

PORT OF HASTINGS CORPORATION

Annual Report 2025-26

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Port of Hastings Corporation's Annual Report for the year ending 30 June 2026.

Yours sincerely,



Caryn Anderson
Chair
2 October 2026



Acknowledgement of Traditional Custodians

The Port of Hastings Corporation acknowledges the Bunurong People, the Traditional Custodians of the lands and waters on which we live and work, and we pay our respects to their Elders past and present.

We recognise the deep and enduring connection of the Bunurong People to the land and waters of Western Port. For thousands of years, they have sustainably managed these environments, caring for Country and using its resources for trade, cultural practices, ceremonies, and daily life. Their custodianship ensured the health of marine ecosystems, coastal lands, and waterways, which continue to sustain communities today.

We are genuinely committed to advancing Aboriginal self-determination and supporting Aboriginal communities. We recognise the importance of strengthening our ongoing relationships with First Peoples and that self-determination is driven by the Aboriginal community.

Artwork: Earth and Sea (barripbarrip) Dreaming by Vicki Thomas.

Table of Contents

Responsible Body's Declaration 2
Acknowledgement of Traditional Custodians 2

SECTION 1: Year in Review 5
Chairperson's & CEO's Report 6
1.1 Annual Report 8
1.2 Legislation & Responsibilities 8
1.3 PoHC Vision, Purpose & Strategy 8
1.4 PoHC Context & Assets 9
1.5 Values 9
1.6 PoHC Trade Summary 10
1.7 Financial Summary 11

SECTION 2: Governance & Organisational Structure 13
2.1 Board of Directors 14
2.2 Audit & Risk Committee (ARC) 15
2.3 Executive Remuneration Committee (ERC) 16
2.4 Senior Management & Executives 16
2.5 Organisational Structure as at 30 June 2026 17
2.6 Occupational Health & Safety 17
2.7 Consultation & Engagement 18
2.8 Environment & Sustainability 19

SECTION 3: Workforce Data 22
3.1 Employment, Conduct & Principles 23
3.2 Workforce Data 23

SECTION 4: Financial Statements 25
How this Report is Structured 26
Declaration in the Financial Statements 30 June 2026 27
Independent Auditor's Report 28
Notes to the Financial Statements 34
1. About this Report 34
2. Funding Delivery of Our Services 36
3. The Cost of Delivering Services 38
4. Key Assets Available to Support Output Delivery 41
5 Other Assets & Liabilities 47
6 How We Finance Our Operations 50
7. Financial Instruments, Contingencies & Valuation Judgements 54
8 Other Disclosures 60

SECTION 5: Other Disclosures 64
5.1 Local Jobs First – Victorian Industry Participation Policy 65
5.2 Social Procurement Framework 65
5.3 Details of Consultancies (Valued at $10,000 or Greater) 65
5.4 Details of Consultancies (valued at less than $10,000) 66
5.5 Information & Communication Technology Expenditure 66
5.6 Disclosure of Major Contracts 66

5.7 Freedom of Information (FOI) 66
5.8 Government Advertising Expenditure 67
5.9 Statement of Availability of Other Information 67
5.10 Compliance with the Building Act 1993 67
5.11 Competitive Neutrality Policy 68
5.12 Compliance with the Public Interest Protected Disclosure Act 2012 68
5.13 Compliance with the Disability Act 2006 68
5.14 Reporting Procedures 69
5.15 Financial Management Attestation Statement 69
5.16 Disclosure Index 70

Cover image: David Cristodoulou
Page 46: Brett Halton

SECTION 1:
Year in Review

Chairperson's & CEO's Report

In 2026, the Port of Hastings marks 60 years of commercial operations in Western Port, a milestone that reflects the port's enduring contribution to Victoria's economy and infrastructure network. Since the commissioning of the Westernport Oil Refinery at Crib Point in 1966, the port has evolved alongside the changing needs of industry, trade and energy, becoming a strategically significant asset for the State.

Today, the Port of Hastings Corporation (PoHC) is uniquely positioned within Victoria's maritime network. With the deepest navigable waters in the State, proximity to key industrial and population centres in Melbourne's southeast and the Gippsland region, and more than 3,400 hectares of zoned land (SUZ1) available to support future development, the port possesses a combination of natural and strategic advantages that are increasingly important to Victoria's long-term economic and energy future.

These strengths underpin the port's role in facilitating the import and export of critical commodities, including refined fuel, steel, oil, condensate and gas. They also position the port to potentially play an important role in supporting Victoria's transition to renewable energy through the Government's proposed Victorian Renewable Energy Terminal (VRET), subject to environmental approvals and funding.

Year in review

2025-26 was a year of purposeful progress for PoHC. Alongside the continued safe and efficient operation of the port, the Corporation advanced key strategic initiatives, strengthened organisational capability and governance, and continued to position the port to respond to Victoria's evolving freight, trade and energy needs.

The port continues to focus efforts on its critical role supporting Victoria's economic prosperity, particularly towards fuel security, with up to 25% of the States fuel imported through PoHC. The port handled 137 vessels during the year, compared with 123 in 2024-25, with trade volumes reaching 1.84 million tonnes representing a 7% increase on the previous year. This focus has included a condition review of our key marine infrastructure, along with asset maintenance and renewal planning, to support long-term asset resilience.

As requested and funded by Government, we have also achieved significant progress in development of the Environmental Effects Statement (EES) and planning for the potential VRET project.

Consistent with our Corporate Plan, PoHC has commenced a focused program to enhance organisational capability through investment in systems, processes and governance. This work is helping to build a more mature, resilient and scalable organisation capable of delivering both its current responsibilities and its longer-term strategic objectives.

Supporting this effort has been the continued strengthening of our team through targeted recruitment of specialised expertise to support business transformation, project delivery and organisational development.

The year also marked the appointment of a new Board by the Minister for Ports and Freight. We are pleased to acknowledge their commitment and contribution during their first year. Collectively, the Board and Management bring a diverse range of expertise that is helping guide the organisation through a period of significant opportunity and change. We also acknowledge and thank the outgoing Directors, along with the current Management team, whose service has helped position the port for this next phase of opportunity and development.

Operationally, the port has continued to perform strongly, maintaining certification to ISO 45001 Occupational Health and Safety and ISO 14001 Environmental Management standards. These achievements reflect our ongoing commitment to safety, environmental stewardship and operational excellence. Pleasingly, there were no major safety and marine pollution response incidents during the year.

PoHC delivered a sound financial performance in 2025-26, reflecting disciplined financial management, increased port activity and continued progress on strategic priorities. Port operating revenue increased to $10.2 million, supported by steady growth in trade volumes, particularly fuel imports through

United Petroleum. Total revenue reached $26.9 million while operating expenditure remained below the previous year, driven largely by lower depreciation following infrastructure revaluation activities. Capital expenditure increased to $2.1 million as the Corporation continued investing in the renewal and resilience of critical marine infrastructure.

As a result, PoHC recorded a comprehensive result of $4 million. The Corporation's financial position also strengthened, with cash holdings increasing to $33.4 million and net assets growing from $34 million to $38 million. This provides a strong platform from which to continue delivering on our broader strategic objectives.

Victorian Renewable Energy Terminal

The proposed VRET reached several important milestones during the year, reflecting substantial progress in planning, assessment and project development activities.

Notable achievements included the Commonwealth Government's Controlled Action decision under the *Environment Protection and Biodiversity Conservation Act* and the Victorian Government's commitment of $124.5 million to support the Environment Effects Statement (EES) process and project development.

As we progress the project, we remain committed to ensuring decisions are informed by rigorous science, robust technical analysis and transparent engagement with stakeholders and the community. Significant environmental assessments and technical investigations are underway, supporting preparation of the Environment Effects Statement, which is expected to be publicly exhibited in early 2027.

Importantly, the project design has continued to evolve in response to technical findings and stakeholder feedback. Improvements to the proposed design and construction methodology have resulted in meaningful reductions to both dredging and reclamation requirements. PoHC recognises the environmental significance of Western Port and remains committed to identifying opportunities to avoid, minimise and manage environmental impacts wherever practicable.

Looking ahead

The year ahead will be an important one for PoHC. We expect continued progress on the proposed VRET project, particularly the EES, publication of the final Port Development Strategy, and ongoing work to strengthen the organisation's capability and readiness for future growth.

As custodians of one of Victoria's most strategically significant maritime assets, we recognise both the opportunities and responsibilities before us. Our focus remains on supporting the State's economic prosperity, freight network resilience, renewable energy transition, and energy security, acknowledging its growing national importance. We will do this whilst maintaining the highest standards of safety, environmental stewardship and stakeholder engagement, including further strengthening our engagement with the traditional owners of the lands and waters of the port, the Bunurong people.

The Board and Management are confident that PoHC is well positioned to navigate the opportunities and challenges ahead and continue delivering long-term value for Victoria, the Western Port community and future generations.

In accordance with the *Financial Management Act 1994*, we are pleased to present the Port of Hastings Corporation's Annual Report for the year ending 30 June 2026.



Caryn Anderson
Chair



Matt Thorpe
Chief Executive Officer

1.1 Annual Report

For the Period 1 July 2025 to 30 June 2026

The Annual Report of the Port of Hastings Corporation (PoHC) is presented together with the financial statements for the year to 30 June 2026 (2025-26), in conformity with the provisions of the *Financial Management Act 1994*.

1.2 Legislation & Responsibilities

PoHC was established under the *Transport Integration Act 2010 (TIA)* and is responsible for the management and operations of the Port of Hastings. The channels and port waters in Western Port are within the jurisdiction of Ports Victoria as the responsible authority for navigation safety.

There are two State Government Ministers who have served as accountable officers for PoHC over the past year, being the Minister for Ports and Freight, the Hon. Melissa Horne MP, and the Minister for Treasury Victoria, the Hon. Jaclyn Symes MP.

Department of Transport and Planning

PoHC is an entity within Victoria's transport and planning portfolio, which is led by the Department of Transport and Planning (DTP).

DTP and its entities share responsibility for Victoria's transport and planning systems. Our common aim is to create thriving places and connected communities that underpin an inclusive, successful and sustainable state.

PoHC and its initiatives are vital contributors to the transport and planning portfolio.

1.3 PoHC Vision, Purpose & Strategy

PoHC's Vision, Purpose and Strategic Pillars establish a clear direction for the organisation's next phase.

PoHC is evolving from a model characterised by modest investment in asset maintenance and a predominantly reactive development approach, to a more proactive, growth-focused and disciplined operating model. This transition is intended to strengthen long-term financial sustainability, enhance asset performance and optimise the value of the port to the State, community and its stakeholders.

Vision

The Port of Hastings will be an essential and sustainable part of Victoria's economy and energy transition, and a valued contributor to the local community and industry.

Purpose

To manage, develop and operate the port to support an efficient Victorian freight system.

Central to achieving this **Vision** and **Purpose** are the three **Strategic Pillars**, with a stronger focus on clear prioritisation and disciplined execution, underpinned by enhanced governance:

Pillar 1: Delivering safe, reliable and well-governed port operations that support existing customers and underpin Victoria's critical fuel security.

Pillar 2: Progressing VRET as the flagship growth project and a key enabler for the State's energy transition, including through support for the offshore wind industry.

Pillar 3: Driving diversified growth by optimising the long-term value of existing port assets and pursuing targeted, commercially viable investment opportunities.

1.4 PoHC Context & Assets

The Port of Hastings is located on the Mornington Peninsula, near several townships and around 70 kilometres from Melbourne and 50 kilometres to Gippsland's western boundary. It provides the deepest natural channels of Victoria's four commercial ports and does not require vessels to traverse the entrance to Port Phillip Bay. Due to its location and natural strengths, it has historically supported a large share of Victoria's bulk liquid trades, including condensate, refined petroleum and liquid petroleum gas imported from overseas or extracted from the Bass Strait.

Port Development Strategy 2055 (PDS 2055)

The Port Development Strategy is a requirement of Section 91K of the *Port Management Act 1995* (Vic) and must be prepared by port authorities every five years.

The Port Development Strategy 2055 (PDS 2055) provides the vision and strategic direction for port development over a 30-year period, supporting the state-wide economic function of the port, while managing environmental and social risks and sensitivities.

PDS 2055 articulates the ongoing function that the port will play as a major trade gateway to the Victorian economy, providing goods to the population and helping industry connect with their markets. It introduces the new role the port will play in Victoria's energy sector, supporting the essential task of powering the state with renewable energy and achieving our net zero emissions targets.

1.5 Values

PoHC operates in accordance with the Victorian government public sector values, which are:

- Responsiveness;
- Integrity;
- Impartiality;
- Accountability;
- Respect;
- Leadership; and
- Human Rights.

In order to foster the development of its culture, PoHC has adopted the following four key values:

Leadership

We will lead with vigour and ensure we demonstrate exemplary behaviours in all aspects of our interaction with others. We will present clear and actionable solutions, and our performance will be to the highest possible standard, setting benchmarks for industry and government. Our performance will be monitored against the standards we set. We will engage positively with all by taking responsibility for our conduct, setting clear accountabilities, upholding our values and committing to achieve the best possible outcomes for all Victorians.

Integrity

We will be open, honest, and transparent in all our dealings, using our powers responsibly and ensuring that any improper conduct is reported and dealt with appropriately. We will avoid any real or apparent conflicts of interest and seek to drive value for money outcomes for all Victorians.

Respect

We will treat everyone fairly and objectively, ensuring all our interactions are free from discrimination, harassment and bullying. We will engage proactively when presenting our own views while listening to others to collaboratively improve outcomes for all Victorians.

Sustainability

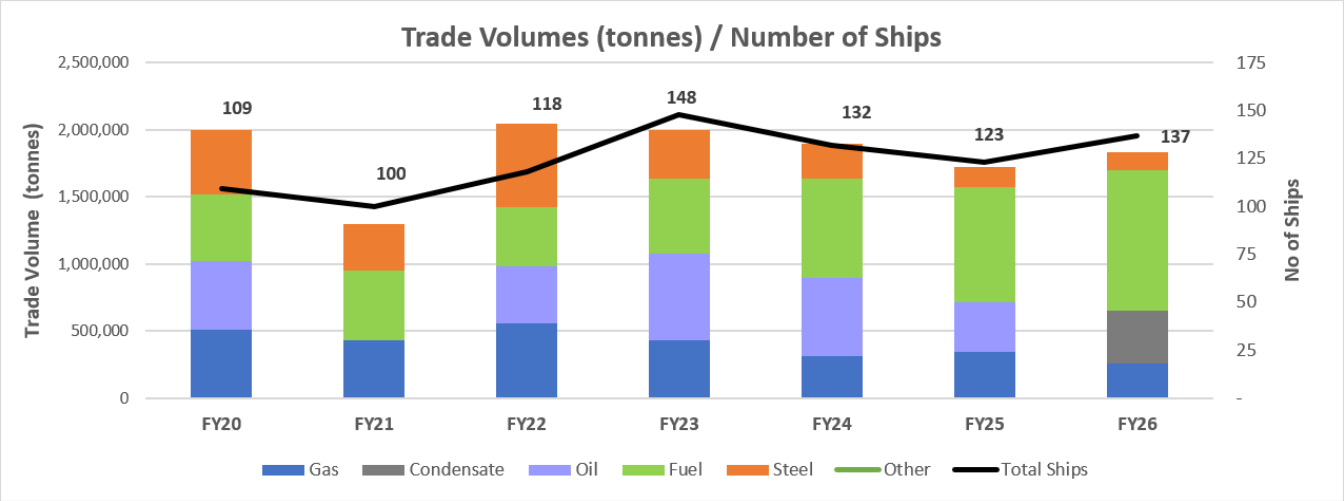
We will put health & safety first in our ongoing operations and the decisions we make. We will be aware of our responsibilities to the environment and the Victorian community and will seek to deliver lasting economic, social and environmental benefits for all Victorians.

1.6 PoHC Trade Summary

The 2025-26 year saw 137 ships compared to 123 in the previous year visiting the port, a 11% increase from the previous year.

Total volumes (import and export) increased by 7% to 1.84 million tonnes from 1.72 million tonnes. Gas, oil and condensate were down by 9%, fuel was up by 23% and steel and other shipments were down by 5% compared to the previous year.

The graph below provides a summary of trade volumes and number of ships over the last five years:



1.7 Financial Summary

($thousand)

Financial Summary	2026	2025	2024	2023	2022
State government grant	15.074	16,420	13,831	2,905	0
Port operating revenue and Other revenue	10,559	8,831	9,158	8,865	7,912
Total operating revenue	25,633	25,251	22,989	11,770	7,912
Total operating expenses	(23,671)	(23,126)	(20,748)	(9,851)	(4,606)
EBITDA *(i)*	**1,962**	**2,125**	**2,241**	**1,919**	**3,306**
Depreciation	815	(3,206)	(2,965)	(2,769)	(2,615)
Net interest	1,208	883	1,060	398	(3)
Other economic flows *(ii)*	24	(121,309)	0	16,613	0
Comprehensive result	**4,009**	**(121,507)**	**336**	**16,161**	**688**
Net cash flow from operating activities		**3,290**	**158**	**12,181**	**3,542**
Total assets	**131,683**	**44,246**	**165,279**	**168,092**	**147,105**
Total liabilities	**93,967**	**10,348**	**9,674**	**12,723**	**7,897**

(i) Earnings before Interest, Tax, Depreciation and Amortisation

(ii) In FY25, a fair value assessment was conducted by VGV as a part of a five-year revaluation cycle in accordance with FRD 103, AASB 13 and AASB 116.

Financial performance & business review

PoHC has achieved a comprehensive result of $4.0 million for 2025-26. The result reflects continued Victorian Government funding for development of the VRET project, primarily the EES, together with increased revenue from port operations.

PoHC's two primary sources of revenue are Victorian Government grants supporting the VRET project and revenue generated from port operations.

During 2025-26, the Victorian Government, through DTP, allocated a further $98.3 million towards progressing the EES, planning and business case activities for the proposed VRET project, comprising tranches of $5.0 million (July 2025), $16.0 million (December 2025) and $77.3 million (June 2026). Grant funding is recognised as a deferred grant income liability until it is matched with expenditure. Accordingly, $15.1 million was recognised as grant revenue during 2025-26 (2024-25: $16.4 million), with the deferred grant income liability of $84.8 million carried forward at 30 June 2026 (2024-25: $1.7 million).

Revenue from port operations totalled $10.2 million (2024–25: $8.8 million), arising primarily from the provision of port services, including berthing and wharfage fee revenue. The increase was driven by higher wharfage fees and berth hire. Other revenue comprised property rental, maintenance services and interest income, with interest income increasing to $1.2 million (2024–25: $0.9 million). Total revenue from transactions for the year was $26.9 million (2024–25: $26.2 million).

Total expenses from transactions for the year ended 30 June 2026 were $22.9 million (2024–25: $26.4 million). Key contributing operating expenses were professional services and consultancy, employee-related costs, maintenance and depreciation. Professional services and consultancy totalled $11.1 million (2024–25: $12.6 million), of which $9.4 million related to EES, planning and business case activities for the proposed VRET project (2024–25: $11.8 million). The reduction reflects the timing and phasing of activities associated with this component of the proposed project plan. Employee-related costs increased by $1.2 million to $7.1 million (2024–25: $5.9 million), reflecting additional resourcing to support the core business and delivery of the VRET program. Depreciation

expense decreased to $0.8 million (2024–25: $3.2 million), reflecting the lower depreciable asset base following the 2025 revaluation.

The comprehensive result improved significantly compared with the prior year due to the asset revaluation undertaken in the prior year. In 2024–25, an independent revaluation resulted in a $121.3 million reduction in asset values, comprising $116.1 million recognised in the asset revaluation surplus and $5.2 million recognised in the net result from transactions. As 2025–26 is a non-valuation year within the five-year revaluation cycle, no revaluation adjustment was required.

Financial position – Balance Sheet

Total assets increased by $87.4 million during 2025–26 to $131.7 million (2024–25: $44.2 million). The increase was driven primarily by a $77 million increase in receivables, reflecting the June 2026 VRET grant allocation receivable at year end, together with a higher cash balance. Property, infrastructure, plant and equipment increased to $19.4 million (2024–25: $18.1 million).

Cash and cash equivalents as at 30 June 2026 were $33.4 million, an increase of $9.1 million from the previous year, reflecting the receipt of Victorian Government grant funding in advance of the related VRET expenditure.

Total liabilities increased by $83.6 million to $94 million (2024–25: $10.3 million), primarily reflecting the increase in deferred grant income to $84.8 million (2024–25: $1.7 million) as VRET funding was received ahead of the related expenditure. Total equity increased to $37.7 million (2024–25: $33.9 million), primarily reflecting the net surplus for the year. Accumulated losses reduced to $26.8 million. No asset revaluation movement was recognised during 2025–26 (2024–25: $116.1 million recognised in the asset revaluation surplus).

Cashflows

Net cash provided by operating activities was $11.5 million, compared with $3.3 million in the previous year, reflecting the receipt of Victorian Government grant funding in advance of related VRET expenditure. Net cash used in investing activities was $2.1 million, primarily relating to capital investments, while net cash used in financing activities was $0.3 million. Cash and cash equivalents at 30 June 2026 were $33.4 million, compared with $24.3 million at 30 June 2025.

Subsequent events

There have been no events subsequent to 30 June 2026 that have significantly affected, or may significantly affect, the operations of PoHC.

SECTION 2:
Governance & Organisational Structure

2.1 Board of Directors

PoHC is governed by its Board of Directors. PoHC's Board is appointed by the Minister for Ports and Freight.

The current board was appointed on 1 October 2025, replacing the previous Board of Mark Toohey (Acting Chair), Arthur Apted (Director) and Jennifer Ryan (Director).

The Board now comprises six independent Directors - a Chair, Deputy Chair and four Directors. The Board is responsible for the corporate governance of PoHC and may exercise powers as set out in the *Transport Integration Act 2010*. The Board is directly accountable to the Victorian Government through the Minister for Ports and Freight and the Treasurer.

Directors

Caryn Anderson - Chair

Caryn Anderson is a seasoned executive with extensive experience in infrastructure, transport, and commercial strategy. She has held senior roles at the Port of Melbourne, including leading the Port Lease Transaction. Caryn's strengths span strategic infrastructure planning and development, ESG, stakeholder engagement, business development, and governance across both public and private sectors.

Aisha Nicolay – Deputy Chair

Aisha Nicolay is a governance specialist and experienced leader, currently serving as Chair of the Public Transport Ombudsman. Her expertise includes corporate governance, strategic planning, and cultural transformation across diverse sectors.

Carolyn Baker

Carolyn Baker is a senior legal and executive leader with a strong background in Melbourne's transport infrastructure sector. She has held key roles at the Port of Melbourne and ConnectEast, operator of EastLink.

Mario D'Elia

Mario D'Elia is a Certified Practicing Accountant (CPA) and experienced financial, commercial, and strategic advisor with over two decades of experience in infrastructure and public-private partnerships. As the former National Partner of PwC's Infrastructure Advisory team, Mario has advised governments and private clients on major capital projects across transport, water, and social infrastructure.

Lachlan McDonald

Lachlan McDonald is Executive Director for Intergovernmental Relations at the Department of Transport and Planning. He leads strategic engagement across government on transport and infrastructure policy.

Suzanna Sheed AM

Suzanna Sheed is a government relations and strategy advisor, lawyer, and former Independent Member of the Victorian Legislative Assembly for Shepparton (2014–2022). Prior to her parliamentary career, she practiced family and commercial law and served as a Director for RACV.

The Board formally met nine times during the year, with a further five ad-hoc Board briefings and two strategy workshops.

Table 1: Board members & attendance

Position	Name	Appointed	Term expires	Attended	Eligible to attend	Total meetings held
Acting Chair	Mark Toohey	1/07/2025	30/09/2025	2	2	9
Chair	Caryn Anderson	1/10/2025	30/09/2028	7	7	
Deputy Chair	Aisha Nicolay	1/10/2025	30/09/2028	7	7	9*
Director	Arthur Apted	1/10/2017	30/09/2025	2	2	9
	Jennifer Ryan	1/10/2023	30/09/2025	2	2	
	Carolyn Baker	1/10/2025	30/09/2028	7	7	
	Mario D'Elia	1/10/2025	30/09/2028	7	7	
	Lachlan McDonald	1/10/2025	30/09/2028	7	7	
	Suzanna Sheed	1/10/2025	30/09/2028	7	7	

* There was no deputy chair for the first two meetings of the year.

PoHC is committed to meeting its governance requirements and has been active in its policy and procedure development program to ensure compliance with the Government's Financial Management Compliance Framework. PoHC has made ongoing progress towards achieving full compliance.

2.2 Audit & Risk Committee (ARC)

Between 30 June 2026 and 30 September 2025, the ARC consisted of the following members:

- Mark Toohey, Acting Chair (independent member);
- Jennifer Ryan (independent member); and
- Arthur Apted (independent member).

From 1 October 2025 until 30 June 2026, the Audit & Risk Committee consisted of:

- Mario D'Elia (Chair) (independent member);
- Carolyn Baker (independent member); and
- Aisha Nicolay (independent member).

Audit & Risk Committee Responsibilities

The main responsibilities of the ARC are to:

- Review & report independently to the Board of Directors on the annual report and all other financial information published by PoHC;
- Assist the Board of Directors in reviewing the effectiveness of PoHC's internal control environment covering:
  - Effectiveness and efficiency of operations;
  - Reliability of financial reporting; and
  - Compliance with applicable laws and regulations;
- Determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
- Maintain effective communication with external auditors;
- Consider recommendations made by internal and external auditors, and review the implementation of actions to resolve issues raised; and
- Oversee the effective operation of the Risk Management Framework.

The ARC met five times during the year.

Table 2: Audit & Risk Committee meeting attendance

Position	Name	Attended	Eligible to attend	Total meetings held
Chair	Mark Toohey	2	2	5
	Mario D'Elia	3	3	
Member	Arthur Apted	2	2	5
	Jennifer Ryan	1	2	
	Carolyn Baker	3	3	
	Aisha Nicolay	3	3	

2.3 Executive Remuneration Committee (ERC)

From 1 July 2025 to 30 June 2026, the ERC comprised of:

- Jennifer Ryan Chair (independent member);
- Arthur Apted (independent member); and
- Mark Toohey (independent member).

Between 1 October 2025 and 8 May 2026, the ERC comprised of:

- Suzanna Sheed (Chair); and
- Lachlan McDonald.

Board Chair Caryn Anderson was appointed to the committee on 9 May 2026.

Executive Remuneration Committee Responsibilities

The ERC undertakes and makes recommendations to the Board on matters pertaining to the appointment and remuneration of executives, and strategic matters regarding People and Culture. The ERC Charter applies in respect of PoHC executive officers employed under the Office of Public Sector Executive Remuneration (OPSER) framework.

2.4 Senior Management & Executives

Matt Thorpe
Matt commenced as Chief Executive Officer (CEO) of PoHC on 22 July 2024. He is responsible for the management and operations of PoHC and the development of PoHC in line with Government policy.

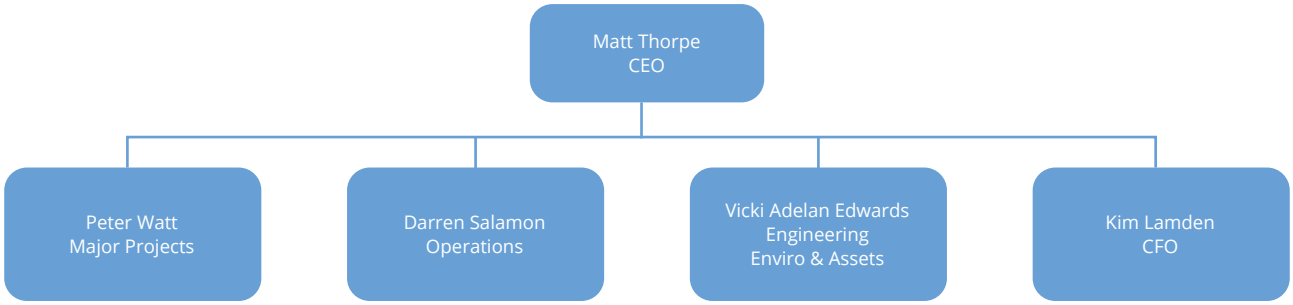
Kim Lamden
Kim commenced as Chief Financial Officer (CFO) on 8 December 2025. As CFO, Kim is responsible for the financial management of PoHC, as well as the Corporate Services function.

Peter Watt
Previously the Engineering Manager for PoHC, Peter was appointed Major Projects Director from 21 July 2024; joining the Executive team. Peter's current focus is the development of the VRET project.

Darren Salamon
Darren has been PoHC's Senior Operations Manager since 25 March 2024. He oversees operations, maintenance and occupational health & safety.

Vicki Adelan Edwards
Vicki has been with PoHC since 13 February 2025 and is the Director of Engineering, Environment & Assets. She also oversees broader port planning which has included responsibility for the development of the Port Development Strategy 2055.

2.5 Organisational Structure as at 30 June 2026



2.6 Occupational Health & Safety

Health, safety & wellbeing

Safety is fundamental to PoHC operations and underpins all decision-making, risk management and operational activities. PoHC is committed to providing a safe, healthy and inclusive workplace for employees, contractors and visitors, recognising that physical safety, psychological health and wellbeing are critical to achieving sustainable organisational performance.

During 2025-26, PoHC maintained a strong safety performance, with no significant health & safety incidents recorded. This outcome reflects the effectiveness of PoHC's certified Health & Safety Management System, proactive risk management processes and positive safety culture.

PoHC continued to strengthen its focus on employee wellbeing through the implementation of a Health, Safety & Wellbeing Program, promoting physical health, mental wellbeing, early intervention and flexible ways of working. During the year, PoHC also integrated psychosocial hazard management into its Health & Safety Management System, aligning policies, risk assessments, consultation processes and leadership practices with Victoria's psychosocial health & safety legislative requirements. This supports the identification, assessment and management of psychosocial hazards and reinforces PoHC's commitment to fostering a psychologically safe, respectful and inclusive workplace.

As Port Manager, PoHC has primary responsibility for maintaining critical port infrastructure to ensure the safe operation of facilities at Stony Point, Crib Point and Long Island Point. Operating within a complex marine environment presents unique operational risks, and PoHC continues to apply a risk-based approach to asset management, maintenance activities and contractor oversight to ensure work is undertaken safely and efficiently.

PoHC maintains an integrated Health & Safety Management System certified to ISO 45001:2018, supporting continual improvement, legislative compliance and effective risk management across all operations. The system continues to demonstrate its effectiveness through internal assurance activities, leadership engagement, worker consultation and independent third-party certification audits.

The Safety Management Plan (SEMP) for the port continues to be implemented in accordance with the Port Management Act 1995 and the Ministerial Guidelines. The SEMP provides the framework for managing health & safety risks across port operations and is subject to regular review and independent audit to ensure its ongoing effectiveness and compliance.

PoHC is also strengthening its port-wide security capability through close collaboration with regulatory agencies and port facility operators. Key initiatives during 2025-26 included security awareness training, emergency exercises and drills, quarterly Emergency Management and Port Security Committee meetings, ongoing implementation of the Maritime Security Plan, and continual improvement of security systems to protect the port's people, waterways, critical infrastructure and assets.

The Audit & Risk Committee continues to oversee PoHC's health & safety performance and enterprise

risk management framework, providing assurance to the Board that effective governance, risk management and internal controls are in place to support safe and reliable operations.

Certification to ISO 45001 - Occupational health and safety management systems

PoHC successfully maintained third-party certification to ISO 45001:2018 during 2025-26 following its annual surveillance audit by BSI. Maintaining certification demonstrates PoHC's ongoing commitment to internationally recognised best practice in occupational health & safety management, continual improvement, worker participation and the effective management of health & safety risks across its operations.

2.7 Consultation & Engagement

The port continues to operate within a broader community, both locally and internationally, and recognises the importance of building strong community connections within and around our port. As such the PoHC has continued to support and build its capacity in engagement with community and industry.

VRET

In April 2026, an updated Consultation Plan was developed for the VRET. As part of the EES submission for VRET, a Communications and Engagement Report and Chapter is being prepared.

The port has also continued to host several community forums in 2025-26, including:

- Two Community Consultative Committee (CCC) meetings;
- Four Community Reference Group (CRG) meetings;
- Nature Based Solutions Workshop with the CRG; and
- Four Emergency Management, Port Security and Port User (EMSG) Group meetings.

Community Consultative Committee

The existing Community Consultative Committee (CCC) was reviewed in 2026, and a new Community Liaison Group (CLG) is intended to form in 2026-27, the CLG will function as the primary community forum for Port of Hastings matters, and the CRG and EMSG groups will continue to meet, serving the VRET project and port stakeholders respectively.

Port Development Strategy

In March 2026, the Port of Hastings Corporation published its draft Port Development Strategy (PDS) and sought public feedback between 10 March – 31 March 2026 which saw 46 submissions received. A series of meetings and briefings were also held with a broad range of stakeholders understand views on the port's strategic priorities to inform the PDS.

Throughout the last financial year, extensive engagement has continued to raise awareness of the Victorian Renewable Energy Terminal project as well as core business operations. Activities have included:

- Public roundtable sessions held in July 2025 in Hastings, Flinders and online;
- Drop-in information sessions held in May 2026 in Hastings and Cowes and June 2026 in Balnarring and Hastings;
- Site walking tours of the proposed VRET project site as well as boat tours of the marine-side of the site;
- Project briefings; and
- Attendance at conferences and industry events.

Communications

The port also continues to communicate with its stakeholders and community through various channels:

- Electronic newsletters to a mailing list with over 1000 subscribers;
- PoHC and the Victorian Renewable Energy Terminal websites;
- Social media updates, including via LinkedIn and Facebook;
- Online surveys;
- Maintaining and updating fact sheets, brochures, audio and visual collateral; and
- Advertising in local newspapers.

The port is committed to ensuring its information and services are accessible to all Victorians. The website and digital content are being designed in accordance with the Victorian Government Accessible Communications Policy and the applicable Web Content Accessibility Guidelines (WCAG) Level AA requirements. Continued review and improvements to digital accessibility are part of an ongoing uplift.

Traditional Owners

The port has also continued to build on our relationship with the traditional owners of the lands on which we operate, the Bunurong People, through engaging with Bunurong Land Council Aboriginal Corporation (BLCAC).

In 2025-26 the Port of Hastings held site tours for BLCAC staff to held inform our EES and design of the Victorian Renewable Energy Terminal, as well as sought to build our internal understanding and connection to the land through cultural immersion events facilitated by BLCAC. BLCAC also joined the Technical Reference Group (TRG) for the Victorian Renewable Energy Terminal in 2025. As we look to the new financial year, we are focused on continuing to build genuine relationships with our community across all our operations, precincts and future developments.

2.8 Environment & Sustainability

Sustainability

Sustainability is fundamental to how Port of Hastings Corporation (PoHC) creates long-term value, manages risk and supports Victoria's economic, environmental and energy future. As custodian of a commercial port located within the internationally significant Western Port Ramsar site, PoHC recognises its responsibility to balance thriving port operations with environmental stewardship, community wellbeing and responsible governance.

Embedding our Sustainability Framework

Building on the outcomes of PoHC's inaugural Materiality Assessment completed in 2024-25, 2025-26 focused on strengthening the organisation's sustainability governance through the development of a draft Sustainability Framework.

The draft Framework translates the material issues identified by stakeholders into a strategic approach for integrating sustainability into corporate decision-making, investment planning, risk management and organisational performance. It aligns with PoHC's Corporate Plan and is structured around six interconnected types of capital that together form the measurements for success. These capitals are:

- Natural;
- Social & relationship;
- Human;
- Manufactured;
- Financial; and
- Intellectual.

These collectively underpin the long-term resilience and success of the port.

The draft Framework establishes a clear pathway for embedding sustainability across the organisation through defined strategic priorities, measurable performance indicators and transparent reporting.

Strengthening sustainability governance

To support implementation of the Sustainability Framework, PoHC established a cross-functional Sustainability Working Group to provide oversight of sustainability initiatives and drive integration across the organisation.

The working group is responsible for coordinating delivery of sustainability priorities, monitoring organisational performance and supporting continual improvement. This governance structure ensures sustainability considerations are increasingly embedded within enterprise risk management, investment decisions, operational planning and corporate reporting.

Environmental stewardship

PoHC continues to demonstrate leadership in environmental management through its certified Environmental Management System (EMS), maintained in accordance with ISO 14001 - Environmental Management.

The EMS provides the governance framework for identifying and managing environmental risks, ensuring compliance with legislative obligations and driving continual environmental improvement across port operations.

Throughout 2025-26, PoHC continued to strengthen its approach to environmental stewardship by:

- Protecting the environmental, cultural and heritage values of Western Port;
- Integrating climate resilience into strategic planning and asset management;
- Working collaboratively with Traditional Owners, regulators, researchers and community partners to improve environmental outcomes;
- Advancing resource efficiency, waste minimisation and circular economy principles;
- Transparently monitoring and reporting environmental performance to support continual improvement;
- Strengthening plans and equipment for response to marine pollution events; and
- Undertaking a gap analysis as we transition to ISO14001:2026.

Since the emergence of the bird flu (H5N1) risk late in 2025-26, the PoHC Environment & Sustainability Team has also increased its engagement with internal and external stakeholders to improve monitoring and reporting of sick or dead birds around Western Port (in accordance with Department of Agricultural guidance). PoHC has also engaged with stakeholders regards further potential response support if needed in a large impact scenario.

Climate resilience

PoHC recognises that the climate is changing globally and in Victoria. Further changes in the climate are expected into the future, driven by ongoing emissions of greenhouse gasses globally.

The port is proud to play an active role in climate mitigation opportunities through the proposed VRET project as key enabling infrastructure to support offshore wind, as well as future projects that seek to support a transition towards net zero emissions.

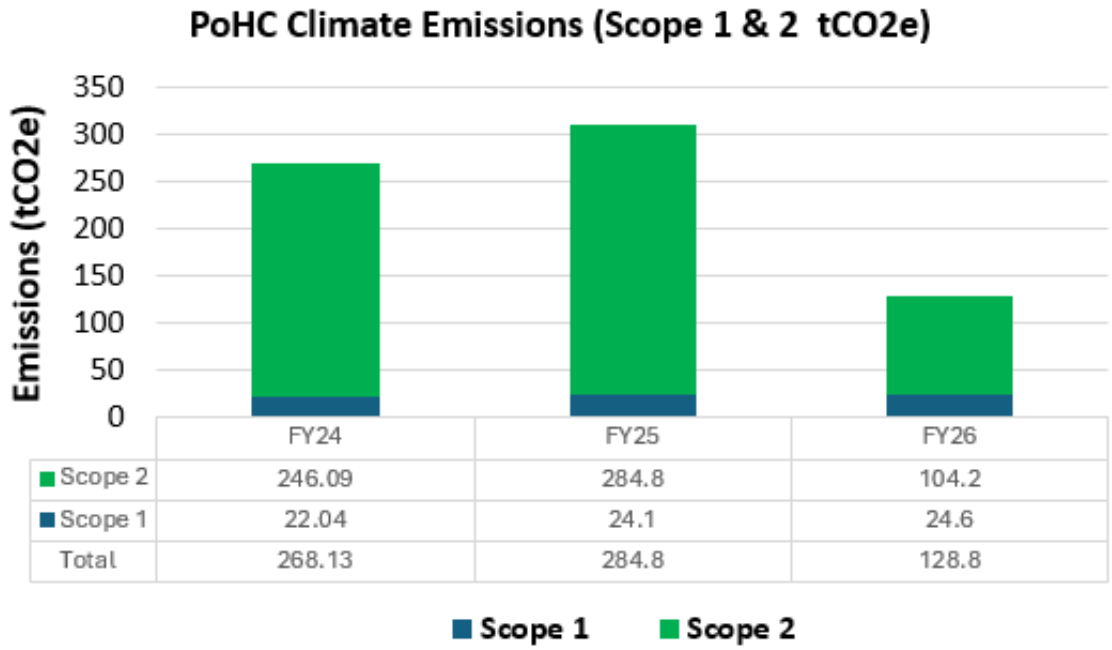
As a coastal asset, our infrastructure, operations, and activities are susceptible to climate change impacts including sea level rise and extreme weather events continue to impact Western Port.

PoHC continues to integrate climate adaptation strategies across port operations including predictive sea level rise asset modelling & social & physical climate risk assessments.

Towards Net Zero

In support of global action to mitigate climate change impacts and the transition to a lower carbon future, our towards Net Zero commitment continues through:

- **Measuring our emissions footprint (Scope 1, 2 & 3)** - Recommendations for emissions reduction pathways are currently underway.
- **Powering our operations with renewables** - With our transition to an SEC retail electricity customer, we now operate on 100% renewable electricity across Crib Point and Stony Point.
- **Transitioning our fleet** - The port prioritises zero emissions vehicles where possible, as our vehicle fleet come up for renewal with our first EV purchase occurring in 2025.



	FY24	FY25	FY26
Scope 2	246.09	284.8	104.2
Scope 1	22.04	24.1	24.6
Total	268.13	284.8	128.8

The reduction in emissions for 2025-06 (Scope 2 emissions) is associated with our transition to the SEC, as two of our three sites are now powered 100% by renewable energy.

Emergency management

PoHC maintains an Emergency Management Plan (EMP) that supports its responsibility to provide first strike response capability (Level 1) for marine pollution events within waters and up to three (3) nautical miles from the Victorian coast from Cape Schanck to Wilsons Promontory.

The Corporation actively tests its capability to respond to pollution events and other emergencies by scheduling regular exercises and training for staff.

PoHC also chairs an Emergency Management and Security Port User Group Meeting, which involves port users, local emergency response organisations, local council and government departments. The purpose of the Emergency Management and Security Port Users Group is to provide updates of port environmental, safety & security matters and identify opportunities to collectively manage emergencies and potential risks or hazards.

SECTION 3:
Workforce Data

3.1 Employment, Conduct & Principles

PoHC is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably based on the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

3.2 Workforce Data

The Victorian Public Sector Commission (VPSC) was established on 1 April 2014 through the *Public Administration Act 2004*. VPSC's role is to strengthen public sector efficiency, effectiveness and capability and advocate for public sector professionalism and integrity.

PoHC has policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. PoHC advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts, benefits and hospitality, and how it deals with misconduct.

The following table details the total Full-time Equivalent (FTE) of all active employees of PoHC employed in the last full pay period of 2024-25 and 2025-26 respectively.

Staff as at 30 June 2026

	2025 - FTE				2026 - FTE			
	Male	**Female**	**Self-described**	**Total**	**Male**	**Female**	**Self-described**	**Total**
Employees	16.6	10.4	-	27.0	23	14.5	-	37.5
Contractors	4.2	4.6	-	8.8	3.6	2.2	-	5.8
Total	**20.8**	**15.0**	**-**	**35.8**	**26.6**	**16.7**	**-**	**43.3**


Legend
Shipping Channel
Port limits
0 2 4
Kilometres
N
Hastings
Mornington Peninsula
Bittern
Crib Point
HMAS Cerberus
Balnarring
Somers
Shoreham
Western Port Bay
Western Channel
North Arm
East Arm
French Island
Phillip Island
Flinders
Bass Strait
1
BlueScope Steel Wharves (Owned by BlueScope)
2
Victorian Renewable Energy Terminal (Planning Stage)
3
Long Island Point Jetty
4
Crib Point Jetty
5
Stony Point Jetty

SECTION 4:
Financial Statements

How this Report is Structured

Port of Hastings Corporation (PoHC) has presented its audited general purpose financial statements for the financial year ended 30 June 2026 in the following structure to provide users with the information about PoHC's stewardship of resources entrusted to it.

Declaration in the Financial Statements **27**

Auditors Report **28**

Financial Statements

Comprehensive operating statement 30

Balance sheet 31

Statement of changes in equity 32

Cash flow statement 33

Notes to the financial Statements

The basis on which the financial statement have be pepared and compliance with reporting regulations

1. About this Report **34**
The basis on which the financial statements have been prepared and compliance with reporting regulations.

1.1 Corporate information 34

1.2 Basis of preparation 34

1.3 Compliance information 35

1.4 Income Tax 35

1.5 Critical accounting estimates & judgements 35

2. Funding Delivery of Our Services **36**
Revenue from government grant, port operating revenue and other sources

2.1 Summary of revenue that funds the delivery of our services 36

2.2 Revenue from transactions 36

3. The Cost of Delivering Services **38**
Operating expenses of PoHC

3.1 Expenses incurred in delivery of services 38

3.2 Other operating expenses 40

4. Key Assets Available to Support Output Delivery **41**
Land, Buildings, infrastructure, plant and equipment

4.1 Property, infrastructure, plant and equipment 41

5 Other Assets & Liabilities **47**
Working capital balances and other key assets and liabilities

5.1 Receivables 47

5.2 Payables 48

5.3 Contract liabilities 48

5.4 Deferred grant income liability 48

6 How We Finance Our Operations **50**
Borrowings, cash flow information, leases and commitments

6.1 Borrowings 50

6.2 Leases 51

6.3 Cash flow information & balances 52

6.4 Commitments for expenditure 53

7.	**Financial Instruments, Contingencies & Valuation Judgements** Financial risk management, contingent assets and liabilities as well as fair value determination	**54**
7.1	Financial instruments specific disclosures	54
7.2	Contingent assets & contingent liabilities	55
7.3	Fair value determination	55
8	**Other Disclosures**	**60**
8.1	Ex-gratia expenses	60
8.2	Changes in accounting policy	60
8.3	Responsible persons	60
8.4	Remuneration of executives	61
8.5	Related parties	62
8.6	Remuneration of auditors	63
8.7	Subsequent events	63

Declaration in the Financial Statements 30 June 2026

The attached financial statements for the Port of Hastings Corporation (PoHC) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of PoHC as at 30 June 2026.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 2 October 2026.



Caryn Anderson
Chairperson



Matt Thorpe
Chief Executive Officer



Kimberley Lamden
Chief Financial Officer

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of the Port of Hastings Corporation

Opinion	I have audited the financial report of the Port of Hastings Corporation (the corporation) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cashflow statement for the year then ended • notes to the financial statements, including material accounting policy information • declaration in the financial statements In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards – Simplified Disclosures.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other information	The Directors of the corporation are responsible for the "other information" included in the corporation's Annual Report for the year ended 30 June 2026. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the corporation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
30 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Comprehensive operating statement
For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Continuing operations			
Revenue from transactions			
Grants	2.1	15,074	16,420
Port operating revenue	2.1	10,224	8,799
Interest income	2.1	1,236	911
Other revenue	2.1	335	32
Total revenue from transactions		**26,869**	**26,162**
Expenses from transactions			
Expenses	3.1	(22,856)	(26,332)
Interest expense		(28)	(28)
Total expenses from transactions		**(22,884)**	**(26,360)**
Net result from transactions (net operating balance)		**3,985**	**(198)**
Other economic flows included in net result			
Net gain/(loss)		16	(4)
Loss on revaluation of property, plant and equipment through profit or loss		-	(5,231)
Other gains/(losses) from other economic flows		8	-
Total other economic flows included in net results		**24**	**(5,235)**
Net result from continuing operations		**4,009**	**(5,433)**
Net result		**4,009**	**(5,433)**
Other economic flows – other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus		-	(116,074)
Total other economic flows – other comprehensive income		**-**	**(116,074)**
Comprehensive result		**4,009**	**(121,507)**

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Balance sheet
As at 30 June 2026

	Notes	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.3	33,376	24,262
Receivables	5.1	78,564	1,537
		111,940	**25,799**
Non-financial assets			
Property, infrastructure, plant and equipment	4.1	19,403	18,055
Intangible assets		9	21
Other non-financial assets		331	371
		19,743	**18,447**
Total assets		**131,683**	**44,246**
Liabilities			
Payables	5.2	3,318	2,899
Contract liabilities	5.3	4,204	4,455
Provisions	3.1.2	862	561
Borrowings	6.1	746	771
Deferred grant income liability	5.4	84,846	1,662
		93,976	**10,348**
Total liabilities		**93,976**	**10,348**
Net assets		**37,707**	**33,898**
Equity			
Contributed capital		50,010	50,010
Physical asset revaluation surplus		14,524	14,524
Accumulated losses		(26,827)	(30,636)
Total equity		**37,707**	**33,898**

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Statement of changes in equity
As at 30 June 2026

	Contributed capital	Physical asset revaluation surplus	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2025	**50,010**	**14,524**	**(30,636)**	**33,898**
Net result after income tax	-	-	4,009	4,009
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**4,009**	**4,009**
Dividends payable	-	-	(200)	(200)
Balance at 30 June 2026	**50,010**	**14,524**	**(26,827)**	**37,707**

	Contributed capital	Physical asset revaluation surplus	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**50,010**	**147,583**	**(41,988)**	**155,605**
Net result for the year	-	-	(5,433)	(5,433)
Other comprehensive income - asset revaluation decrement	-	(116,074)	-	(116,074)
Total comprehensive income for the year	**-**	**(116,074)**	**(5,433)**	**(121,507)**
Transfer to accumulate surplus[(a)]	-	(16,985)	16,985	-
Dividends payable	-	-	(200)	(200)
Balance at 30 June 2025	**50,010**	**14,524**	**(30,636)**	**33,898**

Note:

(a) In 2025, this amount has been transferred from the Asset Revaluation Reserve to Accumulated Losses. This transfer represents the portion of the revaluation surplus realised through the use or derecognition of the relevant asset and has been recognised directly within equity. The transfer has been made in accordance with paragraph 41 of AASB 116 Property, Plant and Equipment, which permits an entity to transfer the realised portion of a revaluation surplus directly to retained earnings (or accumulated surplus) as the asset is used or when it is derecognised. This transfer is not recognised through profit or loss.

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Cash flow statement
For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from government		20,960	16,653
Receipts from other entities		10,390	8,569
Goods and services tax refunded from the ATO[(a)]		-	157
Interest received		1,236	911
Other receipts		335	32
Total receipts		**32,921**	**26,322**
Payments to suppliers and employees		(21,231)	(22,639)
Goods and services tax paid to the ATO[(a)]		(175)	-
Interest and other costs of finance paid		(28)	(28)
Other payments		-	(365)
Total payments		**(21,434)**	**(23,032)**
Net cash inflow/(outflow) from operating activities		**11,487**	**3,2908**
Cash flows from investing activities			
Purchases of non-financial assets		(2,125)	(214)
Sales of non-financial assets		6	57
Net cash (outflow) from investing activities		**(2,119)**	**(157)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities[(b)]		(54)	(20)
Dividends paid		(200)	-
Net cash inflow/(outflow) from financing activities		**(254)**	**(20)**
Net increase/(decrease) in cash and cash equivalents		**9,114**	**3,113**
Cash and cash equivalents at the beginning of the financial year		24,262	21,149
Cash and cash equivalents at end of the financial year	6.3	**33,376**	**24,262**

Notes:

(a) GST paid to the Australian Taxation Office is presented on a net basis.

(b) PoHC has recognised cash payments for the principal portion of lease payments as financing activities. Cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

1. About this Report

Introduction

This section provides overall information about Port of Hastings Corporation and its framework for the preparation of these financial statements.

Structure

1.1 Corporate information
1.2 Basis of preparation
1.3 Compliance information
1.4 Income Tax
1.5 Critical accounting estimates and judgements

1.1 Corporate information

The Port of Hastings Corporation (PoHC) is a government agency of the State of Victoria established under the *Transport Integration Act 2010*. A description of the nature of its operation and its principal activities is included in the Report of Operations, as detailed in the Manner of Establishment, but does not form part of these financial statements.

PoHC is one of the entities within Victoria's transport and planning portfolio, led by the Department of Transport and Planning (DTP).

These annual financial statements represent the audited general purpose financial statements for PoHC for the year ended 30 June 2026. The purpose of the report is to provide users with information about PoHC's stewardship of its entrusted resources.

PoHC's principal address is 1d Stony Point Road, Crib Point VIC 3919.

1.2 Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit* and Not-for-Profit Tier 2 Entities (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

PoHC has been assessed as a for-profit entity under FRD 108.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of PoHC. Capital grants which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of distributions to or contributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements have been disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in note 1.5 under the heading: 'Critical accounting estimates and judgements'.

These financial statements cover PoHC as an individual reporting entity and include all the controlled activities of PoHC. There is no entity consolidated into PoHC.

All amounts in the financial statements have been rounded to the nearest $1,000 unless otherwise stated.

1.3 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The annual financial statements were authorised for issue by the Board of PoHC on 21 September 2026.

1.4 Income Tax

PoHC is not subject to income tax under the *Income Tax Assessment Act 1997* and is not a participating entity under the National Tax Equivalent Regime.

1.5 Critical accounting estimates & judgements

Critical judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognised in the financial statements are:

(i) The fair value of land, buildings, port infrastructure, plant and equipment (Note 7.3); and

(ii) Employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (Note 3.1.2).

2. Funding Delivery of Our Services

Introduction

PoHC's overall objective is to provide oversight to and develop, promote and support the use of the Port of Hastings.

To enable PoHC to fulfil its objectives, it receives revenue - predominantly port operating revenue and State Government grants.

Structure

2.1 Summary of revenue that funds the delivery of our services

2.2 Revenue from transactions

2.1 Summary of revenue that funds the delivery of our services

	Notes	2026 $'000	2025 $'000
Grants	2.2.1	15,074	16,420
Port operating revenue	2.2.2	10,224	8,799
Interest income	2.2.3	1,236	911
Other revenue		335	32
		26,869	**26,162**

Revenue and income that fund delivery of PoHC's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2 Revenue from transactions

2.2.1 Grants

	2026 $'000	2025 $'000
State Government grants - general purpose	15,074	16,420
	15,074	**16,420**

Grants recognised under AASB 120

Grant revenue is accounted for in accordance with AASB *120 Accounting for Government Grants and Disclosures of Government Assistance*.

Government grants related to program or expenses incurred are initially recognised on the balance sheet as a deferred income liability (refer to Note 5.4) and then recognised in the operating statement as revenue on a systematic basis in the period in which the expenses are recognised, unless the condition for receiving the grant is met after the related expenses are recognised. In this case the grant is recognised when it becomes receivable.

In July 2025, December 2025 and June 2026, the Government allocated $5M, $16M and $77.3M, respectively, in government grants to PoHC for the development and planning of the VRET project to potentially support the State Government's offshore wind sector, with the primary work related to the EES process. As at 30 June 2026, deferred income relating to the VRET project totalled $84.8M (Note 5.4).

2.2.2 Port operating revenue

Revenue is recognised under the principles of AASB *15 Revenue from Contracts with Customers* and is brought to account when a service obligation is satisfied and that it is probable that the economic benefits will flow to PoHC, and the revenue can be reliably measured at fair value.

PoHC's operating revenue arises mainly from the provision of port services, principally this involves providing berthing and wharfage rights to our customers. Other revenue includes property rental and maintenance services.

As per the requirements of AASB 15, revenue is recognised when performance obligations are satisfied, thus, after a ship has used the PoHC facilities to berth, and upon completion of its loading and unloading tasks.

	2026 $'000	2025 $'000
Port operating revenue		
Wharfage fees	5,616	4,923
Berth hire	4,441	3,785
Maintenance charges	96	40
Recharges and recoveries	71	51
Total port operating revenue	**10,224**	**8,799**

Revenue is recognised for the major business activities as follows:

(i) Wharfage fees

Wharfage fees are charged per unit of quantity, volume or weight of cargo for all cargoes loaded on or discharged from vessels or between vessels in PoHC. Revenue is recognised after the vessel's departure from its designated berth, at a point in time.

(ii) Berth hire

Berth hire is a time-based fee charged for the provision of berths for the purpose of loading or discharging specialised cargo, and lay-up or other purpose approved by PoHC. Revenue is recognised over time. Where berth hire fees are received in advance of the service being provided the receipts are initially recognised as a berthing licence fee contract liability (refer to Note 5.3) and recognised as revenue over the period that the berthing service is provided.

(iii) Maintenance charges

Maintenance charges relate to ad-hoc maintenance work performed for various customers covering labour hire and plant and equipment. Maintenance charges are recognised as revenue over time as the service is provided.

(iv) Recharges & recoveries

Recharges and recoveries are charged for utilities used by various customers. Recharge and recoveries revenue is recognised as revenue over time as the service is provided.

2.2.3 Interest income

Interest income includes interest received on cash and deposits.

3. The Cost of Delivering Services

Introduction

This section provides an account of the expenses incurred by PoHC in delivering services and outputs.

Structure

3.1 Expenses incurred in delivery of services

3.2 Other operating expenses

3.1 Expenses incurred in delivery of services

	Notes	2026 $'000	2025 $'000
Employee benefits expense	3.1.1	7,091	5,882
Depreciation	4.1.4	803	3,190
Amortisation		12	16
Other operating expenses	3.2	14,950	17,244
Total expenses		**22,856**	**26,332**

3.1.1 Employee expenses in the comprehensive operating statement

	Notes	2026 $'000	2025 $'000
Salaries & wages, annual leave and long service leave		5,649	4,667
Defined contribution superannuation expense		656	459
Termination benefits		4	26
Other operating expenses		782	730
Total employee expenses	3.1	**7,091**	**5,882**

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. The amount recognised in the comprehensive operating statement in relation to superannuation reflects amounts paid or payable during the reporting period.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when PoHC is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2 Employee-related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date inclusive of on-costs and recorded as an expense during the period the services are delivered.

	2026 $'000	2025 $'000
Current provisions:		
Annual leave	365	211
Unconditional long service leave	251	111
Provision for on-costs	124	64
Total current provision for employee benefits	**740**	**386**
Non-current provisions:		
Conditional long service leave	102	146
Provision for on-costs	20	29
Total non-current provision for employee benefits	**122**	**175**
Total provisions for employee benefits	**862**	**561**

Wages, salaries, annual leave & sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because PoHC does not have an unconditional right to defer settlements of these liabilities. The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As PoHC expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts. The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as PoHC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability, even where PoHC does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at either:

- Undiscounted value – if PoHC expects to wholly settle within 12 months
- Present value – if PoHC does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.2 Other operating expenses

	Notes	2026 $'000	2025 $'000
Professional Services			
Professional services - Core Business		1,728	806
Professional services - VRET		9,410	11,776
		11,138	**12,582**
Maintenance of infrastructure			
Maintenance of infrastructure - Core Business		642	1,792
Maintenance of infrastructure - VRET		2	2
		644	**1,794**
Other operating expenses			
Contractors expenses - Core Business		1,169	742
Contractors expenses - VRET		1,135	1,341
Other operating expenses - Core Business		694	663
Other operating expenses - VRET		170	122
		3,168	**2,868**
Total operating expenses	3.1	**14,950**	**17,244**

Core Business expenses represent day-to-day running costs incurred in normal operations. The VRET project expenses represent costs incurred for the VRET project under the State Government Grant.

Professional services

Professional services relate to expenses for consulting, audit and legal services. These professional services expenses are recognised as an expense in the reporting period in which they are incurred.

Maintenance of infrastructure

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

Other operating expenses

Other operating expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate. Operating expenses generally represent day-to-day running costs incurred in normal operations.

4. Key Assets Available to Support Output Delivery

Introduction

PoHC controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to PoHC to be utilised for delivery of those services.

Structure

4.1 Property, infrastructure, plant and equipment

4.1 Property, infrastructure, plant and equipment

As at 30 June 2026	Gross carrying amount 2026 $'000	Accumulated depreciation and impairment 2026 $'000	Net carrying amount 2026 $'000
Freehold land at fair value	7,490	-	7,490
Crown lease land at cost [(a)]	1,080	-	1,080
Buildings at fair value	163	(22)	141
Plant, equipment & vehicles [(a) (b)]	1,922	(972)	950
Infrastructure at fair value	9,348	(586)	8,762
Work in progress	980	-	980
Leasehold improvements at fair value	1	(1)	-
Net carrying amount	**20,984**	**(1,581)**	**19,403**

Notes:

(a) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.2.

(b) Plant, equipment and vehicles are measured at both cost and at fair value. Right-of-use assets are measured at cost in line with the note above and all other assets in this class are measured at fair value in accordance with FRD 103: Non-financial physical assets.

As at 30 June 2025	Gross carrying amount 2025 $'000	Accumulated depreciation and impairment 2025 $'000	Net carrying amount 2025 $'000
Freehold land at fair value	7,490	-	7,490
Crown lease land at fair value	1,080	-	1,080
Buildings at fair value	163	-	163
Plant, equipment & vehicles at fair value	1,666	(944)	722
Infrastructure at fair value	8,471	(30)	8,441
Work in progress	159	-	159
Leasehold improvements at fair value	1	(1)	-
Net carrying amount	**19,030**	**(975)**	**18,055**

Items of property, infrastructure, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is

acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Where land is under a Crown Lease and the land was recognised as a contribution from the owner under the requirements of AASB 1004, *Interpretation* 1038 and FRD 119 *Accounting for Leases*, the land is recognised at cost at the time of contribution (and is subsequently carried at cost in accordance with *FRD 104 Leases*).

Land at fair value includes freehold land and land whereby there is a Crown Lease with an entity controlled by the Victorian Government. Crown Land under a Crown Lease where the lease is nominal or no payment to the lessor is carried at cost (as a result of the changes to FRD 104 *Leases*). For further information on the changes to FRD 104, refer to Note 8.2.

Impairment

PoHC is required to assess its non-financial assets for impairment in accordance with AASB 136 *Impairment of Assets*, making an assessment at the end of the reporting period as to whether there is objective evidence that an asset or class of assets may be impaired. Under AASB 136 Impairment of Assets, an impairment assessment is not required annually, but only required when there is an indicator that an asset may be impaired. In the current year, PoHC has assessed that there are no indicators of impairment. Non-financial physical assets are carried at fair value in accordance with FRD 103 and AASB 13.

The year ended 30 June 2026 represents a non-valuation year within the FRD 103 revaluation cycle. As part of the annual process, management has assessed whether the carrying amount of assets materially differs from fair value, having regard to movements in relevant indices, observable and unobservable inputs (refer to note 7.3 for further information). An independent valuation was performed as at 30 June 2025.

Based on this assessment, PoHC considers that the carrying amount of non-financial assets as at 30 June 2026 materially approximates fair value and, accordingly, fair value continues to approximate recoverable amount.

4.1.1 Right-of-use assets: buildings, plant, equipment & vehicles

The following table is a subset of the land and vehicles assets above:

As at 30 June 2026	Gross carrying amount	Accumulated amortisation	Net carrying amount
	$'000	$'000	$'000
Crown lease land at cost [(a)]	1,080	-	1,080
Plant and equipment & motor vehicles at cost [(a)]	85	(35)	50
Net carrying amount	**1,165**	**(35)**	**1,130**

	Crown lease land at fair value	Plant and equipment & motor vehicles at fair value	Total
	$'000	$'000	$'000
Carrying amount 1 July 2025 [(a)]	1,080	55	1,135
Revaluations	-	-	-
Additions	-	48	48
Disposals		(21)	(21)
Amortisation	-	(32)	(32)
Carrying amount 30 June 2026	**1,080**	**50**	**1,130**

Note:

(a) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.2.

At 30 June 2025	Gross carrying amount	Accumulated amortisation	Net carrying amount
	$'000	$'000	$'000
Crown lease land at fair value	1,080	-	1,080
Plant and equipment at fair value	115	(60)	55
Net carrying amount	**1,195**	**(60)**	**1,135**

Initial measurement - right-of-use asset acquired by lessees

PoHC recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs incurred; and
- An estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset.

Subsequent measurement - right-of-use asset

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability. PoHC amortises the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.1.2 Depreciation & amortisation

Depreciation expense

All buildings, port infrastructure, plant and equipment, vehicles and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under assets held for sale and land.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

	Useful life [(a)]	
Asset	**2026**	**2025**
Buildings	20 to 60 years	3 to 60 years
Port infrastructure	10 to 47 years	10 to 70 years
Plant, equipment & vehicles	15 to 60 years	1 to 10 years
Leasehold improvements	3 years	1 to 6 years
Crown lease land	50 years	22 years

(a) Refer to note 4.1.3 for further details in relation to the change in accounting estimate resulting from the changes in useful lives.

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where PoHC obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Freehold Land is considered to have an indefinite life, and is not depreciated. Depreciation is not recognised in respect of Freehold Land because its service potential has not, in any material sense, been consumed during the reporting period.

4.1.3 Change in accounting estimate – useful lives of non-financial physical assets

During the year ended 2026, PoHC revised the estimated useful lives of certain property, infrastructure, plant and equipment assets following the independent revaluation performed by VGV in 2025. The revised useful lives reflect updated assessments of the expected period over which the assets are anticipated to provide future economic benefits or service potential.

The depreciation expense recognised in 2025 was calculated using the useful lives determined as part of the 2020 revaluation. From 1 July 2025, depreciation has been calculated using the useful lives determined in the 2025 revaluation. The revision represents a change in accounting estimate and has been accounted for prospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The impact of the change in estimate has been recognised in depreciation expense in the current reporting period. Comparative information has not been restated as changes in accounting estimates are accounted for prospectively.

4.1.4 Reconciliation of movements in carrying amount [(a)]

Year ended 30 June 2026	Freehold land at fair value $'000	Crown lease land at cost [(a)] $'000	Buildings at fair value $'000	Plant, equipment & vehicles at fair value and cost [(b)] $'000	Infrastructure at fair value $'000	Work in progress at cost $'000	Total $'000
Carrying amount 1 July 2025	7,490	1,080	163	722	8,441	159	**18,055**
Additions	-	-	-	475	877	821	**2,173**
Disposals	-	-	-	(22)	-	-	**(22)**
Depreciation charge	-	-	(22)	(225)	(556)	-	**(803)**
Carrying amount 30 June 2026	**7,490**	**1,080**	**141**	**950**	**8,762**	**980**	**19,403**

Notes:

(a) Fair value assessments have been performed for all classes of assets and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation as per the requirements of FRD 103. Independent valuations were obtained for assets in 2024/25 and the next scheduled full revaluation will be conducted in 2030. Refer to Note 7.3 for additional information.

(b) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.2.


OCEANARGUS
PORT OF HASTINGS
CORPORATION
MSV
10950

5 Other Assets & Liabilities

Introduction

This section sets out any other assets and liabilities that arose from PoHC's operations.

Structure

5.1 Receivables
5.2 Payables
5.3 Contract liabilities
5.4 Deferred grant income liability

5.1 Receivables

	2026 $'000	2025 $'000
Contractual		
Sales of goods & services	969	1,380
VRET grant	77,298	-
Other receivables	6	5
Statutory		
GST input tax credit recoverable	291	152
Total current receivables	**78,564**	**1,537**

Contractual receivables

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. PoHC holds the contractual receivables with the objective to collect the contractual cash flows and are therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. PoHC applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs.

Impairment of financial assets

In accordance with FRD 114 *Financial Instruments*, all entities shall apply the simplified approach, which requires the loss allowance to always be measured at an amount equal to lifetime expected credit losses for all trade receivables, lease receivables and statutory receivables.

PoHC records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's *Expected Credit Loss* approach. PoHC's contractual receivables and statutory receivables are subject to AASB 9 impairment assessment.

An allowance for expected credit loss has not been recorded for the current and prior year.

5.2 Payables

	2026 $'000	2025 $'000
Contractual		
Supplies and services	1,704	1,507
Accrued expenses	1,322	994
Provision for dividend	200	200
Statutory		
GST Input tax payable	43	79
PAYG Withholding Tax	-	90
Payroll Tax	49	29
Total current payables	**3,318**	**2,899**

PoHC recognises payables for supplies and services based on agreed contractual terms. In accordance with the Victorian Government's Fair Payments Policy, PoHC settles financial obligations within 30 days of receiving a valid invoice. In the event of a dispute, payment is made within 30 days of resolution.

Contractual payables

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to PoHC prior to the end of the financial year that are unpaid.

Statutory payables

Statutory payables are recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

5.3 Contract liabilities

	2026 $'000	2025 $'000
Contract liabilities	4,204	4,455
Represented by:		
Current contract liabilities	408	406
Non-current contract liabilities	3,796	4,049

Contract liabilities relate to berthing licence fees invoiced in advance of the berthing services being provided. Berthing licences are invoiced yearly in advance, with the exception of one licence which was prepaid 26 years in advance, ending 30 June 2042. The fees are released to revenue evenly over the period to which the berthing licence fee relates.

5.4 Deferred grant income liability

AASB 120 establishes the requirements for recognising government grants in the financial statements for for-profit entities. PoHC has applied the income approach under AASB 120 to account for government grants. The amounts presented below represent the VRET grant funding received from DTF. Government grants are initially recognised on the balance sheet as a deferred grant liability on receipt, unless the condition for receiving the grants is met after the related expenses are recognised. In this case, the grant is recognised when it becomes receivable. Subsequently the deferred grant liability is released to revenue on a systematic basis in the period in which the related expenses are recognised.

	2026 $'000	2025 $'000
Deferred grant income liability		
Opening balance	1,662	1,429
Add: Grant consideration received during the year	98,258	16,653
Less: Grant revenue recognised during the year	(15,074)	(16,420)
Total deferred grant income liability	**84,846**	**1,662**

6 How We Finance Our Operations

Introduction

This section provides information on the sources of finance utilised by PoHC during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of PoHC.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

6.1 Borrowings

6.2 Leases

6.3 Cash flow information and balances

6.4 Commitments for expenditure

6.1 Borrowings

	2026 $'000	2025 $'000
Current borrowings:		
Lease liabilities	50	47
Total current borrowings	**50**	**47**
Non-current borrowings:		
Lease liabilities	696	724
Total non-current borrowings	**696**	**724**
Total borrowings	**746**	**771**

'Borrowings' refer to interest bearing liabilities raised from public borrowings raised through lease liabilities.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

PoHC operates under the Government Fair Payments Policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

6.1.1 Terms & conditions of borrowings

Year ended 30 June 2026	Weighted average interest rate (%)	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months –1 year	1–5 years	5+ years
Lease liabilities	3.62	746	1,055	6	13	57	203	776
Total		**746**	**1,055**	**6**	**13**	**57**	**203**	**776**

Year ended 30 June 2025	Weighted average interest rate (%)	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months –1 year	1–5 years	5+ years
Lease liabilities	3.62	771	1,105	7	13	54	210	821
Total		**771**	**1,105**	**7**	**13**	**54**	**210**	**821**

6.2 Leases

6.2.1 Right-of-use assets

Right-of-use assets relate to Crown land and motor vehicles. The Crown land contract is for a fixed period of 30 years and the motor vehicle leases are typically made for fixed periods of 3 years with both having options to renew the lease after the periods expire. Lease payments for properties are renegotiated every five years to reflect market rentals.

Right-of-use assets are presented in Note 4.1.1.

Below market/Crown Leases with nil or nominal payments

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable PoHC to further its objectives, are measured at cost. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

PoHC is party to a peppercorn lease arrangement that commenced on 1 July 1997 and has a lease term of 50 years. The lease is considered a peppercorn lease as the contractual rental payments are substantially below market rent. The passing rent under the lease is lower than the market rent that would otherwise be payable for a comparable right of use.

6.2.2 Recognition & measurement of leases as a lessee

For any new contracts entered into, PoHC considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, PoHC assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to PoHC and for which the supplier does not have substantive substitution rights;
- Whether PoHC has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use; and
- Whether PoHC has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or PoHC's incremental borrowing rate.

- Fixed payments (including, in-substance, fixed payments) less any lease incentive receivable;
- Variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- Payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or comprehensive operating statement if the right-of-use asset is already reduced to zero.

6.2.2 Recognition & measurement of leases as a lessee

Presentation of right-of-use assets and lease liabilities

PoHC presents right-of-use assets as 'property, infrastructure, plant and equipment' in the balance sheet (Note 4.1). Lease liabilities are presented as 'borrowings' in the balance sheet (Note 6.1).

6.2.3 Future lease payments

	2026 $'000	2025 $'000
Minimum future lease payments[(a)]		
Not longer than 1 year	76	74
Longer than 1 year but not longer than 5 years	203	210
Longer than 5 years	776	821
Minimum future lease payments	**1,055**	**1,105**
Less future finance charges	(309)	(334)
Present value of minimum lease payments	**746**	**771**

Note:

(a) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

6.3 Cash flow information & balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank. PoHC's bank accounts are held in the Central Banking System (CBS) under the *Standing Directions 2018*.

	2025 $'000	2024 $'000
Total cash and deposits disclosed in the balance sheet[(a)]		
Cash at bank and in hand	33,376	24,262
	33,376	**24,262**

Note:

(a) Cash at bank bears a variable interest rate with a weighted average interest rate of 3.98% at 30 June 2026 (2025 4.29%).

6.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	$'000			
Nominal amounts 2026	**Less than 1 year**	**1-5 years**	**5+ years**	**Total**
Capital expenditure commitments payable	467	-	-	467
Intangible assets commitments payable	17	-	-	17
Other operating expenditure commitments payable	8,188	310	-	8,498
Total commitments (inclusive of GST)	**8,672**	**310**	**-**	**8,982**
Less GST recoverable	(788)	(28)	-	(817)
Total commitments (exclusive of GST)	**7,884**	**282**	**-**	**8,165**

	$'000			
Nominal amounts 2025	**Less than 1 year**	**1-5 years**	**5+ years**	**Total**
Capital expenditure commitments payable	71	-	-	71
Intangible assets commitments payable	-	17	-	17
Other operating expenditure commitments payable	6,500	121	-	6,621
Total commitments (inclusive of GST)	**6,571**	**138**	**-**	**6,709**
Less GST recoverable	(597)	(13)	-	(610)
Total commitments (exclusive of GST)	**5,974**	**125**	**-**	**6,099**

7. Financial Instruments, Contingencies & Valuation Judgements

Introduction

It is often necessary for PoHC to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for PoHC related mainly to fair value determination.

Structure

7.1 Financial instruments specific disclosures

7.2 Contingent assets & contingent liabilities

7.3 Fair value determination

7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the PoHC's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial instruments

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- The assets are held by PoHC to collect the contractual cash flows; and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

PoHC recognises the following financial assets in this category:

- Cash and deposits; and
- Receivables (excluding statutory receivables).

(ii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- PoHC retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- PoHC has transferred its rights to receive cash flows from the asset and either:
    - Has transferred substantially all the risks and rewards of the asset; or
    - Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where PoHC has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of PoHC's continuing involvement in the asset.

(iii) Financial liabilities at amortised cost

Financial liabilities measured at amortised costs are initially recognised on the date they are

originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the comprehensive operating statement over the period of the interest-bearing liability, using the effective interest rate method. PoHC recognises the following liabilities in this category:

- Payables (excluding statutory payables); and
- Borrowings (including lease liabilities).

(iv) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Comprehensive Operating Statement.

7.2 Contingent assets & contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

PoHC has no contingent assets as at the reporting date (2025: Nil).

Contingent liabilities

Contingent liabilities are:

- Possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- Present obligations that arise from past events but are not recognised because:
    - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
    - The amounts of the obligations cannot be measured with sufficient reliability.

PoHC has no contingent liabilities as at the reporting date (2025: Nil).

7.3 Fair value determination

This section sets out information on how PoHC determines fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Land, buildings, infrastructure, plant, equipment and vehicles are carried at fair value.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in

the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

PoHC determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer General Victoria (VGV) is PoHC's independent valuation agency. In conjunction with VGV, PoHC monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- Valuation techniques; and
- Details of significant assumptions used in the fair value determination.

7.3.1 Fair value determination: Non-financial physical assets

PoHC measures its non-financial physical assets at fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment*, and FRD 103 *Non-Financial Physical Assets*. Fair value assessments are conducted annually to ensure that the assets' carrying amounts approximate their fair values at the end of the annual reporting period, after adopting the income approach and taking into consideration all fair value indicators, which include the VGV's Land and Building indices, the highest and best use and other relevant indicators.

Annual fair value assessments for 30 June 2026 using the income approach, VGV indices and other observable inputs did not give rise to material changes in the value.

Consistent with FRD 103, a full independent valuation is obtained every 5 years. The last scheduled full independent valuation of all PoHC's non-financial physical assets was performed by VGV in 2025, with valuation services provided by Jones Lang LaSalle Advisory Services Pty Ltd. The next scheduled independent valuation is 2030.

The valuer adopted a two-step approach to determine fair value at 30 June 2025:

- **Step 1: Enterprise valuation:** The primary valuation technique applied the income approach, specifically a discounted cash flow (DCF) analysis. This involved projecting PoHC's future cash flows and discounting them to present value using a market-based discount rate. This approach was selected as it provides the most direct assessment of the economic value of PoHC as an enterprise on a going-concern basis.
- **Step 2: Asset allocation:** Following the determination of enterprise value, the valuer applied the cost and market approaches to allocate the total value across individual asset classes. The cost approach was used to estimate the current replacement cost of specific assets, adjusted for physical deterioration and obsolescence. The market approach was also applied where appropriate, using comparable sales evidence. The resulting allocation reflects the fair value of each asset class, consistent with the requirements of AASB 116 and FRD 103.

The revaluation techniques applied by VGV for each class of asset are detailed in the table in Note 7.3.3. The valuation was conducted in accordance with the requirements of the Australian Accounting Standards and relevant Financial Reporting Directions, with PoHC assessed as a for-profit entity under FRD 108.

The 2025 revaluation resulted in a net reduction of $121.3M to the carrying amount of non-financial physical assets, of which $116.1M was recognised in the asset revaluation surplus via other comprehensive income and $5.2M was recognised in the profit or loss. The revaluation adjustments have been accounted for by eliminating the accumulated depreciation against the gross carrying amount of the revalued assets and restating the net amount to the revalued amount. The 2025 revaluation reductions resulted from a change in the valuation approach.

Where accumulated depreciation has been reversed as part of the asset revaluation, the corresponding amount has been transferred from the physical asset revaluation surplus to accumulated surplus (or losses).

Valuation technique

The primary valuation technique adopted for the 30 June 2025 independent valuation was the income approach, using a discounted cash flow (DCF) methodology to determine the fair value of the enterprise on a going-concern basis. This approach was considered appropriate given the specialised nature of the assets and the absence of observable market transactions for standalone asset sales.

The year ended 30 June 2026 represents a non-valuation year within the FRD 103 revaluation cycle. During the current period, management assessed whether the carrying amount of assets materially approximates fair value by considering the income approach, movements in relevant indices, observable inputs and asset-specific factors since the 30 June 2025 valuation. Based on this assessment, management concluded that there were no material movements in fair value and no revaluation adjustment was required.

For the 30 June 2025 valuation, following the valuation of the enterprise using the income approach, the cost and market approaches were subsequently utilised to allocate the determined value across the specific assets. The cost approach was used to value specialised tangible assets based on current replacement cost less accumulated depreciation, while the market approach was applied where observable market data was available, including for land assets. The 30 June 2025 valuation resulted in an enterprise fair value of $17.5M, with $8.57M attributed to land and $8.93M allocated to other tangible assets, excluding minor items of plant and equipment and capital works in progress carried at cost.

Further details on specific asset categories are provided as follows.

Land

Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset.

Specialised land, excluding land held under Crown Lease arrangements, has been valued using the market approach adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

Land held under Crown lease arrangements that meets the definition of a right-of-use asset under AASB 16 Leases was previously measured using a valuation technique based on the income approach. In accordance with amendments to FRD 104 Leases, effective for the year ended 30 June 2026, these right-of-use assets are now subsequently measured using the cost model. Consequently, valuation techniques and significant unobservable inputs used for fair value measurement are no longer applicable to this class of assets.

Infrastructure, buildings, plant, equipment & vehicles

Infrastructure, buildings, plant, equipment and vehicles were valued using the two-step methodology detailed above. First, the income approach was applied at the enterprise level via a DCF analysis, reflecting PoHC's capacity to generate future economic benefits. Following this, the cost approach was used to allocate the remaining enterprise value, after removing values allocated to land assets,

to these assets. This involved estimating the current replacement cost of each asset and adjusting for physical deterioration, functional obsolescence, and economic obsolescence.

An economic obsolescence adjustment was derived from the difference between the enterprise value and the total depreciated replacement cost of the assets. All infrastructure, buildings, plant, equipment and vehicle assets are classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs. All buildings are classified as specialised buildings.

7.3.2 Key assumptions used in determining the fair value

	2025 $'000
Cash flows:	
Cash flow period	18 years
Annual price increase applied is 6.75%	
Future growth rates are within DTF pricing guidelines	
Capital expenditure escalation rate applied from 2029 onwards	3.00%
Discount Rate	**15.90%**

Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the period of the cash flows as at 30 June 2026. Cash flow projections are consistent with the most recent financial budgets/forecasts, in line with the corporate plan, approved by the Board and exclude any estimated future cash inflows or outflows expected to arise from future restructurings. Estimated cash flow projections beyond the period covered by the most recent budgets/forecasts have been extrapolated by applying a growth rate for subsequent years and adjusting for specific planned future cash flow events. In the current reporting period, there have been no changes that would result in a material valuation change.

Cash flows related to the VRET project have been excluded from the DCF analysis, consistent with the guidance in AASB 136 paragraph 33.

7.3.3 Description of significant assumptions applied to fair value measurement

The valuation applied the income approach to determine the enterprise value of PoHC, which was then allocated to individual asset classes using the cost and market approaches. All assets were classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs.

2026	Valuation technique[(a)]	Significant unobservable input[(a)]	Range (weighted average)[(a)]
Land (freehold)	Market approach	Community service obligation (CSO) adjustment	20.00%
Land held under Crown lease arrangements	Income approach	Discount rate	15.90%
Buildings	Income approach (DCF)	Refer to note 7.3.2	N/A
Infrastructure	Income approach (DCF)	Refer to note 7.3.2	N/A
Plant, equipment and vehicles	Income approach (DCF)	Refer to note 7.3.2	N/A

Notes:

(a) Illustrations on the valuation techniques and significant assumptions and unobservable inputs are indicative and should not be directly used without consultation with entities' independent valuer.

In the absence of observed market inputs, future-oriented estimates are necessary to measure the recoverable amount of classes of land, buildings, infrastructure, plant, equipment and vehicles. Determining the carrying amounts of these assets requires estimation of the effects of uncertain future events on the assets at the end of the reporting period. The major sources of estimation

uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amount are detailed at note 7.3.3.

There is a relationship between cash flows assumptions and the discount rate. A significant increase in cash flows may result in an adjustment to the discount rate. The adjustment to the discount rate would consider the additional risk in achieving the increased cash flows. Conversely, a significant decrease in cash flows that represents a reduced level of risk may result in a decrease to the discount rate.

Given the unique nature of the land, buildings, infrastructure, plant, equipment and vehicles, it is impracticable to disclose the extent of the possible effects a change of an estimate would have on the other assumed estimate at the end of the reporting period. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the land, buildings, infrastructure, plant, equipment and vehicles asset classes in the future.

Sensitivity of fair value measurement to changes in significant unobservable inputs

Free cash flows	A significant increase or decrease in the free cash flows would result in a significantly higher or lower fair value.
Cash flow period	A significant increase or decrease in the period of cash flows would result in a significantly higher or lower fair value.
Growth rate	A significant increase or decrease in the growth rate would result in a significantly higher or lower fair value.
Discount rate	A significant increase or decrease in the discount rate would result in a significantly lower or higher fair value.

8 Other Disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

8.1 Ex-gratia expenses
8.2 Changes in accounting policy
8.3 Responsible persons
8.4 Remuneration of executives
8.5 Related parties
8.6 Remuneration of auditors
8.7 Subsequent events

8.1 Ex-gratia expenses

In accordance with FRD 11 *Disclosure of Ex-Gratia Expenses* PoHC must disclose in aggregate the total amount of material (greater than $5,000) expenses.

For 2025-26 and 2024-25, PoHC incurred no ex-gratia expenses.

8.2 Changes in accounting policy

PoHC has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of right-of-use assets arising from market leases, in accordance with the updated requirements under FRD 104.

Previously, PoHC had measured all right-of-use assets arising from market leases using the cost model under AASB 13. Subsequent to the change in accounting policy, PoHC will continue to measure all right-of-use assets using the cost model. Right-of-use assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136.

Upon adoption of the cost model, PoHC has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model.

Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

(a) Names

The names of persons who held the positions of Ministers and Accountable Officers in PoHC at any time during the financial year were:

Responsible Ministers

The Hon. Melissa Horne MP	Minister for Ports and Freight	1 July 2025 to 30 June 2026
The Hon. Jaclyn Symes MP	Treasurer of Victoria	1 July 2025 to 30 June 2026

Directors		
Mark Toohey	Acting Chair	1 July 2025 to 30 September 2025
Caryn Anderson	Chair	1 October 2025 to 30 June 2026
Jennifer Ryan	Director	1 July 2025 to 30 September 2025
Arthur Apted	Director	1 July 2025 to 30 September 2025
Carolyn Baker	Director	1 October 2025 to 30 June 2026
Mario D'Elia	Director	1 October 2025 to 30 June 2026
Lachlan McDonald	Director	1 October 2025 to 30 June 2026
Aisha Nicolay	Director	1 October 2025 to 30 June 2026
Suzanna Sheed	Director	1 October 2025 to 30 June 2026
Accountable Officer		
Matt Thorpe	Chief Executive Officer	1 July 2025 to 30 June 2026

(b) Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of PoHC during the reporting period was in the range: $570,000 - $579,000 (2025: $520,000 - $529,000).

8.4 Remuneration of executives

The number of senior executive service members, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of senior executive service members resigned or were retrenched in the past year.

Remuneration of executive officers (Including Key Management Personnel)	**2026 $'000**	**2025 $'000**
Total remuneration[(i)]	1,016	726
Total number of executives[(i)]	5.0	2.0
Total annualised employee equivalents[(ii)]	3.0	1.9

(i) The total number of executive service members includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).

(ii) Annualised employee equivalent is based on time fraction worked over the reporting period.

8.5 Related parties

PoHC is a wholly owned and controlled entity of the State of Victoria. Related parties of PoHC include:

- All key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- All Cabinet Ministers and their close family members; and
- All departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

PoHC received $98.3M in grants from DTP (2025: $16.7M).

PoHC declared a dividend of $0.2M to DTF on 30 June 2026 (2025: $0.2M).

Key management personnel (KMP) are those who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of PoHC. This includes responsible Ministers, Directors, the Accountable Officer as detailed in Note 8.3 and members of the Senior Executive Team, which includes:

- Chief Financial Officer - Kimberley Lamden;
- Former Chief Financial Officer - Indran Purushothaman; and
- Major Projects Director - Peter Watt.

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968 (Vic)* and are reported within the State's Annual Financial Report.

	2026	2025
Compensation of KMP[(i)]	**$'000**	**$'000**
Total	**1,524**	**1,419**

(i) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.5).

Transactions & balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* (Vic) and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with PoHC, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.6 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of PoHC:

	2026	2025
Victorian Auditor-General's Office	**$'000**	**$'000**
Audit of financial reports	29	29
Total	**29**	**29**

8.7 Subsequent events

Since the end of the reporting period there was not any matter or circumstance not otherwise dealt with in these statements, which has the potential to significantly affect the operations of PoHC, the results of those operations or the state of affairs of PoHC in subsequent financial years.

SECTION 5:
Other Disclosures



5.1 Local Jobs First – Victorian Industry Participation Policy

The *Local Jobs First Act 2003* requires Government departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (Local Jobs First – VIPP). Departments and public sector bodies are required to apply the Local Jobs First – VIPP in all procurement activities valued at $3 million or more in metropolitan Melbourne and for statewide projects, or $1 million or more for procurement activities in regional Victoria. PoHC did not enter into any new contracts to which the Local Jobs First – VIPP Policy applied in 2024-25. For more information on the policy requirements.

Contact: Office of the Local Jobs First Commissioner

Email: office@localjobsfirst.vic.gov.au

Web link: http://www.vic.gov.au/vipp

5.2 Social Procurement Framework

PoHC continues to seek opportunities to increase the value of goods, services and construction procured by it where possible by procuring these items through entities that deliver inclusive, social and sustainable outcomes that benefit all Victorians.

5.3 Details of Consultancies (Valued at $10,000 or Greater)

In 2025-26, there were eight consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2025-26 in relation to these consultancies is $10.7 million (excluding GST). Consultancies listed here are categorised as professional advisory consultancies and represent the committed value for each consultancy listed. Details of individual consultancies are outlined below:

Supplier	Purpose of consultancy	$'000
Antares Marine	Advisory - Core Business	14.0
Arup	Advisory - Proposed VRET project - General	8,198.2
Scyne Advisory	Advisory - Proposed VRET project - Business Case	1,132.4
Biosis Pty Ltd	Advisory - Proposed VRET project - EES	854.4
WSP Australia	Advisory - Proposed VRET project - Business Case	258.7
Vegetation Link	Advisory - Proposed VRET project - EES	68.5
Radikah Pty Ltd	Advisory - Core Business	68.1
KPMG	Advisory - Core Business	57.6

5.4 Details of Consultancies (valued at less than $10,000)

In 2025-26, there were 24 consultancies engaged during the year where the total fees payable to the individual consultancies was less than $10,000. The total expenditure incurred during 2025-26 in relation to these consultancies was $78,687 (excl. GST).

5.5 Information & Communication Technology Expenditure

Details of information & communication technology (ICT) expenditure

In 2025-26, PoHC had a total ICT expenditure of $356K (2024-25 $273K) with the details shown below:

ICT expenditure related to projects to create or enhance ICT capabilities - $'000			
Total	**Non-BAU ICT expenditure**	**BAU ICT expenditure**	**Capital expenditure**
356	143	146	67

ICT expenditure refers to PoHC's costs in providing business enabling ICT services. It comprises BAU ICT expenditure and non BAU ICT expenditure. Non BAU ICT expenditure relates to extending or enhancing PoHC's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

5.6 Disclosure of Major Contracts

There were no major contracts (contracts greater than $10 million) entered into during 2025-26.

5.7 Freedom of Information (FOI)

The Act allows the public a right of access to documents held by PoHC. The purpose of the Act is to extend as far as possible the right of members of the public to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by PoHC. This comprises documents both created by PoHC or supplied to PoHC by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The Act allows PoHC to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents, some internal working documents, documents that are commercially sensitive under trade secrets, law enforcement documents and documents covered by legal professional privilege such as legal advice, personal information about individuals and information provided to PoHC in confidence.

If an applicant is not satisfied with a decision made by a Department, under section 49A of the Act the applicant has the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

FOI requests can be lodged online at www.foi.vic.gov.au. An application fee applies. Access charges may also be payable if the document pool is large, and the search for material is time consuming. Access to documents may be obtained through written request to the Chief Executive Officer, as detailed in s17 of the Freedom of Information Act 1982. In summary, the requirements for making a request are:

- It should be in writing;
- It should identify as clearly as possible which document is being requested; and
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of PoHC should be addressed to:

Mr Andrew Dewsnap
Company Secretary & Legal Counsel
Port of Hastings Corporation
PO Box 105
HASTINGS VIC 3915

FOI@portofhastings.vic.gov.au.

Further information regarding the operation and scope of FOI can be obtained from the Act. Regulations made under the Act, and www.foi.vic.gov.au.

PoHC received no new FOI requests during the 12 months ending 30 June 2026.

PoHC also carried forward one FOI matter into 2025-26 from 2024-25, due to an ongoing resolution matter that was under review by the Victorian Civil and Administrative Tribunal.

5.8 Government Advertising Expenditure

Details of government advertising expenditure (campaigns with a media spend of $100,000 or greater)

For the 2024-25 reporting period, PoHC has declared a nil report on government advertising expenditure as no spend was incurred greater than $100,000.

5.9 Statement of Availability of Other Information

In compliance with the requirements of FRD 22 (5.22) Standard Disclosures in the Report of Operations, the following information, where applicable, is available on request from the Accountable Officer (or other nominated officer) and is subject to the provisions of the *Freedom of Information Act 1982* (Vic):

- Details of publications produced by the PoHC about itself and how these can be obtained;
- Details of any changes in prices, fees, charges, rates and levies charged by the PoHC;
- Details of major external reviews carried out on the PoHC;
- Details of major research and development activities undertaken by the PoHC;
- Details of overseas visits undertaken, including a summary of objectives and outcomes;
- Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the PoHC and its services; and
- Details of all consultancies and contractors engaged, including the names of consultants/ contractors, the services provided and the expenditure committed to each engagement.

Requests for the above information should be directed in writing to:

Mr Matt Thorpe
Chief Executive Officer
Port of Hastings Corporation
PO Box 105
HASTINGS VIC 3915

5.10 Compliance with the Building Act 1993

PoHC complies with the building and maintenance provisions of the *Building Act 1993* and the Building Regulations 2018 in relation to publicly owned buildings under its control.

During the reporting period, one building permit was issued for office building works. The works have been undertaken in accordance with the applicable permit conditions and regulatory requirements and no emergency orders or building orders were issued during the reporting period. PoHC

undertakes internal inspections and routine operational maintenance and engages suitably qualified external consultants to assess its building infrastructure, electrical systems and fire safety systems.

5.11 Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest.

Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

5.12 Compliance with the Public Interest Protected Disclosure Act 2012

The *Public Interest Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectification action to be taken.

PoHC does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. PoHC has committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health & safety or the environment.

PoHC will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. PoHC affords natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

5.13 Compliance with the Disability Act 2006

Buildings occupied and operated by Port of Hastings Corporation (PoHC) were primarily constructed in the 1970s in accordance with the applicable building codes and standards of the time. Similarly, much of PoHC's operational infrastructure, developed between the 1950s and 1970s, was designed to support the commercial port operations of that era.

PoHC is committed to progressively improving the accessibility of its facilities. The Class 5 administration facility at Stony Point provides a continuous accessible path of travel from the adjacent parking area to the main building entrance. Accessible features include a compliant access ramp, automatic entry doors and level access throughout the surrounding car parking and associated buildings, providing reasonable access for people with mobility impairments.

During the reporting period, PoHC completed a refurbishment of the Stony Point Depot office. The refurbishment incorporated contemporary accessibility principles and was designed to meet current disability access requirements, delivering a more inclusive, safe and functional workplace for employees, contractors and visitors.

PoHC recognises that alterations to existing buildings are required to comply with the current National Construction Code and applicable disability access requirements. Accordingly, accessibility and universal design principles are incorporated into the planning and delivery of building upgrades and future developments. This includes designing refurbished amenities and new building works to comply with AS 1428.1:2021 Design for access and mobility – Part 1: General requirements for access – New building work, where applicable and Design for Dignity principles

5.14 Reporting Procedures

Disclosures of improper conduct or detrimental action by PoHC or its employees may be made to any one of the following PoHC personnel:

- The Protected Disclosure Coordinator (the Chief Financial Officer);
- The Responsible Body, a member of the Board, or the Chief Executive Officer of PoHC;
- A manager or supervisor of a person from PoHC who chooses to make a disclosure; or
- A manager or supervisor of a person from PoHC about whom a disclosure has been made.

Any disclosure can be made by letter, telephone, facsimile or email. The postal address is:

The Protected Disclosure Coordinator
Port of Hastings Corporation
PO Box 105
HASTINGS VIC 3915

Alternatively, disclosures of improper conduct or detrimental action by PoHC or any of its employees may also be made directly to the Independent Broad-based Anti-Corruption Commission (IBAC). The postal address is:

The Independent Broad-based Anti-Corruption Commission

Level 1, North Tower
459 Collins Street
Melbourne VIC 3000

Phone: 1300 735 135
Internet www.ibac.vic.gov.au

During the year ended 30 June 2026, there were no disclosures made by an individual to PoHC, and the Corporation is not aware of any disclosures being notified to the Independent Broad based Anti corruption Commission.

5.15 Financial Management Attestation Statement

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

Port of Hastings Corporation Financial Management Compliance Attestation Statement

I, Matt Thorpe, on behalf of the Responsible Body, certify that the Port of Hastings Corporation has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Matt Thorpe
Chief Executive Officer

2 October 2026

5.16 Disclosure Index

The annual report of PoHC is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of PoHC's compliance with statutory disclosure requirements.

Legislation	Requirement	Page
Ministerial Directions		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	Page 8
FRD 22H	Purpose, functions, powers and duties	Page 8
FRD 8D	PoHC objectives, indicators and outputs	Page 8
FRD 22H	Key initiatives and projects	Page 8
FRD 22H	Nature and range of services provided	Page 8
Management and structure		
FRD 22H	Organisational structure	Page 17
Financial and other information		
FRD 8D	Performance against output performance measures	Page 11
FRD 8D	Budget outcomes	Page 11
FRD 10A	Disclosure index	Page 70
FRD 12B	Disclosure of major contracts	Page 66
FRD 15D	Executive officer disclosures	Page 61
FRD 22H	Employment and conduct principles	Page 23
FRD 22H	Occupational health and safety policy	Page 17
FRD 22H	Summary of the financial results for the year	Page 11
FRD 22H	Significant changes in financial position during the year	Page 12
FRD 22H	Major changes or factors affecting performance	Page 12
FRD 22H	Subsequent events	Page 12
FRD 22H	Application and operation of *Freedom of Information Act 1982*	Page 66
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	Page 67
FRD 22H	Statement on Competitive Nuetrality Policy	Page 68
FRD 22H	Application and operation of the *Protected Disclosure 2012*	Page 68
FRD 22H	Details of consultancies over $10,000	Page 65
FRD 22H	Details of consultancies under $10,000	Page 65
FRD 22H	Disclosure of government advertising expenditure	Page 67
Financial Statements		
Financial statements required under Part 7 of the FMA		
SD 5.2	Declaration in financial statements	Page 27
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 34
SD 5.2.1(a)	Compliance with Ministerial Directions	Page 34

Legislation	Requirement	Page

Ministerial Directions

Other disclosures as required by FRDs in notes to the financial statements

FRD 9A	Disclosure of Administered Assets and Liabilities by Activity	Page 47
FRD 13	Disclosure of Parliamentary Appropriations	Page 58
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 61
FRD 103G	Non-Financial Physical Assets	Page 43
FRD 110A	Cash Flow Statements	Page 33

*Note: References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure

Legislation

Transport Integration Act 2010	Page 32
Financial Management Act 1994	Page 35
Public Administration Act 2004	Page 23
Income Tax Assessment Act 1997	Page 35
Parliamentary Salaries and Superannuation Act 1968	Page 60
Victorian Industry Participation Policy Act 2003	Page 65
Building Act 1993	Page 66
Public Interest Protected Disclosure Act 2012	Page 68
Freedom of Information Act 1982	Page 66
Compliance with Disability Act 2006	Page 68


VICTORIA
State
Government