ensure we maintain a thriving cruise tourist industry. Offering biofuels and shore power in future will make Wellington a more attractive destination for our cruise customers.

Support for our community

CentrePort is pleased to continue its positive relationships in support of the Wellington region. This year, following on from discussions with Wellington International Airport, we've joined them in supporting the Revitalise Courtenay Precinct Group, which aims to help change the fortunes of the area's once bustling hospitality scene. No one can imagine Wellington without Courtenay Place, but it is at a turning point, and Courtenay Precinct are looking at their own regeneration, not unlike CentrePort following the 2016 Kaikōura earthquake. It's a privilege that we can support the group, to see how we can demonstrate resilience and growth together.

This year we've also shown our commitment to ensuring Wellington's wider biodiversity is protected. We have supported Victoria University Masters students focused on understanding our harbour's biodiversity and its future health. We have also maintained our strong partnership with Zealandia Te Māra a Tāne, and the Tokomanawa Queens Women's basketball team for their upcoming 2024 season.

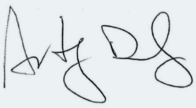
Looking to the future

While the year ahead will not be easy, we know our people will continue to rise to the challenge and drive our ongoing resilience. What will continue to sustain us is our mindset and our can do attitude.

CentrePort's continued focus for FY25 will be on improving what we do now, increasing our efficiency, reducing waste, and making every dollar count. That means looking at how we can do things differently, looking at our data and listening to our people for new opportunities, and improving how we do things in a progressively more digital world.

We hope you enjoy reading this year's report, which has some great examples of how we're partnering to support biodiversity, invest our people, keep port users safe, and reduce our emissions, all while being a critical component of New Zealand's freight and transport system.

Lachie Johnstone
Board Chair



Anthony Delaney
Chief Executive Officer

Our People are our most important asset

We're focused on empowering our people and improving their wellbeing to increase engagement and retention. We want to help our people be even more effective, because their resilience is CentrePort's resilience.

Lost Time Injury Frequency Rate – 0.97 per 200,000 hours worked (down **43%** since June 2023 and **68%** since June 2022)

87% of our staff surveyed say they understand the impact of their role on our customers and on each other

Lost Time Injury Severity Rate – 1.44 per 200,000 hours worked (down **77%** on 2023)

Total number of employees – **222** at 30 June 2024

Voluntary turnover – **7.21%** (**16** people). **5** former staff returned to CentrePort this financial year

Percent of women employees** **17%**
(Equivalent to FY23)

We contributed **$159,727** in community and staff sponsorships or donations (up 1.8%)

No Notifiable accidents

We are a **living wage** employer

*excludes casual staff, contractors, and directors.
**The gender representation at CentrePort is male dominated. In particular, the Executive Leadership team is largely male. Because of this, it is hard to draw definitive conclusions on CentrePort's gender pay equity, but it appears that for females employed in the same roles as their male counterparts the rates of pay are the same.

We're focused on continuous improvement and efficiency

Our culture enables a cycle of continuous improvement, which is matched by our capacity for growth and change.

37% reduction in Scope 1 and 2 emissions* (equivalent to our FY23 result, but includes an increase in port activity)

30% reduction in ACC Claim levies. This equates to a $78.5k reduction in claim fees, and follows a **10%** ($25k) reduction in FY22

Our Infrastructure projects have realised the benefits we set out to achieve, enabled us to get the most out of our assets, and increased our organisational resilience.

Average Gross Crane Rate - **30.01**

We are the most efficient container port in Oceania**

Ranked #**112th** overall in the world (Up **41** places)

*Compared to our 2019 baseline.
**According to the World Bank Container Port Performance Index 2023.

Making it happen for our Customers and our Shareholders

We're a full service port, and the diversity of our operations, combined with our people's resilience and expertise, means we are delivering consistent results.

$14.7m Underlying Net Profit After Tax (**up 2.7m**)*

Shareholder dividend **$7.5m** (**up $1.5m**)

3600 harbour moves – the most in New Zealand (**up 4%**)

102 Cruise Ships carrying over **185,000** Cruise passengers into Wellington

98,855 TEU (Twenty Foot Equivalent Units) (**up 3%**)

20,339 vehicles (**down 12%**)

1.56 million JAS (Japanese Agricultural Standard) (**down 10%**)

944,486 Tonnes of Bulk Fuel (**down 2%**)

*CentrePort's actual Underlying Net Profit After Tax was $14.667m, which we have rounded up to one decimal place for consistency.

Our Customers

We provide value for our customers by being agile and responsive to their needs, and by continuously looking for opportunities to enhance our people's capabilities and the services we provide. We're proud to have long standing customer relationships based on trust, with a commitment to always do what we say we'll do.

"For some of our high use customers, we offer live access to cargo information. Customers can go in and see in real time where their cargo is, add new bookings and mark things as a priority. It's fantastic we can work together like this, it's really easy and our customers love it."

Robyn Wilson, CentreConnect Manager, Commercial and CentreConnect

CentrePort – the most efficient Container Port in Oceania and 112th worldwide

According to the World Bank's Container Port Performance Index (CPPI) 2023, we are 112th most efficient in the world (up 41 places) and the most efficient overall in Oceania.

- The CPPI ranks 405 global container ports by efficiency, focusing on the duration of port stay for container vessels. Its primary aim is to identify areas for enhancement for the benefit of multiple stakeholders in the global trading system and supply chains, from ports to shipping lines, national governments, and consumers.
- CentrePort was previously ranked in the CPPI as the most efficient Container Port in Australia and New Zealand in 2021 and 2022.
- Looking forward, we want to do even more and continue this ongoing trend of efficiency and improvement, by continuing to invest in our people and their capabilities.

CPPI Rankings: Worldwide

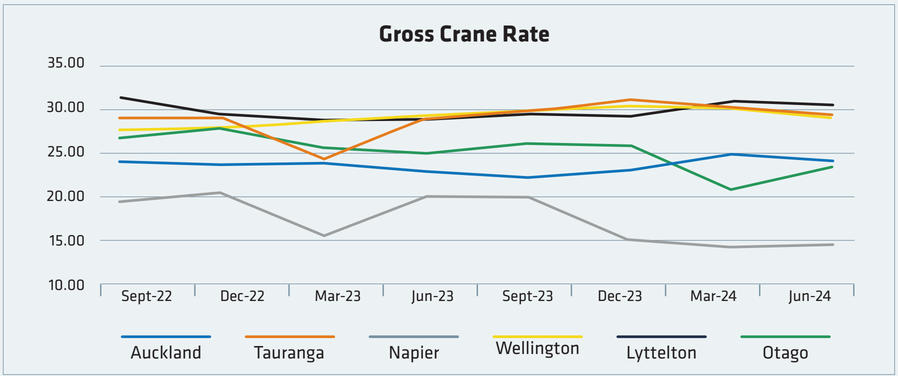
CentrePort Wellington – 112th
Bluff – 260th
Port Nelson – 268th
Melbourne – 311th
Napier Port – 336th
Brisbane – 337th
Adelaide – 345th
Port of Tauranga – 347th
Auckland – 350th
Fremantle (Perth) – 374th
Lyttelton – 385th

Ranking by region: Oceania

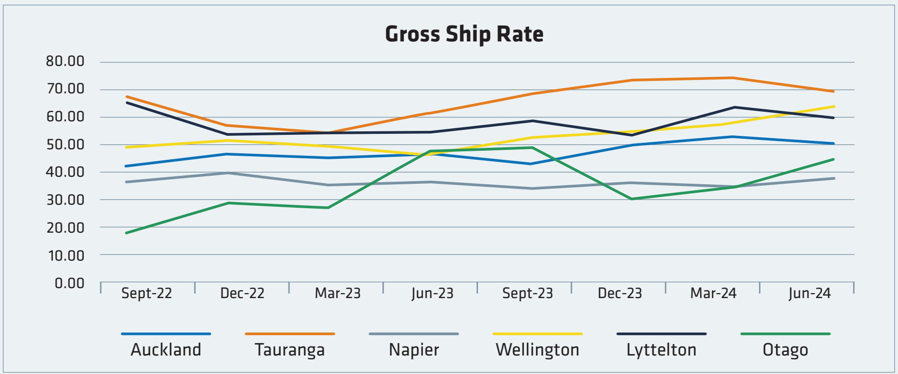
1. CentrePort Wellington
2. Papeete
3. Bell Bay
4. Bluff (SouthPort)
5. Nelson
6. Timaru
7. Noumea
8. Port Moresby
9. Otago Harbour (Port Chalmers)
10. LAE
11. Melbourne
12. Napier
13. Tauranga
14. Brisbane
15. Port Botany
16. Adelaide
17. Auckland
18. Fremantle (Perth)
19. Lyttelton

Source: Container Port Performance Index 2023, based on CPPI 2023 data

Crane Rate and Ship Rate – New Zealand Ports



Crane Rate is the number of containers a crane lifts on and off a container ship per hour. It measures the average productivity of container cranes at a port after allowing for operational and non-operational delays. However, the indicator does not reflect the productivity of a port's container terminal operation which may use multiple cranes to load and unload containers from a ship.



Ship rate is the number of containers moved on and off a container ship per hour. It measures the hourly productivity across all cranes.

Source; Ministry of Transport Freight Information Gathering System (FIGS)

CentreConnect continues to rate highly with our customers

Every year, our CentreConnect service moves around 45,000TEU, and the talented people in our Commercial team are responsible for planning a smooth service every day.

CentreConnect Manager Robyn Wilson, said CentrePort's customers continue to provide positive feedback on our CentreConnect service, in what's been a difficult few years for cargo.

"The hardest thing at the moment is anticipating shipping schedules and the challenges around that. We run trains between Wellington, New Plymouth, Castlecliff, Palmerston North and Marlborough, and trucks between Whanganui and Palmerston North. The team need to ensure we're getting the most out of that cargo space and meeting our obligations. Despite everything this year, we have continued to achieve that."

Robyn has been working at CentrePort for the last ten years, and has played a key role developing CentreConnect to be the service it is now, alongside CentrePort's Commercial Team.

"For some of our high use customers, we offer live access to cargo information. Customers can go in and see in real time where their cargo is, add new bookings and mark things as a priority. It's fantastic we can work together like this, it's really easy and our customers love it. It also reduces the number of emails we have to send and receive."

CentreRail (CentreConnect's predecessor) was founded in 2013. "Back then, getting ten containers on the train was a big success. Everything was done manually, and over time we have worked with our customers and suppliers to put new processes in place. We have come a long way, and the long days were definitely worth it" Robyn said.

Internally, there's also a great deal of planning and co-ordination required to make the service run seamlessly. "We have a lot of planning sessions with our Receival and Delivery and Container Depot teams, so we're all on the same page for our Customers. It really is a team effort."

Bunker barge a new option for customers calling into CentrePort

bp's new Bunker Barge 'Kokako' had the first opportunity for action in November last year, fuelling up Strait NZ ferries Feronia, and Connemara. Since then, the Kokako has been busy, especially over the cruise season.

For the time being, Kokako will be carrying diesel, but the plan is for Kokako to offer marine fuels to vessels calling at CentrePort, including container and cruise ships, bulk carriers, and Cook Strait ferries.

It is an important part of our plan to lower emissions and provide new options to customers who call at CentrePort.

Break Bulk training elevates cruise disembarkation this season

Six staff from our Break Bulk and Container Services teams underwent training this year to operate a Magni Telehandler.

The Magni Telehandler is a rotating telescopic handler, which can be fitted with multiple attachments that make it capable of carrying out lots of different tasks.

Before now, CentrePort has used an external hire company to lift cruise gangways on and off ships. Now that our people know how to use the telehandler to lift cruise gangways on and off efficiently, we're saving time and money for our customers.

If there are any changes we need to make on the berth, we have the expertise and the Telehandler onsite which we can use to fully establish or disestablish the berth whenever we need to.

This change reflects CentrePort's commitment to investing in its people and making improvements to be more efficient, for the benefit our customers.

Themed containers serve a dual purpose on the cruise berth

We commissioned local artist, Theo Arraj, to paint some bright, Wellington themed containers for our Cruise Berth. The open containers double as information hubs for cruise passengers waiting to catch a shuttle into the city, and as comfortable shelters from the classic Wellington wind.

Theo is no stranger to painting at CentrePort, having created a mural inside our Shed 39 offices, and the 'Welcome to Wellington' and Red Rocks themed containers that decorated Aotea Quay last cruise season.

"This year, we've done essentially the same theme of iconic Wellington locations - Te Papa, the Cable Car, and we've also got the Carter Observatory and 'Welcome to Wellington' in Te Reo Māori" says Theo.

"When working on the surface, because they need to be seen from a cruise ship, ideally you want something that's bold, so I've got lots of blocks of colour and a lot of pattern work. I've used koru designs to tie all the containers together, so I guess that's my sort of personal touch on it all. When they all line up, they create one large piece from a distance."

Theo has used a range of different paints and techniques, and has coated the containers with a special layer, to protect them from the harsh wind and spray that Wellingtonians will be familiar with.

Now with a flourishing career in the arts, Theo is keen to inspire a new generation of creativity.

"To young people looking to get into this kind of work, I would say, just "do" - just keep "doing" and to try not to compare yourself to other people who are ahead of you in their career or, in your eyes, doing something better than you."

Our People

Our People are central to our success and to our future, so we've been working to cultivate an even more inclusive culture at CentrePort, with an increased focus on wellbeing and recognising our people's capability, service, and contribution. This year, we have also started our journey towards achieving the Wellbeing Tick, which is an independent assessment over three years designed to improve the wellbeing of our people, and the foundational structures that support it.

"People at CentrePort are always considerate about other's needs, especially when things either don't go to plan, or circumstances change. It's the strength of commitment and the experience within those relationships, from the people next door to the teams working out there in all weather, that makes this a good place to work. If you're willing to adapt and change with the Port, then there's plenty of room for personal progress and development. The beauty of working here is that everyone I work with is willing to adapt and reinvent themselves for a safer workplace and a better work community."

Daniel Mate, Planner, Container Services

Celebrating our Women on Port – with Tiffany Edwards

As part of International Women's Day, Port Wahine came together for a group photo and a coffee shout with our GM for People, Safety and Marine, Megan Elmiger. We also shared this piece with staff written by Tiffany Edwards, who works in CentrePort's Marine Team.

After Covid struck, I was lost, and had no idea where I would find work next.

The port came up on my search and I applied to work as a cargo handler through a contracting company. After a few months of being contracted to the port, I was made a permanent P24 cargo handler. I've been learning and growing here ever since, and I'm currently part of our Marine team, working on the tug boats.

Being a female in a very male dominated work environment was incredibly daunting initially. I felt out of place and very nervous. It was important to me to work harder than anyone around me.

"I was very hard on myself to prove my worth as a female in the workplace, but looking back almost two years later, I've realised that I have always been just as valuable to the team as the next guy."

The Marine Team have been nothing short of amazing in supporting me as a woman in the industry. When I come to work every day, there are no 'males and females' on board, we're just a team of mariners there to do a good job and have a laugh along the way.

I have been lucky enough to upskill within CentrePort over the past year. I have recently become a qualified deck crew, qualified by Maritime New Zealand. I hope to continue my studies and upskill further in the marine space in the year to come.

Being in marine has opened up a world of opportunities for me, and it has helped me shape a career path. I hope to go on to get my foreign-going masters ticket and work towards becoming a pilot. This career goal will take me 10 to 15 years, and there are no guarantees that I'll make it, but I've never been more determined and excited to try.

As a woman looking to work at the port and feeling intimidated at the thought of working in a male dominated space, my advice is to do it whole heartedly. There will always be people who are uncomfortable with your presence, and that's even more of a reason to do it. Push the boundaries of old norms and create new paths for other women to follow.

I'm well aware of how difficult the journey is going to be, especially as a female in the industry, but I have no doubt that I'll have the help and support of my friends, family and work family along the way.

"It may sound strange, but I appreciate my team for not treating me any different than they would treat a male team member. All I want is to feel like an equal, because I have the worth of an equal, and they have given me exactly that."

Barry Kooistra – celebrating 45 Years at the Port

This year, we celebrated Barry Kooista's 45 years of service at CentrePort. Barry is just one of many staff here who have dedicated the majority of their working lives to serving the region. We're grateful to have so many of our people at CentrePort continue to share their years of experience with us. As part of the celebrations, we sat down with Barry to hear about his time at CentrePort.

“Back when I started in 1979, the port was like a town, with each department and trade having it’s own store. You had boilermakers, riggers, electricians, plumbers, and fitters. You had your own painters with a paint shop. You had your blacksmiths, asphalt crew, dive crew, locksmiths, glaziers, and anything you would need to be done, could be done at the Port.

“The port itself was huge in those days, but you tended to stay in your own silos. Now, that doesn't exist anymore. Now it's all basically one team, and I guess the people and the variety of work is why I’ve stuck around. There's always a lot of friendly people around and when you have problems, they're willing to stand up and help.

“As it normally happens, a friend of the family was working here as a draftsman, and he knew that there was a draftsman leaving, so he suggested that I apply for the job.

“In the mid 80’s we were looking at repositioning the Inter Island Line, I did some layout plans they were even thinking about Kaiwharawhara Reclamation as a ferry location or having the ferry turn into town around Kings Wharf area as well.

“A lot of the work that I've been doing over the years has been now ripped up and redone again – the rail lines, and Shed 53, and this is understandable because the needs of the port are changing all the time, and of course because of the earthquake.

“When I started work I was in the team of five draftsmen in the Drawing Office of the Harbour Board, and our chief draftsman would overview all our drawings. Once he approved it, then it went to the engineer, and then the engineer approved it. From there it went to the chief engineer – so round and round it went if issues were found. Things are quite different now so we can get things done.

“We went through a stage in the mid-90’s where we demolished a stack of buildings all the way through the Port, as we required open space. That was quite striking. Where the log yard is - that was a coldstore, and there were workshops where the former BNZ was. These things needed to happen – we needed the extra space. We put heavy-duty pavement down on Aotea Quay, once we took down some of those buildings down there, ripping up all the Concrete slabs to put asphalt back down again.

“It's really good place to work – there are good people here, a great working environment, and I think that there is such a variety of work happening all the time, especially for what I'm doing.”

Barry and his wife Jackie.

“The morning (ops) meetings, going there together at 8:20 - that helps with the sort of environment that we're trying to build with ‘one team’, because that means all the different groups are getting together. It means if you are working in certain areas everyone knows and can report back to their teams.

"Safety is a big focus - if you can see a situation that could turn turtle, just pull back, think about it, and either start again or discuss with someone else.”

Pink Shirt day and Matariki

Staff pose for a Matariki photo outside Shed 39.

Every year, staff come together to stand up against bullying in the workplace on Pink Shirt Day.

Acknowledging the passing of Zac Isaako, Charlie Trybula and Alofainu'u Tuisamoa

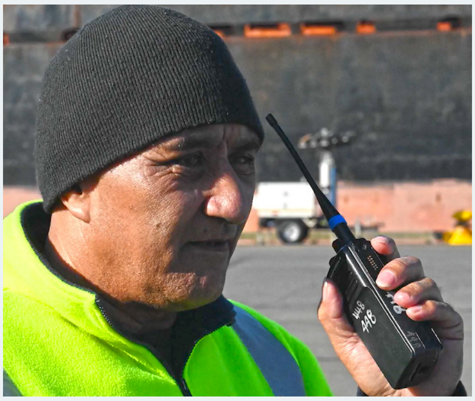
It is with sadness that we acknowledge the loss of three of our staff through illness. To mark the passing of Charlie Trybula, Zac Isaako and Alofainu'u Tuisamoa, our operational teams observed a minute's silence and called a halt to operations on three occasions across the year.

Charlie worked at CentrePort in one capacity or another over the course of 51 years, most recently as a Controller for Vessel Operations. He contributed a great deal to the team and made a significant impact on the people closest to him.

Zac joined CentrePort in March 2007 as a Cargo Handler, later moving to Port Security in 2016, where he held the position of Port Security Officer for seven years. Those who knew Zac will fondly remember his infectious smile, good banter and willingness to go the extra mile.

Alofa, as he was known, was also a cargo handler who had been with us for five years. His colleagues said he was a humble, family man, who never complained about what he was asked to do. He will be remembered for his smile, his appreciation of flash cars, and his love of a good laugh.

We extend our sincere condolences to the families and friends of each man and will keep them in our thoughts.



Zac Isaako (left), Charlie Trybula (centre) and Alofainu'u Tuisamoa (right).

Our Health and Safety Performance

We're proud to offer a wide variety of support to our people to keep them fit, well and mentally resilient. This includes things like annual health monitoring, free mirimiri, physio sessions, an improved onsite gym, as well as the variety of free services provided by Telus Health. We have also worked to further embed the Te Whare Tapa Whā system of post-injury management, which has resulted in improved rehabilitation outcomes, and a sharp decrease in our ACC related costs. This year, the trend of outperforming annual targets has continued in our safety performance. The messaging we reiterate with our people is that we are all safety leaders with the ability to say 'no' and stop a job if something doesn't seem right.

"I've enjoyed working here since September last year. This place has a great culture and feeling of 'one team' when we all head out to a job together.

Everyone steps up and has safety on their minds. While on the job, the message is always to just slow down, and take your time.

It's about looking after each other – even if sometimes it isn't a popular thing to say in the moment, the intention is to keep people safe and to get home at the end of the day. "

Tuipulotu Latu, Cargo Handler, Container Services

Health and Safety

CentrePort's focus and investment into Health and Safety has had a positive impact on our people and our business, which is the culmination of successive strategies developed in consultation with our staff.

In particular, we are proud to have seen a reduction in our injury rates, allowing us to achieve a 30% reduction in our risk related ACC claim levies. This equates to a $78.5k reduction in claim fees, following on from a 10% ($25k) reduction the previous year.

Further evidence that our focus on health and safety is on the right track includes positive feedback from Maritime New Zealand during their first official inspection as the new regulator for New Zealand's ports.

In the coming year, we will continue our health and safety initiatives, and develop a new wellbeing strategy aimed at cultivating a thriving workplace and lifting the wellbeing of our staff in and outside of work, in partnership with The Wellbeing Tick.

Reduced injury severity and occurrence

- Our Lost Time Injury Severity rate has been reduced by 77% from FY2023.
- Our Lost Time Injury Frequency Rate has been reduced by 43% from FY2023.

Increased bSafe reporting rates

- We're currently working to make reporting easier in the coming year, which we expect will help further enhance incident, hazard and risk reporting by CentrePort staff and other port users.
- Improved risk robustness programmes and verification of control efficacy.
- Improved engagement of our people through our wellbeing programmes and return to work rehabilitation.

Performance Measure	FY23 Result	FY24 Target	FY24 Q4 Actual
Lost Time Injury Frequency Rate (per 200,000 hours worked)	1.7	≤ 2.5	0.97
Lost Time Injury Severity Rate (per 200,000 hours worked)	6.17	≤ 7.95	1.44[1]
bSafe reports (incidents and near miss reports) involving injury	4.3%	≤ 4.95%	3.0%[2]

Be Safe

We always take personal responsibility.

We live safety 24/7 looking after ourselves, our mates, port users, whānau and family.

One team

We work together to achieve our shared goals.

We celebrate success, have fun and play our part to create a great place to work.

We're always straight up; operating with trust, integrity and respect.

Aim higher

We're bold, ambitious and extremely competitive.

We think ahead and always look for ways to get better at everything we do.

We pride ourselves on continually creating more value for customers, shareholders and community.

Make it happen

We always deliver on our promises.

We have a 'can do' attitude always finding ways to overcome challenges and get things done.

[1] The LTISR and LTIFR reduced notably over the last twelve months with CentrePort's performance moving into the range of 'good practice' according to ILO standards for injury severity and incident rates. This highlights the value of the Te Whare Tapa Whā programme and return to work rehabilitation programmes CentrePort implemented three years ago.

[2] bSafe reports that were raised regarding injuries were below the upper KPI threshold, and demonstrates CentrePort's continued reduction in the number of physical harm events to people over the past 12 months. This emphasises the importance of the work we have done in encouraging early reporting of minor workplace incidents and hazards.

Taking a fresh look at our critical risks

Our Health and Safety team held workshops over a four-day period with staff from both operational and office-based areas of CentrePort, to take a fresh look at our critical risks. A critical risk is defined as something capable of causing harm, or an event that would require us, under law, to notify Maritime New Zealand.

During the workshops, staff were asked in pairs to carry out their own assessment of various port related tasks, the severity of consequence if things went wrong, and the efficacy of the current controls we have in place. Through the workshops, 89 critical risks were identified by our people, and of those 89, eight risks were rated as having a 'high' or significant level of residual risk. Our Health and Safety team went away to examine these eight risks further within individual 'bowtie' exercises, designed to robustly test the controls we have now, and look at what other mitigations we could put in place to keep our people and port users safe.

CentrePort's Health and Safety Manager Jason Stapp said "We recognise the importance of having a clear understanding of our critical risks and how well we manage them. Getting our people involved helps promote a shared language and understanding when we talk about risk at CentrePort. Holding regular discussions with staff who do the job every day is a key part of our commitment to review our procedures, so that we can prevent harm to our people, port users, and the wider community."

Our 2024 Health and Safety Representatives.

Our Health and Safety team in action issuing permits on port.

CentrePort staff working through exercises during a Critical Risk assessment session.

Building resilience

CentrePort has a dedicated focus on long-term resilience.

"Resilience is about making sure that all our systems can stand up to the challenges ahead of us, and it's as much about people, partnerships and the environment as it is about infrastructure and technology. So, we are focusing our energy on improving our people's health and wellbeing, into building long-term strategic relationships, into a flexible, multimodal supply chain, energy generation, and improving harbour biodiversity."

Anthony Delaney, Chief Executive

As a vital access point in the event of a major natural disaster, we were identified as a key service in the 2019 Wellington Lifelines Programme business case. This means we are critical to the region's recovery following a major event.

We have a responsibility as stewards of Wellington's port to invest in long-term resilience, so we can safely navigate the years ahead of us and be ready to support Wellington, and New Zealand, in a time of crisis. However, resilience is much broader than just focusing on the strength of our assets, and we're making it happen following the lessons we learned from the 2016 Kaikōura Earthquake.

Our people and our partnerships

People are at the heart of a resilient business, so we're cultivating a thriving workplace where our people can grow. The wellbeing initiatives we have on offer are well used, and over the next three years we are putting structures in place to achieve the Wellbeing Tick, which is an external measure of worker wellbeing. We also know that we can't do it alone, so we're continuing to forge long-term partnerships that yield working efficiencies and benefits to the local community.

Flexibility in how we operate

Our multi-modal CentreConnect service, bp's fuel bunker barge Kokako, and our plans for onsite energy generation and storage, are examples of services that can adapt to changes in demand and provide resilient ways to keep things moving.

Getting the most out of our assets

We are maximising the value of our assets and the technology we use. Our investments into inshore bollards and a strengthened port boundary are already proving valuable. Meanwhile, projects to strengthen Seaview Wharf and to modernise our digital infrastructure will extend the resilience of our assets even further.

Our insurance captive

We're building up an insurance captive, which effectively means that in time, CentrePort can insure itself in the event of a disaster. This means we will reduce our long-term insurance costs and provide ourselves with more insurance options when, and if, we need it. As at 30 June 2024, our insurance captive totalled $30.4m.

Our Energy transition

New Zealand's energy market has been volatile this year, so it's more important than ever before that we remain committed to generating and storing our own energy, while reducing emissions at the same time. By doing this, CentrePort will become more resilient to changing energy prices, continue to contribute towards New Zealand's emissions reduction goals, have new options for increased revenue, and become an even more attractive destination for our customers.

To date, we've achieved a 37% reduction in Scope 1 and 2 emissions compared to our 2019 baseline, through a combination of reinstating rail directly into port, new LED lighting, and electric internal movement truck and trailers within our terminal. In 2024, we also successfully installed a new 122kW solar array on the roof of Shed 39.

Our plan for onsite generation and storage

- A 430kW solar array on King's Wharf, to complement our existing array on Shed 39.
- A battery energy storage system (BESS) to better manage variable electricity consumption.
- Upgrading our switchboards to better manage our electricity supply capacity.

We are well ahead of our original goal of a 30% reduction in Scope 1 and 2 emissions by 2030, but we can and need to do more. So, we have an ambitious new goal of a 50% reduction by 2030, and net-zero by 2040.

Our plan for electrifying plant and machinery

- Investigating new electric Empty Container Handlers and charging infrastructure (with support from a recently announced $500,000 EECA grant).
- Exploring the provision of shore power to vessels.
- Long-term, we're exploring options for low-emission container and marine operating equipment.

Connecting with the harbour and the city

Ensuring the long-term health of the harbour is critical to supporting CentrePort's resilience and the environment we operate within.

Wellington's port has been a feature of the city's landscape for over a hundred years, and we have a strong drive to enhance biodiversity within the harbour as well as our connection with the city.

From Sanctuary to Sea, to Mountains to Sea

Our partnership with Zealandia Te Māra-a-Tāne starts at the sanctuary and ends at the port's estuary. We've been working to restore the Kaiwharawhara stream that connects us together for the benefit of all Wellingtonians. We've also started a new partnership with Mountains to Sea, which is a local organisation focused on education and community connection with the natural environment.

Supporting harbour research

We're supporting four Victoria University of Wellington Masters students to undertake research examining how to increase local fish populations, improve carbon sequestration, and design artificial reefs. We're also supporting NIWA and Mountains to Sea in their work to restore the harbour's seaweed forests.

A desire to integrate more with Wellington city

We want to enhance the connection between the port and the city. We are already doing this in several ways, through our partnerships with Zealandia Te Māra-a-Tāne and the Revitalise Courtenay Precinct Group. What we have in mind is a space for locals and visitors to better enjoy Wellington's waterfront, so we're exploring development options for the Inner Harbour Precinct between Queens Wharf, and our main operational area. This will take time to realise, which is why strong relationships and solid foundations are crucial to make our vision a reality.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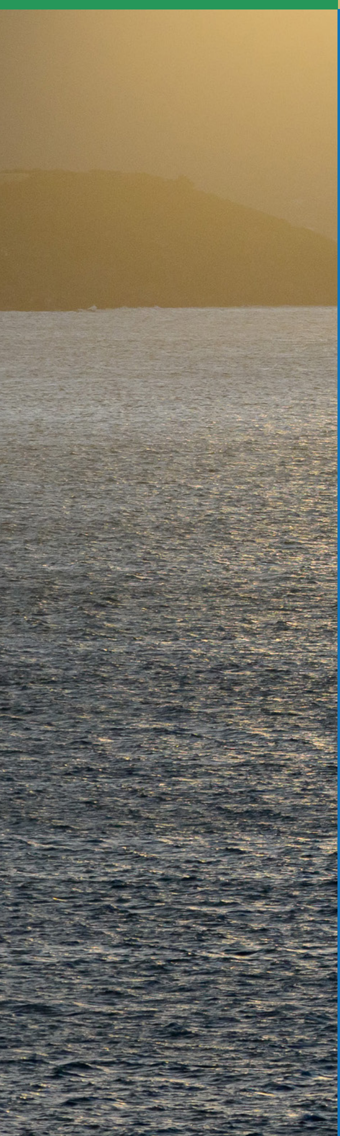


Our Environment

We’re committed to being an environmental leader, and we're constantly looking for opportunities to partner with and share knowledge with local organisations, improve harbour biodiversity, lower emissions, and become a more sustainable port. From Sanctuary to Sea to Mountains to Sea, and a budding relationship with Victoria University, we share a strong purpose and connection with people in the community who are working to improve Wellington’s natural environment.

“This past year CentrePort has supported the Love Rimurimu restoration project, which is about working to restore Wellington's underwater forests, while building community know-how.

As well as providing practical support, funding from CentrePort has helped employ a macro-algae technician at NIWA to carry out vital seaweed research.”

Zoe Studd, Mountains to Sea

Supporting harbour biodiversity through the Love Rimurimu project

NIWA are teaming up with a Victoria University of Wellington Masters student and local trust Mountains To Sea, to embark on critical seaweed research, which will enhance the health of our harbour. This year, we have also funded four VUW student research projects examining fish abundance, and the impact of sediment and artificial reefs on the harbour.

Through the “Love Rimurimu” project, mana whenua, NIWA, VUW and local community researchers are working together to find the most viable seaweed species to repopulate in Wellington Harbour, while educating school age children about its importance. CentrePort has a real drive and commitment to increase harbour biodiversity within Wellington, so it made sense for us to support this project – both financially, but also in terms of our people and access to marine habitats on port.

Seaweed species are known as ‘foundation species’ that act as a starting point for other ecosystems, so they are vital to the health of the harbour. As conditions become more unfavourable due to climate change, seaweed forests are going to become even more important for carbon capture and for sustaining harbour biodiversity.

Laura Bornemann is working on this project with NIWA Scientist Roberta D’Archino as part of her Masters, and the findings will go a long way towards understanding how and why seaweed species reproduce in conditions specific to Wellington.

Growing seaweed in the lab is no easy feat. Scientists like Roberta and Laura have found it a challenge to replicate the conditions necessary for a seaweed sperm and egg to be produced and to divide. This has led to some unusual experiments to stress the seaweed out to encourage reproduction, including exposing seaweed to extreme light and dark, extreme temperature changes, and even putting the seaweed in a blender.

Once a viable seaweed type has been identified, Roberta and Laura aim to experiment on growing more in the lab. The goal is to replicate the most successful method around Wellington Harbour.

1. Roberta D'Archino examines a juvenile seaweed sample growing in NIWA's lab.

2. Laura Bournemann has been doing some fantastic work unraveling the mysteries of seaweed reproduction.

3. Zoe Studd

"There are so many facets to this project, and understanding how to give seaweeds the best start in life is critical if we want to scale up restoration efforts. Laura's work and the support of NIWA experts is helping to further develop this knowledge".
Project Lead, Zoe Studd

Used mooring ropes find new life

We're keen to support Wellington's local communities and the environment in a sustainable way. Often that means finding a new home for equipment that's past its use by date.

An old vessel called the Sealion was beached and taken apart last year. Its mooring ropes were no longer fit for purpose, so with sustainability in mind, we figured Ngā Manu's Kea enclosure was an ideal place for the large quantity of lines to find a new life.

However, the ropes couldn't be used right away. They needed to be soaked in water at Ngā Manu for six months to remove their salt content. Using the ropes without doing this could have potentially harmed the health of the Kea, who would never encounter so much salt in their natural habitat.

The 'clean' mooring lines were eventually installed at Ngā Manu and are providing plenty of enrichment for the Kea to enjoy – and chew on! This is an important element of supporting the Kea, as they're incredibly smart and require a lot of enrichment to stay happy and healthy.
We were happy we could send Ngā Manu the ropes to be reused in this way, as it's consistent with our approach to sustainability, by reusing or donating whatever we can.

Our Marine Team also found a great opportunity to donate other used mooring ropes to to Te Nukuao Wellington Zoo. These ropes will be used in future projects to enrich animal enclosures in the zoo.

Dodge the Birds – clean up on South Road

Through a staff-led initiative, our operational teams came together to clean up the perimeter of our Southern seawall.

Accompanied by dive bombing black-backed gulls, the team did a great job collecting rubbish that can collect at the harbour seawall.

Korora continue to breed at Seaview

This year we welcomed a kororā (little blue penguin) with two eggs into the established penguin habitat at Seaview.

We set the kororā boxes up in partnership with the Department of Conservation (DOC) and Greater Wellington Regional Council as an alternative home for nesting, as we make progress on the Seaview Energy Resilience Project.

As soon as we knew the habitat was occupied, we worked with contractor Brian Perry Civil to further protect it with fencing. It's fantastic to see the nesting boxes being used as they have been in previous years.

Victoria University Masters Students making good progress on harbour research

We've been supporting Victoria University Masters students Danielle Willis-Kaio, Georgia Ryan, Finn Gallagher and Alexandra Northmore to carry out studies examining the health of Wellington harbour, including:

- The benefits of various artificial reefs aimed at mitigating biodiversity loss.
- The impact sediment has on carbon sequestration by Macro-Algae (like seaweed).
- The role Animal Dominated Reefs (ADRs) play in generating biodiversity, and their role in sustaining fish populations.

The four students are all qualified scuba divers and have been spending plenty of time above and below the water catching fish, and collecting organic samples and data to support their hypotheses.

In their latest report, the students said "we are very pleased with our progress so far, and grateful for the funding you (CentrePort) have provided, which has aided us immensely. We all are looking forward to continuing with all our work."

Water recycling begins on Aotea Quay

CentrePort is one of the top 20 users of water across Wellington, and with the water restrictions Wellington experienced over the last summer, CentrePort has taken that as a signal to increase our efforts around water collection and storage.

"One of the opportunities we saw was to collect rainwater from Shed 52. While it isn't suitable for drinking, it's great for our water truck which goes around the log yard spraying water to suppress dust", says Nimish Patel, Project Engineer, Infrastructure.

While our dust suppression water trucks in the log yard use a significant amount water, the vast majority of CentrePort's water use goes towards supplying vessels, especially ferries and cruise ships.

The total capacity of the two tanks we've installed to collect rainwater is about 25,000 litres. This initiative is one of the things we can do to better conserve water and play our part for Wellington.

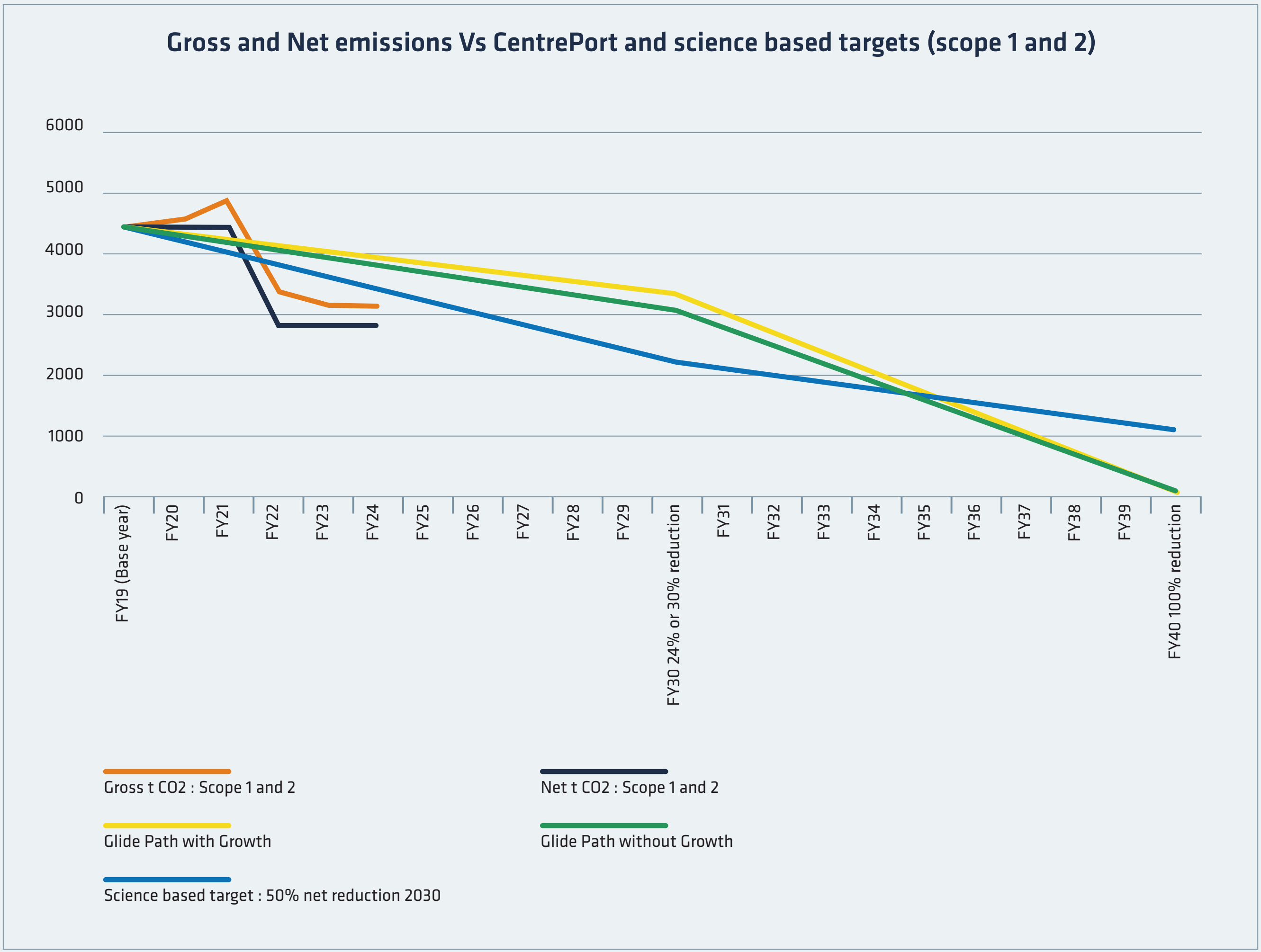
Project Engineer Nimish Patel tests out the water tank pressure.

Our emissions data

Greenhouse gas emissions – summary and tracking against targets

For the 2024 Financial Year, our Scope 1 and 2 emissions reduction remained steady at 37%, compared to our 2019 baseline. While this is equal to last year's result, we're proud to have maintained this given we've seen an increase in port activity and ship movements. Given how much progress we have made in the last few years, we're also proud to say we have shifted our original target of a 30% reduction by 2030, to a target of 50% by 2030.

		2019 Unassured	2023 Assured	2024 Assured
Gross Scope 1 & 2	Tonnes CO2e	4,427	3,189	3,182
Carbon Offsets	Tonnes CO2e	-	(396)	(374)
Net Scope 1 & 2	**Tonnes CO2e**	**4,427**	**2,793**	**2,808**



Total Greenhouse Gas Emissions GGP Category

Greenhouse Gas Protocol (GGP) Categories	2019 (Base Year) TCO2-e - Unassured	2023 TCO2-e - Assured	2024 TCO2-e - Assured
Scope 1			
Regular petrol (Fuel Card)	22.19	10.88	10.97
Diesel (Stationary and mobile not split in 2019)	2,225.39	-	
Diesel (Fuel Card)	-	1.30	1.56
Diesel - Stationary	-	82.37	16.71
Diesel - Mobile	-	1,120.87	1,030.68
Diesel (AGO marine supply)	1,647.32	1,504.92	1,673.31
Natural Gas	-	63.21	67.91
Refrigerants	-	-	-
Scope 1 Total	**3,894.90**	**2,783.55**	**2,801.14**
Scope 2			
*Purchased Electricity (location based)**	370.21	405.89	381.30
Purchased Electricity (market based)* - above less REC's	-	9.54	7.19
Scope 2 Total	**370.21**	**9.54**	**7.19**
Scope 3			
Transmission and Distribution Losses for Purchased Electricity	28.04	47.07	27.88
Transmission and Distribution Losses for Natural Gas	-	2.33	2.52
Domestic Air Travel	47.00	42.41	27.76
International Air Travel (Short)	7.00	16.02	11.22
International Air Travel (Long)	29.00	25.56	105.06
Taxi Travel	1.46	0.91	0.85
Rental Car	2.81	-	-
Scope 3 Total	**115.31**	**134.31**	**175.28**
Total	**4,380.42**	**2,927.41**	**2,983.62**

*Carbon emissions from purchased electricity is offset through Meridian Energy's carbon offsetting program via the purchase of renewable energy certificates (RECs). Location based refers to carbon emissions produced without the inclusion of the RECs whereas market based includes these.

Total Greenhouse Gas Emissions ISO Category

Greenhouse Gas Protocol (ISO) Categories	2019 (Base Year) TCO2-e - Unassured	2023 TCO2-e - Assured	2024 TCO2-e - Assured
Direct Emissions			
Regular petrol (Fuel Card)	22.19	10.88	10.97
Diesel (Stationary and mobile not split in 2019)	2,225.39	-	
Diesel (Fuel Card)	-	1.30	1.56
Diesel - Stationary	-	82.37	16.71
Diesel - Mobile	-	1,120.87	1,030.68
Diesel (AGO marine supply)	1,647.32	1,504.92	1,673.31
Natural Gas	-	63.21	67.91
Refrigerants	-	-	-
Total Direct Emissions	**3,894.90**	**2,783.55**	**2,801.14**
Indirect Emissions from Energy			
*Purchased Electricity (location based)**	370.21	405.89	381.30
Purchased Electricity (market based)* - above less REC's	-	9.54	7.19
Subtotal from Energy	**370.21**	**9.54**	**7.19**
Indirect Emissions from Products and Services Purchased			
Transmission and Distribution Losses for Purchased Electricity	28.04	47.07	27.88
Transmission and Distribution Losses for Natural Gas	-	2.33	2.52
Subtotal from Products and Services	**28.04**	**49.40**	**30.40**
Indirect Emissions from Transportation			
Domestic Air Travel	47.00	42.41	27.76
International Air Travel (Short)	7.00	16.02	11.22
International Air Travel (Long)	29.00	25.56	105.06
Taxi Travel	1.46	0.91	0.85
Rental Car	2.81	-	-
Subtotal from Transportation	**87.27**	**84.91**	**144.89**
Total	**4,380.42**	**2,927.41**	**2,983.62**

*Carbon emissions from purchased electricity is offset through Meridian Energy's carbon offsetting program via the purchase of renewable energy certificates (RECs). Location based refers to carbon emissions produced without the inclusion of the RECs whereas market based includes these.

Other Emissions – PFCs, NF3 and SF6

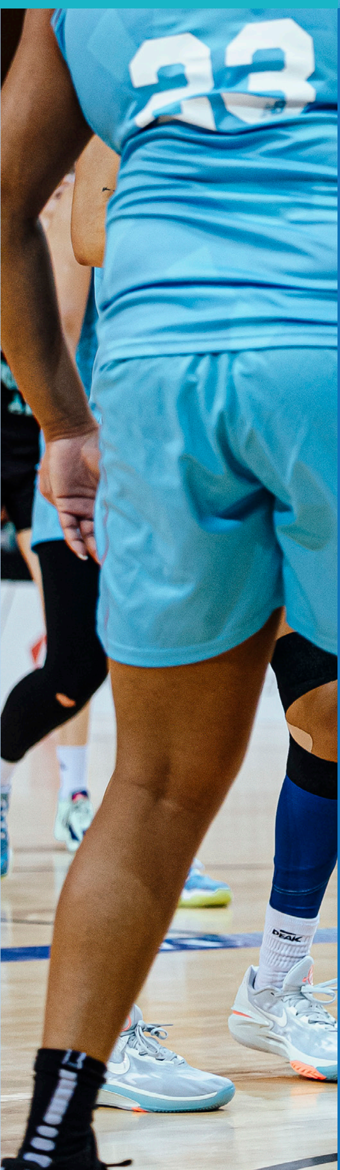
No operations within CentrePort's operational boundary used Perfluorocarbon (PFCs), Nitrogen trifluoride (NF3) or Sulphur hexafluoride (SF6) during the reporting period ending 30 June 2024. Therefore, no holdings are reported and no emissions from these sources are included in the inventory.

Other Emissions – CO2 emissions from the combustion of biomass

There was no combustion of biomass within CentrePort's operational boundary during the reporting period ending 30 June 2024.

TOITŪ ENVIROCARE

Our FY22, FY23 and FY24 Emissions Inventory has been verified by Toitu in accordance with international standards for greenhouse gas emissions measurement and reporting. For our 2024 verification level of assurance, ISO Category 1 and 2 were 'Reasonable' and ISO Category 3 and 4 'Limited'.



Our Community

We have a strong contribution to make to the region we serve as part of our social license to operate. We've supported local clubs and school projects, staff endeavours, Wellington's Courtenay Precinct, the Tokomanawa Queens, and we have continued to grow our long-standing strategic partnership with Zealandia Te Māra a Tane. Every relationship matters. The core values that drive our decision making include initiatives around safety, wellbeing, family, and improving Wellington's natural environment.

"We're over the moon to be partnering with CentrePort for a second season. We're a whānau-oriented organisation, and we can see that's a core value for CentrePort. The port is so vital for the region, a region we're also deeply committed to, and we know the crew work exceptionally hard. It was humbling and rewarding to see so many of the team and their whānau come along and support our home games. It means a lot to our players and our wider team that our local port is behind us and supportive of local women's sport. Beyond that, it's amazing to see the impact we can have with rangatahi, keeping them well, inspired and active, and all made possible through the support we receive from CentrePort."

Rachel Taulelei , Co-owner and Chair, Tokomanwa Queens

Celebrating four years of partnership with Zealandia

We've celebrated our fourth year of partnership with Zealandia, and our relationship continues to grow and strengthen.

Our partnership is one based on connections as we are both situated within the Kaiwharawhara catchment – Zealandia standing at the headwaters and CentrePort located at the estuary mouth. Our partnership is literally Sanctuary to Sea.

Our shared values regarding staff welfare, safety, leadership, and innovation shine through this partnership. It's all about working together to create a better Wellington. This is something Zealandia has made further advances on over the past year with CentrePort as a key member of the Sanctuary to Sea Kia Mouriora te Kaiwharawhara strategy group and of Te Ohu Kaiwharawhara working group. The latter group saw CentrePort staff working with businesses in the catchment to support their journeys and take nature positive steps.

Proudly supporting the Tokomanawa Queens 2023/24 season

We're proud to announce our support for the Tokomanawa Queens 2024 season, following a stellar runner-up finish in the grand final last year. We share the same values of teamwork, family and resilience, so it's a great fit for CentrePort to support the Team.

As part of our sponsorship of the Queens, we were lucky to have players from the Queens host a skills and drills hour for CentrePort kids. The kids were put through their paces with dribbling, layup and shooting drills designed to hone their skills, and they were pleased to receive training from some of New Zealand's premier players.

TOKOMANAWA QUEENS

Courtenay Precinct bringing Wellington to life

We are a foundation partner and sponsor of the Revitalise Courtenay Precinct Group, alongside Wellington Airport, Hospitality New Zealand, Gilmours Wholesale Food & Beverage, and Wellington City Council.

The Courtenay Precinct Group aims to revitalise Wellington central's hub of entertainment, eateries, bars and function venues. The Eat Street Festival was the initial event launched by the group in July, where over 35 businesses within Courtenay Precinct offered a signature dish or drink at around $25 or less, marketing Courtenay Place as a hot spot for affordable lunch and dinner options.

We will continue to support the Reviltalise Courtenay Precinct Group as way of supporting Wellington businesses and growth in the city.

Street Performers play at the Eat Street Festival.

Funding first aid for Hutt Valley Gymnastics

This year, a young gymnast called Jessie had a serious fall during practice at the Hutt Valley Gymnastics Club. This resulted in two breaks and a fracture in two places on Jessie's left arm. The club relies heavily on volunteers, so for parents and instructors as first responders, immediate treatment for Jessie was challenging as they didn't have a fracture kit on site.

Marine Team member Jason Grimmett has a daughter, Elsie who is a member of the Hutt Valley club. Knowing about our staff sponsorship programme, Jason asked if CentrePort could help fund some new first aid equipment.

As a result, CentrePort partnered with Corys Electrical and Amtech Medical to fund a comprehensive first aid and fracture kit for the club.

Sponsorship extended to two first aid bags which the team can take away to national competitons.

"It's always great to be more proactive about safety, and part of that means having the right equipment – just like we do at CentrePort. My five-year-old daughter is part of the club, and these kits mean the kids can go to practice or competitions and feel safe knowing first aid is nearby, with people trained to provide it. I'm really grateful to CentrePort, Amtech and Corys for their support, as it shows great commitment to the wellbeing of the community."
Jason Grimmett, Marine Services Crew, CentrePort

Community tour provides an insight into resilience works

On 26 February, we hosted members of the Eastbourne and Point Howard communities for a tour of the Seaview Upgrade Project by boat.

We're connected to the community via Point Howard and often liaise with them to ensure the work we're doing for the Seaview Upgrade Project has the least amount of disruption possible for them. We also work through any issues the community might have, as the project has been ongoing for several years.

The community boat tour was an opportunity for people living in the area to get a close look at the work we're doing with Brian Perry Civil to strengthen the wharf, a key Wellington Lifeline that supplies fuel to the lower North Island.

Gabriela Koneski from Brian Perry Civil led the tour from a technical perspective, while representatives from CentrePort and Hutt City Council were there to answer questions. We received positive feedback from attendees that the tour was worthwhile and an interesting look behind the scenes.

Timber makes a difference for Garden to Table at Kilbirnie School

Kilbirnie school had a new Junior Hub built recently, which included a new kitchen facility to start up a Garden to Table programme for the students.

Garden to Table are a charity that teaches thousands of Kiwi kids the knowledge and skills that have a transformative and lifelong impact on their hauora (wellbeing), and on the world around them. They aim to take learning out of the classroom, and into the māra kai (garden) and kīhini (kitchen).

The construction of the Junior Hub was government funded, but the exterior and the garden needed community support and resources to set up.

Matt McKee from our Infrastructure Team has a connection with the school, and reached out to our partners at Anchorage and Downer to help with the project. Staff from all three organisations generously donated time over a weekend to help set up the outdoor area, with help from local builders, parents, and Hataitai locals.

CentrePort donated old timber seats from the former BNZ building and timber from Kings Wharf and Aotea Quay to make up the school's new planter beds.

Kids at Kilbirnie school now have everything they need to start a Garden to Table programme and learn the value of growing and cooking their own healthy food.

Thanks to our partners at Anchorage, Downer, and the Hataitai community for making this project a success.

Our Infrastructure

As a Wellington Lifelines organisation, we have a responsibility to build resilience for the Wellington region that we can call on in times of crisis. We've been prioritising infrastructure projects that enhance business continuity, enable cargo growth, improve operating efficiency and productivity, reduce our emissions, and extend the life expectancy of our critical operational assets.

This year, across our portfolio of maintenance and asset management, property, and capital works, our Infrastructure and Digital Teams have delivered outcomes that have enabled operational flexibility and embedded resilience into our business.

"Downer and CentrePort have a long-standing, successful partnership in delivering a wide variety of projects. A shared understanding of CentrePort's operational requirements and long-term objectives has been key to this. Our teams have delivered on the back of accurate planning and a focus on doing it safely. Downer co-locating on port added huge value in getting any project issues sorted quickly and collaboratively. I'm proud of what Downer and CentrePort have achieved together and I'm excited about the future opportunities we have ahead of us."

Shaun Donovan, Regional Manager Wellington/Upper South, Downer

Solar Panels installed at Shed 39

You may have heard about the development of our CentrePort Microgrid, which is a big part of our energy journey and our road to net-zero emissions by 2040. This year, we took the first step towards generating our own energy by installing solar panels on the roof of our main office, Shed 39.

"This is a great example of working smarter to mitigate our energy costs and increase our resilience. By generating our own electricity, we'll be more resilient to the rising cost of power and still be able to operate effectively if the region's supply is ever impacted," CentrePort Chief Executive, Anthony Delaney said.

"Globally, CentrePort is not the first port to undertake this kind of investment, and it is good to see us reaching beyond New Zealand to learn. It is something new for CentrePort though, and while it won't be perfect to start with, because we are investing in this now, we'll be ahead of the challenges we can see coming down the line."

The solar panel array on Shed 39 has the capability to generate 122kW (0.12MW).

The next step for CentrePort is to implement battery systems, improve the infrastructure connecting the port to Wellington's grid, and install new solar arrays, with a long-term goal of generation supporting our plans of being carbon-zero by 2040.

Final stone column marks the end of an era

In December 2023, the final stone column was driven into the ground, marking the end of a five year long journey to strengthen our land.

"It's a fantastic note to end 2023 on, and we couldn't be prouder that this stage of our resilience work has been completed" said Chris Reed, Project Manager for our Infrastructure team.

While the 192 linear kilometres of gravel piles we've installed under the ground around CentrePort's periometer aren't visible, the role they are playing in strengthening our land against future earthquakes is critical.

"CentrePort has made a significant investment, both in terms of time and money, that will go on to benefit the people who manage the port in the decades to come. We are now more confident that we can be there for our region and for New Zealand when they need us most. Set in 2017, this work was completed on time and under budget. We are really proud of that, especially given our port remained fully operational while work was underway."

We want to thank everyone involved in this work, especially our partners at HEB, Dixon and Dunlop and WSP. Kudos also goes to our own infrastructure and operational teams for being flexible and adaptive to constant changes made around the port to accommodate the project.

Work has been quietly progressing at Seaview wharf

The critical nature of Seaview as a fuel berth is part of what makes CentrePort a Wellington Lifelines organisation, which means we have a core function to support the region following a major disaster. We've committed $58m to strengthen Seaview wharf, which is the sole gateway for fuel to the lower North Island.

For the past year at Seaview, our focus has been concentrated on constructing two of the three main wharf structures.

These concrete structures weigh more than 100t each, playing a major role in securing the wharf area which houses key infrastructure for transporting fuel from ships to the tanks on shore.

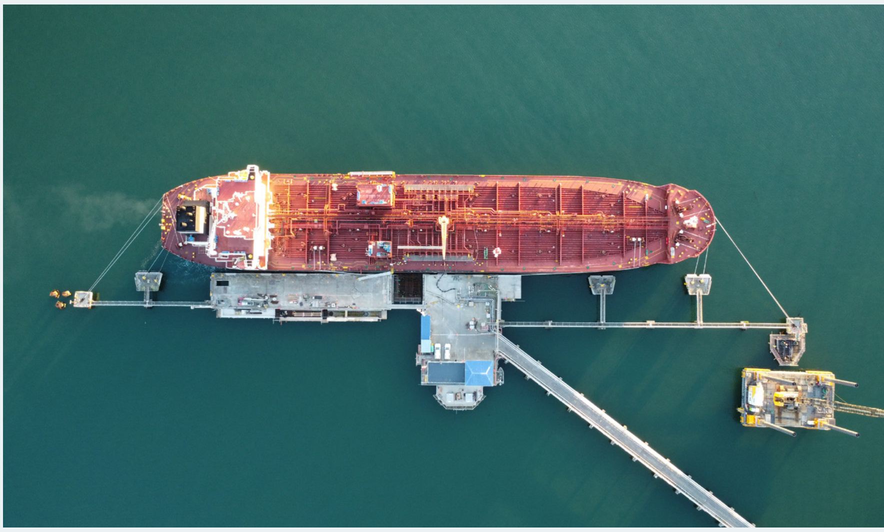
Our northern berthing 'dolphin' has also been installed, weighing around 200t. The dolphin is there to help ensure safe berthing and increase the strength and resilience of the berth.

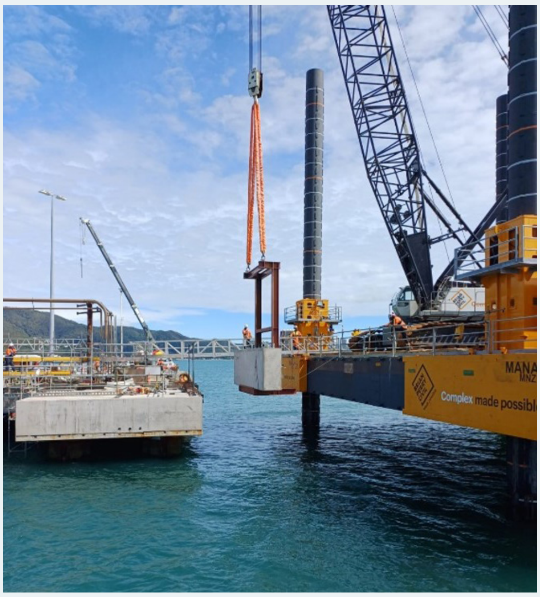
CentrePort and our partners at Brian Perry Civil (BPC) celebrated the final pile being poured for this part of the project, a key milestone.

BPC Project Manager Ian Pringle said the 24 piles at 1.5m each contain over 1000m3 of concrete with a combined total over 500m in length.

While Seaview offers incredible ocean views, the weather continues to be the team's biggest challenge. Not only for construction, but for the morale of staff working day in and day out in the wild and windy conditions. Since the project started, we have experienced 200 days of weather-related delays.

Despite the weather, we are still on track to complete Stage 2 of the Seaview Energy Resilience work.





Building our Digital Future

In the face of increasing cyber attacks worldwide, our Digital Team plays a critical role in keeping CentrePort's information safe from threats while ensuring our systems work well. Together, the team has over 150 years combined experience in solving digital problems.

Rather than buying new technology as a quick fix, the team is focused on creating long-term digital resilience. We want certainty that our systems are easy to manage and maintain, that we can trust our data to inform good decision making, and that we can identify more opportunities to grow and innovate.

The work CentrePort is doing to build **Our Digital Future** will help us to be **more efficient, resilient, safe, modern and innovative. It also supports our carbon zero goals.**

CentrePort servers move to greener pastures

This year, our Digital team relocated CentrePort's servers from Tawa in Wellington to a more secure data centre in Auckland.

Needing some project management support, the Digital Team were fortunate to have Chris Reed from our own Infrastructure Team step up and fill the gap.

"It's quite an accomplishment for someone to manage a project outside their usual area of expertise," said Tanya Dednam, Head of Digital.

While this change might seem small, the facility in Auckland is now providing CentrePort with better digital security and more resilience to bounce back after a cyber attack or disruption.

The facility's power source is carbon neutral, which supports our goal of reducing our carbon emissions and becoming net zero by 2040.

"This is the first significant milestone in our journey towards a smarter digital future. The new facility houses the port's key digital applications in a carbon-neutral, highly resilient data centre." said Tanya.

"This provides the port with increased Disaster Recovery capability, increased cyber security and the launch pad to really kick off other improvements to CentrePort's digital environment."

"This work has been achieved by a lot of hard mahi from our Digital Team, and a big thanks to our key vendors ASI and nspire." - **Will Humphrey, Digital Operations Manager**

Our Finances

Our financial performance is dependent on how well we support the wellbeing of our people, our approach to solving problems, and the strength of our external relationships. A focus for our people has been to work smarter, to eliminate waste, and to become more efficient. In a challenging economic environment, we are pleased to have ended the 2024 financial year in a strong position.

"Starting a new role can be daunting, but given how welcoming and friendly everyone is here, it was an easy transition. It's great to be part of a Finance team where everyone strives to work to a high standard and make things happen, while also maintaining a healthy work-life balance – it's very motivating!

I think this year's results reflect the great culture CentrePort has fostered, that enables effective collaboration with other teams, our customers and our external partners. Communication and transparency are ensuring we invest in a disciplined way that makes sense internally and externally. There have been challenges, but challenges often create opportunities to accelerate positive change and innovation, which is exciting."

Jessee Taylor, Financial Controller, Finance

Reconciliation to Underlying Net Profit After Tax (Non-GAAP measure)

The table below presents a reconciliation of the Total Comprehensive Income for the year, net of Tax of $34.6m as disclosed in the audited Statement of Comprehensive Income to the Underlying Net Profit After Tax (Underlying NPAT) of $14.7m. The Underlying NPAT is Management's view of the underlying performance of the Group. The Underlying NPAT removes Changes in Fair Value, Abnormal Items and the tax impact of these items from the Total Comprehensive Income for the year net of Tax.

	2024 $'000	**2023 $'000**
Total Comprehensive Income for the year, net of Tax	**34,583**	18,835
Add Abnormal Legal Costs	**1,522**	965
Add Demolition Costs	**17**	531
Add/less Change in Fair Value of Investment Property	**(10,525)**	1,509
Less Change in Fair Value of Property, Plant and Equipment	**-**	(9,636)
Less Adjustments to Fair Value for Land Resilience Impact	**(8,706)**	-
Less Change in Fair Value of Investments Securities	**(50)**	-
Less Non-Taxable Insurance Proceeds for Repairs	**(3,560)**	-
Add Tax Adjustment for Derecognition of Deferred Tax on Buildings	**1,812**	
Adjustment for Income Tax	**(426)**	(270)
Underlying Net Profit After Tax	**14,667**	11,935

Performance Against Statement of Corporate Intent

	Unit	**2024**	**Target**	**2023**
Group EBITDA	$m	25.9	26.3	22.3
Underlying Net Profit After Tax	$m	14.7	13.0	11.9
Shareholders' Funds (Group Equity)	$m	502.2	471.9	474.6
Underlying NPAT on Average Group Equity	%	3.0	2.8	2.5
Dividend	$m	7.5	6.5	6.0
Total Assets	$m	557.2	531.2	533.4
Shareholder Equity Ratio	%	90.1	88.8	89.0

Centreport Limited Group

2024 Annual Financial Statements

for the year ended 30 June 2024

Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
CONTINUING OPERATIONS			
Revenue from Contracts with Customers	3	**80,999**	79,683
Other Revenue		**25,212**	18,949
Operating Revenue		**106,211**	98,632
Operating Expenses	4	**(96,195)**	(90,862)
Results from Operating Activities		**10,016**	7,770
Finance Expenses		**(1,034)**	(810)
Finance Income		**7,738**	6,198
Net Finance Income		**6,704**	5,388
Share of Profit of Investments Using the Equity Method	14	**1,292**	1,642
Net Gain / (Loss) on Disposal of Assets		**336**	(281)
Demolition Costs		**(17)**	(531)
		18,331	13,988
Changes in Fair Values and Impairment			
Increase / (Decrease) in Fair Value of Investment Property	13	**10,525**	(1,509)
Adjustment to Fair Value for Land Resilience Impact	12	**3,064**	-
		13,589	(1,509)
Profit before Income Tax		**31,920**	12,479
Income Tax Expense	5	**(3,029)**	(3,280)
Profit for the Year from Continuing Operations, net of Tax		**28,891**	9,199
Other Comprehensive Income (OCI)			
Increase in the Value of Port Land, after Tax	12	**-**	9,636
Adjustment to Fair Value for Land Resilience Impact, after Tax	12	**5,642**	-
Movement in Fair Value Reserve (Investment securities), after Tax	6	**50**	-
Other Comprehensive Income for the year		**5,692**	9,636
Total comprehensive income for the year, net of tax		**34,583**	18,835

The notes and accounting policies form part of and should be read in conjunction with the financial statements

Statement of Changes in Equity

For the year ended 30 June 2024

		Attributable to equity holders of the Company				
	Notes	**Share Capital $'000**	**Fair Value Reserve $'000**	**Revaluation Reserves $'000**	**Retained Earnings $'000**	**Total Equity $'000**
Balance as at 1 July 2022		30,000	–	49,147	382,661	461,808
Profit for the Year from Continuing Operations, net of Tax		–	–	–	9,199	9,199
Increase in Value of Port Land, net of Tax		–	–	9,636	–	9,636
Total comprehensive income		–	–	9,636	9,199	18,835
Transactions with owners, recorded directly in equity:						
Dividends	7	–	–	–	(6,000)	(6,000)
Balance as at 30 June 2023		30,000	–	58,783	385,859	474,642

	Notes	**Share Capital $'000**	**Fair Value Reserve $'000**	**Revaluation Reserves $'000**	**Retained Earnings $'000**	**Total Equity $'000**
Balance as at 1 July 2023		30,000	–	58,783	385,859	474,642
Profit for the Year from Continuing Operations, net of Tax		–	–	–	28,891	28,891
Adjustment to Fair Value for Land Resilience Impact, net of Tax		–	–	5,642	–	5,642
Movement in Fair Value Reserve, net of Tax		–	50	–	–	50
Total comprehensive income		–	50	5,642	28,891	34,583
Transactions with owners, recorded directly in equity:						
Dividends	7	–	–	–	(7,000)	(7,000)
Balance as at 30 June 2024		30,000	50	64,425	407,750	502,225

The notes and accounting policies form part of and should be read in conjunction with the financial statements

Balance Sheet

As at 30 June 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	8	**80,463**	114,624
Trade and Other Receivables	9	**13,927**	12,314
Inventories	10	**2,834**	2,713
Investment in Commercial Paper	22	**-**	18,960
Total Current Assets		**97,224**	148,611
Non-current Assets			
Property, Plant and Equipment	11,12	**303,251**	272,881
Investment Properties	11,13	**96,650**	86,125
Investments in Joint Ventures	14	**12,552**	13,210
Loans and Advances to Joint Ventures		**9,786**	9,934
Other Intangible Assets		**24**	164
Investment Securities at Fair Value through OCI	19	**20,826**	-
Investment Securities at Amortised Cost	19	**14,584**	-
Right-of-use Asset		**2,258**	2,442
Total Non-current Assets		**459,931**	384,756
Total Assets		**557,155**	533,367
LIABILITIES			
Current Liabilities			
Trade and Other Payables	15	**9,119**	12,413
Provision for Employee Entitlements	16	**4,154**	3,953
Current Tax Liabilities	5	**4,748**	2,725
Lease Liabilities		**145**	173
Borrowings	18	**12,000**	12,000
Total Current Liabilities		**30,166**	31,264
Non-current Liabilities			
Deferred Tax Liabilities	5	**22,270**	24,869
Lease Liabilities		**2,357**	2,469
Provision for Employee Entitlements	16	**137**	123
Total Non-current Liabilities		**24,764**	27,461
Total Liabilities		**54,930**	58,725
Net Assets		**502,225**	474,642
EQUITY			
Contributed Equity	6	**30,000**	30,000
Fair Value Reserve	6	**50**	-
Revaluation Reserves	6	**64,425**	58,783
Retained Earnings	6	**407,750**	385,859
Total Equity		**502,225**	474,642

L J C Johnstone
Chairperson
28 August 2024

S Haslem
Director
28 August 2024

The notes and accounting policies form part of and should be read in conjunction with the financial statements

Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Cash Flows from / (used in) Operating Activities			
Receipts from Customers		**103,766**	99,397
Payments to Suppliers and Employees		**(84,643)**	(77,084)
Interest Income Received		**8,582**	4,859
Interest Expense Paid		**(931)**	(732)
Subvention Payment	22	**(4,181)**	-
Income Taxation Refunded/(Paid)	5	**564**	(823)
Net Cash Flows from Operating Activities	21	**23,157**	25,617
Cash Flows from / (used in) Investing Activities			
Proceeds from Sale of Property, Plant and Equipment		**608**	9
Purchase of Property, Plant and Equipment		**(36,291)**	(46,717)
Development of Investment Properties		**-**	(97)
Dividend Received from Joint Ventures	14	**1,950**	1,250
Dividend Received from Investment Securities		**5**	-
Purchase of Investment in Commercial Paper	22	**-**	(18,960)
Realisation of Investment in Commercial Paper	22	**18,960**	19,461
Net (Purchase) / Maturity of Investment Securities		**(35,351)**	-
Loans and Advances to Joint Venture	22	**(25)**	(2,400)
Net Cash Flows used in Investing Activities		**(50,144)**	(47,455)
Cash Flows from / (used in) Financing Activities			
Drawdown of Borrowings	18	**-**	1,000
Repayment of Lease Liabilities		**(174)**	(158)
Dividends Paid to Shareholders of the Parent	7	**(7,000)**	(6,000)
Net Cash Flows used in Financing Activities		**(7,174)**	(5,158)
Net decrease in Cash and Cash Equivalents		**(34,161)**	(26,996)
Cash and Cash Equivalents at the Beginning of the Year		**114,624**	141,620
Cash and Cash Equivalents at End of Year	8	**80,463**	114,624

The notes and accounting policies form part of and should be read in conjunction with the financial statements

Contents of the notes to the financial statements

The notes and accounting policies form part of and should be read in conjunction with the financial statements

1 Statement of Compliance

CentrePort Limited (the 'Company' or 'CentrePort') is a profit-oriented entity established under the Port Companies Act 1988. CentrePort and subsidiaries (the 'Group') is a reporting entity for the purposes of the Companies Act 1993 and its financial statements comply with that Act and the Financial Reporting Act 2013. The Group consists of CentrePort Limited, its subsidiaries and joint ventures as disclosed in notes 14 and 22. The Company's registered office is 2 Fryatt Quay, PO Box 794, Wellington, New Zealand.

Consolidated financial statements for the Group are presented in accordance with the Companies Act 1993 and the Port Companies Act 1988.

Unless otherwise stated, all amounts are rounded to $000 and are expressed in New Zealand dollars. Certain minor rounding has not been adjusted for.

2 Summary of Material Accounting Policy Information

(a) Basis of Preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

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

The financial statements have been prepared on the basis of historical cost except for the revaluation of operational port land, investment properties, financial instruments and an impairment of plant and equipment.

(b) Accounting Policies

Accounting policies that summarise the measurement basis and are relevant to the understanding of the financial statements are included in the accompanying notes.

(c) Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Detailed information about each of these estimates and judgements is included in the notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving significant estimates or judgements are:

- Valuation Approach for Properties measured at Fair Value (note 11)
- Useful lives and residual values used to calculate depreciation on Property, Plant and Equipment (note 12)
- Recoverable amount of the Port Operations Cash Generating Unit (note 12)

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of CentrePort and entities controlled by CentrePort. Control is achieved when CentrePort 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.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The results, assets, and liabilities of joint ventures are incorporated into these financial statements using the equity method.

2 Summary of Material Accounting Policy Information (continued)

(e) Statement of Cash Flows

The following are the definitions used in the statement of cash flows:

(a) Cash and cash equivalents comprise cash on hand, cash in banks, and short term investments in money market instruments, net of outstanding bank overdrafts.

(b) Operating activities comprise the principal revenue-producing activities of the Group and other activities that are not considered to be investing or financing activities.

(c) Investing activities are those activities relating to the acquisition and disposal of Property, Plant & Equipment, Investment Property, Intangible Assets, Investments and Joint Ventures. Investments include securities not falling within the definition of cash.

(d) Financing activities are those activities that result in the changes in size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to capital structure are included in financing activities.

(f) Impairment of Assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash- generating unit to which the asset belongs.

The recoverable amount for the Port Operations Cash Generating Unit is calculated using the fair value less costs to sell method. In assessing fair value less costs to sell, an Enterprise Value is calculated by discounting estimated future cash flows to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to CentrePort. The Group considers a wide range of factors including the Group's financial budgets, strategic plans, and historical performance to formulate the future cash flow projections. The Group also engages external advisors to determine appropriate discount rates, discount period, and long term growth rates integral to the valuation, and to prepare the fair value less cost of disposal model.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease to the extent that an upwards revaluation has been recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase. Impairment of goodwill is not reversible.

(g) Foreign Currency Translation

Transactions in foreign currency are converted at the rate of exchange ruling at the date of the transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate and exchange variations arising from these transactions are recognised in the Statement of Comprehensive Income.

(h) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

Cash flows are included in the statement of cash flows on a net basis for GST purposes. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(i) Standards, Amendments and Interpretations

There have been no new or revised accounting standards, interpretations or amendments effective during the year which have a material impact on the Group's accounting policies or disclosures.

There are several other amendments and interpretations issued but not yet effective. These are not expected to have a material impact on the consolidated financial statements of the Group.

2 Summary of Material Accounting Policy Information (continued)

(j) Fair Value Valuation Methodology

The fair value of Investment Securities recognised through OCI, Operational Port Land, Investment Properties and the fair value less cost of disposal of the Port Operations Cash Generating Unit is determined on a hierarchical basis that reflects the significance of the inputs used in making the measurements. The fair value hierarchy, as set out in NZ IFRS 13: Fair Value Measurement, is:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The best evidence of fair value is a quoted market price in an active market. Therefore, where possible, fair value is based on quoted market prices.

Where a quoted market price is not available, management uses its judgement to select a variety of valuation models and makes assumptions depending on liquidity, pricing assumptions, future cash flow projections, market factors and other relevant risks at each reporting date. Changes in the assumptions used in the models could affect the reported fair value.

3 Operating Revenue

Recognition and Measurement

(i) Revenue from Port Operations

The Group receives revenue from contracts with customers from its Port Operations.

Performance obligations and timing of revenue

The majority of revenue from Port Operations is from services provided by the Group to its customers including wharfage, stevedoring, and marine services. Revenue is recognised as the services are delivered over time. On partially completed contracts revenue is recognised using the output method. For partially completed wharfage and stevedoring services revenue is recognised based on the quantity of goods moved across the Port out of the total required to be moved (i.e. an output method). This is considered a faithful depiction of revenue as wharfage contracts are typically for the movement of a set quantity of goods across the Port. For partially completed marine services revenue is recognised as the number of times the vessel has been brought into and out of the Port out of the required total. This is considered a faithful depiction as marine service contracts are to bring a vessel in and out of the Port a set number of times. Payment for services rendered is due upon completion of the contracted service.

Determining the transaction price

Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by references to those fixed prices.

Some contracts provide customers with rebates based on volumes of goods moved across the port. Historical experience enables the Group to estimate reliably the value of rebates that will be earned and restrict the amount of revenue that is recognised such that it is highly probable that there will not be a reversal of previously recognised revenue when rebates are provided.

Allocating amounts to performance obligations

For all contracts there is a fixed unit price for each service provided. Therefore, there is no judgment involved in allocating the contract price as the contract price is the fixed price multiplied by the quantity of services provided. Where a customer utilises more than one type of service the Group is able to determine the split of the total contract price between each service by reference to the service's standalone selling price.

Incremental costs of obtaining and fulfilling a contract

The costs of obtaining and fulfilling a contract are recognised as an expense when incurred. These costs do not result in the recognition of a separate asset as all contracts are service contracts where revenue is recognised over time by using the output method.

Practical expedients

Based on the above the Group applies practical expedient B16 in NZ IFRS 15 as it considers that its right to consideration for services performed corresponds directly with the amount of services performed by the Group to date. Therefore, the Group recognises revenue at the amount to which it has a right to invoice.

3 Operating Revenue (continued)

(ii) Other Revenue

Other revenue is made up of rental income from leases that is recognised in accordance with NZ IFRS 16. Refer to note 17

(iii) Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Disaggregation of Revenue from Contracts with Customers

All of the Group's revenue from Contracts with Customers relate to Port Operations.

	2024 $'000	2023 $'000
Revenue from Port Operations	**80,999**	79,683

4 Operating Expenses

	Notes	2024 $'000	2023 $'000
Operating expenses included in the statement of comprehensive income classified by nature			
Employer Contribution to Superannuation		**1,470**	1,359
Employee Benefits Expense		**29,489**	27,240
Rental and Lease Expenses		**578**	479
Depreciation of Property, Plant and Equipment	12	**12,707**	11,577
Right-of-Use Asset Depreciation		**218**	226
Contracted Services		**24,508**	24,110
Amortisation		**115**	185
Fuel and Utilities		**2,800**	3,031
Rates and Insurance		**7,723**	6,962
Repairs and Maintenance		**6,818**	6,141
Directors' Remuneration and Expenses		**575**	535
Audit Fee		**320**	309
Other Assurance Services provided by Auditor		**5**	18
Other Operating Expenses		**8,869**	8,690
Total Operating Expenses		**96,195**	90,862

Fees paid to auditor

The audit fee is for the annual audit of the financial statements. Other assurance services provided by Auditor include:

- A reasonable assurance engagement in connection with the CentrePort Captive Insurance Limited annual solvency return to the Reserve Bank of New Zealand at a cost of $5,000 (2023: $5,000).

5 Income Tax

Recognition and Measurement

The tax expense for the period comprises current and deferred tax. Tax is recognised on the income statement, except to the extent that it relates to items recognised in the statement of comprehensive income or directly in equity. In this case, the tax is recognised in the statement of comprehensive income or directly in equity, respectively.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate. This is then adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and by unused tax losses.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that they will be utilised.

Movements in fair value (and deferred tax) related to investment securities and the revaluation of non-current assets (where applicable), are recognised in other comprehensive income and presented in shareholder's equity accordingly.

On 26 April 2023, the Group agreed a tax loss share arrangement with Greater Wellington Regional Council in exchange for subvention payments. The transactions are cost-neutral for the Group.

Key Assumptions

During the year ended 30 June 2022, CentrePort finalised its binding ruling with Inland Revenue to confirm the key assumptions underpinning the tax treatment of the insurance proceeds.

Non-taxable insurance proceeds of $3,672k relates to insurance proceeds received for repairable assets where the proceeds are in excess of the repair costs for the assets, or where a decision has been made not to repair the damage caused by the earthquake.

On 28 March 2024 the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed depreciation deductions for tax purposes for industrial and commercial buildings with an estimated useful life of 50 years or more, with effect from 2024/25 income tax year. Application of the enacted tax law has resulted in a $1,812m increase in the recognition of deferred tax expense in the Statement of Comprehensive Income and a corresponding increase to the deferred tax liability recognised in the Statement of Financial Position.

5 Income Tax (continued)

	2024 $'000	2023 $'000
The Income Taxation Expense is Represented By:		
Current Tax Expense	**5,628**	4,026
Deferred Tax Expense	**(2,599)**	(747)
Income Taxation Expense	**3,029**	3,280
Charged to Other Comprehensive Income:		
Gain on Investments	**11**	–
Income Taxation Expense	**11**	–
Relationship between income tax and accounting surplus:		
Net surplus (deficit) before tax	**31,920**	12,479
Income Taxation on the Surplus for the Year at 28%	**8,938**	3,494
Taxation Effect of:		
– Equity Earnings in Joint Ventures / Associates	**(362)**	(460)
– Non-taxable Insurance Proceeds	**(3,672)**	-
– Changes in Fair Values and Land Resilience	**(3,805)**	422
– Non-Deductible Expenditure	**58**	65
– Derecognition of Deferred Tax on Buildings	**1,812**	76
– Insurance Proceeds on non-depreciable assets	**112**	(85)
– Prior Period Adjustments	**-**	(103)
– Other	**(52)**	(130)
Income Tax Expense	**3,029**	3,280
Income Tax Receivable / (Payable)		
Opening Balance	**(2,725)**	475
Income Tax Paid / (Refunded)	**(564)**	823
Prior Year Subvention / Loss Offset	**4,181**	–
Prior Year Adjustment	**(52)**	106
Current Year Tax (Liability) / Benefit	**(5,588)**	(4,129)
Closing Balance	**(4,748)**	(2,725)

	2024 $'000	2023 $'000
Deferred Tax Liability / (Asset) Comprises		
Balance at 1 July	**24,869**	25,616
Prior Period Adjustment	**52**	-
Current Year Movement	**(2,651)**	(747)
Balance at 30 June	**22,270**	24,869

5 Income Tax (continued)

Movements	Property, plant and equipment $'000	Investment properties $'000	Insurance recoverable $'000	Employee entitlements $'000	Other $'000	Total $'000
At 1 July 2022	5,957	393	20,250	(1,098)	114	25,616
Prior Period Adjustment	27	-	(27)	-	-	-
Current Year Movement	2,411	99	(3,333)	(23)	100	(747)
At 30 June 2023	**8,395**	**492**	**16,890**	**(1,121)**	**214**	**24,869**

Movements	Property, plant and equipment $'000	Investment properties $'000	Insurance recoverable $'000	Employee entitlements $'000	Other $'000	Total $'000
At 1 July 2023	8,395	492	16,890	(1,121)	214	24,869
Prior Period Adjustment	52	-	-	-	-	52
Current Year Movement	2,973	97	(6,104)	171	211	(2,651)
At 30 June 2024	**11,419**	**588**	**10,786**	**(950)**	**425**	**22,270**

Imputation Credit Account

	2024 $'000	2023 $'000
Imputation credits/(debit) available at a Tax Rate of 28%		
Through direct shareholding in the Parent Company	**453**	253
	453	253

6 Contributed Equity and Reserves Movements

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares				
Authorised Ordinary Shares Issued and Fully Paid	**23,424,657**	23,424,657	**30,000**	30,000

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

The following table shows a breakdown of the Group's reserves and the movements in these reserves during the reporting period.

	Revaluation Reserves $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
At 1 July 2022	**49,147**	**-**	**382,661**	**431,808**
Profit / (Loss) for the Year from Continuing Operations, net of Tax	-	-	9,199	9,199
Increase in value of Port Land, net of Tax	9,636	-	-	9,636
Dividends	-	-	(6,000)	(6,000)
At 30 June 2023	**58,783**	**-**	**385,859**	**444,642**
Profit / (Loss) for the Year from Continuing Operations, net of Tax	-	-	28,891	28,891
Increase in value of Port Land, net of Tax	5,642	-	-	5,642
Change in Fair Value of Investment Securities (designated at FVOCI), net of Tax	-	48	-	48
Cumulative (gain)/loss transferred to profit and loss, net of Tax	-	2	-	2
Dividends	-	-	(7,000)	(7,000)
At 30 June 2024	**64,425**	**50**	**407,750**	**472,225**

Revaluation Reserves arise on the revaluation of Operational Port Land (refer to Note 12). Fair Value Reserves arise on movements in the fair value of investments designated as Fair Value through Other Comprehensive Income (refer to Note 19).

7 Dividends

	2024 $'000	2023 $'000
Interim Dividends Paid on Ordinary Shares	**7,000**	6,000

Dividend per share was $0.30 (2023: $0.26)

In addition to the above dividends, since year end the Group has declared a final dividend of $0.5m (2.13 cents per fully paid ordinary share). The final dividend is expected to be paid on 29 August 2024.

8 Cash and Cash Equivalents

Cash and Cash Equivalents includes cash in hand, deposits held with banks with less than 90 days maturity, and term deposits with greater than 90 days maturity but which are available within 90 days.

Refer to note 19 for accounting policy on recognition and measurement of Cash and Cash Equivalents.

	2024 $'000	2023 $'000
Cash at bank and in hand	**80,463**	114,624
Total Cash and Cash Equivalents	**80,463**	114,624

9 Trade and Other Receivables

Trade and Other Receivables are recognised at Amortised Cost, less Provision for Expected Credit Losses. Trade and Other Receivables measured at Amortised Cost approximates fair value. Expected Credit Losses are determined using a lifetime Expected Credit Loss provision for Trade and Other Receivables. The Expected Credit Loss rates are based on the Group's historical credit losses experienced over the prior three year period. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. As at 30 June 2024 the Group expects negligible credit losses (2023: negligible).

	2024 $'000	2023 $'000
Trade Debtors	**7,671**	7,597
Less Expected Credit Losses	**-**	-
Trade Receivables	**7,671**	7,597
Other Receivables	**5,591**	4,106
Prepayments	**665**	611
Total Trade and Other Receivables	**13,927**	12,314

10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cost of crushed concrete and spare parts are calculated using the weighted average cost method. Spare parts are held for maintenance purposes only.

	2024 $'000	2023 $'000
Crushed concrete		
Seaview crushed concrete	**548**	465
	548	465
Stock		
Spares stock control	**2,080**	2,043
Fuel and stock control	**206**	205
	2,286	2,248
Total Inventories	**2,834**	2,713

11 Valuation Approach for Properties measured at Fair Value

Operational Port Land (note 12) and Investment Properties (note 13) have been valued in accordance to the relevant Valuation Guidance and NZ IFRS 13 (Fair Value Movements). Investment Property was valued on 30 June 2024 by independent registered valuers of the firm Colliers International. Operational Port Land was valued at 30 June 2022. For the year ended 30 June 2024 management in conjunction with Colliers International have performed a desktop assessment of Operational Port Land which has concluded that the carrying values are not materially different to their fair values as at that date. On that basis there are no changes to the assessed values or assumptions other than the reduction in provision for land resilience following the conclusion of the land resilience works.

Operational Port Land comprises Industrial Zoned Land and Other Port Land (2023: Industrial Zoned Land and Other Port Land) and the fair values have been determined in accordance with International Valuation Standards and Australia and New Zealand Valuation and Property Standards NZVTIP 2 – Valuations for Real Property, Plant & Equipment for Use in New Zealand Financial Reports and NZ IAS 16: Property, Plant and Equipment.

Developed investment properties and land available for development have been valued in accordance with Valuation Guidance Note ANZVGN 9 – Assessing rental value and NZ IAS 40 – Investment Property. Land available for development was valued in accordance with Valuation Guidance Note NZVGN 1 Valuations for Use in New Zealand Financial Reports and IVS 101-105 and 400, and NZ IAS 40: Investment Property.

All inputs into the determination of fair value of Operational Port Land and Investment Properties sit within level 3 of the fair value hierarchy of inputs (described in note 2), as they are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Operational Port Land

(i) Industrial Zoned Land

The fair value of Industrial Zoned Land is on a vacant basis, reflecting the land in its current state, however ignoring any and all operational buildings, structures and improvements involved in the day-to-day operation of port related activities. Industrial Zoned Land is made up of Freehold Land and land leased out to third parties ("Leasehold Land") as part of port operations.

Each freehold parcel of land is valued on a rate per square metre basis using the Direct Sales Comparison approach. In carrying out this comparison, consideration is given to:

- sales of land or development sites within the wider Wellington region;
- size, shape, location and access to services including road frontage, exposure to vehicles, allowable height, and density of use;
- the current state of the Wellington and wider New Zealand economy; and
- the current state of Wellington property markets including the office, industrial, large format retail, residential accommodation, and hotel accommodation markets.

Each leasehold parcel of land is valued using a Capitalised Net Rental approach, where market ground rental is capitalised with reference to sales of lessor's interests, with an allowance made for differences between contract and market rents adjusted for the terms of the lease. Significant inputs into this valuation approach are:

- comparable recent rental settlements on a rate per square metre of land;
- perpetually renewable or terminating lease;
- rental review periods; and
- forecast trends for interest rates and market-based property yields.

Market rental is assessed using both the:

- Classic approach under which the valuer adjusts a basket of comparable rental settlements for a ground rental rate per square metre and multiplies by the land area leased; and
- Traditional approach whereby the valuer assesses a market land value and applies a market-based ground rental percentage against this value.

Other key assumptions underlying the valuation are set out below:

- It is assumed that there is a structural sea wall along the reclamation edge to ensure that all sites offer appropriate stability for commercial development. All costs associated with ensuring the land is resilient are to be borne by CentrePort and have been excluded from the valuer's assessed value.

11 Valuation Approach for Properties measured at Fair Value (continued)

The following table summarises the valuation approach used by the valuers in 2022 to arrive at an assessed value together with the Provision for Land Resilience and the sensitivity of the valuation to movements in unobservable inputs. Given the desktop exercise completed at 30 June 2024 the value and assumptions remain unchanged since 2022, other than an adjustment for transfers to investment property in the 2023 financial year and movements in the provision for land resilience:

Industrial Zoned Land	Assessed Value	Valuation Approach	Key Valuation Assumptions	Valuation Impact
Freehold Land	$86.6m *(2023:$86.6m)*	Direct Sales Comparison approach	Weighted average land value – the rate per sqm applied to the subject property. This ranges from 50psqm to $1,650psqm *(2023: $50psqm to $1,650psqm)*	+-5% $4.4m *(2023: +-5% $4.4m)*
		Market Capitalisation	Capitalisation rate – the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property's sustainable net income to derive value. The rate selected was 6.25% *(2023: 6.25%)*	+-0.25% $0.1m *(2023: +-0.25% $0.1m)*
		Discounted Cash Flow	Discount rate – the rate of return used to determine the present value of future cash flows. The rate used was 7.5% *(2023: 7.5%)*	+-0.25% $0.1m *(2023:+-0.25% $0.1m)*
Leasehold Land	$11.5m *(2023: $11.5m)*	Capitalised Net Rental approach	Weighted average land value – the rate per sqm applied to the subject property. This ranges from $1,500psqm to $1,750psqm *(2023: $1,500psqm to $1,750psqm)*	+-5% $0.6m *(2023: +-5% $0.6m)*
Assessed Value	**$98.2m** ***(2023: $98.2m)***			
Provision for Land Resilience	$nil *(2023: $14.4m)*	Cost estimates	Estimated cost of completing land resilience work.	+-15% $nil *(2023: +-15% $2.2m)*
Total Fair Value	**$98.2m** ***(2023: $83.8m)***	See note 12		

Operational Port Land Resilience

During the period the remaining land resilience provision has been reduced to nil (2023: $14.4m) following the completion of the work that was needed to be undertaken to support the land and achieve the assessed value determined by Colliers International in their independent valuation. The reduction is comprised of $6.2m of work undertaken during the year less $0.4m of incurred costs reclassified to Property Plant and Equipment and $8.7m of adjustment through the Profit and Loss and Other Comprehensive Income.

(ii) Other Port Land

Other Port Land is made up of Freehold Land and land leased out to third parties ("Leasehold Land"). Significant ancillary services are provided to these third parties. Leasehold Land is valued using a combination of the following approaches:

- Capitalised Net Market Rental approach – market ground rental is capitalised with reference to sales of lessor's interests, with an allowance made for differences between contract and market rents adjusted for the terms of the lease.
- Market Capitalisation approach – fair value is determined by assessing the property's market ground rental and then capitalising this using an appropriate yield.
- Discounted Cashflow approach – fair value is determined by a present value of the projected cashflow of the property over a period, making allowances for such variables as discount rates, growth rates, rental levels, vacancy allowances, capital expenditure and outgoings, and terminal yields.

Significant inputs into these valuation approaches are:

- comparable recent rental settlements on a rate per square metre of land;
- perpetually renewable or terminating lease;
- rental review periods; and
- forecast trends for interest rates and market-based property yields.

11 Valuation Approach for Properties measured at Fair Value (continued)

Market ground rental is assessed using the traditional approach whereby the valuer assesses a market land value and applies a market based ground rental percentage against this value.

The following table summarises the key inputs and assumptions used by the valuer to arrive at an assessed value and the sensitivity of the valuation to movements in unobservable inputs. Given the desktop exercise completed at 30 June 2024 the value and assumptions remain unchanged since 2022, other than an adjustment for transfers to investment property in the 2023 financial year:

Other Port Land	Assessed Value	Valuation Approach	Key Valuation Assumptions	Valuation Impact
Leasehold Land	*$24.5m* *(2023: $24.5m)*	Capitalised Net Market Rental	Weighted average land value – the rate per sqm applied to the subject property. This ranges from $150psqm to $750psqm *(2023: $150psqm to $750 psqm)*	+-5% $1.2m *(2023:+-5% $1.2m)*
Freehold Land	$5.0m *(2023: $5.0m)*	Market Capitalisation	Market capitalisation rate – the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property's sustainable net income to derive value. This is set at 8.25% *(2023: 8.25%)*	+-0.25% $0.3m *(2023: +-0.25% $0.3m)*
		Discounted Cashflow	Discount rate – the rate of return used to determine the present value of future cash flows. The rate used was 8.75% *(2023: 8.75%)*	+-0.25% $0.2m *(2023: +-0.25% $0.2m)*
Total Fair Value	**$29.6m** ***(2023: $29.6m)***	See note 12		

(b) Investment Properties

The fair value of investment properties is based on the highest and best use for commercial property.

(i) Developed Investment Property

The Developed Investment Property consists of the Customhouse building. This property is leased to a third party. Developed Investment Property is valued using a combination of the following approaches:

- Market Capitalisation approach – This is where fair value is determined by capitalising the property's market rental at an appropriate yield, and then an allowance is made for the difference between contract rent (either over or under) discounted until a notional equilibrium point in the lease term.
- Discounted Cashflow approach – This is where fair value is determined by a present value of the projected cashflow of the property over a 10-year period, making allowances for such variables as discount rates, growth rates, rental levels, vacancy allowances, capital expenditure and outgoings, and terminal yields.

(ii) Land Available for Development

Land Available for Development consists of the Harbour Quays Development Land and the Northern Reclamation (2023: Harbour Quays Development Land and Northern Reclamation).

Land Available for Development is valued using a Direct Sales Comparison approach – This is where the subject property is compared with recently sold properties of a similar nature with fair value determined through the application of positive and negative adjustments for their differing features. In carrying out this comparison, consideration is given to sales of similar property within the wider Wellington region, along with adjustments for factors such as the size, shape, location, access to services including road frontage, exposure to vehicles, allowable height, and density of use of the property.

Other key assumptions underlying the valuation are set out below:

- It is assumed that all 'normal' site services are fully reinstated, and no allowance has been made for any remedial or repair work required to the site or surrounding land and infrastructure.
- The valuation is based on the current Masterplan and the provision of several development sites across the precinct. Any alteration to the Masterplan or development sites may have an impact on the valuation.
- There are limitations to the soil along the reclamation edge and ground improvements are needed across the sites to mitigate the risk of lateral spread. This was factored into the valuation and the adopted values reflect the requirement for additional sub terrain site strengthening costs likely to be incurred as part of any new development.
- The valuation assumed that CentrePort will maintain the sea wall along the reclamation edge. All costs associated with the annual maintenance of the sea wall have been excluded from the valuation.
- All interim income generated from the vacant sites has been disregarded. This income does help offset operating expenses and holding costs, however, many of the vacant land sales reference to value the subject land, also similarly have existing income pending redevelopment.

11 Valuation Approach for Properties measured at Fair Value (continued)

The table below summarises the valuation approach and key assumptions used by the valuers to arrive at the assessed value together with estimated cost to repair services to undeveloped sites rebuild a seawall and complete ground improvement works and the sensitivity of the valuation to movements in unobservable inputs. The key valuation assumptions have been revised as at 30 June 2024 including movements in the estimated cost to repair services to undeveloped sites, rebuild a seawall and complete ground improvement works.

Class of Investment Property	Assessed Value	Valuation Approach	Key Valuation Assumptions	Valuation Impact
Developed Investment Property	$28.0m *(2023: $30.5m)*	Market Capitalisation	Capitalisation rate – the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property's sustainable net income to derive value. The rate selected was 7.13% *(2023: 7.0%)*	+0.13% $0.5m -0.13% $1.0m (2023: *+0.25% $1.5m* *-0.25% $1.0m)*
		Discounted Cashflow	Discount rate – the rate of return used to determine the present value of future cash flows. The rate selected was 8.25% *(2023: 8.25%)*	+-0.25% $0.6m *(2023: + 0.25% $0.6m)*
Land Available for Development	$68.7m *(2023: $64.6m)*	Direct Sales Comparison	Weighted average land value – the rate per sqm applied to the subject property. The rates applied ranged from $150 - $2,750 per sqm *(2023: $125 - $2,625 per sqm)*	+-5.0% $3.6m *(2023: +-5.0% $3.4m)*
Assessed Value	***$96.7m*** *(2023: $95.1m)*			
Cost to repair services to undeveloped sites, rebuild a seawall and complete ground improvement works	$nil *(2023: ($9.0m))*	Cost estimates	Estimated cost of completing works on Land Available for Development	+-10% $nil *(2023: +-10% $0.9m)*
Total Fair Value	**$96.7m** ***(2023: $86.1m)***	See note 13		

12 Property, Plant and Equipment

Recognition and Measurement

The Group has four classes of Property, Plant & Equipment:

- Operational Port Land
- Buildings
- Wharves, Paving and Seawalls
- Plant & Equipment

Operational Port Land is stated at fair value (see note 11). Fair value is determined by reference to the highest and best use of land as determined by the independent valuer. Operational Port Land was independently valued by Colliers International a registered valuer on 30 June 2022 adjusted for the estimated land resilience costs. Operation Port Land which was transferred to Investment Property in the 2023 financial year was valued at the date of transfer.

The Group's Policy is to get a formal valuation every 3 to 5 years. When there is no formal valuation performed the fair value of Operational Port Land is reviewed at the end of each reporting period to ensure that the carrying value of land is not materially different from its fair value. Any revaluation increase of Operational Port Land is recognised in Other Comprehensive Income and accumulated as a separate component of equity in the Revaluation Reserve except to the extent it reverses a previous revaluation decrease for the same asset previously recognised in Profit or Loss in which case the increase is credited to Profit or Loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged to the Profit or Loss to the extent that it exceeds the balance if any held in the property's Revaluation Reserve relating to a previous revaluation.

Property Plant & Equipment (other than Operational Port Land) is recorded at cost less accumulated depreciation and impairment. Cost represents the value of the consideration to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

The Board and management have undertaken a process to determine what constitutes Investment Property and what constitutes Property Plant & Equipment. There is an element of judgement in this assessment. There is a developed Port plan and those items of land that are considered integral to the operations of the Port have been included in Operational Port Land. Land held specifically for capital appreciation an undetermined purpose or to derive rental income has been classed as Investment Property.

Depreciation

There is no depreciation on Operational Port Land. Depreciation on other Property, Plant & Equipment is charged on a straight line basis so as to write-off the cost of the Property, Plant & Equipment to its estimated residual value over its expected useful life. The expected useful lives are as follows:

Buildings	5 to 50 years
Wharves, Paving and Seawalls	2 to 100 years
Plant and Equipment	2 to 50 years

The useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Impairment

An asset's (or cash generating unit's) carrying amount is written down immediately to its recoverable amount if the asset's (or cash generating unit's) carrying amount is greater than its estimated recoverable amount as per note 2(f).

Under NZ IAS 36 Impairment of Assets an impairment assessment is required at the end of each reporting period as to whether there is an indication that an asset (or group of assets) may be impaired or that a reversal of impairment may be required. If any such indicator exists an estimate of the recoverable amount of the asset(s) is required to be undertaken.

In the current year changes in the assumptions in the underlying model indicated that further impairment or a reversal of impairment could be possible. Therefore a full assessment has been undertaken. A fair value less costs to sell calculation was completed using a discounted cashflow model with reference to external sources of information where available. Where external sources or references were not available judgment was applied based on the currently available information. No impairment adjustment has been made in the year ended 30 June 2024 (2023: nil).

The recoverable amount of the port operations cash generating unit at year end indicated that no further impairment loss or reversal of impairment losses was required to be recognised.

12 Property, Plant and Equipment (continued)

	Port Land at Fair Value	Buildings at Cost	Wharves and Paving at Cost	Plant and Equipment at Cost	Work in Progress	Total
Year ended 30 June 2023						
Opening net book amount	115,313	9,203	63,544	40,923	25,155	254,138
Additions	13,339	-	-	8	32,574	45,921
Transfers from Work in Progress	23	2,387	15,219	8,955	(26,584)	-
Disposals	-	-	(293)	(18)	-	(311)
Reclassification	(24,925)	-	(3,078)	3,078	-	(24,925)
Increase in Fair Value (OCI)	9,636	-	-	-	-	9,636
Depreciation charge (note 4)	-	(767)	(5,508)	(5,302)	-	(11,577)
Closing net book amount	**113,386**	**10,823**	**69,884**	**47,643**	**31,145**	**272,881**
At 30 June 2023						
Cost or Valuation	127,810	21,620	130,521	109,202	31,145	420,298
Provision for Land Resilience	(14,424)	-	-	-	-	(14,424)
Accumulated Depreciation & Impairment	-	(10,797)	(60,637)	(61,559)	-	(132,993)
Net book amount	**113,386**	**10,823**	**69,884**	**47,643**	**31,145**	**272,881**
Year ended 30 June 2024						
Opening net book amount	113,386	10,823	69,884	47,643	31,145	272,881
Additions	6,166	-	-	-	28,386	34,553
Transfers from Work in Progress	-	-	6,179	4,280	(10,459)	–
Disposals	-	(151)	-	(31)	-	(182)
Reclassification	(448)	-	42	(42)	448	-
Increase in Fair Value (OCI)	-	-	-	-	-	-
Depreciation charge (note 4)	-	(701)	(6,495)	(5,510)	-	(12,707)
Change in the Provision for Resilience through Profit & Loss	3,064	-	-	-	-	3,064
Change in the Provision for Resilience through OCI	5,642	-	-	-	-	5,642
Closing net book amount	**127,810**	**9,971**	**69,610**	**46,339**	**49,521**	**303,251**
At 30 June 2024						
Cost or Valuation	127,810	21,115	136,742	112,564	49,521	447,752
Provision for Land Resilience	-	-	-	-	-	-
Accumulated Depreciation & Impairment	-	(11,144)	(67,132)	(66,225)	-	(144,501)
Net book amount	**127,810**	**9,971**	**69,610**	**46,339**	**49,521**	**303,251**

12 Property, Plant and Equipment (continued)

Operational Port Land

	Industrial Zoned Land $'000	Other Port Land $'000	Provision for land resilience $'000	Total Operational Port Land $'000
Opening value 1 July 2022	113,511	29,566	(27,763)	115,314
Additions	23	-	13,339	13,362
Transfers to Investment Property	(24,925)	-	-	(24,925)
Increase / (decrease) in Fair Value	9,636	-	-	9,636
Closing value at 30 June 2023	**98,245**	**29,566**	**(14,425)**	**113,387**
Opening value 1 July 2023	98,245	29,566	(14,425)	113,386
Additions	-	-	6,166	6,166
Reclassification	-	-	(448)	(448)
Change in the Provision for Resilience through Profit & Loss	-	-	3,064	3,064
Change in the Provision for Resilience through OCI	-	-	5,642	5,642
Closing value at 30 June 2024	**98,245**	**29,566**	**-**	**127,810**

13 Investment Properties

Recognition and Measurement

Investment Property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value (see note 11) determined by an independent valuer at the reporting date. Gains or losses arising from changes in fair value of investment property are recognised in the Statement of Comprehensive Income in the period in which they arise.

The below numbers allow for estimated costs to repair services to undeveloped sites, rebuild a seawall, and complete ground resilience works (note 11).

The Group has the following classes of Investment Properties:

- Developed Investment Properties; and
- Land Available for Development

	Developed Investment Properties $'000	Land Available for Development $'000	Total Investment Properties $'000
Opening value 1 July 2022	31,767	30,850	62,617
Additions	155	106	261
Transfers from Operational Port Land	-	24,925	24,925
Increase / (decrease) in Fair Value	(1,252)	(256)	(1,509)
Disposals	(169)	-	(169)
Closing value at 30 June 2023	**30,500**	**55,625**	**86,125**
Opening value 1 July 2023	30,500	55,625	86,125
Additions	-	-	-
Increase / (decrease) in Fair Value	(2,500)	13,025	10,525
Closing value at 30 June 2024	**28,000**	**68,650**	**96,650**

14 Joint Ventures

Recognition and Measurement

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

An investment is accounted for using the equity method from the date on which the investee becomes a joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with NZ IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with NZ IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with a joint venture of the Group, profit and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the joint venture that are not related to the Group.

14 Joint Ventures (continued)

30 June 2023

	Direct Connect Container Services Limited $'000	Dixon & Dunlop Limited $'000	Marlborough Inland Hub Limited $'000	Total $'000
Summarised Balance Sheet				
Current				
Cash and cash equivalents	331	2,147	971	3,449
Other current assets (excluding cash)	364	1,598	-	1,962
Total current assets	**696**	**3,745**	**971**	**5,412**
Other current liabilities (including trade payables)	(321)	(1,395)	(117)	(1,833)
Total current liabilities	**(321)**	**(1,395)**	**(117)**	**(1,833)**
Non-current				
Assets	16,544	6,404	15,373	38,321
Total non-current assets	**16,544**	**6,404**	**15,373**	**38,321**
Financial liabilities	(18,060)	-	(1,000)	(19,060)
Other liabilities	-	(1,701)	(45)	(1,746)
Total non-current liabilities	**(18,060)**	**(1,701)**	**(1,045)**	**(20,806)**
Net assets	**(1,141)**	**7,053**	**15,182**	**21,094**
Summarised statement of comprehensive income				
Revenue	3,538	14,751	1,293	19,582
Operating expenses	(3,821)	(11,485)	(1,236)	(16,542)
Profit / (Loss)	**(283)**	**3,266**	**57**	**3,040**
Reconciliation of carrying value				
Opening carrying value at 1 July 2022	**-**	**5,255**	**7,563**	**12,818**
Additional investment	-	-	-	-
Share of profit/(loss)	(141)	1,633	29	1,521
Other adjustments	-	(19)	-	(19)
Dividends received	-	(1,250)	-	(1,250)
Applied against loan	141	-	-	141
Closing carrying value at 30 June 2023	**-**	**5,619**	**7,591**	**13,210**

14 Joint Ventures (continued)

30 June 2024

	Direct Connect Container Services Limited $'000	Dixon & Dunlop Limited $'000	Marlborough Inland Hub Limited $'000	Total $'000
Summarised Balance Sheet				
Current				
Cash and cash equivalents	130	1,146	876	2,152
Other current assets (excluding cash)	260	1,257	-	1,517
Total current assets	**390**	**2,402**	**876**	**3,668**
Other current liabilities (including trade payables)	(183)	(1,130)	(36)	(1,349)
Total current liabilities	**(183)**	**(1,130)**	**(36)**	**(1,349)**
Non-current				
Assets	16,390	5,976	15,368	37,734
Total non-current assets	**16,390**	**5,976**	**15,368**	**37,734**
Financial liabilities	(18,085)	-	(1,000)	(19,085)
Other liabilities	-	(1,479)	(60)	(1,539)
Total non-current liabilities	**(18,085)**	**(1,479)**	**(1,060)**	**(20,624)**
Net assets	**(1,488)**	**5,769**	**15,148**	**19,429**
Summarised statement of comprehensive income				
Revenue	3,055	12,418	1,027	16,500
Operating expenses	(3,401)	(9,800)	(1,061)	(14,262)
Profit / (Loss)	**(346)**	**2,618**	**(35)**	**2,238**
Reconciliation of carrying value				
Opening carrying value at 1 July 2023	**-**	**5,619**	**7,591**	**13,210**
Additional investment	-	-	-	-
Share of profit/(loss)	(173)	1,309	(17)	1,119
Other adjustments	-	-	-	-
Dividends received	-	(1,950)	-	(1,950)
Applied against loan	173	-	-	173
Closing carrying value at 30 June 2024	**-**	**4,978**	**7,574**	**12,552**

Details of the Group's joint ventures at the end of the reporting period are as follows:

		Proportion of ownership interest	
Name of entity	**Principal activities**	**2024**	2023
Direct Connect Container Services Limited	Warehousing and transportation	50 %	50 %
Dixon & Dunlop Limited	Earthmoving, groundworks and equipment hire	50 %	50 %
Marlborough Inland Hub Limited	Logistics services	50 %	50 %

15 Trade and Other Payables

	2024 $'000	2023 $'000
Trade payables	**3,158**	5,613
Accruals	**4,818**	5,427
Income in Advance	**976**	921
Other payables	**167**	452
Total Trade and Other Payables	**9,119**	**12,413**

Trade and Other Payables principally comprise amounts outstanding for trade purchases and ongoing costs. Trade and Other Payables measured at amortised cost approximates fair value.

16 Provision for Employee Entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date when it is probable that settlement will be required and they are capable of being measured reliably. The present value is determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

	2024 $'000	2023 $'000
Current liability	**4,154**	3,953
Non-current liability	**137**	123
Total Liability	**4,291**	4,076

The rate used for discounting the provision for future payments is 4.7% (2023: 4.6%).

17 Leases

Leases as a lessee

The Group leases various land and equipment. Rental contracts are typically made for fixed periods ranging from 2 to 20 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Lease payments to be made under reasonably certain extension options.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- Makes adjustments specific to the lease, e.g. term, type of property, and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

17 Leases (continued)

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability less any lease incentives received. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of Comprehensive Income. Short-term leases are leases with a term of 12 months or less.

Extension options

Extension options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Factors assessed include historical lease durations and the costs of any business disruption required to replace the leased asset. Most extension options have been included in the lease liability, because the Group could not easily replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Leases as a lessor

The Group leases out investment properties, port operational land, buildings, plant and equipment, and wharf facilities. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee. Where the lease is a sub-lease, it is classified as a finance lease whenever the terms of the sub-lease transfer all the risks and rewards of the right-of-use asset to the sub-lessee. All other leases are classified as operating leases.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Lease payments for some contracts include CPI increases.

Finance Leases

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

17 Leases (continued)

The balance sheet shows the following assets subject to operating leases where the Group is the lessor:

	Port Land at Fair Value $'000	Investment Property at Fair Value $'000	Buildings at Cost $'000	Wharves and Paving at Cost $'000	Plant & Equipment at Cost $'000	Right of Use Assets at Cost $'000
Year ended 30 June 2023						
Opening net book amount	53,343	57,090	2,007	13,952	1,299	1,536
Additions	-	169	-	-	-	128
Transfer from Work in Progress	-	-	-	642	215	-
Reclassification	(15,642)	15,642	-	-	-	-
Impairment adjustment	-	(50)	-	-	-	-
Assets no longer leased	(2,610)	-	-	-	-	-
Revaluation	4,915	(1,435)	-	-	-	-
Depreciation Charge	-	-	(317)	(1,516)	(76)	(132)
Change in the Provision for Resilience	1,416	-	-	-	-	-
Closing net book amount	**41,420**	**71,416**	**1,690**	**13,078**	**1,439**	**1,532**
At 30 June 2023						
Cost or Valuation	41,611	75,216	3,946	30,712	2,443	1,972
Provision for Land Resilience	(191)	-	-	-	-	-
Accumulated Depreciation & Impairment	-	(3,800)	(2,256)	(17,634)	(1,004)	(440)
Net book amount	**41,420**	**71,416**	**1,690**	**13,078**	**1,439**	**1,532**
Year ended 30 June 2024						
Opening net book amount	41,420	71,416	1,690	13,078	1,439	1,532
Additions	93	-	1,862	583	22	-
Transfers from Work in Progress	-	-	529	-	-	-
Disposals	-	-	-	(70)	-	-
Reclassification	-	-	-	(235)	(235)	-
Impairment adjustment	-	-	-	-	-	-
Assets no longer leased	-	-	-	-	-	(64)
Revaluation	-	5,023	-	-	-	28
Depreciation charge	-	-	(1,096)	(1,453)	(92)	(129)
Change in the Provision for resilience	191	-	-	-	-	-
Closing net book amount	**41,704**	**76,439**	**2,986**	**11,904**	**1,603**	**1,366**
At 30 June 2024						
Cost or Valuation	41,704	76,439	6,337	30,991	2,699	1,936
Provision for Land Resilience	-	-	-	-	-	-
Accumulated Depreciation & Impairment	-	-	(3,352)	(19,087)	(1,096)	(570)
Net book amount	**41,704**	**76,439**	**2,985**	**11,904**	**1,603**	**1,366**

17 Leases (continued)

The Group expects the following lease payments to be received in relation to its operating and finance leases as a lessor:

Amounts Receivable under operating leases as a Lessor

	2024 $'000	2023 $'000
Within 1 year	**22,581**	13,528
Between 1 and 2 years	**20,374**	12,427
Between 2 and 3 years	**18,510**	11,849
Between 3 and 4 years	**17,378**	11,207
Between 4 and 5 years	**14,624**	10,175
Greater than 5 years	**196,685**	155,275
Total	**290,152**	**214,461**

18 Borrowings

	2024 $'000	2023 $'000
Current Liabilities		
NZ Green Investment Finance	**12,000**	12,000

CentrePort entered into a $15.0m debt facility with New Zealand Green Investment Finance (NZGIF) to accelerate investment into low carbon projects.

The Group has drawn down $12.0m of this facility at balance date (2023: $12.0m). The interest rate is based on BKBM (bank bill bid settlement) rate plus a margin payable on funds drawn. A commitment fee is also payable on the facility limit. The Lender has first ranking security over all current and future assets held by the Group.

The facility will mature on 11 July 2024. Refer to Note 26 Subsequent Events.

19 Financial Instruments & Fair Value Measurement

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments are transacted on a commercial basis to derive an interest yield / cost with terms and conditions having due regard to the nature of the transaction and risks involved. All financial instruments are accounted for on settlement basis, except for fixed income (debt) investment securities which are accounted for on contract date.

The Group's exposure to various risks associated with the financial instruments is discussed in Note 20.

Financial Assets Classification & Measurement

The Group recognises and classifies its financial assets in accordance with NZ IFRS 9 which contains principal classification categories. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Business model: the business model reflects how the Group's entities manage assets in order to generate cash flows. That is whether the Group's entity's objective is to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. For example CentrePort Limited's (the parent) business model for fixed income investment securities is to hold to collect contractual cash flows while the fixed income and equity investment securities held by the CentrePort Captive Insurance Limited are classified within the hold to collect and sell business model as part of liquidity management.

Soley payments of principal and interest on the principal amounts outstanding ("SPPI"): where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest.

Amortised cost: applies to financial assets recognised and initially measured at fair value plus transaction costs that are managed within the business model whose objective is to hold to collect the contractual cash flows and their contractual terms give rise to cash flows through SPPI.

19 Financial Instruments & Fair Value Measurement (continued)

Included in this category are:

- Cash and Cash Equivalents which consists of cash and term deposits.
- Fixed Income Investment Securities held by CentrePort Limited (the parent entity).
- Loans & Advances to Joint Ventures
- Trade and Other Receivables
- Investment in Commercial Paper

The assets are subsequently measured at amortised cost using the effective interest method and the carrying value of these assets are adjusted for any provision for impairment. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument or a shorter period where appropriate to the net carrying amount of the financial asset.

Any gain or loss on a financial asset measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value through other comprehensive income ("FVOCI"): applies to financial assets recognised and initially measured at fair value plus transaction costs that are held in a dual business model whose objective is achieved by both collecting contractual cashflows and selling the assets.

Included in this category are:

- Fixed Income and Equity Investment Securities held by CentrePort Captive Insurance Limited.

These assets are subsequently held at fair value.

The fair value gains or losses accumulated are reported in other comprehensive income as changes of the "Fair Value Reserve". When a fixed-income instrument is derecognised the cumulative fair value gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. When an equity instrument is derecognised there is no subsequent reclassification of the accumulated fair value gains or losses to the profit or loss.

Interest revenue, dividends, foreign exchange gains and losses and impairment gains or losses, are recognised in profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

Fair Value through profit or loss ("FVPL"): applies to all other financial assets that are not measured at amortised cost or FVOCI. These assets are held at fair value and the gains or losses arising from changes in fair value are recognised in profit or loss in the period in which it arises.

Financial Liabilities Classification & Measurement

In accordance with NZ IFRS 9, all financial liabilities are recorded initially at their fair value plus or minus transaction costs and are subsequently measured at either amortised cost, using the effective interest method, or fair value through profit and loss depending on the classification of the liability. Classification depends on the nature and purpose of the financial liability and is determined at the time of initial recognition.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition

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. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled or expire. The differences between the carrying amount of financial assets / liabilities measured at the date of derecognition and the consideration received / paid to the counterparty involved are recognised in profit or loss.

19 Financial Instruments & Fair Value Measurement (continued)

Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group holds the following financial instruments:

	2024 $'000	2023 $'000
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	**80,463**	114,624
Trade and Other Receivables	**10,576**	10,544
Investment in Commercial Paper	**-**	18,960
Fixed Income Investment Securities	**14,584**	-
Loans and Advances to Joint Ventures	**9,786**	9,934
Financial assets at FVOCI:		
Fixed Income Investment Securities	**19,623**	-
Equities	**1,203**	-
Total assets	**136,235**	154,062
Financial liabilities		
Liabilities at amortised cost:		
Trade and other payables	**7,807**	11,488
Employee Entitlements	**4,291**	4,076
Lease liabilities	**2,502**	2,642
Borrowings	**12,000**	12,000
Total Liabilities	**26,600**	30,206

Fair Value estimates

Certain financial instruments are carried on the statement of financial performance at fair value. The best evidence is a quoted market price in an active market. Therefore, where possible, fair value is based on quoted market prices. The determination of fair value for financial assets and liabilities for which there is no market price requires the use of valuation techniques.

The table below shows the fair value of the Group's financial instruments measured at fair value on a recurring basis according to the fair value hierarchy.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 30 June 2023				
Financial assets:				
Investment Securities at FVOCI	-	-	-	-

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 30 June 2024				
Financial assets:				
Investment Securities at FVOCI	20,448	378	-	20,826

20 Financial Risk Management

The primary risks arising from the activities of the Group are market risk (mainly interest rate risk and foreign currency risk), credit risk and liquidity risk.

The Group regularly undertakes reviews of its financial risk management as its capital structure changes. As part of normal operations, the Group is party to financial instruments with risk to meet operational needs.

Financial Risk Management Objectives

Treasury activities are reported to the Board and the Audit and Risk Committee.

Capital Risk Management

CentrePort manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group as at 30 June 2024 consists of cash reserves, debt facilities, and retained earnings (2023: cash reserves, debt facilities, and retained earnings).

(a) Market Risk

Currency Risk

The Group enters into forward exchange contracts to hedge the Group's foreign currency risk on major asset purchases. The Group's exposure to foreign exchange movements at the report date is not material.

Price Risk

The Company is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as fair value through other comprehensive income.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Interest Rate Risk

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite as provided for in the Treasury Policy.

The Group is exposed to interest rate risk through the Group's treasury investment portfolio if market interest rates decline below annual budgeted amounts.

20 Financial Risk Management (continued)

Group Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non- derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 0.5% (2023: 0.5%) increase or decrease represents management's assessment of the possible change in interest rates.

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk:

		Interest rate risk			
		-0.5%		+0.5%	
30 June 2024	**Carrying amount $'000**	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**
Financial assets					
Cash and cash equivalents	80,463	(488)	(488)	488	488
Trade and Other Receivables	10,576	-	-	-	-
Loans and Advances to Joint Venture	9,786	-	-	-	-
Investment Securities at Amortised Cost	14,584	-	-	-	-
Investment Securities at FVOCI	20,826	-	-	-	-
Financial liabilities					
Provision for Employee Entitlements	4,291	-	-	-	-
Trade payables	7,807	-	-	-	-
Lease Liabilities	2,502	-	-	-	-
Borrowings	12,000	60	60	(60)	(60)
Total increase / (decrease)		**(428)**	**(428)**	**428**	**428**

		Interest rate risk			
		-0.5%		+0.5%	
30 June 2023	**Carrying amount $'000**	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**
Financial assets					
Cash and cash equivalents	114,624	(641)	(641)	641	641
Trade and Other Receivables	10,544	-	-	-	-
Investment in Commercial Paper	18,960	(82)	(82)	82	82
Loans and Advances to Joint Venture	9,934	-	-	-	-
Investment Securities at Amortised Cost	-	-	-	-	-
Investment Securities at FVOCI	-	-	-	-	-
Financial liabilities					
Provision for Employee Entitlements	4,076	-	-	-	-
Trade payables	11,787	-	-	-	-
Lease Liabilities	2,642	-	-	-	-
Borrowings	12,000	60	60	(60)	(60)
Total increase / (decrease)		**(663)**	**(663)**	**663**	**663**

20 Financial Risk Management (continued)

(b) Credit Risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and fixed-income investment securities with banks and financial institutions as well loans and advances to joint ventures and credit exposures to customers including outstanding Trade and Other Receivables. For banks and financial institutions only independently rated parties with a minimum rating of 'A' are accepted. For Trade and Other Receivables the Group performs credit evaluations on all customers requiring credit and generally does not require collateral. Maximum exposures to credit risk as at balance date are the carrying value of the financial assets in the balance sheet.

For investment securities management has established limits such that all fixed income investment securities must be investment grade BBB or above with the following exceptions:

- Managed Funds and ETFs can have up to 5% of debt securities that are credit rated below BBB or unrated.
- Non-rated debt securities are only permitted on the provision that the investment is senior ranked and the Group's appointed external investment manager is comfortable with the underlying entity.

Trade and other receivables include amounts that are not impaired but considered past due as at balance date. Expected Credit Losses are calculated on a lifetime basis for Trade Receivables. Please see note 9 for more information.

Credit Risk Exposure

	2024 $'000	2023 $'000
Cash at bank and short-term bank deposits		
"AA" rated entities	**70,463**	107,624
"A" rated entities	**10,000**	7,000
	80,463	114,624
Investments at Amortised Cost		
AAA rated entities	**2,568**	–
"AA" rated entities	**1,532**	18,960
"A" rated entities	**5,889**	-
"BBB" rated entities	**3,349**	
Unrated entities	**11,033**	9,934
	24,370	28,894
Investments at FVOCI*		
AAA rated entities	**3,033**	-
"AA" rated entities	**8,936**	-
"A" rated entities	**3,048**	-
"BBB" rated entities	**3,562**	-
Unrated entities	**669**	-
	19,248	-

"AA" rated entities: counterparties that have a long-term credit rating AA- or above, or its equivalent.

"A" rated entities: counterparties that have a long-term credit rating of A-, A or A+, or its equivalent.

"BBB" rated entities: counterparties that have a long-term credit rating of BBB-, BBB or BBB+, or its equivalent.

*Excludes equities and global bond funds

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and investment securities is limited because the counterparties are banks or other institutions with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds at short notice to meet its financial commitments as they fall due. To reduce the exposure to liquidity risk the Group holds cash and cash equivalents (refer to note 8) investment securities (refer to note 19) and has a bank overdraft facility of $2.0m through a set off arrangement (2023: $2.0m).

Liquidity profile of financial instruments

The following table details the liquidity profile of the Group's financial liabilities based on undiscounted cash outflows at 30 June 2024 and 30 June 2023, assuming future interest cost on borrowings at nil (2023: nil) of the average debt for each period.

	Less than One year $'000	1–2 Years $'000	2-5 Years $'000	5+ Years $'000	Total $'000
30 June 2024					
Trade and Other Payables	7,807	-	-	-	7,807
Employee Entitlements	4,154	137	-	-	4,291
Lease Liabilities	260	262	812	2,053	3,387
Borrowings	12,000	-	-	-	12,000
Total	**24,221**	**399**	**812**	**2,053**	**27,485**
30 June 2023					
Trade and Other Payables	11,488	-	-	-	11,488
Employee Entitlements	3,953	123	-	-	4,076
Lease Liabilities	294	258	792	2,282	3,626
Borrowings	12,000	-	-	-	12,000
Total	**27,735**	**381**	**792**	**2,282**	**31,190**

(d) Reconciliation of liabilities arising from financing activities

	2023	Cashflows	Non-cash additions	2024
Borrowings	12,000	-	-	**12,000**
Lease liabilities	2,642	(174)	34	**2,502**
Long-term debt	14,642	(174)	34	**14,502**

21 Reconciliation of Profit After Income Tax to Net Cash Inflow from Operating Activities

	2024 $'000	2023 $'000
Profit / (Loss) for the Year from Continuing Operations	**28,891**	9,199
Add / (Less) Non-Cash Items:		
Depreciation	**12,707**	11,577
Right-of-Use Asset Depreciation	**218**	226
Amortisation	**115**	185
Impairment of Property, Plant and Equipment, Goodwill, and Software	**-**	-
Decrease / (Increase) in Fair Value of Investment Properties	**(10,525)**	1,509
Decrease / (Increase) in Fair Value of Property, Plant and Equipment	**-**	-
Adjustment to Fair Value for Land Resilience Impact	**(3,064)**	-
Equity Accounted Earnings	**(1,119)**	(1,501)
Increase / (Decrease) in Deferred Tax liability	**(2,599)**	(747)
Add / (Less) Movements in Working Capital:		
Trade and Other Receivables	**(1,614)**	(867)
Trade and Other Payables	**(3,290)**	121
Inventories	**(123)**	606
Taxation Payable/Refund	**2,012**	3,200
Provision for Employee Entitlements	**215**	255
Add / (Less) Items Classified as Investing and Financing Activities:		
Accounts Payable related to Property, Plant & Equipment	**1,674**	1,566
Accounts Payable related to Investment Properties	**-**	6
Gain on Disposal of Fixed Assets	**(336)**	-
Dividends Received on Investment Securities	**(5)**	281
Net cash inflow from operating activities	**23,157**	25,617

22 Related Party Transactions

Subsidiaries and Joint Ventures of CentrePort Ltd

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest held by the Group	
			2024 %	2023 %
CentrePort Properties Limited	Investment in special purpose vehicles	New Zealand	**100**	100
Direct Connect Container Services Limited	Warehousing and transportation	New Zealand	**50**	50
Harbour Quays D4 Limited	Commercial Rental Property	New Zealand	**100**	100
CentrePort Cook Strait Ferry Terminals Limited*	Inactive	New Zealand	**100**	100
CentrePort Captive Insurance Limited	Captive Insurance Company	New Zealand	**100**	100
Dixon & Dunlop Limited	Earthmoving, groundworks and equipment hire	New Zealand	**50**	50
Marlborough Inland Hub Limited	Logistics services	New Zealand	**50**	50

*During the year ended 30 June 2023, Wellington Port Coldstores Limited changed its name to CentrePort Cook Strait Ferry Terminals Limited.

22 Related Party Transactions(continued)

Direct Connect Container Services Limited

CentrePort provided a secured and interest bearing long-term shareholder advance to Direct Connect Container Services Ltd of $7.0m, in October 2021. Interest is payable on the principal of 7.0% per annum. Income from the loan for the year ended 30 June 2024 was $491k (30 June 2023: $490k). The loan is repayable on 29 November 2029.

During the year ended 30 June 2023, CentrePort provided a secured and interest bearing long-term shareholder advance to Direct Connect Container Services Ltd of $1.9m. Interest is payable on the principal of 7.0% per annum. Income from the loan for the year ended 30 June 2024 was $134k (30 June 2023: $93k). The loan is repayable on 4 August 2025.

CentrePort has also provided unsecured advances of $1.1m (30 June 2023: $1.1m) to Direct Connect Container Services Limited. There is no interest charged on these advances and they are repayable on demand. This cash advance is shown on the balance sheet net of CentrePort's share of losses, $742k (2023: $534k).

CentrePort Captive Insurance Limited

On 14 October 2022, the Reserve Bank of New Zealand granted a licence under The Insurance (Prudential Supervision) Act 2010 for CentrePort Captive Insurance Limited to operate as a captive insurance company.

On 1 July 2023, CentrePort Captive Insurance Limited issued its first insurance contract, insuring $20m of Material Damage and Business Interruption exposure to earthquake risk for CentrePort Ltd without any reinsurance contract purchased (2023: nil).

Dixon & Dunlop Limited

On 31 August 2021, CentrePort Limited purchased 50% of the shares in Dixon & Dunlop Limited for $4.1m. CentrePort's interest in Dixon & Dunlop has been accounted for using the equity method. During the year ended 30 June 2024, CentrePort received cash dividends of $1.95m (2023: $1.25m).

Marlborough Inland Hub Limited

On 29 June 2022, Marlborough Inland Hub Limited was established as a joint venture between the Group and Port of Marlborough New Zealand Limited. The joint venture holds land and assets used to fulfil a Grape Supply Agreement in Marlborough valued at $14.2m. The land component of the property was revalued at 30 June 2022 from $10.6m to $12.3m. For the year ended 30 June 2024 management have obtained a desktop assessment of the land which has concluded that the lands carrying value is not materially different to the fair value as at that date.

During the year ended 30 June 2023, CentrePort provided a secured and interest bearing long-term shareholder loan to Marlborough Inland Hub Limited of $500k. Interest is payable on the 30th of June each year or as otherwise provided by agreement at an interest rate of the OCR from time to time plus a margin of 1.5%. Income from the loan for the year ended 30 June 2024 was $35k (30 June 2023: $18k). The loan is repayable on demand.

Parent and Controlled entities

CentrePort is 76.9% owned by WRC Holdings Ltd a subsidiary of Greater Wellington Regional Council (GWRC) and 23.1% owned by MWRC Holdings Limited a subsidiary of Manawatu-Wanganui Regional Council (trading as Horizons Regional Council).

The Group has a tax loss share arrangement with the Wellington Regional Council and Subsidiaries that allows the Group to purchase tax losses. During the 2024 financial year CentrePort transferred $4.2m to GWRC under the Group’s tax loss share arrangement reducing CentrePort’s tax liability for the year ended 30 June 2023.

The unsecured Commercial Paper issued by GWRC to the Group matured on 24 March 2024 for $20.0m. The Group immediately reinvested the proceeds from the Commercial Paper into fixed-income and equity investment securities (see Note 19).

22 Related Party Transactions (continued)

During the year transactions between the Group and related parties included:

	2024 $'000	2023 $'000
Greater Wellington Regional Council and Subsidiaries		
Income received from rent and services performed	**6**	3
Payment for use of navigational facilities, guarantee of CentrePort Group borrowings, and services performed	**(832)**	(779)
Investment in Commercial Paper	**-**	(18,960)
Realisation / (Repayment) of Commercial Paper including interest received	**20,000**	20,000
Subvention Payment	**(4,181)**	-
Horizons Regional Council and Subsidiaries		
Payment for services performed	**-**	(5)
Direct Connect Container Services Limited		
Income received from rent and services performed	**11**	218
Payment for goods and services	**(224)**	(50)
Loan advances	**(25)**	(1,900)
Interest received	**625**	583
Dixon & Dunlop Limited		
Payment for services performed	**(3,929)**	(5,168)
Cost Recoveries	**13**	7
Dividend received	**1,950**	1,250
Marlborough Inland Hub Limited		
Cost recoveries	**2**	383
Loan advances	**-**	(500)
Interest received	**35**	18

At year-end the following outstanding balances with related parties were recorded as an asset / (liability):

	2024 $'000	2023 $'000
Greater Wellington Regional Council payable	**(1)**	(14)
GWRC Commercial Paper	**-**	18,960
Direct Connect Container Services Limited receivable	**1**	16
Direct Connect Container Services Limited payable	**(14)**	(44)
Direct Connect Container Services Limited Loan receivable	**8,925**	8,900
Direct Connect Container Services Limited Cash Advance receivable*	**1,080**	1,080
Dixon and Dunlop Limited receivable	**1**	-
Dixon and Dunlop Limited payable	**(521)**	(371)
Marlborough Inland Hub Limited Loan receivable	**500**	500
Marlborough Inland Hub Limited Loan receivable	**-**	18
	9,971	29,045

*The cash advances paid to Direct Connect Container Services Limited are carried on the balance sheet net of CentrePort's share of losses.

Key Management Personnel Compensation

The compensation of the Directors and Executives, being the key management personnel of the entity, is set out below:

	2024 $'000	2023 $'000
Salaries, fees, and other short-term employee benefits	**3,470**	3,481

23 Capital Commitments

At balance date CentrePort Limited's commitments in respect of contracts for capital expenditure amounted to $nil for the Group (2023: $322k).

24 Contingent Liabilities

CentrePort Limited and CentrePort Properties Limited were added as defendants on 27 April 2021 to proceedings commenced by Statistics New Zealand against Beca Limited and Dunning Thornton Consultants Limited. The proceedings concerned Statistics House which sustained damage and was subsequently demolished following the Kaikoura earthquake in November 2016. During the 2024 financial year CentrePort settled the remaining claim against CentrePort Properties Limited and this matter is therefore no longer a Contingent Liability.

25 Contingent Assets

Following a shipping incident during the year ended 30 June 2023 CentrePort has made a claim for salvage services in respect of the assistance rendered by the CentrePort tugs Tapuhi and Tiaki and the pilot launch Te Haa. CentrePort's salvage claim is guided by the Maritime Transport Act 1994 the International Convention on Salvage and relevant salvage awards published by Lloyds. CentrePort is working with the ship owner to agree an appropriate salvage reward.

26 Subsequent Events

On 11 July 2024, the NZGIF facility matured and was fully repaid.

On 11 July 2024, CentrePort entered in to a Committed Cash Advance Facility Agreement with BNZ. The facility has a $50m limit and matures 11 July 2026. As at the date of signing these financial statements, $19.95m was drawn down on the facility.

On 28 August 2024, the Group declared a final dividend of $0.5m, in respect of the year ended 30 June 2024.

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CENTREPORT LIMITED GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of CentrePort Limited Group (the Group). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 50 to 86, that comprise the balance sheet as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information.

In our opinion, the financial statements of the Group:

- present fairly, in all material respects:
  - its financial position as at 30 June 2024; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to IFRS Accounting Standards and IFRS Accounting Standards.

Our audit was completed on 28 August 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out 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 Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Port Companies Act 1988.

Responsibilities of the Auditor for the audit of the financial statements

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the 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. Also:

- We identify and assess the risks of material misstatement of the 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We 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.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of 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 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.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements 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.

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We communicate with the Board of 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 49 and pages 90 to 98, but does not include the financial statements, and our auditor's report thereon.

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

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out an engagement on CentrePort Captive Insurance Limited's annual solvency return to the Reserve Bank of New Zealand, which is compatible with those independence requirements. Other than the audit and the other assurance engagement on the solvency return, we have no relationship or interests with the Group.

Hamish Anton
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

Corporate Governance

Our Board and Executive Leadership Team

Corporate Governance

Board of Directors at 30 June 2024

Lachie Johnstone
Chair

Sophie Haslem
Deputy Chair

Warwick Tauwhare-George
Director

Jackie Lloyd
Director

Martin Lewington
Director

Jason McDonald
Director

Executive Leadership team at 30 June 2024

Anthony Delaney
Chief Executive

Megan Elmiger
GM People, Safety and Marine

Jason Sadler
Chief Financial Officer

Stefan Reynolds
GM Operations

Paul Terry
GM Infrastructure

Andrew Steele
GM Strategy and Stakeholder Relations

Andrew Locke
GM Commercial and CentreConnect

Directors' report

Report of Directors

The Directors are pleased to submit their Annual Report including the Group financial statements of CentrePort Limited (CentrePort) and its subsidiaries (the Group) for the year ended 30 June 2024.

Principal Business

CentrePort Limited is a port company pursuant to the Port Companies Act 1988.

Dividends

	2024 $000
Interim dividend paid 29 February 2024	3,500
Second interim dividend paid 27 June 2024	3,500
Final interim dividend declared 28 August 2024, to be paid 29 August 2024	500
	7,500

The Directors have declared dividends of $7.5m for the year ended 30 June 2024.

Directors holding office during the year

Parent & Subsidiaries

L J C Johnstone (Chairperson)

S Haslem

M Lewington

W Tauwhare-George

J Lloyd

J McDonald (appointed 1 September 2023)

A Delaney (resigned from Centreport Limited Board 4 September 2023)

Remuneration of Directors

Directors' remuneration paid during the year was as follows:

	Directors' Remuneration $
L J C Johnstone	150,910
S Haslem	100,985
M Lewington	72,595
W Tauwhare-George	79,845
J Lloyd	72,595
J McDonald	60,637
A Delaney	-

Entries in the Interests Register

CentrePort maintains an Interests Register in which particulars of certain transactions and matters involving the Directors are recorded. The following are the particulars in the Interests Register as at 30 June 2024.

Conflicts of interest

Directors must declare any conflicts of interest that exist between their duty to CentrePort Limited and their personal interests. The company maintains an interests register detailing disclosures of any conflicts of interest.

This year Directors disclosed where they had a conflict of interest with companies the Group carried out business with. Transactions with these companies took place under usual commercial terms and at arm's length from the conflicted directors. Details of the specific interests that individual Directors had in transactions were entered in the interests register.

L J C Johnstone (Chairperson)

- Director and shareholder of Waimaha Farms Limited, Reihana Land Holdings Limited, Maimere Properties Limited and Wholesale Frozen Foods Limited.
- Director of Jenkins Group Limited, Jenkins Freshpac Systems Limited, Move Investments Limited and Move Logistics Group Limited.
- Director and Chair of J-Tech Systems (Pty) Limited
- Trustee of Kings College Board of Trustees

S Haslem

- Director and Shareholder of Omphalos Limited
- Director of Rangatira Limited; Kordia Group Limited; Kordia New Zealand Group Limited; Kordia Limited; Livestock Improvement Corporation Limited; LIC Agritechnology Limited; Payments NZ Limited, nib NZ Limited, nib NZ Insurance Limited and nib NZ Holdings Limited.

M Lewington

- Director of Mercer (N.Z.) Limited

W Tauwhare-George

- Director and Shareholder of TG Enterprises (2021) Limited
- Director of Riverlock Group Holdings Limited.

J Lloyd

- Chairperson of Naylor Love Enterprises Limited
- Director of Naylor Love Construction Limited; Naylor Love Properties Limited, Naylor Love Enterprises Limited and Naylor Love Limited
- Board Member of Museum of New Zealand Te Papa Tongarewa
- Trustee of the Lion Foundation
- President of Institute of Directors in New Zealand (Inc)

J McDonald

- Director and Shareholder of Jaspen Family Trustee Limited, Jaspen Investment Trustee Limited, Jason McDonald Consulting Limited and Jaspen Ventures Limited.
- Director of First Renewables Power Limited, First Renewables Power Topco Limited, First Renewables Power Midco Limited, First Sunrise Topco Limited, First Sunrise Midco Limited, First Sunrise Holdco Limited, First Sunrise Bidco Limited, Firstlight Network Limited, First Renewables Limited, First Gas Topco Limited, First Gas Midco Limited, First Gas Limited, Gas Services NZ Limited, Gas Services NZ Midco Limited, Flexgas Limited, Rockgas Limited, Helios Energy Limited, Connetics Limited and Orion New Zealand Limited.
- Shareholder of Helios Energy Hold GP Limited and Mevo Limited.

Approach to corporate governance

The CentrePort Limited Board of Directors is committed to following best practice in governance policy and behaviour.

Our policies are tested against applicable standards in the NZX Corporate Governance Code. While the code is for listed public companies, our Board's governance practices adhere to the standards where relevant.

In addition, CentrePort's Directors support the principles set out in the Code of Practice for Directors, issued by the Institute of Directors in New Zealand. While the code expresses principles rather than detailed behaviours, our directors undertake to follow the high standards of behaviour and accountability supported by the code.

Board of Directors

The Board is elected by shareholders. The Port Companies Act 1988 and the Companies Act 1993 govern the relationship between CentrePort Limited and its shareholders.

Role and responsibilities of the Board

The Board has a statutory responsibility for the affairs and activities of CentrePort Limited and its subsidiary companies. To support the Board in its responsibilities, the Chief Executive Officer and Executive Leadership Team at CentrePort carry out the day-to-day leadership and management of the company.

Key areas of responsibility that remain with the Board are:

- setting the direction, strategies and performance benchmarks of the company
- monitoring progress and delivering results
- approving strategies, business plans and budgets
- monitoring compliance with statutory requirements
- safeguarding and growing the value of CentrePort Limited's assets.

Board composition

The Board continually reviews its size, composition and breadth of experience and expertise. In support of the enduring governance expectations, a performance review of the overall Centreport Board, individual directors, and the Board Chair, was undertaken during the year.

Procedures for the operation of the Group are governed by the company's constitution. Under this constitution, the Board must consist of between six and nine directors.

Shareholders appoint Directors by ordinary resolution or by written notice to the company, which must be signed by both shareholders of the company. Not more than two members or employees of the shareholders may hold office as Directors.

Each year one-third of the Board membership is required to retire by rotation at the Annual General Meeting. The Directors to retire are determined by their length of service in office since their last election or appointment. In addition, anyone who has been a Director for more than three years is required to retire. Retired Directors are eligible for re-election.

Board meetings

The Board met ten times during the year.

Directors receive papers and management reports for consideration in advance of each meeting. They also have unrestricted access to company records and information.

Company executives are regularly involved in Board deliberations and Directors have opportunities for contact with all employees, including during visits to the Group's operations.

Board committees

Three Board committees assist in the execution of the Board's responsibilities, and each is subject to a defined Terms of Reference:

1. Audit and Risk Committee
2. People, Culture and Remuneration Committee
3. Health, Safety and Environmental Committee.

Other ad hoc committees are established as required. The committees have a number of scheduled meetings each year to achieve the objectives of the individual committees Terms of Reference. The committees make recommendations to the Board and only exercise the Board's decision-making powers when they have specific delegated powers to do so.

Audit and Risk Committee

Members as at 30 June 2024

S Haslem (Chair), L Johnstone, M Lewington and J McDonald.

Number of meetings held

This committee met four times during the year. The external auditors attended all meetings.

The Audit and Risk Committee assists the Board in fulfilling its duties and responsibilities relating to:

- Financial reporting and regulatory compliance
- Taking reasonable steps necessary to safeguard the Group's assets, and to prevent and detect fraud and other irregularities
- Reviewing treasury risk management controls.

The Audit and Risk Committee assists the Board to fulfil the above responsibilities by:

- Considering the adequacy of the form and content of published financial statements.
- Determining whether accounting policies adopted by the Group are appropriate, consistently applied and adequately disclosed.
- Ensuring that significant estimates and judgements made are reasonable and prudent, and that all applicable financial reporting standards have been followed.
- Ensuring that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position, results of operations and cash flows of the company and the Group.
- Continually reviewing the effectiveness of the Group's policies, practices, procedures and systems of internal control and risk management.
- Meeting with the external auditors to:
  - discuss the adequacy of internal controls and any areas of concern
  - examine any recommendations made by the auditors for improvement.

People, Culture and Remuneration Committee

Members as at 30 June 2024

W Tauwhare-George (Chair), L Johnstone, and J Lloyd.

Number of meetings held

This committee met three times during the year.

The People, Culture and Remuneration Committee assist the Board in its responsibilities to:

- Establish and maintain the integrity of remuneration practices in a way that supports the achievement of the company's business goals.
- Ensure that CentrePort's remuneration practices at all times seek to improve the performance of individual employees, the organisation, and the teams that comprise it.

The People, Culture and Remuneration Committee assists the Board to fulfil the above responsibilities by:

- Reviewing the company's remuneration policies and practices to ensure they develop, motivate and reinforce high levels of performance in a way that promotes the trust and understanding of the company's employees.
- Monitoring compliance with remuneration legislation and case law.
- Reviewing with management the company's performance review and incentive system.
- Considering detailed recommendations for the remuneration of executive management to ensure they are appropriate.
- Reviewing succession planning and talent management plans and staff engagement surveys.

Health, Safety and Environmental Committee

Members as at 30 June 2024

L Johnstone (Chair), S Haslem and W Tauwhare-George.

Number of meetings held

This committee met five times during the year.

The Health, Safety and Environmental Committee assist the Board in its responsibilities to:

- Ensure, so far as is reasonably practicable, the health and safety of workers and others affected by CentrePort's business and undertakings, and ensure the company's compliance with health, safety, security and environmental laws, regulations and ethics.

The Health, Safety, Security and Environmental Committee assists the Board to fulfil these responsibilities by:

- Monitoring compliance with the Board's safety and environmental policies, health, safety and environmental legislation, and case law.
- Reviewing with management;
- the company's hazard analysis and accident prevention systems.
- work practices, by visiting the Group's operations to determine that work is conducted in a safe and hazard-free manner.
- the implementation of new systems and procedures to enable all activities to be carried out in a safe and environmentally responsible way.
- the implementation of the Group's strategic objectives for quality as identified in the strategic plan.
- Coordinating with other agencies, customers and stakeholders to monitor environmental and disaster risks, including ensuring appropriate emergency response plans.

CentrePort Captive Insurance Limited

CentrePort Captive Insurance Limited is 100% owned by CentrePort Limited. The Reserve Bank approved the licence top operate on 14 October 2022.

At 30 June 2024, the capital held by CentrePort Captive Insurance Limited was $30.4m.

Members as at 30 June 2024

S Haslem (Chair), L Johnstone, and J McDonald.

Number of meetings held

This committee met four times during the year.

The CentrePort Captive Insurance Limited Board assists CentrePort's Board in its objectives to:

- hold sufficient capital for self-insurance cover, given the ever-challenging insurance market,
- responsibly invest funds in a manner that appropriately balances capital protection with capital growth, and;
- implement its strategy to increase capital held and invested within CentrePort Captive Insurance Limited.

Directors

In accordance with the Company's Constitution, two Directors (Sophie Haslem and Martin Lewington) will retire by rotation at this year's Annual General Meeting. Sophie Haslem will offer herself for re-election to the Board.

Directors' Insurance

The Company has arranged Directors' and Officers' liability insurance cover to indemnify the Directors' against loss as a result of actions undertaken by them as Directors and employees provided they operate within the law. This disclosure is made in terms of Section 162 of the Companies Act 1993.

Remuneration of Employees

During the year, the number of employees or former employees of CentrePort Limited and its subsidiaries who received remuneration and other benefits in excess of $100,000 are:

	Number of Current Employees
$100,001 – $110,000	19
$110,001 – $120,000	22
$120,001 – $130,000	24
$130,001 – $140,000	18
$140,001 – $150,000	10
$150,001 – $160,000	8
$160,001 – $170,000	11
$170,001 – $180,000	13
$180,001 – $190,000	8
$190,001 – $200,000	2
$200,001 – $210,000	2
$210,001 – $220,000	6
$220,001 – $230,000	1
$240,001 – $250,000	1
$250,001 – $260,000	1
$270,001 – $280,000	5
$350,001 – $360,000	1
$360,001 – $370,000	4
$400,001 – $410,000	1
$700,001 – $710,000	1
	158

Donations and Sponsorship

The Group spent $159,727 (2023: $155,863) on donations and sponsorship during the year.

Auditor

The Auditor-General continues in office in accordance with Section 19 of the Port Companies Act 1988. The Auditor-General has appointed Mr H Anton of Deloitte Limited to undertake the audit. The Company paid audit fees of $320,099 for the year ended 30 June 2024 (2023: $313,892). Deloitte also provided other assurance services during the period at a cost of $5,000 (2023: $5,000).

Registered Office

CentrePort Limited
2 Fryatt Quay
PO Box 794
Wellington 6140
New Zealand

For, and on behalf of, the Board of Directors

L J C Johnstone
Chairperson
28 August 2024

S Haslem
Director
28 August 2024


Noordam

CentrePort
Wellington